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Application Proof of

江西齊雲山食品股份有限公司
Jiangxi Qiyunshan Food Co., Ltd.

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

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江西齊雲山食品股份有限公司
Jiangxi Qiyunshan Food Co., Ltd.

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**Not more than HK$[REDACTED] per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, 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**
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[REDACTED]

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[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. You should read the entire document before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this summary are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.

OVERVIEW

We are a fruit snacks company in the PRC that primarily sells hog plum (南酸棗) food products. According to CIC, we ranked first in the hog plum food market in the PRC holding a market share of 32.4% in terms of retail sales value in 2024 and our flagship product, hog plum paste (南酸棗糕), was certified as "Green Food" by China Green Food Development Centre (中國綠色食品發展中心) for 29 consecutive years in the PRC since 1997 and recognised as National Geographical Indication Protected Products* (國家地理標誌保護產品) in 2018. We launched our first hog plum paste in 1992. Over the years, we have expanded our product portfolio to include four other hog plum products and other fruit and vegetable pastes. We are recognised as a High and New Technology Enterprise* (高新技術企業) and the Key Leading Enterprises in Agricultural Industrialization* (農業產業化國家重點龍頭企業).

Headquartered in Chongyi County, Jiangxi Province, which is recognised with the exclusive title of "Hometown of hog plum in China"* (中國南酸棗之鄉) by the National Forestry and Grassland Administration (國家林業和草原局), we benefit from the priority access to hog plum resources which are in close proximity to our production facilities and therein minimising degradation caused by prolonged transportation and reducing transportation costs while maintaining supply chain efficiency.

According to CIC, China's snacks market is highly fragmented, with the top five and top ten companies by retail sales value in FY2024 only accounting for 5.9% and 10.4% of total market share, respectively. The market size of China's fruit snacks market was valued at RMB99.5 billion, accounting for 7.4% of the total market share in the entire snacks market in China. Our Company ranked ninth and had a market share of 0.6% in the China's fruit snack industry in terms of retail sales value in FY2024.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) a leading hog plum food company with an established brand name in the PRC; (ii) geographical advantages ensure stable supply of high-quality hog plum fruit; (iii) competitive R&D capabilities; (iv) solid customer base with extensive sales and distribution network and long-term relationship with our major customers; (v) strong devotion and commitment to standardised production and stringent quality standards and control; and (vi) stable and experienced management team with a proven track record.

OUR STRATEGIES

We are committed to becoming a nationwide green snack enterprise and establish our hog plum food products as a household favourite brand among customers. To that end, we intend to implement the following strategies: (i) expansion of our production capacity and storage facility capacity; (ii) further enhance our R&D capabilities; (iii) continue to expand product categories and enrich product offering; (iv) expansion of our e-commerce network and intensify our online marketing efforts through different marketing means to enhance public awareness of our brands; and (v) expand the breadth and depth of our offline sales network in the PRC.

OUR PRODUCTS

As at the Latest Practicable Date, we have two major hog plum products, hog plum paste and hog plum pellets. Other products include hog plum gel, hog plum soft candy, hog plum jelly and other fruits and vegetable pastes (including orange, green plum, loquat and Chinese water chestnut). In addition to the sale of hog plum products, during the Track Record Period, we also provided branding and marketing services to Qiyunshan Oil Tea in respect of their camellia oil products.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin generated from our sale of products by product categories and provision of service for the years indicated:

	FY2023			FY2024			FY2025		
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
Sale of products	**245,860**	**119,593**	**48.6**	**338,266**	**164,001**	**48.5**	**312,855**	**160,151**	**51.2**
Hog plum pastes	208,860	102,202	48.9	293,988	141,995	48.3	265,904	134,836	50.7
Hog plum pellets	22,546	11,849	52.6	31,263	16,470	52.7	37,570	20,544	54.7
Others[(Note)]	14,454	5,539	38.3	13,015	5,536	42.5	9,381	4,771	50.9
Provision of service	**858**	**858**	**100.0**	**866**	**866**	**100.0**	**841**	**841**	**100**
Total	**246,718**	**120,448**	**48.8**	**339,132**	**164,867**	**48.6**	**313,696**	**160,992**	**51.3**

The table below sets forth a breakdown of our sales volume and average selling price per kg by product category for the years indicated:

		FY2023	FY2024	FY2025
Hog plum paste	*Tonnes*	5,160.2	7,485.8	6,744.8
	RMB/kg	40.5	39.3	39.4
Hog plum pellets	*Tonnes*	530.5	728.1	871.8
	RMB/kg	42.5	42.9	43.1
Other products	*Tonnes*	502.3	446.8	284.5
	RMB/kg	28.0	26.2	26.1

OUR SALES CHANNELS

We sell our products through offline and online sales channels. The table below sets out a breakdown of our revenue, gross profit and gross profit margin by sales channel for the years indicated:

	FY2023				FY2024				FY2025			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products	**245,860**	**99.7**	**119,590**	**48.6**	**338,266**	**99.7**	**164,002**	**48.5**	**312,855**	**99.7**	**160,151**	**51.2**
Offline channels	**211,103**	**85.6**	**101,309**	**48.0**	**302,759**	**89.3**	**144,469**	**47.7**	**276,261**	**88.1**	**139,988**	**50.7**
offline distributors	209,643	85.0	100,605	48.0	299,614	88.4	142,946	47.7	270,524	86.3	137,059	50.7
offline direct sales	1,460	0.6	704	48.2	3,145	0.9	1,524	48.4	5,737	1.8	2,929	51.1
Online channels	**34,757**	**14.0**	**18,281**	**52.6**	**35,507**	**10.4**	**19,532**	**55.0**	**36,594**	**11.6**	**20,163**	**55.1**
online distributors	3,089	1.2	1,560	50.5	2,568	0.7	1,324	51.6	2,223	0.7	1,149	51.7
online direct sales	31,668	12.8	16,721	52.8	32,939	9.7	18,208	55.3	34,371	10.9	19,014	55.3
Provision of branding and marketing services	**858**	**0.3**	**858**	**100.0**	**866**	**0.3**	**866**	**100.0**	**841**	**0.3**	**841**	**100.0**
Total:	**246,718**	**100.0**	**120,448**	**48.8**	**339,132**	**100.0**	**164,868**	**48.6**	**313,696**	**100**	**160,992**	**51.3**

We have an established offline distribution network that penetrates the markets in the southern China region. During the Track Record Period, we cooperated with 162, 199 and 230 offline distributors, respectively. Revenue generated from our offline distributors amounted to RMB209.6 million, RMB299.6 million and RMB270.5 million in FY2023, FY2024 and FY2025, respectively, accounting for approximately 85.0%, 88.4% and 86.3%, respectively, of our total revenue for the same years.

During the Track Record Period, we also sold a relatively small amount of products through direct sales primarily via our self-operated counters at our production facilities at Chongyi County. Revenue generated from offline direct sales in FY2023, FY2024 and FY2025 was RMB1.5 million, RMB3.1 million and RMB5.7 million, respectively, which represented approximately 0.6%, 0.9% and 1.8% of our total revenue in the same years respectively.

To complement our offline distribution channels, we also sell our products through our online channels, either under online direct sales model whereby we sell products directly to consumers through our self-operated online stores; or under online distribution model, whereby we sell our products to our online distributors for them to further distribute our products on their platforms or online stores to consumers.

Revenue generated from our online distributors amounted to RMB3.1 million, RMB2.6 million and RMB2.2 million for FY2023, FY2024 and FY2025, respectively, accounting for approximately 1.2%, 0.7% and 0.7% of our total revenue, respectively, for the same years; whereas revenue generated from our online direct sales amounted to RMB31.7 million, RMB32.9 million and RMB34.4 million for FY2023, FY2024 and FY2025, respectively, accounting for approximately 12.8%, 9.7% and 10.9% of our total revenue, respectively, for the same years.

Please refer to paragraph "Business — Our Sales Channels" in this document.

OUR PRODUCTION

As at 31 December 2025, we had one production plant in Chongyi County, Jiangxi Province in the PRC. The table below sets out the details of our production lines for the years indicated:

	FY2023			FY2024			FY2025		
Production lines	**Production Capacity[1]**	**Actual Production Volume**	**Effective Utilisation Rate[2]**	**Production Capacity[1]**	**Actual Production Volume**	**Effective Utilisation Rate[2]**	**Production Capacity[1]**	**Actual Production Volume**	**Effective Utilisation Rate[2]**
	tonnes	*tonnes*	*%*	*tonnes*	*tonnes*	*%*	*tonnes*	*tonnes*	*%*
Hog plum paste	8,800	5,904	67.1	9,224	7,210	78.2	9,233	7,348	79.6
Hog plum pellets	1,100	652	59.2	1,100	704	64.0	1,100	905	82.3
Others[3]	1,100	526	47.9	677	434	64.2	668	340	50.8
Total	11,000	7,082		11,000	8,348		11,000	8,593	

(1) The production capacity is determined and calculated by multiplying the daily capacity of our production lines with the applicable number of days of operation per year (excluding all public holidays and maintenance or inspection), which was approximately 300 days per year during the Track Record Period.

(2) The effective utilisation rate for each of the relevant year is derived by dividing the actual production volume by the production capacity.

(3) The decrease in production capacity of other products in FY2024 and FY2025 was mainly due to our strategic reduction in such products, and focusing more resources in the production of hog plum paste and hog plum pellets in response to the increasing market demand.

For details of our production process, please refer to paragraph headed "Business – Our Production — Our Production Process" in this document.

OUR RESEARCH AND DEVELOPMENT

To maintain our competitive edge, we engage in R&D activities across various aspects of our products and production processes. Our R&D efforts are primarily focused on (i) product R&D; (ii) Hog plum resources R&D; and (iii) production techniques R&D and technical equipment upgrades.

For details of our R&D efforts, please refer to paragraph headed "Business – Our Research and Development" in this document.

RAW MATERIALS AND SUPPLIERS

The primary raw materials that we use in the production of our products are hog plum. Other raw materials used in our production process include seasoning and other auxiliary materials such as sugar. During the Track Record Period, we procured raw materials exclusively from suppliers in the PRC. For FY2023, FY2024 and FY2025, our raw material costs amounted to approximately RMB81.6 million, RMB117.0 million and RMB100.4 million, respectively, representing approximately 64.6%, 67.2% and 65.8% of our total cost of sales respectively. Please refer to "Business — Raw Materials and Suppliers" in this document.

OUR CUSTOMERS

Our customers primarily encompass offline distributors and customers of our self-operated online stores which are mostly individual customers. All of our five largest customers in each of FY2023, FY2024 and FY2025 were offline distributors. Sales to our five largest customers in each of FY2023, FY2024 and FY2025 accounted for approximately 26.5%, 38.8% and 33.7% of our total revenue respectively. During the same years, sales to our largest customer accounted for approximately 6.7%, 23.0% and 12.8% of our total revenue, respectively. Please refer to the paragraph headed "Business — Our Customers" in this document.

FOOD SAFETY AND QUALITY CONTROL

We are committed to delivering safe and high-quality products to our consumers. We have a quality control system which encompasses all aspects of our operations. To ensure consistency and compliance with food safety standards, we have established standard operating procedures and machinery settings with step-by-step instructions for production and packaging. These protocols are followed by our production staff to maintain the highest standards of safe food production. For details of our food safety and quality control measures, please refer to the paragraph headed "Business — Food Safety and Quality Control" in this document.

During the Track Record Period, there were two incidents where the mould test of our product was ruled to be not in compliance with the requirements of the National Standard for Food Safety – Candied Food* (《食品安全國家標準 – 蜜餞》) in breach of the Food Safety Law of the PRC (《中華人民共和國食品安全法》). Please refer to the paragraph headed "Business – Food Safety and Quality Control" in this document.

COMPETITIVE LANDSCAPE

We operate in China's fruit snacks food industry which is highly competitive. According to CIC, China's fruit snacks market is highly fragmented, with the top ten companies accounting for only 10.4% of the market share in 2024. In 2024, we ranked the 9th place in terms of the retail sales value of fruit snacks with a market share of 0.63%. We are also a leading enterprise in China's hog plum food market, holding a 32.4% market share and is also the only hog plum food

company whose products have been certified with "Green Food", leading to competitive advantage in quality, safety and brand awareness over other competitors. For additional information, please refer to section headed "Industry Overview" in this document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary historical financial information for the years or as at the dates indicated. This summary has been derived from our historical financial information set forth in the Accountants' Report in Appendix I to this document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountants' Report in Appendix I to this document, including the accompanying notes, and the information set forth in section headed "Financial Information" in this document. Our historical financial information was prepared in accordance with IFRS Accounting Standards.

Key items of Statements of Profit or Loss

The following table sets out the key items of our statements of profit or loss for the years indicated:

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	246,718	339,132	313,696
Cost of sale	(126,270)	(174,265)	(152,704)
Gross profit	120,448	164,867	160,992
Other income and gains	3,314	5,945	7,743
Selling and marketing expenses	(68,225)	(75,835)	(80,694)
Administrative expenses	(17,043)	(18,128)	(18,449)
Research and development expenses	(11,061)	(11,948)	(11,433)
(Provision)/Reversal of impairment losses on financial assets, net	6	(12)	(56)
Other expenses	(266)	(3,443)	(1,664)
Profit before tax	27,173	61,446	56,439
Income tax expense	(3,468)	(8,247)	(7,514)
Profit for the year	23,705	53,199	48,925

Note: The above sets forth selected key items of our statements of profit or loss. Please refer to the section headed "Financial Information — Description of selected items in the statements of profit or loss and other comprehensive income" in this document for details.

Our total revenue increased from RMB246.7 million for FY2023 to RMB339.1 million for FY2024. Such increase was mainly attributable to the expansion of our distribution network. Our total revenue experienced a slight decrease from approximately RMB339.1 million in FY2024 to RMB313.7 million in FY2025. This slight decline was primarily attributable to (i) a reduction in sales order from Customer F, our largest customer for FY2024 and FY2025, due to a change to their product mix and offerings and (ii) the timing of the Chinese New Year holiday period. Since the 2025 Chinese New Year fell in January, peak season sales were recognised by the end of FY2024. By contrast, the 2026 Chinese New Year in February led to the related sales uplift being reflected in early 2026.

During the Track Record Period, our gross profit were RMB120.4 million, RMB164.9 million and RMB161.0 million in FY2023, FY2024 and FY2025, respectively, representing a gross profit margin of 48.8%, 48.6% and 51.3% for the same years, respectively. While gross profit margin remained stable in FY2023 and FY2024, it increased in FY2025 primarily due to a rise in average selling price for our products and a slight decrease in sugar price.

Our profit of the year increased by 124.4% from RMB23.7 million in FY2023 to RMB53.2 million in FY2024. Such increase was driven by the significant revenue growth from RMB246.7 million in FY2023 to RMB339.1 million in FY2025, representing an increase by 37.5%, primarily due to the expansion of our distribution network, including an increase in offline distributors and increased demand from Customer F in FY2024 which was the first full year that Customer F became our customer since commencing business in September 2023. Such significant increase was sufficient to offset the rise in operating costs. Our profit for the year decreased by 8.0% to RMB48.9 million in FY2025 primarily due to the slight decrease in revenue and the increase in selling and marketing expenses in FY2025.

Key Items of the statements of financial position

The following table sets forth selected information from our statements of financial position as at the dates indicated:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets	90,044	101,452	99,081
Current assets	155,890	208,757	202,292
Non-current liabilities	9,331	8,444	4,215
Current liabilities	58,360	81,681	47,491
Net current assets	97,530	127,076	154,801
Net assets	178,243	220,084	249,667

Note: The above sets forth selected key items of our statements of financial position. Please refer to section headed "Financial Information — Description of selected items of the statements of financial position" in this document.

Our net assets increased by 23.5% from RMB178.2 million as at 31 December 2023 to RMB220.1 million as at 31 December 2024, primarily due to profit for the year of RMB53.2 million, partially offset by dividends declared to shareholders of RMB11.3 million. Our net assets further increased by 13.4% from RMB220.1 million as at 31 December 2024 to RMB249.7 million as at 31 December 2025, primarily due to profit for the year of RMB48.9 million and the contribution from shareholders of RMB1.0 million when converting into a joint stock company, partially offset by dividends declared to shareholders of RMB20.3 million.

Summary of the Statements of Cash Flows

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	9,114	105,780	1,841
Net cash (used in)/generated from investing activities	198	(33,482)	9,775
Net cash used in financing activities	(7,059)	(11,358)	(27,985)
Cash and cash equivalents at the beginning of the year	68,185	70,438	131,378
Cash and cash equivalents as at the end of the year	70,438	131,378	115,009

Key Financial Ratios

The following table sets out our key financial ratios for the years/dates indicated:

	For the year ended 31 December/ as at 31 December		
	2023	2024	2025
Current ratio	2.7 times	2.6 times	4.3 times
Quick ratio	1.7 times	2 times	2.9 times
Gearing ratio [Note 1]	N/A	N/A	N/A
Return on equity	13.3%	24.2%	19.6%
Return on assets	9.6%	17.1%	16.2%
Interest coverage ratio	97 times	N/A	N/A
Net profit margin	9.6%	15.7%	15.6%
Gross profit margin	48.8%	48.6%	51.3%

Note:

1. Gearing ratio is not applicable as our Company has no borrowings as at the end of the respective year.

For the calculation and fluctuation of our key financial ratios, please refer to the paragraph headed "Financial Information — Key Financial Ratios" in this document.

RISK FACTORS

Our operations and **[REDACTED]** involve certain risks and uncertainties, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in this document. Some of the major risks we face include: (i) our business depends on market recognition of our brand. Any damage to our brand or reputation, adverse publicity (whether targeting us, our competitors or the industry at large) or failure to effectively promote our brand or maintain consumers' recognition of and trust in us and our products, could materially and adversely impact our business and results of operation; (ii) our business and future growth prospects rely on consumer demand for our products which is subject to changes in consumer taste, preferences, perceptions and spending patterns. Any shift in consumer demand will have a material and adverse impact on our business and results of operations; (iii) we rely on third-party distributors to place our products into the market and we may not be able to control our distributors and their sub-distributors or completely avoid the occurrence of channel stuffing among our distributors; (iv) the development of distribution network and marketing activities may not meet expectations, or we may fail to manage the coordination of our offline and online sales channels, which may adversely affect our operation results; and (v) any failure to maintain an effective quality control system or to adhere to our quality standards could have a material adverse effect on our business, financial condition and operating results, as well as our brand and reputation. Please refer to the section headed "Risk Factors" in this document for further details.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Chongyi Food Factory and Yunzhishang LP will be interested in approximately **[REDACTED]**% and **[REDACTED]**% of our enlarged issued share capital, respectively. The Core Management Shareholders, who hold in aggregate 68.79% of the registered share capital in Chongyi Food Factory and 68.32% of the partnership interests in Yunzhishang LP, have entered into an acting-in-concert agreement and hence will constitute our Controlling Shareholders together with Chongyi Food Factory and Yunzhishang LP. For details, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

DIVIDEND

We declared and paid dividends to our Shareholders of RMB7.1 million, RMB11.4 million and RMB20.3 million for FY2023, FY2024 and FY2025 respectively. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other restrictions, and other factors that our Board deems to be appropriate. We currently do not have any fixed dividend pay-out ratio. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

[REDACTED]

We estimate the **[REDACTED]** from the **[REDACTED]** which we will receive, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** range stated in this doucment), will be approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), after deduction of **[REDACTED]** and other expenses payable by us in relation to the **[REDACTED]** and assuming the **[REDACTED]** is not exercised.

We intend to use the **[REDACTED]** of the **[REDACTED]** in the expansion of our business as follows:

Approximate amount of [REDACTED]	Intended applications
Approximately **[REDACTED]**%, HK$**[REDACTED]** million	Expansion of our production and storage capabilities
Approximately **[REDACTED]**%, HK$**[REDACTED]** million	Enhancement of our R&D capabilities
Approximately **[REDACTED]**%, HK$**[REDACTED]** million	Development of e-commerce infrastructure and online promotion expenses
Approximately **[REDACTED]**%, HK$**[REDACTED]** million	Expansion of our offline sales and distribution network in both existing and untapped market in PRC
Approximately **[REDACTED]**%, HK$**[REDACTED]** million	Additional working capital and other general corporate purposes

Please refer to the paragraph headed "Future Plans and **[REDACTED]** — **[REDACTED]**" in this document.

LEGAL PROCEEDINGS AND LEGAL COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we were involved in two contractual disputes. Please refer to the paragraph headed "Business — Legal Proceeding and Compliance — Legal proceeding" in this document for details. Save as disclosed, during the Track Record Period and up to the Latest Practicable Date, there were no legal, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material adverse effect on our financial condition or results of operations.

[REDACTED] STATISTICS

Unless otherwise indicated, all statistics in the following table are based on the assumptions that (i) the **[REDACTED]** has been completed and **[REDACTED]** H Shares are issued pursuant to the **[REDACTED]**; and (ii) the **[REDACTED]** is not exercised.

	Based on an [REDACTED] of HK$[REDACTED] per H Share	**Based on an [REDACTED] of HK$[REDACTED] per H Share**
[REDACTED] of our Shares[(1)]	HK$**[REDACTED]** million	HK$**[REDACTED]** million
[REDACTED] of our H Shares	HK$**[REDACTED]** million	HK$**[REDACTED]** million
[REDACTED] adjusted consolidated net tangible assets of our Company per Share[(2)]	HK$**[REDACTED]** (RMB**[REDACTED]**)	HK$**[REDACTED]** (RMB**[REDACTED]**)

Notes:

(1) The calculation of **[REDACTED]** is based on **[REDACTED]** H Shares and 75,000,000 unlisted shares, and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**, respectively.

(2) The **[REDACTED]** adjusted consolidated net tangible asset of our Company per Share as at 31 December 2025 is calculated after making the adjustments referred to in "**[REDACTED]** Financial Information" in the Appendix II to this document.

[REDACTED]

Based on the mid-point of the **[REDACTED]** stated in this document and assuming that the **[REDACTED]** is not exercised, the total estimated **[REDACTED]** (including **[REDACTED]**) in connection with the **[REDACTED]** are expected to be HK$**[REDACTED]** million or **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**, among which HK$**[REDACTED]** million is directly attributable to issuance of H Shares and will be charged to equity upon completion of the **[REDACTED]**, and HK$**[REDACTED]** million has been charged or is expected to be charged to our statements of profit and loss and other comprehensive income. Our **[REDACTED]** are categorized into **[REDACTED]**-related expenses, which consists of **[REDACTED]** fee and commission of approximately HK$**[REDACTED]** million and non-**[REDACTED]**-related expenses of approximately HK$**[REDACTED]** million. The non-**[REDACTED]**-related expenses can be further classified into (i) fees and expenses for legal advisors and accountants of approximately HK$**[REDACTED]** million; and (ii) other fees and expenses of approximately HK$**[REDACTED]** million.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since the end of the Track Record Period, we have continued to advance our business development initiatives by strengthening cooperation with our distributors. We have also been continuously developing new products after 31 December 2025 up to the Latest Practicable Date.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since 31 December 2025, being the date of our latest audited financial statements, and there has been no event since 31 December 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DEFINITIONS

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

"Accountants' Report"	the accountants' report of our Company, the text of which is set out in Appendix I to this document
"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company conditionally adopted on 18 June 2025, which will become effective on the **[REDACTED]**, as amended from time to time, a summary of which is set out in Appendix VI to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	our board of Directors
"business day"	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for normal banking business to the public
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"China" or "PRC" or "mainland China"	the People's Republic of China excluding, for the sole purpose of this document, Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"Chongyi Food Factory"	Jiangxi Chongyi County Food Factory*(江西省崇義縣食品廠)(formerly known as Chongyi County Food Processing Factory*(崇義縣食品加工廠)and Chongyi County Food Factory*(崇義縣食品廠)), a joint stock cooperative enterprise(股份合作制企業) established under the laws of the PRC on 20 March 1979 and one of our Controlling Shareholders

"CIC"	China Insights Industry Consultancy Limited, an independent professional market research and consulting company
"CIC Report"	an independent industry report prepared by CIC for the purpose of this document
[REDACTED]	**[REDACTED]**
"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" or "our Company"	Jiangxi Qiyunshan Food Co., Ltd.(江西齊雲山食品股份有限公司), formerly known as Jiangxi Qiyunshan Food Co., Ltd.*(江西齊雲山食品有限公司), a limited liability company established in the PRC on 28 September 1995 and converted into a joint stock company with limited liability on 11 June 2025, together with its branches as disclosed in the paragraph headed "History and Corporate Structure — Our Branches" in this document
"Compliance Adviser"	Zhongtai International Capital 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
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules, and in the context of this document, means Chongyi Food Factory, Yunzhishang LP and the Core Management Shareholders
"Core Management Shareholder(s)"	our executive Directors, namely Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan, Mr. Huang Zhongming and Mr. Ling Huashan, who in aggregate held 68.79% shareholding interests in Chongyi Food Factory and 68.32% partnership interests in Yunzhishang LP as at the Latest Practicable Date, each being a Controlling Shareholder

"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
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC* (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
[REDACTED]	**[REDACTED]**
"FY2023"	the financial year ended 31 December 2023
"FY2024"	the financial year ended 31 December 2024
"FY2025"	the financial year ended 31 December 2025
[REDACTED]	**[REDACTED]**
"H Share(s)"	the ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be **[REDACTED]** and **[REDACTED]** on the Stock Exchange
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
"IFRSs"	the International Financial Reporting Standards issued by the International Accounting Standards Board
"Independent Third Party(ies)"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
"Internal Control Consultant"	Ernst & Young (China) Advisory Limited, an independent internal control consultant engaged by us
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Latest Practicable Date"	7 March 2026, being the latest practicable date for ascertaining certain information in this document before its publication
[REDACTED]	**[REDACTED]**

"Listing Committee"	the Listing Committee of the Stock Exchange
[REDACTED]	**[REDACTED]**
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified f from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Huang Zhongming"	Mr. Huang Zhongming (黃忠明), an executive Director and one of our Controlling Shareholders
"Mr. Ling Huashan"	Mr. Ling Huashan (凌華山), an executive Director and one of our Controlling Shareholders
"Mr. Liu Jiyan"	Mr. Liu Jiyan (劉繼延), an executive Director, one of our Controlling Shareholders and the brother of Mr. Liu Zhigao
"Mr. Liu Zhigao"	Mr. Liu Zhigao (劉志高), the chairman of the Board, an executive Director, the general manager of our Company, one of our Controlling Shareholders and the brother of Mr. Liu Jiyan
"Mr. Zhu Fangyong"	Mr. Zhu Fangyong (朱方永), an executive Director and one of our Controlling Shareholders
"Ms. Yang Yulan"	Ms. Yang Yulan (楊玉蘭), an executive Director and one of our Controlling Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of our Board

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"PBOC"	the People's Bank of China(中國人民銀行), the central bank of the PRC
"PRC Company Law"	Company Law of the People's Republic of China(中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Government" or "State"	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
"PRC Legal Advisers"	King & Wood Mallesons, the legal advisers to our Company as to the laws of the PRC
[REDACTED]	**[REDACTED]**

[REDACTED]	**[REDACTED]**
"Qiyunshan Oil Tea"	Jiangxi Qiyunshan Oil Tea Technology Co., Ltd.*(江西齊雲山油茶科技有限公司), a limited liability company established under the laws of the PRC on 27 August 2010
[REDACTED]	**[REDACTED]**
"Reporting Accountants"	Ernst & Young, the reporting accountants of our Company
"Remuneration and Appraisal Committee"	the remuneration and Appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"SCNPC"	the Standing Committee of the National People's Congress (中華人民共和國全國人民代表大會常務委員會)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal or par value of RMB1.00 each, including H Shares and Unlisted Shares
"Shareholder(s)"	holder(s) of the Share(s)
[REDACTED]	**[REDACTED]**

"Sole Sponsor"	Zhongtai International Capital Limited (中泰國際融資有限公司), a licensed corporation under the SFO permitted to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or the "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	The Code on Takeovers and Mergers issued by the SFC as amended, supplemented or otherwise modified from time to time
"Track Record Period"	FY2023, FY2024 and FY2025
"treasury shares"	has the meaning ascribed thereto under the Listing Rules
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Unlisted Share(s)"	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in RMB and not currently listed or traded on any stock exchange
"USD"	United States dollars, the lawful currency of the United States
"U.S." or "United States"	the United States of America
[REDACTED]	**[REDACTED]**
"VAT"	value-added tax
"Yunzhishang LP"	Ganzhou Yunzhishang Equity Investment Management Partnership (Limited Partnership)* (贛州雲之上股權投資管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 14 February 2022 and a Controlling Shareholder
"%"	per cent

The English names of the PRC nationals, enterprises, entities, departments, facilities, certificates, regulations, titles and the like are translation and/or transliteration of their Chinese names and are included for identification purposes only. In the event of inconsistency between the Chinese names and their English translations and/or transliterations, the Chinese names shall prevail.

Certain amounts and percentage figures included in this document 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.

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as at the Latest Practicable Date.

* *For identification purposes only*

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"CAGR"	compound annual growth rate
"hog plum"	Choerospondias axillaris (南酸枣), subtropical fruit native to southern China and part of Southeast Asia
"ISO"	the International Organisation for Standardisation
"ISO 22000"	a set of standards maintained by ISO relating to food safety management system
"kg"	kilogramme
"OEM"	original equipment manufacturer, which is a company that manufactures products, in whole or in part, in accordance with the designs and specifications of the customer, and the products are marketed under the customer's brand
"R&D"	research and development
"snack(s)"	convenience food products generally consumed and eaten between meals
"sq.m."	square metre
"tonne(s)"	metric tonne or metric tonnes, 1,000 kilograms equals to 1 tonne

FORWARD-LOOKING STATEMENTS

We have included in this document 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 document contains certain forward-looking statements and information relating to us and our subsidiaries 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 document, the words "aim", "anticipate", "believe", "consider", "continue", "can", "could", "estimate", "expect", "going forward", "intend", "may", "might", "ought to", "plan", "project", "predict", "seek", "should", "will", "would", "vision", "aspire", "target", "schedule" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies, financial positions, our plans, objectives, goals, targets, future developments in the market and the environment in which we will operate in the future. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this document and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our business strategies, plans and objectives and our ability to successfully achieve these strategies, plans and objectives; (ii) our capital expenditure plans; (iii) our operation and business prospects; (iv) our financial condition and results of operation; (v) availability of bank loans and other forms of financing; (vi) our ability to control or reduce costs and optimise pricing; (vii) our dividend policy; (viii) the actions of and developments affecting our competitors, our major customers and suppliers; (ix) the ability to attract and retain our consumers; (x) our ability to maintain our market position; (xi) the ability of third parties to perform in accordance with contractual terms and specifications; (xii) our ability to retain senior management and key personnel and recruit qualified staff; (xiii) the effectiveness of our quality control systems; (xiv) the amount and nature of, and potential for, future development of our business; (xv) the competitive environment of the industry and markets in which we operate; (xvi) future developments, trends and conditions in the industries and markets in which we operate; (xvii) changes to the regulatory environment, policies, operating conditions and general outlook in the industries and markets in which we operate; (xviii) capital market developments in Hong Kong, the PRC and overseas; (xix) general economic, political and business conditions in the PRC; (xx) our prospective financial information and certain statements included in the sections headed "Summary", "Risk Factors", "Industry Overview", "Regulatory Overview", "Business", "Financial Information" and "Future Plans and **[REDACTED]**" in this document with respect to trends in prices, operations, margins, overall market trends, risk management and exchange rates, and (xxi) the other risk factors discussed in this document as well as other statements in this document that are not historical facts.

FORWARD-LOOKING STATEMENTS

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks materialise or should underlying assumptions prove to be incorrect, our financial condition and actual results of operations may be materially and adversely affected and may vary significantly from those estimated, anticipated or projected, as well as from historical results.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realised. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

In this document, statements of or references to our intentions or any of our Directors are made as of the date of this document. Any such information may change in light of future developments.

In addition to other information in this document, potential [REDACTED] should carefully consider and evaluate the following risk factors before making any [REDACTED] decision in relation to our H Shares. You should pay particular attention to the fact that we conduct our operations in the PRC, the legal and regulatory environment of which in some respects may differ from that in Hong Kong. Any of the risks and uncertainties described below could have a material adverse effect on our business, results of operations, financial condition or the [REDACTED] price of our H Shares, and could cause you to lose all or part of your [REDACTED].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business depends on market recognition of our brand. Any damage to our brand or reputation, adverse publicity (whether targeting us, our competitors or the industry at large) or failure to effectively promote our brand or maintain consumers' recognition of and trust in us and our products, could materially and adversely impact our business and results of operation.

We rely on the strength of our "Qiyunshan(齊雲山)" brand and reputation when selling and marketing our products. Therefore maintaining and enhancing the recognition and image of our brand are critical to our ability to differentiate our products and to compete effectively. The food industry in the PRC as a whole is particularly sensitive to concerns over food safety and quality related issues and can be materially and adversely affected by negative publicity or news reports, whether accurate or not and whether targeting us in particular or not, regarding food safety and quality and public health concerns.

Due to our established presence in the fruit snacks market, we may become the target of public scrutiny. Any negative claim against us, even if meritless or immaterial to our operations, could damage our brand and reputation, and also divert our management's attention and other resources from our other business concerns which may in turn materially and adversely affect our business and results of operations. Negative media coverage regarding actual or perceived food safety concerns, contamination or nutritional value of our products may materially and adversely affect the level of consumer recognition of, and trust in, us and our products. In addition, adverse publicity about any regulatory or legal action against us could damage our reputation and brand image, undermine our customers' confidence in us and reduce demand for our products, even if the regulatory or legal action is unfounded.

Our established brand recognition may attract imitators to imitate our products and brands without authorisation. Counterfeit product may divert our existing and potential customers, and any unauthorised use of our trademarks and imitation of our products could adversely affect our brand name and reputation, thereby causing a decline in our financial performance, reduction in our market share as well as an increase in the amount of resources we need to devote to detect and prosecute such behaviour. There is no assurance that we will be able to detect and prevent effectively any issue arising from such behaviour in a timely manner which could adversely affect our reputation, results of operations and financial condition.

Additionally, we may also be subject to risks affecting manufacturers of fruit snack generally, such as environmental pollution and food contamination, spoilage or contamination of raw materials, presence of excessive chemical additives, consumer product liability claims, product tampering, product labelling errors, inadequate enforcement of food-safety regulations and inspection procedures and potential cost and disruption of product recalls. While these events may not have any direct connection to us, they may negatively influence consumer perception and demand for our products, even if they do not involve our products or operations, and increase the PRC Government's supervision of our industry, which could materially and adversely affect our results of operations.

Our business and future growth prospects rely on consumer demand for our products which is subject to changes in consumer taste, preferences, perceptions and spending patterns. Any shift in consumer demand will have a material and adverse impact on our business and results of operations.

Our product portfolio primarily consists of hog plum paste and hog plum pellets with different flavours. Our other products include hog plum gel, hog plum soft candy, hog plum jelly and other fruits and vegetable pastes (including oranges, green plum, loquat and Chinese water chestnut). Our business relies substantially on consumer spending pattern, which is affected by factors such as consumer preferences and tastes, our consumers' disposable income, consumer perceptions of our product safety and quality and general food safety issues. A decline in the demand for our products could occur as a result of a change in any of the factors described above at any time, and our future success will depend partly on our ability to anticipate, identify or adapt to such changes and to timely develop and execute advertising and promotion strategies.

For FY2023, FY2024 and FY2025, the sale of our products generated a revenue of approximately RMB245.9 million, RMB338.3 million and RMB312.9 million respectively, representing approximately 99.7%, 99.7% and 99.7% of our total revenue for the corresponding years respectively. As our products are mainly hog plum food with a variety of flavours, type and serving sizes, we are particularly susceptible to any changes in consumer preferences and tastes, and any of our failure to anticipate, identify or adapt to market trends, may impose downward pressure on sales and pricing of our products or lead to increases in selling and distribution expenses, and therefore materially and adversely affect our business and results of operations. There is no assurance that we will be able to adapt our product portfolio to changes in market trends or shifts in consumer preferences and tastes. We may not be able to introduce new products that are in faster growing and more profitable categories or reduce our provision of products in categories experiencing sales declines. Additionally, trends and shifts in consumer preferences and tastes may apply downward pressure on sales and pricing or lead to increased levels of selling and promotional expenses. Any of these factors could have a material adverse impact on our financial condition and results of operations.

In order to promptly respond to rapidly developing market trends and changing consumer tastes and preferences, our sales and marketing team regularly observes the changing trends in our target markets and launches new flavours or serving sizes from time to time. There is no assurance that we will be able to continuously develop new products or that our existing or new products in the future will continue to generate sufficient consumer demand to be profitable.

We rely on third-party distributors to place our products into the market and we may not be able to control our distributors and their sub-distributors or completely avoid the occurrence of channel stuffing among our distributors.

We rely on third-party distributors to sell our products. As at 31 December 2025, our distribution network consisted of 271 distributors, among which 230 were offline distributors and 41 were online distributors. Purchases by distributors accounted for the substantial majority of our sales. In FY2023, FY2024 and FY2025, our sales to offline distributors accounted for 85.0%, 88.4% and 86.3% of our revenue, respectively, while our sales to online distributors accounted for 1.2%, 0.7% and 0.7% of our revenue, respectively. As we mainly sell and distribute our products through distributors, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition and results of operations: (i) reduction, delay or cancellation of orders from distributor(s); (ii) selection or increased sales by our distributors of our competitors' products; (iii) failure to renew distribution agreements and maintain relationships with our existing distributors; (iv) failure to establish relationships with new distributors on favourable terms; and (v) inability to timely identify and appoint additional or replacement distributors upon the loss of one or more of our distributors.

We may not be able to effectively compete against our current or future competitors in terms of sales and marketing campaigns, especially if such competitors offer more favourable terms to their distributors. There is no assurance that we will not lose any of our distributors to our competitors, potentially leading to the loss of some or all of our favourable arrangements with such distributors. In addition, we may not be able to successfully manage our distributors and the cost of any consolidation or further expansion of our distribution and sales network may exceed the revenue generated from these efforts. There is no assurance that we will be successful in detecting and identifying any non-compliance by our distributors with the provisions of their distribution agreements. Non-compliance by our distributors could, among other things, adversely affect our brand, demand for our products and our relationships with other distributors. Furthermore, if the sales volume of our products to consumers is not maintained at a satisfactory level or if distributor orders fail to track consumers' demand, our distributors may not place orders for new products from us, or decrease the quantity of their usual orders. The occurrence of any of these factors could significantly reduce our product sales volume, thereby adversely impacting our financial status and results of operations.

During the Track Record Period, our distributors may further sell our products to sub-distributors. In general, we do not enter into contracts with such sub-distributors, thus having no control over their sales activities. Please refer to the paragraph headed "Business — Our Sales Channels — Offline Channels" in this document for further details. We cannot guarantee that our distributors would continue to follow our policies and measures to prevent channel stuffing, or our strict policy product return policy will continue to be effective. There is also no assurance that the sub-distributors will at all times comply with our sales policies or that they will not compete with each other for market share in respect of our products. If we fail to effectively prevent the occurrence of channel stuffing or if any of the sub-contractors fail to distribute our products to their customers in a timely manner, overstock, or carry out actions which are inconsistent with our business strategy, it may affect our future sales. This may in turn materially and adversely affect our business, financial conditions results of operations and prospects.

The development of distribution network and marketing activities may not meet expectations, or we may fail to manage the coordination of our offline and online sales channels, which may adversely affect our operation results.

Our sales channel include offline channel and online channel. Growth in our sales through online sale channels in the future may give rise to competition between our distributors and our own online direct sales channel. If we fail to optimise product mix and pricing strategies among our online and offline distributor and direct sales channels, or otherwise fail to manage the integration of these channels or amongst online and offline distributors, the competition among these channels may adversely affect our business, financial condition and results of operations.

Furthermore, failure to manage our distributorship sales channels may give rise to potential cannibalisation in the future and adversely affect our business. In FY2023, FY2024 and FY2025, our sales to offline distributors constituted 85.0%, 88.4% and 86.3% of our revenue respectively, while sales through our online distribution model accounted for 1.2%, 0.7% and 0.7% of our revenue respectively. Any significant growth in our sales to certain distributors in the future, or changes to our distribution network, may give rise to competition among our distributors and increase the risk of cannibalisation. If we fail to effectively manage our distribution network, the competition among the distributors may adversely affect our business, financial condition and results of operations. For details on how we manage the risk of cannibalisation, please refer to the paragraph headed "Business – Our Sales Channels – Coordination between Sales Channels" in this document.

We cannot guarantee that our distributors would continue to follow our policies and measures to prevent channel stuff, or our strict policy product return policy will continue to be effective.

Any failure to maintain an effective quality control system or to adhere to our quality standards could have a material adverse effect on our business, financial condition and operating results, as well as our brand and reputation.

Food safety and quality are critical to our reputation and success. Maintaining consistent quality and food safety is dependent on a number of factors, including the design of our quality assurance systems and our ability to ensure that our employees and other third parties involved in our operations adhere to those quality assurance policies and guidelines. For further details of our quality control system, please refer to the paragraph headed "Business — Food Safety and Quality Control" in this document.

We rely heavily on local farmers for the supply of hog plums and our production requires going through many processes. There is no assurance that our quality control system would be effective at all times, or that we can identify any defects in our quality control system in a timely manner. We face an inherent risk of food contamination and liability claims. Any food contamination that we fail to detect or prevent could adversely affect the quality of the products sold, which could lead to liability claims, reduced customer satisfaction and confidence in our products, and the imposition of penalties or fines by relevant authorities.

During the Track Record Period, there were two incidents where the mould test of our product was ruled to be not in compliance with the requirements of the National Standard for Food Safety — Candied Food*(《食品安全國家標準－蜜餞》) in breach of the Food Safety Law of the PRC(《中華人民共和國食品安全法》) in a sample test conducted by the State Market Supervision and Administration of the State Counsel, and the cleanliness of the storage facilities for the substandard products was found to be unsatisfactory. As a result, in March 2023 and in April 2023, we were ordered by Chongyi Market Supervision Bureau*(崇義縣市場監督管理局) and Ganzhou Market Supervision Bureau*(贛州市市場監督管理局) to pay fines, and the defective products were confiscated and disposed, amounting to a total penalty and confiscation of illegal gains of RMB60,752 and RMB68,880, respectively. Please refer to the paragraph headed "Business — Food Safety and Quality Control" in this document for further details.

We rely on our subcontractors to manufacture and process our hog plum jelly products, and our financial performance and business may be affected by the performance and operation of our subcontractors.

We engage a subcontractor to manufacture and process our hog plum jelly products in October 2024. We are exposed to legal liabilities in the event that we are not able to assess the quality of the products processed by the subcontractor. As the products are sold in our brand name, any defective products sold to the market could lead to liability claims, reduced customer satisfaction and confidence in our products, and the imposition of penalties or fines by relevant authorities.

In addition, the subcontracting arrangement also exposes us to risks associated with any non-performance, delayed performance or sub-standard performance by our subcontractor or its respective employees. We may incur additional costs or be subject to liability due to delay in schedule in delivering our products, which would impact upon our profitability, financial results and reputation.

Our online sales depend on the proper operation of third-party online platforms and any serious interruptions of these platforms could adversely affect our operations.

The development of sales through third-party online platforms is part of our business strategy. We have launched profile pages and a sales channel on our third-party online platforms. However, we do not have control over the operation of third-party online platforms and such platforms are susceptible to damage or interruptions such as power failure, computer viruses, acts of hacking, vandalism and similar events. Any serious interruption or damage to the online platforms may have an adverse effect on our business, financial condition and results of operations. There is no assurance that our online sales strategy will be implemented in accordance with our plan or at all.

We operate in a highly competitive industry. Failure to compete effectively could adversely affect our market share, growth and profitability.

We operate in China's fruit snack food industry, which is highly competitive, and the competition may further intensify with the increasing popularity of healthy food trends. In light of the highly competitive and volatile environment, our future growth depends on our ability to continuously introduce new products to meet such changing demands. There is no assurance that our new products or flavours will gain market acceptance or suit the particular tastes or requirements of the consumers. We may not be able to introduce new products that are acceptable to our consumers or capable of generating sufficient profit margins to recover our costs. In addition, we may fail to adjust our production of less popular products without incurring significant costs. To the extent that we are unable to introduce new products, improve our portfolio of products and satisfy consumers' changing preferences, our market share and financial performance may be materially and adversely affected.

Furthermore, an increase in competition could require us to continue to increase our promotion and advertising expenses, which might place pressure on our margins and affect our profitability. Additionally, competition may result in price reduction, reduced margins and loss of market shares for us, any of which could have an adverse impact on our results of operation.

Our ability to effectively compete will depend on various factors, including the successful implementation of our sales and distribution network expansion strategy, and our ability to improve existing products, develop and launch new products, and to enhance production capacity and efficiency. Failure to successfully compete may prevent us from increasing or sustaining our revenue and profitability and potentially lead to a loss of market share, which could have a material and adverse effect on our business, financial condition, results of operation and cash flows.

We may be unable to effectively manage our future growth and expansion.

Our future growth may result from expanding our production capacity, streamlining production process, introducing new products, expanding our sales and promotion team, expanding our sales geographically and entering new markets or new sales channels. Our ability to achieve growth or materialise our expansion plan will require us to meet a number of challenges, including: (i) enhancing our R&D capabilities; (ii) competing with existing companies in our markets; (iii) strengthening our existing relationship with distributors; (iv) sourcing additional suppliers of raw materials that satisfy our quality requirements to ensure stable supply of raw materials; (v) managing our suppliers; (vi) hiring and training our personnel; (vii) expanding our sales and marketing team; (viii) enhancing our product development capabilities; (ix) controlling our costs and maintaining sufficient liquidity; (x) prioritising our financial and management controls in an efficient and effective manner; (xi) exercising effective quality control; (xii) maintaining our high food-safety standards; (xiii) strengthening our existing relationships with our customers; and (xiv) market acceptance of our products.

We face increased risks when we enter into new geographic markets or develop new sales channels, as our experience in these new markets and with new sales channels may be limited. New markets and sales channels may have different regulatory requirements, competitive conditions, consumer preferences and consumer discretionary spending patterns from our existing markets and sales channels. Consumers in new markets and sales channels are likely to be unfamiliar with our brand and products and we may need to build or increase brand awareness in the relevant markets and sales channels by having more advertising and promotional activities than we originally planned. As a result, the investment cost of introducing products in new markets may be higher and may take longer to reach expected sales and profit levels than in our existing markets, which could affect the viabilities of these new operations or our overall profitability.

As we also sell our products on major e-commerce platforms and to online distributors, our development of the e-commerce channel depends on many factors, most of which are beyond our control, including: the trust and confidence level of the PRC's online consumers towards the relevant e-commerce platforms, the growth of internet usage in the PRC, the development of fulfilment, payment and other ancillary services associated with e-commerce sales. Any failure to respond to trends and consumer requirements in the e-commerce channel may adversely affect our sales and our business and growth prospects in this sales channel.

Inevitably, our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There is no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may materially and adversely affect our growth prospects. In addition, our expansion plan may be subject to China's environmental protection laws and regulations. These laws and regulations may require us to adopt effective measures to control and properly dispose of waste materials, waste water and other environmental waste materials. Fines may be levied against us if we cause pollution in excess of permitted levels. If our failure to comply with such laws or regulations (especially in the locality of the new markets that we may be less familiar with) results in environmental pollution, the administrative department for environmental protection can levy fines. If the circumstances of the breach are serious, the PRC Government may suspend or close any operation on us for failing to comply with such laws or regulations.

If our customers fail to receive their products as scheduled, our sales and reputation may be materially and adversely affected.

We appoint third-party logistics service providers for transportation and delivery of our products and we bear the costs of such product delivery. The services provided by these logistics service providers could be interrupted and the delivery of our products to our customers may be delayed. Delivery disruptions may occur for various reasons beyond our control, including transportation bottlenecks, adverse weather conditions, natural disasters, social unrest and labour strikes, which could result in delayed or lost deliveries. If our customers fail to receive their products as scheduled, they may cease placing orders with us and our sales and reputation may be materially and adversely affected.

In addition, disputes with or a termination of our contractual relationships with one or more of our logistics service providers could result in delayed delivery of products or increased costs. There is no assurance that we will continue or extend relationships with our current logistics companies on terms acceptable to us, or that we will be able to establish relationships with new logistics companies to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics companies, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. In addition, as we do not have any direct control over these logistics companies, we cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue, our sales and brand image may be affected.

Any improper handling of our products by the logistics service providers could also result in product contamination or damage, which may in turn lead to product recalls, product liabilities, increased costs and damage to our reputation, which may in turn adversely affect our business, financial condition and results of operations.

The storage and transportation costs of our logistics service providers are subject to factors beyond our control, such as the fluctuation in the gasoline price, increases in road tolls and bridge tolls, and changes in transportation regulations. Any increase in the service costs of our logistics service providers may lead to an increase in our logistic expenses, which may in turn negatively affect our results of operations.

Our sales are subject to seasonality.

The sales of our products are subject to seasonality fluctuations. We generally experience higher sales for our products during or ahead of holiday seasons, such as the Chinese New Year. Historically, we generally experienced higher sales of our products from December to February. For example, revenue generated in July 2024 and December 2024 accounted for 4.5% and 16.2% of our total revenue generated from sales of products. Seasonal variations may cause fluctuations in our interim sales and profits. As a result, our results of operations fluctuate and our interim results may not proportionately reflect our annual results.

We may not be able to maintain a stable supply of raw materials and the availability of our raw materials could be subject to seasonality, weather conditions and global climate changes.

The primary raw material that we use in the production of our products consists of hog plums which are typically collected by local farmers in uncultivated mountain areas. Our business is dependent on maintaining a stable supply of such hog plums. Any shortage in hog plums or fluctuations in market prices could negatively affect our purchase from the suppliers. The harvesting and cultivation of hog plums are subject to natural conditions which are beyond our control. In the event of unfavourable weather and climate conditions, the quantity or quality of hog plums available to us could be affected. For instance, wild fire, flooding, drought, extreme weather, or other kind of natural disasters may significantly reduce the supply and increase the price of hog plums in the market, which in turn affect our gross margin. In addition, global climate change may also affect the supply of hog plums. If we are unable to secure sufficient supplies of raw materials, our business results of operations and financial position could be materially and adversely affected.

Furthermore, the harvest of hog plum is also subject to seasonality in which they are mainly collected by local farmers from August to December each year. Since hog plums are mainly naturally-grown fruits and their growth and yield are heavily influenced by environmental conditions, regardless grown naturally in mountains or cultivated in orchards, our production is subject to uncertainty.

In addition, vast majority of our hog plum supply is sourced from local farmers who harvest the fruits in uncultivated mountain areas, with whom we typically do not establish formal contractual agreements. Upon collecting hog plums in such uncultivated mountain areas, they visit our factory to weigh, examine and, if their hog plums meet the quality standards, sell to us on the spot. As there is no systematic organisation among such suppliers nor mandatory obligations imposed on them to provide certain amount of hog plum to us, there is no assurance that we can maintain a stable supply of our raw materials as external factors can lead to poor harvests.

For hog plums cultivated in orchards, the history of cooperation is short and orchard yields remain subject to various factors including environmental conditions beyond our control. There can also be no assurance that the harvest quality or quantity of the hog plum will meet our production requirements or compensate for potential shortfalls in hog plums collected in uncultivated mountain areas. Under such situation, our production volume and product quality may be impaired. Moreover, persistent disruptions in the supply chain could exert pressure on our costs and we cannot assure you that all or part of any increased costs can be passed along to our customers in a timely manner or at all, which would adversely affect our business, our competitiveness, overall profitability and financial performance.

We face risks associated with product concentration.

Our principal products are primarily hog-plum based which may result in a certain level of product concentration risk. The continued market acceptance, demand and consumer preference for hog plum are critical to our future success. Any shift in consumer preference or adverse media report on hog plum fruits could have a material adverse effect on our business, financial condition and operating results.

There is no assurance that our effort in diversifying product portfolio into other fruit and vegetable categories from time to time will succeed or achieve meaningful market acceptance. The fruit snacks industry is highly competitive, with evolving trends and established players which further complicates our diversifications. Failure to successfully develop, launch and scale alternative products may adversely affect our business and financial performance.

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**"). The aggregate amount of third-party payments (the "**Third-Party Payments**") we received from Third Party Payers was RMB37.6 million, RMB37.8 million and RMB24.8 million, which respectively accounted for 15.3%, 11.1% and 7.9% of our Company's total revenue for FY2023, FY2024 and FY2025 respectively.

We are subject to various risks relating to such historial Third-Party Payment Arrangements, including possible claims from third-party payers for the return of funds as we have not entered into contractual relations with such payers, 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 results of operations and financial condition may as a result be adversely affected.

We settle our payments to our suppliers by cash which pose inherent risks to our business in terms of security concerns, record keeping and compliance.

As our suppliers for hog plum are local farmers, we may settle our payments to our suppliers by cash immediately upon delivery of the hog plums at our production facilitates. For FY2023, FY2024 and FY2025, the cash transaction amounts for the procurement of hog plum were RMB0.4 million, RMB0.7 million and RMB0.2 million, accounting 0.2%, 0.3% and 0.2% of our raw materials costs for the periods indicated, respectively. Cash transactions lack traceability which complicate our financial record-keeping and potentially leads to discrepancies in our financial statements. Such payment method is susceptible to misappropriation of cash and non-compliance with anti-money laundering regulations if we fail to monitor and supervise our employees, and we might be subject to legal liabilities which will not only affect our business reputations and require divestment of resources but also adversely impact our business operation and financial performance.

We may face the risk of inventory obsolescence.

As at 31 December 2023, 2024 and 2025, we had inventories of RMB59.5 million, RMB48.4 million and RMB63.4 million respectively. Our inventory turnover days in FY2023, FY2024 and FY2025 were 142 days, 113 days and 134 days respectively. Please refer to the paragraph headed "Financial Information — Description of Selected Items of the Statements of Financial Position — Inventories" in this document for further details.

We generally estimate demand for our products ahead of production and the actual time of sale. We cannot assure you that we can accurately predict these trends and events and avoid under or over-stocking inventory. A sudden decrease in the market demand for our products and the corresponding unanticipated drop in the sales of our products could cause our inventory to accumulate, and we may be forced to rely on markdowns or promotional activities to dispose unsold items, sometimes at prices below cost, which in turn may adversely affect our financial condition and results of operations. On the other hand, if we under-stock inventory, we may lose sales and our results of operations may be 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 had a collection of intellectual property rights relating to certain aspects of our business operation. Such intellectual property consists primarily of patents, trademark and plant variety rights. As at the Latest Practicable Date, we had registered 21 patents, 52 trademarks and 7 plant new variety rights which are considered material to our business in the PRC. Details of our intellectual property rights are set out in paragraphs headed "Business — Intellectual Property" and "Appendix VII — Statutory and General Information — 2. Further information About Our Business — B. Our material intellectual property rights. As at the Latest Practicable Date, we were not aware of any material violations or infringements of our trademarks, copyrights, patents or any other intellectual property rights."

In the event that our intellectual property rights are infringed, any such litigation may require significant expenditure of financial and managerial resources and could have a material adverse impact on our business, financial condition and results of operations. There is also no assurance that we will be able to promptly detect the presence of infringement, especially counterfeited products, in the market. If the steps we have taken and the protection provided by law do not adequately safeguard our intellectual property rights, we could suffer losses in profits due to the sales of competing products which exploit our intellectual property rights.

We may not be able to attract and retain our key personnel for our operation and our business may be harmed if we lose their services and cannot timely find proper candidates for substitution.

Our future business performance and prospects depend significantly on our Directors and senior management, as they are in charge of the overall planning of the development of our Company and the direction of our operations. In particular, we rely on our executive Directors who have served our Company for an average of more than 21 years with rich experience in manufacturing packaged food and trading, sales and marketing as well as business management. If our executive Directors or any member of the senior management were to terminate their employment with us, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all. As a result, our business may be disrupted, our management quality may deteriorate and our results of operations may be materially and adversely affected. In addition, if any of the executive Directors or member of the senior management joins a competitor or forms a competing business, we may lose trade secrets and business know-how as a result. As competition for experienced personnel in the industry is intense and pool of qualified candidates is limited, we may not be able to retain the services of our senior management or attract and retain additional high quality senior executives in the future.

Moreover, our ability to constantly produce high-quality products is partially attributable to a large number of skilled employees who are familiar with and adept at our processing technologies. We also rely on sales personnel to effectively manage our sales and distribution network. As we expand our operations, we may not be able to retain such skilled processing and sales personnel at reasonable costs and our business and results of business may be materially and adversely affected.

Our performance depends on favourable labour relations with our employees, and any deterioration in labour relations, shortage of labour or material increase in wages may have a material adverse effect on our results of operations.

The production and sale of fruit snack is labour intensive and our success depends on our ability to hire, train, retain and motivate our employees. We consider favourable labour relations a significant factor that can affect our performance and any deterioration of our labour relations could cause labour disputes that could disrupt our production and operations. China has experienced rapid economic growth, which has resulted in a significantly increased labour costs. For FY2023, FY2024 and FY2025, our direct labour costs amounted to approximately RMB32.0 million, RMB37.7 million and RMB34.2 million respectively. Average labour wages are expected to increase. In addition, we may need to increase our total compensation to attract and retain experienced personnel to achieve our business objectives. Any material increase in our labour costs may have a material adverse effect on our results of operations.

Our employees are subject to risks of injury caused by the use of production equipment and machinery.

We use machinery and equipment such as washing, peeling, sterilising, mixing and packaging equipment, which are potentially dangerous and may cause industrial accidents and personal injury to our employees. Any significant accident caused by the use of such equipment or machinery could interrupt our production and result in legal and regulatory liabilities. As we do not have any insurance coverage related to accidents, we will not be able to offset any losses arising from claims related to such accidents. We cannot assure you that accidents will not happen in the future. In addition, 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.

Our operations may be interrupted due to mechanical failures, utility shortages or stoppages, fire, acts of God or other calamities at or near our production facilities.

Our storage facilities and production facilities rely on the continued function of equipment, personnel, electricity and other utilities. Any significant downtime associated with the maintenance and repair of machinery and equipment used in our processing facilities will result in temporary interruption of our production. The failure of equipment manufacturers or our employees to conduct timely repairs on our machinery and equipment could interrupt the operation of our production facilities for extended periods of time. Any extended downtime could result in a loss of sales.

Furthermore, our operations depend on a continuous and adequate supply of electricity. If there are any shortage of electricity, the PRC authorities may require our production facilities to be shut down periodically. Any disruption in the supply of electricity at our production facilities would disrupt our packaging and storage, and could cause deterioration or loss of our products. This could materially and adversely affect our ability to fulfil our sales orders and consequently may have a material adverse effect on our business and operations.

In addition, production facilities and operations are subject to various risks. Fire, earthquakes, natural disasters, pandemic or extreme weather, including droughts, floods, excessive cold or heat, typhoon or other storms, causing power outages, damage to our production facilities or disruption of transportation channels, among other events, could significantly interfere with our operations. Any failure to take adequate steps to mitigate the potential impact of unforeseeable events or to effectively respond to such events could materially and adversely affect our business, financial condition and results of operations.

Any disruption to our cold storage facilities could lead to spoilage of our raw materials, affecting our ability to meet sales demand which could result in potential liability and material impact on our business, results of operations and financial performance.

As we mostly procure our hog plum fruits from August and December, being its harvest season, we rely heavily on our cold storage facilities to extend the shelf life of the hog plum fruits, the crucial raw material for our products, to fulfil our sales order throughout the year. Any disruption to our cold storage facilities, including equipment malfunctions, power outages or failure of temperature control systems could lead to spoilage of our semi-process hog plums. This would not only affect the quality of our finished product but may also expose us to food safety issue if we are unable to detect and rectify the issue in a timely manner. In addition, this would also result in financial losses due to wasted inventory and materially affect our ability to meet sales demand, which could result in potential liability and damage to our brand reputation, adversely affecting our business, our competitiveness, results of operation and financial performance.

Failure to successfully operate our information systems and implement new technology effectively could disrupt our business or reduce our profitability.

We increasingly rely on technology in streamlining our manufacture and production procedures and process information in relation to our operations. Our information technology systems may be vulnerable to interruption due to a variety of events beyond our control, including but not limited to, natural disasters, telecommunications failures, computer viruses, hackers and other security issues. Any such interruption to our information technology system could disrupt our operations and negatively impact our production and ability to fulfil sales orders, which could have an adverse effect on our business, financial condition and results of operations.

In addition, we may from time to time implement, modify and upgrade our information technology systems and procedures to support our growth and the development of our e-commerce business. These modifications and upgrades could require substantial investment and may not improve our profitability at a level that outweighs their costs, or at all.

We consider formulas of our products as important trade secrets and our ability to compete may be impaired if such trade secrets are disclosed to third parties.

We rely on various know-how and proprietary information, including formulas for our products and specifications of our machinery and production process, which constitute trade secrets.

While we use reasonable efforts, including establishing a complete set of confidentiality system, to protect our trade secrets and know-how, our employees may unintentionally or wilfully disclose our trade secrets and know-how to our competitors. If our trade secrets and know-how are obtained by a competitor or another third party, we may lose our market share, and our business, results of operations and financial condition may be materially and adversely affected.

We have limited insurance to cover our risks.

During the Track Record Period, we maintain limited insurance to cover our risks (such as business interception, any suspension or cessation in the supply of utilities or other calamities, machinery malfunction, and environmental liabilities). The absence of such insurance coverage exposes us to potential liabilities that could arise from these risks. If we are exposed to any material liabilities, our business, financial condition, results of operations and the prospects could be materially and adversely affected.

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

According to the relevant PRC laws and regulations, we are required to make contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury, and maternity insurance) and housing provident fund for the benefit of our employees. During the Track Record Period and as at the Latest Practicable Date, we had not made social insurance and housing provident fund contributions for some of our employees in full and the amount of social insurance and housing provident fund contributions that we had failed to pay is estimated to be RMB3.1 million, RMB5.1 million and RMB4.2 million for FY2023, FY2024 and FY2025, respectively.

As advised by our PRC Legal Advisers, if we do not pay the full amount of social insurance contributions as required, the relevant authorities may demand us to pay the outstanding social insurance contribution within a prescribed period and may be subject to a late fee of 0.05% of the delayed payment per day from the date on which the payment is payable. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times the overdue amount.

If we do not pay the full amount of housing providing fund as required, the relevant authority may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. For further details, please refer to the paragraphs headed "Business – Our Employees – Social insurance and housing provident fund" in this document.

We require various approvals, licences and permits to operate our business and any failure to obtain or renew any of these approvals, licenses and permits could potentially lead to suspension of our business operation and materially and adversely affect our results of operations.

In compliance with the PRC laws and regulations, we are required to maintain various approvals, license and permits to operate our business in the PRC. Apart from business licenses, our processing facilities must obtain food production licenses. These approvals, licenses and permits are granted upon satisfactory compliance with, among other things, the applicable laws and regulations including Food Safety Law of the PRC*(《中華人民共和國食品安全法》) and Implementing Rules on the Food Safety Law*(《中華人民共和國食品安全法實施條例》). While we have acquired all necessary approvals, licences and permits for our operations as detailed in the paragraph headed "Business — Licenses and Permits" in this document, these approvals, licenses and permits are subject to periodic examinations by the relevant authorities and require renewal.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses and divert substantial management time and resources to resolve any deficiencies. We may also experience negative publicity arising from such deficiencies, which may materially and adversely affect our business and financial performance.

We may experience difficulties, delays or failures in obtaining the necessary approvals, licenses and permits for our new processing facilities. In addition, there is no assurance that we will be able to obtain or renew all of the approvals, licenses and permits required for our existing business operations in a timely manner or at all. If we fail to obtain and/or maintain required approvals, licenses or permits, our ongoing business could be interrupted and our expansion plan may be delayed.

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

As at 31 December 2023, 2024 and 2025, we had contract liabilities of RMB23.0 million, RMB38.5 million and RMB7.7 million, respectively. Our contract liabilities are primarily advance payments from customers. If we fail to honour our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the prepayments they have made, which may in turn adversely affect our financial condition. In addition, if we fail to honour our obligations under our contracts with customers, it may also adversely affect our relationship with such customers, which may in turn affect our results of operations in the future.

Litigation or legal proceedings could expose us to liability, divert our management's attention and negatively impact our reputation.

We may be involved in litigation or legal proceedings during the ordinary course of business operations related to, among other things, product or other types of liability, labour disputes or contract disputes that could have a material adverse effect on our financial condition. These actions could also expose us to adverse publicity, which might materially and adversely affect our brands, reputation and customer preference for our products. During the Track Record Period and up to the Latest Practicable Date, we were involved in two contractual disputes. Please refer to the paragraph headed "Business — Legal Proceeding and Compliance — Legal proceeding" in this document for further details.

If we become involved in any litigation or other legal proceedings in the future, the outcome of these types of proceedings could be uncertain and could result in settlements or outcomes that materially and adversely affect our financial condition. In addition, any litigation or legal proceedings may require substantial legal expenses as well as significant time and attention from our management, diverting their attention from our business and operations.

Some of the government grants and subsidies received by our Company during the Track Record Period were non-recurring in nature.

During FY2023, FY2024 and FY2025, we received certain government grants and subsidies of approximately RMB1.5 million, RMB4.1 million and RMB6.0 million, respectively. Some of these government grants and subsidies were non-recurring, with their amounts determined at the discretion of the local governments. There is no assurance that our Company will continue to receive such government grants and subsidies in future financial years, and our financial performance may be affected if such grants and subsidies are no longer available.

Changes in tax treatments may adversely affect our results of operations and financial performance.

Due to the PRC government's favourable policies concerning "High and New Technology Enterprises", we have enjoyed a preferential tax rate of 15% and renewed our status as a "High and New Technology Enterprises" during the Track Record Period. Continued eligibility for preferential tax treatment is subject to recognition and evaluation by the relevant government authorities in the PRC. We cannot assure you that we will continue to receive such preferential tax treatment at historical levels, or at all. Such changes in tax treatment may adversely affect our results of operations and financial performance.

We do not usually enter into longer-term arrangements with our suppliers, distributors, and other customers.

To maintain operational flexibility and strengthen oversight of our supply chain and distribution network, we generally do not enter into long-term agreements with suppliers and distributors. Instead, we opt for annual renewals of distributor agreements and place supplier orders based on our ongoing business needs. Our suppliers may adjust pricing upon agreement, while distributors may terminate their relationship with us after the annual term or seek to renegotiate terms based on changing market conditions. There is no assurance that we will be able to secure future contracts on terms equal or better than current terms and prices. In addition, any increased costs from suppliers may not be fully passable to our customers, which could lead to margin compression, thereby adversely affect our financial performance and profitability.

Changes in food-safety laws may affect our business.

As a manufacturer of products intended for direct human consumption, we are subject to the food-safety laws and regulations in the PRC. These food safety laws and regulations require all enterprises engaged in the production of food to obtain food product permits, and set out safety standards with respect to food, food additives, food packaging and containers, food transportation and sale of food. In particular, the Food Safety Law of the PRC (《中華人民共和國食品安全法》) and 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》) imposes requirements on food production and operation activities protocol, food safety management system and measures to prevent and control food safety related risks. This may increase the compliance costs of our Company and any failure to comply with such food safety related laws and regulations may result in an order of rectification, fines, confiscation of illegal gains, order of suspension of operations, revocation of food production and operating permits, and in more extreme cases, prosecution for criminal liabilities. Please refer to the paragraph headed "Regulatory Overview — Laws and regulations related to our business in the PRC — Regulations on Food Safety and Licensing Requirement for food operation" in this document for further details.

In addition, despite being in compliance with current food safety laws and regulations, in the event that the PRC government further makes changes on food safety regulations or imposes additional or stricter laws and regulations on food safety, providing for more stringent or comprehensive monitoring and regulation framework for food manufacturers in areas including food processing and sale, our production, sales and distribution costs may increase, and we may be unable to successfully pass on these additional costs, which could adversely affect our business, financial condition and development prospects.

RISKS RELATING TO DOING BUSINESS IN CHINA

Changes in political, social and economic conditions in China may materially and adversely affect our business, financial condition, results of operations and prospects.

All of our business activities are conducted in China. Accordingly, our business, financial condition and results of operations may be influenced by the economic, political and social conditions in China. China's fruit snacks market in general is affected by macro-economic factors, including changes in international, national, regional and local economic conditions. In the event of a weak economic conditions, consumer demand for our products may reduce, which may lead to potential insolvencies among our suppliers, retailers or corporate customers and counterparties or otherwise increase our operational challenges. In addition, any severe or prolonged slowdown in the global or regional economy may reduce consumer confidence and their level of disposable income, which would in turn reduce demand for our products, materially and adversely affecting our business, financial conditions and results of operations.

In addition, the general lack of available credit and confidence in the financial markets associated with any market volatility or downturn could materially and adversely affect our access to capital as well as our suppliers' and customers' access to capital, which in turn could materially and adversely affect our ability to fund our working capital requirements and capital expenditures.

Renewal of and changes in the PRC laws and regulations may materially and adversely affect our business and limit the legal protection available to you.

As our businesses are conducted in the PRC, our operations are principally governed by PRC laws and regulations.

Interpretation and enforcement of the PRC laws and regulating the PRC food industry and foreign investments may be subject to changes in policies' and economic and social environment. Our Company has to meet the policies requirements issued by relevant regulatory authorities from time to time, and obtain approvals and complete filings in accordance with the relevant regulatory authorities' interpretation and enforcement of such policies. If there are any future changes in applicable laws, regulations, administrative interpretations or regulatory documents, more stringent requirements could be imposed on the industries we are currently engaged in. Compliance with such new requirements could impose additional costs or otherwise have an adverse effect on the PRC food industry. In addition, if we fail to meet such new rules and requirements relating to, among others, environmental or safety compliance of our production facilities and food safety, we may be ordered by the relevant PRC regulatory authorities to change or close the relevant production facilities and suspend operation. Alternatively, these changes may also relax some requirements, which could be beneficial to our competitors or could lower market entry barriers and increase competition. As a result, our business, financial conditions and results of operations could be adversely affected.

As we cannot predict the future development of the PRC law and regulations, such uncertainties may also limit the legal protection available to you. For details of some of the relevant PRC laws and regulations to which our Company is currently subject to, please refer to the section headed "Regulatory Overview" in this document.

You may be subject to PRC taxation.

Under the applicable PRC tax laws, dividends paid by us to non-PRC resident individual holders of H Shares ("**non-resident individual holders**") and gain realised through the sale or transfer by other means of H Shares by such shareholders are both subject to PRC individual income tax at a rate of 20% or a lower rate depending on the applicable tax treaties or arrangements between the PRC and the specific jurisdiction in which the non-resident individual holder resides (if any). However, pursuant to the Circular Declaring That Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares*(《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the PRC Ministry of Finance and the State Administration of Taxation on 30 March 1998, gains of individuals derived from the transfer of listed shares in enterprises may be exempt from individual income tax. We understand that in most practices to date the PRC tax authorities have not sought to collect from non-PRC resident individuals either the tax on gains realised upon sale or other dispositions of H Shares, or any excess of the tax on dividends paid by a PRC company over the amount that was withheld at source.

In accordance with the Notice of the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to Shareholders which are Overseas Non-resident Enterprises*(《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation of the PRC and effective from 6 November 2008, dividends paid to, and gains realised by, non-PRC resident

enterprise holders of H Shares are both subject to PRC enterprise income tax at a rate of 10%. There are uncertainties as to the interpretation and application of applicable tax laws relating to the collection of dividends and stock transfer by holders of H Shares due to several factors, including the relatively short history of such laws. These uncertainties include, whether non-PRC resident individual holders of H Shares will be subject to PRC individual income tax at a flat rate of 20% even where payments are made through an organisation such as **[REDACTED]** (and if so, whether and how the excess of PRC individual income tax on the dividends paid by us to non-PRC resident individual holders of H Shares over any amount withheld by us will be collected by the PRC tax authorities in the future), and whether and how income tax on gains realised by non-PRC resident persons upon the sale or other dispositions of H Shares will be collected by the PRC tax authorities in the future. If there is any change to the applicable PRC tax laws and interpretations or applications in respect of such laws, holders of H Shares may be required to pay PRC income tax (in the case of individuals, at a rate of up to 20%) on the dividends paid by us and gains realised upon sale or other dispositions of H Shares which have not historically been collected by the PRC tax authorities in practice.

The PRC regulations on foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares

Currently, the RMB cannot be freely converted into any foreign currency, and the conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. There can be no assurance that, under a certain exchange rate, we will have sufficient foreign currencies to meet our foreign exchange requirements such as performing foreign currency-denominated contracts. Under the current foreign exchange regulations in the PRC, RMB can generally be converted for foreign exchange transactions under our current account including the payment of dividends without the need for prior approval from the SAFE. Nonetheless, we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the requisite licences to carry out foreign exchange business.

Meanwhile, foreign exchange transactions for capital account purposes may require the prior approval or registration with the SAFE. If we fail to obtain the SAFE's approval to convert RMB into foreign currencies for foreign exchange transactions or there are changes in the foreign exchange regulations or policies, our capital expenditure plans and our ability to pay dividends could be materially and adversely affected.

You may experience difficulty in effecting service of legal process and enforcing judgments against us, our Directors and senior management.

We are a company incorporated under the laws of the PRC and all of our business, assets and operations are located in the PRC. In addition, our executive Directors and senior management reside in the PRC. As a result, it may not be possible for **[REDACTED]** to effect service of process upon us, or our Directors or senior management who reside in the PRC. Furthermore, the PRC does not have treaties providing for reciprocal enforcement of judgments of courts with the United States, the United Kingdom, Japan or many other countries. As a result, court judgments against us obtained in other jurisdictions may be difficult or impossible to be enforced in China.

As between the PRC and Hong Kong, on 14 July 2006, the Supreme People's Court of the PRC and the Government of Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of Hong Kong Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院互相認可和執行當事人協議管轄的民商事案件判決的安排》). Under such an arrangement, where any designated people's court in the PRC or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant people's court in the PRC or Hong Kong court for recognition and enforcement of the judgment. On 18 January 2019, the Supreme People's Court of the PRC and the Department of Justice under the Government of Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**2019 Arrangement**"), which became effective and came into force on 29 January 2024. The 2019 Arrangement, for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in mainland China and those in Hong Kong, stipulates the scope and particulars of judgments, the procedures and ways of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies, among others. On 26 October 2022, the legislative council of Hong Kong enacted the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (the "**MJCCMO**") to give effect to the 2019 Arrangement and the MJCCMO became effective and came into force on 29 January 2024. Although the implementation of the 2019 Arrangement will greatly enhance the convenience for mutual recognition and enforcement of judgments made by courts in the two jurisdictions, we cannot guarantee that all foreign court judgments against us or our Directors and executive officers residing in China will be effectively enforced.

RISKS RELATING TO THE [REDACTED]

An active [REDACTED] market in our H Shares may not develop.

Prior to the **[REDACTED]**, there was no public market for our H Shares. The **[REDACTED]** is the result of negotiations between us and the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the market price for our H Shares following the **[REDACTED]**. There is no guarantee that an active **[REDACTED]** market for our H Shares will develop or, if it does develop, that it will be sustained or that the **[REDACTED]** of our H Shares will not decline below the **[REDACTED]**. You may not be able to resell your H Shares at a price that is attractive to you, or at all.

Furthermore, all our Controlling Shareholders are subject to a 12-month lock-up period commencing from the **[REDACTED]** during which they will not, *inter alia*, directly or indirectly dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any Shares.

Accordingly, **[REDACTED]** H Shares, representing approximately **[REDACTED]**% of issued share capital of our Company will be free to **[REDACTED]** immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). As a result, a **[REDACTED]** on the Stock Exchange does not guarantee that an active or liquid **[REDACTED]** market for our H Shares will develop, especially during the period when a significant portion of our H Shares are subject to lock-up undertakings, or if it does develop, that it will be sustained or that the **[REDACTED]** of our H Shares will rise.

The price and [REDACTED] volume of our H Shares may be volatile, which may result in substantial losses for [REDACTED] in our H Shares.

The price and **[REDACTED]** volume of our H Shares may be volatile. The market price of our H Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond our control: (i) actual or anticipated changes in our results of operations, earnings and cash flows, and securities analysts' estimates of our financial performance; (ii) changes in competitive landscapes of our industries, including strategic alliances, acquisitions or joint ventures by us or our competitors; (iii) changes in securities analysts' estimates or market perception of our financial performance; (iv) changes in general economic conditions affecting us or our industries; (v) regulatory developments, and our inability to obtain or renew necessary licences and permits; (vi) fluctuation in **[REDACTED]** volume or the release of lock-up or other transfer restrictions on our outstanding Shares or sales of additional Shares by us; (vii) changes in our senior management or other key personnel; (viii) fluctuations of the general stock market, particularly fluctuations in stock prices of other companies that operate mainly in China and are **[REDACTED]** on the Stock Exchange; and (ix) material litigation or regulatory investigations affecting us or our senior management.

Our Core Management Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of other Shareholders.

Upon the completion of the **[REDACTED]**, our Core Management Shareholders, namely Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan, Mr. Huang Zhongming and Mr. Ling Huashan, who in aggregate held 68.79% shareholding interests in Chongyi Food Factory and 68.32% partnership interests in Yunzhishang LP, in return of which Chongyi Food Factory and Yunzhishang LP will own an aggregate of **[REDACTED]**% of issued share capital of our Company without taking into account any Shares which may be issued upon the exercise of the **[REDACTED]**. After the completion of the **[REDACTED]**, our Controlling Shareholders will continue to have significant influence on us on various important corporate actions requiring the approval of Shareholders, such as mergers, disposal of assets, election of Directors, and timing and amount of dividends and other distributions. There may be a conflict between our Controlling Shareholders' interests and your interests. If our Controlling Shareholders cause us to pursue strategic objectives that would conflict with your interests, your interests in our Company may be materially and adversely affected.

Future sales or major divestment of our H Shares by any of our Controlling Shareholders could materially and adversely affect the prevailing [REDACTED] of our H Shares.

The **[REDACTED]** of our H Shares may be materially and adversely affected by future sales of a significant number of our H Shares in the public market after the **[REDACTED]**, or the possibility of such sales, by our Controlling Shareholders. The H Shares held by our Controlling Shareholders are subject to certain lock-up arrangements. Please refer to the paragraph headed "**[REDACTED]** — **[REDACTED]** Arrangements and Expenses" in this document for a detailed description of the restrictions. After the restrictions of the lock-up arrangements expire, our Controlling Shareholders may dispose of our H Shares. Any major disposal of our H Shares by any of such Controlling Shareholders upon expiry of the relevant lock-up period (or the perception that these disposals may occur) may cause the prevailing **[REDACTED]** of our H Shares to fall which could materially and adversely affect our ability to raise equity capital in the future.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our H Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may: (i) further limit our ability or discretion to pay dividends; (ii) increase our risks in adverse economic conditions; (iii) adversely affect our cash flows; or (iv) limit our flexibility in business development and strategic plans.

You will experience immediate and substantial dilution in the book value of your [REDACTED] as a result of the [REDACTED].

The **[REDACTED]** is higher than our net tangible book value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of our H Shares will experience an immediate dilution in **[REDACTED]** net tangible book value per Share. Our existing Shareholders will, however, receive an increase in **[REDACTED]** net tangible book value per Share with respect to their Shares. In addition, if the **[REDACTED]** (for itself and on behalf of **[REDACTED]**) exercises the **[REDACTED]**, holders of our H Shares may experience further dilution.

There is no assurance as to whether we will pay dividends in the future.

During the Track Record Period, our Company had declared and paid dividends in amount of RMB7.1 million, RMB11.4 million and RMB20.3 million. Our historical dividends may not be indicative of our future dividend policy. There is no assurance as to whether we will pay dividends in the future. Declaration and distribution of dividends shall be proposed and formulated by our Board of Directors at their discretion and will be subject to shareholder approval. A decision to declare or to pay any dividends and the amount of any dividend will depend on various factors, including, our operating results, financial condition, future prospects and other factors which our Board may deem important. Please refer to the paragraph headed "Financial Information — Dividend" in this document for further details.

Certain information and statistics contained in this document are obtained from third party report and publicly available official sources, and may not be accurate or reliable.

This document, particularly the section headed "Industry Overview" in this document, contains information and statistics, including but not limited to information and statistics relating to China, the fruit snacks market. Such information and statistics have been derived from various official government and other publications and from third party reports prepared by CIC commissioned by us. We believe that the sources of such 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 in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by us, the **[REDACTED]**, the **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, the Sole Sponsor, the **[REDACTED]**, any of our or their respective directors, officers or representatives or any other person involved in the **[REDACTED]** and no representation is given as to its accuracy. We cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, in other jurisdictions. Therefore, you should not unduly rely upon the industry facts and statistics contained in this document.

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

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

You may experience difficulties in enforcing your shareholder rights because we were incorporated in the PRC, and the PRC law may be different from the laws of Hong Kong and other jurisdictions in terms of minority shareholder's protection.

We are a company incorporated in the PRC. PRC law differs in some respects from the laws of Hong Kong and other jurisdictions where **[REDACTED]** may be located. Our corporate affairs are governed by our constitutional documents and the PRC law. The rights of our Shareholders to take legal action against us and our Directors, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under PRC law are to a large extent governed by the PRC law. PRC law relating to the protection of the interests of minority shareholders may differ from those in Hong Kong and other jurisdictions. Such differences mean that the remedies available to our minority Shareholders may be different from those they would have under the laws of Hong Kong or other jurisdictions.

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

Prior to the publication of this document, there may be press and media coverage regarding us and the **[REDACTED]**. We do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this document is inconsistent with, or conflicts with, the information contained in this document, we disclaim it, and accordingly you should not rely on any such information. In making your decision as to whether to purchase our H Shares, you should rely only on the information included in this document. Accordingly prospective **[REDACTED]** should not rely on any of the information in press articles or other media coverage.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the **[REDACTED]**, we have applied to the Stock Exchange for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, all applicants applying for a primary **[REDACTED]** on the Stock Exchange must have sufficient management presence in Hong Kong. This would normally mean that at least two of the applicant's executive directors must be ordinarily resident in Hong Kong.

Our Company's business operations and assets are primarily located outside Hong Kong. Our Company's executive Directors are based in the PRC as our Board believes it is more effective and efficient for our executive Directors to be based in a location where our substantial operations are located. Our Company therefore does not, and in the near future will not, maintain management presence in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(1) We have appointed Mr. Liu Zhigao (劉志高) ("**Mr. Liu**"), our executive Director, and Ms. Ho Wing Yan (何詠欣) ("**Ms. Ho**"), our joint company secretary as our authorised representatives for the purpose of Rule 3.05 of the Listing Rules. They will serve as the principal channel of communication with the Stock Exchange and make themselves readily available to communicate with the Stock Exchange. Each of Mr. Liu and Ms. Ho can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters within a reasonable period of time upon the request of the Stock Exchange. The contact details of our authorised representatives have been provided to the Stock Exchange.

(2) All Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including phone numbers and email addresses, to our authorised representatives and to the Stock Exchange. In the event that a Director expects to be traveling or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation or other contact information to our authorised representatives to ensure that each of our authorised representatives will be able to contact all our Directors promptly at all times if and when the Stock Exchange wishes to contact our Directors.

(3) We have appointed Zhongtai International Capital Limited as our compliance adviser in accordance with Rule 3A.19 of the Listing Rules, which will serve as an additional and alternative channel of communication with the Stock Exchange in addition to our authorised representatives. The compliance adviser will have reasonable access, at all times during the term of their appointment, to our authorised representatives, Directors and other officers of our Company, participate in the communication between the Stock Exchange and our Company and answer inquiries from the Stock Exchange.

(4) Any meeting between the Stock Exchange and our Directors will be arranged through our authorised representatives or our compliance adviser or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorised representatives and our compliance adviser.

(5) We intend to retain our Hong Kong legal advisers on on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the **[REDACTED]**.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience, and is therefore capable to discharge the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(1) a member of The Hong Kong Chartered Governance Institute;

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

(3) 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 sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience":

(1) length of employment with the issuer and other issuers and the roles he/she has undertaken;

(2) 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;

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

(4) professional qualifications in other jurisdictions.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

Our Company has appointed Mr. Luo Xiangxin (羅翔鑫) ("**Mr. Luo**") as one of our joint company secretaries. Mr. Luo joined our Company in July 2020 and possesses relevant understanding and knowledge relating to the business operations and corporate culture of our Company. In his capacity as Board secretary, Mr. Luo has actively participated in the preparation of the application for the **[REDACTED]** and possesses experience in matters relating to our Board and corporate governance of our Company. Having considered Mr. Luo's expertise and background, our Directors consider that Mr. Luo is capable of discharging the functions of a company secretary and is suitable to perform such role.

As Mr. Luo currently does not possess the qualifications under Rule 3.28 of the Listing Rules, and may not be able to fulfill the requirements of the Listing Rules on his own, we have appointed Ms. Ho, an associate of The Hong Kong Chartered Governance Institute, who is qualified under Rule 3.28 of the Listing Rules to act as the other company secretary and to work closely with and provide assistance to Mr. Luo for an initial period of three years commencing from the **[REDACTED]**.

The following arrangements have been, or will be, put in place to assist Mr. Luo in acquiring the qualifications and experience as the joint company secretaries of our Company required under Rules 3.28 and 8.17 of the Listing Rules:

(1) In the course of the preparation of the application for the **[REDACTED]**, Mr. Luo has been provided with a memorandum and has attended a training seminar on the respective obligations of our Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by our Hong Kong legal advisers.

(2) In addition to the minimum training requirements under Rule 3.29 of the Listing Rules, our Company will ensure that Mr. Luo continues to have access to relevant training and support to familiarise himself with the Listing Rules and the duties of a company secretary of an issuer **[REDACTED]** on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, our Company will ensure that Mr. Luo and Ms. Ho will seek and have access to the advice from our Hong Kong legal advisers and other professional advisers as and when required.

(3) Ms. Ho will assist Mr. Luo to acquire the "relevant experience" as required under Note 2 to Rule 3.28 of the Listing Rules and to discharge their duties as company secretaries. Mr. Luo will be assisted by Ms. Ho for an initial period of three years commencing from the **[REDACTED]**. As part of the arrangement, Ms. Ho will act as one of the joint company secretaries and communicate regularly with Mr. Luo on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company. She will also assist Mr. Luo in organising Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary.

(4) Our Company has appointed the compliance adviser pursuant to Rule 3A.19 of the Listing Rules, which will act as our additional channel of communication with the Stock Exchange and provide professional guidance and advice to us and our joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Ho ceases to provide such assistance or ceases to meet the requirements under Rule 3.28 of the Listing Rules, or if there are material breaches of the Listing Rules by our Company during the three-year period from the **[REDACTED]**. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Luo, having had the benefit of Ms. Ho's assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

Please refer to the section headed "Directors and Senior Management" in this document for the biographical details of Mr. Luo and Ms. Ho.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Liu Zhigao （劉志高先生）	No. 41 Yangdong Lane Yangling Avenue, Hengshui Village Hengshui Town, Chongyi County Ganzhou City Jiangxi Province PRC	Chinese
Mr. Zhu Fangyong （朱方永先生）	2102, Unit 1, Building 5 Lanwan Community, Jiangshanli Phase 1 No. 30 Meiguan Avenue, Zhanggong District Ganzhou City Jiangxi Province PRC	Chinese
Mr. Liu Jiyan （劉繼延先生）	Unit 3006, Building 3 Yunxing Central City No. 8 Ganjiangyuan Avenue Ganzhou City Jiangxi Province PRC	Chinese
Ms. Yang Yulan （楊玉蘭女士）	Zhongchenghe, Private House Yanhe West Road, Hengshui Village Hengshui Town, Chongyi County Ganzhou City Jiangxi Province PRC	Chinese
Mr. Huang Zhongming （黃忠明先生）	301, Unit 1, Building 3 Gongyuan Lane Yangling Avenue, Chongyi County Ganzhou City Jiangxi Province PRC	Chinese
Mr. Ling Huashan （凌華山先生）	301, Unit 2, Building 1 Gongyuan Lane Yangling Avenue, Chongyi County Ganzhou City Jiangxi Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent non-executive Directors		
Mr. Wong Tsz Lun （黃梓麟先生）	Room 3, 16/F, Block A Shing Yan House, Yue Shing Court Shatin, New Territories Hong Kong	Chinese
Dr. Dai Taotao （戴濤濤博士）	No. 80 Changmai Road Guangchang Neighbourhood Committee Zhangleng Town, Xinjian District Nanchang City Jiangxi Province PRC	Chinese
Mr. Wong Sai Hung （王世雄先生）	Flat 6D, 6/F, Block 4 City Garden 233 Electric Road North Point Hong Kong	Chinese

For the biographies and further details regarding our Directors, please refer to the section headed "Directors and Senior Management" in this document.

PARTIES INVOLVED

Sole Sponsor	**Zhongtai International Capital Limited** 19/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal advisers to our Company	*As to Hong Kong law:* **King & Wood Mallesons** 13/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC law:* **King & Wood Mallesons** 25th Floor, Guangzhou CTF Finance Centre No.6 Zhujiang East Road, Zhujiang New Town Guangzhou, Guangdong 510623 PRC
Legal advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **Howse Williams** 27/F, Alexandra House 18 Chater Road, Central Hong Kong *As to PRC law:* **JunHe LLP** 26/F HKRI Centre One HKRI Taiko Hui 288 Shimen Road (No.1) Shanghai 200041 PRC
Auditor and Reporting Accountants	**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	**China Insights Industry Consultancy Limited** 10F, Block B Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC
Independent property valuer	**King Kee Appraisal and Advisory Limited** Rm 1502-G16 Easey Comm Bldg 253-261 Hennessy Road Hong Kong
[REDACTED]	**[REDACTED]**

CORPORATE INFORMATION

Registered Office in the PRC	Niujiao River Hengshui Town, Chongyi County Ganzhou City Jiangxi Province PRC
Headquarters and Principal Place of Business in the PRC	Niujiao River Hengshui Town, Chongyi County Ganzhou City Jiangxi Province PRC
Principal Place of Business in Hong Kong	Suite 2703, 27/F, Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Company Website	**www.qiyunshan.cc** *(Information contained on this website does not form part of this document)*
Joint Company Secretaries	Mr. Luo Xiangxin (羅翔鑫) Unit 1102, Building 7 Lanbowanaoyuan 18 Zhangjiangbei Avenue, Zhanggong District Ganzhou City Jiangxi Province PRC Ms. Ho Wing Yan (何詠欣) Suites 2701-08, 27th Floor, Shui On Centre 6-8 Harbour Road Wanchai Hong Kong

CORPORATE INFORMATION

Authorised Representatives	Mr. Liu Zhigao (劉志高) No. 41 Yangdong Lane Yangling Avenue, Hengshui Village Hengshui Town, Chongyi County Ganzhou City Jiangxi Province PRC Ms. Ho Wing Yan (何詠欣) Suites 2701-08, 27th Floor, Shui On Centre 6-8 Harbour Road Wanchai Hong Kong
Audit Committee	Mr. Wong Tsz Lun (黃梓麟) *(Chairman)* Dr. Dai Taotao (戴濤濤) Mr. Wong Sai Hung (王世雄)
Remuneration and Appraisal Committee	Mr. Wong Sai Hung (王世雄) *(Chairman)* Mr. Wong Tsz Lun (黃梓麟) Mr. Zhu Fangyong (朱方永)
Nomination Committee	Dr. Dai Taotao (戴濤濤) *(Chairman)* Mr. Wong Sai Hung (王世雄) Mr. Liu Zhigao (劉志高)
Strategy Committee	Mr. Liu Zhigao (劉志高) *(Chairman)* Mr. Zhu Fangyong (朱方永) Mr. Liu Jiyan (劉繼延)
Compliance Adviser	**Zhongtai International Capital Limited** 19/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
[REDACTED]	**[REDACTED]**

CORPORATE INFORMATION

Principal Banks

Bank of China Co., Ltd., Chongyi Branch
273 Jiefang Road
Chongyi County
Ganzhou City
Jiangxi Province
PRC

Bank of Ganzhou Co., Ltd., Chongyi Branch
2 Yangming Avenue
Hengshui Town, Chongyi County
Ganzhou City
Jiangxi Province
PRC

Industrial and Commercial Bank of China Co., Ltd., Chongyi Branch
198 Zhongshan South Road
Hengshui Town, Chongyi County
Ganzhou City
Jiangxi Province
PRC

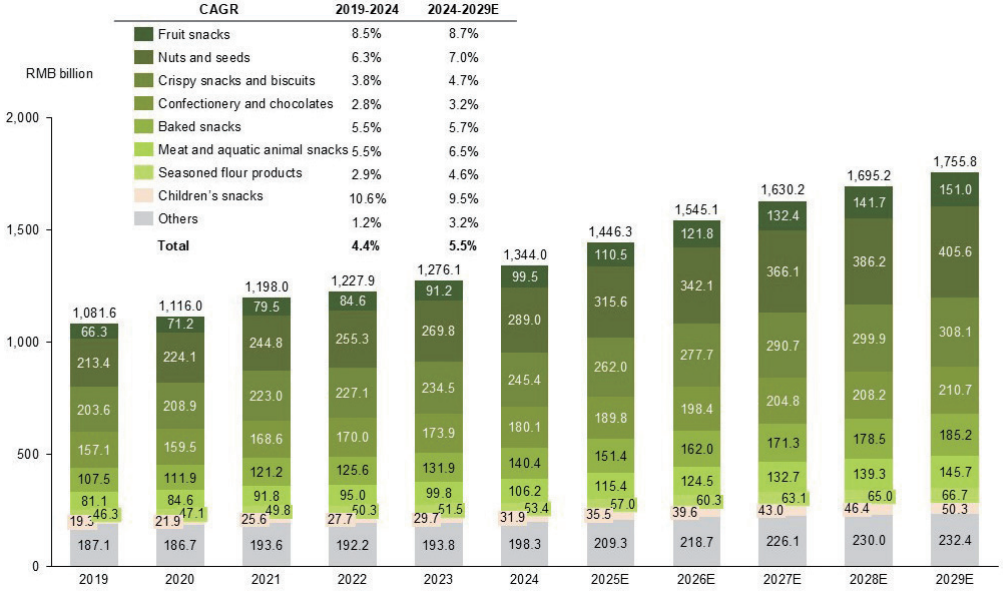
The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by CIC (the "CIC Report"). We engaged CIC to prepare the CIC Report in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED] (which, for the purpose of this paragraph, excludes CIC), and no representation is given as to its accuracy.

OVERVIEW OF CHINA'S SNACKS MARKET

Market Overview

Snacks can be divided into various categories, including (i) nuts and seeds, (ii) crispy snacks and biscuits, (iii) meat and aquatic animal snacks, (iv) baked snacks, (v) confectionery and chocolates, (vi) fruit snacks, (vii) seasoned flour products, (viii) children's snacks, and (ix) others. In 2019, the market size of China's snacks market was RMB1,081.6 billion, which grew to RMB1,344.0 billion in 2024, representing a CAGR of 4.4% during the period. China's snacks market is expected to grow to RMB1,755.8 billion in 2029 at a CAGR of 5.5% between 2024 and 2029. Fruit snacks are one of the fastest-growing subcategories, driven by increasing consumer demand for green and healthy eating. The market size of China's fruit snacks industry is expected to grow from RMB99.5 billion in 2024 to RMB151.0 billion in 2029, representing a CAGR of 8.7%.

Market size of China's snacks market, in terms of retail sales value, 2019-2029E



Source: CIC Report

The sales channels for snacks in China include online platforms such as traditional e-commerce and content-based e-commerce, as well as offline channels like supermarkets, community-based stores, snack stores, and discount stores. It is common that companies choose to collaborate with distributors during channel expansion, since distributors typically possess the ability of fast regional market penetration and efficient channel expansion supported by their well-established regional sales channel and customer resource networks, reducing the operational cost of companies building own team and channels. Among offline channels, snack stores and discount stores are expected to have the highest growth rate. In terms of retail sales value, the market share of snack stores and discount stores in offline channels of China's snacks market was 11.3% and 7.2% in 2024, and it is expected to rise to 16.0% and 20.4% by 2029, respectively.

Value Chain

The value chain of China's snacks industry can be segmented into upstream, midstream and downstream components. The upstream segments encompass the breeding and cultivation of raw materials, such as fruits and vegetables, as well as the supply of packaging materials and related manufacturing and testing equipment. The midstream segments consist of manufacturing, logistics and branding. The manufacturing and logistics segments involve R&D, processing, packaging, quality control, and logistics. The branding segment focuses on brand promotion and marketing. The downstream segments include distribution and retailing. Companies develop sales networks through distributors or direct sales channels, selling products through both online platforms and offline stores. In the snacks industry, enterprises usually need to go through long-term development and invest substantial capital to establish the capability to cover all value chain segments. Therefore, it is common for snacks companies to cooperate with third-party service providers in different segments.

Market Drivers and Trends

China's snacks market is primarily driven by product innovation, supply chain integration, and channel expansion. New snacks with geographical indication certifications, which blend traditional food culture into modern snacks, are emerging to align with evolving consumer preferences. Supply chain integration enables companies to have greater control over raw materials and product quality, while technological advancements strengthen their competitive advantages by securing high-quality, cost-effective raw materials and responding more flexibly to growing demand for premium products. Channel expansion offers consumers a more diverse and convenient shopping experience to match their evolving preferences. The rise of snack stores and discount outlets, which combine the convenience of physical locations, cost effectiveness, and a wide product variety, is meeting the increasing demand for affordable, high-quality snacks.

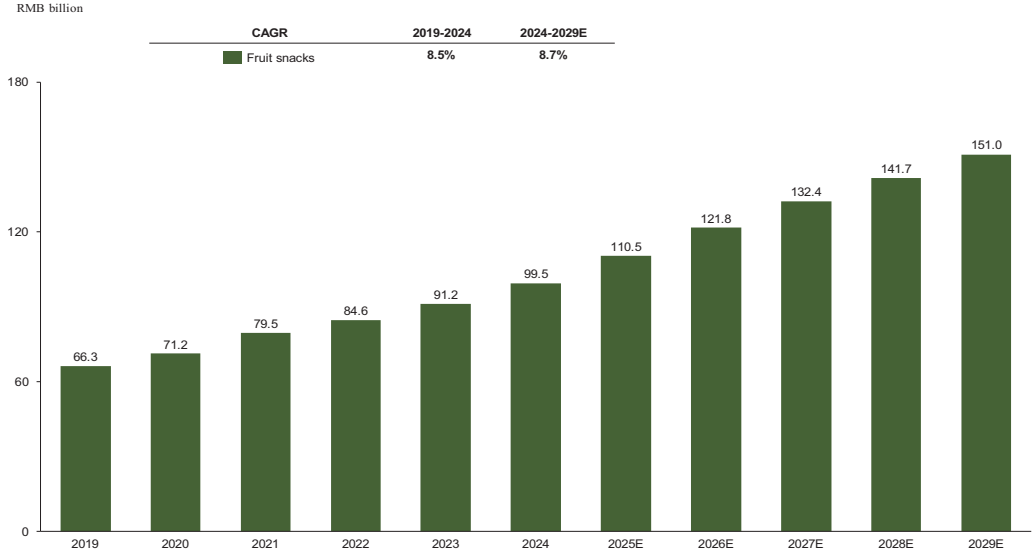
OVERVIEW OF CHINA'S FRUIT SNACKS MARKET

Market Overview

Fruit snacks refer to products made primarily from fruits and vegetables, with or without the addition of food additives and other auxiliary materials, processed through sugar, honey, or salt. According to the national standard (GB/T 10782-2021), fruit snacks can be divided into various categories, including (i) preserved fruits（蜜餞類）, (ii) candied fruits（果脯類）, (iii) cool fruits（涼果類）, (iv) preserved plum（話化類）, (v) fruit paste（果糕類）, and (vi) other types.

The market size of China's fruit snacks industry grew from RMB66.3 billion in 2019 to RMB99.5 billion in 2024, representing a CAGR of 8.5% during the period. Driven by factors such as increasing health awareness, technological advancements, diversified sales channels, and product innovation, China's fruit snacks industry is expected to further grow to RMB151.0 billion in 2029 at a CAGR of 8.7% from 2024 to 2029.

Market size of China's fruit snacks market, in terms of retail sales value, 2019-2029E



Source: CIC Report

Market Drivers and Trends

The main drivers and trends of China's fruit snacks industry include:

- *Growth of Green and Healthy Food Consumption.* As consumers become more health-conscious, there is a growing demand for natural, nutritious, and minimally processed snacks. Fruit snacks made from high-quality raw materials with minimal processing are gaining popularity, particularly those certified as green and organic. Government policies supporting healthy eating and stricter food safety regulations further reinforce this trend. Companies are focusing on clean-label products with reduced sugar, no artificial preservatives, and enhanced nutritional value, aligning with evolving consumer expectations for healthier snacking options.

- *Expansion of Sales Channels and Regions.* The expansion of both online and offline sales channels has accelerated market growth by increasing product accessibility and affordability. E-commerce platforms could break geographical barriers, enabling products to be sold nationwide while effectively helping brands expand their influence. The development of snack stores and discount stores attracts more consumption.

- *Technological Advancements in Processing and Production.* Continuous improvements in food processing technology have significantly enhanced the quality, taste, and efficiency of fruit snacks production. Innovations such as advanced drying techniques, automated production lines, and natural flavour enhancement methods help preserve the nutritional content and taste of fruit while extending shelf life. Companies that invest in technology gain a competitive edge by offering high-value and premium-quality fruit snacks.

- *Product Innovation and Market Differentiation.* Continuous product innovation in terms of flavours, and textures has fuelled market expansion and consumer engagement. Companies are introducing new fruit combinations, functional ingredients, and unique processing methods to create differentiated offerings that

appeal to evolving consumer preferences. For example, low-sugar, high-fibre, and probiotic-enhanced fruit snacks cater to health-conscious buyers, while premium packaging and gifting options help brands target high-end consumers.

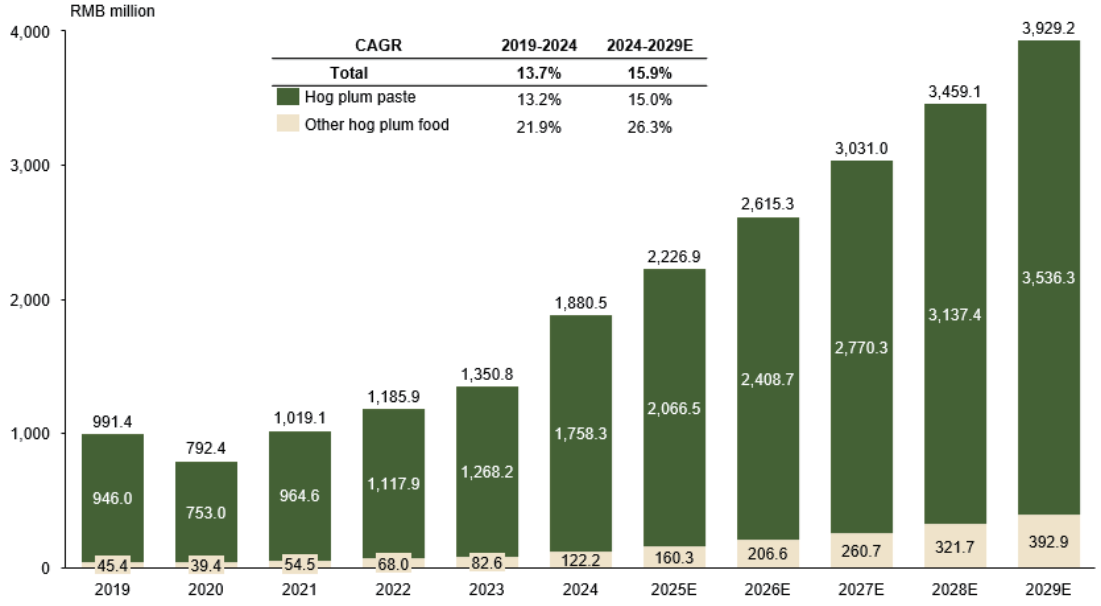
- *Development of a Full Industry Supply Chain.* Leading enterprises are strengthening their control over the entire supply chain, from fruit cultivation to final product distribution, to enhance efficiency, quality, and cost-effectiveness. Investments in modern agricultural techniques, including improved fruit tree breeding and precision farming, ensure a stable supply of raw materials. Advanced processing technologies help maintain product consistency, while optimised logistics and smart inventory management improve distribution efficiency. By integrating the entire value chain, companies can better manage costs, enhance product differentiation, and establish a strong competitive advantage in the market.

OVERVIEW OF CHINA'S HOG PLUM FOOD MARKET

Market Overview

Hog plum (*Choerospondias axillaris*, 南酸枣) is a subtropical fruit native to southern China and parts of Southeast Asia. The fruit is small, oval-shaped, and yellowish-green when ripe, with a tangy and refreshing flavour that combines sweet and sour tastes. Hog plum food refers to products that are made primarily of the fruit pulp of the hog plum, processed into various forms such as hog plum paste, pellet, jelly, beverage, jam and more. Hog plum paste（南酸枣糕）is a type of fruit paste and represents the primary category of hog plum food. In 2019, the size of China's hog plum food market was valued at RMB991.4 million, which grew to RMB1,880.5 million in 2024, representing a CAGR of 13.7% during the period, and it is expected to grow further to RMB3,929.2 million by 2029, representing a CAGR of 15.9%.

Market size of China's hog plum food industry, in terms of retail sales value, 2019-2029E

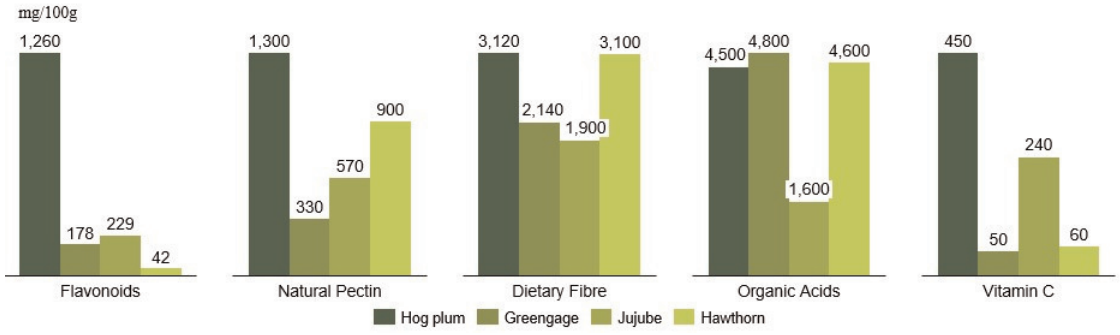


Source: CIC Report

Nutritional Value of Hog Plum

Hog Plum is mainly distributed across several provinces in China, such as Jiangxi, Hubei, Guangdong, Guangxi, Yunnan, etc. Chongyi County in Jiangxi Province is the region officially designated by the National Forestry and Grassland Administration as the "Hometown of Hog Plum"（中國南酸棗之鄉）in China. Chongyi County hosts the China's first National Centre for Hog Plum Genetic Resources（南酸棗國家林木種質資源庫）and leads in areas such as genetic improvement and cultivation. Hog plum fruit is rich in various essential nutrients and exhibits outstanding health-promoting properties and pharmacological value. It contains abundant flavonoids, natural pectin, dietary fibre, organic acids, and vitamins, playing a crucial role in maintaining overall well-being. The nutritional value of hog plum compared to other commonly used fruits in producing fruit paste, such as greengage, jujube, and hawthorn, is as below:

Comparison of key nutrients in selected fruits



Source: The U.S. Department of Agriculture, CIC Report

- *Flavonoids.* Hog plum fruit is rich in flavonoids, which is a kind of polyphenols. Each 100g of its fruit contains approximately 1,260mg of flavonoids. Studies have shown that flavonoids exhibit potent antioxidant properties, contributing to the attenuation of inflammatory processes, deceleration of ageing processes, and prevention of chronic diseases.

- *Natural Pectin.* Hog plum is also an excellent source of natural pectin, which is a kind of soluble dietary fibres. The concentration of natural pectin in hog plum fruit can reach 1,300mg/100g. The high natural pectin promotes intestinal motility, and facilitate cholesterol excretion.

- *Dietary Fibre.* Each 100g hog plum fruit could contain 3,120mg dietary fibre. The high dietary fibre helps reduce the risk of cardiovascular disease and digestive disorders.

- *Organic Acids.* Hog plum fruit is rich in various organic acids with a total content reaching 4,500mg/100g. Organic acids can improve digestion, normalize acid-base balance, maintain intestinal microflora and have an antibacterial effect.

Market Drivers and Trends

The main drivers and trends of China's hog plum food industry include:

- *Enhancing the Control of Upstream Raw Materials.* Currently, the source of the hog plum is primarily wild, and the proportion of fruit pulp in the hog plum fruits is relatively low. Artificial cultivation of hog plum trees could improve the stability of fruit supply and reduce the difficulty of harvesting, leading to a decrease in raw materials costs. With enhanced control of the upstream side, the hog plum industry could reduce its production cost while offering higher quality of products.

- *Technological Innovation and Automated Production.* Through improvements in processes and innovations in equipment, the automation of hog plum food production can be enhanced, helping companies achieve scaled and continuous production. This boosts production efficiency within the industry, enhances the consistency and stability of product quality, and ultimately drives the growth of the industry.

- *Expansion of Market Coverage, More Marketing Efforts and Increased Consumer Awareness.* The diversification of sales channels leads to broader market coverage, which will greatly boost the sales of hog plum food. At the same time, with more marketing efforts, consumer awareness of hog plum food increases, and there is greater recognition of the nutritional value of hog plum. This promotes continued consumption and drives further growth in the hog plum food market.

- *Diversified Categories of Hog Plum Food.* The diversification of hog plum food varieties drives the development of the hog plum food market by catering to a broader range of consumer preferences and needs. With an increasing demand for healthier, more convenient, and innovative options, brands are introducing a variety of flavours, ingredients, and packaging formats. This variety not only attracts different consumer segments but also encourages frequent consumption, and results in expanding market reach.

Market Challenges

- *Prevalence of White-Label Products with Varying Quality.* In China, "white-label products" have gained widespread presence due to their low-cost production and competitive pricing. However, inconsistencies in quality have raised concerns, making it difficult for consumers to trust their reliability. The challenge of finding budget-friendly options that also meet high-quality standards has hindered the industry's long-term development.

- *Product Homogenisation and Low Customer Loyalty.* With growing competition in the hog plum food market, brands face challenges in differentiating themselves, as many brands offer similar products. As a result, consumers tend to make decisions primarily based on price rather than brand loyalty or unique product attributes. This absence of distinct value propositions makes it difficult for brands to foster long-term customer relationships.

COMPETITIVE LANDSCAPE

China's Fruit Snacks Market

China's snacks market is highly fragmented, with the top five and top ten companies by retail sales value in 2024 only accounting for 5.9% and 10.4% of total market share, respectively. China's snacks market has been experiencing a trend of the rise of domestic brands. Domestic snack companies are able to introduce products that precisely meet local market demands with insights into local culture, taste preferences, and consumption trends. The Company has deeply cultivated the fruit snacks products, which embodies traditional food culture and distinctive local flavours, aligning with the trend of growing consumer preference for domestic snacks. In the future, domestic companies are expected to capture higher market shares.

China's fruit snacks market is also highly fragmented, with the top ten companies accounting for only 10.4% of the market share in 2024. In 2024, the Company ranked the 9th place in terms of the retail sales value of fruit snacks with a market share of 0.63%. The Company is also one of few fruit snacks companies whose products have received certification of "Green Food" and "National Geographical Indication Protected Products". China's "Green Food" certification is issued by the China Green Food Development Centre (CGFDC), an institution under the Ministry of Agriculture and Rural Affairs of PRC. The certification requires strict adherence to environmental and food safety standards, ensuring that consumers receive safe, high-quality, and nutritious food. Companies that receive "Green Food" certification have stronger market competitiveness in terms of brand image, product pricing, and product quality. "National Geographical Indication Protected Products" is issued by China National Intellectual Property Administration for high-quality products originating from a specific region.

Top ten companies in China's fruit snacks industry, in terms of retail sales value, 2024

Rank	Company	Total retail sales value (RMB in billion)	Market share, in terms of retail sales value, %	"Green Food" certification
1	Company A[1]	2.60	2.61%	
2	Company B[2]	1.75	1.76%	
3	Company C[3]	0.90	0.91%	
4	Company D[4]	0.88	0.88%	
5	Company E[5]	0.83	0.83%	
6	Company F[6]	0.77	0.78%	
7	Company G[7]	0.74	0.75%	
8	Company H[8]	0.70	0.70%	
9	**The Company**	**0.62**	**0.63%**	✓
10	Company I[9]	0.59	0.59%	✓
	Top ten subtotal	**10.39**	**10.44%**	
	Total	**99.45**	**100.00%**	

Sources: Ministry of Agriculture and Rural Affairs of PRC, CIC Report

Notes:

(1) Established in 2006 in Anhui Province, China, Company A is a non-listed fruit snacks company primarily engaged in producing greengage products with business operation primarily in China.

(2) Established in 1992 in Henan Province, China, Company B is a listed fruit snacks company primarily engaged in producing jujube products with business operation primarily in China.

(3) Established in 2012 in Anhui Province, China, Company C is a listed snacks company offering multiple fruit products with business operation primarily in China.

(4) Established in 2003 in Zhejiang Province, China, Company D is a subsidiary of a listed food, snack, and beverage company offering multiple fruit products with business operation primarily in China.

(5) Established in 2006 in Hubei Province, China, Company E is a listed snacks company offering multiple fruit products with business operation primarily in China.

(6) Established in 2003 in Shandong Province, China, Company F is a non-listed fruit snacks company primarily engaged in producing hawthorn products with business operation primarily in China.

(7) Established in 1999 in Shanghai, China, Company G is a listed snacks company offering multiple fruit products with business operation primarily in China.

(8) Established in 1988 in Guangdong Province, China, Company H is a non-listed fruit snacks company primarily engaged in producing hawthorn products with business operation primarily in China.

(9) Established in 2007 in Hebei Province, China, Company I is a non-listed fruit snacks company primarily engaged in producing hawthorn products with business operation primarily in China.

China's Hog Plum Food Market

The Company is a leading enterprise in the industry, holding a 32.4% market share in the hog plum food segment and is also the only hog plum food company whose products have been certified with "Green Food" for 29 consecutive years and "National Geographical Indication Protected Products" among the top five hog plum food companies in China by retail sales value in 2024, leading to competitive advantages in quality, safety, and brand awareness over other competitors.

Top five companies in China's hog plum food industry, in terms of retail sales value, 2024

Rank	Company	Total retail sales value (RMB in billion)	Market share, in terms of retail sales value, %	"Green Food" certification	"National Geographical Indication Protected Products" certification
1	**The Company**	**0.61**	**32.4%**	✓	✓
2	Company J[(11)]	0.28	14.9%		
3	Company K[(12)]	0.15	8.0%		
4	Company B	0.11	5.8%		
5	Company C	0.08	4.3%		
	Top five subtotal	**1.23**	**65.4%**		
	Total	**1.88**	**100.0%**		

Source: Ministry of Agriculture and Rural Affairs of PRC, CIC Report

Notes:

(11) Established in 2012 in Sichuan Province, China, Company J is a non-listed hog plum food company with business operation primarily in China.

(12) Established in 2008 in Jiangxi Province, China, Company K is a non-listed hog plum food company with business operation primarily in China.

Key Success Factors and Entry Barriers

The main key success factors and entry barriers of China's hog plum food industry include:

- *Control and Management of Raw Materials.* The quality of raw materials is a key factor affecting the overall quality of products. Companies with research and control capabilities at the upstream level, such as in genetic resources preservation, breeding, and fruit cultivation, can gain a competitive advantage in product quality and volume. Moreover, control over raw materials enables companies to secure consistent quality, reduce dependency on external suppliers, and mitigate production risks. The upstream integration also ensures better product traceability, cost control and the ability to develop differentiated raw materials. However, these capabilities require long-term investment and the accumulation of industry experience.

- *Brand Awareness.* Leading companies build their brand images and customer loyalty by offering high-quality products. They invest substantial time and resources to ensure the safety, green and natural quality of products. By obtaining trusted certifications such as "Green Food" and "National Geographical Indication Protected Products", they enhance brand image aligning with those desirable features, to maintain a distinct brand recognition and positive reputation. This strategy helps companies build consumer loyalty. However, the strength requires long-term engagement and trust between companies and consumers, which can be challenging for new entrants to achieve in the short term.

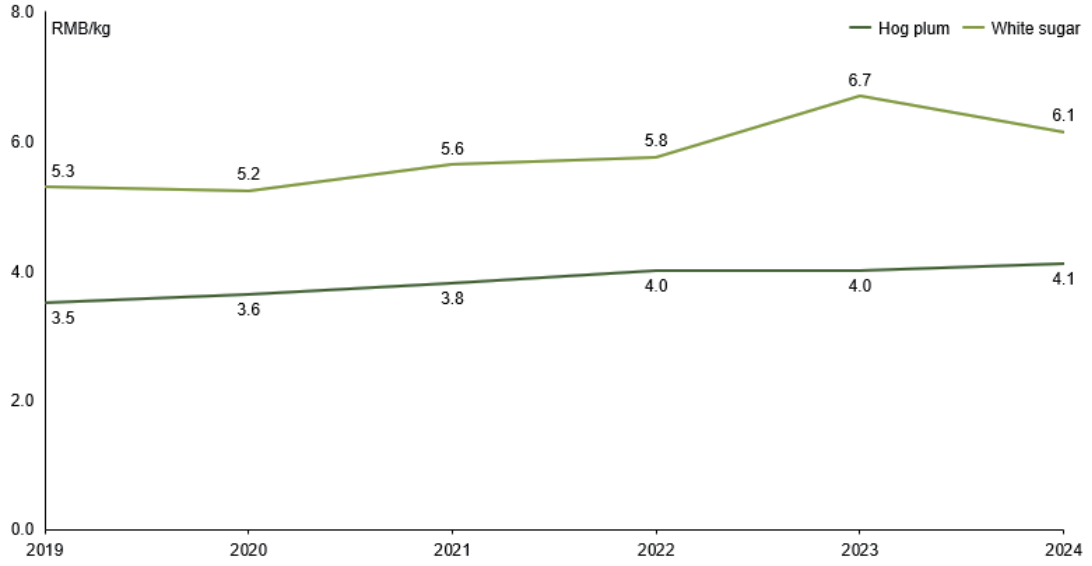
- *Multi-Categories and Multi-Channels Deployment.* The consumer base in China's hog plum food market is vast and diverse, with varied and rapidly evolving demands for products. In parallel, the market has experienced a decentralisation of sales channels, driven by the rise of new channels such as content-based e-commerce, discount stores, and community-based stores that cater to different consumer needs. Leading companies deploying multi-categories and multi-channel strategies are better positioned to address demands of potential consumers and capture shifting consumption trends to constantly introduce appealing products to satisfy the consumers' needs in the long run, such as hog plum jelly and pellets, ultimately outpacing competitors who focus on a single category and a single channel. Building mutually beneficial partnerships with distributors helps companies secure stable sales channels, improve market responsiveness, and enhance brand presence. These trusted relationships create a scalable, hard-to-replicate competitive advantage by fostering deeper local engagement and more efficient operations.

- *Technological Advancements and Innovation Capabilities.* The level of technology and innovation in the hog plum food industry is a critical success factor, especially in areas such as product improvement and innovation. Leading companies have established strong advantages by partnering with universities and research institutions for joint studies, making it challenging for new entrants to access the same resources. Furthermore, in terms of production equipment and process development, industry leaders possess valuable know-how that enables them to continuously improve product quality and taste. This expertise not only enhances the company's competitive edge but also contributes to the overall advancement of the industry. By leveraging technology and innovation, companies can develop unique product offerings that cater to consumer demands for healthier and more flavourful snacks, solidifying their market position.

COST ANALYSIS

Raw material cost and labour cost are the major costs in China's hog plum food industry, and hog plum and white sugar are the major components of the Company's raw material. The acquisition of hog plum in China primarily comes from cultivation in the wild, and the market price has been relatively stable in past years, slightly increasing from RMB3.5 per kilogram in 2019 to RMB4.1 per kilogram in 2024. The price of hog plum in China is expected to remain stable, ranging from RMB4.1 to RMB4.3 per kilogram in 2025 and 2026. The price of white sugar in China has fluctuated and increased since 2019, rising from RMB5.3 per kilogram in 2019 to RMB6.7 per kilogram in 2023, and then decreasing to RMB6.1 per kilogram in 2024. As a mature bulk commodity, the price of white sugar is primarily influenced by market supply and demand conditions. The supply shortage of sugar is anticipated to gradually ease over the period of 2025 and 2026. Correspondingly, the price of white sugar in China is projected to decline to approximately RMB5.6 to RMB5.8 per kilogram in 2025, followed by a further decrease to around RMB5.5 to RMB5.7 per kilogram in 2026. Fluctuations in raw material prices will impact the production costs of the Company's products. The cost increase typically leads to higher selling prices of final products or lower gross profit margin.

Hog plum and white sugar price in China, 2019-2024



Source: The Organisation for Economic Co-operation and Development, CIC Report

The average annual wage for employees in China's private sector agriculture, forestry, animal husbandry, and fishery industries increased from RMB37,760 in 2019 to RMB46,433 in 2024, and is expected to increase to the range of RMB49,000 to RMB51,000 by 2026. In comparison, the manufacturing sector is experiencing even faster growth, with the wage rising from RMB52,858 in 2019 to RMB71,467 in 2024, and is expected to increase to the range of RMB72,000 to RMB76,000 by 2026. Wages are expected to continue growing at a moderate pace, driven by factors such as overall economic expansion, urban development, and inflation.

SOURCES OF THE INDUSTRY INFORMATION

CIC was commissioned to conduct research and analysis of, and produce a report on, the China's snacks market and related economic data at a fee of HK$495,000. The commissioned report has been prepared by CIC independently without the influence from the Company or other interested parties. CIC offers industry consulting services, commercial due diligence, and strategic consulting. With a consultant team actively tracking the latest market trends in various industries such as consumer goods and services, agriculture, chemicals, marketing and advertising, culture and entertainment, energy and industry, finance and services, healthcare, TMT, and transportation, CIC possesses the most relevant and insightful market intelligence in these sectors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the CIC Report. The Company has also referred to certain information in the "Summary", "Risk Factors", "Business" and "Financial Information" sections to provide a more comprehensive presentation of the industry in which the Company operates.

CIC employed both primary and secondary research methods using a variety of resources. Primary research included interviews with key industry experts and leading participants, while secondary research involved analysing data from publicly available sources, such as the National Bureau of Statistics, Ministry of Agriculture and Rural Affairs of PRC, and the U.S. Department of Agriculture. The market projections in the CIC Report are based on the following key assumptions during the forecast period: (i) a stable social, economic, and political environment, (ii) steady economic and industrial growth with urbanisation supported by sustained market demand, technological advancements, and ongoing initiatives promoting infrastructure development, (iii) key industry drivers influencing the snacks market, and (iv) no extreme force majeure or unforeseen industry regulations affecting the market fundamentally. The key industry drivers include continuous innovation in products and packaging that attracts consumers, health-conscious upgrades of snacks, integrated supply chain with technologies leading to higher-quality and lower-cost products, and channel integration and innovation that provides consumers with a more diverse, convenient shopping experience. The Directors confirm that, to the best of their knowledge, after making reasonable inquiries, there is no material and adverse change in the market information since the date of the CIC Report, which may qualify, contradict or have an impact on the information in this section.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE PRC

Regulations on Corporation

On December 29, 1993, the SCNPC issued the PRC Company Law (《中華人民共和國公司法》)(the "**Company Law**"), which was lasted amended on December 29, 2023 and implemented on July 1, 2024. All companies established in the PRC are subject to the Company Law. The Company Law regulates the establishment, operation, corporate structure, and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares.

The main amendments of the PRC Company Law (2023 Revision) involve improving the company's establishment and exit system, optimizing the company's organizational structure, perfecting the company's capital system and strengthening the responsibilities of controlling shareholders and management personnel.

Regulations on Food Safety and Licensing Requirement for Food Operation

Food Safety Law of the PRC

In accordance with the Food Safety Law of the PRC (《中華人民共和國食品安全法》), or the Food Safety Law, as effective on June 1, 2009 and most recently amended on April 29, 2021, the State Council implemented a licensing system for food production and trading activities. A person or entity who engages in food production, food selling or catering services shall obtain the license in accordance with the Food Safety Law.

The Food Safety Law sets out, as penalties for violation, various legal liabilities in the form of warnings, orders to rectify, confiscations of illegal gains, confiscations of tools, equipment, raw materials and other articles used for illegal production and operation, fines, recalls and destructions of food made in violation of laws and regulations, orders to suspend production and/or operation, revocations of production and/or operation license, and criminal punishment.

The Implementation Rules of the Food Safety Law (《中華人民共和國食品安全法實施條例》), as effective on July 20, 2009 and last amended on October 11, 2019, further specifies the detailed measures to be taken for food producers and business operators and the penalties that shall be imposed should these required measures not be implemented.

Food Operation Licensing

On January 2, 2020, the SAMR promulgated the Measures for the Administration of Food Production Licensing (《食品生產許可管理辦法》), which took effect on March 1, 2020. The food production licensing system adopts the principle of "one entity, one license", which means a food producer shall obtain a single food production license to engage in food production activities.

On August 31, 2015, China Food and Drug Administration promulgated the Administrative Measures for Food Operation Licensing (《食品經營許可管理辦法》), which was amended on November 17, 2017 and was repealing by the Measures for the Administration of Food Trade Licensing and Recordation (《食品經營許可和備案管理辦法》) on December 1, 2023. According

to the Measures for the Administration of Food Trade Licensing and Recordation, the food operator shall obtain a food operation license in accordance with the law. Food operators doing business at different locations or venues must obtain separate and respective food operation licenses for each venue under the principle of one license for one site.

Food Labeling

On August 27, 2007, the General Administration of Quality Supervision, Inspection and Quarantine (now incorporated into the State Administration for Market Regulation) promulgated the Administrative Provisions on Food Labeling《(食品標識管理規定》), which was amended on October 22, 2009. Food labels shall indicate the food name, place of origin, production date, shelf life, net weight, ingredient list, and the name, address and contact details of the producer, as well as the applicable national, industry or local standards. Foods that are subject to production license shall be labeled with their food production license number and QS mark.

Food Recall

The Food Safety Law and its Implementation Regulations have established a food recall system. If a food producer discovers that its products fail to meet food safety standards or there is evidence that they may endanger human health, it shall immediately cease production, recall all affected products from the market, notify relevant producers, sellers and consumers, and maintain records of the recall and notification process. If a food seller discovers any of the aforementioned circumstances, it shall immediately cease operation, notify relevant producers, sellers and consumers, and record its cessation of operation and notification and notification process.

On March 11, 2015, the China Food and Drug Administration (now incorporated into the State Administration for Market Regulation) promulgated the Administrative Measures for Food Recalls《(食品召回管理辦法》), which was amended on October 23, 2020. These Measures specify detailed provisions on the obligations of food producers and sellers who shall assume the primary responsibility for food safety according to the law and who are required to cease production and operation of, recall and dispose of unsafe food according to the law.

Regulations on Product Quality and Safety Production

Product Quality Law of the PRC

According to the Product Quality Law of the PRC(《中華人民共和國產品質量法》) promulgated by the SCNPC 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.

Safety Production Law of the PRC

Pursuant to the Safety Production Law of the PRC (《中華人民共和國安全生產法》) released by the SCNPC on June 29, 2002 with effect from November 1, 2002, which was amended on August 31, 2014 and amended on June 10, 2021, and effective from September 1, 2021, the production and business operation entities shall be equipped with the conditions for safe production as provided in this law and other relevant laws, administrative regulations, national standards and industrial standards. Any entity that is not equipped with the conditions for safe production may not engage in production and business operation activities. The principal supervisor of a production and business entity shall assume the responsibility for the production safety of the entity, including the establishment and perfection of its production safety accountability, and the formulation of rules, regulations and operation procedures on production safety. The production and business entity shall provide funds for labor protection articles and training on production safety.

Regulations on Consumer Protection

Consumer protection

According to the Consumers Rights and Interests Protection Law of the PRC ("**the Consumer Protection Law**")(《中華人民共和國消費者權益保護法》), which was promulgated in 1993 by SCNPC and latest amended on October 25, 2013 and effective from March 15, 2014, it imposes stringent requirements and obligations on business operators including, among others, (i) guarantee that the products and services they provide meet the requirements for personal safety or property security, (ii) provide consumers with authentic and complete information about the quality, function, usage and term of validity of the products or services, (iii) ensure the actual quality and functionality of products or services are consistent with advertising materials, product descriptions or samples, failure of which may subject business operators to civil liabilities such as repairing, remaking, exchanging or returning of commodities, making up shortage, refunding purchase prices and service fees, and compensation, and even subject the business operators to criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of consumers.

Competition law

On September 2, 1993, the SCNPC promulgated the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), which was last amended on April 23, 2019.

This Law aims to promote the healthy development of the socialist market economy, encourage and protect fair competition, prevent unfair competition, and protect the legitimate rights and interests of both business operators and consumers. Unfair competition means any behavior by a business operator in its production and operation activities that violates the provisions of this Law, disrupts the market competition order, or infringes upon the legitimate rights and interests of other business operators or consumers. The Anti-Unfair Competition Law clearly defines unfair competition behaviors, including confusing behavior, bribery, false advertising, infringement of trade secrets, unfair prize promotions, defamation of competitors, and unfair online competition. This Law also stipulates the investigative procedures and legal liabilities for various unfair competition behaviors. Anyone who violates the Anti-Unfair Competition Law and constitutes a crime shall be subject to criminal prosecution according to the law.

Price Law

On December 29, 1997, the SCNPC promulgated the Price Law of the PRC (《中華人民共和國價格法》), which took effect on May 1, 1998.

This Law aims to regulate pricing behavior, give play to the role of prices in the rational allocation of resources, stabilize the overall market price, protect the legitimate rights and interests of consumers and business operators, and promote the healthy development of the socialist market economy. Except for goods subject to government-guided pricing or government-fixed pricing, business operators are free to set prices independently according to the law which are subject to market regulation. When setting prices, business operators shall follow the principles of fairness, legality and good faith. Business operators shall not sell goods at a price higher than the marked price or charge any fees other than the marked price. The Price Law clearly stipulates that the overall market price stability is an important objective of national macroeconomic policy. This Law also explicitly states unfair pricing behaviors including price manipulation, predatory pricing, price gouging, price fraud, price discrimination and price monopoly, as well as investigation and legal accountability for various price violations.

Advertising Law

On October 27, 1994, the SCNPC promulgated the Advertising Law of the PRC (《中華人民共和國廣告法》), which was last amended on April 29, 2021.

The law aims to regulate advertising activities, protect the legitimate rights and interests of consumers, promote the healthy development of the advertising industry, and maintain social and economic order. Advertisements shall not contain any false or misleading content, nor may they deceive or mislead consumers. Advertisers shall bear full responsibility for the authenticity of advertising content. Any information in advertisements regarding a product's performance, functionality, place of origin, purpose, quality, composition, price, manufacturer, validity period or promises shall be accurate, clear and explicit. The Advertising Law sets out prohibited advertising practices, explicitly stating that advertisements shall not harm the physical or mental health of minors or individuals with disabilities, nor may they devalue the goods or services of other producers and operators. Advertisers, advertising operators, and publishers are prohibited from engaging in any form of unfair competition in advertising activities or using minors under the age of ten as brand ambassadors. These are also prohibited and mandatory provisions, including that advertisements shall not be sent to any individual's residence, vehicle or other personal space without prior consent or request, nor may they be disseminated via electronic communication.

Regulations on E-Commerce Activities

On August 31, 2018, the SCNPC promulgated the E-Commerce Law of the PRC ("**the E-Commerce Law**")(《中華人民共和國電子商務法》), which became effective on January 1, 2019. Business activities conducted online to sell commodities or offer services shall be governed by the E-Commerce Law. Pursuant to the E-Commerce Law, natural persons, legal persons, and other non-legal-person organizations that engage in the business activities of selling commodities or offering services through the internet and other information networks include e-commerce platform operators, intra-platform business operators, and other e-commerce operators that sell commodities or offer services through a self-built website or other network services.

E-commerce operators must fulfill market entity registration (unless no such registration is required by law and administrative regulations) and obtain the relevant administrative licenses for conducting those operational activities if it is required by law to obtain.

Regulations on Import and Export Goods

Custom Law of the PRC

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and newly amended on April 29, 2021 and became effective on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall file for record with the Customs in accordance with the laws.

Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities

Pursuant to the Administrative Provisions of the Customs of the PRC on the Filing of Customs 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 took effect on January 1, 2022, the consignees and consignors of imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant customs administration department in accordance with the law.

Administrative Measures of the PRC for the Safety of Imported and Exported Food Products

According to the Administrative Measures of the PRC for the Safety of Imported and Exported Food Products (中華人民共和國進出口食品安全管理辦法) promulgated by the General Administration of Customs on April 12, 2021, and came into effect on January 1, 2022, export food manufacturers shall apply to the customs for registration and obtain Record-filing Certificate. Where an export food manufacturer fails to perform statutory record-filing obligations in accordance with law, or its record-filing fails to satisfy requirements upon review, the relevant penalties shall be imposed.

Regulations on Environmental Protection

Environmental Protection Law of the PRC

Environmental protection Law of the PRC (《中華人民共和國環境保護法》) was promulgated by the SCNPC on December 26, 1989 and was revised on April 24, 2014. Any unit that emits or is about to emit pollutants in the course of its operations or other activities must adopt effective environmental protection measures to control and properly manage harmful substances generated from such activities, including waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation. The state implements a pollutant discharge permit management system in accordance with the law.

Administrative Measures for Pollutant Discharge Licensing

Regulation on the Administration of Pollutant Discharge Licensing (《排污許可管理條例》), which was promulgated by the State Council on January 24, 2021 and took effect on March 1, 2021, and the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》), which was promulgated by the Ministry of Ecology and Environment of the PRC on April 1, 2024, and became effective on July 1, 2024, stipulate that the enterprises, public institutions and other production operators that are subject to pollutant discharge permit administration shall apply for and obtain a pollutant discharge permit as per the prescribed time limit. Enterprises, public institutions and other producers and operators that are required to fill in a pollutant discharge registration form under the law shall conduct pollutant discharge registration on the national pollutant discharge permit management information platform. Under the Catalog of Classified Management of Pollutant Discharge Permit for Stationary Pollution Sources (2019)(《固定污染源排污許可分類管理名錄(2019年版)》), which was published by the Ministry of Ecology and Environment of the PRC on December 20, 2019, pollutant discharging entities with a very small quantity of pollutants generated or discharged or a very small degree of impact on the environment, shall implement the pollution registration management.

Regulations on Fire Prevention

The Fire Prevention Law of the PRC

In accordance with the Fire Prevention Law of the PRC (《中華人民共和國消防法》), promulgated on April 29, 1998, and was last amended on April 29, 2021 and became effective on the same date, and other relevant laws and regulations of the PRC, the development project fire safety design examination and acceptance system shall be implemented for development projects which are required to have fire safety design in accordance with the national fire protection technical standards for project construction. Upon completion of construction of a development project which is required to apply for fire safety inspection and acceptance as stipulated by the housing and urban-rural development authority of the State Council, the developer shall apply to the housing and urban-rural development authority for fire safety inspection and acceptance. Where a development project which is required by law to undergo fire safety inspection and acceptance does not undergo fire safety inspection and acceptance, or does not pass fire safety inspection and acceptance, the project shall not be put into use.

Regulations Relating to Foreign-Invested Enterprises

Catalogue of Encouraged Industries for Foreign Investment (Encouraged Catalogue) and The Special Management Measures (Negative List) for the Access of Foreign Investment

Catalogue of Encouraged Industries for Foreign Investment (2022)(《鼓勵外商投資產業目錄(2022年版)》)(the "**Encouraged Catalogue**"), which was issued by NDRC and MOFCOM on October 26, 2022 and effective on January 1, 2023, stipulates that the manufacturing industry will continue to be a key direction to encourage foreign investment, in order to enhance the level of the industrial and supply chains. The Encouraged Catalogue also further promotes the integration and development of the service and manufacturing industries, adding or expanding items such as professional design, technical services, and development.

The Special Management Measures (Negative List) for the Access of Foreign Investment (2024)(《外商投資准入特別管理措施(負面清單)(2024年版)》)(the "**Negative List**"), which was issued by the NDRC and MOFCOM on September 6, 2024 and implemented on November 1, 2024. The Negative List has 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 restricted or prohibited for foreign investment. The Negative List covers 11 types of industries, and any industry not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

Foreign Investment Law of the PRC

On March 15, 2019, the 2nd meeting of the 13th SCNPC approved the Foreign Investment Law of PRC(《中華人民共和國外商投資法》)(the "**FIL**"), which became effective on January 1, 2020. According to the FIL, the "foreign investment" refers to investment activities carried out directly or indirectly by foreign natural persons, enterprises or other organizations (the "**Foreign Investors**"), including the following: (1) Foreign Investors establishing foreign-invested enterprises in China alone or collectively with other investors; (2) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (3) Foreign Investors investing in new projects in China alone or collectively with other investors; and (4) Foreign Investors investing through other ways prescribed by laws and regulations or the State Council. The State adopts the management system of pre-establishment national treatment and negative list for foreign investment.

Regulations Relating to Foreign Exchange

Foreign Exchange Administration Regulations of the PRC

Pursuant to the Foreign Exchange Administration Regulations of the PRC(《中華人民共和國外匯管理條例》), as amended on August 5, 2008, Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of China, unless prior approval is obtained from SAFE and prior registration with SAFE is made.

Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign invested Enterprises

SAFE promulgated 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》), which was promulgated and implemented by the SAFE on June 9, 2016 and newly revised on December 4, 2023, the tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment of the SAFE in due time in accordance with international revenue and expenditure conditions. The use of foreign exchange incomes of capital accounts by domestic institutions shall follow the principles of authenticity and self-use within the business scope of enterprises. The foreign exchange incomes of capital accounts and capital in RMB obtained by the domestic institutions from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for the payment beyond the business scope of the enterprises or the payment prohibited by relevant laws

and regulations; (ii) directly or indirectly, used for securities investment or any investment or wealth management other than wealth management products and structured deposits with a risk rating no higher than Level 2; (iii) used for granting loans to non-connected enterprises, unless otherwise permitted by its business scope; and (iv) used for t purchase of residential real estate that is not for self-use (except for enterprises engaged in real estate development and leasing).

Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents

The Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents (《關於印發〈外國投資者境內直接投資外匯管理規定〉及配套文件的通知》) which was promulgated by SAFE on May 2013, and was amended in October 2018 and December 2019, specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Administration

On January 26, 2017, SAFE issued the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Administration (《關於進一步推進外匯管理改革完善真實合規性審核的通知》)("**SAFE Circular 3**"), which came into effect on the same day, provides that several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) When conducting outward remittance of profits a sum equivalent to more than 50,000 US dollars (exclusive) for a domestic institution, under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements, and stamp with the outward remittance amount and date on the original tax filing records; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profit. Moreover, pursuant to SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Regulations Relating to Tax *Enterprise Income Tax Law of the PRC*

According to 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 was promulgated by the National People's Congress on March 16, 2007, came into effect on January 1, 2008 and amended by the SCNPC on February 24, 2017 and December 29, 2018, and the Implementation Regulations on the 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 and came into effect on January 1, 2008, and amended by the State Council on April 23, 2019 and December 6, 2024, a uniform income tax rate of 25% will be applied to domestic enterprises, foreign-invested enterprises and foreign enterprises that have established institutions or places of production and operation facilities in China. Enterprises are classified as either resident enterprises or non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-

resident enterprises refer to enterprises that are set up in accordance with the laws of foreign countries and that has an office or premises established in China with no actual management functions performed in China, or an enterprise that has income derived from or accruing in China although it does not have an office or premises in China. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not established institutions or places in the PRC, or if they have established institutions or places in the PRC but there is no actual relationship between the relevant income derived in the PRC and the institutions or places set up by them, enterprise income tax is set at the rate of 10%.

Value-Added Tax in the PRC

According to the Value-added Tax Law of the PRC promulgated by the State Council on December 25, 2024, and effective from January 1, 2026, entities and individuals within China that sell goods, services, intangible assets, or real estate, as well as import goods, are taxpayers of value-added tax and shall pay value-added tax. The tax rates are 3%, 6%, 9%, and 13%, depending on the type of goods sold and services provided.

Regulations on Labor, Social Insurance and Housing Accumulation Funds

Labor Contract Law of the PRC

Pursuant to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) released by the SCNPC on June 29, 2007 with effect from January 1, 2008, which was then amended and released on December 28, 2012 and came into force on July 1, 2013, the principle of lawfulness, fairness, equality, free will, negotiation for agreement and good faith shall be observed in the formation of a labor contract. An employer shall establish a sound system of employment rules in accordance with the laws so as to ensure that its employees enjoy the labor rights and perform the employment obligations.

Relevant Regulations on Social Insurance

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》) first implemented on January 1, 2004 and amended in 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) came into effect on January 1, 1995, the Decisions on the Establishment of a Unified Programme for Basic Old-Aged Pension Insurance of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Programme for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, The Unemployment Insurance Measures (《失業保險條例》) promulgated on January 22, 1999, the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) implemented on January 22, 1999 and amended on March 24, 2019，Opinions of the Ministry of Labor and Social Security on Certain Issues Concerning Part-Time Employment (《勞動和社會保障部關於非全日制用工若干問題的意見》) promulgated on May 30, 2003 and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was released by the SCNPC on October 28, 2010, came into force on July 1, 2011 and was then amended on December 29, 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical

insurance. Enterprises shall pay work injury insurance for part-time workers who have established labor relationship. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

Regulation on the Administration of Housing Accumulation Funds

Pursuant to the Regulation on the Administration of Housing Accumulation Funds (《住房公積金管理條例》) released by the State Council on April 3, 1999 and came into force on the same day, which was last amended on March 24, 2019 and came into force on the same day, an employer shall pay the housing accumulation funds for its employees in accordance with the relevant provisions of the state.

Regulations on the Protection of New Varieties of Plants

Regulations on the Protection of New Varieties of Plants of the People's Republic of China

Pursuant to the Regulations on the Protection of New Varieties of Plants of the People's Republic of China (《中華人民共和國植物新品種保護條例》) released by the State Council on March 20, 1997 and came into force on October 1,1997, which was last amended on July 29, 2014 and came into force on the same day, entities or individuals may apply for variety rights for their artificially cultivated new varieties, with protection periods lasting 20 years from the date of grant for vines, forestry trees, fruit trees, and ornamental trees, and 15 years for other plants.

Regulations on Real Estate

Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on 25 June 1986 and last amended on 26 August 2019, China implements the purpose-based land administration system (including agricultural land, construction land and unused land). Any entity or individual shall use lands strictly in accordance with purposes determined in the overall land utilisation planning. The registration of the ownership and right of use of land shall be performed in accordance with laws and administrative regulations pertaining to the real estate registration. The land ownership and use right registered according to the law is protected by the law, and shall not be infringed upon by any organisation or individual.

Pursuant to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC on 5 July 1994 and last amended on 26 August 2019, China implements the registration and certification system for the land use right and house ownership. After building a house on the real estate development land acquired in accordance with laws, the owner shall submit the certificate of land use right to the house administration department of the people's government at or above the county level which shall verify the application and grant the certificate of house ownership.

Regulations on Intellectual Property

Copyright Law of the PRC

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and last amended in 2020, Chinese citizens, legal persons and unincorporated organizations hold copyright over their works, whether published or not. Works created by a natural person in the execution of employment duties of a legal person or unincorporated organization are considered service works, and unless otherwise stipulated, the author retains copyright, while the legal person or unincorporated organization has priority usage rights within its business scope. Without the consent of his employer, the author may not authorize a third party to use his work in the same manner as his employer within two years of the completion of his work. For commissioned works, the copyright ownership shall be determined by the contract between the principal and the trustee. If no explicit agreement is made or no contract is concluded, the trustee retains copyright over the work.

Trademark Law of the PRC and Implementation Regulations on the Trademark Law of the PRC

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) released by the SCNPC on August 23, which was newly amended on April 23, 2019 and implemented on November 1, 2019, and the Implementation Regulations on the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which was amended by the State Council on April 29, 2014 and became effective from May 1, 2014, any enterprise which needs to acquire the right to exclusively use a trademark on the goods or services thereof in the course of its business operation shall apply to the Trademark Office for trademark registration. The period of validity of a registered trademark shall be ten years from the day the registration is approved. Without the authorization of the owner of the registered trademark, using a trademark that is identical with or similar to a registered trademark on the same goods or that is identical with or similar to a registered trademark on the similar goods which could possibly cause confusion, constitutes an infringement of the exclusive right of a registered trademark. The infringer shall, in accordance with the regulations, cease the infringement, take remedial action and pay damages, etc.

Patent Law of the PRC

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) released by the SCNPC on March 12, 1984, which was newly amended on October 17, 2020 and came into force on June 1, 2021, after granting the patent right for an invention or utility model, except otherwise provided in the Patent Law, no entity or individual may, without the authorization of the patent owner, exploit the patent, that is, make, use, offer to sell, sell or import the patented product, or use the patented process, or use, offer to sell, sell or import any product which is a direct result of the use of the patented process for production or business purposes. And after a patent right is granted for a design, no entity or individual shall, without the permission of the patent owner, exploit the patent, that is, manufacture, offer to sell, sell, or import any product containing the

patented design for production or business purposes. Once the infringement of patent is decided, the infringer shall, in accordance with the regulations, cease the infringement, take remedial action, and pay damage, etc.

Administrative Measures of Internet Domain Name

Pursuant to the Administrative Measures of Internet Domain Name(《互聯網域名管理辦法》) released by the Ministry of Industry and Information Technology on August 24, 2017 with effect from November 1, 2017, the registration of a domain name shall follow the principle of "registration being granted to the first applicant", and if it is otherwise provided for in relevant detailed rules for the implementation of domain name registration, such rules shall prevail.

REGULATIONS RELATING TO CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Cybersecurity and Data Security

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016, which took effect on June 1, 2017, entities engaged in constructing, operating a network, or providing services through a network shall adopt technical measures and other necessary measures in accordance with legal and administrative regulations, as well as mandatory national standards, to ensure the secure and stable operation of the network. These measures must effectively address cybersecurity incidents, prevent illegal and criminal activities online, and safeguard the integrity, confidentiality and availability of network data.

According to the Data Security Law of the People's Republic of China(《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, data processing activities shall be carried out in compliance with laws and regulations, with respect towards social ethics and morality, by establishing and improving a whole-process data security management system and strengthening risk monitoring. In addition, processors of important data shall conduct regular risk assessments and submit risk assessment reports to the relevant competent authorities.

According to the Regulations on Administration of Network Data Security (《網絡數據安全管理條例》) promulgated by the State Council on September 24, 2024 and effective as of January 1, 2025, a network data processor engaging in network data processing activities that affect or are likely to affect national security shall conduct a national security review in accordance with the relevant state regulations.

According to the Measures for Cyber Security Review(《網絡安全審查辦法》) promulgated by the Office of the Cyberspace Administration of China in conjunction with relevant government departments on December 28, 2021 and effective on February 15, 2022 (replacing the previous version), operators of critical information infrastructures that procure network products and services, which affect or are likely to affect national security, shall declare to the Office of the Cyberspace Affairs of the State Internet Information Office a cyber security review. Operators of network platforms with personal information of more than 1.00 million users seeking listing abroad are required to declare their network security review to the Cybersecurity Review Office.

Protection of Personal Information

According to the Civil Code of the PRC(《中華人民共和國民法典》) promulgated by the National People's Congress on May 28, 2020 and came into force on January 1, 2021, the personal information of natural persons is protected by law. If any organization or individual needs to obtain the personal information of others, they shall obtain it lawfully, ensure data security, and refrain from illegal collection, use, processing or transmission of the personal information of others as well as illegal trading, disclosure or provision of such data.

According to the Personal Information Protection Law of the PRC(《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and came into force on November 1, 2021, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. All organizations and individuals are prohibited from engaging in the illegal collection, use, processing or transmission of the personal information of others as well as illegal trading, disclosure or provision of such data. The processing of personal information shall not endanger national security or public interest.

REGULATIONS RELATING TO OVERSEAS LISTINGS

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

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 five relevant guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures provide that (i) domestic companies that seek to offer or list securities overseas, both directly and indirectly, should complete a filing procedure and submit relevant information to the CSRC; in the event of subsequent offering and occurrence of certain major events, domestic companies shall also complete relevant filing procedures and submit information to the CSRC; if a domestic company fails to complete the filing procedures, omits any material fact, falsifies any content or contains any misleading statement in its filing documents, such domestic company may be subject to administrative penalties; (ii) where an issuer makes an application for initial public offering and listing in an overseas market, the issuer shall file with the CSRC within three business days after such application is submitted.

OVERVIEW

Our history traces back to the establishment of our predecessor and Controlling Shareholder, Chongyi Food Factory, a food factory based in Chongyi County, Ganzhou City, Jiangxi Province in 1979 as an enterprise established under ownership by the whole people*(全民所有制), the principal business of which was manufacturing and sales of pastry, candied fruit and beverages. In the late 1990s, a total of 51 then employees of Chongyi Food Factory gathered their capital and acquired ownership of the factory from the local government and converted the factory into a joint stock cooperative enterprise(股份合作制企業) in 1997.

Against this background, in September 1995, our Company was founded in the PRC as a limited liability company and a Sino-foreign joint venture among Chongyi Food Factory, Ganzhou Guohua Industrial Co., Ltd.*(贛州市國華實業有限責任公司) ("**Ganzhou Guohua**"), a limited company established under the laws of the PRC and Hong Kong Hua Cheab Enterprise Co. Limited(香港華昌企業有限公司) ("**Hua Cheab**"), a company incorporated in Hong Kong, which held 50%, 25% and 25% of the registered share capital of the Company, respectively. The business operations, and assets and liabilities of Chongyi Food Factory were transferred to our Company in 2000. Chongyi Food Factory ceased to have any material business operations in or around 2000 and since then had no material assets other than its shareholding interest in our Company and Qiyunshan Oil Tea upon its establishment in 2010. To the best of our Directors' knowledge, information and belief having made reasonable enquiry, Qiyunshan Oil Tea was not involved in any material non-compliance or litigation pending or threatened against it which could have a material and adverse effect on its business and financial condition during the Track Record Period.

Since our establishment and the transfer of assets and liabilities from Chongyi Food Factory to our Company in 2000, we have consistently specialised on our primary business, namely the manufacturing and sales of hog plum(南酸棗) food products, taking advantage of the leading position of Chongyi County as "Hometown of Hog Plum Fruits in China"*(中國南酸棗之鄉). Under the leadership and management of Mr. Liu Zhigao, who has been the chairman of our Board, executive Director and general manager of our Company since our establishment, supported by our other executive Directors who have all been with us for over 20 years, we have grown to become a market leader in our industry. According to the CIC Report, we were the top player in China's hog plum food market in 2024 in terms of retail sales value.

In preparation for the **[REDACTED]**, our Company was converted into a joint stock company with limited liability on 11 June 2025 with a registered capital of RMB75,000,000. Further details of the major corporate development of our Company are set out under the paragraph headed "Our Corporate Development" in this section below.

MILESTONES

The following events are our key business and corporate milestones:

Year	Business development
1979 . .	Our predecessor, Chongyi Food Factory, was established and began accumulating experience in the manufacturing and sales of pastry, candied fruit and beverages
1990 . .	Chongyi Food Factory registered the "Qiyunshan"(齊雲山) trademark

Year	Business development
1992 . .	Chongyi Food Factory first launched its hog plum paste
1995 . .	Our Company was established as a sino-foreign joint venture
1997 . .	Our hog plum products were certified by the China Green Food Development Center* (中國綠色食品發展中心) as "green food" and have maintained such certification since then
2000 . .	The assets and liabilities of Chongyi Food Factory were transferred to our Company
2006 . .	We were recognised as a China Well-Known Brand* (中國馳名品牌)
2007 . .	We were recognised as an Outstanding China Green Food Enterprise* (中國綠色食品優秀企業)
2014 . .	We were first certified as a High and New Technology Enterprise* (高新技術企業) and have successfully maintained such certification since then
2014 . .	We were certified as a Jiangxi Provincial Engineering Research Center for Hog Plum* (江西省南酸棗工程技術研究中心)
2015 . .	We were recognised as a National Green Food Demonstration Enterprise* (全國綠色食品示範企業) by the China Green Food Association* (中國綠色食品協會)
2016 . .	We were designated as a National Forest Tree Germplasm Resources Platform – Hog Plum Germplasm Repository* (國家林木種質資源平台南酸棗保存庫)
2018 . .	Our hog plum pastes were certified by the China National Intellectual Property Administration (中華人民共和國國家知識產權局) as National Geographical Indication Protected Products* (國家地理標志保護產品)
2019 . .	Our hog plum pastes obtained the China Forest Food Certification* (中國森林食品認證)
2020 . .	We were awarded the Jiangxi Provincial Science and Technology Progress Award (First Prize)* (江西省科學技術進步獎一等獎)

Year	Business development
2021 . .	We were recognised as one of the Key National Leading Enterprises for Agricultural Industrialisation*(農業產業化國家重點龍頭企業)
	We were designated as a Provincial-Level Enterprise Technology Center(省級企業技術中心)jointly by the Jiangxi Provincial Department of Industry and Information Technology*(江西省工業和信息化廳), Department of Finance of Jiangxi Province*(江西省財政廳), Jiangxi Provincial State Taxation Administration*(國家稅務總局江西省稅務局)
2022 . .	We were awarded the Certificate of Honour for Technologically Advanced Small and Medium-sized Enterprises in Jiangxi Province*(江西省專精特新中小企業)
2024 . .	Our hog plum pastes and hog plum pellets were awarded the "Jiangxi Food Business Card"*(江西美食名片)certification by Jiangxi Food Industry Association*(江西省食品工業協會)
2025 . .	Our Company was converted into a joint stock limited company in preparation of the **[REDACTED]**

OUR CORPORATE DEVELOPMENT

Our Company underwent the following equity transfers and changes in share capital. Save as disclosed below, there had been no changes in the direct shareholding of our Company since its establishment and up to the Latest Practicable Date.

Establishment of our Company

The following table sets forth the equity ownership structure of our Company upon our establishment in September 1995:

Name of Shareholder	Amount of Registered Share Capital Subscribed	Percentage ownership
	(HK$)	*(%)*
Chongyi Food Factory	2,400,000	50.00
Ganzhou Guohua.	1,200,000	25.00
Hua Cheab	1,200,000	25.00
Total	**4,800,000**	**100.00**

Our Directors confirm that Ganzhou Guohua and Hua Cheab were introduced to Chongyi Food Factory by the local government of Chongyi County through the government's investment promotion efforts in or around 1994. Each of Ganzhou Guohua, Hua Cheab and their respective shareholders is an Independent Third Party.

Equity Transfer and Conversion of Registered Share Capital in May 2000

Pursuant to our directors' resolution dated 15 March 2000, (i) Ganzhou Guohua transferred to Chongyi Food Factory the entirety of its 25% shareholding interest in our Company, representing a registered capital of HK$1,200,000; and (ii) Hua Cheab transferred to Hong Kong Man Long Development Co.(香港萬隆發展公司) ("**Man Long**"), a Hong Kong partnership established in 1985 and owned by Mr. Chan Chuen Kui(陳傳鉤) and Ms. Ngan Pik Chu(鄞碧珠), two Hong Kong citizens who are Independent Third Parties, the entirety of its 25% shareholding interest in our Company, representing a registered capital of HK$1,200,000 (the "**Man Long Transfer**"). We have also converted our registered share capital from HK$4,800,000 to USD620,000 based on the then prevailing exchange rate. The registration of the equity transfer and conversion of registered share capital were completed on 25 May 2000.

The following table sets forth the equity ownership structure of our Company upon the completion of the equity transfer and conversion of registered share capital in May 2000:

Name of Shareholder	Amount of Registered Share Capital Subscribed	Percentage ownership
	(USD)	*(%)*
Chongyi Food Factory	465,000	75.00
Man Long	155,000	25.00
Total	**620,000**	**100.00**

Equity Transfer and Conversion of Registered Share Capital in September 2022

Pursuant to our director's resolution dated 28 March 2022, Man Long transferred the entirety of its 25% shareholding interest in our Company, representing a registered capital of USD155,000, to Yunzhishang LP (the "**Yunzhishang Transfer**"). We have also converted our registered share capital from USD620,000 to RMB4,180,000 based on the then prevailing exchange rate. The registration of the equity transfer and conversion of registered share capital were completed on 26 September 2022.

The following table sets forth the equity ownership structure of our Company upon the completion of the equity transfer and conversion of registered share capital in September 2022:

Name of Shareholder	Amount of Registered Share Capital Subscribed	Percentage ownership
	(RMB)	*(%)*
Chongyi Food Factory	3,135,000	75.00
Yunzhishang LP	1,045,000	25.00
Total	**4,180,000**	**100.00**

Joint Stock Reform of our Company

On 24 May 2025, our then Shareholders, being our promoters, passed resolutions approving, among others, the conversion of our Company into a joint stock company with limited liability under the laws of the PRC. In accordance with an audit report of our Company issued by an independent accountant, as at 31 January 2025, the audited net asset value of our Company was RMB216.1 million, among which RMB75,000,000 was converted into 75,000,000 Shares with a nominal value of RMB1.00 each and the remaining RMB141.1 million was converted into capital reserve. Our Shares upon conversion were subscribed for by our then Shareholders in proportion to their respective equity interest in our Company immediately before the conversion. The joint stock reform was completed on 11 June 2025.

OUR BRANCHES

During the Track Record Period and up to the Latest Practicable Date, our Company had no subsidiary. As at the Latest Practicable Date, we had established four branches (分支機構) in the PRC under the name of our Company to support our operations. The following table sets out the details of such branches:

Name of branch	Date of establishment	Person-in-charge (負責人)	Principal business activities
Jiangxi Qiyunshan Food Co., Ltd. Sales Centre* (江西齊雲山食品股份有限公司營銷中心)	16 January 2012	Mr. Zhu Fangyong	Sales of our hog plum products
Jiangxi Qiyunshan Food Co., Ltd. Ganzhou City Zhanggong District Branch Company* (江西齊雲山食品股份有限公司贛州市章貢區分公司)	23 April 2024	Mr. Zhu Fangyong	Provision of branding and marketing services
Jiangxi Qiyunshan Food Co., Ltd. Hangzhou Branch Company* (江西齊雲山食品股份有限公司杭州分公司)	4 December 2025	Mr. Liu Zhigao	No business operation
Jiangxi Qiyunshan Food Co., Ltd. Shenzhen Branch Company* (江西齊雲山食品股份有限公司深圳分公司)	18 December 2025	Mr. Liu Zhigao	No business operation

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any major acquisitions, disposals or mergers that we consider to be material to us.

PRE-[REDACTED] INVESTMENT

As disclosed in the paragraph headed "Our Corporate Development" in this section above, our Company has been engaged in an equity transfer which constitutes pre-**[REDACTED]** investment (the "**Pre-[REDACTED] Investment**") under Chapter 4.2 of the Guide For New Listing Applicants issued by the Stock Exchange (the "**Pre-[REDACTED] Investment Guidance**"), details of which are set out below:

Name of Pre-[REDACTED] Investor	Date of Agreement	Date of Settlement of Consideration	Amount of Registered Capital Subscribed For	Consideration	Cost Per Share	Discount to the [REDACTED]	Shareholding in our Company upon [REDACTED]
Yunzhishang LP *(Note 1)*	22 April 2022	21 February 2023	RMB1,045,000	RMB2,566,000	RMB0.14 *(Note 2)*	**[REDACTED]**% *(Note 3)*	**[REDACTED]**%

Notes:

1. *The registered capital in our Company acquired by Yunzhishang LP from Man Long under the Yunzhishang Transfer was converted from USD155,000 into RMB1,045,000 upon completion of such equity transfer in September 2022.*

2. *The adjusted cost per Share is calculated by dividing the total consideration paid by Yunzhishang LP under the Yunzhishang Transfer by the number of Shares held by Yunzhishang LP immediately prior to the **[REDACTED]**, for purpose of illustrating the discount to the **[REDACTED]**.*

3. *The discount to the **[REDACTED]** is calculated based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range).*

Set forth below are further information regarding the Pre-**[REDACTED]** Investment:

Basis of consideration	Based on arm's length negotiation between Yunzhishang LP and Man Long after taking into consideration, among other things, the registered capital paid by Man Long and the prospects of our business.
Use of proceeds from the Pre-[REDACTED] Investment	We did not receive any proceed for such transfer of shareholding interests between Shareholders.
Strategic benefits of the Pre-[REDACTED] Investment	Our Directors believe that the acquisition of the Shares by our own employees through Yunzhishang LP reflected our employees' confidence in our business performance and prospects.
Lock-up period	Pursuant to the applicable PRC laws, within the 12 months following the **[REDACTED]**, all existing Shareholders (including Yunzhishang LP) shall not dispose of any of the Shares held by them.
Special rights of the pre-[REDACTED] investor	We did not enter into any agreement with Yunzhishang LP which would confer to Yunzhishang LP any special rights not enjoyed by other Shareholders or otherwise granted Yunzhishang LP any such special rights.

Information Regarding Our Pre-[REDACTED] Investor

Yunzhishang LP is a limited partnership established under the laws of the PRC on 14 February 2022 with a total capital contribution of RMB3 million. The partnership interests in Yunzhishang LP were contributed by our employees who were also shareholders of Chongyi Food Factory. The partners of Yunzhishang LP comprised 11 individuals, including all six of the Core Management Shareholders. Upon its establishment, each of Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Mr. Huang Zhongming and Mr. Ling Huashan was elected partner representatives (合夥人代表), while Mr. Liu Zhigao was also elected as managing partner (執行事務合夥人) and general partner (普通合夥人). There had been no change in partnership interests, partner representatives, managing partner and general partner of Yunzhishang LP since its establishment and up to the Latest Practicable Date.

Set forth below are details of the partners of Yunzhishang LP since its establishment and up to the Latest Practicable Date:

Name of partner	Partnership type	Contribution	Percentage of partnership interest	Role in our Company
		(RMB)	*(%)*	
Core Management Shareholders				
Mr. Liu Zhigao	General partner (普通合夥人) and managing partner (執行事務合夥人)	493,800	16.46	Chairman of the Board, executive Director and general manager
Mr. Zhu Fangyong	Limited partner	384,000	12.80	Vice chairman of the Board, executive Director, deputy general manager and general manager of marketing centre
Mr. Liu Jiyan	Limited partner	356,700	11.89	Vice chairman of the Board, executive Director and deputy general manager
Mr. Huang Zhongming	Limited partner	321,900	10.73	Executive Director and deputy general manager
Mr. Ling Huashan	Limited partner	255,300	8.51	Executive Director and quality and technology manger
Ms. Yang Yulan	Limited partner	237,900	7.93	Executive Director
Subtotal		**2,049,600**	**68.32**	
Xiao Yong (肖勇)	Limited partner	231,000	7.70	Manager of marketing department
Zhu Yule (朱宇樂)	Limited partner	207,600	6.92	Staff in our manufacturing department

Name of partner	Partnership type	Contribution	Percentage of partnership interest	Role in our Company
		(RMB)	*(%)*	
Luo Cailing (羅彩玲)	Limited partner	189,300	6.31	Deputy manager of production management department
Huang Songxiang (黃松香)	Limited partner	165,600	5.52	Staff in our finance department
Zhao Xiaohua (趙小華)	Limited partner	156,900	5.23	Not applicable, retired from our Company in 2022
Subtotal		**950,400**	**31.68**	
Total		**3,000,000**	**100.00**	

PRC Legal Advisers' Confirmation

As advised by our PRC Legal Advisers, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of the State Administration for Market Regulation (國家市場監督管理總局) in respect of the Pre-**[REDACTED]** Investment in all material aspects set out above.

Compliance with Pre-[REDACTED] Investment Guidance

The Sole Sponsor confirms that the Pre-**[REDACTED]** Investment is in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange, on the basis that (i) the consideration for the Pre-**[REDACTED]** Investment was settled more than 28 clear days before the first filing of the **[REDACTED]** application by our Company with the Stock Exchange, and (ii) no special rights will survive the **[REDACTED]**.

PUBLIC FLOAT

Rule 19A.13A(1) of the Listing Rules requires that there must be an open market in the securities for which **[REDACTED]** is sought. This will normally mean that for a class of securities new to **[REDACTED]**, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of **[REDACTED]**. Where the expected **[REDACTED]** of the class of securities at the time of **[REDACTED]** does not exceed HK$6,000,000,000, the minimum prescribed percentage is 25%.

Based on (i) the **[REDACTED]** of HK$**[REDACTED]**, HK$**[REDACTED]** or HK$**[REDACTED]**, being the low end, midpoint and high end of the indicative **[REDACTED]** range, and (ii) **[REDACTED]** Shares which are expected to be in issue immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), it is expected that the market value of the Shares at the time of **[REDACTED]** will be HK$**[REDACTED]** million, HK$**[REDACTED]** million or HK$**[REDACTED]** million, respectively. Accordingly, at least 25% of the total number of issued Shares must be held by the public at the time of **[REDACTED]**. Upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Shares held by our Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. These include (i) Chongyi Food Factory, owned as to 68.79% by our Core Management Shareholders,

holding **[REDACTED]**% of the issued share capital of our Company; and (ii) Yunzhishang LP, owned as to 68.32% by our Core Management Shareholders, holding **[REDACTED]**% of the issued share capital of our Company.

Shares held by Shareholders other than as set out above will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules as they will not be core connected persons of our Company upon **[REDACTED]**, are not accustomed to take instructions from core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares, and their acquisition of Shares were not financed directly or indirectly by core connected persons.

Based on the above, it is expected that immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), approximately **[REDACTED]**% of our Company's total issued Shares will be held by the public upon completion of the **[REDACTED]** in accordance with Rule 19A.13A(1) of the Listing Rules.

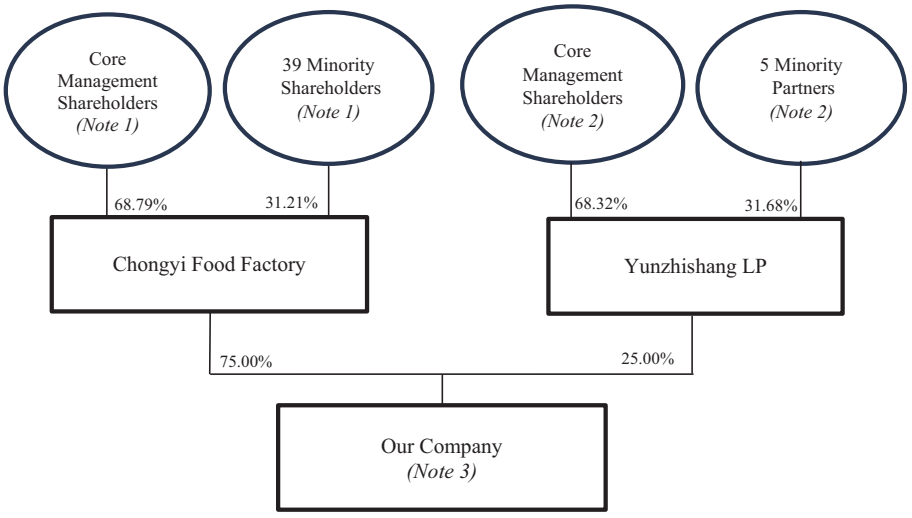
FREE FLOAT

Based on the **[REDACTED]** H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**, representing **[REDACTED]**% of our total issued share capital immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), which will be held by the public and not subject to any disposal restrictions, and the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low-end of the indicative **[REDACTED]** range), we will be able to satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

CORPORATE STRUCTURE

Immediately Prior to the [REDACTED]

The following chart sets forth our corporate structure immediately prior to the **[REDACTED]**:



Notes:

1. *Please refer to the sections headed "Relationship with Our Controlling Shareholders" and "Directors and Senior Management" in this document for further information regarding the Core Management Shareholders. The following table sets forth the shareholding interests in Chongyi Food Factory as at the Latest Practicable Date:*

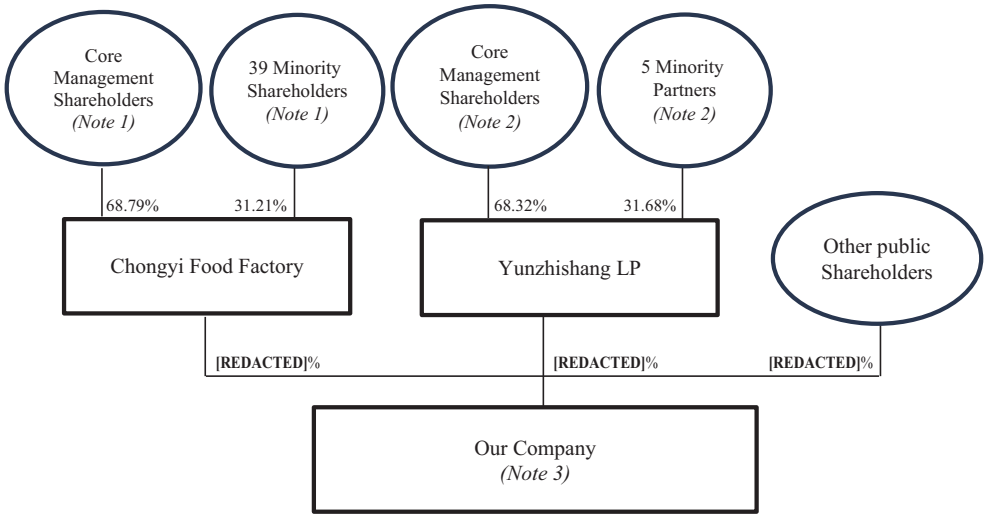
Name of Shareholder of Chongyi Food Factory	Registered Capital in Chongyi Food Factory	Percentage of Shareholding Interest
	(RMB)	*(%)*
Core Management Shareholders		
Mr. Liu Zhigao	1,938,327.5	24.25
Mr. Zhu Fangyong	1,760,910	22.03
Mr. Liu Jiyan	1,173,937.5	14.69
Ms. Yang Yulan	250,007.5	3.13
Mr. Ling Huashan	211,957.5	2.65
Mr. Huang Zhongming	163,045	2.04
Subtotal	**5,498,185**	**68.79**
Minority Shareholders		
Chen Shihao (陳世浩)	500,010	6.26
Xiao Yong (肖勇)	434,792.5	5.44
Huang Zuhan (黃族漢)	115,945	1.45
Luo Wei (羅威)	109,424	1.37
Wang Huayuan (王華元)	104,349	1.31
Luo Cailing (羅彩玲)	95,652.5	1.20
Huang Chunping (黃春萍)	86,957.5	1.09
Wu Nianxiang (鄔年香)	69,565.5	0.87
Huang Songxiang (黃松香)	66,667.5	0.83
Zhu Yule (朱宇樂)	63,770	0.80
Zhu Chuanxiu (朱傳秀)	54,783	0.69
Huang Zhiqiang (黃志強)	46,980	0.59
Liu Xianchun (劉賢椿)	43,479	0.54
Xiao Runlan (肖潤蘭)	43,479	0.54
Zhao Xiaohua (趙小華)	43,479	0.54
Li Guixiang (李桂香)	34,783.5	0.44
Tian Chengliang (田承亮)	34,783.5	0.44
Tian Guiling (田桂伶)	34,783.5	0.44
Chen Youlian (陳有蓮)	34,783	0.44
Zou Duchun (鄒篤春)	31,884	0.40
Liu Chungeng (劉春庚)	31,884	0.40
Lei Chengying (雷承英)	28,986	0.36
Zhong Dalin (鐘達林)	28,188	0.35
Zhang Xiaofang (張小芳)	24,348	0.30
Xiao Xiuzi (肖秀孜)	23,189	0.29
Que Zongmei (闕宗梅)	23,189	0.29
Fan Hexiang (范荷香)	23,189	0.29
Huang Xianzhao (黃先招)	23,189	0.29
Wu Kuihua (吳葵花)	23,189	0.29
Hu Ming (胡明)	23,189	0.29
Peng Yulan (彭玉蘭)	23,189	0.29
Hu Qianzhao (胡倩招)	23,189	0.29
Liao Chunxiang (廖春香)	23,189	0.29
Chen Changying (陳昌英)	23,189	0.29
Wu Xiaoping (吳小平)	23,189	0.29
Li Quanfeng (李全鳳)	18,792	0.24
Xing Fudi (幸福娣)	18,792	0.24
Deng Youlan (鄧友蘭)	18,792	0.24
Zhang Yuxian (張玉仙)	18,792	0.24
Subtotal	**2,494,004**	**31.21**
Total	**7,992,189**	**100.00**

2. *Please refer to the paragraphs headed "Pre-**[REDACTED]** Investment — Information Regarding Our Pre-**[REDACTED]** Investor" in this section above for further information regarding Yunzhishang LP and its partners.*

3. *Our Company has four branches in the PRC. Please refer to the paragraphs headed "Our Branches" in this section above for details.*

Immediately After the Completion of the [REDACTED]

The following chart sets forth our corporate structure immediately after the completion of the **[REDACTED]**, without taking into account any H Share which may be issued upon the exercise of the **[REDACTED]**:



*Notes: Please refer to the notes to the corporate structure chart in the paragraphs headed "Corporate Structure – Immediately Prior to the **[REDACTED]**" in this section above.*

OVERVIEW

We are a fruit snacks company in the PRC that primarily sells hog plum (南酸棗) food products. According to CIC, we ranked first in the hog plum food market in the PRC holding a market share of 32.4% in terms of retail sales value in 2024 and our flagship product, hog plum paste (南酸棗糕), was certified as "Green Food" by China Green Food Development Centre (中國綠色食品發展中心) for 29 consecutive years in the PRC since 1997 and recognised as National Geographical Indication Protected Products* (國家地理標誌保護產品) in 2018. Our brand "齊雲山" 齐云山 is a household name among hog plum food brands in the PRC. Positioned as green food, we leverage on the natural health benefits of hog plum to cater to the diverse taste preferences of consumers through our R&D efforts, and are committed to promoting the value of hog plum as nutritious snacking options. In 2014, we established the Hog Plum Engineering Technology Research Centre* (江西省南酸棗工程技術研究中心). Our operations cover the entire industrial chain, from resource conservation, cultivation and R&D to manufacturing and sales of hog plum food. We are recognised as a High and New Technology Enterprise* (高新技術企業) and the Key Leading Enterprises in Agricultural Industrialization* (農業產業化國家重點龍頭企業).

Headquartered in Chongyi County, Jiangxi Province, which has a forest coverage rate of 88.3%, the highest among all counties in China, and is recognised with the exclusive title of "Hometown of hog plum in China"* (中國南酸棗之鄉) by the National Forestry and Grassland Administration (國家林業和草原局), we benefit from the priority access to hog plum resources which are in close proximity to our production facilities and therein minimising quality degradation caused by prolonged transportation and reducing transportation costs while maintaining supply chain efficiency.

We launched our first hog plum paste, being our flagship product, in 1992. Over the years, we have also consistently refined our formulae and enhanced our production processes. Our commitment on R&D efforts are reflected through the upgrading of equipments and expansion of our product portfolio. These efforts encompass all aspects of production and product development, including commercialisation of hog plum, application of key technologies and equipment. In 2020, we were awarded Jiangxi Provincial Science and Technology Progress Award (First Prize)* (江西省科學技術進獎一等獎). We also collaborated with third parties institutions, such as Nanchang University (南昌大學) focusing on the development of hog plum process technology and optimisation of hog plum resource utilisation, and Institute of Chinese Materia Medica, China Academy of Chinese Medical Sciences (中國中醫科學院中藥研究所) with a focus on product R&D and increasing product added-value. Leveraging on our R&D capabilities, we have achieved significant milestones, such as:

- expanding our product portfolio: hog plum paste is available in nine flavours with three additional variations, being low-sugar, reduced sugar and additive-free, and hog plum pellets in two flavours. Other products include hog plum soft candy, hog plum gel, hog plum jelly which was launched in December 2024, and other fruit and vegetable pastes; and

- implementing digitalised and standardised production processes to ensure consistency, efficiency, and scalability.

We constantly adapt to changing purchasing behaviour of consumer and have expanded our sales channels to chained supermarkets and chained snack stores through our distributors and e-commerce platforms. As at 31 December 2025, we cooperated with 230 offline distributors mostly in the southern part of China. Meanwhile, we have strengthened our presence on major e-commerce platforms as a complement to our offline sales channel. For FY2023, FY2024 and FY2025, revenue generated from online channels amounted to RMB34.8 million, RMB35.5 million and RMB36.6 million, which represented 14.0%, 10.4% and 11.6% of our total revenue, respectively. In addition, we use e-commerce and social media channels to build a brand image through interactive marketing activities with an aim to capture young consumers.

During the Track Record Period, we maintained constant profitability. For FY2023, FY2024 and FY2025, our generated revenue RMB246.7 million, RMB339.1 million and RMB313.7 million, respectively. Our net profits recorded RMB23.7 million, RMB53.2 million and RMB49.0 million and our net profit margin was 9.6%, 15.7% and 15.6% for FY2023, FY2024 and FY2025, respectively.

Leveraging on our brand recognition, product competitiveness, R&D capabilities, and distribution network, we have the capability to further increase our market share and capitalise on the growing opportunities driven by the rising health and wellness awareness among consumers in the PRC's fruit snacks industry. As consumer preferences continue to shift towards healthier and more nutritious snack options, we believe our commitment to innovation, quality, and sustainability will enable us to meet market expectations, and we aim to solidify our leadership in the hog plum food market and expand our presence in the fruit snacks market.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiated us from our competitors:

A leading hog plum food company with an established brand name in the PRC

We are a leading hog plum food company in the PRC with over 30 years of experience in the production and sale of hog plum food. According to CIC, we ranked first in the hog plum food market in the PRC holding a market share of 32.4% in terms of retail sales value in 2024. Such position underscores our brand recognition and market leadership in the industry.

Our flagship product, hog plum paste（南酸棗糕）was launched in 1992 and approved as National Geographical Indication Protected Products*（國家地理標誌保護產品）in 2018 and has been certified as Certificate for Grade A level of Green Food Standards*（綠色食品A級產品）by China Green Food Development Centre （中國綠色食品發展中心）under the Ministry of Agriculture and Rural Affairs of the PRC （中華人民共和國農業農村部） for 29 consecutive years since 1997, which is an official acknowledgement of our product's food safety, quality of materials, and strict control of the use of preservatives and additives. According to CIC, among the top five companies by retail sales in FY2024 in the hog plum food market, our Company is the only company with the "Green Food" certification, further solidifying our brand as the leading hog plum food brand in the PRC and differentiating us from our competitors.

Over the years, we have built a brand image for our quality and production standard, supported by our marketing efforts and strategic promotional activities. Our marketing strategies include, in-store display in supermarkets and e-commerce platforms, tasting booth in exhibitions as well as other promotions and advertising campaigns. These efforts have reinforced our position as a well-known hog plum food brand among consumers.

Leveraging on our brand name, we are able to gain market acceptance and capture market share when introducing new products. The brand recognition and consumer trust we have cultivated over the years allow our new product launches to quickly gain attention in the market. This brand advantage shortens the time required to achieve commercial success following product introduction allowing us to maintain a sustainable competitive edge in the market. As we continue to expand our product offerings and enhance our marketing strategies, we are confident in our ability to further solidify our position and drive sustained growth in the hog plum food industry.

Geographical advantages ensure stable supply of high-quality hog plum fruit

We are located in Chongyi County, Jiangxi Province, which is situated at the convergence of the Nanling and Luoxiao Mountain and is recognised as the "Hometown of Hog Plum Fruits in China"*(中國南酸棗之鄉). This provides us with the proximity to a unique natural environment that fosters abundant and high-quality hog plum resources. According to the Hog Plum Resource Survey Report*(崇義縣南酸棗資源調查報告)issued by Chongyi County Forestry Technology Promotion Centre*(崇義縣林業技術推廣中心)in 2025, the county's varied terrain and elevation create diverse microhabitats ideal for hog plum cultivation, which its central subtropical monsoon climate, characterised by ample rainfall, sufficient sunlight and balanced humidity, provides optimal growing conditions to ensure the development of high-quality hog plum. Chongyi County has been actively advancing the preservation and development of hog plum resources by establishing a dedicated hog plum germplasm repository. This initiative involves the collection and centralised management of hog plum germplasm from various regions across the country, encompassing diverse geographical sources and genetic types to safeguard the biodiversity of hog plum and facilitate selection of superior cultivars to support industry growth. According to the report, the total area of wild and cultivated hog plum reaches approximately 342,700 mu, with an estimated of 2.07 million plants.

Concurrently, the Chongyi County government implemented a series of supportive policies for the hog plum industry, including the "Three-Year Implementation Plan for Further Advancing the Development of Specialty Agricultural Industries (2021-2023)"*《關於進一步推進農業特色產業發展三年行動實施方案(2021-2023年)》 in 2023, and has established collaborative partnerships with relevant higher education institutions to promote advanced cultivation techniques, such as dwarfing methods for hog plum production. These initiatives are complemented by targeted training programs for technical personnel and farmers, with an aim to promote the sustainable growth and technological advancement of the hog plum industry.

By establishing our production facilities at Chongyi County, we secure not only freshness but also control over harvesting cycles, enabling priority access to the hog plum fruits while minimising quality degradation caused by prolonged transportation. This geographical advantage grants us a direct proximity to hog plum resources, reducing transportation costs while ensuring supply chain efficiency. This provides us with a distinct competitive edge at the raw material level, providing a foundation for product quality throughout our production process.

Competitive R&D capabilities

Our R&D achievements supported by internal and external resources

Our R&D team under our Quality and Technology department plays a pivotal role in continuously improving product quality, developing new flavours, and streamlining production processes. As at the Latest Practicable Date, our R&D team comprised of 16 full-time members and was led by our executive Director, Mr. Liu Jiyan, a senior engineer with around 30 years of extensive experience in quality management and product development within the food production industry. Our R&D team members include one member with more than 20 years of experience in food R&D, production and quality management. The team is further supported by eight external experts from renowned institutions with whom we have collaborated. Please refer to the paragraph headed "Our Research and Development" in this section for further details of our R&D capabilities.

We devote innovation and research efforts to various aspects of our business covering commercialisation of hog plum and application of key technologies and equipment. We believe that our ongoing efforts to develop new products, coupled with advancements in production technology and quality assurance, are the key drivers of our Company's development and profitability, enabling us to maintain our competitive edge in the industry. Among our achievements, we have seven new plant variety rights registered in the PRC and four varieties having obtained formal certification as elite cultivars, and developed a portfolio of intellectual property rights related to production process technologies. For further details on our intellectual property, please refer to the paragraph headed "Intellectual Property" in this section.

In addition to our in-house R&D efforts, we collaborated with third parties, including academic and research institutions including Nanchang University (南昌大學), Chinese Academy of Forestry (中國林業科學研究院), Institute of Chinese Materia Medica, Nanjing Forestry University (南京林業大學), and Jiangxi Agricultural University (江西農業大學), to achieve our research goals and strengthen our leadership in product and technological innovation. These collaborations allowed us to integrate our expertise and know-how into new technologies that meet our production needs. They also enabled us to stay abreast of the latest market trends, helping us to enrich and diversify our product portfolio to align with evolving consumer preferences. This strategic approach not only enhances our Company's business growth and profitability but also solidifies our position as an industry leader in the hog plum food market.

We are recognised as a High and New Technology Enterprise* (高新技術企業) and possess a number of qualifications including ISO qualifications. For details of our awards and recognitions, please refer to the paragraph headed "Awards and Recognitions" in this section.

Product portfolio supported by product development capabilities

With our Company's product development capabilities, we are able to establish a product portfolio that offers different choices of varieties and flavour offerings to meet the preference of consumers, which provides us with the capability to respond to the change of preferences of our end consumers and allow us to reach a broader customer base. During the Track Record Period, we launched four new flavours for our hog plum paste products. As at the Latest Practicable Date, our hog plum paste product has nine flavours with different serving sizes together with three variations of low sugar, reduced sugar and additive-free, and in addition, our product portfolio also comprises of four other hog plum-based snacks (i.e. hog plum pellets, hog plum soft candies, hog plum gel and hog plum jelly) and four types of fruits and vegetables paste.

With the increasing purchasing power of snack consumers, our Directors consider that consumption of food has been evolved from satiety to pleasure and enjoyment. People are also increasingly more aware of and interested in healthy nutritious snack. Our product is positioned to meet this growing demand by offering natural snack option that combines the heritage of hog plum with modern nutritional benefits. Our ability to continuing roll out new product has allowed us to adapt to the market trend, satisfy the needs of consumers of different age groups, thereby not only solidifying our existing customer base but also expanding our customer base.

Going forward, taking advantage of our R&D capabilities, we aim to improve our existing products and introduce new products to cater to changing consumer preferences, particularly product tastes and packaging, while maintaining our production costs at a reasonable level. For further details, please refer to the paragraph headed "Business — Our Strategies — Continue to expand product categories and enrich product offering" in this section.

Solid customer base with extensive sales and distribution network and long-term relationship with our major customers

With over 30 years of history and expertise in hog plum food production, coupled with our commitment to maintaining high product quality and emphasising food safety, we have established a solid and loyal customer base. Our products reach our end consumers through an extensive distribution network that reaches, among others, chained supermarkets, chained snack stores, convenience stores, warehouse club stores and leading e-commerce platforms.

We believe that our pursuit of good quality and high standards has not only enabled us to retain our existing customers but also attract new ones. During the Track Record Period, our five largest customers in each year, majority of whom have maintained business relationships with us for over 10 years, have contributed significantly to our revenue. Please refer to the paragraph headed "Our Customers" in this section for further details on our major customers. We believe that recurring sales orders from these long-standing customers have allowed us to maintain a stable sales volume throughout the Track Record Period. These close business relationships are expected to continue driving our future growth and development.

Our sales and distribution network has deep market penetration in the southern part of China. As at 31 December 2025, we collaborated with 230 offline distributors and our products were sold through distributors to chained supermarkets and chained snack store operators. These stores promoted our products to the end consumers through their advertisements and promotional events. This not only drives demand for our products but also enhances our brand image among end consumers. By leveraging these retail partnerships, we are well-positioned to further expand our market presence and strengthen our competitive edge in the industry.

We have also established a presence on major e-commerce platforms such as Tmall, Kuaishou, Pinduoduo, JD.com and Douyin, actively expanding our online business as a complement to our offline channels. This allows our products to reach consumers across different generations.

Additionally, our sales department and marketing department have a total of 183 full-time staff as at 31 December 2025, focusing on market promotion, brand building, and consumer insights analysis. With this marketing team, we are able to identify market trends, develop marketing strategies, and further elevate our brand awareness and market share. This competitive advantage positions us to maintain a leading edge in hog plum food market. Please refer to the paragraph headed "Marketing and Promotion" in this section for further details on sales and marketing.

Strong devotion and commitment to standardised production and stringent quality standards and control

We are committed to maintaining high product quality and implementing stringent quality management procedures from sourcing of raw ingredients, production, packaging and inventory storage. We have established procurement procedures and protocol to ensure that the raw ingredients sourced from suppliers meet out production and quality requirements. To ensure high quality of products, we have also maintained quality management and assurance procedures across our production and packaging facilities. The production process of our production is standardised, ensuring persistent quality of our products. We applied relevant standards in our production process, including ISO22000:2018 and ISO14001:2015, to ensure that our products are consistently produced in compliance with applicable industry standards.

In addition, leveraging on our internal R&D capabilities and collaborations with third-party research institution, we integrate our expertise and know-how into technologies that align with our production needs with an aim to improve efficiency and ensure consistent product quality through refining technologies. As at the Latest Practicable Date, we obtained 22 patents that are considered material to our business, among which 9 are related to production process technology. For example, patents for technology invention such as pitting device, flesh-and-pit separation equipment, and fruit sorting and cleaning machinery, and for production process invention such as method for producing low sugar hog plum paste. These patents cover critical aspects of our production chain allowing us to achieve standardised production and consistent quality assurance.

We have developed stringent production standards for hog plum food products. These standards have been officially recognised by the relevant authorities of the Jiangxi Provincial People's Government as industry benchmarks for the safe production of hog plum food. This achievement reflects our commitment to quality and strengthens our position in the hog plum food market.

We were recognised as the Key Leading Enterprises in Agricultural Industrialisation*(農業產業化國家重點龍頭企業)in 2021, Jiangxi Provincial Science and Technology Progress Award (Frist Prize)*(江西省科學技術進步一等獎)in 2020 and Provincial-Level Enterprise Technology Center*(省級企業技術中心)in 2021. We believe these certifications and awards signify our commitment to pursue standardised production and effective quality control standards and food safety measures, which we believe is fundamental to our customers' loyalty and confidence to our brand and products.

Stable and experienced management team with a proven track record

We have a stable and experienced management team committed to achieving our goals. Our executive Directors have served our Company for an average of more than 20 years and are endeavoured to achieve excellence in execution in every aspect of our business. We believe that the vision and extensive experience of our executive Directors, coupled with in-depth industry knowledge and understanding of the market through our daily operations, are essential to our success. Mr. Liu Zhigao, our executive Director, has around 30 years of experience in food and trading industry. Our other executive Directors, namely, Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan, Mr. Huang Zhongming and Mr. Ling Huashan, also have abundant experience in sales of food, operation management and finance. For biographical details of our executive Directors, please refer to the section headed "Directors and Senior Management" in this document. Under the leadership of our executive Directors, our employees have consistently fostered innovation in our products and production processes while developing effective sales and marketing strategies, thereby expanding our product portfolio, enhancing sales and growth and advancing our R&D initiatives. We believe that their extensive experience and knowledge in hog plum food production, as well as foresight into market trends, have led us to grow our revenue and market share substantially over the years.

OUR STRATEGIES

We are committed to becoming a nationwide green snack enterprise and establish our hog plum food products as a household favourite brand among consumers. To that end, we intend to implement the following strategies:

Expansion of our production capacity and storage facilities capacity

We believe that enhancing our production and storage capabilities can sustain our continued growth, which include increasing our production volume and constructing a cold storage facility for semi-processed raw materials in order to accommodate the anticipated growing demand for healthy snacks to which we shall benefit from. Our actual production volume for our hog plum products was 7,082 tonnes, 8,348 tonnes and 8,593 tonnes for FY2023, FY2024 and FY2025, respectively. For FY2023, FY2024 and FY2025, the utilisation rate of our hog plum pastes was 67.1%, 78.2% and 79.6% respectively; whereas the utilisation rate of our hog plum pellets was 59.2%, 64.0% and 82.3% respectively.

Having considered that our utilisation rate for our hog plum paste production lines reached full capacity from November 2024 to January 2025 and in December 2025, and our hog plum pellets production lines reached full capacity in December 2024 and December 2025 with an increasing trend in our utilisation rate throughout the Track Record Period, our Directors are of the view that, if our products become more popular, our production capacity would be unable to cope with the demand from our customers and would hinder the potential growth of our Company. We plan to increase our production capacity of hog plum food products by expanding our production plant upon **[REDACTED]**, which will consist of renovation and expansion of our production and storage facilities including raw material warehouse, pulping workshop, drying workshop and packaging workshop. Our Directors believe that the enhanced workshops equipped with new machinery would enable us to increase our production volume as well as production efficiency.

According to CIC, the market size of the hog plum food is expected to increase from approximately RMB1.9 billion in 2024 to RMB3.9 billion by 2029, with a CAGR of approximately 15.9%. Having considered (i) the growth of the hog plum food market; and (ii) the high utilisation rates of our existing production lines in our production plant located in Chongyi County during peak season, our Directors consider that it is crucial for our Company to expand our production and storage capacity, not only to maintain our competitiveness but also to capture business opportunities and increase our market share in the industry in the future.

It is expected that upon the expansion of our production facilities as mentioned, the designed annual production capacity will increase to 16,000 tonnes, representing an increase of approximately 45.5%.

In line with the growing demand for our products, it is anticipated that our demand for procurement and storage of raw material inventory, particularly hog plum fruits due to its seasonality, will surge correspondingly. Additionally, the need to store and reserve by-products such as the semi-processed hog plums is also expected to rise. During the Track Record Period, we had cold storage facilities with a total area of 3,515 sq.m., and it is limited for storing semi-processed hog plums to be used in later processing during the year. Our Directors believe that, as demand for our products increases, our cold storage facilities might not be sufficient to accommodate the increased amount of semi-processed hog plums. Therefore, we plan to expand our cold storage facility capacity.

It is expected that the total investment costs for renovation of our production workshops and construction of a new cold storage-facility would be approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million). The total investment costs include construction costs of approximately HK$**[REDACTED]** million and purchase costs of production lines and storage facilities of approximately HK$**[REDACTED]** million. We intend to finance investment in relation to expansion of our production capacity and storage capacity by the **[REDACTED]** from the **[REDACTED]**, representing approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]**. For further details, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

Further enhance our R&D capabilities

We are committed to driving sustainable growth and maintaining our position in the hog plum food industry through, among other things, enhancement of our R&D capabilities, which will serve as the foundation for innovation and product differentiation. With the effort of our in-house R&D team and collaboration with third parties, our R&D efforts will focus on the following key areas:

- *Product functionalisation and health orientation*: we will prioritise the development of functional and health-focused hog plum products to cater to the growing consumer demand for nutritious and beneficial snack options. This includes introducing antioxidant-rich formulations and products designed to support relaxation and sleep quality improvement. By aligning our offerings with modern health trends, we aim to strengthen our appeal to health-conscious consumers.

- *Exploration of hog plum's health benefits*: we will deepen our research into the health benefits of hog plums, leveraging on its unique properties to develop products with scientifically backed health advantages, enhancing the value proposition of our products.

- *Diversification of our product portfolio*: to meet diverse consumer preferences and expand our market reach, we will continue emphasising on innovating and enriching our product range, including the development of new formats such as freeze-dried hog plum slices, hog plum jam and hog plum beverages. By offering a wider variety of products, we aim to capture a larger market share and cater to different consumption occasions.

- *Optimisation of production technologies and equipment:* we will focus on improving our production process, particularly in the extraction process of hog plums, to enhance efficiency, reduce costs and ensure consistent product quality standards. By adopting technologies, we aim to streamline operations and further strengthen our competitive advantage.

- *Strengthening food quality control systems:* we will also focus our R&D efforts in improving our capabilities in detecting and preventing food safety issues by enhancing testing technology in food nutritional value and food quality inspection.

We intend to apply approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), representing approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]**, to further develop our R&D capabilities, details of which are set out in the section headed "Future Plans and **[REDACTED]**" in this document.

Continue to expand product categories and enrich product offering

Complemented by our strategy to enhance production capabilities, we are committed to further optimising our product portfolio by expanding our product categories and enriching our product offerings. In order to ensure our Company's adaptability to the fast-changing consumer preference, we develop reserve products that are pending to be commercialised whenever we identify an appropriate opportunity. As at the Latest Practicable Date, we had six pre-commercialised reserve products. These initiatives are designed to strengthen the core competitiveness of our products and solidify our market position. Going forward, we plan to implement specifically the following strategies:

- We will continue to refine the consumption experience of our products by introducing new flavours, upgrading packaging designs, enriching nutritional value, and improving production techniques. These enhancements aim to appeal to a broader consumer base, reinforce customer loyalty, and strengthen our market leadership.

- To drive long-term growth, we will focus on developing a wider range of hog plum-based snacks and beverages. This diversification will allow us to capture new market opportunities and cater to evolving consumer preferences.

- Building upon our expertise in hog plum food production, we plan to expand into supplying semi-processed hog plum products to provide the food industry with hog plum-based ingredients such as fruit jam and puree, thereby promoting wider culinary applications of hog plum ingredient while optimising the utilisation of production technologies and creating additional revenue streams. This expansion would further solidify our position in the market by enabling food manufacturers to incorporate this ingredient into diverse product offerings, simultaneously advancing the cultural appreciation of hog plum while maximising returns from our production capabilities.

- Tailoring products for diverse consumption occasions: To better align with different consumption scenarios, such as at-home consumption, souvenir gifting, and on-the-go snacking, we intend to upgrade existing packaging designs and introduce varied serving sizes and product specifications. These adjustments are designed to attract more consumers and increase consumption frequency.

Expansion of our e-commerce network and intensify our online marketing efforts through different marketing means to enhance public awareness of our brands

According to CIC, market drivers of the China's fruit snacks market include the diversification of sales channel which increases product accessibility and affordability. Many brands of the fruit snack products have been investing more in online marketing and promotion on social media platforms and to attract traffic to online sales channel. There is a correlation between the level of marketing and promotion expenses devoted to marketing channels and the amount of sales recognised on online channels. We believe that there is a significant market potential for the sales of our products through e-commerce platform. We also believe that online sales platforms can help maximise the exposure of our brands and the accessibility of our products to consumers across the PRC. We view online sales channels not only important sales platform but also effective means for brand building and marketing.

We plan to expand our e-commerce network by developing our e-commerce infrastructure which shall provide us the capability to develop different online marketing means including live stream broadcast, community group buying and real-time interactive engagement with consumers to strengthen brand awareness and market reach. To facilitate online sales market analysis infrastructure, we intend to engage brand marketing and promotional services from e-commerce companies to improve product visibility and search optimisation, enabling merchants to direct users to our online storefronts. This approach helps driving traffic, attracting new customers and strengthening brand recognition.

Alongside product promotion, we aim to increase public understanding of hog plum's health benefits through educational initiatives, thereby elevating the perceived value of hog plum food products.

We intend to apply approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), representing approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]** to expand our e-commerce network and intensify our online marketing effort. For further details, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

Expand the breadth and depth of our offline sales network in the PRC

We plan to strengthen our relationships with existing customers in provinces where we have already established a presence, while simultaneously identifying and pursuing new customer opportunities in provinces where our presence is currently limited, particularly in regions outside of the southern part of China.

To achieve this, we intend to implement the following strategies to expand our distribution network and further enhance our management capabilities for distribution channels:

- *Strengthening collaboration with multi-tier city distributors*: We plan to work closely with distributors across various tiers of cities who have the capability to cover a broader range of nationwide and regional supermarkets distrubution channel. This will enable us to capture additional market opportunities and expand our footprint nationwide. We aim to grow our sales team and deploy additional sales representatives to visit different cities, fostering connections with new distributors in areas where we currently have limited or no presence.

- *Diversifying sales channels:* As we continue to expand our product categories and brand portfolio, we will strive to cater to diverse consumption occasions by broadening our sales network to include more diversified channels. These may include partnerships with leisure snack franchise chains, corporate sales outlets, and collaborations with travel agencies to position our products as representative souvenirs. We will also seize the opportunities as the large chained supermarkets in which we cooperate with continue to expand in provinces where we currently have yet to make any sales.

- *Enhancing sales management system:* To enhance supervision over our sales representatives, enhance market sensitivity and expand market sales, we intend to establish three regional market offices in Zhengzhou, Nanning and Kunming and modernise our offline sales management system for sales data collection and local market trend analysis, developing proper sales guidance tool, tracking of sales representatives' activities and upgrading our electronic service capabilities for our offline distributors (such as online order management and electronic billing process). This can streamline our sales process and enhance customer experience, thereby further developing customer loyalty and sustaining our collaboration with our distributors.

We intend to apply approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), representing approximately **[REDACTED]**% of the **[REDACTED]** from the **[REDACTED]**, to expand our offline sales network to other regions of the PRC. For further details, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

OUR BRAND AND PRODUCTS

We are a well-known fruit snacks company in the PRC that primarily sells hog plum food products and have established our brand name "Qiyunshan*(齊雲山)" 齐云山 for over 30 years. According to CIC, we ranked first in the hog plum food market holding a market share of 32.4% in terms of retail sales value in 2024 in the PRC.

Based on the research paper published by Jiangxi Agricultural University*(江西農業大學), hog plum is a fruit rich in various essential nutrients and exhibits health-promoting properties and phrenological values. Among the beneficial compounds for human health, it is rich in organic acids, which help improve and enhance gastrointestinal function, promote digestion and nutrient absorption in the body. Flavonoids extracted from the seeds of hog plums have found to possess antiarrhythmic effects, while saponins from the fruit demonstrate significant therapeutic benefits in treating conditions such as arteriosclerosis and hypertension. Leveraging on the nutritional benefits of hog plum, we launched five hog plum food products as at the Latest Practicable Date, with hog plum paste and hog plum pellets being our main products, and other hog plum products such as hog plum gel, hog plum soft candy, and hog plum jelly. Our hog plum paste products obtained the "Green Food" certification for the first time in 1997.

"Green Food" is an eco-certification scheme for food that certifies both the production process and the product itself. The certification focuses on the implementation of a precise standards for production environmental quality, production techniques, product specification, packaging storage and transportation, emphasizing reduced chemical inputs, pollution control and traceability. It requires strict environmental checks on soil, water and air quality as well as documentation for traceability. Other comparable food certification in the PRC include organic food certification*(有機食品) and hazard-free food certification*(無公害食品). While safety is the most prominent common feature among these three types, adopting pollution-free techniques throughout the entire process, from planting, harvesting and processing to storage and transportation, organic food certification is an internationally recognised term for natural, pollution-free food, signifying the highest food safety standard that are free from synthetic fertilisers, pesticides, growth hormones, chemical additives or genetically modified organisms; and hazard-free food certifications sets basic safety requirements, allowing more chemical use than both organic food certification and green food certification but ensuring minimal residue levels.

In addition to the sale of products, during the Track Record Period, we also provided branding and marketing services to Qiyunshan Oil Tea in respect of their camellia oil products. The following table sets forth a breakdown of our revenue by sale of products and provision of services for the years indicated:

	FY2023		FY2024		FY2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
Sale of products	245,860	99.7	338,266	99.7	312,855	99.7
Provision of services	858	0.3	866	0.3	841	0.3
Total	**246,718**	**100.0**	**339,132**	**100.0**	**313,696**	**100.0**

In our sale of products segment, we focus on the R&D, manufacturing and sales of hog plum food product. We strive to enhance the nutritional value and health benefits of hog plum while preserving their authentic texture and taste for our products. By developing a diverse range of flavours, we aim to cater to evolving consumer preferences and strengthen our market position. In recent years, we have expanded our product portfolio by introducing different snacks made from hog plum, such as hog plum pellets and hog plum jelly, to meet the growing demand for nutritious and convenient snack options.

Our products are packaged in individual packs of various specifications and combinations, designed to offer convenience and versatility to consumers. To enhance consumer enjoyment, we have introduced small, bite-sized packs that are individually wrapped and often contained within larger packaging bags. These are available in different serving sizes to suit various purposes, including personal use, gift-giving and family consumption. Additionally, we offer a variety of flavour combinations and product assortments to cater to the diverse needs and preferences of our customers.

As at the Latest Practicable Date, we have two major hog plum products, hog plum paste and hog plum pellets. Other products include hog plum gel, hog plum soft candy, hog plum jelly and other fruits and vegetable pastes (including orange, green plum, loquat and Chinese water chestnut). Among our products, our hog plum paste and hog plum gel are additives-free while our other products typically contain pectin and acidity additives.

The following table sets forth certain key information of our main products by product category.

Product Category	Shelf life	Suggested retail price per individual package (approximate)	Net weight per individual package
Hog plum paste	one year	Ranging from RMB3.8 to RMB109	Ranging from 45g to 2kg
Hog plum pellets	one year	Ranging from RMB9.9 to RMB79.6	Ranging from 118g to 1kg
Others	one year	Ranging from RMB3.3 to RMB74.5	Ranging from 42g to 2kg

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin generated from our sale of products by product categories and the provision of branding and marketing service for the years indicated:

	FY2023				FY2024				FY2025			
	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	Gross Profit Margin	Revenue		Gross Profit	Gross Profit Margin
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
Sale of products	**245,860**	**99.7**	**119,593**	**48.5**	**338,266**	**99.7**	**164,001**	**48.4**	**312,855**	**99.7**	**160,151**	**51.2**
Hog plum pastes	208,860	84.7	102,202	48.9	293,988	86.7	141,995	48.3	265,904	84.8	134,836	50.7
Hog plum pellets	22,546	9.1	11,849	52.6	31,263	9.2	16,470	52.7	37,570	12.0	20,544	54.7
Others[Note]	14,454	5.9	5,539	38.3	13,015	3.8	5,536	42.5	9,381	2.9	4,771	50.9
Provision of service	**858**	**0.3**	**858**	**100.0**	**866**	**0.3**	**866**	**100.0**	**841**	**0.3**	**841**	**100**
Total	**246,718**	**100.0**	**120,448**	**48.8**	**339,132**	**100.0**	**164,867**	**48.6**	**313,696**	**100.0**	**160,992**	**51.3**

Note: Others include sale of our other products such as hog plum gel, hog plum soft candy, hog plum jelly, other fruits and vegetable paste and others.

- **Hog plum paste（南酸棗糕）**







Hog plum paste is our flagship product. We utilise the natural pectin from the hog plum fruit to create hog plum paste product, which is rich in organic acids and vitamins. Our product has been awarded the "Green Food"（綠色食品）certification for 29 consecutive years and is recognised as a National Geographical Indication Protected Product*（國家地理標誌保護產品）. Using our proprietary recipe and production process, the hog plum pulp is crafted into dense paste-style snack. As at the Latest Practicable Date, we have launched nine distinct flavours (including original, passion fruits, mango, ginger, coconut, blueberry, peach, lemon and durian), alongside three product variants, being low sugar, reduced sugar and additive-free.

- **Hog plum pellets（南酸棗粒）**





Our hog plum pellets are a convenient and nutritious snack made from hog plum, dried and individually wrapped in aged citrus peel or shiso to create a distinctive dried hog plum pellets which retain the shape of hog plum. As at the Latest Practicable Date, we have launched two distinct flavours, including citrus peel and shiso.

- **Other Products**

(i) Hog plum gel（南酸棗凝）





Our hog plum gel utilises fresh hog plum as its primary ingredients with a soft texture.

(ii) Hog plum soft candy（南酸棗軟糖）





Our hog plum soft candy is formulated with a chewy texture and contains nutritional components, including dietary fibre, natural pectin and organic acids.

(iii) Hog plum jelly（南酸棗凍）





Our hog plum jelly is launched in December 2024 and is crafted from hog plum with zero fat and no artificial colorants.

(iv) Other fruits and vegetable pastes





Our other fruits and vegetable pastes products include other fruits and vegetable pastes such as orange, green plum, loquat and Chinese water chestnut. As we consider these products as our secondary product line, the price of these products are lower than the price of our main product, being our hog plum paste and hog plum pellets.

The following table sets forth a breakdown of our sales volume and average selling price per kg by product categories of our own products for the years indicated:

		FY2023	FY2024	FY2025
Hog plum paste	tonnes	5,160.2	7,485.8	6,744.8
	RMB/kg	40.5	39.3	39.4
Hog plum pellets	tonnes	530.5	728.1	871.8
	RMB/kg	42.5	42.9	43.1
Other products	tonnes	502.3	446.8	284.5
	RMB/kg	28.0	26.2	26.1

Note: Other products mainly include hog plum gel, hog plum soft candy, hog plum jelly and other fruits and vegetable pastes (including oranges, green plum, loquat and Chinese water chestnut).

In addition to our products set out above, during the Track Record Period, we also provided branding and marketing services to Qiyunshan Oil Tea for the camellia oil produced by them under which we leverage the popularity of our "Qiyunshan" brand and our sales channels to promote the camellia oil product in exchange for service fees payable by Qiyunshan Oil Tea. Please refer to the section headed "Continuing Connected Transaction" in this document for further details.

OUR SALES CHANNELS

We sell our products through offline and online sales channels. The table below sets out a breakdown of our revenue, gross profit and gross profit margin by sales channel for the years indicated:

	FY2023				FY2024				FY2025			
	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin	Revenue		Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products	**245,860**	**99.7**	**119,590**	**48.6**	**338,266**	**99.7**	**164,002**	**48.5**	**312,855**	**99.7**	**160,151**	**51.2**
Offline channels	**211,103**	**85.6**	**101,309**	**48.0**	**302,759**	**89.3**	**144,469**	**47.7**	**276,261**	**88.1**	**139,988**	**50.7**
offline distributors	209,643	85.0	100,605	48.0	299,614	88.4	142,946	47.7	270,524	86.3	137,059	50.7
offline direct sales	1,460	0.6	704	48.2	3,145	0.9	1,524	48.4	5,737	1.8	2,929	51.1
Online channels	**34,757**	**14.0**	**18,281**	**52.6**	**35,507**	**10.4**	**19,532**	**55.0**	**36,594**	**11.6**	**20,163**	**55.1**
online distributors	3,089	1.2	1,560	50.5	2,568	0.7	1,324	51.6	2,223	0.7	1,149	51.7
online direct sales	31,668	12.8	16,721	52.8	32,939	9.7	18,208	55.3	34,371	10.9	19,014	55.3
Provision of branding and marketing services	**858**	**0.3**	**858**	**100.0**	**866**	**0.3**	**866**	**100.0**	**841**	**0.3**	**841**	**100.0**
Total:	**246,718**	**100.0**	**120,448**	**48.8**	**339,132**	**100.0**	**164,868**	**48.6**	**313,696**	**100.0**	**160,992**	**51.3**

Notes:

1. *Offline distributor channel refers to distribution through our offline distributors which will in turn sell our products to large supermarket chain and snack stores, reaching the end consumers.*

2. *Online distributor channel refers to the sales model under which we distribute goods to online distributors, who then sell our products to end consumers.*

3. *Direct sales refer to physical self-operated stores in our headquarters where we sell our products directly to the end consumers and our self-operated online stores on third-party online platforms, such as Tmall, Douyin, Kuaishou, Pinduoduo, Weimob, Xiaohongshu, and JD.com.*

Offline Channels

Offline Distributors

We have an established offline distribution network that penetrates the markets in the southern part of China. During the Track Record Period, we cooperated with 162, 199 and 230 offline distributors, respectively. Revenue generated from our offline distributors amounted to RMB209.6 million, RMB299.6 million and RMB270.5 million in FY2023, FY2024 and FY2025, respectively, accounting for approximately 85.0%, 88.4% and 86.3%, respectively, of our total revenue for the same years.

The table below sets forth a breakdown of the number of our offline distributors in the PRC by geographic location during the years indicated:

	FY2023	FY2024	FY2025
	No. of distributors		
Jiangxi Province	40	37	44
Hunan Province	22	28	29
Fujian Province	24	31	37
Zhejiang Province	28	36	41
Guangdong Province	32	45	49
Others *Note 1*	16	22	30
Total	**162**	**199**	**230**

Note:

1. Others include Jiangsu Province, Sichuan Province and Hubei Province etc.

When selecting potential distributors, we evaluate several key criteria, including their reputation, market coverage, industry experience, track record, financial stability, warehousing and delivery capabilities, management expertise, and their ability to penetrate retail points of sale. We generally require our offline distributors to make payments for the orders before arranging delivery, and we generally do not accept returns or exchanges except for quality issues arising.

We have established a process for procuring new offline distributors. When entering a new region or market, we first identify five to eight distributors located within such region (depending on the market size) as potential distributors. We then conduct assessment, evaluation and grading based on several key criteria, including but not limited to, coverage of retail sales points and business capability. Additionally, we regularly participate in trade fairs and exhibitions to identify and engage with new distributors. Once suitable candidates are evaluated, we will determine the method of cooperation based on our policies and sign the agreements with the suitable candidates to confirm engagement.

Management of Offline Distributors

To ensure the effectiveness of our distribution network, we implement a screening and evaluation mechanism. Our sales team, which consisted of 176 full time employees as at the 31 December 2025, is responsible for monitoring distributors and retail points of sale through regular visits. Distributors are typically contracted for one year, with quarterly performance evaluations conducted to determine whether the agreement will be renewed. These evaluations assess factors such as inventory management, performance in developing and expanding its business scale, operational capabilities, and sales performance. On average, during the Track Record Period, members of our sales team conducted site inspection to one distributor every week and five retail points of sale every working day.

During the Track Record Period, some of our distributors may engage sub-distributors to sell our products if they are unable to fully cover markets within their designated sales territories. As our relationship with our distributor is based on a buyer-seller arrangement, where each transaction is complete upon delivery of products, we do not establish any formal agreements with sub-distributors and hence have minimal control over their operations and unable to quantify accurately the number of sub-distributors engaged by our offline distributors individually during the Track Record Period. In general, our distributors are responsible for managing their sub-

distributors, including ensuring that the sub-distributors' operations are in line with our overall sales and distribution strategy. Our distributors may report to us about the operational activities of these sub-distributors from time to time. We are also not involved in our distributors' management of their sub-distribution network. According to CIC, this is a common practice in the fruit snack market where midstream manufacturers rely on third-party distributors to manage sub-distributors and retailers without formal contractual relationship.

We strive to minimise the channel stuffing risks with our offline distributors through the following measures:

(i) *Payment terms:* We generally require a full payment before delivering products. By insisting on this approach, we aim to reduce the risk of distributors over-ordering stock that they may not be able to sell, ensuring that the distributors are more cautious in their ordering, aligning their purchases with actual sales patterns and market demand.

(ii) *Return policies.* We maintain stringent return policy for our distributors and return is only allowed for products with quality issues. We believe such a stringent return policy discourages distributors from over-purchasing.

(iii) *Close monitoring of our offline distributors:* We will closely monitor the inventory level of our offline distributors by conducting site visit and inquire their inventory level on a regular basis. We also assess our distributors based on, among other factors, inventory management.

In addition, our products typically have a short shelf life of one year and hence incentivising our distributors to main an optimal level of inventory for sales to avoid wasted inventory, thereby reducing the risks of channel stuffing.

Based on the above, we believe our sales accurately reflect end-consumers demand during the Track Record Period in all material respects.

The table below sets out the total number of offline distributors and their movements for the years indicated:

	FY2023	FY2024	FY2025
Number of offline distributors at the beginning of the year	140	162	199
Number of new offline distributors for the year[(1)]	42	59	61
Number of terminated offline distributors for the year[(2)]	20	22	30
Net increase/(decrease) in number of offline distributors for the year	22	37	31
Number of offline distributors at the end of the year	162	199	230

(1) New offline distributors refer to offline distributors that first signed the distributorship agreement with us in a particular year.

(2) Terminated offline distributors refer to offline distributors that terminated their collaboration with us in a particular year. To the best knowledge of our Directors, our offline distributors terminated their collaboration with us primarily due to (i) corporate restructuring of our distributors where they cease to distribute hog plum snacks, (ii) cessation of our distributors' business, or (iii) the decision not to renew distribution agreement upon expiry.

During the Track Record Period, we pursued an active expansion strategy for our distribution network, onboarding a considerable number of new distributors. At the same time, we continuously refined our distribution management approach to align with our business development goals. These measures allowed us to develop and optimise our offline distribution network while maintaining long-term, productive relationships with high-performing distributors. As at 31 December 2025, the average length of our relationships with our top five offline distributors was 6.5 years.

During the Track Record Period and up to the Latest Practicable Date, we have no material unresolved disputes or lawsuits with any distributors. For distributors that have terminated their business relationship with us, if they still have inventory remaining, we will not accept their product return (except for quality issues) as stipulated in the distribution agreement. Due to our relatively stable market coverage, our distribution network has and will remain stable, despite the termination of business relationships with some distributors.

The table below sets out the revenue contribution from new offline distributors and terminated offline distributors for the year indicated:

	FY2023	**FY2024**	**FY2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from new offline distributors in the year[(1)]	19,440	30,804	19,388
Revenue from terminated offline distributors in the previous year[(2)]	5,058	11,338	12,328

(1) This refers to the revenue from the new distributors generated in the year of their engagement.

(2) This refers to the revenue from the terminated distributors generated in the previous year of their termination. We terminate our relationship with distributor typically due to the expiry of the distribution agreement.

Arrangements with Offline Distributors

We typically enter into standard distribution agreements, which are sales and purchase agreements of our products in nature, with our distributors. The salient terms of our standard distribution agreements used during the Track Record Period are set out below:

Duration	:	One year.
Designated distribution region	:	The distribution agreements designate the specific geographical region that the offline distributors are allowed to sell our products. Distributors are not allowed to sell our products outside such designated region and are required to pay a deposit which may be deducted by us to cover any compensation owed in the event of a breach. The deposit will be refunded to the distributor within one month following the expiration or termination of the agreement, subject to any applicable deductions.

Sales and performance target	:	The distribution agreements require distributors to develop sales channels in their designated regions. If a distributor fails to meet the specified standards within the designated timeframe, we reserve the right to appoint another distributor to manage the distribution of our products. Additionally, we incentivise our distributors by providing quarterly rewards to those who achieve or overachieve our quarterly targets.
Minimum purchase amount	:	The distribution agreements typically stipulate a minimum purchase amount, which generally ranges from 100 to 300 product items per purchase.
Pricing policy	:	Distributors are required to maintain the retail sale price at a stable level. Any discounts or concessions offered must be borne solely by the distributors.
Payment	:	We require our distributors to make payment before the delivery of products. No credit terms were granted to our distributors.
Logistics	:	We are responsible for delivering our products to locations designated by our distributors and the distributors will be responsible for the unloading fees.
Return arrangements	:	We guarantee that the quality of our products complies with national standards. In the event of any product quality issues in this regard, we are responsible for recalling the affected products and arranging replacements. If product damage, loss, overstock, or packaging damage occurs due to the distributor's storage responsibilities or returns from retail stores, we will not accept returns.
Sub-distribution	:	Within the designated markets that the distributors are unable to cover, they may engage sub-distributors. Our distributors are obligated to ensure the adherence to our pricing system and maintain the stability of retail price of our products.
Termination	:	If the distributors violate the sales geographical restrictions on two occasions, we have the right to immediately terminate the agreements without further notice. Additionally, if the distributors do not place any orders within a quarter, they will be deemed as voluntarily relinquishing the distribution rights, and we reserve the right to replace the distributors.
Permitted product for sale	:	Distributors are not allowed to sell other companies' products in the same category with our products.

According to CIC, our arrangement with our distributors, including the goods return policy, is in line with the China's snacks industry norm. Since we operate on a "payment before delivery" basis, we believe our exposure to bad debt is minimal and potential sales volume volatility caused by channel stuffing is controlled.

We believe that our standard distribution agreements enable us to sufficiently incentivise 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. During the Track Record Period, each of our five largest customer in each year are offline distributors. For further details, please refer to the paragraph headed "Our Customers" in this section below.

Offline direct sales

During the Track Record Period, we also sold a relatively small amount of products through direct sales primarily via our self-operated counters at our production facilities at Chongyi County. Revenue generated from offline direct sales in FY2023, FY2024 and FY2025 was RMB1.5 million, RMB3.1 million and RMB5.7 million, respectively, which represented approximately 0.6%, 0.9% and 1.8% of our total revenue in the same years respectively.

Online Channels

To complement our offline distribution channels, we also sell our products through our online channels, either under online direct sales model whereby we sell products directly to consumers through our self-operated online stores; or under online distribution model, whereby we sell our products to our online distributors for them to further distribute our products on their platforms or online stores to consumers.

Revenue generated from online channels amounted to RMB34.8 million, RMB35.5 million and RMB36.6 million in FY2023, FY2024 and FY2025, respectively.

Online distribution

We sell our products to online distributors who will in turn distribute our products to online retailers or consumers, primarily through third-party online platforms.

We typically enter into standard distribution agreements with our online distributors. The salient terms of our standard online distribution agreements used during the Track Record Period are set out below:

Duration	:	Typically approximately one year.
Designated distribution platform	:	The distribution agreements designate the specific third-party online retailer platforms and online stores that the online distributors are allowed to sell our products.
Order arrangement	:	For large promotion events or bulk orders, the distributors must submit their plans to us at least seven days in advance, which we will provide certain discount from the minimum supply price upon agreement. The distribution agreements typically do not stipulate a minimum purchase amount.
Sales and performance target	:	The distribution agreements typically provide a sales target calculated based on actual shipment value from payment received in our accounts. We will distribute with a certain rate of rebate on their actual purchase amount.
Pricing policy	:	Distributors shall make reference to our indicative price and maintain our price system. If the selling price is set below our indicative price, they shall notify us for further coordination. Any large marketing events in which the retail price of our products is below our indicative price shall be reported to us with a seven-day prior written notice.
Payment	:	We require our distributors to make payment before the delivery of products. No credit terms were granted to our distributors.
Logistics	:	For orders processed through supported drop-shipping e-commerce platforms, shipping costs are borne by the distributors, with freight charges calculated according to the standardised shipping matrix. For all other distribution or retail transactions, we will be responsible to deliver our products to the distributors' designated city location with shipments arranged following full payment from the distributors. Ownership of our products passed when they arrive at the address designated by the online distributors.
Return arrangements	:	For drop-shipping orders arranged through the relevant platforms, returns will be processed in accordance with the respective platform's established policies. Regarding all other distribution channels, we strictly maintain a no-return, no-exchange policy, except in cases where products exhibit safety or quality defects, or where damage occurred during our delivery process.

Termination	:	If the online distributors violate the sales platform restrictions, we have the right to terminate the agreements and the distributor should indemnify us any loss resulting from such breach. Additionally, if the online distributors fail to place any orders within three months, we have the right to terminate the agreements and the authorisation to sell our products granted to the distributors.
Permitted product for sale	:	Online distributors are not allowed to sell other companies' products in the same category with our products.

The table below sets out the total number of online distributors and their movements for the years indicated:

	FY2023	FY2024	FY2025
Number of online distributors at the beginning of the year	33	28	31
Number of new online distributors for the year[(1)]	10	12	16
Number of terminated online distributors for the year[(2)]	15	9	6
Net increase/(decrease) in number of online distributors for the year	(5)	3	10
Number of online distributors at the end of the year	28	31	41

(1) New online distributors refer to online distributor that started to have their initial transaction records with us in a particular year.

(2) Terminated online distributors refer to online distributors that terminated their collaboration with us in a particular year.

During the Track Record Period, we continued to manage our online distribution network by engaging new online distributors primarily as a result of the organic growth of our online business while terminating cooperation with online distributors following contract expiry.

Online direct sale

During the Track Record Period, we also sold our products through direct sale via our self-operated online stores on third-party online platforms, such as Tmall, Douyin, Kuaishou, Pinduoduo, Weimob, Xiaohongshu, and JD.com. We typically enter into their standard merchant service cooperation agreement. During the Track Record Period and as at the Latest Practicable Date, we did not sell our products through our official website or operate any online sales platform. For our online direct sales, we are responsible for the logistic fulfilment and after-sales services of the orders. Revenue generated from online direct sales in FY2023, FY2024 and FY2025 was RMB31.7 million, RMB32.9 million and RMB34.4 million, respectively, accounting for approximately 12.8%, 9.7% and 10.9% of our total revenue in the same years respectively.

Benefits and Reasons for Distributorship Model

Adopting the distributorship model as our primary sales channels has brought significant advantages to our business expansion and operational efficiency. The key benefits are as below:

- We typically select distributors that possess extensive resources and established connections with end retailers, particularly the large chained supermarket and chain snacks stores. As they often represent multiple brands, they have stronger bargaining power when negotiating with retailers, enabling them to secure more favourable shelf placement and sales team for our products. By leveraging on the distributors' network, we can rapidly penetrate markets and reach a broader consumer base while reducing the time and costs associated with building our own sales channels.

- Adopting distributorship model effectively reduces our Company's financial burden and operational risk, minimising our upfront investments in sales operations and warehousing. As we will only typically deliver products upon receipt of payment, this improves our cashflow and reduces our account receivable risks. By transferring certain sales function to our distributors, we can focus more on product development, R&D and strategic market planning.

- Leveraging on our distributors' in-depth knowledge of local consumer preferences, regulatory environments and competitive landscapes, it equips us with valuable market insights and assists us in formulating sales strategies, thereby allowing us to enter new markets more efficiently at a lower cost. Compared to expanding our own sales channels in different geographical regions, the capital required to enter new markets in these regions through distributors is significantly reduced and the market response time is faster. This flexibility enables us to rapidly capture market share in the competitive fruit snacks industry and achieve scalable growth.

- As frontline market participants, distributors can provide timely feedback on market trends, helping us to adjust product strategies and sales plans promptly. This agility is particularly critical in the fruit snacks industry where consumer preferences and competitive dynamics evolve rapidly.

Coordination between Sales Channels

Any sales carried out by distributors outside their designated geographic areas, or any cross-channel sales between online and offline platforms without our prior approval, will be deemed as cannibalisation. We do not adopt a cannibalisation strategy and to minimise cannibalisation among our distributors and sales channels, we have implemented the following measures:

- We grant specific geographic regions or designated retail chains (e.g., supermarkets or snacks stores) to our offline distributors, as explicitly stated in the distribution agreements. This reduces competition between different offline distributors. Distributors are generally prohibited from selling our products outside their designated regions or stores.

- We explicitly prohibit our offline distributors from selling or distributing our products on any e-commerce platforms.

- Our distribution agreements include clear penalty mechanisms to address violations such as cross-regional sales or online sales. In such cases, we require the distributor to pay compensation, and terminate the agreement immediately if the violation occurs a second time.

- We require distributors to provide a deposit to ensure compliance with the terms of the distribution agreement.

- We require our employees to promptly report any instances of cannibalisation they identify, enabling us to take timely corrective actions.

We maintain a consistent pricing policy for our products across most regions and in areas with higher operating costs (such as Shanghai, Shenzhen, Hangzhou, Nanjing and Guangzhou), we implement separate pricing policy for those distributors. In the pricing policy, we will provide recommended retail prices as guidance. We also closely track the prices of our products sold via different channels to ensure our distributors comply with our pricing policy.

We formulate and implement policies to prevent existing employees from working for or owning equity in any of our distributors. During the Track Record Period, none of our existing or former employees were the legal representatives or directors of our distributors. Except for one distributor which is owned by the spouse of our executive Director, Mr. Zhu Fangyong, which generated revenue of RMB1.3 million, RMB1.0 million and RMB0.9 million for FY2023, FY2024 and FY2025, respectively, accounting for approximately 0.5%, 0.3% and 0.3% of our total revenue, respectively (the "**Historical Connected Distributor**"), for the same years, as confirmed by our Directors, all of our distributors are Independent Third Parties and there was no any other past or present relationships or dealings (including, without limitation, business, employment, family, trust, financing, shareholding or otherwise) between (i) our Company, Shareholders, Directors or senior management or any of their respective associates; and (ii) our distributors, and to the best of our knowledge, we are not aware of any business relationship among our distributors. As at Latest Practicable Date, we have terminated our business relationship with the Historical Connected Distributor. During the Track Record Period, our Company has not provided any form of financing to our distributors. Our role in relation to our distributors is that of a seller-buyer relationship.

Pricing

Given the premium position of our products in the hog plum food market, our pricing is generally higher than the industry average. Our sales prices are determined based on various factors, including raw material market prices, product costs, marketing expenses, profit margins, consumer price sensitivities as identified through regular market research, and the reasonable profit expectations of our distributors.

OUR PRODUCTION

Our Production Facilities

As at 31 December 2025, we had one production plant in Chongyi County, Jiangxi Province in the PRC. The table below sets out the details of our production lines for the years indicated:

	FY2023			FY2024			FY2025		
Production lines	Production Capacity[1]	Actual Production Volume	Effective Utilisation Rate[2]	Production Capacity[1]	Actual Production Volume	Effective Utilisation Rate[2]	Production Capacity[1]	Actual Production Volume	Effective Utilisation Rate[2]
	tonnes	*tonnes*	*%*	*tonnes*	*tonnes*	*%*	*tonnes*	*tonnes*	*%*
Hog plum paste	8,800	5,904	67.1	9,224	7,210	78.2	9,233	7,348	79.6
Hog plum pellets	1,100	652	59.2	1,100	704	64.0	1,100	905	82.3
Others[3]	1,100	526	47.9	677	434	64.2	668	340	50.8
Total	**11,000**	**7,082**		**11,000**	**8,348**		**11,000**	**8,593**	

(1) The production capacity is determined and calculated by multiplying the daily capacity of our production lines with the applicable number of days of operation per year (excluding all public holidays and maintenance or inspection), which was approximately 300 days per year during the Track Record Period.

(2) The effective utilisation rate for each of the relevant year is derived by dividing the actual production volume by the production capacity.

(3) The decrease in production capacity of other products in FY2024 and FY2025 was mainly due to our strategic reduction in such products, and focusing more resources in the production of hog plum paste and hog plum pellets in response to the increasing market demand.

As at 31 December 2025, our Company has one production line each for our hog plum paste, hog plum pellets and other products, respectively.

We operate with eight major categories of equipment and machinery, including drying equipment, pulp-making equipment, packaging equipment, stamping equipment, freezing equipment, peeling and extraction equipment, fruit sorting and washing equipment, and cutting equipment.

We conduct regular inspections and maintenance of our production equipment, replacing worn-out parts and components as needed. Our major production equipment and machinery have an estimated useful life ranging from three to 10 years. During the Track Record Period, we applied the straight-line depreciation method to calculate provisions and depreciation, with an annual depreciation rate between 9.7% and 33.3%. Based on this, the remaining useful life of such equipment and machinery is, on average, approximately 4.3 years.

Our Production Planning

Our procurement team conducts ongoing sourcing of hog plum during the harvest season from August to December annually, while our production team concurrently performs initial processing procedures of the hog plum followed by cold storage of the processed hog plum flesh. In parallel, our sales team formulates monthly production schedules based on factors, including but not limited to historic sales performance and production capacity. Our production team then proceeds to carry out further processing of the stored fruit flesh in accordance with the monthly production schedule.

Our Production Process

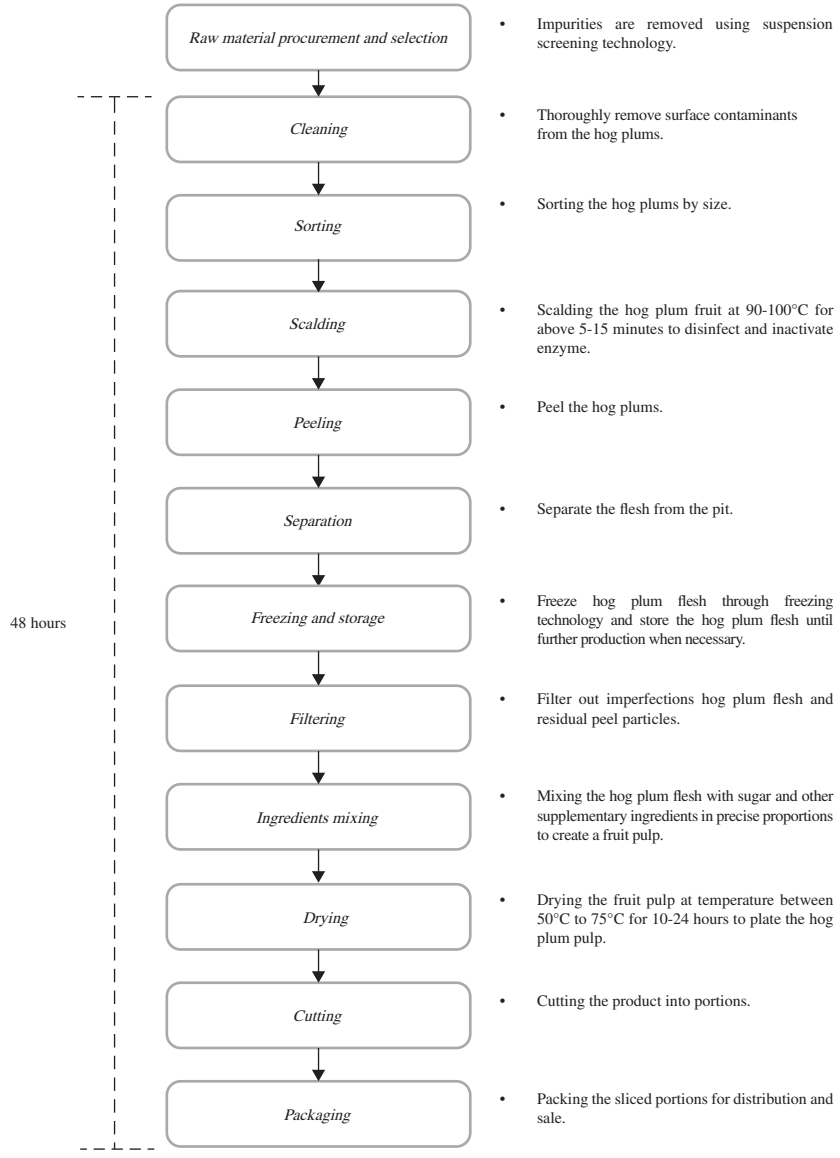
Our standard production process includes food processing and packaging processes. For the production process of hog plum paste, it typically includes raw material selection, cleaning, sorting, peeling, separation, freezing, filtering, ingredients mixing, drying, cutting and packaging; whereas, for the production process of hog plum pellets, it typically includes raw material selection, cleaning, sorting, drying, ingredients mixing, pressing, wrapping and packaging.

Most of the key processes in our flagship product production are automated and mechanised. This automation, combined with standardised procedures, offers several significant advantages:

- Precise quality control: automated production ensures accurate control over critical factors such as time, temperature, humidity, raw material composition at each stage. This precision simplifies quality control, resulting in high and consistent quality products.

- Reduction in labour and energy costs: automation lowers costs, enhancing overall efficiency.

The details of the key steps in the production processes of the hog plum paste are as follow:



The entire production cycle, from fruit pulp preparation to final product will typically take two days.

The key steps in the production processes of the hog plum pellets are similar to those of hog plum paste other than those after drying, the seed will be coated with the fruit pulp to form a pellet shape and wrap with a layer of dried tangerine peel or shiso to create the outer surface of the hog plum pellets.

Our OEM Suppliers

In order to optimise the allocation of our production resources towards our main products while diversifying our product portfolio as well as to assess the market potential of jelly products before committing further capital to expand production capacity, we engaged OEM suppliers for the production of our hog plum jelly in October 2024. As confirmed by our Directors, our OEM suppliers are an Independent Third Party. Our hog plum jelly launched in December 2024. During the Track Record Period, the procurement amount from our OEM suppliers was nil, RMB68,277.9 and RMB0.5 million respectively, accounted for nil, approximately a minimal percentage and 0.3% of our cost of sales for the periods indicated respectively.

The salient terms of the arrangement with OEM suppliers on the processing of our hog plum jelly product is set forth as below:

Duration	:	One year. During the term, neither party shall modify or terminate the agreement without mutual consent.
Principal rights and obligations of parties involved	:	We shall specify the product type, specification unit price, quantity, payment terms, delivery timeline in every batch of orders we make. The OEM supplier is obligated to produce the products we demand. We shall provide all hog plum-based ingredients (including fruit flesh) required for the production of our hog plum jelly products. The OEM supplier shall be responsible for procuring and ensuring the quality of all auxiliary ingredients, which must comply with national food safety laws, regulations and relevant product standards. No unauthorised additives shall be permitted.

Quality control	:	The OEM supplier shall provide us with inspection reports for each production batch. The initial batch must be tested by an independent third-party laboratory, with the corresponding test report submitted to us. Thereafter, inspection reports shall be provided every six months. We reserve the right to conduct on-site inspections at the OEM supplier production facilities to monitor ingredient usage, production processes and overall quality control. The OEM supplier shall ensure product quality stability and that no deterioration occurs within the specified shelf life under proper storage and transportation conditions. If quality issues arise within the shelf life, the OEM supplier shall be liable for any non-conforming products exceeding acceptable tolerance limits, including costs related to product replacement, consumer compensation, and associated logistics expenses. The OEM supplier shall bear full responsibility for any incidents occurring during production. Additionally, they shall be responsible for the storage of the raw materials delivered by us and must ensure such materials remain in proper condition during storage.
Packaging	:	The OEM supplier shall procure packaging materials strictly in accordance with our provided design specification.
Order procedure	:	We shall issue production orders to the OEM supplier with at least seven business days' prior notice. Each production batch shall be subject to a minimum order quantity.
Defects liability period	:	Upon receipt of the products, we shall conduct inspections on product appearance and quality. Any written notice of defect must be submitted within five days after delivery. However, quality issues discovered within the product's shelf life (one year) shall not be subject to this time limitation.

OUR RESEARCH AND DEVELOPMENT

We are committed to delivering authentic, high-quality products that align with consumer preferences while upholding nutritional value and food safety standards. To maintain our competitive edge, we engage in R&D activities across various aspects of our products and production processes. We continue to adapt to evolving consumer preferences and drive sustainable sales growth.

Our R&D efforts are primarily focused on the following key areas:

- Product R&D to explore and enhance health functional benefits of our hog plum product while expanding product portfolio;

- Hog plum resources R&D to explore the cultivation of hog plum varieties with small pits, seedless characteristics and more flesh to reduce raw material costs and ensure the stability of hog plum supply; and

- Production techniques R&D and technical equipment upgrades to automate our production process and reduce production costs without compromising quality.

During the Track Record Period, we also collaborated with third parties institutions, including academic and research institutions for various projects, leveraging on their resources and personnel. Through these in-house and collaborative efforts, we have achieved significant milestones, including recognition as a High and New Technology Enterprise*（高新技術企業）and the attainment of multiple awards, such as Jiangxi Provincial Science and Technology Progress Award (First Prize)*（江西省科學技術進步獎一等獎）and Provincial-Level Enterprise Technology Centre*（省級企業技術中心）. For details of our awards and recognitions, please refer to the paragraph headed "Awards and Recognitions" in this section.

The salient terms of our agreements with universities or research institutions are set forth below:

- *Scope of collaboration.* The agreements specify the research purpose of the projects and the specific obligations of each party.

- *Intellectual property rights.* The parties typically jointly own any intellectual properties rights developed in the joint projects with the option to transfer the granted patents to us, where the associated costs shall be deducted from project funds.

- *Project funding.* We typically contribute the project funding.

- *Confidentiality.* The parties are responsible for maintaining strict confidentiality of all confidential information provided by the other parties.

- *Termination.* The agreements are terminated upon expiration.

Hog Plum R&D

Our primary raw material is hog plum. Given the importance of a stable raw material supply to our production, our R&D efforts in this area focus on improving the stability and quality of our raw material sources. We conduct research on the characteristics of hog plum, aiming to cultivate superior varieties that reduce our reliance on wild-harvested hog plum and mitigate the impact of seasonal variations on supply in a long run. At the same time, through R&D on hog plums varietal improvement, we strive to maintain the nutritional content and quality of the cultivated hog plum to be comparable to those of wild hog plum. Going forward, we intend to research on the cultivation of hog plum varieties with small pits, seedless characteristics and more flesh to reduce raw material costs.

During the Track Record Period, we collaborated with third parties, such as the Chinese Academy of Forestry（中國林業科學研究院）and Nanjing Forestry University（南京林業大學), on research projects related to hog plum fruits variety cultivation and tissue culture. These collaborations have yielded notable achievements, including obtaining seven new plant varieties rights relating to hog plums in the PRC and among these, four varieties have obtained formal certifications as elite cultivars under national agricultural standards.

During the Track Record, we procured hog plums from 38, 48 and 31 orchards for FY2023, FY2024 and FY2025, and we entered into cooperative agreements with 18, 14 and 16 orchards for the same years, respectively. For FY2023, FY2024 and FY2025, the procurement amount from orchards was RMB2.3 million, RMB2.8 million and RMB1.9 million, respectively. As confirmed by our Directors, all of our orchard suppliers are Independent Third Parties.

The salient terms of standard cooperative agreements with orchards are set out below:

Orchard operation term	:	30 years
Orchard location	:	The agreement will specify the required geographical location of the orchards.
Rights and obligations	:	We provide hog plum seedling that meet quality standards. The orchards shall manage the orchards properly with our support.
Fees	:	The orchards shall pay us a deposit based on the number of seedlings obtained as an assurance to its survival rate. We shall buy qualified harvested hog plums at the price as agreed in the agreement.
Inspection and technical support	:	We shall conduct site inspections within 12-18 months post-delivery of the seedling and provide technical manuals, on-site guidance and training programs to the orchards.
Quality specifications	:	The hog plum must meet certain criteria regarding the size and colour, and shall be free from rot, mould, insect damage, abnormal odour, contamination or desiccation.
Sale restriction	:	The orchards shall not sell the cultivated hog plum to any third party.

Product R&D

We rely on R&D to introduce new varieties and flavours for our hog plum food products and develop new products that cater to evolving consumer preferences. Based on our studies of the nutritional composition of hog plum, we focus on exploring potential product categories, such as beverages, to diversify our product portfolio. We also conduct ongoing research with a focus on maximising the health benefits of hog plum and preserving its nutritional value in our products.

As at the Latest Practicable Date, we have developed six pre-commercialised reserve products ready for launch and have 10 products in the R&D pipeline, all of which are hog plum-related products. Our R&D phase typically lasts approximately 12 to 36 months before a product is launched.

Production Techniques and Technical Equipment Upgrades R&D

To ensure the quality, consistency, and nutritional value of our products while reducing production costs, we continuously enhance our production techniques, technical equipment upgrades and strive to maximise automation. Our R&D activities cover different stages of the production process, including sorting, peeling, extraction, cold storage, slicing and packaging.

We have also collaborated with Nanchang University（南昌大學）and Nanjing Forestry University（南京林業大學）to conduct ongoing research on hog plum food technologies. As at the Latest Practicable Date, we have obtained 21 patents which are considered material to our business, all of which were owned by us and among which 9 are related to production process technology.

R&D Investment and R&D team

For FY2023, FY2024 and FY2025, our total expenses in R&D activities were RMB11.1 million, RMB11.9 million and RMB11.4 million, respectively.

We have a R&D team with extensive experience and expertise in different scientific fields. As at the Latest Practicable Date, our R&D team comprised 16 full-time members, and the head of our R&D team is a senior engineer with 31 years of extensive experience in product development within the hog plum food production industry.

RAW MATERIALS AND SUPPLIERS

We are committed to delivering safe and high-quality hog plum snacks to our consumers. A critical step in our production process is the selection of high-quality raw materials. The primary raw materials that we use in the production of our products are hog plum. Other raw materials used in our production process include seasoning and other auxiliary materials such as sugar. In addition, we also purchase packaging materials which are mainly metal packaging box, roll film, packaging bags in different sizes. For hog plum, we source hog plums primarily from local farmers and also from orchards. For other raw materials, we partner with corporate suppliers and source these materials directly from their key production regions.

For FY2023, FY2024 and FY2025, our raw material costs amounted to approximately RMB81.6 million, RMB117.0 million and RMB100.4 million, respectively, representing approximately 64.6%, 67.2% and 65.8% of our total cost of sales respectively.

We had a procurement team consisting 17 personnel as at 31 December 2025. Our procurement team is responsible for purchasing raw materials such as hog plums, white sugar and packaging materials, equipment and accessories, office supplies, labour protection products and other supplies that are necessary to our Company's production, designing appropriate procurement strategies based on sales plan and ensuring quality and cost-effective purchases.

During the Track Record Period, we procured raw materials exclusively from suppliers in the PRC. We have implemented a procurement policy to ensure effective control over our procurement process. Given the harvest season of hog plum, our sales team develops an annual sales plan based on our sales forecasts and historic sales data, and our procurement team will then conduct purchases of hog plum from local farmers between August and December each year; whereas for the auxiliary materials and packaging materials, we will procure the raw materials on an as-need basis following our procurement plan. Based on the sales orders received, our production team will prepare a production plan based on these sales orders on a monthly basis, and our procurement team will then formulate a corresponding procurement plan, covering auxiliary materials and packaging materials and execute the procurement monthly accordingly.

To maintain competitiveness and securing a stable and sufficient supply, we review our procurement prices annually. The price of hog plum is subject to adjustments based on the yield of the relevant year. For instance, if the yield declines due to climatic conditions, the price of hog plum may increase. As for other raw and auxiliary materials that are commodities (e.g. white sugar), their prices generally fluctuate in line with market conditions. The prices of our other raw materials and packaging materials may also vary due to various factors, including supply and demand dynamics, our bargaining power with suppliers, and logistics costs.

To mitigate the impact of price fluctuations in raw materials, we adjust our procurement volumes based on our annual production plans and actual demand, thereby avoiding shortages or wastage. During the Track Record Period and up to the Latest Practicable Date, we did not experience any disruptions in the supply of raw materials.

Our Raw Materials

Our raw materials include, among other things, hog plum, white sugar, syrup, dried tangerine peel for our hog plum pellets. We typically procure hog plum directly from local farmers who collect hog plum in unreclaimed mountain areas and we typically do not establish formal contractual agreements with them. Upon collecting fallen hog plums in such uncultivated mountain areas, they visit our factory to weigh, examine and, if their hog plums meet the quality standards, sell to us on the spot. Having considered (i) the areas of wild and cultivated hog plum reaching approximately 342,700 mu, with an estimated 2.07 million plants; (ii) the fact that the harvest and cultivation of hog plum is part of Chongyi County's initiatives to increase farmers' income and develop the local hog plum-related industry; and (iii) according to CIC, the presence of approximately 20,000 active local farmers in the region, we believe that there are sufficient sources and therefore a stable supply of hog plums despite absence of any written collaboration arrangement with local farmers. During the Track Record Period, we did not experience any shortage in the supply of hog plum. To strengthen our supply chain stability, we also entered into cooperative agreements with certain orchards, whereby, among other things, we committed to purchase harvested hog plums that meet the cultivation technical standards for Green Food from them while the orchards are also restricted from selling the hog plums to any third parties. For further details, please refer to "Our Research and Development — Hog plum R&D" in this section. As these orchards utilise the hog plum seedlings we provided, we imposed geographical location requirements to ensure that these seedlings were planted in appropriate environment within Chongyi County.

To ensure sufficient supply of hog plums, we develop our annual production plan based on sales forecasts and historical data which will then guide our procurement strategy. We leverage on our cold storage facilities to extend the shelf life of semi-process hog plum fruits, ensuring sufficient raw materials to meet our order demands. For other raw materials, we enter into procurement agreements with our suppliers. All raw materials supplied by our suppliers are required to meet our quality standards and the standards set by competent government authorities, such as GB/T20883-2007 standard for high-maltose syrup, and GB/T317-2018 standard for white sugar.

Our Packaging Materials

Our packaging materials include, among others, metal packaging box, roll film, packaging bags in different sizes. Packaging bags and labels for our products are produced by our packaging materials suppliers with our marketing team being responsible for the design. Our procurement agreements with packaging material supplier typically contain price terms, a minimum order quantity and specification of the packaging. Packaging materials provided by our suppliers are required to meet the national and our standards.

Our suppliers

During the Track Record Period, our suppliers mainly included local farmers who supply hog plum collected in uncultivated mountain areas, other raw material suppliers, packaging materials suppliers and OEM suppliers. Our OEM suppliers provide services for our hog plum jelly product so that we can expand customer choices without incur additional costs for a new production line.

The average procurement price of hog plum from local farmers was RMB4.4 per kg, RMB4.3 per kg and RMB4.4 per kg for FY2023, FY2024 and FY2025, respectively.

Our procurement agreement typically contains payment terms, delivery terms, supplier's qualification requirements, inspection report requirement, and quality requirements. The agreement does not specify any annual target volume. We require that all raw materials meet the national standard on product quality.

Purchases from our five largest suppliers in each of FY2023, FY2024 and FY2025 accounted for approximately 29.1%, 20.7% and 24.2% of our total purchases in relation to production in relevant periods, respectively. During the same years, purchases from our largest supplier accounted for approximately 7.1%, 4.9% and 6.5% of our total purchases in relation to production, respectively.

Below are the tables specifying the breakdown of our top five suppliers for each relevant period during the Track Record Period, with background information including length of relationship with us:

For the year ended 31 December 2025

Supplier	Background	Product	Length of relationship[(1)]	Payment clause	Purchase amount	% of total purchase
					RMB'000	
Supplier I . .	A company trading sugar, headquartered in Ganzhou, China	White sugar	16 years	Payment upon invoice receipt	8,602	6.5
Supplier B . .	A company trading sugar, headquartered in Ganzhou, China	White sugar	Three years	Payment within seven business days upon receipt of invoice	8,156	6.2
Supplier G . .	A company trading packaging material, headquartered in Jiaxing, China	Packing Materials	Two years	Payment upon invoice receipt	5,818	4.4
Supplier F . .	A packaging material company, headquartered in Guangzhou, China	Packing materials	20 years	Payment upon invoice receipt	5,174	3.9
Supplier J . .	A company trading sugar, headquartered in Linyi, China	High Maltose Syrup	Two years	Payment within seven business days upon receipt of invoice	4,262	3.2

Note:

(1) the length of relationship is measured as at 31 December 2025.

For the year ended 31 December 2024

Supplier	Background	Product	Length of relationship[(1)]	Payment clause	Purchase amount	% of total purchase
					RMB'000	
Supplier B . .	A company trading sugar, headquartered in Ganzhou, China	White sugar	Three years	Payment within seven business days upon receipt of invoice	6,276	4.9
Supplier F . .	A packaging material company, headquartered in Guangzhou, China	Packing materials	20 years	Payment upon invoice receipt	5,426	4.3
Supplier E . .	A company engaged in the business of trading sugar, headquartered in Dongguan, China	White sugar	Two year	Payment within seven business days upon receipt of invoice	5,311	4.2
Supplier G . .	A company trading packaging material, headquartered in Jiaxing, China	Packing materials	Two year	Payment upon invoice receipt	5,310	4.2
Supplier H . .	A packaging material company, headquartered in Chaozhou China	Packing materials	Nine years	Payment upon invoice receipt	3,919	3.1

Note:

(1) the length of relationship is measured as at 31 December 2025.

For the year ended 31 December 2023

Supplier	Background	Product	Length of relationship[(1)]	Payment clause	Purchase amount	% of total purchase
					RMB'000	
Supplier A . .	An individual who coordinates local farmers residing in Chongyi County, China	Hog plums	Four years	Payment upon invoice receipt	8,618	7.1
Supplier B . .	A company trading sugar, headquartered in Ganzhou, China	White sugar	Three years	Payment upon invoice receipt	7,895	6.5
Supplier C . .	A company engaged in the business of trading sugar, headquartered in Liuzhou, China	White sugar	Four years	Payment upon invoice receipt	7,424	6.1
Supplier D . .	An individual who coordinates local farmers residing in Chongyi County, China	Hog plums	Five years	Payment upon invoice receipt	6,341	5.2
Supplier E . .	A company engaged in the business of trading sugar, headquartered in Dongguan, China	White sugar	Two year	Payment within seven business days upon receipt of invoice	5,089	4.2

Note:

(1) the length of relationship is measured as at 31 December 2025.

For FY2024, hog plum suppliers were not included among top five suppliers primarily because we increased hog plums procurement in the fourth quarter of FY2023 in anticipation of higher sales demand in FY2024, and prioritised utilising the inventory stockpiled in FY2024 and adjusted procurement volumes of hog plums accordingly. There has been no change in the Group's procurement practise or policies throughout the Track Record Period.

As at the Latest Practicable Date, our Directors confirm that (1) all of our five largest suppliers in each year during the Track Record period were Independent Third Parties; (2) none of our Directors, their close associates or any Shareholders, which to the best knowledge of the Directors, owned more than 5% of the total issued capital of our Company, had any interest in any of our five largest suppliers during the Track Record Period.

Cash payment management

As we source hog plum directly from local farmers, a small portion of payments for transaction below RMB1,000 with these suppliers are paid in cash after they visit our production plant to weigh and inspect the hog plum. For FY2023, FY2024 and FY2025, the cash transaction amounts for the procurement of hog plum were RMB0.4 million, RMB0.7 million and RMB0.2 million, accounting 1.0%, 1.5% and 0.2% of our raw materials costs for the periods indicated, respectively. According to CIC, our practice of transacting with local farmers and cooperatives in cash is consistent with market practices. The Internal Control Consultant engaged for the purpose of the **[REDACTED]** has not identified any internal control deficiencies in relation to our purchases involving cash payments during its initial and follow-up review of our Company's internal control measures and risk management system.

We have established strict guidelines and policies to manage all cash transactions, ensuring adequate financial record-keeping. Our protocol for handling cash transactions are as follows:

- For cash transactions, we issue invoices in line with standard practices for commercial suppliers. Our staff should deposit cash payments into our bank account on the same day, and in special circumstances where the bank does not open on the day (such as public holiday), within three days.

- We operate a centralised procurement system for local farmers. All hog plums purchases require farmers to visit our designated procurement area equipped with surveillance camera for weighing and inspection. This helps streamline supplier management, centralise the payment process, and track transactions. This system ensures a standardised transaction process and minimises errors and fraud.

- We segregate duties within the payment process to prevent conflicts of interest and ensure accountability. The quality control team is responsible for inspecting the hog plum, the production department handles transaction payments, and the finance department verifies invoices and farmer registrations.

- Transactions exceeding RMB1,000 must be paid via bank transfer.

OUR CUSTOMERS

Our customers primarily encompass offline distributors and customers of our self-operated online stores which are mostly individual consumers. For details of distributors, please refer to the paragraph headed "Our Sales Channels" in this section above. All of our five largest customers in each of FY2023, FY2024 and FY2025 were offline distributors. Sales to our five largest customers in each of FY2023, FY2024 and FY2025 accounted for approximately 26.5%, 38.8% and 33.7% of our total sales respectively. During the same years, sales to our largest customers accounted for approximately 6.7%, 23.0% and 12.8% of our total revenue respectively.

Below are the table specifying the breakdown of our top five customers during the Track Record Period, with background information including length of relationship with us:

For the year ended 31 December 2025

Name	Background	Category of customer	Product sold	Length of relationship[(1)]	Payment clause	Sales amount	% of Revenue
						RMB'000	
Customer F	A distributor of snack food headquartered in Changsha, China	Offline distributor	Hog plum products	Two years	Payment terms as agreed by both parties	40,195	12.8
Customer G	A distributor of snack food headquartered in Nanjing, China	Offline distributor	Hog plum products	One year	Payment within seven business days upon receipt of invoice	23,723	7.6
Customer A	A distributor of snack food headquartered in Ganzhou, China	Offline distributor	Hog plum products	13 years	Delivery upon payment	19,629	6.3
Customer D	A distributor of snack food headquartered in Shanghai, China	Offline distributor	Hog plum products	12 years	Delivery upon payment	11,519	3.7
Customer H	A distributor of snack food headquartered in Xiamen, China	Offline distributor	Hog plum products	Four years	Delivery upon payment	10,404	3.3

Note:

(1) the length of relationship is measured as at 31 December 2025.

For the year ended 31 December 2024

Name	Background	Category of customer	Product sold	Length of relationship[(1)]	Payment clause	Sales amount	% of Revenue
						RMB'000	
Customer F	A distributor of snack food headquartered in Changsha, China	Offline distributor	Hog plum products	Two year	Delivery upon payment	77,995	23.0
Customer C	A distributor of snack food headquartered in Nanchang, China	Offline distributor	Hog plum products	13 years	Delivery upon payment	15,764	4.6
Customer A	A distributor of snack food headquartered in Ganzhou, China	Offline distributor	Hog plum products	13 years	Delivery upon payment	15,587	4.6
Customer D	A distributor of snack food headquartered in Shanghai, China	Offline distributor	Hog plum products	12 years	Delivery upon payment	12,544	3.7
Customer G	A distributor of snack food headquartered in Nanjing, China	Offline distributor	Hog plum products	One year	Payment within seven business days upon receipt of invoice	9,982	2.9

Note:

(1) the length of relationship is measured as at 31 December 2025.

For the year ended 31 December 2023

Name	Background	Category of customer	Product sold	Length of relationship[(1)]	Payment clause	Sales amount	% of Revenue
						RMB'000	
Customer A	A distributor of snack food headquartered in Ganzhou, China	Offline distributor	Hog plum products	13 years	Delivery upon payment	16,442	6.7%
Customer B	A distributor of snack food headquartered in Changsha, China	Offline distributor	Hog plum products	Seven years	Delivery upon payment	16,099	6.5%
Customer C	A distributor of snack food headquartered in Nanchang, China	Offline distributor	Hog plum products	13 years	Delivery upon payment	15,201	6.2%
Customer D	A distributor of snack food headquartered in Shanghai, China	Offline distributor	Hog plum products	12 years	Delivery upon payment	10,493	4.3%
Customer E	A distributor of snack food headquartered in Shenzhen, China	Offline distributor	Hog plum products	Seven years	Delivery upon payment	6,972	2.8%

Note:

(1) the length of relationship is measured as at 31 December 2025.

The change in the absolute amount and contribution of revenue generated from our top five customers during the Track Record Period was primarily due to growing market demand for our products and our expansion of distribution network and growth in the online channels that affected revenue contribution percentage of top five customers. In particular, revenue from Customer F increased significantly in FY2024 primarily due to (i) expanded collaboration across additional regions; and (ii) higher demand for our products.

As at the Latest Practicable Date, our Directors confirm that (1) all of our five largest customers in each year during the Track Record period were Independent Third Parties; (2) none of our Directors, their close associates or any Shareholders, which to the best knowledge of the Directors, owned more than 5% of the total issued capital of our Company, had any interest in any of our five largest customers during the Track Record Period.

Third-Party Payment Arrangements

During the Track Record Period, certain of our customers (the "**Relevant Customers**"), all of which were our offline distributors, settled their payments with us through third-party payers (such payer(s), the "**Third-Party Payer(s)**", and such arrangement(s), the "**Third-Party Payment Arrangement(s)**"). For FY2023, FY2024 and the four months ended 30 April 2025, the number of Relevant Customers amounted to 42, 46 and 40, respectively. The aggregate amount of third-party payments (the "**Third-Party Payments**") we received from Third-Party Payers was approximately RMB37.6 million, RMB37.8 million and RMB24.8 million, which accounted for approximately 15.3%, 11.1% and 7.9% of our Company's total revenue for FY2023, FY2024 and FY2025 respectively.

To the best knowledge of our Directors after making reasonable inquiries, except for one Relevant Customers, being the Historical Connected Distributor, none of the Relevant Customers or their respective Third-Party Payers had any other past or present relationship (whether business, employment, family, trust, fund flow, financing or otherwise) with the Company, its subsidiaries, shareholders, directors or senior management, or any of their respective associates. As at 30 April 2025, we had ceased to allow our customers to settle payments through Third-Party Payers and all new orders thereafter can only be settled by our customers' own accounts. During the Track Record Period and up to the Latest Practicable Date, our Company had not received any claims from Third-Party Payers or its liquidators.

During the Track Record Period and up to the Latest Practicable Date, we had not initiated any Third-Party Payment Arrangements but only accepted the Third-Party Payments by the third-party payers at the request of the Relevant Customers. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not provided any discount, commission, rebate or other benefits to any of the Relevant Customers or the Third-Party Payers to facilitate or encourage the Third-Party Payment Arrangements. The payment, the pricing terms and other general commercial terms of the Relevant Customers are generally the same as our other customers.

During the Track Record Period and up to the Latest Practicable Date, as confirmed by the Directors, (1) we had not encountered any disputes with, nor received any refund request from, any Relevant Customers or Third-Party Payers, and (2) we had not been subject to any disputes or administrative penalties by the relevant government authorities with respect to the Third-Party Payment Arrangements.

To the best knowledge of our Directors after making reasonable enquiries that, during the Track Record Period and up to the Latest Practicable Date, (i) all the Third-Party Payments were related to genuine transactions between us and the Relevant Customers, (ii) the amount of Third-Party Payments received by us from Third-Party Payers corresponded with the transaction amount in the relevant sales orders, records and/or invoices between the Relevant Customers and us; (iii) all relevant transactions involving Third-Party Payments were completed with the agreed-upon amount being settled as specified in respective agreements; (iv) we have not encountered any incidents demanding us to return payment in relation to relevant transactions; (v) nothing came to our attention that would cause our Directors to doubt the genuineness of the relevant transactions or the good faith of the relevant parties involved; and (vi) as advised by our PRC Legal Advisers, the Third-Party Payment Arrangements based on genuine transactions with customers do not violate any mandatory provisions of applicable laws or regulations in the PRC and during the Track Record Period and up to the Latest Practicable Date, there was no actual or pending dispute or disagreement, which involves any Third-Party Payment Arrangements and results in any litigation or arbitration. Based on the foregoing, our Directors confirm, the risk of possible claims from Third-Party Payers for the return of funds is low.

Reasons for utilising Third-Party Payment Arrangements

During the Track Record Period, the Third-Party Payers generally comprised of (i) individuals who are shareholders, owners, employees of Relevant Customers or their family members. According to CIC, it is not uncommon for distributors to settle their transactions through third-party payors. To the best knowledge of our Directors, the main reason for the Relevant Customers to utilise Third-Party Payment Arrangements is for the convenience as our distributors are generally local and small-sized private business.

Termination and Implication of Third-Party Payment Arrangements

We had ceased all Third-Party Payment Arrangements as at 30 April 2025. As at the Latest Practicable Date, none of our customers utilised Third-party Payment Arrangements to settle payments with us. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any material settlement issue after the cessation of the Third-Party Payment Arrangements.

For the four months ended 30 April 2025 and for the period following the cessation of the Third-Party Payment Arrangements up to 31 December 2025, the total revenue generated from the Relevant Customers amounted to RMB31.6 million and RMB20.0 respectively. Having considered the seasonality of our product sales, our Directors considered that there has not been a material adverse change in our business relationship with the Relevant Customers save for nine customers, which contributed approximately 2.3%, 1.6% and 0.9% of our total revenue for FY2023, FY2024 and FY2025, respectively, who have ceased to purchase from us following the cessation of the Third-Party Payment Arrangements.

We consider that the termination of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on the liquidity, business operation and financial operation of our Company as (i) most of the Relevant Customers remain to be our customers after the cessation of the Third-Party Payment Arrangements; and (ii) the cessation of Third-Party Payment Arrangements did not affect the payment settlement cycle from the Relevant Customers to us as we typically require our customers to settle payments for their purchases before we deliver our products to them.

We have obtained confirmations from the Relevant Customers and their designated Third-Party Payer, whose payments under Third-Party Payment Arrangements collectively represented approximately 80.3%, 88.9% and 98.8% of total payments we received under Third-Party Payment Arrangements in FY2023, FY2024 and four months ended 30 April 2025 respectively. The confirmations include among others:

(i) the Relevant Customers and their designated Third-Party Payers did not receive any financial assistance from us or our former or then Directors, members of associate, shareholders, employees or their respective associates;

(ii) the funds involved in the Third-Party Payment Arrangements were legal and would not be used for illegal activities such as money laundering or tax evasion;

(iii) the risks arising from the Third-Party Payment Arrangements shall be borne by the Relevant Customers and their designated Third-Party Payers and not by us;

(iv) the Relevant Customers and their designated Third-Party Payers were not involved in any controversies or disputes arising from the payment arrangements between the Relevant Customers and their designated Third-Party Payers. In addition, they are not subject to any investigation or penalty by any authority in relation to the Third-Party Payment Arrangements. The designated Third-Party Payers have not and will not request for the return of funds paid to us under the Third-Party Payment Arrangements;

(v) each of the Relevant Customers and their designated Third-Party Payers has neither claimed nor will claim any rights and interests regarding the Third-Party Payments;

(vi) we have not designated any person or company to act as the Third-Party Payers;

(vii) all settlements with us were backed by genuine business transactions and settlement amounts were consisted with the relevant transaction amounts;

(viii) the Third-Party Payment Arrangements were a voluntary arrangement between the Relevant Customer and their designated Third-Party Payers. We did not propose any such arrangement and, except for accepting the payments, did not participate in such arrangement in any other way;

(ix) the Relevant Customers or the Third-Party Payers did not and will not receive any discount, commissions, rebates or any other benefits for purpose of facilitating or encouraging Third-Party Payment Arrangements; and

(x) we are not bound by any rights and obligations relating to the Third-Party Payment Arrangements between the Relevant Customers and their designated Third-Party Payers, and any associated risks are to be borne by the Relevant Customers and their designed Third-Party Payers, not by us.

As confirmed by our Directors, (i) the Third-Party Payment Arrangements were initiated by the Relevant Customers and were not arrangements by our Company to circumvent applicable tax laws and regulations or other applicable laws and regulations in the PRC. All the Third-Party Payments previously received were duly booked according to the accounting procedures and policies, (ii) our Company had not been identified for violating any applicable tax laws as a result of the Third-party Payment Arrangement during the Track Record Period, and (iii) we only accepted payments from the Third-Party Payers by remittance from licensed banks.

As advised by our PRC Legal Advisers, the Third-Party Payment Arrangements based on genuine transaction with customers do not violate any mandatory provisions of applicable laws or regulations in the PRC.

As advised by our PRC Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any criminal liabilities, administrative sanctions, or pending investigations pertaining to the Third-Party Payment Arrangements.

Internal Control Measures for Third-Party Payment Arrangements

We are subject to various risks in relation to the Third-Party Payment Arrangements. Please refer to paragraph headed "Risk Factors — Risks relating to our business and industry — We are subject to various risks relating to third-party payments." in this document. We have adopted internal control measures to mitigate related risks and prevent future occurrences of the Third-Party Payment Arrangements in April 2025, including the following:

(i) we circulated notice internally to alert and inform relevant employees of requirements on identification of, and prohibition on accepting, third-party payments;

(ii) we require all customers to provide their bank account information, including account owners' names, ID numbers, phone numbers and bank card numbers, for transaction with us in the relevant agreements;

(iii) our finance department is responsible for maintaining a receipt settlement management ledger, which records, among other information, the customer's name, content of transaction, payment data, payment sum, payment method and the payer's name, so as to ensure that relevant payments are made directly by the relevant customer; and

(iv) we provide internal training on third-party payment regularly to our employees and assign employees to conduct periodic inspection on customers' transaction.

We conduct regular review on the effectiveness of the aforesaid internal control measures and promptly address any abnormalities and malfunctions. Our Directors are of the view that the foregoing internal control measures are effective and adequate in preventing third-party payment arrangements and associated risks, and our Directors will oversee the effectiveness of the aforementioned internal controls in the future.

Since its cessation and up to the Latest Practicable Date, to the best knowledge and belief of our Directors, after making reasonable enquiries, no Third Party Payments were identified.

SEASONALITY

Our sales are subject to seasonality fluctuations. We generally experience higher sales for our product during or ahead of Chinese New Year Holiday (i.e. during December to February). For example, revenue generated in July 2024 and December 2024 accounted for 4.4% and 15.3% of our total revenue generated from sales of products, with the production capacity of our production lines for hog plum paste in July 2024 being 56.5% and reaching 148.2% in December 2024.

The supply of our major raw material, hog plums, is highly seasonal in nature. During the harvest season for hog plums, typically from August to December, we procure substantial quantity of hog plums sufficient for our annual production. Given the perishability of these raw materials, immediate preliminary process for subsequent cold storage is required, resulting in a concentration of production activities and a significant increase in semi-processed procut during these periods. For details of our production process, please refer to the paragraph headed "Our Production — Our production process" in this section.

The elevated inventory levels of raw materials during harvest seasons and finished products in preparation for sales peaks contribute to fluctuation in our interim results, which may not reflect our overall annual performance, highlighting the importance of our inventory and supply chain management strategies. For further details on our inventory management strategies, please refer to paragraph headed "Our Inventory Management" in this section.

IMPACT OF THE COVID-19 OUTBREAK

During the Track Record Period and as at the Latest Practicable Date, the outbreak of COVID-19 had not had any material adverse impact on our business operation or finance performance, because we did not experience any major delay or disruption of our operations during that period. Our production plant maintained continuous operations without any pandemic-related temporary closures, fluctuations in production output, or material delays to production and delivery schedules during the Track Record Period. Furthermore, our financial performance demonstrated consistent profitability throughout the Track Record Period, with year-on-year increases in revenue. Given the PRC government has substantially lifted its COVID-19 prevention and control policies prior the beginning of the Track Record Period, our Directors are of the view that it is unlikely that the COVID-19 will have a material adverse impact on our business going forward.

DATA PRIVACY AND SECURITY

There are various laws and regulations, such as the Cybersecurity Law of the PRC and the Personal Information Protection Law of the PRC, that govern the collection, use, retention, sharing and security of personal data. Please refer to the paragraph headed "Regulatory Overview — Regulation relating to cybersecurity, data security and personal information protection" in this document. We closely monitory regulatory developments and take appropriate measures to accommodate legislation and law enforcement in the PRC on cybersecurity. In the process of selling and delivering products through online direct sale, we have access to certain customer privacy information, such as network identity information, address and contact information, which will be used for account registration and product delivery. We also have access to their trading records. During the Track Record Period, as confirmed by our Directors, we had complied with applicable PRC laws and regulations relating to cybersecurity, data privacy and protection in all material aspects.

We 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 established and implemented measures and policies relating to data privacy and security, such as setting up firewalls and anti-virus software that form a comprehensive security protection system to ensure the security of our local network. We have also formulated the Regulations on the Management and Maintenance of Information Systems, which requires our employees to abide by information security regulations, in order to ensure safety of the relevant information involved in the business operations. Our PRC Legal Advisers in respect of PRC data compliance law is of the view that, there are no fundamental flaws in our data compliance measures which may lead to the interruption of our overall business operations due to potential violation, or non-compliance of laws and regulations related to data privacy, personal information protection and cybersecurity in China.

MARKETING AND PROMOTION

Our sales and marketing departments, comprising teams that focus on different aspects of our business. They play a pivotal role in driving our business expansion, exploring potential markets and promoting our products. Our sales representatives are responsible for identifying new customers, securing sales orders, managing order fulfilment and maintaining customer relationships; while our marketing team is tasked with designing and executing branding initiatives and marketing strategies. As part of our strategies to strengthen our e-commerce capabilities, we have also established an e-commerce department which ensures active and responsive engagement on our online sales platforms and social media accounts, enhancing the overall consumer experience and driving online sales growth.

To remain attuned to the ever-changing consumer preferences and market trends, our marketing team conducts market research, analyse consumer and sales representatives feedback, reviews industry reports and perform competitor analysis. These efforts enable us to maintain our leading position in the hog plum food market and sustain our competitive edge.

We employ a multi-channel marketing approach that integrates online platforms, social media and traditional marketing vehicles, thereby enhancing awareness and recognition of our brand and ensuring comprehensive consumer exposure. Key promotional activities include in-store displays, participation in trade fairs, product sampling campaigns, promotional discounts and media collaboration for advertising and sponsored content. During holiday seasons and festivals, we will organise themed promotional events and offer free samples at our retail points of sale to drive awareness of both our existing and new products. We actively engage with consumers through various official social media accounts, utilising live-streaming session and interactive content to address consumer inquiries and promote our product.

Looking ahead, we plan to intensify our marketing and advertising efforts across multiple channels and platforms to further elevate our brand presence and product visibility. For details, please refer to the paragraphs headed "Our Strategies — Expansion of our e-commerce network and intensify our online marketing efforts through different marketing means to enhance public awareness of our brands" and "Our Strategies — Expand the breadth and depth of our offline sales network in the PRC" in this section.

DELIVERY AND LOGISTICS

During the Track Record Period and as at the Latest Practicable Date, we maintained our own in-house delivery team to facilitate product delivery to customers located in the Jiangxi Province which is in close proximity to our headquarters and production facility, and we also engaged independent third-party logistics service providers to deliver our products to other regions. As at the Latest Practicable Date, we had ten logistic service providers.

We select third-party logistic service providers based on their business stability, efficiency of delivery and price, and update their qualification records regularly. We typically enter into service agreements with our third-party logistics service providers for a term of one year. We monitor and assess the logistic quality by for example, price level, operating condition, quality of service and timely delivery. We are entitled to terminate such agreements with a 30-day prior written notice.

During the Track Record Period and as at the Latest Practicable Date, we did not experience any significant delay in delivery that materially affected our business operations, nor did we experience any disputes with our third-party logistic service providers or any material breach of our agreements with them.

OUR INVENTORY MANAGEMENT

Our inventories primarily consist of processed raw materials, semi-processed products and finished products. As at 31 December 2023, 2024 and 2025, we had inventories of approximately RMB59.5 million, RMB48.4 million and RMB63.4 million respectively, which accounted for approximately 38.1%, 23.2% and 31.3% of our total current assets, respectively. Our average inventory turnover days were approximately 142 days, 113 days and 134 days as at 31 December 2023, 2024 and 2025, respectively. For more details of our average inventory turnover days, please refer to the paragraph headed "Financial Information — Description of selected items of the statements of financial position — Inventories" in this document.

Specifically for our processed hog plum fruits that serves as the primary ingredient of our product, as at the Latest Practicable Date, we had a cold storage facility with a total area of 3,515 sq.m. Given that hog plum is harvested only during August to December each year, we preliminarily process the hog plum and utilise freezing storage to ensure sufficient supply to meet our annual production requirements. To maintain the stability and quality of the processed hog plum flesh, we employ proprietary storage technology and implement monitoring of the cold storage facilities. This includes maintaining a compliant freezing environment, conducting regular inspections, providing trainings to relevant personnel and implementing standards and policies for temperature, humidity, ambient conditions, staff attire and power supply. Each cold storage facility is equipped with safety risk warning signs and operational guidelines to ensure safe and efficient operations. With our cold storage facilities, processed hog plum fruits can achieve a shelf life of up to two years, whereas, to the best information and belief of our Directors, processed hog plum fruits can only be stored for two to three days and three to five days for unprocessed hog plum fruits if they are not stored in our cold storage facilities. As we reply on our cold storage facilities in storing our hog plum fruits, there is inherent risk in relation to the operation of our cold storage facilities. Please refer to the paragraph headed "Risk Factors – Risks relating to our business and industry – Any disruption to our cold storage facilities could lead to spoilage of our raw materials, affecting our ability to meet sales demand which could result in potential liability and material impact on our business, results of operations and financial performance." in this document. For our finished products and other inventories, our warehouses where these inventories are stored maintain well-ventilated and dry storage conditions with controlled temperature and humidity to avoid the risk of deterioration of our inventories. In line with the growing demand for our products, it is anticipated that our demand for procurement and storage of raw material inventory, particularly hog plum due to its seasonality, will surge correspondingly. We plan to expand our storage facility capacity for raw materials through constructing a new cold storage facility. For further details, please refer to the paragraph headed "Our Strengths — Expansion of our production capacity and storage facilities capacity" in this section.

We procure raw hog plum based on our annual production plan, which is derived from our sales forecast and historical sales. Procurement will take place from August to December each year. For ancillary materials, we adopt a sale-driven procurement approach and we conduct monthly procurement based on demand. We prepare a raw material usage plan based on sales order on a monthly basis which outlines the required usage and current inventory levels. By reference the safety stock level determined in the annual production plan, we will calculate the necessary order quantities to minimize the risk of inventory obsolescence. We plan our production based on our sales schedule and demand as well as historical sales data and future projections, and accordingly, we generally maintain a reasonable level of finished product. During the peak

sales seasons, such as the Chinese New Year holiday period, we increase production and inventory levels to meet higher demand. For further details, please refer to the paragraphs headed "Our Production — Our production planning" and "Seasonality" in this section.

We have established an inventory management system to monitor each stage of the warehousing process, including the inflow, outflow, storage, and inventory levels of raw materials, packaging materials, and finished products. We implement a first-in-first-out policy to manage the shelf life of our raw materials and finished products, ensuring that the earliest stored materials are used first. For every batch of raw materials and finished products, we will label clearly the storage entry date to enable real-time age monitoring. In line our production and procurement plans, we ensure that the raw materials will be selected for use based on a first-in, first-out principle. Once products are packaged, we strive to deliver them to customers as promptly as possible. Please refer to the paragraph headed "Risk Factors – Risks relating to our business and industry – We may face the risk of inventory obsolescence" in this document.

To maintain accuracy in inventory records, we conduct sample inventory counts on a monthly basis and address any discrepancies immediately. Additionally, we perform full inventory counts annually.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage of inventory.

FOOD SAFETY AND QUALITY CONTROL

We are committed to delivering safe and high-quality products to our consumers. Our Quality and Technology Department is responsible for managing, implementing, and supervising our quality control system, conducting investigation, analysis and safeguards if there are any issues regarding the quality of the products. This system encompasses all aspects of our operations, from raw material procurement and production processes to finished products and storage. We have designed and adhere to stringent quality control guidelines, conducting quality checks at multiple stages throughout the production process, including raw material sourcing, processing, and inventory storage.

To ensure consistency and compliance with food safety standards, we have established standard operating procedures and machinery settings with step-by-step instructions for production and packaging. These protocols are followed by our production staff to maintain the highest standards of safe food production.

Our production staff acts as the frontline of our quality control process, while our quality control team would check our product quality at different stage of production. We also provide trainings to our production staff on food safety, quality requirements and the operation of the machines from time-to-time to ensure our product quality.

Our operations comply with applicable PRC laws and regulations governing food processing and production, as well as the quality control requirements mandated by relevant PRC authorities. We hold valid Food Production Licenses*（食品生產許可證）for our production facilities in Jiangxi. In June 2023, we obtained certification from the China Quality Mark Certification Group*（方圓標誌認證集團）for our food safety management system, certifying our production

system meets the ISO 22000:2018 Food Safety Management Systems standard. For further details on our awards and recognitions, please refer to the paragraph headed "Awards and Recognition" in this section.

Quality control over raw materials procurement

We have implemented and maintain policies and procedures for supplier selection to ensure the quality of our raw materials. We primarily collaborate with reputable suppliers, including long-standing partners whose performance has consistently met our expectations. Our supplier evaluation process considers multiple factors, including product price, qualifications, operational environment, product quality, and timely delivery.

All raw materials must meet national standards, market standards, and our own internal procurement standards. For hog plum fruits, we only confirm orders and process payments after our personnel have inspected and approved the quality of the hog plums. For other raw materials, if they fail to meet the quality standards stipulated in our supplier agreements, we reserve the right to reject the materials and seek compensation for any related costs.

Furthermore, we have established a series of quality control measures for raw material management, including but not limited to the following:

- Suppliers are assessed and rated based on our internal policies.
- Prior to procurement, we require suppliers to provide business licenses, production permits, and quality certification documents for raw materials (except for cooperative farmers, or individual farmers).
- Auxiliary and packaging materials must bear the "QS" mark to ensure compliance with quality standards.
- Upon delivery, our procurement and quality control personnel inspect raw materials to verify compliance with national laws, regulations, and standards, as well as alignment with the quality certification documents provided by suppliers. Materials must also meet the acceptance criteria specified in procurement agreements.
- Regular sample testing is conducted by inventory, quality control and production personnel to ensure raw material quality.
- Suppliers are required to provide inspection reports from independent laboratories for delivered raw materials at our request.

In particular, to ensure the safety of the fresh hog plums that we procure, we have established a set of protocol. First, we will conduct random sampling of the fresh hog plums to test for pesticide residues and microbial contamination. We will also discard any rotten, spoiled or otherwise visibly defective hog plums. In accordance with the procedural requirements, those that pass this initial screening are then placed into our fruit cleaning equipment and undergo a blanching step to sterilise and reduce enzyme activity.

Quality control over production process

To ensure consistent product quality, we strictly adhere to established production procedures and protocols. We have implemented a set of standard operating parameters for each piece of machinery involved in different stages of the production process. Additionally, we closely monitor and comply with relevant laws, regulations, industry standards, and internal corporate procedures. Regular training sessions are provided to our production staff to ensure adherence to these standards.

Specifically, we have implemented the following control measures to regulate our production process and ensure the quality and safety of our finished products:

- Processing water must comply with national standards for drinking water quality.
- Raw materials, semi-finished products and finished products must be stored separately.
- Production facilities must undergo thorough cleaning and disinfection before and after every production day.
- Production and inspection staff must undergo annual health checks. Individuals suffering from illnesses that could compromise food safety (e.g., bacterial dysentery, viral hepatitis, tuberculosis, intestinal diseases, or open wounds on hands) are temporarily reassigned from production and inspection roles until they recover and pass a medical examination.
- No personal items, including personal accessories, are allowed in production facilities. Staff must wear dedicated clear work attire including work shoes and caps.
- The production area must use rodent traps and carry out daily disinfection procedures.
- Workshop managers conduct daily inspections of hygiene and personnel compliance within their areas of responsibility. Workshops are equipped with live-streaming cameras to enable real-time remote inspections by our Quality and Technology Department.
- Our representatives conduct onsite inspections of the production process in our OEM suppliers' production site.

Quality control over finished products

Finished products are stored in temperature and humidity controlled warehouses before delivery to customers. Products are organised in designated zones based on manufacturing dates and product categories, with clear labelling for easy identification. We also implement safety measures to minimise risks such as insects, moisture and pollution.

To ensure the quality of finished products, we have implemented the following control measures:

- Inspection personnel must conduct quality checks in accordance with the production license acceptance guidelines before products leave the factory. Only products meeting quality standards are approved for delivery.

- Inspection personnel are required to report daily inspection results to the quality control supervisor.

- We conduct internal sampling and testing twice annually, with at least one of these tests performed by a qualified third-party inspection agency.

- Warehouses are cleaned and disinfected on a regular basis.

- Products are stored in compliance with specific guidelines (e.g., maintaining a minimum distance from the ground).

Product returns and product recalls

Our customers and offline distributors generally cannot return our products after receipt unless there are product quality issues. Under such circumstances, we will be responsible for the costs incurred by returned or exchanged products. In respect of our online sales, consumers are typically entitled to return our products within seven days in accordance with the relevant platform policies.

For FY2023, FY2024 and FY2025, the value of products returned in our offline channels in terms of revenue amounted to RMB6,867.4, nil and nil, respectively, representing nil, approximately a minimal percentage and nil, respectively, of our total revenue for the same period; and the value of products returned in our online platforms in terms of revenue amounted to approximately RMB0.5 million, RMB0.6 million and RMB0.6 million, respectively, representing approximately 0.2%, 0.2% and 0.2%, respectively, of our total revenue for the same period.

We ensure that all customers' feedback and complaints concerning our products is resolved promptly upon receipt. All feedback and complaints are directed to our sales representatives, who assign the issues to relevant departments for follow-up and implementation of corrective measures. Our sales team maintains detailed records of all feedback, complaints, investigations, and resolutions.

During the Track Record Period, there were two incidents where the mould test of our product was ruled to be not in compliance with the requirements of the National Standard for Food Safety — Candied Food*（《食品安全國家標準－蜜餞》）in a sample test conducted by the State Market Supervision and Administration of the State Counsel, and the cleanliness of the storage facilities for the substandard products was found to be unsatisfactory. The primary cause of the incident was inadequate control of moisture levels in the production area by on-site personnel and a total of 2,592 individual packages of hog plum paste were impacted. As a result, in March 2023 and in April 2023, we were ordered by Chongyi Market Supervision Bureau* (崇義縣市場監督管理局) and Ganzhou Market Supervision Bureau*（贛州市市場監督管理局）to pay fines, and the defective products were confiscated and disposed, amounting to a sum of penalty and confiscated amounts of RMB60,752 and RMB68,880, respectively. To address these issues and prevent recurrence, we immediately initiated a product recall in compliance with relevant regulations to withdraw all non-compliant products from the market. In response to this incident, we have revised our production protocols to explicitly outline hygiene requirements and

finished product handling procedures following each production shift. Furthermore, we have significantly enhanced sterilization and disinfection measures across our facilities. These improvements include implementing clearly documented disinfection procedures for personnel entering production areas, establishing dedicated laundry and changing facilities, and removing all idle equipment to eliminate potential contamination risks.

Save for aforementioned, during the Track Record Period and as at the Latest Practicable Date, we did not encounter any other food safety issue nor did we experience any material customer complaints or administrative penalties in relation to our product quality or safety which had a material adverse effect on our business or results of operation, nor were there any voluntary product recall.

Internal control in relation to food safety

In order to enhance our Company's performance and prevent recurrence of any food safety related incidents, our Company has adopted various food quality and safety management measures, which included but not limited to the following:

- our Company has developed and updated measures on quality supervision before, during, and after production in our "Production Safety Responsibility System", "Food Safety Emergency Plan", and "Financial Management System";

- we have clarified the standards and procedures for all aspects of product production, packaging, storage and transportation, and strictly controls food quality and safety; and

- our Company has established standard food production requirements and food safety standards in compliance with relevant food safety regulations.

Our Company has established a robust supplier selection and management measures to ensure the quality and capability of the suppliers adhere to the required standards such as clarifying the qualification standards for suppliers of packaging materials, including the prohibition of the presence of any toxic substances, and the need to ensure that the labelling and marking of food products are complete and accurate before packaging;

In respect of storage of raw materials and food products, our Company's person-in-charge of warehouse management is responsible for monitoring the temperature, humidity, toxic substances etc. of the warehouses, so as to ensure that the storage environment is in line with the requirements for storage of food products, and is equipped with comprehensive security and fire safety measures.

COMPETITION

According to CIC, in terms of retail sales value in 2024, the top ten largest companies in the fruit snacks market in the PRC represent approximately 10.4% of total market share, and five largest companies in the hog plum food market in the PRC represent approximately 65.4% of the total market share. Please refer to the section headed "Industry Overview" in this document for further details.

We consider competitors with strong product development capabilities and established, diversified product portfolios pose a significant challenge to our Company. However, we are confident that our long standing brand name, R&D capabilities, distributor network management and product and quality control systems will provide us with a competitive edge.

OUR EMPLOYEES

As at 31 December 2025, we had 1,411 employees, among which 514 are full-time employees and 897 are part-time employees. All of our employees were based in the PRC. The table below sets forth the number of our employees by function as at 31 December 2025:

Department	Number of staff		
	Full-time	Part-time	Total
General Manager's Office	6	0	6
Administration and Human Resources Department	7	0	7
Finance Department	15	0	15
Sales Department	176	440	616
Marketing Department	7	0	7
E-commerce Department	30	0	30
Quality and Technology Department	16	0	16
Back Office and Security Department	3	16	19
Procurement and Logistics Department	17	0	17
Production Department	237	441	678
Total	**514**	**897**	**1,411**

During the Track Record Period and up to the Latest Practicable Date, our employees did not negotiate their terms of employment through any labour union or by way of collective bargaining agreements nor did we experience any material labour disputes or shortages or labour strike that may have a material adverse effect on our business, financial position and results of operations.

Recruitment

We recognise that our employees are a vital component of our Company's success, and we are committed to attracting, developing, and retaining talented and competent individuals. To achieve this, we have implemented a comprehensive recruitment strategy that leverages a wide range of channels, including online advertisements, mass media platforms, and partnerships with headhunters. We enter into standard individual employment contracts with our employees, which typically cover terms such as salaries, bonuses, employee benefits, workplace safety, confidentiality, non-compete undertaking and termination, in accordance with the applicable employment law. Our employees can apply to be members of our labour union.

Training

In order to promote overall efficiency, workplace safety, employee loyalty and retention, we provide regular training and education programs for our employees which allow them to be familiar with job requirements and stay updated on the latest industry trends and techniques. Our training generally covers three aspects, namely corporate culture and values, management system and business support, encompassing essential areas of our business operation such as our Company's policies, hygiene requirements at production facilities, product quality management, workplace safety and operational guidelines. We also engaged third party to conduct trainings on accounting professional ethics and taxation and financial management.

Remuneration

We are committed to establishing a competitive and fair remuneration and benefits package to attract, motivate, and retain high-calibre talent. Employee performance is assessed annually, with salary adjustments made based on their achievement of KPIs. Our compensation structure typically comprises a basic salary and a performance-based discretionary bonus.

In compliance with PRC laws and regulations, we contribute to social security funds for our employees in the PRC, including pension insurance, medical insurance, unemployment insurance, occupational injury insurance, maternity leave insurance, and housing provident funds. Additionally, we offer a range of other benefits to enhance employee well-being and engagement, such as employee travel subsidies, birthday benefits, and meal subsidies.

Labour Dispatch Provider

To meet our business needs, in addition to relying on our in-house workforce, our Company has engaged labour dispatch providers since 2023 to supplement our workforce during peak seasons, particularly from November to the Chinese New Year period. Our dispatched workers also receive our training which we commonly arrange for our employees. For FY2023, FY2024 and FY2025, the costs for labour dispatch amounted to approximately RMB0.3 million, RMB0.6 million and RMB0.6 million, respectively, accounting for approximately 0.2%, 0.3% and 0.4% of our total cost of sales for the same years, respectively.

We generally enter into labour dispatch agreements with the labour dispatch providers for the provision of services in accordance with the agreements on an as-need basis. There is no employer/employee relationship between our Company and the dispatched workers.

The salient terms included in our labour dispatch agreements are summarised as follows:

Duration	:	One year.
Major obligations of the labour dispatch providers	:	The major obligations include entering into labour contracts with the dispatched workers, dispatching suitable workers that fit the specification, being responsible for work-related injuries suffered by dispatched workers and the relevant insurance claim, assign management personnel to manage dispatched labour.
Major obligations of our Company	:	We shall pay labour dispatch fees to the labour dispatch providers and is responsible for providing up-to-standard work safety hygienic working environmental and work safety protective hear to dispatched workers, providing accommodation to the dispatched workers.
Labour dispatch fees	:	The fee shall be calculated based on the actual hours worked by the dispatched worker. In addition, a fixed monthly management fee of RMB2,000 shall be paid to cover the administrative services rendered by the management personnel.
Additional restriction	:	Provided that the labour dispatch provider fulfils our workforce requirements in a satisfactory manner, we shall not engage any third-party agencies for the recruitment of dispatched workers.

Our Company employed 19, 28 and 59 dispatched workers as at 31 December 2023, 2024 and 2025, respectively. The dispatched workers were primarily assigned to roles as general production workers, with their main responsibilities focusing on packaging tasks.

Social Insurance and Housing Provident Fund

According to the relevant PRC laws and regulations, we are required to make contributions to social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury, and maternity insurance) and housing provident fund for the benefit of our employees. During the Track Record Period and as of the Latest Practicable Date, we had not

made social insurance and housing provident fund contributions for some of our employees in full in accordance with the relevant PRC laws and regulations. The aggregate shortfall of social insurance and housing provident fund contributions was approximately RMB3.1 million, RMB5.1 million and RMB4.2 million for FY2023, FY2024 and FY2025, respectively.

We were unable to make full social insurance and housing provident fund contributions during the Track Record Period, primarily because the responsible staff had misunderstanding on the relevant requirements under the applicable rules and laws as confirmed by our Directors.

As advised by our PRC Legal Advisers, according to the relevant PRC laws and regulations in respect of social insurance contribution, if we do not pay the full amount of social insurance contributions as required, the relevant authorities may demand us to pay the outstanding social insurance contribution within a prescribed period and we may be subject to a late fee of 0.05% of the delayed payment per day from the date on which the payment is payable. If such payment is not made within the prescribed period, the competent authority may further impose a fine of one to three times the overdue amount. Our shortfall of social insurance contributions was approximately RMB8.5 million during the Track Record Period. If we fails to pay these outstanding contributions within the prescribed period, we may be subject to a maximum fine of three times the amount of shortfall (i.e., a fine of RMB25.5 million). Pursuant to the relevant PRC laws and regulations, if we do not pay the full amount of housing providing fund as required, the relevant authority may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

Our Directors have considered the following in assessing our exposures relating to social insurance and housing provident fund contributions: (i) as at the Latest Practicable Date, we had not received any notification from relevant government authorities requiring us to pay shortfalls or penalties with respect to social insurance and housing provident funds; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties, material litigations and legal proceeding, nor are we aware of any material employees complaints nor involved in any material labour disputes with our employees with respect to social insurance and housing provident fund; (iii) we have obtained written confirmations from the relevant competent authorities that the Company has in all material aspects complied with the relevant laws, regulations and requirements of the relevant competent authority with respect to the housing provident funds, nor has it been subject to any relevant administrative penalties, and the Company will not be required by the relevant authority to pay historic outstanding housing provident fund contribution or any late fee, except relating to employees' complaints; and (iv) As of March 31, 2025, all eligible full-time employees of our company have been covered by social insurance and housing provident fund contributions. As the local social insurance authority had not previously processed work-related injury insurance contributions for part-time employees, we are still in communication with the authority and require additional time to complete the contributions for our part-time employees. We will make full contributions or pay any shortfall within a prescribed time period if demanded by the relevant government authorities.

Our PRC Legal Advisers are of the view that the risk that we would be subject to centralised collection of underpaid contribution and material administrative penalties by relevant authorities is remote, provided that there are no relevant complaints from employees to government regulatory authorities and there are no significant changes in current policies,

regulations, local government supervision, and law enforcement requirements related to social insurance and housing provident fund. As such, we have not made provisions for the shortfalls of social insurance and housing provident fund contributions during the Track Record Period.

We have implemented the following internal policies and procedures: (i) regularly communicating with government agencies to ensure that our calculation and payment methods are in compliance with the relevant laws and regulations; (ii) consulting external counsel, if necessary, to understand we are at risk of non-compliance with the relevant laws and regulations; (iii) regularly prepare reports regarding our contribution amounts for review by our Board; and (iv) conducting internal trainings for Directors, members of senior management and employees on the relevant laws and regulations.

SOCIAL RESPONSIBILITY, HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

We have been, and will continue to be, highly committee to implementing sustainable actions, reinforcing social responsibility, and adhering to high governance standards to comprehensively practice the principles of Environmental, Social, and Governance ("**ESG**"). Through establishing an integrated full-chain management mechanism, strategy integration, operational implementation, and performance feedback, we embed ESG concepts throughout our business processes to ensure systematic improvements in environmental sustainability, social value creation, and governance effectiveness.

ESG Structure

We are committed to establishing a robust governance framework that embeds ESG principles into the company's core values, ensuring sustainable development. Our Board is responsible for effective governance and supervision of ESG matters, as well as the assessment and management of significant environmental and social risks, including: (i) discussing, evaluating, approving ESG strategies, ESG management objectives and managing ESG issues; (ii) reviewing and monitoring the training of our directors and senior management on ESG aspects, as well as the implementation of relevant policies; and (iii) approving the sustainable development management policies, strategies and objectives, and reviewing the progress against relevant objectives, as well as reviewing sustainable development-related risks and response measures.

The composition, roles and responsibilities of our ESG risk management framework are as follows:

- *Governance level:* the responsibilities are undertaken by our Board. As the highest decision-making and supervision level for ESG risk management, our Board is responsible for approving the objectives related to ESG risk management, supervising the effectiveness of ESG risk management etc.;

- *Coordination level:* our senior management serves as the coordination level for risk management. It is responsible for transforming the decisions of the governance level into specific management measures, including coordinating ESG risk management work among various departments and supervising the implementation of ESG risk control measures by various departments;

- *Implementation level:* various functional departments such as our Administrative and Human Resources Department, Marketing Department, Production Department, Procurement and Logistics Department and Back Office and Security Department are responsible for implementing ESG risk control measures in daily work and promoting the implementation of ESG work.

We undertake to establish an ESG working group one year within the **[REDACTED]** to assist our Board to oversees ESG governance and execute the following: (i) formulation and implementation of ESG strategies and goals, including benchmarking progress against targets and addressing gaps; (ii) monitoring climate-related risks and opportunities and formulating response measures; (iii) ESG risk governance; (iv) identifying and managing stakeholders and assessing their impact on ESG issues; (v) preparing the annual ESG report and managing ESG information disclosure; and (vi) ensuring our ESG management practices comply with the latest laws and regulations.

ESG-related risks identified and our measures addressing these risks

Under the supervision of our Board and guidance from senior management, we identify ESG-related risks and potential opportunities that affect our business development and shareholders' returns through a combination of internal and external evaluations. We then integrate the analysis results into our medium and long-term development strategy.

As at the Latest Practicable Date, we have not implemented any general policy in relation to assessing, managing and reducing ESG-related risks. Our internal control measures for ESG-related risks are primarily oversight by our Board and executed under the guidance of our senior management. We identify ESG-related risks that impact our business development and shareholder returns through a combination of internal and external assessments. During the external assessment phase, we engage with experts across various fields through online communication and offline interviews. These exchanges cover a range of themes critical to sustainable development, including compliance management, environmental management, human rights, and more.

Risk Category	Type of Risk	Potential Negative Impact	Measures
Environment .	Climate-related risk	Extreme weather and natural disasters such as heavy rainfall, strong convection weather and freezing conditions, may increase safety risks to employees and products.	We are exploring the potential of photovoltaic power generation products and cold chain technologies. By continuously exploring solutions to reduce our carbon footprint, we aim to mitigate climate-related risks and ensure a stable production and operational environment even under extreme weather conditions.

Risk Category	Type of Risk	Potential Negative Impact	Measures
Environmental	Environmental Protection	Improper use of chemical pesticides and fertilisers by farmers in the course of cultivation may lead to soil pollution and ecological damage, thereby triggering environmental compliance risks.	We strictly fulfill the environmental protection responsibilities in the planting process. In the process of planting hog plum, we strictly abide by the relevant provisions of the Green Food Fertilizer Application Guideline (《綠色食品肥料使用準則》) of the Agricultural Industry Standard of the People's Republic of China (《中華人民共和國農業行業標準》). We follow the laws of nature and ecological principles, limit the use of restricted chemical synthetic production materials, and conduct regular pesticide residue tests in strict accordance with national inspection requirements, with all results being qualified and no over-standard incidents recorded. The hog plums purchased by us are mainly naturally fallen fruits collected by local farmers in uncultivated mountain areas. This model avoids damage to plants caused by manual picking and safeguards the natural reproduction and growth cycle of hog plum trees. The entire collection process is conducted manually without any machinery, so it does not damage undergrowth vegetation or surface soil, thus maintaining the original ecological balance. The fallen fruits only require simple screening before delivery, with no additional processes such as washing or preservation required. This reduces water consumption and wastewater discharge, as well as the environmental impact of the harvesting process.

Risk Category	Type of Risk	Potential Negative Impact	Measures
Social.	Product safety and quality risk	Our products are made from natural raw materials and have a simple ingredient composition. As the products involve storage and transportation before finally reaching consumers, improper storage conditions or lack of protective measures during transportation may lead to potential product quality risks.	We have established a quality supervision and inspection system covering four core areas including whole-process control, multi-level accountability, dynamic risk management, and strict handling of non-conforming products. We regularly organise quality management training activities, and analyse raw materials, ingredients, and the entire production process in accordance with ISO22000 requirements to ensure product quality. If product issues arise, we will organise special task force to summarise the issue offline and, after verification, implement recall and rectification measures protect consumer rights.
Social.	Supply Chain Management	Fluctuations in the market price of hog plum may lead to reduced incomes for farmers, trigger the loss of cooperative farmers, cause a contraction in planting scale, and potentially cause risks to the stability of the supply chain.	In the process of planting hog plums, we cooperate with farmers in the model of "company + farmer" within the administrative region of Chongyi County. We execute contracts with participating farmers, providing farmers with production materials such as hog plum tree species that have obtained Forest Tree Improved Variety Certificates（林木良種證）issued by the National Forestry and Grassland Administration(國家林業和草原局).In addition, we assign full-time technical personnel to offer technical guidance on the cultivation of hog plum seedlings to cooperative farmers, and distributes the Practical Manual for Grafting and Yielding Cultivation of Hog Plum (《南酸棗嫁接豐產栽培實用手冊》) to farmers, helping farmers upgrade planting techniques and improve the quality of hog plum fruits.

Risk Category	Type of Risk	Potential Negative Impact	Measures
Social.	Occupational health and safety risk	If we violate laws and regulations such as the Law on Prevention and Control of Occupational Diseases of the PRC (《中華人民共和國職業病防治法》) and the Work Safety Law of the PRC (《中華人民共和國安全生產法》), it may lead to talent loss, damage to corporate reputation, and penalties from regulatory authorities.	We have established a compliance training system that covers all employees. Offline compliance training is conducted, and online training modules have been incorporated into our e-learning platform. Additionally, we have defined occupational health and safety incident handling procedures and built a complete full-process compliance system.
Governance . .	Intellectual property protection risk	As external service providers are involved in the equipment construction process, there is a risk of leakage or infringement of key innovation technologies, which could adversely impact our development.	We strictly isolate confidential information to prevent technical leakage or disclosure. Additional, we have implemented intellectual properties protection measures to protect our core technologies and innovation research.

Environmental Matters

Energy management

We strictly follow the laws and regulations in the PRC on energy management and control energy consumption across our production processes. We adhere to a green office philosophy and have implemented the following measures to continuously improve green and energy-saving practices in our office and employees' life:

- Promote electricity usage patterns; prioritise natural light; use energy-efficient and voice-controlled lighting, reduce standby power, prohibit high-power heating equipment, require staff to turn off lights when areas are unoccupied or during lunch breaks and control air conditioning temperature; and

- Conduct environmental campaigns and trainings to advocate for low-carbon living awareness among employees, post conservation slogans, and assign clear responsibility for electrical equipment, managing usage according to our regulations.

Water management

Our water consumption is primarily allocated to water used for cleaning hog plums in the production process and water used for employees daily in the office. We take measures at the source to conserve water:

- installing water-saving devices on cooling towers;
- recycling boiler condensate, installing circulation water metering equipment, setting up flow monitoring stations and regularly inspecting pipelines for leaks;
- reusing condensate water for plant cleaning; and
- developing production processes with lower water consumption.

Waste management

We strictly comply with applicable environmental laws, regulations and industry standards in the PRC in respect of waste management. We implement process optimisation, recycling and other measures to achieve the "reduction, reuse and harmless treatment" of waste.

We carry out monitoring and handling which include weekly internal inspection and quarterly independent third party verification to comprehensively test emission of waste gas, waste water and waste solids and noise.

Environmental protection

We have implemented a systematic environmental management framework in accordance with the ISO 14001 standard and our internal policies. We have developed Environmental Management System Manual*(《環境管理體系手冊》) and Environmental Factors Identification and Evaluation Procedure*(《環境因素識別與評價控制程序》) to fully identify and assess controllable and influential environmental factors in our activities, products, and services. This allows us to effectively manage material environmental risks. We have established a comprehensive environmental emergency response plan and conduct drills to ensure rapid and effective action in case of environmental incidents. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any major environmental incidents, nor do we have any regulatory non-compliance records in respect of the applicable environmental laws in the PRC.

Social Responsibility

Labour relations

We strictly comply with laws and regulations such as the Labour Law*(《中華人民共和國勞動法》) and Labour Contract Law of the PRC*(《中華人民共和國勞動合同法》), and we have established sound human resources management systems and processes. We have formulated the Human Resources Management Regulations*(《人力資源管理條例》) to standardise the management of employee recruitment, labour contract administration, employee promotion and deployment, resignation and abnormal changes, attendance, etc.

We adhere to principles of diversity, equality, and inclusion, treating all candidates equally regardless of gender, age, ethnicity, etc. We strictly abide by regulations prohibiting child labour and pledge not to coerce any employee to work in any form.

We strictly verify employees' age, identity and other information during the onboarding process to ensure that the hired personnel meet the legal working age and reject any form of child labour employment. We sign standardised labour contracts with employees, specifying labour rights, working hours, salary benefits and other contents to eliminate forced labour, and conduct self-inspections on labour employment to ensure the compliance of all labour links.

The table below sets out our employment and turnover situations as at 31 December 2025:

(i) Employment Situation

Category	Subgroup	Number of Employees	Percentage
Gender	Male	157	11.1%
	Female	1,254	88.9%
Age	≤ 30 years (incl.)	120	8.5%
	31-49 years	669	47.4%
	≥ 50 years (incl.)	622	44.1%
Region	East China	1,135	80.4%
	South China	11	0.8%
	Central China	166	11.8%
	Northeast China	6	0.4%
	Southwest China	80	5.7%
	Northeast China	11	0.8%
	Northwest China	2	0.1%
Employment Type	Full-time	514	36.4%
	Part-time	897	63.6%

(ii) Turnover Situation

Category	Subgroup	Number of Employees	Percentage
Gender	Male	20	25.6%
	Female	58	74.4%
Age	≤ 30 years (incl.)	16	20.5%
	31-49 years	41	52.6%
	≥ 50 years (incl.)	21	26.9%
Region	East China	69	82.1%
	South China	5	6.4%
	Central China	7	9.0%
	Southwest China	2	2.5%

Occupational health and safety

We are committed to providing a healthy and safe work environment for our employees. We have established a comprehensive safety management system. In the production workshop, safety operation procedures are strictly enforced. New employees are required to complete safety training and pass assessments before taking up their posts. We regularly conduct safety education and emergency drills to enhance employees' safety awareness and accident response capabilities. We provide safety protective equipment at the work site and supervise employees to use it in a standardised manner, while continuously strengthening the occupational health and safety management system and work safety procedures.

For FY2023, FY2024 and FY2025, number of our work-related injury was as follows:

Category	FY2023	FY2024	FY2025
Number of Work-Related Fatalities	0	0	0
Number of Work-Related Injuries	2	2	4
Workdays Lost Due to Injuries	66.5 days	145.5 days	125 days

Employee development and training

We value talent retention and development and have established a complete performance appraisal and promotion mechanism. We conduct regular employee assessments based on internal regulations, with transparent performance indicators, ensuring scientific promotion channels for all position.

Our average employee training hours per person is 42.3 hours from FY2023 to FY2025. The table below sets out the detailed training:

Category	Group	2023-2025 training coverage	2023-2025 average training hours
Gender	Male employees	100.0%	40.0
	Female employees	100.0%	42.7
Position	Senior management	100.0%	31.5
	Middle management	100.0%	42.7
	Junior management	100.0%	41.7

Green procurement

In our supplier selection and management, we take the environmental and social risk management and practices of suppliers as important evaluation directions, and strive to cooperate with suppliers who attach importance to ESG management. In order to further strengthen our control capabilities over the environmental and social impacts of the supply chain, we include environmental management system certification, environmental performance, and effluent discharge compliance as core assessment criteria. We pay close attention to whether suppliers' production processes, packaging materials, and designs comply with environmental standards.

We adopt a combined approach of "annual review + re-evaluation". Each year, we organise centralised evaluations, including questionnaire responses and on-site audits, to conduct a comprehensive review of suppliers' credit records, environmental performance, and social responsibility. Furthermore, we also actively promote the transformation of green logistics by requiring downstream suppliers to adopt new energy vehicles as transportation tools, taking practical actions to build a low-carbon and sustainable supply chain system.

As at 31 December 2025, our suppliers distribution by geographical region is as follow:

Region	Number of Suppliers
East China	107
South China	25
Central China	4
Southwest China	2

Product responsibility and data security

We have established a full-chain food safety management process covering raw material procurement, production, packaging and logistics. We have passed ISO22000 and HACCP certifications. We conduct hazard analysis and critical control point (HACCP) management across the entire production process, and analyze raw material composition. Non-conforming raw materials are strictly prohibited from entering production. We also monitor and control food safety risks during production. Finished products would undergo rigorous quality inspections before being released to market. In the event of any quality issues, we immediately initiate the product recall procedure, strictly in accordance with the *Consumer Protection Law of the People's Republic of China* (《中華人民共和國消費者權益保護法》) and other relevant regulations, to maximise consumer safety.

To handle consumer complaints and inquiries, we provide multiple channels including a customer service hotline and an official WeChat public account to ensure traceability and timely resolution of complaints. We also monitor public opinion via online and social media platforms, responding promptly to user concerns and protecting our brand reputation and consumer rights.

Product quality-related complaints over the past three financial years up to 31 December 2025 are summarised as follows:

Indicator	FY2023-FY2025
Percentage of products recalled due to safety and health concerns among all product and service complaints	2.0%
Number of product and service complaints	102

This refers to the product recall due to the two food safety incidents during the Track Record Period. For details, please refer to the paragraph headed "Food Safety and Quality Control – Product returns and product recalls" in this section.

Regarding consumer data collected during operations, we follow the principle of "minimum necessary", collecting only the information required for business fulfillment and ensuring data is stored securely on closed platforms. Consumer data is restricted to internal use only. As at the Latest Practicable Date, the Company has not experienced any incidents about data leakage.

Intellectual property protection

We have implemented an IP management policy that clearly defines responsibilities across departments for patent applications, trademark maintenance, and trade secret protection. For example, we promptly register patents for core products like hog plum paste, including their production processes and packaging designs. In addition, we regularly organise IP training to enhance awareness and ensure effective enforcement of IP policies.

Business ethics

We have implemented an efficient internal management system for business ethics. This system covers internal auditing, external auditing, and whistleblower protection mechanisms. Internal policies such as the Audit and Supervision Regulations (《審計監察條例》) ensuring compliance operations while promoting a culture of integrity within the company, continuously enhancing employees' awareness of anti-corruption.

We have established a professional internal audit team and regularly engage third-party institutions to conduct external audits. Our Board oversees and evaluates both internal and external audit activities, reviews internal controls, and makes key decisions on daily risk management.

All employees are encouraged to report anti-corruption and anti-bribery violations through multiple channels, such as the General Manager's mailbox. We emphasize the protection of whistleblowers and have adopted the Whistleblower Policy (《舉報人制度》) and Audit and Supervision Regulations (《審計監察條例》), which require strict confidentiality regarding whistleblower identities and information, and impose serious penalties for any breaches of confidentiality.

For FY2023, FY2024 and FY2025, and up to the Latest Practicable Date, there are no concluded legal cases related to corrupt practices have been brought against the Company or its employees.

ESG METRICS, TARGETS AND COSTS

In setting out ESG targets, we take into account our historical business performance, forward-looking strategic planning, and national policy benchmarks.

Greenhouse gas emissions target

The GHG emissions generated during our daily operations mainly originate from: (i) direct GHG emissions from our vehicles; (ii) energy consumption from purchased electricity for production and operations; and (iii) energy used for heating water during operations.

After reasonable enquiry by our Directors and based on the available and substantiated information, the GHG emissions data for FY2023, FY2024 and FY2025 was as follow:

Indicator	Unit	FY2023	FY2024	FY2025
Scope 1 GHG Emissions – Direct greenhouse gas emissions				
– Gasoline	tCO2e	72	74	115
– Hog plum seed kernel	tCO2e	1,629	1,920	1,976
Scope 2 GHG Emissions – Energy indirect greenhouse gas emissions				
– Purchased electricity	tCO2e	2,292	2,753	3,141
Scope 3 GHG Emissions – Other indirect greenhouse gas emissions				
– Business air travel of employees	tCO2e	3	5	3
– Waste paper disposal	tCO2e	27	36	32
– Sewage treatment	tCO2e	23	23	44
Total GHG Emissions	tCO2e	4,046	4,811	5,310
GHG Emission Intensity	tCO2e/RMB million of revenue	16.40	14.19	16.92

We strive to reduce GHG emissions by improving fuel efficiency and increasing the use of new energy vehicles, thus further fulfilling our corporate social responsibility in response to climate change.

Energy Consumption

Our energy consumption includes direct energy consumption and indirect energy consumption. Among them, direct energy consumption includes gasoline generated by vehicle travel during the company's daily operations; indirect energy consumption includes energy consumption from purchased electricity.

For FY2023, FY2024 and FY2025, our energy consumption was as follow:

Indicator	Unit	FY2023	FY2024	FY2025
Total Energy Consumption	kWh	11,365,253	13,459,364	14,656,610
Energy Consumption Intensity	kWh/RMB million of revenue	46,065.8	39,687.6	46,722.4

Water consumption

Our water consumption primarily originates from our headquarters, production facilities and employee dormitories located in Chongyi County, Jiangxi Province in the PRC. For FY2023, FY2024 and FY2025, our water consumption was as follow:

Indicator	Unit	FY2023	FY2024	FY2025
Total Water Usage	Tonne	90,883	113,833	140,988
Water Use Intensity	Tonne/RMB million of revenue	368.4	335.7	449.4

As at the Latest Practicable Date, we have encountered no barriers to water access. During our production and operations, we encourage water conservation among employees and have established internal management rules to further standardise water use behavior.

Waste Emission

We comprehensively manage "three wastes" (waste gas, wastewater, solid waste) during production and operations, and do not involve any hazardous waste discharges. Through systematic management, we ensure our emissions are controlled and safe, fulfilling our commitment to green production and contributing to ecological protection and sustainable development.

For FY2023, FY2024 and FY2025, our waste emission was as follow:

Indicator	Unit	FY2023	FY2024	FY2025
Total Waste Gas Emissions	m^3	28,722,315	37,722,315	55,798,955
Waste Gas Emission Intensity	m^3/RMB million of revenue	116,417.7	111,231.7	177,876.2
Total Wastewater Discharge	Tonne	30,780	31,140	58,580
Wastewater Discharge Intensity	Tonne/RMB million of revenue	124.8	91.8	186.7
Total Solid Waste Generated	Tonne	526	620	638.3
Solid Waste Intensity	Tonne/RMB million of revenue	2.1	1.8	2.0

Packaging materials

Along with the continuous expansion of our production capacity and the increased processing volume of fresh hog plum and hog plum pulp in 2025, the emissions of waste gas and wastewater generated during production have increased accordingly. Going forward, we will continue to upgrade production technologies and environmental protection facilities, optimise the entire production and processing chain, achieve coordinated development between capacity expansion and environmental sustainability, and uphold the concept of green, low-carbon and sustainable development.

The total amount of packaging materials consumed includes both recyclable and non-recyclable packaging. To continuously improve packaging in terms of weight reduction, material minimisation, and recyclability, while ensuring safety, we adopt green packaging solutions. We also require suppliers to provide inspection reports upon order delivery to reduce resource consumption and environmental impact during packaging, helping us build a sustainable packaging ecosystem and fulfill our dual commitment to environmental responsibility and consumer rights.

For FY2023, FY2024 and FY2025, our packaging material usage was as follow:

Indicator	Unit	FY2023	FY2024	FY2025
Total Packaging Material Usage	Tonne	2,149	2,292	2,501
Packaging Material Intensity	Tonne/RMB million of revenue	8.7	6.8	8.0

Target

To support the construction of a green future where humans and nature coexist harmoniously, we have formulated our 2028 ESG targets based on historical production and operation data, combined with future business expansion and production plans. These targets aim to balance business growth and environmental protection:

Indicator	Target
Electricity per tonne of product	Reduce by 5% compared to 2025
Water usage per tonne of product	Reduce by 5% compared to 2025
Scope 1 and Scope 2 GHG emissions per tonne of product	Reduce by 5% compared to 2025

LICENCES AND PERMITS

For the laws and regulations governing the licences, permits and approvals of our Company, please refer to the section headed "Regulatory Overview" in this document for details. As advised by our PRC Legal Advisers, we have obtained all requisite licences, permits and approvals necessary to conduct our business operations in the PRC as at the Latest Practicable Date in all material respects.

As at the Latest Practicable Date, we held the following major licences, permits and approvals for our business operation in the PRC:

Permit/licence	Group company	Issuing authority	Issue Date	Expiry date	Reference number
1. Food Production Licence* (食品生產許可證)	Our Company	Chongyi County Administrative Examination and Approval Bureau (崇義縣行政審批局)	23 June 2025	14 July 2027	SC11336072510103
2. Food Distribution Permit* (食品經營許可證)	Jiangxi Qiyunshan Food Co., Ltd. Sales Centre* (江西齊雲山食品有限公司營銷中心)	Zhanggong District Administration for Market Regulation (章貢區市場監督管理局)	7 July 2025	20 November 2027	JY13607020117953
3. Customs Declaration Registration* (海關報關備案)	Our Company	Ganzhou Customs (贛州海關)	–	–	3607930603
4. Export Food Production Enterprise Registration Certificate* (出口食品生產企業備案證明)	Our Company	Ganzhou Customs (贛州海關)	18 August 2020	–	3600/22017
5. Stationary Pollution Source Discharge Registration Receipt* (固定污染源排污登記回執)	Our Company	National Pollutant Discharge Permit Management Information System* (全國排污許可證管理信息平台)	12 June 2025	11 June 2030	91360700612432349800 1X

During the Track Record Period, we have not encountered any difficulty or rejection in obtaining or renewing the requisite licences, permits and approvals necessary to conduct our business operations. We intend to apply for renewal of our key licenses and permits, the procedures for which is expected to be initiated timely prior to their respective expiration date. Our Directors and our PRC Legal Advisers are of the view that, provided we comply with the then applicable laws and regulations and submit all the documentation required in a timely manner and have taken all proper administrative steps, there will be no substantial legal impediment for us to renew all such licences, permits and approvals in the future for our business operations in the PRC. Our Directors are not aware of any reason that would cause or lead to non-renewal of our permits, licences and certifications.

AWARD AND RECOGNITION

Over the years, we have received the following key awards and recognitions relating to our business operations:

Award/Certificate	Year of Grant	Group company	Issuing Authority
Key National Leading Enterprises for Agricultural Industrialisation*(農業產業化國家重點龍頭企業).	2021	Our Company	Ministry of Agriculture and Rural Affaires of the People's Republic of China(中華人民共和國農業農村部)
National Geographical Indication Protected Products*(國家地理標志保護產品).	2018	Our Company	China National Intellectual Property Administration(中華人民共和國國家知識產權局)
Green Food*(綠色食品). .	1997-2026	Our Company	China Green Food Development Centre of Ministry of Agriculture and Rural Affaires of the People's Republic of China*(中華人民共和國農業農村部中國綠色食品發展中心)
National Forest Tree Germplasm Resources Platform – Hog Plum Germplasm Repository*(國家林木種質資源平台南酸棗保存庫).	2016	Our Company	Chinese Academy of Forestry(中國林業科學研究院)

Award/Certificate	Year of Grant	Group company	Issuing Authority
High and New Technology Enterprise*(高新技術企業).	2023	Our Company	Science and Technology Department of Jiangxi*(江西省科學技術廳), Department of Finance of Jiangxi Province*(江西省財政廳), Jiangxi Provincial State Taxation Administration*(國家稅務總局江西省稅務局)
Jiangxi Provincial Science and Technology Progress Award (First Prize)*(江西省科學技術進步獎一等獎).	2020	Our Company	Jiangxi Provincial People's Government(江西省人民政府)
Provincial-Level Enterprise Technology Center*(省級企業技術中心).	2021	Our Company	Jiangxi Provincial Department of Industry and Information Technology*(江西省工業和信息化廳), Department of Finance of Jiangxi Province*(江西省財政廳), Jiangxi Provincial State Taxation Administration*(國家稅務總局江西省稅務局)
Certificate of Honour for Technologically Advanced Small and Medium-sized Enterprises in Jiangxi Province*(江西省專精特新中小企業)	2022	Our Company	Department of Industry and Information Technology of Jiangxi Province*(江西省工業和信息化廳)

Certification	Specifications/Scope	Issuing Authority	Relevant Period/ Grant Date
HACCP	HACCP certification for Food Safety Management System (ISO 22000:2018)	China Quality Mark Certification Group (方圓標誌認證集團)	20 June 2023 to 21 June 2026
CNAS	Certification for Environmental Management System (GB/T 24001-2016/ISO 14001：2015)	China Quality Mark Certification Group (方圓標誌認證集團)	13 June 2024 to 5 September 2027
CNAS	Certification for Intellectual Property Management System (GB/T29490-2013)	Beijing Wan Kun Certification Service Co., Ltd.* (北京萬坤認證服務有限公司)	26 December 2024 to 25 December 2027
Certificate of scientific and technological achievements* (科學技術成果證書)	Hog plum peeling machine* (南酸棗剝皮機)	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	18 September 2014
Certificate of scientific and technological achievements* (科學技術成果證書)	Low sugar hog plum paste technique* (一種低糖南酸棗糕的製作方法)	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	13 November 2014

Certification	Specifications/Scope	Issuing Authority	Relevant Period/ Grant Date
Certificate of scientific and technological achievements* (科學技術成果證書).	Multi-stage variable temperature drying process for wild green plums and navel orange cake* (野青梅糕、臍橙糕的多級變溫乾燥工藝)	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	13 November 2014
Certificate of scientific and technological achievements* (科學技術成果證書).	Hog plum varieties no. 1	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	13 November 2014
Certificate of scientific and technological achievements* (科學技術成果證書).	Hog plum varieties no. 7	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	13 November 2014
Certificate of scientific and technological achievements* (科學技術成果證書).	Hog plum varieties no. 13	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	13 November 2014
Certificate of scientific and technological achievements* (科學技術成果證書).	High-grafting method for hog plum trees (一種南酸棗樹高位嫁接的方法)	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	28 November 2016
Certificate of scientific and technological achievements* (科學技術成果證書).	Hog plum varieties no. 17	Science and Technology Department of Jiangxi Province* (江西省科學技術廳)	28 November 2016

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business and we devote significant time and resources to their development and production. We currently hold a collection of intellectual property rights relating to certain aspects of our business operation and production process. Such intellectual property consists primarily of trademarks, patents and new plant variety rights. As at the Latest Practicable Date, we had registered 21 patents, 52 trademarks (including our "Qiyunshan" mark which has been registered since 1990, maintaining 34 years of legacy) and seven new plant variety rights in the PRC which are considered material to our business. Please refer to the paragraph headed "Statutory and General Information — 2. Further Information about Our business — B. Our Material Intellectual Property Rights" in Appendix VII to this document.

We protect our intellectual property rights, including trademarks, patents and domain names, strictly in accordance with the relevant laws and regulations. We have established an intellectual property management system which we continuously refine and update in alignment with our business growth. Given the strong recognition of our brand among consumers in the PRC, we consider the protection and enforcement of our intellectual property rights to be critical to our business operations, brand integrity and market reputation. We actively seek to register intellectual property rights that are material to our business under the appropriate categories in the PRC.

We also place emphasis on protecting proprietary know-how and processes that may not be patentable or where patent enforcement may be challenging. For instance, we have implemented a robust confidentiality system to safeguard our product formulas and other trade secrets. These include incorporating confidentiality clauses into employment contracts of personnel with access to sensitive information. We are entitled to claim any financial loss against such employee who materially breaches his/her confidentiality obligations under his/her contract. In addition, we enforce strict access controls for external personnel visiting our facilities. All visitors must be accompanied by our staff at all times and are prohibited from entering our R&D offices, laboratories, or accessing R&D documents and operating computers without prior authorisation. Our Directors believe that we have taken all reasonable measures to prevent any infringement of our own intellectual property rights.

As at the Latest Practicable Date, we were not aware of any material infringement, nor any pending or threatened claims in relation thereto, (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.

INSURANCE

We maintain insurance policies which cover, among others, pension insurance, medical insurance, unemployment insurance, occupational injury insurance and maternity leave insurance as required by the PRC laws and regulations.

Our insurance policies include insurances covering accidental loss for some of our fixed assets. In line with general market practice, we do not maintain any business interruption insurance, product liability insurance or environmental liability protection insurance, which are not mandatory under the PRC law. As all of our machinery and equipment are independently purchased or customised to meet specific production and technical requirements, in the event of equipment malfunctions or issues, we typically opt for direct replacement or repair rather than

relying on insurance coverage. We did not maintain any insurance for our production machinery, equipment and facilities during the Track Record Period. Please refer to paragraph headed "Risk Factors — Risks relating to our business and industry — We have limited insurance to cover our risk" in this document.

PROPERTIES

Owned properties

Our headquarter office is located in Chongyi County, Ganzhou, Jiangxi Province, the PRC. We own certain properties in the PRC in connection with our business operations. As at the Latest Practicable Date, all of our production plants were located in the PRC.

The table below sets forth details of our owned properties:

Address	Use recorded in the title certificate	Expiry of land use rights	Approximate gross floor area (sq.m.)	Area of shared land/area of shared usage right (sq.m.)
Niujiao River, Hengshui Town, Chongyi County .	Residential	30 September 2065	3058.19	69757.72
	Residential		3511.66	
	Boiler room		411.06	
	Office		4689.93	
	Industrial		36312.90	
	Industrial		7910.25	
Office Building 3, Jinzun Garden, No. 1 Yanggong Road.	Non-residential	/	1876.81	/
Office Building 3, Jinzun Garden, No. 1 Yanggong Road.	The use of the house set out in the certificates is "office", and the use of the land set out in the certificate is "business finance"	3 August 2044	1,876.81	16052.81 (of which, the apportioned area is 725.414 square meters)
Garages No. 1, 3, 6, 11 Building 9, Jinzun Garden, No. 1 Yanggong Road.	The use of the garages set out in the certificates is "garage/parking space", and the use of the land set out in the certificate is "urban residential".	3 August 2054	97.59	10,290.09 (of which, the total apportioned area is 28.352 square meters)

Pursuant to Rule 5.01B(2) of the Listing Rules, if the carrying amount (as defined in Rule 5.01(1) of the Listing Rules) of a property interest (as defined in Rule 5.01(3) of the Listing Rules) of an applicant's non-property activities (as defined in Rule 5.01(2) of the Listing Rules) is or is above 15% of its total assets (as defined in Rule 5.01(4) of the Listing Rules), the document shall include the full text of valuation report for such property interest. As the carrying amount of the properties held by us exceeds 15% of our total assets as at 31 December 2024, in order to comply with Rule 5.01B(2) of the Listing Rules, a property valuation report in respect of our properties is included in this document. For further details of the properties owned by our Company, please refer to the Property Valuation Report in Appendix IV to this document. Except for the property interests described in the property valuation report, we have no single property interest that formed part of our non-property activities and had a carrying amounts of 15% or more of our total assets pursuant to Rule 5.01B(2) of the Listing Rules.

Leased properties

As at the Latest Practicable Date, our Company has not leased any properties in the PRC.

LEGAL PROCEEDING AND COMPLIANCE

Legal Proceeding

We may from time to time be involved in legal, arbitration or administrative proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were involved in two contractual disputes.

In 2019, we were involved in a contractual dispute regarding the performance of a construction contract with an individual contractor (the "**Relevant Individual**"), who had utilized the qualification of Jiangxi Construction Engineering Machinery Construction Co., Ltd.*(江西建工機械施工有限責任公司)to undertake a construction project for our production facility. While we initiated legal proceedings against the Relevant Individual for breach of contract due to delayed completion, which resulted in economic losses to our Company, the Relevant Individual filed a counterclaim seeking payment of outstanding construction fees. In 2024, the Jiangxi Provincial High People's Court issued final judgment regarding part of the claims, ordering us to pay a total of RMB13.3 million in construction payments and repay a principal of RMB1.8 million, together with interests incurred as well as part of the litigation costs and other expenses. In May 2025, the Jiangxi Provincial High People's Court issued a final judgment on the remaining claims in this case, ordering us to pay RMB27,600 as the construction payment and RMB1.4 million as compensation for losses, and to bear part of the litigation costs. As of the Latest Practicable Date, this dispute has been fully resolved, and all required payments have been settled in accordance with the court judgments by the end of May 2025. Our Directors are of the view that this litigation would not have a material adverse impact on our operations or financial conditions since the monetary amount involved in the litigation was relatively small and has been settled without having any material impact on our working capital requirements or ongoing business operations.

In June 2024, Bijia Exhibition Co., Ltd.*(畢加展覽有限公司)(the "**Plaintiff**" or "**Bijia**"), an Independent Third Party, filed a lawsuit against our Company in respect of a construction contractual dispute for the termination of a construction project contract (the "**Contract**"), to recover damages totaling RMB950,147.8, including the outstanding principal of the project

payment of RMB391,046.69 and its interest, as well as the penalty for breach of contract of RMB540,000, and bearing the litigation costs of this case. In October 2024, we filed a counterclaim, demanding the penalty for breach of contract totaling RMB1,350,000 and bearing the counterclaim litigation costs. In January 2026, the Chongyi County People's Court rendered a judgment: we shall pay Bijia the project payment of RMB391,046.7 and its interest, and appraisal fees of RMB32,000; Bijia shall pay the penalty for breach of contract of RMB270,000 to us; the other claims of the Plaintiff and our other counterclaims were dismissed. As at the Latest Practicable Date, we were in the process of making an appeal against the judgment and this litigation was ongoing, RMB950,147.71 had been listed as restricted bank deposits pending final litigation results. Having obtained legal advice from the Chinese lawyer engaged by us on the litigation, our Director consider that the possibility of our Company making payment to the third party to recover its claimed damages is remote, and based on the dispute amount and our potential liabilities, such litigation will not have any material operational or financial impact on our operations.

Save as disclosed, as at the Latest Practicable Date, there were no legal, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material adverse effect on our financial condition or results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that 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 or results of operations. 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.

RISK MANAGEMENT AND INTERNAL CONTROLS

Our Directors are responsible for formulating and overseeing the on-going implementation of the internal control measures and effectiveness of risk management system, which is designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. With a view to manage our business and operational risks, to ensure our smooth operation and to avoid future recurrence of historical non-compliance incidents, we have engaged the Internal Control Consultant to assist us in reviewing and providing recommendations on improving our internal control system, including corporate governance, enterprise risk assessment, internal audit, compliance consultancy and relevant business processes including revenue, procurement, expenses and cost management, raw materials and inventory management, fixed assets management, production safety and quality control, human resources, financial management and information technology. As part of the engagement, we have consulted with our Internal Control Consultant to identify factors relevant to enhancing our internal control system and the steps to be taken. The Internal Control Consultant provided a number of findings and recommendations and we have subsequently taken remedial actions in response to such findings and recommendations. Highlights of our internal control measures include but are not limited to the following:

- our Directors have attended training sessions conducted by Hong Kong legal advisers on the on-going obligations and duties of a director of a company whose shares are **[REDACTED]** on the Stock Exchange;

- we will comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Directors will review our corporate governance measures and our compliance with the Corporate Governance Code each financial year and comply with the "comply or explain" principle in our corporate governance reports to be included in our annual reports after the **[REDACTED]**;

- when necessary, we will engage external professionals, including auditors, internal control consultants, external legal adviser(s) and other advisers to render professional advice with respect to our compliance with statutory and regulatory requirements, as applicable to our Company from time to time;

- we have appointed Zhongtai International Capital Limited as our compliance adviser which will advise and assist our Board on compliance matters in relation to the Listing Rules; and

- we have established an audit committee to review and supervise our financial reporting process and internal control system.

Based on the recommendations of the Internal Control Consultant and the follow-up review procedures conducted, our Directors have confirmed that our Company had adopted all major internal control measures and policies suggested by the Internal Control Consultant and did not have any significant or material deficiencies in its internal control system as at the Latest Practicable Date.

We are exposed to various risks during our operations. For more details about these risks, please refer to the section headed "Risk Factors" in this document. In addition to the abovementioned internal control measures, we have implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including the production and sales of products, administration of daily operations, financial reporting and recording, compliance procedures with applicable laws and regulations on environmental protection, production and food safety. Our Board oversees and manages the overall risks associated with our operations.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Chongyi Food Factory held 75% of the equity interest of our Company, which was in turn owned as to 68.79% in aggregate by the Core Management Shareholders. The Core Management Shareholders comprise six individuals including all our executive Directors, namely Mr. Liu Zhigao (also the chairman of our Board and the general manager of our Company), Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan, Mr. Huang Zhongming and Mr. Ling Huashan, who held 24.25%, 22.03%, 14.69%, 3.13%, 2.04% and 2.65% of the equity interest in Chongyi Food Factory, respectively. As at the same date, Yunzhishang LP held 25% of the equity interest of our Company, which was in turn owned as to 68.32% by the Core Management Shareholders, including 16.46%, 12.80%, 11.89%, 7.93%, 10.73% and 8.51% by Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan, Mr. Huang Zhongming and Mr. Ling Huashan, respectively.

Shareholding of our Shareholders

The Core Management Shareholders have entered into an acting-in-concert agreement ("**AIC Agreement**"), pursuant to which each Core Management Shareholder confirmed that he/she has been acting in concert with the other Core Management Shareholders since September 2022, and will continue to act in concert in respect of, among other things, issues pertaining to the operations and development of Chongyi Food Factory, Yunzhishang LP and our Company and which require approval of our or their respective shareholders, board of directors, partners or partner representatives (where applicable) pursuant to our or their respective articles of association or partnership agreement (as the case may be) and applicable laws and regulations, including, *inter alia*, discussing and reaching consensus with each other before proposing to and voting in general meetings and nominating directors, managing partner or partner representatives (where applicable) for a period of 36 months after the **[REDACTED]** with extension upon mutual consent.

Chongyi Food Factory comprised 45 individual shareholders, including all six Core Management Shareholders, since 1 January 2024 and up to the Latest Practicable Date. Save for three share transfers involving succession of an aggregate of approximately 2.19% shareholding interests in Chongyi Food Factory upon the death of the then shareholders subsequent to 1 January 2024, there has been no change in its shareholding since 1 January 2024 and up to the Latest Practicable Date. Since 1 January 2024 and up to the Latest Practicable Date, the Core Management Shareholders had held in aggregate over two-thirds of the registered share capital in Chongyi Food Factory. Please refer to the paragraphs headed "History and Corporate Structure — Corporate Structure — Immediately Prior to the **[REDACTED]**" in this document for details of the shareholding in Chongyi Food Factory as at the Latest Practicable Date.

Pursuant to the articles of association of Chongyi Food Factory, resolutions in respect of all material aspects of the affairs of Chongyi Food Factory, including amendments to the articles of association, mergers, acquisitions and dissolution, can only be passed by a two-thirds majority. There is no veto right granted to any single shareholder of Chongyi Food Factory. In other words, by consistently holding in aggregate over two-thirds of the registered share capital in Chongyi Food Factory, the Core Management Shareholders can maintain control over Chongyi Food Factory throughout this period. On the other hand, through the AIC Agreement, the Core Management Shareholders have further strengthened and normalised their management and control over our Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Yunzhishang LP comprised 11 individual partners, including all six Core Management Shareholders, since its establishment and up to the Latest Practicable Date, where the Core Management Shareholders had held in aggregate over two-thirds of the partnership interests in Yunzhishang LP. Please refer to the paragraphs headed "History and Corporate Structure — Pre-**[REDACTED]** Investment — Information Regarding Our Pre-**[REDACTED]** Investor" in this document for details.

Pursuant to the partnership agreement of Yunzhishang LP, save for limited matters prescribed under the Partnership Enterprise Law of the PRC (中華人民共和國合夥企業法) which require unanimous consent by all partners or specified elsewhere in the partnership agreement, matters in relation to Yunzhishang LP shall be determined by a meeting of the partner representatives (all of which being Core Management Shareholders) or by the managing partner (also a Core Management Shareholder). For matters which require approval in general meeting of the partners under the partnership agreement, such as those relating to amendments to the partnership agreement, transfer of assets held by the partnership and dissolution, the relevant resolutions can be passed by partners holding in aggregate two-thirds of its total partnership interests. There is no veto right granted to any single partner of Yunzhishang LP. For the avoidance of doubt, the general partner or the managing partner does not have sole control over Yunzhishang LP or the power to manage all day-to-day affairs of Yunzhishang LP alone, and may require approval of the partner representatives or the partners as a whole from time to time. As confirmed by the PRC Legal Advisers, the powers of the general partner to control a limited partnership under the laws of the PRC are subject to the partnership agreement. In other words, the Core Management Shareholders have consistently held in aggregate over two-thirds of the partnership interests in Yunzhishang LP and controlled its key management positions, enabling them to maintain control over Yunzhishang LP since its establishment.

To the best knowledge, information and belief of our Directors, save for the AIC Agreement, there is no nominal shareholding, voting or acting-in-concert arrangement or other shareholding relationship among the existing shareholders of Chongyi Food Factory, among the partners of Yunzhishang LP, or between Yunzhishang LP and Chongyi Food Factory. In other words, given their shareholding interest, partnership interest and/or management positions in Chongyi Food Factory and Yunzhishang LP (as the case may be), the Core Management Shareholders alone, acting together, are able to pass any key resolution and make most material decisions without taking into account any votes against such resolution which may be cast by the remaining 39 individual shareholders of Chongyi Food Factory (the "**Minority Shareholders**") or the remaining five partners of Yunzhishang LP (the "**Minority Partners**"). This means that the Minority Shareholders and the Minority Partners, even if they act collectively, are unable to veto any key shareholders' resolutions of Chongyi Food Factory or any key resolutions of Yunzhishang LP (save for limited matters prescribed by law) (as the case may be) as their combined voting power is insufficient to override the decisions of the Core Management Shareholders.

Despite their interest in Chongyi Food Factory or Yunzhishang LP (as the case may be), the Minority Shareholders and the Minority Partners are not regarded as a part of a group of our Controlling Shareholders under Chapter 1.1C of the Guide for New Listing Applicants published by the Stock Exchange for the following reasons:

1. ***No intention by the Minority Shareholders to restrict ability to exercise direct control over our Company by holding their interests through Chongyi Food Factory:*** Chongyi Food Factory was not established with the intention of serving as a pure investment vehicle to hold the interest in the Company. As disclosed in the paragraphs headed "History and Corporate Structure — Overview" in this document, Chongyi Food Factory was historically an operating entity principally engaged in manufacturing and sales of pastry, candied fruit and beverages and was subsequently acquired by 51 of its then employees (the "**Initial Shareholders**") in 1997 with the intention to directly invest in Chongyi Food Factory's business after more than 17 years of operation. Meanwhile, our Company was established with the participation of external investors in order to increase investment and introduce new capital for the expansion of the scale of business operations then undertaken by Chongyi Food Factory, as well as to benefit from favourable tax policies enjoyed by sino-foreign joint ventures under the then applicable PRC laws. It was under such background that our Company took over the operations and assets and liabilities of Chongyi Food Factory in 2000, causing Chongyi Food Factory to eventually become an investment holding company with no substantive business operation. To the best knowledge, information and belief of our Directors, the majority of the Initial Shareholders did not exit Chongyi Food Factory as they intended to continue their investment in the hog plum food product business, and it was not their intention to invest in an investment vehicle and exercise control over our Company together with the other shareholders of Chongyi Food Factory. Moreover, Chongyi Food Factory does not exclusively hold shareholding interests in our Company, and also holds the majority of the share capital in Qiyunshan Oil Tea.

2. ***Effective control and substantial influence from the Core Management Shareholders:*** as disclosed above, since 1 January 2024 and up to the Latest Practicable Date, the Core Management Shareholders in aggregate held over two-thirds of the registered share capital in Chongyi Food Factory and over two-thirds of the partnership interests in Yunzhishang LP. Acting together, the Core Management Shareholders are able to pass any key resolution in respect of any material matters concerning Chongyi Food Factory and Yunzhishang LP (save for limited matters which require unanimous consent of all partners prescribed by law in the case of Yunzhishang LP) without the need to consider any votes against such resolution by the Minority Shareholders or the Minority Partners (as the case may be). In other words, the Core Management Shareholders, through Chongyi Food Factory and Yunzhishang LP, are able to exercise effective control over 100% of the voting rights in general meetings of our Company.

   At management level, the Core Management Shareholders are equally able to exert substantial influence over our Company. The Core Management Shareholders comprised our entire Board (other than the independent non-executive Directors). In addition, the Core Management Shareholders hold a number of key management positions across multiple functions of our Company including but not limited to general manager, deputy general manager, general manager of marketing centre and quality and technology manager. As such, we have been operated as an integrated unit under the Core Management Shareholders, who are able to exert substantial influence on the management of our Company.

3. ***No relationship between the Core Management Shareholders and the Minority Shareholders or the Minority Partners:*** as disclosed above, save for the AIC Agreement, there is no nominal shareholding arrangement, voting arrangement, acting-in-concert arrangement or other shareholding relationship among the existing shareholders of Chongyi Food Factory or the existing partners of Yunzhishang LP. To the best knowledge, information and belief of our Directors, none of the Minority Shareholders or the Minority Partners intended to enter into such shareholding relationship before and upon completion of the **[REDACTED]**. Nor are we aware of any

personal or business relationship among the existing shareholders of Chongyi Food Factory or the existing partners of Yunzhishang LP, save for the fact that Mr. Liu Zhigao and Mr. Liu Jiyan are brothers. In addition, the Minority Shareholders and the Minority Partners have minimal influence at both shareholder and Company levels. None of the Minority Shareholders hold any position in Chongyi Food Factory and none of the Minority Partners hold any position in Yunzhishang LP, while the Minority Shareholders and the Minority Partners generally do not hold key positions in our Company. The voting rights of the Minority Shareholders in Chongyi Food Factory are also relatively insignificant as they are distributed among a large number of individuals (comprising 39 individuals, each holding less than 1.5% except two individuals holding 6.26% and 5.44%, respectively, as at the Latest Practicable Date). Similarly, each of the five Minority Partners holds less than 8% and collectively less than one-third of the partnership interests in Yunzhishang LP.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Chongyi Food Factory and Yunzhishang LP will be interested in approximately **[REDACTED]**% and **[REDACTED]**% of our enlarged issued share capital, respectively. For the reasons above, Chongyi Food Factory, Yunzhishang LP and the Core Management Shareholders (but not the Minority Shareholders or the Minority Partners) will together constitute our Controlling Shareholders.

NO COMPETITION AND INTERESTS OF CONTROLLING SHAREHOLDERS IN OTHER BUSINESS

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure under Rule 8.10 of the Listing Rules.

In addition to the 75% shareholding in our Company, Chongyi Food Factory also held 58.41% shareholding interest in Qiyunshan Oil Tea, a company primarily engaged in the manufacturing of camellia oil. The remaining 41.59% shareholding in Qiyunshan Oil Tea was held by two individuals who are Independent Third Parties. During the Track Record Period, the camellia oil produced by Qiyunshan Oil Tea was primarily sold through the sales channels of our Company under our "Qiyunshan" brand. In this regard, we provide branding and marketing services for Qiyunshan Oil Tea. Please refer to the section headed "Continuing Connected Transactions" in this document for further details.

Based on its latest financial statements, Qiyunshan Oil Tea recorded revenue of RMB20.3 million, RMB24.2 million and RMB29.9 million and net profit of RMB0.7 million, RMB0.7 million and RMB1.3 million in FY2023, FY2024 and FY2025, respectively. In order to focus on our core business, namely the manufacturing and sales of hog plum food products, we have not acquired, and do not intend, to acquire interests in Qiyunshan Oil Tea or its camellia oil business in the foreseeable future. On the other hand, while Qiyunshan Oil Tea generally operates independently of our Company with its own factory, manufacturing staff, office and accounting systems, it had historically relied on our Company to conduct sales and marketing activities for its products. We expect to continue to provide branding and marketing services to Qiyunshan Oil Tea after the **[REDACTED]** on normal commercial terms or better in the ordinary and usual course of our business. Please refer to the section headed "Continuing Connected Transactions" in this document for further details.

In addition, there are overlaps in directorship and senior management between our Company and Qiyunshan Oil Tea. In order to focus on the development and growth of our Company, each of Mr. Liu Zhigao, Mr. Zhu Fangyong and Ms. Xiao Yihong resigned from all of their respective positions in Qiyunshan Oil Tea in June 2025. Only Mr. Liu Jiyan and Ms. Yang Yulan are expected to remain as directors of Qiyunshan Oil Tea following the **[REDACTED]**.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the **[REDACTED]**, our Board will comprise of six executive Directors and three independent non-executive Directors. Please refer to the section headed "Directors and Senior Management" in this document for more information.

In respect of our relationship with Qiyunshan Oil Tea, as disclosed in the paragraphs headed "No Competition and Interests of Controlling Shareholders in Other Business" in this section above, the majority of historical overlapping directors and senior management have resigned from all their respective positions in Qiyunshan Oil Tea in order to focus on the development and growth of our Company. Mr. Liu Jiyan and Ms. Yang Yulan, our executive Directors who will remain as directors of Qiyunshan Oil Tea, shall abstain from voting on resolutions concerning Qiyunshan Oil Tea in meetings of our Board.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Controlling Shareholders based on the following reasons:

(1) each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(3) we have three independent non-executive Directors, who have extensive experience in different areas and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review in accordance with the Listing Rules, the applicable laws and our Articles of Association and internal policies; and

(4) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Controlling Shareholders which would support our independent management. Please refer to the paragraphs headed "Corporate Governance" in this section below.

Operational Independence

We are not operationally dependent on our Controlling Shareholders. We have established our own organisational structure comprised of individual departments, each with specific areas of responsibilities, which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. We hold all material licenses and own all relevant intellectual properties and facilities necessary to carry on

our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our suppliers and customers.

Despite our continued provision of branding and marketing services to Qiyunshan Oil Tea, the service fees we received from such services only contributed to less than 0.5% of our total revenue for each year during the Track Record Period, and we do not rely on its capital, facilities, equipment or employees to carry out our major business operations. In any event, we have a distinctly different principal business from that of Qiyunshan Oil Tea.

Based on the above, our Directors believe that we are able to operate independently from our Controlling Shareholders.

Financial Independence

We have independent internal control and accounting systems. Our accounting and finance functions are independent of our Controlling Shareholders and their close associates. We make financial decisions according to our own business needs. We do not expect to rely on our Controlling Shareholders and their close associates for financing after the **[REDACTED]** as we expect that our working capital will be funded by cash flows generated from operating activities, bank loans as well as the net **[REDACTED]** from the **[REDACTED]**. In addition, we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective associates. As at the Latest Practicable Date, there was no outstanding loan or guarantee provided by or granted to Controlling Shareholders or their respective associates.

Based on the above, our Directors believe that our Company is able to operate with financial independence from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders as a whole in accordance with the Corporate Governance Code, including:

(1) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum;

(2) our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if we enter into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;

(3) where our Directors (including our independent non-executive Directors) reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(4) we have appointed Zhongtai International Capital Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(5) we have established the audit committee, remuneration and appraisal committee, nomination committee and strategy committee with written terms of reference in compliance with the Listing Rules;

(6) our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and

(7) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Company and to protect the interests of our Shareholders as a whole, in particular, our minority Shareholders.

CONTINUING CONNECTED TRANSACTIONS

Our Company has entered into a number of agreements with our connected persons (as defined under Chapter 14A of the Listing Rules) in our ordinary and usual course of business, and the transactions disclosed in this section will constitute continuing connected transactions of our Company under the Listing Rules upon the **[REDACTED]**.

CONNECTED PERSONS

Set forth below is the connected person of our Company which conducts and will continue to conduct connected transactions with our Company after the **[REDACTED]** and its relationship with our Company:

Name	Connected relationship
Qiyunshan Oil Tea	As at the Latest Practicable Date, Chongyi Food Factory, our Controlling Shareholder, held 58.41% equity interest in Qiyunshan Oil Tea. Accordingly, Qiyunshan Oil Tea is an associate of Chongyi Food Factory pursuant to Rule 14A.13(1) of the Listing Rules and hence a connected person of our Company pursuant to Rule 14A.07(4) of the Listing Rules.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Service Agreement with Qiyunshan Oil Tea

Background and Principal Terms

During the Track Record Period, we provided branding and marketing services (the "**Marketing Services**") to Qiyunshan Oil Tea, under which we leverage the popularity of our "Qiyunshan" brand and our sales channels to promote the camellia oil produced by Qiyunshan Oil Tea in exchange for service fees payable by Qiyunshan Oil Tea. With a view to regulating the provision of the Marketing Services provided to Qiyunshan Oil Tea in compliance with the Listing Rules, on [•], our Company entered into the branding and marketing service agreement (the "**Service Agreement**") with Qiyunshan Oil Tea. Pursuant to the Service Agreement, we agreed to provide the Marketing Services to Qiyunshan Oil Tea and authorise Qiyunshan Oil Tea to use our "Qiyunshan" trademark for the limited purpose of producing camellia oil to be sold to our distributors, in exchange for our service fee based on an agreed percentage of the sales of camellia oil. Qiyunshan Oil Tea shall deliver the camellia oil directly to our distributors based on orders we receive from such distributors, and is responsible for any costs or damage incurred in the delivery process. We do not bear any legal title risks associated with such camellia oil, keep any inventory, or bear any inventory risk. The Service Agreement is for a term with effect from the **[REDACTED]** to 31 December 2028.

Our Directors (including our independent non-executive Directors) are of the view that the transactions contemplated under the Service Agreement are on normal commercial terms or terms more favourable to our Company.

Reasons for the Transaction

Qiyunshan Oil Tea was established by our Company and two independent third party individuals Liu Xianliang (劉顯亮) and Chen Wenqing (陳文清) in August 2010 with an aim of launching camellia oil as a new product line under our "Qiyunshan" brand. In September 2018, we disposed of our shareholding interests in Qiyunshan Oil Tea to Chongyi Food Factory as we intended to focus on our core hog plum food business. Since then, the manufacturing of camellia oil is solely undertaken by Qiyunshan Oil Tea in its own factory and with its own assets and

equipment, while we only provide the Marketing Services. As confirmed by Chongyi Food Factory and our Directors, in order to focus on our core business, namely the manufacturing and sales of hog plum food products, Chongyi Food Factory will not procure for us, and we do not intend, to re-acquire Qiyunshan Oil Tea in the foreseeable future. The current business model of our Company providing the Marketing Services to Qiyunshan Oil Tea is expected to continue upon the **[REDACTED]**. As such, to establish long-term and stable branding and marketing services to be provided to Qiyunshan Oil Tea, which also broadens our revenue stream, while complying with the Listing Rules, we expect to enter into the Service Agreement with Qiyunshan Oil Tea.

Pricing

The service fees payable by Qiyunshan Oil Tea to our Company for our provision of Marketing Services shall be determined on arm's length basis on normal commercial terms as a percentage of the sales of the camellia oil sold by Qiyunshan Oil Tea, which takes into account a number of factors and details of the Marketing Services, including but not limited to the market rate for the provision of similar services, number of distributors involved and the value of our "Qiyunshan" brand authorised to Qiyunshan Oil Tea. In any event, the amount of service fees payable by Qiyunshan Oil Tea to our Company shall be no less favourable than such amount offered by Qiyunshan Oil Tea to independent third party service providers.

Historical Amount

Set out below is the historical amount of service fees we received from Qiyunshan Oil Tea for the Marketing Services under the Service Agreement:

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Total service fees	858	866	841

The service fees for each of the three years ending 31 December 2026, 2027 and 2028 are expected to be less than HK$3 million, which is estimated primarily based on, among other things, (i) the historical amount of service fees for the Marketing Services based on the sales of camellia oil produced by Qiyunshan Oil Tea for the three years ended 31 December 2025; (ii) the estimated demand of such camellia oil for the three years ending 31 December 2028; (iii) general market price for the Marketing Services; and (iv) general inflationary pressure in the PRC.

Listing Rules Implications

As at the Latest Practicable Date, Chongyi Food Factory, our Controlling Shareholder, held 58.41% equity interest in Qiyunshan Oil Tea. Accordingly, Qiyunshan Oil Tea is an associate of Chongyi Food Factory pursuant to Rule 14A.13(1) of the Listing Rules and hence a connected person of our Company pursuant to Rule 14A.07(4) of the Listing Rules.

Since the service fees for the Marketing Services for each of the three years ending 31 December 2026, 2027 and 2028 is less than HK$3 million and the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) is less than 5%, the transactions contemplated under the Service Agreement constitute de minimis transactions under Rule 14A.76(1) of the Listing Rules and are therefore fully exempt from the independent shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

OVERVIEW

Upon the **[REDACTED]**, our Board will consist of nine Directors, including six executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of the Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of the Company.

All of our Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

During our joint stock reform, we established the Audit Committee to assume the functions of the supervisory committee in accordance with the applicable PRC laws and regulations. As such, we had no supervisory committee upon the completion of our joint stock reform and will not have any supervisory committee upon the **[REDACTED]**.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Company	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Executive Directors						
Mr. Liu Zhigao (劉志高)	62	Chairman of our Board, executive Director and general manager	28 September 1995	28 September 1995	Responsible for corporate strategic planning, overseeing the overall operations and business development of our Company	Brother of Mr. Liu Jiyan
Mr. Zhu Fangyong (朱方永)	59	Vice chairman of our Board, executive Director and general manager of marketing centre	28 September 1995	28 September 1995	Responsible for the sales and marketing operations of our Company	N/A
Mr. Liu Jiyan (劉繼延)	60	Vice chairman of our Board, executive Director and deputy general manager	28 September 1995	28 September 1995	Responsible for the technology, quality and research and development operations and management of our Company	Brother of Mr. Liu Zhigao

Name	Age	Position	Date of joining our Company	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Ms. Yang Yulan (楊玉蘭)	53	Executive Director	31 March 2000	15 April 2000	Responsible for providing advice to our Board from financial perspective	N/A
Mr. Huang Zhongming (黃忠明)	53	Executive Director and deputy general manager	31 March 2000	15 April 2000	Responsible for overseeing the operations and management of production and purchase and sales logistics of our Company	N/A
Mr. Ling Huashan (凌華山)	49	Executive Director and quality and technology management manger	31 March 2000	10 March 2005	Responsible for overseeing our quality control and R&D operations	N/A
Independent non-executive Directors						
Mr. Wong Tsz Lun (黃梓麟先生)	41	Independent non-executive Director	25 May 2025	25 May 2025	Responsible for providing independent advice on the operations and management of our Company	N/A
Dr. Dai Taotao (戴濤濤博士)	34	Independent non-executive Director	25 May 2025	25 May 2025	Responsible for providing independent advice on the operations and management of our Company	N/A
Mr. Wong Sai Hung (王世雄先生)	51	Independent non-executive Director	25 May 2025	25 May 2025	Responsible for providing independent advice on the operations and management of our Company	N/A

Executive Directors

Mr. Liu Zhigao (劉志高), aged 62, is the chairman of our Board, a Director and general manager of our Company since our establishment in September 1995, and was re-designated as an executive Director on 18 June 2025. Mr. Liu Zhigao is primarily responsible for corporate strategic planning, overseeing the overall operations and business development of our Company. He is also the person-in-charge* (負責人) of Jiangxi Qiyunshan Food Co., Ltd. Hangzhou Branch Company* (江西齊雲山食品股份有限公司杭州分公司) and Jiangxi Qiyunshan Food Co., Ltd.

Shenzhen Branch Company* (江西齊雲山食品股份有限公司深圳分公司), branches of our Company. Mr. Liu Zhigao is one of our Core Management Shareholders and Controlling Shareholders.

From September 1986 and up to the transfer of its assets and liabilities to our Company in March 2000, Mr. Liu Zhigao was the factory director of Chongyi Food Factory. From August 2010 to April 2025, Mr. Liu Zhigao was the chairman of the board of directors of Qiyunshan Oil Tea.

Mr. Liu Zhigao was recognised as one of the Jiangxi Third Outstanding Young Entrepreneurs*(江西省第三屆優秀青年企業家) by Jiangxi Youth League Committee*(共青團江西省委) and Jiangxi Youth Entrepreneurs Association*(江西省青年企業家協會) in December 1997 and one of the Ganzhou Top Ten Outstanding Young Entrepreneurs*(贛州市十大傑出青年企業家) by Ganzhou Youth League Committee*(共青團贛州市委) and Ganzhou Youth Entrepreneurs Association*(贛州市青年企業家協會) in April 2007. He was further awarded the titles of National Light Industry "Labour Model"*(全國輕工行業「勞動模範」) jointly by Ministry of Human Resources and Social Security of the People's Republic of China*(中華人民共和國人力資源和社會保障部), China National Light Industry Council*(中國輕工業聯合會) and All-China Federation of Handicraft Cooperatives*(中華全國手工業合作總社) in March 2013, and Ganzhou Fifth Top Ten Science and Technology Innovation Figures*(贛州市第五屆十大科技創新人物) by Talent Work Leading Group Office of the CPC Ganzhou Municipal Committee*(中共贛州市委人才工作領導小組辦公室), Ganzhou Science and Technology Association*(贛州市科學技術協會), Ganzhou Science and Technology Bureau*(贛州市科技局), Gannan Daily*(贛南日報社) and Ganzhou Radio and Television Station*(贛州廣播電視台) in June 2021.

Mr. Liu Zhigao graduated from Jiangxi Commercial Vocational Secondary Professional School*(江西省商業職工中等專業學校) with specialisation in business management in July 1985. He was awarded the qualification of assistant economist in business management by Chongyi County Professional Title Reform Leading Group*(崇義縣職稱改革領導小組) in April 1990.

Mr. Zhu Fangyong (朱方永), aged 59, is a Director since our establishment in September 1995, the vice chairman of our Board since May 2000 and the general manager of our marketing center since January 2012, and was re-designated as an executive Director on 18 June 2025. Mr. Zhu is primarily responsible for the management of the sales and marketing operations of our Company. He is also the person-in-charge*(負責人) of Jiangxi Qiyunshan Food Co., Ltd. Sales Centre*(江西齊雲山食品有限公司營銷中心) and Jiangxi Qiyunshan Food Co., Ltd. Ganzhou City Zhanggong Region Branch Company*(江西齊雲山食品有限公司贛州市章貢區分公司), branches of our Company. Mr. Zhu is one of our Core Management Shareholders and Controlling Shareholders.

From January 1991 to July 1994 and from June 1995 and up to the transfer of its assets and liabilities to our Company in March 2000, Mr. Zhu was a deputy factory director of Chongyi Food Factory. From August 2010 to April 2025, Mr. Zhu was a director of Qiyunshan Oil Tea.

Mr. Zhu was awarded the second prize of Jiangxi Chongyi Science and Technology Progress Award*(江西省崇義縣科學技術進步獎二等獎)for his work on the production of hog plum paste by The People's Government of Chongyi County, Jiangxi Province*(江西省崇義縣人民政府)in January 1996.

Mr. Zhu graduated from Jiangxi China Accounting Correspondence School*(江西省中華會計函授學校)with specialisation in accounting in July 1992 and was qualified as an assistant accountant by Chongyi County Commercial Bureau*(崇義縣商業局)in December 1993.

Mr. Liu Jiyan(劉繼延), aged 60, is a Director and deputy general manager of our Company since our establishment in September 1995 and the vice chairman of our Board since May 2000, and was re-designated as an executive Director on 18 June 2025. Mr. Liu Jiyan is primarily responsible for the technology, quality and research and development operations and management of our Company. Mr. Liu Jiyan is one of our Core Management Shareholders and Controlling Shareholders.

From July 1994 and up to the transfer of its assets and liabilities to our Company in March 2000, Mr. Liu Jiyan was a deputy factory director of Chongyi Food Factory. Mr. Liu Jiyan has been a director of Qiyunshan Oil Tea since August 2010 and serves as its chairman of the board of directors since May 2025.

Mr. Liu Jiyan was named as "Ganzhou Advanced Individual in Scientific Research Work"*(贛州市科研工作先進個人)by Ganzhou Science and Technology Association*(贛州市科學技術協會)and Ganzhou Science and Technology Bureau*(贛州市科學技術局)in June 2020. He was further named as "2019-2020 Ganzhou Food Industry Advanced Worker"* (2019-2020年度贛州市食品工業先進工作者)by Ganzhou Food Industry Expert Advisory Committee*(贛州市食品產業專家諮詢委員會)and Ganzhou Food Industry Association*(贛州市食品工業協會)in December 2020 and a "Jiangxi Food Industry Leading Figure"*(江西省食品行業領軍人物)by the Jiangxi Food Association*(江西省食品協會)in November 2024.

Mr. Liu Jiyan graduated from high school at the senior high school department of Jiangxi Chongyi Middle School* (江西省崇義中學)in June 1982. He was awarded the qualification of senior engineer in foods issued by Jiangxi Professional Title Office*(江西省職稱工作辦公室)in December 2023.

Ms. Yang Yulan(楊玉蘭), aged 53, is our Director. She was appointed as a Director in April 2000 and re-designated as an executive Director on 18 June 2025. Ms. Yang is primarily responsible for providing advice to our Board from financial perspective. Ms. Yang is one of our Core Management Shareholders and Controlling Shareholders.

Ms. Yang joined Chongyi Food Factory in February 1990 and served as a staff of its finance department up to the transfer of its assets and liabilities to our Company in March 2000. Since then, she has served in our Company as a staff of our finance department. Since May 2025, she serves as a director of Qiyunshan Oil Tea.

Ms. Yang obtained a diploma in computer financial accounting from Beijing Information Science and Technology University*(北京信息科技大學)(previously known as Beijing Information Engineering Institute*(北京信息工程學院))in January 2007 by way of distance learning.

Mr. Huang Zhongming (黃忠明), aged 53, is our Director and deputy general manager of our Company. He was appointed as a Director in April 2000 and re-designated as an executive Director on 18 June 2025. Mr. Huang is primarily responsible for the operations and management of production and purchase and sales logistics of our Company. Mr. Huang is one of our Core Management Shareholders and Controlling Shareholders.

Mr. Huang joined Chongyi Food Factory in July 1995 and served as a worker at our production facilities up to the transfer of its assets and liabilities to our Company in March 2000, and has served as a deputy general manager of our Company since then.

Mr. Huang obtained a diploma in business administration from Sichuan University* (四川大學) in June 2012 by way of distance learning.

Mr. Ling Huashan (凌華山), aged 49, is our Director and quality and technology management manger. He was appointed as a Director in March 2005 and re-designated as an executive Director on 18 June 2025. Mr. Ling is primarily responsible for overseeing our quality control and R&D operations. Mr. Ling is one of our Core Management Shareholders and Controlling Shareholders.

From March 1997 up to the transfer of its assets and liabilities to our Company in March 2000, Mr. Ling was a warehouse manager of Chongyi Food Factory. He then served as the quality and technology management deputy manager of our Company from March 2000 to February 2007 and the quality and technology management manager of our Company since February 2007.

Mr. Ling obtained a diploma in gardening technology from Jiangxi Environmental Engineering Vocational College* (江西環境工程職業學院) through distance learning in July 2024. He was certified as a non-state owned enterprise senior engineer in forestry engineering by Jiangxi Professional Title Office* (江西省職稱工作辦公室) in December 2023.

Independent Non-executive Directors

Mr. Wong Tsz Lun (黃梓麟), aged 41, was appointed as our independent Director on 25 May 2025 and was re-designated as an independent non-executive Director on 18 June 2025. Mr. Wong is primarily responsible for providing independent advice on the operations and management of our Company.

Mr. Wong served in Deloitte Touche Tohmatsu from January 2007 to September 2011 with his last position as a senior of the audit department, and from January 2012 to August 2014 with his last position as a business development manager of the audit department. From October 2015 to January 2016, Mr. Wong served as the financial controller and company secretary of Rongzhong International Finance Lease Holdings Limited. He was internally transferred to serve as the company secretary of China Rongzhong Financial Holdings Company Limited, a company principally engaged in the provision of leasing services whose shares are listed on the Main Board of the Stock Exchange (stock code: 3963), from February 2016 to November 2017. Mr. Wong joined China Financial International Investments Limited, a company principally engaged in equity investment business whose shares are listed on the Main Board of the Stock Exchange (stock code: 721), as the financial controller in August 2018 and was further appointed as company secretary in January 2021, and resigned from both positions in July 2024. Since April

2022, Mr. Wong has served as a non-executive director of UBoT Holding Limited, a company principally engaged in the manufacturing and sales of back-end semiconductor transport media whose shares are listed on GEM of the Stock Exchange (stock code: 8529).

Mr. Wong obtained a Bachelor of Commerce from La Trobe University in Australia in May 2006 and has been a member of the Hong Kong Institute of Certified Public Accountants since January 2011.

Dr. Dai Taotao (戴濤濤), aged 34, was appointed as our independent Director on 25 May 2025 and was re-designated as an independent non-executive Director on 18 June 2025. Dr. Dai is primarily responsible for providing independent advice on the operations and management of our Company.

From July 2020 to September 2022, Dr. Dai served as a post-doctoral fellow in Guangxi Zhuang Autonomous Region Academy of Agricultural Sciences* (廣西壯族自治區農業科學院). From August 2022 to September 2023, Dr. Dai worked in Sino-German Food Engineering Centre of Nanchang University* (南昌大學中德食品工程中心) and is primarily engaged in scientific research work. Since September 2023, Dr. Dai served in College of Food Science & Technology of Nanchang University* (南昌大學食品學院) and is primarily responsible for scientific research work. He was awarded the qualification of university lecturer in food science and technology by Nanchang University* (南昌大學) in April 2024.

Dr. Dai has extensive experience in the field of food science research. He is one of the lead editors of Macadamia Oil Processing Technology* (澳洲堅果油加工技術), a book on the production and preparation technology of macadamia nut oil and various related products, and was awarded the Second Prize of Jiangxi Provincial Science and Technology Progress Award* (江西省科學技術進步二等獎) for his work on the project titled "creation and application of key technologies and equipment for the production of rice bran oil and its deep-processed products"* (稻米油及其深加工產品生產關鍵技術和裝備創制與應用). He has published various essays and articles on academic journals such as *Food Hydrocolloids* and *Food Chemistry*, including over 10 essays on plant-based oils.

Dr. Dai graduated from Nanchang University* (南昌大學) in the PRC with a bachelor of engineering majoring in food science and technology in July 2014, and obtained a doctorate degree in food science and technology in June 2020. From September 2018 to September 2020, Dr. Dai was on exchange to University of Massachusetts in the United States as a jointly trained doctoral student.

Mr. Wong Sai Hung (王世雄), aged 51, was appointed as our independent Director on 25 May 2025 and was re-designated as an independent non-executive Director on 18 June 2025. Mr. Wong is primarily responsible for providing independent advice on the operations and management of our Company.

Mr. Wong has over 15 years of experience in the legal industry in Hong Kong. Since August 2008, Mr. Wong served in various law firms in Hong Kong and has been a practicing solicitor in Hong Kong since 2010. Mr. Wong is currently the sole practitioner of SH Wong & Co. Since December 2023, Mr. Wong has served as an independent non-executive director of Prosperous Future Holdings Limited, a company principally engaged in the sales of frozen food and beverage products, the shares of which are listed on the Main Board of the Stock Exchange

(stock code: 1259). Since October 2024, Mr. Wong has served as an independent non-executive director of Hanx Biopharmaceuticals (Wuhan) Co., Ltd., a biotech company established in the PRC, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3378).

Mr. Wong obtained a Bachelor of Commerce degree from the University of Toronto in November 1998, a Bachelor of Laws degree from the City University of Hong Kong in July 2006, and the Postgraduate Certificate in Laws from the University of Hong Kong in June 2008. Mr. Wong is a member of The Hong Kong Institute of Certified Public Accountants, a chartered financial analyst (CFA) of The CFA Institute and a financial risk manager (FRM) of The Global Association of Risk Professionals.

SENIOR MANAGEMENT

Each of Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Mr. Huang Zhongming and Mr. Ling Huashan, our executive Directors, is a member of our senior management. For the biographical details of Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Mr. Huang Zhongming and Mr. Ling Huashan, please refer to the paragraph headed "Board of Directors – Executive Directors" in this section above.

Ms. Xiao Yihong (肖一紅), aged 49, is our finance manager and is primarily responsible for the day-to-day management of our finance department.

From March 2003 to September 2010, Ms. Xiao worked in our Company as an accounting clerk. From September 2010 to October 2019, Ms. Xiao worked as the finance manager at Qiyunshan Oil Tea. Ms. Xiao then re-joined our Company in October 2019 as our finance manager. From August 2010 to April 2025, Ms. Xiao was a director of Qiyunshan Oil Tea.

Ms. Xiao graduated from Hubei Economic Management Cadre Institute*(湖北省經濟管理幹部學院)with specialisation in computerised accounting in July 2003 by way of long distance learning. She was certified as a junior accountant by the Ministry of Finance in May 2000.

Mr. Luo Xiangxin (羅翔鑫), aged 35, is our Board secretary and our joint company secretary and is primarily responsible for the overall administrative matters and affairs of our Board.

From February 2014 to June 2018, Mr. Luo worked in Foshan Nanhai Guicheng Securities Branch*(佛山南海桂城證券營業部) and Foshan Nanhai Shishan Securities Branch*(佛山南海獅山證券營業部) of GF Securities Co., Ltd.*(廣發證券股份有限公司)successively. From June 2018 to July 2020, Mr. Luo worked in Foshan Nanhai Guangfo Road Branch of Huafu Securities Co., Ltd.*(華福證券有限責任公司佛山南海廣佛路營業部)with his last position as an investment manager. Mr. Luo joined our Company in July 2020 as our Board secretary.

Mr. Luo graduated from Jiangxi Normal University*(江西師範大學)in the PRC in July 2013 with a bachelor's degree in economics.

DISCLOSURE UNDER RULE 13.51(2) OF THE LISTING RULES

Dayu County Qiyunshan Food Co., Ltd.(大余縣齊雲山食品有限公司)("**Dayu Qiyunshan**") was a company established in the PRC which was engaged in manufacturing and sales of hog plum paste and other food products, the business licence of which was cancelled on 10 October 2005 as it was not in operation for an extended period and the deregistration procedures were not proceeded with due to inadvertent oversight. Immediately prior to the cancellation of business licence of Dayu Qiyunshan, (i) Mr. Liu Zhigao was the chairman of its board of directors and its legal representative; (ii) each of Mr. Zhu Fangyong, Mr. Liu Jiyan and Ms. Yang Yulan was its director; and (iii) Mr. Huang Zhongming was its supervisor. Each of Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan and Mr. Huang Zhongming confirmed that to the best of his/her knowledge, Dayu Qiyunshan had not been involved in any outstanding dispute or litigations prior to its cancellation of business licence and that the above company was solvent at the time of cancellation of business licence, and he/she did not incur any debt and/or liabilities because of such cancellation of business licence, and no misconduct or misfeasance on his/her part had been involved in the cancellation of business licence and that the cancellation of business licence did not have any negative effect on our Company.

Save as disclosed above, each of our Directors and senior management members confirms with respect to himself or herself that (1) he or she had no other relationship with any Director, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or overseas; and (3) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Mr. Luo Xiangxin(羅翔鑫) is our Board secretary and joint company secretary. Please refer to the paragraphs headed "Senior Management" in this section above for his biographical details.

Ms. Ho Wing Yan(何詠欣), aged 44, was appointed as our joint company secretary on 18 June 2025. She graduated from Hong Kong Baptist University(香港浸會大學)and obtained a bachelor's degree of business administration in applied economics in November 2004. She has also obtained a master's degree of corporate governance from Hong Kong Metropolitan University (香港都會大學)(formerly known as The Open University of Hong Kong(香港公開大學))in June 2009. She was admitted as an associate of The Hong Kong Chartered Governance Institute in November 2009.

Ms. Ho joined BMI Listed Corporate Services Limited in July 2009 and is currently its director. Ms. Ho has worked for several companies listed on the Stock Exchange and has extensive experience in the company secretarial field for listed companies. Ms. Ho has been a non-executive director of China Beidahuang Industry Group Holdings Limited (listed on the Main Board of the Stock Exchange, stock code: 39) since April 2015 and is currently the company secretary of a number of companies listed on the Stock Exchange.

BOARD COMMITTEES

We have established four committees under our Board, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Mr. Wong Tsz Lun, Dr. Dai Taotao and Mr. Wong Sai Hung, with Mr. Wong Tsz Lun currently serving as the chairman. Mr. Wong Tsz Lun has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Company and has the terms of reference in compliance with the relevant PRC laws and regulations, Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Wong Sai Hung, Mr. Wong Tsz Lun and Mr. Zhu Fangyong, with Mr. Wong Sai Hung currently serving as the chairman. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Company and making recommendations thereon to our Board and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Dr. Dai Taotao, Mr. Wong Sai Hung and Mr. Liu Zhigao, with Dr. Dai Taotao currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to our Board qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of our Board and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Strategy Committee

The Strategy Committee consists of three Directors, namely Mr. Liu Zhigao, Mr. Zhu Fangyong and Mr. Liu Jiyan, with Mr. Liu Zhigao serving as the chairman. The Strategy Committee is mainly responsible for researching and recommending the development strategy and capital operation of our Company to our Board and has the terms of reference in compliance with the relevant PRC laws and regulations.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

Our Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and law. Our Directors are of the view that our Board satisfies the Board Diversity Policy. In addition, our Board has a wide range of age, ranging from 34 to 62 years old. One of our Directors is female. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of the Board. After **[REDACTED]**, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Save as disclosed below, our Company is expected to comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Liu Zhigao currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and general manager in the same person has the benefit of (1) ensuring consistent leadership within our Company, (2) enabling more effective and efficient overall strategic planning for our Company, and (3) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the general manager of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of our Directors and members of our senior management are determined by Shareholders' meetings and our Board as appropriate in the form of salaries and bonuses. We also reimburse them for expenses which are necessary and reasonably incurred in providing services to us or discharging their duties in relation to our operations. When reviewing and determining the specific remuneration packages for our Directors and members of our senior management, the Shareholders' meetings and our Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Company and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, we also participate in various defined contribution plans organised by relevant provincial and municipal government authorities and welfare schemes for our employees, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

We offer executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. Our independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) paid to our Directors for FY2023, FY2024 and FY2025 were RMB2.3 million, RMB2.2 million and RMB3.1 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) paid to the five highest paid individuals, excluding Directors and chief executive, for FY2023, FY2024 and FY2025 were RMB0.4 million, RMB0.3 million and RMB0.4 million, respectively.

It is estimated that remuneration equivalent to approximately RMB3.1 million in aggregate will be paid to our Directors by our Company for the year ending 31 December 2026, based on the arrangements in force as of the date of this document.

No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISER

We have appointed Zhongtai International Capital Limited as our compliance adviser pursuant to Rules 3A.19 of the Listing Rules, and our compliance adviser will advise us in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the **[REDACTED]** or **[REDACTED]** volume of the Shares, the possible development of a false market in the Shares or any other matters.

The terms of the appointment of our compliance adviser will commence on the **[REDACTED]** and end on the date when we distribute the annual report of our financial results for the first full financial year commencing after the **[REDACTED]**.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as at the Latest Practicable Date, save as disclosed in the section headed "Relationship with Our Controlling Shareholders" in this document, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires 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 (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025; and (2) 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 confirms (1) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as at the Latest Practicable Date; and (3) that there are no other factors that may affect his independence at the time of his appointment.

SUBSTANTIAL SHAREHOLDERS

To the best of our Directors' knowledge and information, the following persons will, immediately following the completion of the **[REDACTED]**, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or will, 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 any general meeting of our Company:

	As at the Latest Practicable Date			Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] Option is not exercised)		
Name	**Capacity/Nature of interest**	**Number and description of Shares (L)** *(Note 1)*	**Approximate percentage of shareholding**	**Number and description of Shares (L)** *(Note 1)*	**Approximate percentage of shareholding in the Unlisted Shares**	**Approximate percentage of shareholding in the total issued Shares of our Company**
Chongyi Food Factory	Beneficial owner	56,250,000 Unlisted Shares	75.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Yunzhishang LP	Beneficial owner	18,750,000 Unlisted Shares	25.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Liu Zhigao	Interest in controlled corporation and persons acting in concert *(Note 2)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Qiu Lin(邱琳)	Interest of spouse *(Note 3)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Zhu Fangyong	Interest in controlled corporation and persons acting in concert *(Note 2)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Chen Qingjiu(陳慶久)	Interest of spouse *(Note 4)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Liu Jiyan	Interest in controlled corporation and persons acting in concert *(Note 2)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Chen Sulan(陳素蘭)	Interest of spouse *(Note 5)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Yang Yulan	Interest in controlled corporation and persons acting in concert *(Note 2)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Liu Jingmin(劉京敏)	Interest of spouse *(Note 6)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Huang Zhongming	Interest in controlled corporation and persons acting in concert *(Note 2)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Luo Qiuhua(駱秋華)	Interest of spouse *(Note 7)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Ling Huashan	Interest in controlled corporation and persons acting in concert *(Note 2)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Ms. Li Liangjun(黎良軍)	Interest of spouse *(Note 8)*	75,000,000 Unlisted Shares	100.00%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The letter (L) denotes the person's long position in the Shares.

(2) As at the Latest Practicable Date, the Core Management Shareholders, namely Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan, Mr. Huang Zhongming and Mr. Ling Huashan, who in aggregate held over two-thirds of the equity interest in Chongyi Food Factory and over two-thirds of the partnership interest in Yunzhishang LP, had entered into a concert party agreement. Due to their collective shareholding control in Chongyi Food Factory and Yunzhishang LP, as well as their management influence over our Company as the executive Directors, the Core Management Shareholders are considered our Controlling Shareholders and each of them is deemed to be interested in the entire shareholding of our Company held by Chongyi Food Factory and Yunzhishang LP. For details, please refer to the section headed "Relationship with Our Controlling Shareholders" in this document.

(3) Ms. Qiu Lin is the spouse of Mr. Liu Zhigao. Therefore Ms. Qiu Lin is deemed to be interested in all of Mr. Liu Zhigao's interest in our Company by virtue of the SFO.

(4) Ms. Chen Qingjiu is the spouse of Mr. Zhu Fangyong. Therefore Ms. Chen Qingjiu is deemed to be interested in all of Mr. Zhu Fangyong's interest in our Company by virtue of the SFO.

(5) Ms. Chen Sulan is the spouse of Mr. Liu Jiyan. Therefore Ms. Chen Sulan is deemed to be interested in all of Mr. Liu Jiyan's interest in our Company by virtue of the SFO.

(6) Mr. Liu Jingmin is the spouse of Ms. Yang Yulan. Therefore Mr. Liu Jingmin is deemed to be interested in all of Ms. Yang Yulan's interest in our Company by virtue of the SFO.

(7) Ms. Luo Qiuhua is the spouse of Mr. Huang Zhongming. Therefore Ms. Luo Qiuhua is deemed to be interested in all of Mr. Huang Zhongming's interest in our Company by virtue of the SFO.

(8) Ms. Li Liangjun is the spouse of Mr. Ling Huashan. Therefore Ms. Li Liangjun is deemed to be interested in all of Mr. Ling Huashan's interest in our Company by virtue of the SFO.

Save as disclosed above and in the section headed "Statutory and General Information" in Appendix VII of this document, our Directors are not aware of any person who will, immediately following the completion of the **[REDACTED]** (and the **[REDACTED]** of any additional H Shares pursuant to the **[REDACTED]**), have an interest or short position in the Shares or underlying shares of our Company which would be required to be disclosed to our Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, 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 our Company or any other members of our Company.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the **[REDACTED]**.

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date and immediately prior to the **[REDACTED]**, the registered and issued share capital of our Company was RMB75,000,000, comprising 75,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised, the registered and issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Unlisted Shares in issue	75,000,000	**[REDACTED]**%
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

Immediately following completion of the **[REDACTED]**, assuming that the **[REDACTED]** is fully exercised, our registered and issued share capital will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Unlisted Shares in issue	75,000,000	**[REDACTED]**%
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100.00%**

OUR SHARES

Upon completion of the **[REDACTED]**, our Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be **[REDACTED]** for by or traded between legal or natural PRC persons. Unlisted Shares can only be

[REDACTED] for by and traded between legal or natural PRC persons, qualified foreign institutional investors and foreign strategic investors. H Shares may only be subscribed for and **[REDACTED]** in Hong Kong dollars. Unlisted Shares, on the other hand, may only be **[REDACTED]** for and transferred in Renminbi. Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association. Our Unlisted Shares are not listed or traded on any stock exchange.

RANKING

Save as described in this document, Unlisted Shares and H Shares shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Unlisted Shares are to be paid by us in Renminbi. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Unlisted Shares, dividends in the form of Shares will be distributed in the form of additional Unlisted Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

None of our Unlisted Shares are listed or traded on any stock exchange. According to regulations issued by the securities regulatory authority of the State Council and our Articles of Association, our Unlisted Shares may be converted into H Shares, and such converted H Shares may be **[REDACTED]** and **[REDACTED]** on an overseas stock exchange, provided that the conversion, **[REDACTED]** and **[REDACTED]** of such converted H Shares shall meet all requirements in the requisite internal approval processes and the filing procedures of the relevant PRC regulatory authorities, including the CSRC, and approval from the relevant overseas stock exchange has been obtained. In addition, such conversion, **[REDACTED]** and **[REDACTED]** shall in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of our Unlisted Shares are to be **[REDACTED]**, **[REDACTED]** and **[REDACTED]** as H Shares on the Stock Exchange, our Company will have to go through the necessary filing procedures of the relevant PRC regulatory authorities, including the CSRC, and obtain approval from the Stock Exchange, and comply with relevant transfer procedures. We may apply for the **[REDACTED]** of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares prior to any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As **[REDACTED]** of additional Shares after our **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange as a purely administrative matter, it does not require prior application for **[REDACTED]** at the time of our **[REDACTED]** in Hong Kong. No Shareholder voting at class meetings is required for the **[REDACTED]** and **[REDACTED]** of the converted H Shares on an overseas stock exchange. However, prior notification to inform Shareholders and the public of such proposed conversion is required by way of announcement.

After obtaining all the requisite approvals, the following procedures will have to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and such Shares will be re-registered on our H Share register maintained in Hong Kong and we will instruct the **[REDACTED]** to issue the relevant H Share certificates. Registration on our H

Share register will be conditional on (a) our **[REDACTED]** lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due despatch of H Share certificates; and (b) the admission of the H Shares to trade on the Stock Exchange will comply with the Listing Rules, the **[REDACTED]** and the **[REDACTED]** in force from time to time. Until the converted H Shares are re-registered on our H Share register, such Shares would not be **[REDACTED]** as H Shares. As at the Latest Practicable Date, the Directors were not aware of any intention of the Shareholders to convert any of their Unlisted Shares into H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

According to the PRC Company Law, in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within one year from the listing date. Accordingly, Shares issued by our Company prior to the **[REDACTED]** shall be subject to this statutory restriction on transfer within one year from the **[REDACTED]**.

Our Directors and members of the senior management (as defined in our Articles of Association) shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the Shares are **[REDACTED]** and **[REDACTED]**, nor within half a year after they leave their positions in our Company. Our Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors, members of senior management of our Company and other Shareholders. For further details, please refer to the paragraphs headed "Summary of our Articles of Association — Increase, Decrease, Repurchase, and Transfer of Shares" in Appendix VI to this document.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

In accordance with the Notice of Centralised Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange(關於境外上市公司非境外上市股份集中登記存管有關事宜的通知)issued by the CSRC, our Company is required to register its Unlisted Shares with China Securities Depository and Clearing Corporation Limited within 15 working days upon the **[REDACTED]** and provide a written report to the CSRC regarding the centralised registration and deposit of the Unlisted Shares that are not listed on the overseas stock exchange as well as the **[REDACTED]** and **[REDACTED]** of the H shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders' general meeting is required, please refer to the paragraphs headed "Summary of our Articles of Association — Shareholders and Shareholders' Meeting" in Appendix VI to this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis together with our historical financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this document. Our historical financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that involve risk and uncertainties. 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, our actual results may differ significantly from those projected in the forward-looking statements. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business" in this document.

OVERVIEW

We are a fruit snacks company in the PRC that primarily sells hog plum (南酸棗) food products and headquartered in Chongyi County, Jiangxi Province. According to CIC, we ranked first in the hog plum food market in the PRC holding a market share of 32.4% in terms of retail sales value in 2024. For an overview of our business, please refer to the paragraph headed "Business — Overview" in this document

Our total revenue increased from RMB246.7 million for FY2023 to RMB339.1 million for FY2024. Such increase was mainly attributable to the expansion of our distribution network. Our total revenue experienced a slight decrease from approximately RMB339.1 million in FY2024 to RMB313.7 million in FY2025. This slight decline was primarily attributable to (i) a reduction of sales order for our hog plum paste from Customer F, being our largest customer in FY2024 and FY2025, due to a change in their product mix and offerings; and (ii) the timing of the Chinese New Year holiday period. Since the 2025 Chinese New Year fell in January, peak season sales were recognised by the end of FY2024. By contrast, the 2026 Chinese New Year in February led to the related sales uplift being reflected in early 2026.

During the Track Record Period, our gross profit were RMB120.4 million, RMB164.9 million and RMB161.0 million in FY2023, FY2024 and FY2025, respectively, representing a gross profit margin of 48.8%, 48.6% and 51.3% for the same years, respectively. Our net profit were RMB23.7 million, RMB53.2 million and RMB48.9 million in FY2023, FY2024 and FY2025, respectively.

BASIS OF PREPARATION

Our Company was established in the PRC as a sino-foreign joint venture in September 1995 under the laws of the PRC and was converted into a joint stock limited liability company on 11 June 2025. Our Company is a fruit snacks company in the PRC that primarily sells hog plum food products. During the Track Record Period and as at the Latest Practicable Date, our Company has no subsidiary and has established four branches to support our operations. The information of the branches is set out in Note 1 to Accountants' Report in Appendix I to this document.

The financial information during the Track Record period (the "**Historical Financial Information**") has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"). Further details of the material accounting policy information adopted are set out in Note 2 to the Accountants' Report in Appendix I to this document.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, our Company has adopted all applicable new and revised IFRS Accounting Standards, except for those have been issued but are not yet effective as at 31 December 2025, consistently throughout the Track Record Period. Our Company has not adopted any new standards or interpretations that are not yet effective for the accounting period beginning 1 January 2026. The revised and new accounting standards and interpretation issued but not yet effective as at 31 December 2025 are set out in Note 2.2 to the Accountants' Report in Appendix I to this document.

The accounting policies set out in Note 2.3 to the Accountants' Report as set out in Appendix I to this document has been applied consistently to all periods presented in the Historical Financial Information.

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:

Consumer Demand

Our results of operations are largely dependant on consumer spending pattern, which is affected by factors such as, among other things, consumer preferences and tastes, our consumers' disposable income, and demand for snacks food. According to CIC, the market size of the fruit snacks industry in the PRC will increase approximately from RMB99.5 billion in 2024 to RMB151.0 billion by 2029, with a CAGR of approximately 8.7%, and the market size of the hog plum food industry in the PRC will increase approximately from RMB1.9 billion in 2024 to RMB3.9 billion by 2029, with a CAGR of approximately 15.9%. Please refer to the section headed "Industry Overview" in this document.

Our business depends on our understanding and adaptability of evolving consumer preferences which may shift due to a variety of factors, including changes of dietary habits, pace of life and consumption trends. As a leading brand in hog plum food industry in the PRC, our strong R&D capabilities have enabled us to continuously launch new products with considerable popularity.

We believe that our continuous deep focus on consumers' demand has helped us attract and retain a loyal group of consumers and position us as a renowned hog plum food company in the PRC and is critical to our ability to further grow our business.

The following sensitivity analysis illustrates the effects of hypothetical fluctuations in our average selling price on our profit for the year indicated, assuming all other factors affecting our profitability remained the same:

Change in profit for the year	–/+2.5%	–/+5%	–/+10%	–/+15%
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
FY2023	–/+5,362	–/+10,724	–/+21,448	–/+32,172
FY2024	–/+7,322	–/+14,643	–/+29,287	–/+43,930
FY2025	–/+7,586	–/+15,171	–/+30,343	–/+45,515

Distribution Network

We have an established distribution network that deeply penetrates the markets in southern part of China. As at 31 December 2025, we cooperated with 230 offline distributors with potential for future expansion to other geographical region in the PRC. For FY2023, FY2024 and FY2025, we generated 85.0%, 88.4% and 86.3% of our revenue from our offline distributors, respectively. During the Track Record Period, we have also expanded the coverage of our distribution network to modern channels such as chained snack stores.

In addition, as a complement to our offline distribution channel, our products are sold to consumers on various e-commerce platforms to adapt to changing consuming trends. During the Track Record Period, we gradually increased efforts on our self-operated online stores for better control of online sales and got familiar with online consumers' demand on an independent basis. Our revenue from online direct sales remained stable during the Track Record Period, being RMB31.7 million in FY2023, RMB32.9 million in FY2024 and RMB34.4 million in FY2025.

We believe our ability to grow our business will depend on whether we can continue to expand our sales and distribution network to connect with more consumers and to provide them easy access to our products.

Costs of Raw Materials

We have exposure to fluctuations in the prices of raw materials such as hog plum, sugar and packaging materials, each of which may have impact on our cost of sales. Increased costs will reduce our product margin if we are unable to pass on these additional costs to our customers through higher prices. The primary raw materials that we use in our products are hog plum fruits. Other raw materials used in our production process include seasoning sugar, other auxiliary materials and package materials which are mainly metal packaging box, roll film, packaging bags. The price of the hog plum fruits is subject to adjustments based on the yield of the relevant year whereas the price of other auxiliary materials and packaging materials generally fluctuates according to the market conditions.

We have not entered into any hedging activities in relation to their prices. However, we monitor the supply and costs trends of these raw materials and packaging materials. We also strive to focus our R&D efforts on cultivation of hog plum to ensure stable supply and reduce impact on any fluctuation in the market price of the hog plum.

In FY2023, FY2024 and FY2025, the cost of raw materials accounted for 64.6%, 67.2% and 65.8% of our total cost of sales, respectively.

The following sensitivity analysis illustrates the effect of hypothetical fluctuations in our direct material costs on our profit for the years indicated, assuming all other factors affecting our profitability remained the same:

Change in profit for the year	–/+2.5%	–/+5%	–/+10%	–/+15%
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
FY2023	+/-1,779	+/-3,558	+/-7,117	+/-10,675
FY2024	+/-2,533	+/-5,066	+/-10,132	+/-15,198
FY2025	+/-1,725	+/-3,451	+/-6,903	+/-13,806

MATERIAL ACCOUNTING POLICIES, JUDGMENT AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related 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 operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events which are deemed to be reasonable under the circumstances. There has not been any material deviation from 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 to these estimates and assumptions in the foreseeable future.

Set forth below are 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. Further details are set forth in Notes 2 and 3 to the Accountants' Report as set out in Appendix I to this document.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to our customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract include a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the foods or services to our customers. 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.

(a) Sales of hog plum food products

Revenue from the sale of hog plum food products is recognised at the point in time when control of the products is transferred to our customer, generally upon the delivery or customer's acceptance, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Some contracts for the sales of goods provide customers with volume rebates. The volume rebates give rise to variable consideration.

- Volume rebates

  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 our 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.

(b) Provision of branding and marketing services

We provide branding and marketing services to our related party that leverage our brand and sales channels to promote the products produced by the related party, in exchange for service fee. The revenue from the provision of branding and marketing services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by us.

(c) Principal agent consideration

We report the revenue on a gross or net basis depending on whether we are acting as a principal or an agent in a transaction. We are a principal if we control the specified product or service before that product or service is transferred to a customer or if we have a right to direct others to provide the product or service to the customer on our behalf. Indicators that we are a principal include but are not limited to: we (i) are the primary obligor in the arrangement; (ii) have latitude in establishing the selling price; (iii) have discretion in supplier selection; (iv) change the product or perform part of the service; and (v) have involvement in the determination of product or service specifications.

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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.

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 costs of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of brining 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 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, we recognise 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	4.9% to 9.7%
Machinery and equipment	9.7% to 33.3%
Motor vehicles and others	9.7% to 50.0%

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 methods 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 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 is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

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 assets may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end.

Trademarks and patents

Trademarks and patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 years to 30 years, which are mainly determined by reference to the trademarks and patents period.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years, which is determined by considering the period of the economic benefits to the Company or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

R&D costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income 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 reporting period, taking into consideration interpretations and practices prevailing in the countries in which we operate.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. 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 subsidiary 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, and 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 subsidiary and an associate, 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 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 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 by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if we have 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.

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.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever earlier) from a customer before we transfer the related service. Contract liabilities are recognised as revenue when we perform under the contract (i.e. transfers control of the related services to our customer).

SUMMARY OF RESULTS OF OPERATIONS

Set forth below is a summary of our statements of profit or loss and other comprehensive income during the Track Record Period, extracted from the Accountants' Report as set out in Appendix I to this document. The financial information contained herein and in the Accountants' Report in the Appendix I to this document is prepared in accordance with IFRS Accounting Standards.

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	246,718	339,132	313,696
Cost of sales	(126,270)	(174,265)	(152,704)
Gross profit	120,448	164,867	160,992
Other income and gains	3,314	5,945	7,743
Selling and marketing expenses	(68,225)	(75,835)	(80,694)
Administrative expenses	(17,043)	(18,128)	(18,449)
Research and development expenses	(11,061)	(11,948)	(11,433)
(Provision)/Reversal of impairment losses on financial assets, net	6	(12)	(56)
Other expenses	(266)	(3,443)	(1,664)
Profit before tax	27,173	61,446	56,439
Income tax expense	(3,468)	(8,247)	(7,514)
Profit for the year	23,705	53,199	48,925

DESCRIPTION OF SELECTED ITEMS IN THE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Revenue by product

During the Track Record Period, our revenue was primarily derived from the sales of (i) hog plum paste, (ii) hog plum pellets and (iii) others; and provision of branding and marketing service. The table below sets forth a breakdown of our revenue by product category and provision of service for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products	**245,860**	**99.7**	**338,266**	**99.7**	**312,855**	**99.7**
Hog plum paste	208,860	84.7	293,988	86.7	265,904	84.8
Hog plum pellets	22,546	9.1	31,263	9.2	37,570	12.0
Others	14,454	5.9	13,015	3.8	9,381	2.9
Provision of branding and marketing services	**858**	**0.3**	**866**	**0.3**	**841**	**0.3**
Total	**246,718**	**100.0**	**339,132**	**100.0**	**313,696**	**100.0**

Note:

1. Others include sale of our other products such as hog plum gel, hog plum soft candy, hog plum jelly, fruits and vegetable paste and others.

Revenue from our flagship product, hog plum paste increased by 40.8% from RMB208.9 million in FY2023 to RMB294.0 million in FY2024, whereas revenue from our hog plum pellets increased by 38.7% from RMB22.5 million in FY2023 to RMB31.3 million in FY2024. Such increase was primarily due to our expansion of distribution network including the commencement of business with Customer F in the second half of FY2023, with the numbers of offline distributors increased from 162 as at 31 December 2023 to 199 as at 31 December 2024. Despite further expansion of our distribution network with numbers of offline distributors increased to 230 as at 31 December 2025, our revenue from hog plum paste decreased by 9.6% from RMB294.0 million in FY2024 to RMB265.9 million in FY2025. Such decrease was due to the combined effect of (i) a reduction in sales order from Customer F due to a change in its product mix and offerings; and (ii) a shift in the beginning of the sales peak season from December 2025 to January 2026 due to 2026 Chinese New Year holiday falling in February 2026, as opposed to January in the prior year. Nonetheless, revenue from our hog plum pellets increased by 20.2% from RMB31.3 million in FY2024 to RMB37.6 million in FY2025 mainly attributable to further expansion of our distribution network, where a growing number of distributors, both existing and new, expanded their orders to include hog plum pellets in addition to their usual orders for hog plum paste.

Revenue from others decreased by 10.0% to RMB13.0 million in FY2024 and further decreased by 27.9% to RMB9.4 million in FY2025, primarily due to our strategic reduction in production capacity in such products, focusing more resources in the production of hog plum paste and hog plum pellets in response to the increasing market demand.

The table below sets forth a breakdown of our sales volume and average selling price per kg by product category for the years indicated:

		FY2023	FY2024	FY2025
Hog plum paste	*Tonnes*	5,160.2	7,485.8	6,744.8
	RMB/kg	40.5	39.3	39.4
Hog plum pellets	*Tonnes*	530.5	728.1	871.8
	RMB/kg	42.5	42.9	43.1
Other products	*Tonnes*	502.3	446.8	284.5
	RMB/kg	28.0	26.2	26.1

Both the sales volume of our hog plum paste and hog plum pellets increase in FY2024 which was generally in line with its revenue scales during the Track Record Period. The increase in the sales volume of our hog plum paste and hog plum pellets were attributable to a combination of (i) our enhanced product and brand recognition; and (ii) an expansion of our distribution network including the commencement of business with Customer F in September 2023. Sales volume of our hog plum paste decreased in response to the shift in sales peak season to the beginning of 2026 in line with the 2026 Chinese New Year holiday falling in February 2026 and as a result of reduction in sales order from Customer F. The increase in sales volume of our hog plum pellets was primarily due to further expansion of our distribution network.

The sales volume of our other products showed a decreasing trend from FY2023 to FY2025. Such decrease was primarily due to our strategic allocation of production resources to our more popular products of hog plum paste and hog plum pellets due to increased sales volume for our products, particularly our hog plum pellets, leading to fewer sales order accepted for our other products.

Revenue by sales channel

During the Track Record Period, we primarily sold our products through offline distribution channels, including sales to our offline distributors. We have also generated small portion of revenue from our offline direct sales, primarily via our self-operated counters at our production facilities at Chongyi County. Our online channels cover e-commerce platforms such as Tmall and Douyin, through (i) direct sales via online stores; and (ii) sales to online distributors, who in turn resold our products to consumers through their own stores on e-commerce platforms. The below table sets forth our revenue by sales channel for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products	**245,860**	**99.7**	**338,266**	**99.7**	**312,855**	**99.7**
Offline channels	**211,103**	**85.6**	**302,759**	**89.3**	**276,261**	**88.1**
– offline distributors	209,643	85.0	299,614	88.4	270,524	86.3
– offline direct sales	1,460	0.6	3,145	0.9	5,737	1.8
Online channels	**34,757**	**14.0**	**35,507**	**10.4**	**36,594**	**11.6**
– online distributors	3,089	1.2	2,568	0.7	2,223	0.7
– online direct sales	31,668	12.8	32,939	9.7	34,371	10.9
Provision of branding and marketing services	**858**	**0.3**	**866**	**0.3**	**841**	**0.3**
Total:	**246,718**	**100.0**	**339,132**	**100.0**	**313,696**	**100.0**

During the Track Record Period, the majority of our revenue was primarily derived from our product sales via offline channels. We offer our products mainly through sales to our offline distributors and the number of offline distributors increased from 162 as at 31 December 2023 to 199 as at 31 December 2024 and further increased to 230 as at 31 December 2025. Our revenue generated from offline channels amounted to RMB211.1 million, RMB302.8 million and RMB276.3 million in FY2023, FY2024 and FY2025, respectively, accounting for 85.6%, 89.3% and 88.1% of our revenue of the same period.

On the other hand, the revenue contribution by our product sales via online channels demonstrated a higher growth rate throughout the Track Record Period, which was in particular driven by our enhanced brand building and success in online marketing strategy. We believe the collaborations with third-party e-commerce platforms allow us to tap into their established e-commerce ecosystem, enabling us to leverage their user base to increase consumer traffic. Our revenue generated from online channels increased by 2.2% from RMB34.8 million in FY2023 to RMB35.5 million in FY2024 and further increased to RMB36.6 million in FY2025 due to increased access to e-commerce platform, driving higher customer reach and transaction volume.

Revenue by geographic location

During the Track Record Period, we derived revenue primarily from customers located in the geographical locations of southern part of China including Jiangxi Province, Hunan Province, Fujian Province, Zhejiang Province, Guangdong Province. The table below sets forth our revenue by geographic location for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Jiangxi Province	78,927	32.0	108,519	32.0	103,448	33.0
Hunan Province	41,571	16.8	73,598	21.7	40,639	13.0
Fujian Province	35,182	14.3	38,921	11.5	35,120	11.2
Zhejiang Province	22,245	9.0	29,730	8.8	21,961	7.0
Guangdong Province	21,191	8.6	37,308	11.0	49,497	15.8
Others *(Note 1)*	47,602	19.3	51,056	15.0	63,031	20.1
Total	**246,718**	**100.0**	**339,132**	**100.0**	**313,696**	**100.0**

Note:

1. Others include Jiangsu Province, Sichuan Province and Hubei Province etc.

During the Track Record Period, revenue distribution was relatively balanced across southern part of China, with the highest contribution coming from Jiangxi Province, where our headquarter is located. Our Directors considered that our revenue in Jiangxi Province was significantly higher than other region due to the strong influence of local brands as a distinctive regional delicacy and tourism-driven demand as popular destinations prominently feature hog plum products in street markets and souvenir shops.

Cost of Sales

Our cost of sales primarily consists of (i) raw materials for our production such as hog plum, sugar, packaging materials, (ii) salary and benefits relating to our production staff; (iii) utilities expenses and (iv) others. Our costs of sales accounted for 51.2%, 51.4% and 48.7% of our revenue in FY2023, FY2024 and FY2025, respectively.

The table below sets forth a breakdown of our cost of sales for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Raw materials	81,581	64.6	117,029	67.2	100,436	65.8
Salary and benefits	31,981	25.3	37,665	21.6	34,169	22.4
Utilities	7,609	6.0	12,674	7.3	9,930	6.5
Others *(Note 1)*	5,099	4.0	6,897	4.0	8,169	5.3
Total	**126,270**	**100.0**	**174,265**	**100.0**	**152,704**	**100.0**

Note:

1. Others include depreciation expenses, consumables, transportation expenses and storage fees.

Our raw material costs of approximately RMB81.6 million, RMB117.0 million and RMB100.4 million for FY2023, FY2024 and FY2025, respectively, primarily consisted of the costs of hog plum fruits, sugar and other auxiliary materials. The fluctuation from FY2023 to FY2025 in cost of raw materials was generally in line with the fluctuation in our sales amount. Packaging materials mainly consist of metal packaging box, roll film, packaging bags in different sizes.

Gross Profit and Gross Profit Margin

The table below sets forth a breakdown of our revenue, our gross profit and gross profit margin by product category and provision of service for the years indicated:

	FY2023			FY2024			FY2025		
	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin	Revenue	Gross Profit	Gross Profit Margin
	RMB'000	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*	*RMB'000*	*RMB'000*	*%*
Sale of products	**245,860**	**119,593**	**48.6**	**338,266**	**164,001**	**48.5**	**312,855**	**160,151**	**51.2**
Hog plum pastes	208,860	102,202	48.9	293,988	141,995	48.3	265,904	134,836	50.7
Hog plum pellets	22,546	11,849	52.6	31,263	16,470	52.7	37,570	20,544	54.7
Others *(Note)*	14,454	5,539	38.3	13,015	5,536	42.5	9,381	4,771	50.9
Provision of service	**858**	**858**	**100.0**	**866**	**866**	**100.0**	**841**	**841**	**100**
Total	**246,718**	**120,448**	**48.8**	**339,132**	**164,867**	**48.6**	**313,696**	**160,992**	**51.3**

Note: Others include other products and income such as sale of our other products such as hog plum gel, hog plum soft candy, hog plum jelly and other fruits and vegetable pastes.

Gross profit from our hog plum paste increased by 38.9% from RMB102.2 million in FY2023 to RMB142.0 million in FY2024 and subsequently decreased to RMB134.8 million in FY2025, a trend that was in line with the slight fluctuations in the revenue and sales volume of our hog plum paste products during the Track Record Period. Gross profit from our hog plum pellets had indicated an increasing trend throughout FY2023 to FY2025 which was mainly attributable to increasing market demand and wider market acceptance of our hog plum pellets products as we launched additional flavour.

In relation to our provision of branding and marketing services, the gross profit margins for FY2023, FY2024 and FY2025 were 100.0% as we act as an agent to promote camellia oil in providing such services.

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

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products	**119,590**	**48.6**	**164,001**	**48.5**	**160,151**	**51.2**
Offline channels	**101,309**	**48.0**	**144,469**	**47.7**	**139,988**	**50.7**
offline distributors	100,605	48.0	142,946	47.7	137,059	50.7
offline direct sales	704	48.2	1,524	48.4	2,929	51.1
Online channels	**18,281**	**52.6**	**19,532**	**55.0**	**20,163**	**55.1**
online distributors	1,560	50.5	1,324	51.6	1,149	51.7
online direct sales	16,721	52.8	18,208	55.3	19,014	55.3
Provision of branding and marketing services	**858**	**100.0**	**866**	**100.0**	**841**	**100**
Total	**120,448**	**48.8**	**164,867**	**48.6**	**160,992**	**51.3**

The gross profit margins of our products sales by both offline and online channels remained relatively stable during the Track Record Period. In particular, the gross profits margin of online direct sales is higher than the gross profits margin of offline distributors was mainly due to the direct-to-customer nature by bypassing intermediaries.

Other Income and Gains

Our other income during the Track Record Period primarily consist of bank interest income and government grants, and our other gains recorded in FY2024 represented the gain on disposal of property, plant and equipment during the year. The government grants mainly represent incentives received from local governments for the purpose of compensation on local economic contribution and purchases of items of property, plant and equipment.

The following table sets out a breakdown of our other income and gains for the years indicated:

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Interest income	1,232	1,604	1,060
Government grants	1,480	4,124	5,972
Others	243	149	678
Investment income from financial assets at fair value through profit or loss	344	40	33
Gain on disposal of property, plant and equipment	–	20	–
Gains on financial assets measured at fair value through profit or loss	15	8	–
Total	**3,314**	**5,945**	**7,743**

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) promotion and advertising expenses relating to both online and offline advertising activities; (ii) salary and benefits relating to our sales and marketing staff; and (iii) transportation expenses relating to the business trips undertaken by our sales and marketing staff. Our selling and marketing expenses accounted for 27.7%, 22.4% and 25.7% of our revenue in FY2023, FY2024 and FY2025, respectively.

The table below sets forth a breakdown of our selling and marketing expenses for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Promotion and advertising expenses	36,780	53.9	37,629	49.6	36,824	45.6
Salary and benefits	27,906	40.9	33,733	44.5	39,110	48.5
Travelling expenses	3,528	5.2	4,155	5.5	4,446	5.5
Others *(Note 1)*	11	0.0	318	0.4	314	0.4
Total	**68,225**	**100.0**	**75,835**	**100.0**	**80,694**	**100.0**

Note:

1. Other selling and marketing expense primarily include office expenses.

Our promotion and advertising expenses are affected by the sales channels on which we place advertisements or conduct online and offline marketing activities as we adapt to the fast evolvement of sales channels. Majority of the promotion and advertising expenses during the Track Record Period were display fees and promotion fees for securing premium shelf space in offline stores such as supermarkets and chained snacks stores and increasing exposure in e-commerce platforms so as to enhance product visibility and drive higher traffic, stimulating consumer purchases and boosting sales performance.

Our promotion and advertising expenses remained stable at RMB36.8 million in FY2023, RMB37.6 million in FY2024 and RMB36.8 million in FY2025. Such stable input in marketing and promotion expenses throughout the Track Record Period was primarily due to our consistent efforts devoted to offline and online marketing activities.

Salary and benefits of our selling and marketing expenses for FY2023, FY2024 and FY2025 amounted to RMB27.9 million, RMB33.7 million and RMB39.1 million, respectively. Such increase in salary and benefits was due to the increase in performance incentives in FY2024 in line with our revenue growth and increase in salary payment as we had employed more sales staff during the Track Record Period.

Administrative Expenses

Our administrative expenses primarily consist of (i) salary and benefits relating to administrative staff; (ii) tax and surcharges; (iii) depreciation and amortization relating to our office and buildings; (iv) office expenses; (v) travelling expenses; (vi) consulting fees relating to the engagement of professional service firms; and (vii) others administrative expenses. Our administrative expenses accounted for 6.9%, 5.3% and 5.9% of our revenue in FY2023, FY2024 and FY2025, respectively.

The table below sets forth a breakdown of our administrative expenses for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Salary and benefits	10,034	58.9	9,762	53.9	8,598	46.6
Tax and surcharges	3,424	20.1	3,820	21.1	3,675	19.9
Depreciation and amortisation	1,678	9.8	2,037	11.2	1,807	9.8
Office expenses	217	1.3	356	2.0	556	3.1
Travel expenses	175	1.0	197	1.0	90	0.5
Consulting fees	79	0.5	132	0.7	33	0.2
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others *(Note 1)*	1,436	8.4	1,824	10.1	2,243	12.1
Total	**17,043**	**100.0**	**18,128**	**100.0**	**18,449**	**100.0**

Note:

1. *Other administrative expenses primarily include routine repair and maintenance expenses and other consumable items.*

R&D Expenses

Our research and development expenses primarily consist of (i) salary and benefits relating to R&D staff; (ii) direct R&D expenditure relating to our R&D activities and testing fees; (iii) depreciation of our R&D equipment; and (iv) other R&D expenses. Our R&D expenses accounted for 4.5%, 3.5% and 3.6% of our revenue in FY2023, FY2024 and FY2025, respectively.

The table below sets forth a breakdown of our R&D expenses for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Salary and benefits	4,272	38.6	4,279	35.8	4,061	35.5
Direct R&D expenses	5,638	51.0	6,750	56.5	5,461	47.8
Depreciation of R&D equipment	747	6.8	625	5.2	530	4.6
Other *(Note 1)*	404	3.6	294	2.5	1,381	12.1
Total	**11,061**	**100.0**	**11,948**	**100.0**	**11,433**	**100.0**

Note:

1. Other R&D expenses primarily include new product and production development.

Other expenses

Other expenses primarily consist of (i) legal damages arising from construction contractual disputes in regards with the construction of the Company's facilities; and (ii) donations. In respect of the legal damages, during FY2024, the Company has reached a final agreement with the relevant construction company with settlement amount of RMB3.3 million, which was fully paid by the Company in 2024; whereas for FY2025, the legal damages of RMB1.7 million was related to the damages paid to Jiangxi Construction Engineering Machinery Construction Co., Ltd.*(江西建工機械施工有限責任公司) as part of the construction payments and compensation for losses pursuant to the relevant court order. As the relevant facilities were completed and put into use in 2021, the remaining litigation-related amount has been recognised as cost to our property, plant and equipment in accordance with the relevant accounting treatment. Please refer to the paragraph headed "Business — Legal Proceeding and Compliance — Legal Proceeding" for further details.

The table below sets forth a breakdown of our other expenses for the years indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Legal damages	–	–	3,344	97.1	1,650	99.2
Donation	100	37.6	28	0.8	–	–
Others *(Note 1)*	166	62.4	71	2.1	14	0.8
Total	**266**	**100.0**	**3,443**	**100.0**	**1,664**	**100.0**

Note:

1. Others primarily include administrative penalties for the food safety incident of our Company in 2023 and disposal of long-term assets. For further details please refer to the paragraph headed "Business — Food safety and quality control" in this document.

Income tax expense

We derived all of our revenue in the PRC, therefore, our Company was subject to the PRC enterprise income tax (the "**PRC EIT**"). Under the PRC EIT, the standard tax rate for an enterprise is 25%. Due to the PRC government's favourable policies concerning "High and New Technology Enterprises", we have enjoyed a preferential tax rate of 15% and maintained our status as a "High and New Technology Enterprise" throughout the Track Record Period. Please refer to the section headed "Regulatory Overview" in this document for further details.

REVIEW OF HISTORICAL RESULTS OF OUR OPERATIONS

FY2023 COMPARED TO FY2024

Revenue

Our revenue increased by 37.5% from RMB246.7 million in FY2023 to RMB339.1 million in FY2024, primarily due to (i) the expansion of our distribution network, including an increase in offline distributors from 162 in FY2023 to 199 in FY2024 and (ii) increased demand from Customer F in FY2024 which was the first full year that Customer F became our customer since we commenced business in September 2023.

Revenue from our hog plum paste increased by 40.8% from RMB208.9 million in FY2023 to RMB294.0 million in FY2024, primarily due to an increase of the sales volume of our hog plum paste. The sales volume increased by 45.1% from 5,160.2 tonnes in FY2023 to 7,485.8 tonnes in FY2024, primarily due to the increased demand from Customer F, increased brand recognition through enhanced marketing campaigns and the continued expansion of our distribution network and partially offset by the decrease in the average selling price of our hog plum paste from RMB40.5 per kg in FY2023 to RMB39.3 per kg in FY2024.

Revenue from our hog plum pellets product increased by 38.7% from RMB22.5 million in FY2023 to RMB31.3 million in FY2024, primarily due to a significant increase in sales volume and the increase in average selling price from RMB42.5 per kg in FY2023 to RMB42.9 per kg in FY2024 resulting from the increased demand for such product. The sales volume increased by 37.2% from 530.5 tonnes in FY2023 to 728.1 tonnes in FY2024, primarily due to further market adaptability to our hog plum pellets launched in August 2021.

Revenue from others decreased by 10.0% from RMB14.5 million in FY2023 to RMB13.0 million in FY2024, primarily due to decrease in sales volume for our other products. The sales volume decreased by 11.0% from 502.3 tonnes in FY2023 to 446.8 tonnes in FY2024, primarily due to our strategic reduction in production capacity in other products, focusing more resources in the production of hog plum paste and hog plum pellets in response to the increasing market demand for such products.

Cost of sales

Our cost of sales increased by 38.0% from RMB126.3 million in FY2023 to RMB174.3 million in FY2024, primarily due to increased costs of raw materials such as hog plum fruits, sugar and packaging materials as a result of the increase in sales order in FY2024 and the increase in the employee expenses primarily due to increase in production employees to meet the increased demand.

Gross profit and gross profit margin

Our gross profit increased by 36.9% from RMB120.4 million in FY2023 to RMB164.9 million in FY2024, which generally reflected our revenue growth during FY2024 as a result of our business expansion. Our gross profit margin remained stable at 48.8% in FY2023 and 48.6% in FY2024.

- Gross profit from our hog plum paste increased by 38.9% from RMB102.2 million in FY2023 to RMB142.0 million in FY2024, mainly due to the increased revenue from such products, whereas the gross profit margin from hog plum paste experience a slight decrease from 48.9% to 48.3% due to the decrease in average selling price of such product from RMB40.5 per kg in FY2023 to RMB39.3 per kg in FY2024, to further boost our Company's market presence.

- Gross profit from our hog plum pellets increased by 39.0% from RMB11.8 million in FY2023 to RMB16.5 million in FY2024 and the gross profit margin from hog plum pellets product remained stable at 52.6% in FY2023 and 52.7% in FY2024, mainly due to significant increase in sales volume of such product due to strong market reception and heightened demand of hog plum pellets.

Other income and gains

Our other income and gains increased by 79.4% from RMB3.3 million in FY2023 to RMB5.9 million in FY2024, primarily due to increase in government grants from RMB1.5 million in FY2023 to RMB4.1 million in FY2024 as a result of more eligible government grants.

Selling and marketing expenses

Our selling and marketing expenses increased by 11.1% from RMB68.2 million in FY2023 to RMB75.8 million in FY2024, primarily due to (i) an increase in promotion and advertising expenses from RMB36.8 million in FY2023 to RMB37.6 million in FY2024 as a result of further increase in display and promotion efforts across both online and offline channels, to enhance product visibility and exposure; (ii) an increase in employee expenses from RMB27.9 million in FY2023 to RMB33.7 million in FY2024, primarily due to an increase of performance incentives of our sales staff for achieving performance targets in line with our revenue growth in FY2024; and (iii) an increase in the travelling expenses primarily due to an increase in marketing activities resulting in increased business trips undertaken by our sales staff.

Administrative expenses

Our administrative expenses increased by 6.4% from RMB17.0 million in FY2023 to RMB18.1 million in FY2024 primarily due to (i) an increase in tax and surcharges from RMB3.4 million in FY2023 to RMB3.8 million in FY2024 which was in line with our business growth; (ii) an increase in depreciation and amortisation from RMB1.7 million in FY2023 to RMB2.0 million in FY2024 due to office building renovation in FY2024; and (iii) an increase in other administrative expenses from RMB1.4 million in FY2023 to RMB1.8 million in FY2024.

R&D expenses

Our R&D expenses increased by 8.0% from RMB11.1 million in FY2023 to RMB11.9 million in FY2024, mainly attributable to an increase in direct R&D expenses from RMB5.6 million in FY2023 to RMB6.8 million in FY2024 primarily as a result of increasing input in R&D projects.

Other expenses

Our other expenses increased from RMB0.3 million in FY2023 to RMB3.4 million in FY2024, primarily due to the payment of legal damages arising from a construction contractual dispute and paid approximately RMB3.4 million pursuant to the court judgment in FY2024.

Income tax expenses

Our income tax expense increased by 138% from RMB3.5 million in FY2023 to RMB8.2 million in FY2024, primarily due to an increase of our taxable income in FY2024.

Profit for the year

As a result of the foregoing, our profit for the year increased significantly by 124.4% from RMB23.7 million in FY2023 to RMB53.2 million in FY2024.

FY2024 COMPARED TO FY2025

Revenue

Our revenue decreased by 7.5% from RMB339.1 million in FY2024 to RMB313.7 million in FY2025, primarily due to (i) a reduction in sales order for our hog plum paste from Customer F due to a change in their product mix and offerings; and (ii) the timing of the Chinese New Year holiday period. Since the 2025 Chinese New Year fell in January, peak season sales were recognised by the end of FY2024. By contrast, the 2026 Chinese New Year in February led to the related sales uplift being reflected in early 2026. This resulted in a decrease in sales volume of our hog plum paste and accordingly our revenue from hog plum paste to RMB265.9 million in FY2025. Whereas, revenue from our hog plum pellets increased by 20.2% to RMB37.6 million in FY2025 mainly attributable to further expansion of our distribution network where a growing number of distributors, both existing and new, expanded their orders to include hog plum pellets in addition to their usual orders for hog plum paste, with our number of offline distributors reaching 230 as at 31 December 2025. Revenue from others further decreased by 27.9% from RMB13.0 million in FY2024 to RMB9.4 million in FY2025, primarily due to our reduction in production capacity in other products resulting in a drop in sales volume.

Cost of sales

Our cost of sales decreased by 12.4% from RMB174.3 million in FY2024 to RMB152.7 million in FY2025 which was in line with our decrease in sales volume and revenue.

Gross profit and gross profit margin

Our gross profit decreased by 2.4% from RMB164.9 million in FY2024 to RMB161.0 million in FY2025, which was due to a slight decline in revenue despite a drop in cost of sale and a slight increase in gross profit margin from 48.6% in FY2024 to 51.3% in FY2025. The gross profit margin for hog plum pastes and hog plum pellets increased mainly attributable to a rise in average selling price and a slight decrease in sugar price. The decrease in sugar price has also resulted in an increase in gross profit margin for our other products.

Other income and gains

Our other income and gains increased by 30.2% from RMB5.9 million in FY2024 to RMB7.7 million in FY2025. This increase was primarily attributable to a rise in government grants, which related to a historical government relocation compensation that was paid during FY2025.

Selling and marketing expenses

Our selling and marketing expenses increased by 6.4% from RMB75.8 million in FY2024 to RMB80.7 million in FY2025, primarily due to an increase in bonus accruals for sales staff in FY2025 for the performance in FY2024 as compared to the accruals made in FY2024 for performance in FY2023 and increased wages as we had employed more sales staff during the year.

Administrative expenses

Our administrative expenses slightly increased by 1.8% from RMB18.1 million in FY2024 to RMB18.4 million in FY2025, primarily due to an increase in **[REDACTED]** expenses.

R&D expenses

Our R&D expenses slightly decreased from RMB11.9 million in FY2024 to RMB11.4 million in FY2025 primarily due to many projects being in the initial planning and feasibility study phase, as well as a slower pace of new product launch compared to FY2024.

Other expenses

Our other expenses decreased from RMB3.4 million in FY2024 to RMB1.7 million in FY2025. Such amount represent the remaining payment of the legal damage payable to the relevant parties in the construction contractual dispute with Jiangxi Construction Engineering Machinery Construction Co., Ltd.*(江西建工機械施工有限責任公司) pursuant to the ruling of the court issued in 2025.

Income tax expense

Our income tax expense decreased by 8.9% from RMB8.2 million in FY2024 to RMB7.5 million in FY2025, primarily due to a slight decrease of our taxable income in FY2025.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 8.0% from RMB53.2 million in FY2024 to RMB48.9 million in FY2025.

LIQUIDITY AND CAPITAL RESOURCES

Finance resources

During the Track Record Period, our primary use of cash had been the payment for purchases of raw materials for production, staff costs and welfares, production costs and various operating expenses. Historically, we have financed our liquidity requirement primarily through cash generated from our operating activities.

We had cash and cash equivalents of RMB70.4 million, RMB131.4 million and RMB115.0 million as at 31 December 2023, 2024 and 2025, respectively. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities and the **[REDACTED]** received from the **[REDACTED]**.

Cash flows

The following table sets out our cash flows for the years indicated:

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	9,114	105,780	1,841
Net cash (used in)/generated from investing activities	198	(33,482)	9,775
Net cash used in financing activities	(7,059)	(11,358)	(27,985)
Cash and cash equivalents at the beginning of the year	68,185	70,438	131,378
Cash and cash equivalents as at the end of the year	70,438	131,378	115,009

Net cash generated from/(used in) operating activities

Net cash generated from operating activities primarily comprises our profit before tax for the year adjusted by (i) depreciation and amortisation (ii) interest income and (iii) finance costs.

In FY2023, our net cash generated from operating activities was RMB9.1 million, which was primarily attributable to profit before tax of RMB27.2 million, as adjusted by (i) depreciation and amortisation of property, plant and equipment of RMB7.2 million and (ii) bank interest income of RMB1.2 million. Change in working capital contributed a cash outflow of RMB18.8 million consisting primarily of (i) increase in inventories of RMB20.5 million; (ii) increase in amounts due from related parties of RMB8.1 million; and (iii) decrease in other payables and accruals of RMB1.2 million, partially offset by (i) increase in contract liabilities of RMB9.2 million; and (ii) increase in deferred income of RMB1.6 million.

In FY2024, our net cash generated from operating activities was RMB105.8 million, which was primarily attributable to profit before tax of RMB61.4 million, as adjusted by (i) depreciation and amortisation of property, plant and equipment of RMB9.2 million and (ii) bank interest income of RMB1.6 million. Change in working capital contributed a cash inflow of RMB43.0 million consisting primarily of (i) increase in contract liabilities of RMB15.5 million; (ii) decrease in amounts due from related parties of RMB14.5 million; and (iii) decrease in inventories of RMB11.1 million, partially offset by (i) increase in prepayments, deposits and other receivables of RMB1.2 million; and (ii) increase in restricted cash of RMB1.2 million.

In FY2025, our net cash generated from operating activities was RMB1.8 million, which was primarily attributable to profit before tax of RMB56.4 million, as adjusted by (i) depreciation of property, plant and equipment of RMB10.4 million and (ii) bank interest income of RMB1.1 million. Change in working capital contributed a cash outflow of RMB54.6 million consisting primarily of (i) decrease in prepayments, deposits and other receivables of RMB1.4 million; increase in trade payables of RMB1.1 million, partially offset by (i) decrease in contract liabilities of RMB30.8 million; (ii) increase in inventories of RMB15.1 million; and (iii) decrease in other payables and accruals of RMB7.5 million. There was a significant decrease in net cash generated from operating activities in FY2025 due to a significant reduction in contract liabilities as a result of a reduction of sales order from Customer F and delayed sales peak season to January 2026 due to the timing of the 2026 Chinese New Year.

Net cash (used in)/generated from investing activities

In FY2023, our net cash from investing activities was RMB0.2 million which was primarily attributable to maturity of financial assets at fair value of RMB7.9 million and interest of RMB1.2 million received. This was partially offset by the purchase of items of property, plant and equipment of RMB9.0 million.

In FY2024, our net cash used in investing activities was RMB33.5 million which was primarily attributable to the purchase of items of property, plant and equipment of RMB20.8 million and purchase of financial assets at fair value of RMB14.4 million. This was partially offset by the proceeds from disposal of property, plant and equipment of RMB0.3 million and interest of RMB1.6 million received.

In FY2025, our net cash generated from investing activities was RMB9.8 million which was primarily attributable to the maturity of financial assets of RMB46.0 million and interest of RMB1.1 million received, partially offset by the purchase of financial assets of RMB29.0 million and purchase of items of property , plant and equipment of RMB8.2 million.

Net cash used in financing activities

In FY2023, our net cash used in financing activities was RMB7.1 million which was payment of dividends of RMB7.1 million.

In FY2024, our net cash used in financing activities was RMB11.4 million which was payment of dividends of RMB11.4 million.

In FY2025, our net cash used in financing activities was RMB28.0 million which was primarily attributed to (i) dividends of RMB20.3 million paid, (ii) **[REDACTED]** expenses of RMB8.6 million paid, partially offset by the contribution from shareholders of RMB1.0 million when converting into a joint stock company.

Sufficiency of working capital

[Taking into account the estimate **[REDACTED]** from the **[REDACTED]**, cash and cash equivalents and cash flows from our operations, and in the absence of unforeseen circumstances, our Directors are of the opinion that we have sufficient working capital to meet our financial requirements for at least the next 12 months from the date of this document.]

CURRENT ASSETS AND CURRENT LIABILITIES

The following table sets out our current assets and liabilities as at the dates indicated:

	As at 31 December			As at 31 January
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current assets				
Inventories	59,463	48,361	63,413	53,157
Trade receivables	2,858	3,449	8,819	17,273
Prepayments, deposits and other receivables	5,122	6,359	14,099	16,841
Amount due from related parties	15,441	904	–	–
Financial assets at fair value through profit or loss	2,515	17,008	–	–
Restricted bank deposits	53	1,298	952	952
Cash and cash equivalents	70,438	131,378	115,009	135,663
Total current assets	**155,890**	**208,757**	**202,292**	**223,886**
Current liabilities				
Trade payables	4,317	4,406	5,470	7,462
Contract liabilities	22,959	38,456	7,681	9,119
Amount due to related parties	–	–	866	–
Other payables and accruals	26,902	31,572	24,389	36,047
Income tax payable	4,182	7,247	9,085	9,103
Total current liabilities	**58,360**	**81,681**	**47,491**	**61,731**
Net current assets	**97,530**	**127,076**	**154,801**	**162,155**

Our net current assets increased by 30.3% from RMB97.5 million as at 31 December 2023 to RMB127.1 million as at 31 December 2024 primarily due to (i) the increase in cash and cash equivalents of RMB60.9 million from approximately RMB70.4 million as at 31 December 2023 to approximately RMB131.4 million as at 31 December 2024, and (ii) partially offset by the increase in contract liabilities of RMB15.5 million from approximately RMB23.0 million as at 31 December 2023 to approximately RMB38.5 million as at 31 December 2024.

Our net current assets increased by 21.9% from RMB127.1 million as at 31 December 2024 to RMB154.8 million as at 31 December 2025 primarily due to (i) decrease of contract liabilities from RMB38.5 million as at 31 December 2024 to RMB7.7 million as at 31 December 2025 as a result of a reduction of sales order from Customer F and delayed sales peak season to January 2026 due to the timing of the 2026 Chinese New Year, and (ii) an increase in inventories from RMB48.4 million as at 31 December 2024 to RMB63.4 million as at 31 December 2025 in preparation for the sales peak season in January 2026.

DESCRIPTION OF SELECTED ITEMS OF THE STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our statements of financial position as of the dates indicated:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	82,548	94,350	91,681
Right-of-use assets	4,477	4,360	4,243
Intangible assets	1,003	1,095	1,172
Prepayments, deposits and other receivables	2,016	1,647	1,985
Total non-current assets	90,044	101,452	99,081
CURRENT ASSETS			
Inventories	59,463	48,361	63,413
Trade receivables	2,858	3,449	8,819
Prepayments, deposits and other receivables	5,122	6,359	14,099
Amount due from related parties	15,441	904	–
Financial assets at fair value through profit or loss	2,515	17,008	–
Restricted bank deposits	53	1,298	952
Cash and cash equivalents	70,438	131,378	115,009
Total current assets	155,890	208,757	202,292
CURRENT LIABILITIES			
Trade payables	4,317	4,406	5,470
Contract liabilities	22,959	38,456	7,681
Amount due to related parties	–	–	866
Other payables and accruals	26,902	31,572	24,389
Income tax payable	4,182	7,247	9,085
Total current liabilities	58,360	81,681	47,491
NET CURRENT ASSETS	97,530	127,076	154,801
TOTAL ASSETS LESS CURRENT LIABILITIES	187,574	228,528	253,882

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES			
Deferred income	4,232	4,545	4,215
Deferred tax liabilities	5,099	3,899	–
Total non-current liabilities	9,331	8,444	4,215
Net assets	178,243	220,084	249,667
EQUITY			
Equity attributable to owners of the parent			
Paid-in capital	3,216	3,216	75,000
Reserves	175,027	216,868	174,667
Total equity	178,243	220,084	249,667

Property, plant and equipment

During the Track Record Period, our property, plant and equipment mainly consisted of buildings, machinery, motor vehicles and construction in progress. The net book amounts of our property, plant and equipment amounted to approximately RMB82.5 million, RMB94.4 million and RMB91.2 million as at 31 December 2023, 2024 and 2025, respectively. The increase in our property, plant and equipment in FY2024 was primarily attributable to the office building renovation during the year. The decrease in our property, plant and equipment in FY2025 was primarily attributable to a combined effect of (i) addition of machine equipments and renovation of buildings in aggregation of RMB7.7 million; net of (ii) depreciation charged for the year of RMB10.4 million.

Right-of-use assets

Our right-of-use assets primarily comprised of leasehold land in Chongyi County, Jiangxi Province. Right-of-use assets are recognized 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. Our right-of-use assets decreased over the Track Record Period was due to the depreciation charge to such right-of-use assets.

Inventories

Our inventories mainly include raw materials and consumables, finished goods and work in progress, with work in progress being the largest component which accounted for 67.0%, 65.1% and 74.1% of the inventory as at 31 December 2023, 2024 and 2025 respectively. As hog plum is harvested only during August to December each year, we preliminary process the hog plum in advance and utilise cold storage to extend the shelf life of the processed fruit pulp to ensure sufficient supply to meet our annual production requirements. The work in progress mainly included hog plums in forms under various stages of production process in progress as at each year/period end of the Track Record Period. The remaining work in progress were auxiliary materials such as processed food materials such as fruit pulp, dried tangerine peel power and water chestnut. The following table sets out a breakdown of our inventories as of the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	6,654	10,455	6,143
Work in progress	39,838	31,476	46,958
Finished goods	12,971	6,430	10,312
Total	**59,463**	**48,361**	**63,413**

Our inventories decreased by 18.7% from RMB59.5 million as at 31 December 2023 to RMB48.4 million as at 31 December 2024, primarily due to significant increase in sales orders in the fourth quarter of 2024 which utilised inventories stockpiled from the hog plum harvest season of 2024. Our inventories increased from RMB48.4 million as at 31 December 2024 to RMB63.4 million as at 31 December 2025 in preparation for the sales peak season in January 2026, as the 2026 Chinese New Year fell in February 2026 and the beginning of the sale peak season was delayed to January 2026.

We believe there is no recoverability issue for our inventories as at 31 December 2025, which mainly consisted of work in progress, raw materials and consumables as we had stored our inventories in storage facilities under environmental conditions appropriate for the respective inventories to avoid risk of deterioration. Please refer to the paragraph headed "Business — Our Inventory Management" for further details.

As at 31 January 2026, 40% of our inventories amounting to RMB25.0 million as at 31 December 2025 has been subsequently utilised and/or sold.

The following table sets out the number of our inventory turnover days for the respective years:

	FY2023	FY2024	FY2025
Inventory turnover days [Note 1]	142	113	134

Note:

1. *Our inventories mainly include raw materials and consumables, work in progress and finished goods, with work in progress being the largest components. Inventory turnover days for each period equals the average of the beginning and ending balances of inventory for that period divided by cost of sales for that period and multiplied by 365 for each of FY2023, FY2024 and FY2025.*

Our inventory turnover days decreased from 142 days in FY2023 to 113 days in FY2024, primarily due to increased raw material demand driven by higher order volumes in the fourth quarter of FY2024. Our inventory turnover days increased to 134 days in FY2025, primarily because the 2026 Chinese New Year fell in February. As most of the holiday stocking activities were in January 2026, this led to a decrease in inventory turnover rate and a corresponding increase in inventory turnover days.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	59,463	48,361	63,413
over 6 months	–	–	–

Trade receivables

As at 31 December 2023, 2024 and 2025, the trade receivables of our Company amounted to RMB2.9 million, RMB3.4 million and RMB8.8 million, respectively.

We generally require our offline distributors to make payments before delivery. In line with the industry practices associated with online e-commerce platforms, the credit term varies according to the policy of the relevant e-commerce platforms whereby e-commerce platforms retain payment from end-consumers and release such payment to us until the end consumers' confirmation of receipt of our products, the maximum period ranging from 10 to 30 days.

Our trade receivables increased from RMB2.9 million as at 31 December 2023 to RMB3.4 million as at 31 December 2024, primarily due to the increase in sales demand from Customer H. Our trade receivables further increased to RMB8.8 million as at 31 December 2025, primarily due to increase receivables due from Customer F which resulted from extended credit terms granted to Customer F who was our largest customer in FY2024 and FY2025.

The following table sets out our average trade receivables turnover days for the years indicated:

	FY2023	FY2024	FY2025
Average trade receivables turnover day(s) *(Note)*	3.6	3.4	3.8

Note: Average trade receivables turnover days are calculated by averaging the trade receivable balance after impairment as at the beginning and as at the end of a particular period, dividing such average by revenue during the period and multiplying the number of days in the period. The number of days is 365 days for the three years ended 31 December.

Our average trade receivable turnover days remained stable during the Track Record Period. It was in line with the credit period granted to our customers.

The following table sets forth an aging analysis of our trade receivables, based on invoice date and net of loss allowance, as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,829	3,449	8,819
1 to 2 years	–	–	–
2 to 3 years	–	–	–
Over 3 years	29	–	–
Total	**2,858**	**3,449**	**8,819**

Based on our previous experience with collection of trade receivables, we believe that there is no recoverability issue for trade receivables as at 31 December 2023, 2024 and 2025, primarily because (i) those outstanding balance were within the credit period granted to such entitles; and (ii) we had not had any debt collection issues with such entities. As at 31 January 2026, approximately RMB4.4 million, representing 50.0% of our trade receivables as at 31 December 2025 had been settled.

Prepayments, deposits and other receivables

The following table sets out a breakdown of our prepayments, deposits and other receivables as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers	2,928	4,114	2,908
Prepayments for equipment	2,016	1,647	1,985
Deferred **[REDACTED]** expenses	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	898	1,168	1,094
Other receivables	1,322	1,104	997
	7,164	8,033	16,109
Impairment allowance	(26)	(27)	(25)
Total	**7,138**	**8,006**	**16,084**

Our prepayments, deposits and other receivables increased from RMB7.1 million as at 31 December 2023 to RMB8.0 million as at 31 December 2024 primarily attributable to the additional engagement of service provider for advertising and e-commerce marketing campaigns. Our prepayments, deposits and other receivables further increased to RMB16.1 million as at 31 December 2025 primarily due to increase in deferred **[REDACTED]**, which are expected to be accounted for as a deduction from equity upon **[REDACTED]**. Our deposits mainly represent deposits payments to e-commerce platforms such as Tmall and JD for sales activities conducted in these platforms.

Financial assets at fair value through profit or loss

During the Track Record Period, we recorded financial assets at fair value through profit or loss of RMB2.5 million, RMB17.0 million and nil as of 31 December 2023, 2024 and 2025, respectively. Such financial assets at fair value through profit or loss mainly comprised of wealth management products.

As part of our treasury management policy, we have purchased wealth management products as a means to better utilise our cash on hand on a short-term basis. We established a set of investment policies and internal control measures to safeguard our exposure to investment risks in connection with the purchase of wealth management products. These policies and measures include:

- the types of investment shall generally be low-risk wealth management products including fixed deposits and investments with fixed investment amounts and/or guaranteed returns;

- investments shall only be made when we have surplus cash that is not required for short-term working capital purposes;

- we shall only purchase wealth management products issued by creditworthy banks and/or other qualified financial institutions; and

- our finance department is responsible for ensuring that the wealth management products are properly recorded in our financial statements and monitoring the performance of our wealth management products. Any significant or adverse fluctuation in the wealth management products shall be reported to our management in a timely manner.

Any proposed investment in wealth management products shall be subject to the approval of our management.

The purchases or subscriptions of wealth managements by our Company will, upon **[REDACTED]**, constitute notifiable transactions for our Company and will be subject to the applicable requirements under Chapter 14 of the Listing Rules. In the event that we purchase or subscribe for wealth management products after **[REDACTED]**, we shall comply with the relevant Listing Rules accordingly.

Trade payables

Our trade payables are primarily payables to our raw material suppliers. Our trade payables increased from RMB4.4 million as at 31 December 2024 to RMB5.5 million as at 31 December 2025, primarily due to procurement activities at year-end in preparation for the peak sales season beginning in January 2026. In anticipation of demand during the 2026 Chinese New Year holiday, we placed additional purchase orders in accordance with our production plan. We did not have any material defaults in payment of trade payables during the Track Record period.

The following table sets out our average trade payables turnover days for the years indicated:

	FY2023	FY2024	FY2025
Average trade payables turnover day(s) *(Note)*	13.0	9.1	6.1

Note: Average trade payables turnover days are calculated by averaging the trade payables balance as at the beginning and as at the end of a particular period, dividing such average by cost of sales during the period and multiplying the number of days in the period. The number of days is 365 days for the three years ended 31 December.

Our average trade payable decreased from 13.0 days in FY2023 to 9.0 days in FY2024 primarily driven by an acceleration in supplier payment settlement. Our average trade payable further decreased to 6.1 days in FY2025 primarily due to stockpiling for production in preparation for the Chinese New Year sales peak season which led to an increase in trade payables for raw materials.

As at 31 January 2026, approximately RMB5.3 million, representing 97.0% of our trade payables as at 31 December 2025 had been settled.

The table below sets out an aging analysis of our trade payables as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	4,026	4,172	5,382
1 to 2 years	22	4	6
2 to 3 years	66	6	4
Over 3 years	203	234	78
	4,317	4,406	5,470

Other payables and accruals

The table below sets out a breakdown of our other payables and accruals as at the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payable for marketing and promotion expenses	3,431	4,928	1,142
Deposits payable	4,628	2,944	4,494
Payable for property, plant and equipment	610	714	589
Payables for **[REDACTED]** expenses	[REDACTED]	[REDACTED]	[REDACTED]
Payroll payables	7,920	8,881	9,168
Other taxes payables	5,846	9,872	5,305
Accruals and other payables	4,467	4,233	3,164
Total	**26,902**	**31,572**	**24,389**

Our other payables and accruals primarily represent (i) payable for marketing and promotion expenses; (ii) deposits payables from our offline distributors; (iii) payroll payables, bonuses of our sales staff and administration staff and (iv) tax payables, increased by 17.4% from RMB26.9 million as at 31 December 2023 to RMB 31.6 million as at 31 December 2024. Such increase was primarily due to the increase in payable for marketing and promotion expenses as a result of our Company's enhanced marketing efforts and employing additional marketing campaigns and advertisements via offline and online channels and increase in other taxes payables.

Our other payables and accruals decreased by 22.8% from RMB31.6 million as at 31 December 2024 to RMB24.4 million as at 31 December 2025. Such decrease was primarily due to a decrease in marketing and promotion expenses payables, as we settled a significant portion of these payables during the period, as well as a significant decrease in contract liabilities, which led to a decrease in deferred output value-added tax compared to the previous year.

Contract liabilities

Contract liabilities represent the advance payments received from customers while our products are yet to be delivered as we generally require our offline distributors to make payments before delivery. Our contract liabilities increased increased by 67.5% from 23.0 million as at 31 December 2023 to RMB38.5 million as at 31 December 2024 primarily due to an increase in demand and sales orders of our products from our offline distributors.

Our contract liabilities decreased by 80.0% to RMB7.7 million as at 31 December 2025 primarily due to a reduction of sales order from Customer F and delayed sales peak season to January 2026 due to the timing of the 2026 Chinese New Year.

INDEBTEDNESS

As at 31 December 2023 and 2024, 31 December 2025 and 31 January 2026, being the indebtedness date for the purposes of the indebtedness statement, we did not have any mortgages, charges, debentures, lease liabilities, loan capital, unutilised banking facilities, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees. Our Directors have confirmed that there is no other material change in our indebtedness since 30 September 2025 and up to the date of this document.

CONTINGENT LIABILITIES

In June 2024, Bijia Exhibition Co., Ltd.(畢加展覽有限公司)(the "**Plaintiff**"), an Independent Third Party, filed a lawsuit against our Company in respect of a construction contractual dispute for the termination of a construction project contract (the "**Contract**"), to recover damages incurred by the Plaintiff. Up to 31 July 2025, the Plaintiff claimed for a total damage of RMB950,000 including outstanding principal of the project payment of RMB391,000 and its interest, as well as the penalty for breach of contract of RMB540,000, and bearing the litigation costs of this dispute. We filed a counterclaim to the Plaintiff, demanding the penalty for breach of contract totaling RMB1,350,000 and bearing the litigation costs for the counterclaim. In January 2026, the Chongyi County People's Court rendered a judgment: we shall pay Bijia the project payment of RMB391,046.7 and its interest, and appraisal fees of RMB32,000; Bijia shall pay the penalty for breach of contract of RMB270,000 to us; the other claims of the Plaintiff and our other counterclaims were dismissed. As at the Latest Practicable Date, we were in the process of making an appeal against the

judgment and this litigation was ongoing. As at 31 December 2025 and up to the Latest Practicable Date, RMB950,147.7 had been listed as restricted bank deposits pending litigation results. Having obtained legal advice from our legal advisor on the litigation, our Director consider that the possibility of our Company making payment to the third party to recover its claimed damages is remote, and based on the dispute amount and our potential liabilities, such litigation will not have any material operational or financial impact on our operations.

CAPITAL COMMITMENTS

As at 31 December 2023, 2024 and 2025, our Company did not have any significant contractual commitments.

CAPITAL EXPENDITURES

The following table sets out a breakdown of our capital expenditures of the years indicated:

	FY2023	FY2024	FY2025
	RMB'000	*RMB'000*	*RMB'000*
Payments for purchase of items of property, plant and equipment	8,953	20,759	8,168
Payments for purchase of intangible assets	–	180	167

Our historical capital expenditures primarily consist of payments for purchase property, plant and equipment and payment of intangible assets. We funded our capital expenditure requirements mainly from cash generated from operations.

We plan to fund our planned capital expenditures using cash generated from operations and the **[REDACTED]** received from the **[REDACTED]**. We expect to incur additional capital expenditure following the **[REDACTED]**, which will mainly be used for expansion and renovation of our production facilities and construction of cold storage facility and construction of testing laboratory. Please refer to the section headed "Future Plans and Use of **[REDACTED]**" in this document for further details.

OFF-BALANCE SHEET COMMITMENTS TO ARRANGEMENTS

As at 31 January 2026, being the latest practicable date for the purpose of the indebtedness statement in this document, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transaction, details of which are set out in Note 34 to the Accountants' Report in Appendix I to this document. Our Directors are of the view that the related party transactions were conducted at arm's length and on normal commercial terms and/or that such terms were no less favourable to us than terms available from independent third parties which are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

KEY FINANCIAL RATIO

The following table sets out our key financial ratios for the years indicated:

	For the year ended 31 December/ as at 31 December		
	2023	2024	2025
Current ratio	2.7 times	2.6 times	4.3 times
Quick ratio	1.7 times	2 times	2.9 times
Gearing ratio [Note 1]	N/A	N/A	N/A
Return on equity	13.3%	24.2%	19.6%
Return on assets	9.6%	17.1%	16.2%
Interest coverage ratio	97 times	N/A	N/A
Net profit margin	9.6%	15.7%	15.6%
Gross profit margin	48.8%	48.6%	51.3%

Note:

1. Gearing ratio is not applicable as our Company has no borrowings as at the end of the respective year.

Current Ratio

Current ratio is calculated based on the total current assets divided by total current liabilities as at the end of the respective year. Our current ratio remained relatively stable at approximately 2.7 times and 2.6 times as at 31 December 2023 and 2024, respectively. Our current ratio increased to 4.3 times as at 31 December 2025 as a result of a significant decrease in current liabilities from RMB81.7 million as at 31 December 2024 to RMB47.5 million as at 31 December 2025 as a result of a significant drop in contract liabilities, primarily due to a reduction of sales order from Customer F and delayed sales peak season to January 2026 due to the timing of the 2026 Chinese New Year.

Quick Ratio

Quick ratio is calculated based on total current assets less inventories in current assets, divided by total current liabilities as at the end of the respective year. Our quick ratio remained relatively stable at approximately increased from 1.7 times as at 31 December 2023 to approximately 2.0 times as at 31 December 2024 and further increased to 2.9 times as at 31 December 2025. Such increase was mainly attributable to a decrease in inventories from RMB59.5 million in FY2023 to RMB48.4 million in FY2024. The increase in quick ratio to 2.9 times in FY2025 was primarily due to a combined effect of (i) a drop in current assets as restricted bank deposits for the relevant dispute with a construction company have been reduced due to the latest ruling and payment made as at 31 December 2025 and (ii) a significant decrease in contract liabilities in FY2025 due to a reduction of sales order from Customer F and delayed sales peak season to January 2026 due to the timing of the 2026 Chinese New Year.

Return on equity

For FY2023, FY2024 and FY2025, return on equity is calculated by the profit for the year divided by the total equity as at the respective year end and multiplied by 100%. Our return on equity increased to approximately 24.2% for FY2024 and decreased to 19.6% in 2025. Such fluctuation was in line with the fluctuation of the revenue and net profit.

Return on assets

For FY2023, FY2024 and FY2025, return on total assets is calculated by the profit for the year divided by the total assets as at the respective year end and multiplied by 100%. Our return on assets and increased to approximately 17.1% for FY2024 and further increased to 16.2% for FY2025.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

During the Track Record Period, we were principally subject to interest rate risk, credit risk and liquidity risk. Please refer to Note 35 in the Accountants' Report as set out in Appendix I to this document for details.

DIVIDEND

We declared and paid dividends to our Shareholders of RMB7.1 million, RMB11.4 million and RMB20.3 million for FY2023, FY2024 and FY2025 respectively.

Although we do not have a formal dividend policy or a fixed dividend distribution ratio, a decision to declare or to pay any dividends in the future, and the amount of any dividends, will depend on, among other factors, the results of our operations, cash flows, financial conditions, our constitution documents, statutory and regulatory restrictions and other factors that we may consider relevant. There is no assurance that dividends of such amount or any amount will be declared or distributed each year or in any year. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

DISTRIBUTABLE RESERVES

As of 31 December 2025, our Company has reserves available for distribution to our Shareholders in an aggregate amount of RMB249.7 million.

PROPERTY INTERESTS AND PROPERTY VALUATION

During the Track Record Period, we owned certain properties in the PRC in connection with our business operations. Pursuant to Rule 5.01B(2) of the Listing Rules, if the carrying amount (as defined in Rule 5.01(1) of the Listing Rules) of a property interest (as defined in Rule 5.01(3) of the Listing Rules) of an applicant's non-property activities (as defined in Rule 5.01(2) of the Listing Rules) is or is above 15% of its total assets (as defined in Rule 5.01(4) of the Listing Rules), the document shall include the full text of valuation report for such property interest. As the carrying amount of the properties held by us exceed 15% of our total assets as at 30 June 2025, a property valuation in respect of our owned properties is included in this document. Please refer to the paragraph headed "Business — Properties — Owned properties" in this document and the Property Valuation Report issued by King Kee Appraisal and Advisory Limited as set out in Appendix IV to this document for further details.

The table below sets forth the reconciliation between the net book value of our property held for our own occupation as at 31 December 2025 as extracted from the Accountants' Report as set out in the Appendix I to this document and the fair value as at 31 January 2026 as stated in the Property Valuation Report in Appendix IV to this document:

	RMB'000
Net book value of property as at 31 December 2025	69,223
Net valuation surplus	62,888
Valuation of the subject property as at 31 January 2026 set out in Appendix IV to this document	132,111

[REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to the section headed "**[REDACTED]** Financial Information" in Appendix II to this document for our **[REDACTED]** adjusted net tangible assets.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that after the Track Record Period, and up to the date of this document, there has been no material adverse change in our financial or trading position and prospects, and there has been no event since 31 December 2025 which would materially affect the information shown in the Accountants' Report as set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

[REDACTED] EXPENSES

Based on the mid-point of the **[REDACTED]** stated in this document and assuming that the **[REDACTED]** is not exercised, the total estimated **[REDACTED]** expenses (including **[REDACTED]** commission) in connection with the **[REDACTED]** are expected to be HK$**[REDACTED]** million or **[REDACTED]** of the gross **[REDACTED]** from the **[REDACTED]**, among which HK$**[REDACTED]** million is directly attributable to issuance of H Shares and will be charged to equity upon completion of the **[REDACTED]**, and HK$**[REDACTED]** million has been charged or is expected to be charged to our statements of profit and loss and other comprehensive income. Our **[REDACTED]** expenses are categorized into **[REDACTED]**-related expenses, which consists of **[REDACTED]** fee and commission of approximately HK$**[REDACTED]** million and non-**[REDACTED]**-related expenses of approximately HK$**[REDACTED]** million. The non-**[REDACTED]**-related expenses can be further classified into (i) fees and expenses for legal advisors and accountants of approximately HK$**[REDACTED]** million; and (ii) other fees and expenses of approximately HK$**[REDACTED]** million.

FUTURE PLANS

Please refer to the paragraph headed "Business — Our Strategies" in this document for a detailed description of our future plans.

[REDACTED]

We estimate the **[REDACTED]** from the **[REDACTED]** which we will receive, assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** range stated in this document), will be approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), after deduction of **[REDACTED]** commissions and other expenses payable by us in relation to the **[REDACTED]** and assuming the **[REDACTED]** is not exercised.

The table below sets out the implementation and time frame of our Company's proposed **[REDACTED]** from the **[REDACTED]** to 31 December 2028.

	Expected time frame for applying the [REDACTED]						Approximate percentage of [REDACTED]
	Second half of 2026	First half of 2027	Second half of 2027	First half of 2028	Second half of 2028	Total	
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*%*
Expansion of production and storage capacities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhance R&D capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhance our Company's online presence through online marketing and promotions on social media	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expansion of our sales network	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	**100.0**

We intend to use the **[REDACTED]** of the **[REDACTED]** in the expansion of our business, details of which are set out below:

Expansion of production and storage capacities

- approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]** will be used to expand our production and storage capacities, of which:

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), will be used for the renovation and expansion of our production and storage facilities including our raw material warehouse, pulping workshop, drying workshop, and packaging workshop;

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), will be used for our construction of a cold storage facility in the existing production base of our Company located in Chongyi Country, Jiangxi Province in the PRC; and

- approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used for the purchase and installation of machinery and equipment required for the expanded production and storage facilities including, (among others), variable temperature drying equipment (approximately RMB[**REDACTED**] million/equipment), automatic packaging equipment (approximately RMB[**REDACTED**] million/equipment), automated control refrigeration equipment (approximately RMB[**REDACTED**] million/equipment), mixing and deaeration equipment (approximately RMB[**REDACTED**] million/equipment), fully automated conveying equipment (approximately RMB[**REDACTED**] million/equipment) and disinfection machine (approximately RMB[**REDACTED**] million/equipment).

For details of our expansion plans, please refer to paragraph headed "Business — Our Strategies — Expansion of our production capacity and storage facility capacity" in this document.

Enhance R&D capabilities

- approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]** will be used to enhance our R&D capabilities, of which:

  - approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used for product innovation research, exploring the potential value of hog plum in other product categories and investigating the feasibility of different product variants;

  - approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used to expand and upgrade laboratories and product pilot facility through constructing a testing laboratory;

  - approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used for purchasing and installation of pilot-scale equipment and testing equipment;

  - approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used for acquiring both software and hardware facilities for upgrading our food testing technologies in food nutritional value and food quality inspection; and

  - approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used for the recruitment of specialised R&D personnel including R&D specialist in the field of hog plum and quality control specialist focusing on food safety and testing with relevant work experience to execute our R&D initiatives in our R&D key focus areas (R&D in products offering, hog plum resources and production techniques) as set out in the section headed "Business — Our Research and Development" in this document.

Please refer to the paragraph headed "Business – Our Strategies — Further enhance our R&D capabilities" in this document for further details.

Enhance Our Company's online presence through online marketing, brand and product promotion on social media platforms

- approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]**, will be used to develop e-commerce infrastructure and online promotion expenses, of which:

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), will be used for constructing dedicated e-commerce office facilities preliminarily intended to be in a new office site located in either Shenzhen or Hangzhou, creating professional live-streaming broadcast rooms and acquiring the necessary equipment;

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), will be used as advertising investments across our existing e-commerce platforms to optimise product search visibility and enhance social media engagement to strengthen brand awareness and market reach;

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million) will be used to implement a consumer data platform to facilitate our online sales market analysis and enhance real-time monitoring efficiency across all e-commerce platforms including Tmall, Douyin, Kuaishou, Pinduoduo, Weimob, Xiaohongshu and JD.com;

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), will be used for educational promotions of hog plum to enhance public awareness of hog plum food; and

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), will be used for e-commerce talent recruitment.

Please refer to the paragraph headed "Business — Our Strategies — Expansion of our e-commerce network and intensify our online marketing efforts through different marketing means to enhance public awareness of our brands" in this document for further details.

Expansion of our sales network

- approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), representing approximately **[REDACTED]** of the **[REDACTED]** from the **[REDACTED]**, will be used to increase the breadth and depth of our offline sales and distribution network in both existing and untapped markets in the PRC with an aim to sustain stable growth in existing distribution network while at the same time develop emerging distribution channels (such as group buying and snack specialty stores in the PRC), of which:

  – approximately HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), will be used for establishing three regional marketing offices in Zhengzhou, Nanning and Kunming;

- approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million) will be used for enhancing collaboration with existing distributors to strengthen our distribution channels including co-organising interactive marketing events (e.g. hosting pop-up stores and charity campaign) and invest in in-store merchandising initiatives (such as interactive consumer tasting events) while at the same time investing in regional brand promotion in untapped markets in the PRC (e.g. display placement acquisition and advertisement);

- approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used for enhancing our offline sales management system through modernising system for sales data collection and local market trend analysis, developing sales tools with visuals and customisation options to help organise display shelves and execute promotions, enabling real-time tracking of sales representatives' activities and upgrading online service capabilities for our offline distributor (such as online order management and electronic billing process); and

- approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), will be used for expanding sales team through hiring and conduct training programs to enhance sale representatives' capabilities.

Please refer to the paragraph headed "Business — Our Strategies — Expand the breadth and depth of our offline sales network in the PRC" in this document for further details.

General working capital

- the remaining balance of approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), representing [**REDACTED**] of the [**REDACTED**] from the [**REDACTED**] will be used for additional working capital and other general corporate purposes.

If the [**REDACTED**] is fixed at the high-end of the indicative [**REDACTED**] range, being HK$[**REDACTED**] per H Share, the [**REDACTED**] we receive from the [**REDACTED**] will increase to approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million). We intend to apply the additional [**REDACTED**] for the above purposes on a pro-rata basis. If the [**REDACTED**] is set at the low-end of the indicative [**REDACTED**] range, being HK$[**REDACTED**] per H Share, the [**REDACTED**] we receive from the [**REDACTED**] will decrease to approximately HK$[**REDACTED**] million (equivalent to RMB[**REDACTED**] million). We intend to reduce the [**REDACTED**] for the above purposes on a pro-rata basis.

If the [**REDACTED**] is exercised in full, we estimate that the [**REDACTED**] from the [**REDACTED**] including these additional Shares to be received by us, after deduction of [**REDACTED**] and other expenses payable by us, will be (i) approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), assuming the [**REDACTED**] is fixed at the high-end of the [**REDACTED**] range, being HK$[**REDACTED**] per H Share; (ii) approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), assuming the [**REDACTED**] is fixed at the mid-point of the [**REDACTED**] range, being HK$[**REDACTED**] per H Share; and (iii) approximately HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), assuming the [**REDACTED**] is fixed at the

low-end of the **[REDACTED]** range, being HK$**[REDACTED]** per H Share. Any additional **[REDACTED]** received by us from the exercise of the **[REDACTED]** will also be allocated to the above businesses and projects on a pro-rata basis.

To the extent that the **[REDACTED]** are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the **[REDACTED]** only into short-term interest-bearing accounts at licensed commercial banks and/or authorised financial institutions (as defined under the SFO). In such event, we will also comply with the appropriate disclosure requirements under the Listing Rules.

We will issue an announcement in the event that there is any material change in the use of **[REDACTED]** of the **[REDACTED]** as described above.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report, prepared for the purpose of incorporation in this document, received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JIANGXI QIYUNSHAN FOOD CO., LTD. AND ZHONGTAI INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Jiangxi Qiyunshan Food Co., Ltd., (the "**Company**") set out on pages I-3 to I-62, which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for each of the years ended 31 December 2023, 2024 and 2025 (the "**Relevant Periods**"), and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-3 to I-63 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "**Document**") in connection with the initial **[REDACTED]** 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 Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Company for each of the Relevant Periods 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-3 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 Periods.

[•]
Certified Public Accountants
Hong Kong
[Date]

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 Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**"), which is the functional currency of the Company, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
REVENUE	5	246,718	339,132	313,696
Cost of sales		(126,270)	(174,265)	(152,704)
Gross profit		120,448	164,867	160,992
Other income and gains	6	3,314	5,945	7,743
Selling and marketing expenses		(68,225)	(75,835)	(80,694)
Administrative expenses		(17,043)	(18,128)	(18,449)
Research and development expenses		(11,061)	(11,948)	(11,433)
(Provision)/reversal of impairment losses on financial assets, net		6	(12)	(56)
Other expenses	7	(266)	(3,443)	(1,664)
PROFIT BEFORE TAX	8	27,173	61,446	56,439
Income tax expense	11	(3,468)	(8,247)	(7,514)
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		23,705	53,199	48,925
Attributable to:				
Owners of the Company		23,705	53,199	48,925
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY				
Basic and diluted (RMB)	13	0.32	0.71	0.65

STATEMENTS OF FINANCIAL POSITION

	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	82,548	94,350	91,681
Right-of-use assets	*15*	4,477	4,360	4,243
Intangible assets	*16*	1,003	1,095	1,172
Prepayments for equipment	*20*	2,016	1,647	1,985
Total non-current assets		90,044	101,452	99,081
CURRENT ASSETS				
Inventories	*18*	59,463	48,361	63,413
Trade receivables	*19*	2,858	3,449	8,819
Prepayments, deposits and other receivables	*20*	5,122	6,359	14,099
Amount due from a related party	*32(c)*	15,441	904	–
Financial assets at fair value through profit or loss	*21*	2,515	17,008	–
Restricted bank deposits	*22*	53	1,298	952
Cash and cash equivalents	*22*	70,438	131,378	115,009
Total current assets		155,890	208,757	202,292
CURRENT LIABILITIES				
Trade payables	*23*	4,317	4,406	5,470
Contract liabilities	*24*	22,959	38,456	7,681
Amount due to a related party	*32(c)*	–	–	866
Other payables and accruals	*25*	26,902	31,572	24,389
Tax payable		4,182	7,247	9,085
Total current liabilities		58,360	81,681	47,491
NET CURRENT ASSETS		97,530	127,076	154,801
TOTAL ASSETS LESS CURRENT LIABILITIES		187,574	228,528	253,882
NON-CURRENT LIABILITIES				
Deferred income	*26*	4,232	4,545	4,215
Deferred tax liabilities	*17*	5,099	3,899	–
Total non-current liabilities		9,331	8,444	4,215
Net assets		178,243	220,084	249,667
EQUITY				
Paid-in capital/Share capital	*27*	3,216	3,216	75,000
Reserves	*28*	175,027	216,868	174,667
Total equity		178,243	220,084	249,667

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Paid-in capital	Capital reserve	Statutory reserve	Retained profits	Total
	RMB'000 (note 27)	*RMB'000 (note 28)*	*RMB'000 (note 28)*	*RMB'000*	*RMB'000*
At 1 January 2023	3,216	966	2,090	155,325	161,597
Profit for the year and total comprehensive income for the year	–	–	–	23,705	23,705
Dividends declared *(note 12)*	–	–	–	(7,059)	(7,059)
At 31 December 2023	3,216	966*	2,090*	171,971*	178,243

Year ended 31 December 2024

	Paid-in capital	Capital reserve	Statutory reserve	Retained profits	Total
	RMB'000 (note 27)	*RMB'000 (note 28)*	*RMB'000 (note 28)*	*RMB'000*	*RMB'000*
At 1 January 2024	3,216	966	2,090	171,971	178,243
Profit for the year and total comprehensive income for the year	–	–	–	53,199	53,199
Dividends declared *(note 12)*	–	–	–	(11,358)	(11,358)
At 31 December 2024	3,216	966*	2,090*	213,812*	220,084

Year ended 31 December 2025

	Paid-in capital	Share capital	Capital reserve	Statutory reserve	Retained profits	Total
	RMB'000 (note 27)	*RMB'000 (note 27)*	*RMB'000 (note 28)*	*RMB'000 (note 28)*	*RMB'000*	*RMB'000*
At 1 January 2025	3,216	–	966	2,090	213,812	220,084
Profit for the period and total comprehensive income for the year	–	–	–	–	48,925	48,925
Transfer from retained profits	–	–	–	4,893	(4,893)	–
Dividends declared *(note 12)*	–	–	–	–	(20,306)	(20,306)
Conversion into a joint stock company**	(3,216)	75,000	141,119	(2,090)	(209,849)	964
At 31 December 2025	–	75,000	142,085*	4,893*	27,689*	249,667

* *These reserve accounts comprise the reserves of RMB175,027,000, RMB216,868,000 and RMB174,667,000 in the statements of financial position for the years ended 31 December 2023, 2024 and 2025, respectively.*

** *In June 2025, the Company was converted into a joint stock company with limited liability and the net assets of the Company were converted into 75,000,000 ordinary shares at RMB1.00 each. The excess of net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve (note 28).*

STATEMENTS OF CASH FLOWS

	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		27,173	61,446	56,439
Adjustments for:				
Depreciation of property, plant and equipment	*14*	7,181	9,152	10,366
Depreciation of right-of-use assets	*15*	117	117	117
Amortisation of intangible assets	*16*	84	88	90
Gains on disposal of items of property, plant and equipment	*6*	–	(20)	–
Fair value gains on financial assets at fair value through profit or loss	*6*	(15)	(8)	–
Provision of impairment losses on trade receivables, net	*19*	10	11	59
Provision/(reversal) of impairment losses on prepayments, deposits and other receivables, net	*20*	(16)	1	(2)
Interest income	*6*	(1,232)	(1,604)	(1,060)
Investment income from financial assets at fair value through profit or loss	*6*	(344)	(40)	(33)
		32,958	69,143	65,976
(Increase)/decrease in inventories		(20,475)	11,102	(15,052)
Increase in trade receivables		(824)	(602)	(5,429)
(Increase)/decrease in prepayments, deposits and other receivables		1,262	(1,238)	1,387
(Increase)/decrease in amounts due from related parties		(8,107)	14,537	904
(Increase)/decrease in restricted bank deposits		–	(1,245)	346
Increase/(decrease) in trade payables		(334)	89	1,064
Increase in amount due to related parties		–	–	866
Increase/(decrease) in other payables and accruals		(1,181)	4,566	(7,541)
Increase/(decrease) in contract liabilities		9,220	15,497	(30,775)
Increase/(decrease) in deferred income		1,636	313	(330)
		14,155	112,162	11,416
Income tax paid		(5,041)	(6,382)	(9,575)
Net cash flows from operating activities		9,114	105,780	1,841

	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of items of property, plant and equipment		–	298	9
Purchase of items of property, plant and equipment		(8,953)	(20,759)	(8,168)
Purchase of intangible assets		–	(180)	(167)
Purchases of financial assets at fair value through profit or loss		(153,500)	(82,000)	(29,000)
Proceeds from disposal of financial assets at profit or loss		161,419	67,555	46,041
Interest received		1,232	1,604	1,060
Net cash flows from/(used in) investing activities		198	(33,482)	9,775
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		–	–	964
[REDACTED] expenses paid		[REDACTED]	[REDACTED]	[REDACTED]
Dividends paid	*12*	(7,059)	(11,358)	(20,306)
Net cash flows used in financing activities		(7,059)	(11,358)	(27,985)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,253	60,940	(16,369)
Cash and cash equivalents at beginning of year		68,185	70,438	131,378
CASH AND CASH EQUIVALENTS AT END OF YEAR		70,438	131,378	115,009
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	*22*	70,491	132,676	115,961
Less: restricted bank deposits	*22*	(53)	(1,298)	(952)

	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS AND IN THE STATEMENTS OF FINANCIAL POSITION		70,438	131,378	115,009

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Jiangxi Qiyunshan Food Co., Ltd. (the "**Company**") was registered as a limited liability company on 28 September 1995. The registered office of the Company is located at Niujiao River, Hengshui Town, Chongyi County, Ganzhou City, Jiangxi Province, the People's Republic of China ("**PRC**"). In June 2025, the Company was converted into a joint stock company with limited liability under the laws of PRC.

During the Relevant Periods, the Company was primarily engaged in the manufacture and sales of hog plum (南酸棗) food products.

As at the date of this report, the Company had no subsidiary and only established four branches to support operations. Particulars of the Company's branches are as follows:

Name of branches	Place and date of register and place of operations	Percentage of equity attributable to the Company		Principal activities
		Direct	*Indirect*	
Jiangxi Qiyunshan Food Co., Ltd. Sales Centre (江西齊雲山食品股份有限公司營銷中心)* (a) .	PRC/ Chinese mainland, 16 January 2012	100%	–	Sales of hog plum products
Jiangxi Qiyunshan Food Co., Ltd. Ganzhou City Zhanggong District Branch Company (江西齊雲山食品股份有限公司贛州市章貢區分公司)* (a) . . .	PRC/ Chinese mainland, 23 April 2024	100%	–	Provision of branding and marketing services
Jiangxi Qiyunshan Food Co., Ltd. Hangzhou Branch Company (江西齊雲山食品股份有限公司杭州分公司)* (a)	PRC/ Chinese mainland, 4 December 2025	100%	–	No business operation
Jiangxi Qiyunshan Food Co., Ltd. Shenzhen Branch Company (江西齊雲山食品股份有限公司深圳分公司)* (a)	PRC/ Chinese mainland, 18 December 2025	100%	–	No business operation

* *The English names of the above branches registered in the PRC represent the best efforts made by the directors of the Company in directly translating the Chinese names of these branches as no English names have been registered.*

Note:

(a) No audited financial statements have been prepared for these branches since their registration, as the branches were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which include all 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 2025, together with the relevant transitional provisions, have been early adopted by the Company in the preparation of the Historical Financial Information throughout the Relevant Periods.

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.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Company has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Company 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 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 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*

The Company is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income 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. The new requirements are expected to impact the Company's presentation of the statement of profit or loss and other comprehensive income and disclosures of the Company's financial performance. So far, the Company considers that IFRS 18 is unlikely to have a significant impact on the Company's results of operations and financial position. Other than IFRS 18, so far, the Company considers that the new and amended IFRS Accounting Standards are unlikely to have a significant impact on the Company's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Company measures its wealth management products at fair value at the end of each of the Relevant Periods. 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 Company. 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 Company 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 financial statements 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 fair value 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 financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing 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 Periods.

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.

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 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 Periods 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 profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Company 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 Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Company 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 Company 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 Company or an entity related to the Company;

  (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 Company or to the parent of the Company.

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 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 Company 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	4.9% to 9.7%
Machinery and equipment	9.7% to 33.3%
Motor vehicles and others	9.7% to 50.0%

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 methods 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 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 is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

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 assets may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end.

Trademarks and patents

Trademarks and patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 years to 30 years, which are mainly determined by reference to the trademarks and patents period.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years, which is determined by considering the period of the economic benefits to the Company or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

Research and development cost

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Company 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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:

Leasehold lands	50 years

If ownership of the leased asset transfers to the Company 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 Company and payments of penalties for termination of a lease, if the lease term reflects the Company 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 Company 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

The Company applies the short-term lease recognition exemption to its short-term leases of office and 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).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

When the Company acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Company allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in other income and gains in the statements of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient of not adjusting the effect of a significant financing component, the Company 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 Company 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 Company'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 Company 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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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 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 Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company 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 Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 360 days past due. The Company has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Company's credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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 Company applies the practical expedient of not adjusting the effect of a significant financing component, the Company applies the simplified approach in calculating ECLs. Under the simplified approach, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, and financial liabilities included in other payables and accruals.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

Provision

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 the Relevant Period 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 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 other comprehensive income 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 the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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 subsidiary 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, and 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 subsidiary and an associate, 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 Relevant Periods 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 Relevant Periods 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 by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Company 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 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 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 Company 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 Company 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.

(a) Sale of hog plum food products

Revenue from the sale of hog plum food products is recognised at the point in time when control of the products is transferred to the customer, generally upon the delivery or customer's acceptance, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Some contracts for the sale of hog plum food products provide customers with volume rebates. The volume rebates give rise to variable consideration.

(i) Volume rebates

Retrospective volume rebates may be provided to certain customers once the sales value 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.

(b) Provision of branding and marketing services

The Company provides branding and marketing services to its related parties that leverage the Company's brand and sales channels to promote the products produced by related parties, in exchange for service fee. The revenue from the provision of branding and marketing services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Company.

(c) Principal agent consideration

The Company reports the revenue on a gross or net basis depending on whether the Company is acting as a principal or an agent in a transaction. The Company is a principal if it controls the specified product or service before that product or service is transferred to a customer or it has a right to direct others to provide the product or service to the customer on the Company's behalf. Indicators that the Company is a principal include but are not limited to: the Company (i) is the primary obligor in the arrangement; (ii) has latitude in establishing the selling price; (iii) has discretion in supplier selection; (iv) changes the product or performs part of the service; and (v) has involvement in the determination of product or service specifications.

Other income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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 Company transfers the related services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related services to the customer).

Employee benefits

Pension scheme

The Company's employees in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company is required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances – Chinese mainland

The Company has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Company makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Company's liability in respect of these funds is limited to the contributions payable in the Relevant Periods.

Events after the Relevant Periods

If the Company receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in the financial statements. The Company will adjust the amounts recognised in the financial statements to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Company will not change the amounts recognised in the financial statements but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company'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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

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. The Company applies judgement in evaluating whether or not all attaching conditions will be complied with, taking into account of all relevant factors, and the information available.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, 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.

Variable consideration for volume rebates

The Company estimates variable consideration to be included in the transaction price for the sale of goods with volume rebates.

The Company's expected volume rebates are analysed on a per customer basis for contracts that are subject to the volume threshold. Determining whether a customer is likely to be entitled to a rebate depends on the customer's historical rebate entitlement and accumulated purchases to date.

The Company updates its assessment of expected volume rebates accordingly. Estimates of expected volume rebates are sensitive to changes in circumstances and the Company's past experience regarding rebate entitlements may not be representative of actual rebate entitlements in the future.

Provision for expected credit losses on trade receivables and other receivables

The Company uses external credit ratings and historical credit loss experience of the industry to calculate ECLs for trade receivables under simplified approach and for other receivables under general approach.

The observed default rates of the industry are adjusted with forward-looking information. For instance, if forecast economic conditions (i.e., total retail sales of social consumer goods) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industry, the historical default rates are adjusted. At the end of each of the reporting periods, 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 Company'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 Company's trade receivables and other receivables is disclosed in note 19 and 20 to the Historical Financial Information.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. 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 cost of disposal and its value in use. The calculation of the fair value less cost of disposal is based on available data from binding sales transaction 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 in order to calculate the present value of those cash flows. The information about the carrying amounts of the non-financial assets of the Company is disclosed in notes 14, 15 and 16 to the Historical Financial Information.

Provision for inventories

The Company's inventories are stated at the lower of cost and net realisable value. The Company's provision for its inventories is based on estimates of the realisable value with reference to the ageing and condition of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories are reviewed annually for provision, if appropriate. Further details of the inventories are set out in note 18 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Company is principally involved in the business of manufacturing and sales of hog plum (南酸棗) food products and only has one reportable operating segment.

The information reported to the management for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the management reviewed the financial results of the Company. Accordingly, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

The geographical location of customers is based on the location at which the customers operate, and all of the Company's revenue was derived from operations in Chinese mainland during the Relevant Periods.

(b) Non-current assets

All the non-current assets of the Company were physically located in Chinese mainland as at the end of each of the Relevant Periods.

Information about a major customer

Revenue from a major customer, which accounted for 10% or more of the Company's revenue during the Relevant Periods is set out below:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer F.	N/A*	77,955	N/A*

* *Less than 10% of the Company's revenue.*

5. REVENUE

An analysis of revenue is as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	246,718	339,132	313,696

Revenue from contracts with customers

(a) Disaggregated revenue information

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sale of hog plum food products	245,860	338,266	312,855
Branding and marketing services	858	866	841
Total	246,718	339,132	313,696
Geographical market			
Chinese mainland	246,718	339,132	313,696
Timing of revenue recognition			
Goods transferred at a point of time	245,860	338,266	312,855
Services transferred at a point of time	858	866	841
Total	246,718	339,132	313,696

The following table shows the amounts of revenue recognised during the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the year:			
Sale of hog plum food products	13,739	22,959	38,456

(b) Performance obligations

Information about the Company's performance obligations is summarised below:

Sales of hog plum food products

The performance obligation is satisfied upon the delivery of the products and customers' acceptance, and payment is generally made in advance.

Branding and marketing services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Service contracts are for periods of one year or less, and are billed based on the time incurred.

6. OTHER INCOME AND GAINS

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Interest income	1,232	1,604	1,060
Government grants *(note)*	1,480	4,124	5,972
Investment income from financial assets at fair value through profit or loss	344	40	33
Others	243	149	678
Total other income	3,299	5,917	7,743
Gains			
Gain on disposal of property, plant and equipment	–	20	–
Fair value gains on financial assets at fair value through profit or loss	15	8	–
Total gains	15	28	–
Total other income and gains	3,314	5,945	7,743

Note: The amount included government grants related to expense items and assets items.

These government grants related to expenses items were awarded for the Company's contribution to local economic growth and reimbursed for the Company's operating expenditures. These grants related to expenses items are recognised in profit or loss upon receipt and there are no unfulfilled conditions or contingencies relating to these grants.

The Company has also received certain government grants related to the investments in plant and equipment. The grants related to assets were recognised as deferred income upon receipt. There are no unfulfilled conditions or contingencies relating to these grants.

7. OTHER EXPENSES

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Legal damages	–	3,344	1,650
Donation	100	28	–
Others	166	71	14
Total	266	3,443	1,664

8. PROFIT BEFORE TAX

The Company's profit before tax is arrived at after charging/(crediting):

	Notes	2023 RMB'000	2024 RMB'000	2025 RMB'000
Cost of inventories sold		126,270	174,265	152,704
Research and development expenses *(a)*		11,061	11,948	11,433
Depreciation of property, plant and equipment	*15*	7,181	9,152	10,366
Depreciation of right-of-use assets	*15(a)*	117	117	117
Amortisation of intangible assets *(b)*	*16*	84	88	90
Total depreciation and amortisation		7,382	9,357	10,573
Lease payments not included in the measurement of lease liabilities	*15(b)*	536	556	575
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expenses (excluding directors' and chief executive's remuneration *(note 9)*):				
Wages, salaries and other allowances		66,315	76,554	79,442
Pension scheme contributions and social welfare (defined contribution scheme) *(c)*		5,310	5,916	7,772
Total employee benefit expenses		71,625	82,470	87,214
Impairment losses on financial assets, net:				
Provision of impairment losses on trade receivables, net	*19*	10	11	59
Provision/(reversal) of impairment losses on financial assets included in prepayments, deposits and other receivables, net	*20*	(16)	1	(2)
Total		(6)	12	57

(a) Research and development costs include expenses relating to depreciation of property, plant and equipment and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

(b) The amortisation of intangible assets is included in "Administrative expenses" or "Cost of sales" in the statement of profit or loss and other comprehensive income.

(c) There are no forfeited contributions that may be used by the Company as the employer to reduce the existing level of contributions.

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the Relevant Periods is as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees *(a)*	–	–	144
Other emoluments *(b)*			
– Salaries, allowances and benefits in kind	2,148	1,926	2,626
– Performance related bonuses	141	196	291
– Pension scheme contributions	47	44	48
Subtotal	2,336	2,166	2,965
Total	2,336	2,166	3,109

(a) Independent non-executive directors

There were no independent non-executive directors appointed during 2023 and 2024.

On 25 May 2025, the Company appointed Mr. Wong Tsz Lun, Dr. Dai Taotao and Mr. Wong Sai Hung as independent non-executive directors.

(b) Executive directors and the chief executive

Year ended 31 December 2023

	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Liu Zhigao*	–	557	33	7	597
Mr. Zhu Fangyong	–	324	27	10	361
Mr. Liu Jiyan	–	442	25	10	477
Ms. Yang Yulan	–	194	18	–	212
Mr. Huang Zhongming	–	442	25	10	477
Mr. Ling Huashan	–	189	13	10	212
Total	**–**	**2,148**	**141**	**47**	**2,336**

Year ended 31 December 2024

	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Liu Zhigao*	–	506	62	–	568
Mr. Zhu Fangyong	–	363	43	11	417
Mr. Liu Jiyan	–	381	40	11	432
Ms. Yang Yulan	–	180	17	–	197
Mr. Huang Zhongming	–	333	21	11	365
Mr. Ling Huashan	–	163	13	11	187
Total	**–**	**1,926**	**196**	**44**	**2,166**

Year ended 31 December 2025

	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Liu Zhigao*	–	633	46	–	679
Mr. Zhu Fangyong	–	636	144	12	792
Mr. Liu Jiyan	–	471	35	12	518
Ms. Yang Yulan	–	221	17	–	238
Mr. Huang Zhongming	–	431	34	12	477
Mr. Ling Huashan	–	234	15	12	261
Total	**–**	**2,626**	**291**	**48**	**2,965**

* *Mr. Liu Zhigao also serves as the chairman of the board of directors, the executive director and the general manager of the Company.*

Note:

Mr. Liu Zhigao, Mr. Zhu Fangyong and Mr. Liu Jiyan were appointed as executive directors effective from 28 September 1995.

Ms. Yang Yulan and Mr. Huang Zhongming were appointed as executive directors effective from 15 April 2000.

Mr. Ling Huashan was appointed as executive director effective from 10 March 2005.

There were no other emoluments payable to the directors during the Relevant Periods. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods. During the Relevant Periods, no emoluments were paid by the Company to any of the directors as an inducement to join or upon joining the Company or as compensation for loss of office.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 included 4, 4 and 4 directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the years ended 31 December 2023, 2024 and 2025 of the remaining 1, 1, and 1 highest paid employee who was neither a director nor chief executive of the Company are as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	387	303	349
Performance related bonuses	35	31	18
Pension scheme contributions	10	11	6
Total	**432**	**345**	**373**

The number of the non-director highest paid employee whose remuneration fell within the following band is as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Nil to HK$500,000	1	1	1

During the Relevant Periods, no emoluments were paid by the Company to any of the directors or the individual as an inducement to join or upon joining the Company or as compensation for loss of office.

11. INCOME TAX

During the Relevant Periods, all of the Company's businesses were conducted in Chinese mainland.

Chinese mainland

The Company is incorporated in Chinese mainland and the provision for Chinese mainland current income tax is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Corporate Income Tax Law.

The Company was qualified as a High and New Technology Enterprise and therefore was entitled to a preferential tax rate of 15% during the Relevant Periods.

The income tax expense of the Company for the Relevant Periods was analysed as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current – Chinese mainland:			
Charge for the year	4,518	9,447	11,413
Deferred *(note 17)*	(1,050)	(1,200)	(3,899)
Total	**3,468**	**8,247**	**7,514**

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the country in which the Company is domiciled to the tax expense at the effective tax rate is as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	27,173	61,446	56,439
Tax at the preferential tax rate of 15%	4,076	9,217	8,466
Expenses not deductible for tax	1,050	823	763
Super deduction for research and development expenses*	(1,658)	(1,793)	(1,715)
Tax charge at the Company's effective tax rate	3,468	8,247	7,514

* *Based on Public Notice 2021 No. 13 issued by the State Tax Bureau of the PRC on 31 March 2021, the manufacturing enterprises were eligible for an additional 100% deduction of eligible R&D expenses starting from 1 January 2021. Furthermore, based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises were eligible for an additional 100% deduction of eligible R&D expenses from 1 January 2023. The Company has claimed such additional deduction during the Relevant Periods.*

12. DIVIDENDS

The declared dividends which were approved by the Company's shareholders during the Relevant Periods are as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Dividends declared	7,059	11,358	20,306

On 21 March 2023, the Company declared dividends of RMB7,059,000 to its shareholders, which were paid on 10 April 2023.

On 21 March 2024, the Company declared dividends of RMB11,358,000 to its shareholders, which were paid on 3 April 2024.

On 19 January 2025, the Company declared dividends of RMB20,306,000 to its shareholders, which were paid on 27 February 2025.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the Relevant Periods, assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:23.32 as upon conversion into a joint stock company in June 2025.

The company had no potentially dilutive ordinary shares in issue during the Relevant Periods.

The calculation of basic earnings per share are based on:

	2023	2024	2025
Earnings			
Earnings attributable to owners of the Company, used in the basic earnings per share calculation (RMB'000)	23,705	53,199	48,925
Shares			
Weighted average number of ordinary shares outstanding during the year used in basic earnings per share calculation (in shares)	75,000,000	75,000,000	75,000,000

14. PROPERTY, PLANT AND EQUIPMENT

31 December 2023	Buildings	Machine equipment	Motor vehicles and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023					
Cost	85,425	22,112	12,991	8,127	128,655
Accumulated depreciation	(21,364)	(12,732)	(11,687)	–	(45,783)
Net carrying amount	64,061	9,380	1,304	8,127	82,872
At 1 January 2023 net of accumulated depreciation	64,061	9,380	1,304	8,127	82,872
Additions	123	3,884	311	2,539	6,857
Transfers	1,565	5,171	–	(6,736)	–
Depreciation provided during the year	(4,693)	(2,026)	(462)	–	(7,181)
At 31 December 2023 net of accumulated depreciation	61,056	16,409	1,153	3,930	82,548
At 31 December 2023					
Cost	87,113	31,167	13,302	3,930	135,512
Accumulated depreciation	(26,057)	(14,758)	(12,149)	–	(52,964)
Net carrying amount *(note (a))*	61,056	16,409	1,153	3,930	82,548

31 December 2024	Buildings	Machine equipment	Motor vehicles and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024					
Cost	87,113	31,167	13,302	3,930	135,512
Accumulated depreciation	(26,057)	(14,758)	(12,149)	–	(52,964)
Net carrying amount	61,056	16,409	1,153	3,930	82,548
At 1 January 2024 net of accumulated depreciation	61,056	16,409	1,153	3,930	82,548
Additions	889	288	1,725	18,330	21,232
Transfers	17,628	4,593	39	(22,260)	–
Disposals	–	–	(278)	–	(278)
Depreciation provided during the year	(5,546)	(3,099)	(507)	–	(9,152)
At 31 December 2024 net of accumulated depreciation	74,027	18,191	2,132	–	94,350
At 31 December 2024					
Cost	105,630	36,048	14,761	–	156,439
Accumulated depreciation	(31,603)	(17,857)	(12,629)	–	(62,089)
Net carrying amount *(note (a))*	74,027	18,191	2,132	–	94,350

31 December 2025	Buildings	Machine equipment	Motor vehicles and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025					
Cost	105,630	36,048	14,761	–	156,439
Accumulated depreciation	(31,603)	(17,857)	(12,629)	–	(62,089)
Net carrying amount	74,027	18,191	2,132	–	94,350
At 1 January 2025 net of accumulated depreciation	74,027	18,191	2,132	–	94,350
Additions	42	6,083	29	1,552	7,706
Transfers	1,552	–	–	(1,552)	–
Disposals	–	(1)	(8)	–	(9)
Depreciation provided during the year	(6,398)	(3,492)	(476)	–	(10,366)
At 31 December 2025 net of accumulated depreciation	69,223	20,781	1,677	–	91,681
At 31 December 2025					
Cost	107,224	41,812	14,156	–	163,192
Accumulated depreciation	(38,001)	(21,031)	(12,479)	–	(71,511)
Net carrying amount	69,223	20,781	1,677	–	91,681

(a) During the Relevant Periods, the Company was involved in one contractual dispute with a construction company in regards with the construction of the Company's facilities. As result of the contractual dispute, certain items of the Company's property, plant and equipment were frozen.

During the year ended 31 December 2024, the Company has reached a final agreement with the construction company with settlement amount of RMB3,344,000, which was fully paid by the Company in 2024 and a corresponding other expense (note 7) was recognized in profit or loss.

As at 31 December 2023 and 2024, the Company's certain property, plant and equipment were frozen for litigation reasons. The details are as follows:

Property title certificate code (reissued)	Purpose of the facility	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
贛(2025)崇義縣不動產權第0001272號	Residence	1,600	1,754	–
贛(2025)崇義縣不動產權第0001270號	Residence	4,158	4,419	–
贛(2025)崇義縣不動產權第0001271號	Boiler room	929	1,104	–

As of the date of this report, all items of property, plant and equipment above were unfrozen as the Company has reached the agreement with the construction company as mentioned above.

(b) As at 31 December 2023 and 2024, the Company's finished goods production facility had not obtained the valid ownership certificate due to the failure to obtain the construction work completion inspection certificates; and the Company's raw material processing facility had not obtained the valid ownership certificate due to the failure to obtain the construction work completion inspection certificates and fire safety inspection approvals in accordance with the applicable PRC laws and regulations or policies. The net carrying amounts of these facilities were RMB46,487,000 and RMB44,001,000, respectively, as at 31 December 2023 and 2024.

As at 31 December 2025, the Company has obtained the ownership certificates for these facilities.

15. LEASES

The Company as a lessee

The Company has lease contracts for leasehold lands used in its operations. Lump sum payments were made upfront to acquire the leased lands from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Other office and premises generally have lease terms of 12 months.

(a) Right-of-use assets

The carrying amounts of the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

	Leasehold lands
	RMB'000
At 1 January 2023	4,594
Depreciation charge	(117)
As at 31 December 2023 and 1 January 2024	4,477
Depreciation charge	(117)
As at 31 December 2024 and 1 January 2025	4,360
Depreciation charge	(117)
As at 31 December 2025	4,243

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets	117	117	117
Expense relating to short-term leases	536	556	575
Total amount recognised in profit or loss	653	673	692

16. INTANGIBLE ASSETS

31 December 2023	Trademarks and patents
	RMB'000
At 1 January 2023:	
Cost	1,293
Accumulated amortisation	(206)
Net carrying amount	1,087
At 1 January 2023, net of accumulated amortisation	1,087
Amortisation provided during the year	(84)
At 31 December 2023, net of accumulated amortisation	1,003
At 31 December 2023:	
Cost	1,293
Accumulated amortisation	(290)
Net carrying amount	1,003

31 December 2024	Trademarks and patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024:			
Cost	1,293	–	1,293
Accumulated amortisation	(290)	–	(290)
Net carrying amount	1,003	–	1,003
At 1 January 2024, net of accumulated amortisation	1,003	–	1,003
Additions	160	20	180
Amortisation provided during the year	(87)	(1)	(88)
At 31 December 2024, net of accumulated amortisation	1,076	19	1,095
At 31 December 2024:			
Cost	1,453	20	1,473
Accumulated amortisation	(377)	(1)	(378)
Net carrying amount	1,076	19	1,095

31 December 2025	Trademarks and patents	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025:			
Cost	1,453	20	1,473
Accumulated amortisation	(377)	(1)	(378)
Net carrying amount	1,076	19	1,095
At 1 January 2025, net of accumulated amortisation	1,076	19	1,095
Additions	–	167	167
Amortisation provided during the year	(82)	(8)	(90)
At 31 December 2025, net of accumulated amortisation	994	178	1,172
At 31 December 2025:			
Cost	1,453	187	1,640
Accumulated amortisation	(459)	(9)	(468)
Net carrying amount	994	178	1,172

17. DEFERRED TAX

The movements in the Company's deferred tax liabilities during the Relevant Periods are as follows:

Deferred tax liabilities

	Relocation compensation
	RMB'000
At 1 January 2023	6,149
Deferred tax charged to profit or loss during the year	(1,050)
Gross deferred tax liabilities at 31 December 2023	5,099
At 1 January 2024	5,099
Deferred tax charged to profit or loss during the year	(1,200)
Gross deferred tax liabilities at 31 December 2024	3,899
At 1 January 2025	3,899
Deferred tax charged to profit or loss during the year	(3,899)
Gross deferred tax liabilities at 31 December 2025	–

Note: The demolition compensation funds obtained by the Company from the government should be subject to income tax. As the Company meets the requirements of policy-based relocation, the Company has applied for the preferential treatment of deferred tax payment. The relocation income and expenses incurred during the relocation period were temporarily not included in the current taxable income. Upon the end of the relocation period of up to 5 years, the demolition compensation funds shall be settled and taxed.

18. INVENTORIES

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	6,654	10,455	6,143
Work in progress	39,838	31,476	46,958
Finished goods	12,971	6,430	10,312
Total	59,463	48,361	63,413

19. TRADE RECEIVABLES

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	2,893	3,495	8,924
Impairment	(35)	(46)	(105)
Net carrying amount	2,858	3,449	8,819

The Company normally required full payment in advance before the delivery of products, except for certain customers whom trading terms are on credit. The credit term is generally 30 days. Each customer has a maximum credit limit. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2023, 2024 and 2025, there was a concentration of credit risk in the Company's trade receivables as 90%, 83% and 83% of trade receivables were due from the top five debtors, respectively.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods (based on the invoice date and net of loss allowance) is as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,829	3,449	8,819
1 to 2 years	–	–	–
2 to 3 years	–	–	–
Over 3 years	29	–	–
Total	2,858	3,449	8,819

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	25	35	46
Impairment losses, net	10	11	59
At the end of the year	35	46	105

An impairment test is performed at the end of each of the Relevant Periods by referencing to an external credit rating from Moody's or assigning an internal credit rating with reference to the historical record of the Company and comparing it with companies with published ratings to determine the probability of default. Loss given default is estimated based on market information and is adjusted to reflect the effect of credit enhancement and other information of the specific debtors. The loss rate is then adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. Generally, trade receivables are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Set out below is the information about the credit risk exposure on trade receivables:

	Less than 1 year	1 to 3 years	Over 3 years	Total
At 31 December 2023				
Expected credit loss rate	1.15%	–	6.45%	1.21%
Gross carrying amount *(RMB'000)*	2,862	–	31	2,893
Expected credit losses *(RMB'000)*	33	–	2	35
At 31 December 2024				
Expected credit loss rate	1.32%	–	–	1.32%
Gross carrying amount *(RMB'000)*	3,495	–	–	3,495
Expected credit losses *(RMB'000)*	46	–	–	46
At 31 December 2025				
Expected credit loss rate	1.18%	–	–	1.18%
Gross carrying amount *(RMB'000)*	8,924	–	–	8,924
Expected credit losses *(RMB'000)*	105	–	–	105

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments to suppliers	2,928	4,114	2,908
Prepayments for equipment	2,016	1,647	1,985
Deferred **[REDACTED]** expense	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	898	1,168	1,094
Other receivables	1,322	1,104	997
	7,164	8,033	16,109
Impairment allowance	(26)	(27)	(25)
Total	7,138	8,006	16,084
Analysed into:			
Current portion	5,122	6,359	14,099
Non-current portion	2,016	1,647	1,985

The movements in the loss allowance for impairment of deposits and other receivables are as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	42	26	27
Impairment losses, net	(16)	1	(2)
At the end of the year	26	27	25

An impairment analysis was performed at the end of each of the Relevant Periods. The Group has applied the general approach to provide for expected credit losses for non-trade other receivables under IFRS 9. The Group has applied the general approach to provide for expected credit losses for non-trade other receivables under IFRS 9. As at 31 December 2023, 2024 and 2025, the probabilities of default applied were 1.18%, 1.18% and 1.18%, respectively, and the loss given default was estimated to be 100%, 100% and 100%, respectively. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	2,515	17,008	–

The wealth management products are issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	70,491	132,676	115,961
Less: restricted bank deposits	(53)	(1,298)	(952)
Cash and cash equivalents	70,438	131,378	115,009

At 31 December 2023, 2024 and 2025, the cash and bank balances of the Company denominated in Renminbi ("**RMB**") amounted to RMB70,491,000, RMB132,676,000, and RMB115,961,000, respectively.

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Administration Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The carrying amounts of the cash and bank balances approximate to their fair values.

Certain amounts of restricted bank deposits are pledged to banks for miscellaneous daily operation purposes as at the end of each of the Relevant Periods. As at 31 December 2023, 2024 and 2025, the restricted bank deposit pledged for miscellaneous daily operation purposes was RMB53,000, RMB53,000 and RMB2,000, respectively.

In addition, certain amount of restricted bank deposits are frozen as at 31 December 2024 and 2025 due to an on-going lawsuit against the Company by an independent third party Bijia Exhibition Co., Ltd.(畢加展覽有限公司)(the "**Plaintiff**"). As at 31 December 2024 and 2025, the frozen bank deposit was RMB1,245,000 and RMB950,000 based on the update damages amount claimed by the Plaintiff. For the details of the on-going lawsuit, please refer to note 29 Contingent Liabilities.

23. TRADE PAYABLES

An ageing analysis of trade payables as at the end of each of the Relevant Periods, based on the invoice date, was as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	4,026	4,172	5,382
1 to 2 years	22	4	6
2 to 3 years	66	6	4
Over 3 years	203	224	78
Total	4,317	4,406	5,470

Trade payables are non-interest-bearing and are normally settled within 3 months upon receipt of the value added tax invoice.

24. CONTRACT LIABILITIES

Details of contract liabilities as at the end of each of the Relevant Periods were as follows:

	1 January 2023	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Sale of hog plum food products	13,739	22,959	38,456	7,681

Contract liabilities mainly arise from the advance payments received from customers while the underlying products are yet to be delivered. The amounts of considerations received in advance are expected to be recognised within one year or less when the products are accepted by customers. The increase in contract liabilities throughout 2023 and 2024 was in line with the growth of the Company's business. The decrease in contract liabilities throughout 2025 was mainly due to a reduction of sales order from Customer A.

25. OTHER PAYABLES AND ACCRUALS

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payable for marketing and promotion expenses	3,431	4,928	1,142
Deposits payable	4,628	2,944	4,494
Payable for purchase of property, plant and equipment	610	714	589
Payables for **[REDACTED]** expense	[REDACTED]	[REDACTED]	[REDACTED]
Accruals and other payables	4,467	4,233	3,164
Payroll payables	7,920	8,881	9,168
Other taxes payables	5,846	9,872	5,305
Total	26,902	31,572	24,389

Other payables are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at the end of each reporting period approximated to their corresponding carrying amounts.

26. DEFERRED INCOME

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grant	4,232	4,545	4,215

27. PAID-IN CAPITAL

Paid-in Capital

A summary of movements in the Company's paid-in capital during the Relevant Periods is as follows:

	RMB'000
As at 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024 and 1 January 2025 *(Note a)*	3,216
Conversion into a joint stock company *(Note b)*	(3,216)
As at 31 December 2025	–

Share capital

A summary of movements in the Company's share capital during the Relevant Periods is as follows:

	Number of shares in issue	Share capital
		RMB'000
As at 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024 and 1 January 2025	–	–
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each *(Note b)*	75,000,000	75,000
As at 31 December 2025	75,000,000	75,000

Notes:

(a) In September 2022, the registered capital of the Company was converted from USD620,000 to RMB4,180,000 based on the then prevailing exchange rate.

(b) In June 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as at the conversion base date amounting to RMB216,121,000 were converted into 75,000,000 ordinary shares at RMB1.00 each. The excess of net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

28. RESERVES

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented in the statements of changes in equity on page I-7 to page I-8 of the Historical Financial Information.

(a) Capital reserve

The capital reserve of the Company represents the difference between the value of the paid-up capital and the consideration received.

(b) Statutory reserve

In accordance with the PRC Company Law and the articles of association of the Company, the Company is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations, the statutory reserve may be used either to offset losses, or to be converted to increase paid-in capital, provided that the balance after such conversion is not less than 25% of the registered capital of the Company. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

29. CONTINGENT LIABILITIES

In June 2024, Bijia Exhibition Co., Ltd.(畢加展覽有限公司)(the "**Plaintiff**"), an independent third party, filed a lawsuit against the Company in respect of a construction contractual dispute for the termination of a construction project contract (the "**Contract**") to recover the damage incurred by the Plaintiff. Up to 31 July 2025, the Plaintiff claimed for a total damage of RMB950,000 including outstanding principal of the project payment of RMB391,000 and its interest, as well as the penalty for breach of contract of RMB540,000, and bearing the litigation costs of this case. The Company also filed a counterclaim to Bijia Exhibition Co., Ltd., demanding the penalty for breach of contract totalling RMB1,350,000 and bearing the counterclaim litigation costs. As the Plaintiff had applied to the court for property preservation, certain amount of bank deposit was frozen by the court. As at 31 December 2024 and 31 December 2025, this litigation was ongoing, the frozen bank deposit was of RMB1,245,000 and RMB950,000 based on the update damages amount claimed by the Plaintiff.

Up to 31 December 2025, based on the legal advice from the Company's legal advisor on the litigation, our Director consider that the provision amount for making payment to the Plaintiff to recover its claimed damages was around RMB120,000, which was based on the evidences submitted by the Company and the Plaintiff and the hearing conducted by the court in 23 September 2025.

According to the judgment issued by the Chongyi County People's Court on 20 January 2026, the Company should pay the Plaintiff the outstanding project payments amounting to RMB391,000 based on the construction cost judicial appraisal report issued in July 2025, together with interest accrued thereon calculated at the one-year loan prime rate published by Bank of China Interbank Lending Centre (中國銀行同業拆借中心) from 18 August 2024 until the actual payment date, with a provisional amount of RMB17,000 assessed by the Company, and the appraisal cost of RMB32,000. At the meanwhile, the Plaintiff should also pay the Company a liquidated damage of RMB270,000. Therefore, the net amount should be paid to the Plaintiff was RMB170,000, which was close to the provision amount of RMB120,000 accrued as at 31 December 2025. As at the Latest Practicable Date, the Company was in the process of making an appeal against the judgment and this litigation was ongoing.

30. PLEDGE OF ASSETS

Except for otherwise disclosed in the notes to the Historical Financial Information, there was no pledge of assets as at the end of each of the Relevant Period.

31. COMMITMENTS

At the end of the each of the Relevant Periods, the Company did not have any significant contractual commitments.

32. RELATED PARTY TRANSACTIONS

(a) Related parties:

Name of related parties	Relationship with the Company
Jiangxi Qiyunshan Oil Tea Technology Co., Ltd. (江西齊雲山油茶科技有限公司)("**Qiyunshan Oil Tea**")	Entity controlled by the Company's controlling shareholders

(b) The Company had the following transactions with a related party during the Relevant Periods:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Branding and marketing services *(note (i))*	858	866	841

(i) The revenue in relation to the provision of branding and marketing services to Qiyunshan Oil Tea is based on the service fees mutually agreed by the Company with Qiyunshan Oil Tea.

(c) Outstanding balances with related party as at 31 December 2023, 2024 and 2025:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amount due from Qiyunshan Oil Tea	15,441	904	–
Amount due to Qiyunshan Oil Tea	–	–	866

As at 31 December 2023, all balances with related parties were non-trade in nature, which have been collected by the Company during the Relevant Periods. As at 31 December 2024 and 2025, all balances with related parties were trade in nature, resulting from the receivable of provision of branding and marketing services to the related party, netting off the payable for the consignment of oil tea products to the related party.

The outstanding balances with related parties are unsecured, interest-free and repayable on demand.

(d) Compensation of key management personnel of the Company:

The emoluments of key management personnel are as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,780	2,433	3,178
Performance related bonuses	195	245	319
Pension scheme contributions	67	66	60
Total	3,042	2,744	3,557

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Relevant Periods were as follows:

Financial assets

	Financial assets at amortised cost		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	2,858	3,449	8,819
Financial assets included in prepayments, prepayments, deposits and other receivables	2,194	2,245	2,066
Amounts due from related parties	15,441	904	–
Restricted bank deposits	53	1,298	952
Cash and cash equivalents	70,438	131,378	115,009
Total	90,984	139,274	126,846

	Financial assets at fair value through profit or loss		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	2,515	17,008	–

Financial liabilities

	Financial liabilities at amortised cost		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	4,317	4,406	5,470
Amount due to related party	–	–	866
Financial liabilities included in other payables and accruals	13,136	12,819	9,916
Total	17,453	17,225	16,252

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments, other than those carrying amounts that reasonably approximate to fair values are as follows:

	Carrying amount		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at fair value through profit or loss. .	2,515	17,008	–

	Fair value		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at fair value through profit or loss. .	2,515	17,008	–

Management has assessed that the fair values of cash and bank balances, restricted bank deposits, trade receivables, amount due from a related party, financial assets included in prepayments, deposits and other receivables, trade payables, amount due to a related party and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Company's finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the finance manager. At each reporting date, the 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 finance manager.

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 Company invests in financial assets at fair value through profit or loss, which represent wealth management products issued by banks in Chinese mainland. The Company has estimated the fair values of these investments based on the net values announced by the banks at the end of each of the reporting periods (Level 2).

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and cash equivalents and financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables and financial liabilities included in other payables and accruals, which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

The Company trades only with recognised and creditworthy third parties. It is the Company'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.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Company'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 the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

As at 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 receivables*	–	–	–	2,893	2,893
Financial assets included in prepayments, deposits and other receivables					
– Normal**	2,220	–	–	–	2,220
Amounts due from related parties					
– Normal**	15,441	–	–	–	15,441
Restricted bank deposits					
– Not yet past due	53	–	–	–	53
Cash and cash equivalents					
– Not yet past due	70,438	–	–	–	70,438
Total	**88,152**	**–**	**–**	**2,893**	**91,045**

As at 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 receivables*	–	–	–	3,495	3,495
Financial assets included in prepayments, deposits and other receivables					
– Normal**	2,272	–	–	–	2,272
Amounts due from related parties					
– Normal**	904	–	–	–	904
Restricted bank deposits					
– Not yet past due	1,298	–	–	–	1,298
Cash and cash equivalents					
– Not yet past due	131,378	–	–	–	131,378
Total	**135,852**	**–**	**–**	**3,495**	**139,347**

As at 31 December 2025

	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 receivables*	–	–	–	8,924	8,924
Financial assets included in prepayments, deposits and other receivables – Normal**	2,091	–	–	–	2,091
Restricted bank deposits – Not yet past due	952	–	–	–	952
Cash and cash equivalents – Not yet past due	115,009	–	–	–	115,009
Total	**118,052**	**–**	**–**	**8,924**	**126,976**

* *For trade receivables to which the Company applies the simplified approach for impairment, information is disclosed in note 19 to the Historical Financial Information.*

** *The credit quality of the financial assets included in prepayments, deposits and other receivables and amounts due from related parties 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 Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Company's financial liabilities as at end of each of the Relevant Period, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023

	Less than 1 year or on demand	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	4,317	–	4,317
Financial liabilities included in other payables and accruals	13,136	–	13,136
	17,453	–	17,453

The maturity profile of the Company's financial liabilities as at end of each of the Relevant Period, based on the contractual undiscounted payments, is as follows:

As at 31 December 2024

	Less than 1 year or on demand	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	4,406	–	4,406
Financial liabilities included in other payables and accruals	12,819	–	12,819
	17,225	–	17,225

As at 31 December 2025

	Less than 1 year or on demand	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	5,470	–	5,470
Amount due to a related party	866	–	866
Financial liabilities included in other payables and accruals	9,916	–	9,916
	16,252	–	16,252

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Company monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total liabilities	67,691	90,125	51,706
Total assets	245,934	310,209	301,373
Debt-to-asset ratio	27.52%	29.05%	17.16%

36. EVENTS AFTER THE RELEVANT PERIODS

No significant events have occurred in respect of any period subsequent to 31 December 2025.

37. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of its branches in respect of any period subsequent to 31 December 2025.

*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 document, and is included herein for information purposes only. The **[REDACTED]** financial information should be read in conjunction with the "Financial Information" section in this document and the Accountants' Report set out in Appendix I to this document.*

A. [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following **[REDACTED]** statement of adjusted net tangible assets of the Company prepared in accordance with paragraph 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 **[REDACTED]** Financial Information for inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants is to illustrate the effect of the **[REDACTED]** on the net tangible assets of the Company attributable to owners of the Company as at 31 December 2025 as if the **[REDACTED]** had taken place on that date.

The **[REDACTED]** statement of adjusted net tangible assets of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the net tangible assets of the Company attributable to owners of the Company had the **[REDACTED]** been completed as at 31 December 2025 or at any future date.

	Net tangible assets of the Company attributable to owners of the Company as at 31 December 2025	**Estimated [REDACTED] from the [REDACTED]**	**[REDACTED] adjusted net tangible assets of the Company attributable to owners of the Company as at 31 December 2025**	**[REDACTED] adjusted net tangible assets of the Company attributable to owners of the Company per Share as at 31 December 2025**	
	RMB'000 (Note 1)	*RMB'000 (Note 2, 4)*	*RMB'000*	*RMB (Note 3)*	*HK$ (Note 4)*
Based on an **[REDACTED]** of HK$**[REDACTED]** per Share . . .	248,495	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** of HK$**[REDACTED]** per Share . . .	248,495	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** of HK$**[REDACTED]** per Share . . .	248,495	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The net tangible assets of the Company as at 31 December 2025 were equal to the Company's audited net assets of the Company as at 31 December 2025 of RMB249,667,000 after deducting of intangible assets of RMB1,172,000 as at 31 December 2025 set out in the Accountants' Report in Appendix I in this document.

*(2) The estimated **[REDACTED]** from the **[REDACTED]** are based on the **[REDACTED]** of HK$**[REDACTED]**, HK$**[REDACTED]** or HK$**[REDACTED]** per Share, after the deduction of the **[REDACTED]** fees and **[REDACTED]** and other related expenses payable by the Company (excluding the **[REDACTED]** expense that have been charged to profit or loss during the Relevant Periods) and do not take into account any Shares which may be issued upon exercise of the **[REDACTED]**.*

*(3) The **[REDACTED]** adjusted net tangible assets of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that **[REDACTED]** Shares were in issue assuming the **[REDACTED]** has been completed on 31 December 2025 and does not take into account any Shares which may be issued upon exercise of the **[REDACTED]**.*

*(4) For the purpose of this **[REDACTED]** statement of adjusted net tangible assets, the estimated **[REDACTED]** from the **[REDACTED]** are converted from Hong Kong dollars into Renminbi ("RMB") at an exchange rate of HK$1.00 to RMB0.88253 and the **[REDACTED]** adjusted net tangible assets of the Company per Share is converted from RMB into Hong Kong dollars at the same exchange rate, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.*

*(5) No adjustment has been made to the **[REDACTED]** adjusted net tangible asset of the Company to reflect any trading result or other transactions of the Company entered into subsequent to 31 December 2025.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC(《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution, and the Legislation Law of the PRC(《中華人民共和國立法法》)(the "**Legislation Law**") which was amended in 2023, the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to enact and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to enact and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to enact administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may enact local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the National Audit Office of the People's Republic of China as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, enact rules.

The people's congresses and their respective standing committees of cities with subordinate districts may, in the areas of urban and rural development and management, environmental protection and the preservation of history and culture, enact local regulations based on the specific circumstances and actual requirements, which shall become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions, but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. The people's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The people's governments of the provinces, autonomous regions, municipalities and cities with subordinate districts may enact rules in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities with subordinate districts or autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (《中華人民共和國人民法院組織法》) amended in 2018, the PRC judicial system is made up of the Supreme People's Court, the local people's courts, and other special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the adjudication work of the people's courts at all levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》)(the "**Civil Procedure Law**", amended in 2023), which was adopted in 1991, amended in 2007, 2012, 2017 and 2021 and last amended on September 1, 2023 by the Standing Committee of the NPC, and became effective on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either located at the plaintiff's or the defendant's place of domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally and whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

According to the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024, the Arrangements apply to the reciprocal recognition and enforcement of effective judgments in civil, commercial cases and civil compensation in criminal cases between courts of the Mainland and Hong Kong. Accordingly, the effective judgments satisfying the conditions of the Arrangement may be recognized and enforced by the PRC court or Hong Kong court upon the application by the parties concerned.

THE COMPANY LAW AND TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following three laws and regulations in the PRC: The Company Law of the PRC ("**Company Law**") which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively and the latest amendment of which was implemented on July 1, 2024.

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 "**Trial Measures**") and its five interpretative guidelines promulgated by the China Securities Regulatory Commission (the "**CSRC**") on February 17, 2023 and effective on March 31, 2023, which are applicable to overseas offerings and listings of securities of PRC domestic companies.

The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), or the Guidelines for Articles of Association, issued by the CSRC on December 16, 1997, as last amended on March 28, 2025 and effective on the same date, which provide guidance on the articles of association of companies.

Accordingly, the contents of the Guidelines for Articles of Association are set out in the Company's Articles of Association and a summary thereof is set out in the section headed "Appendix VI-Summary of Articles of Association" of this document.

Set out below is a summary of the major provisions of the Company Law and the Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

A joint stock limited company refers to an enterprise legal person incorporated in China under the Company Law with independent legal person properties and entitlements to such legal person properties and with its registered capital divided into shares of equal par value. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The registered capital of a joint stock limited company is the total share capital of the issued shares as registered with the company's registration authorities. No share offering shall be made to others before the shares subscribed for by the promoters are fully paid up.

For companies incorporated by way of promotion, the promoters shall fully subscribe for the shares that shall be issued at the time of the incorporation of the company as provided under the articles of association. For companies incorporated by way of subscription, the promoters shall subscribe for no less than 35% of the shares that shall be issued at the time of the incorporation of the company as provided under the articles of association; provided that, if laws and administrative regulations provide otherwise, such provisions shall prevail. Promoters shall make full payment for the shares they have subscribed for prior to the incorporation of the company.

After the subscription monies for subscription of the public offering shares have been paid in full, a capital verification institution established under PRC laws must be engaged to conduct a capital verification and furnish a certificate thereof. The promoters of the joint stock limited company incorporated by way of subscription shall preside over and convene an inauguration meeting within 30 days from the date of the full payment of subscription monies of the shares that shall be issued at the time of the incorporation of the company. For the joint stock limited company incorporated by way of promotion, the convening and voting procedures of its inauguration meeting shall be stipulated by the articles of association or the promoters' agreement. Where the shares that shall be issued at the time of the incorporation of the company remain undersubscribed by the cut-off date stipulated in the share offering document, or where the promoter fails to convene an inauguration meeting within 30 days of the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank rates of a deposit for the same period. Within 30 days of the conclusion of the inauguration meeting, the board of directors shall authorize a representative to apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the capacity of a legal person after the relevant company registration authority has approved the registration and issued a business license.

Share Capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations. If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out. The shares issued by a company shall be registered shares.

The Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company's shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance, the class and amount of new shares to be issued to existing shareholders and the amount of the proceeds of issue of the new shares without par value included in the registered capital. In the case of the issue of shares without par value, more than half of the proceeds of issue of the new shares is to be included in the registered capital.

When a company offers shares to the public, it shall be registered by the securities regulatory authority under the State Council and announce a document. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) the company shall prepare a balance sheet and a property list; (ii) the reduction of registered capital shall be approved by a shareholders' meeting; (iii) the company shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction; and (iv) creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of the shareholder register of listed companies, those provisions shall prevail.

Shareholder

Under the Company Law and the Guidelines for Articles of Association, the rights of holders of ordinary shares of a joint stock limited company include the right:

- to receive dividends and profit distributions in any other form in proportion to their shareholdings;
- to lawfully require, convene, preside over or attend shareholders' meetings either in person or by proxy and exercise the corresponding voting right;
- to supervise, present suggestions on or make inquiries about the operations of the Company;
- to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the articles of association;

- to inspect the company's articles of association, shareholder register, counterfoil of company debentures, minutes of shareholders' meetings, resolutions of the board of directors, resolutions of the Supervisory Committee and financial and accounting reports of the company;

- in the event of the termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them;

- to require the company to buy their shares in the event of their objection to resolutions of the shareholders' meeting concerning merger or division of the company; and

- any other shareholders' rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' Meetings

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. The shareholders' meeting may exercise its powers:

- to elect and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;

- to review and approve the reports of the board of directors;

- to review and approve the reports of the Supervisory Committee;

- to review and approve the company's profit distribution proposals and loss recovery proposals;

- to decide on any increase or reduction of the company's registered capital;

- to decide on the issue of corporate bonds;

- to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

- to amend the articles of association; and
- to exercise any other authority stipulated in the articles of association.

A shareholders' meeting is required to be held once every year. An extraordinary shareholders' meeting is required to be held within two months of the occurrence of any of the following:

- the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the articles of association;
- the outstanding losses of the company amounted to one-third of the company's total share capital;
- shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary shareholders' meeting;
- the board deems necessary;
- the Supervisory Committee proposes to hold; or
- any other circumstances as provided for in the articles of association.

Under the Company Law, shareholders' meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. In case the supervisory committee fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

In accordance with the PRC Company Law, a notice of the shareholders' meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting. A notice of extraordinary meeting shall be given to all shareholders 15 days prior to the meeting.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. Pursuant to the Guidelines, the board of directors and the Secretary of the board of directors will cooperate with the shareholders' meetings convened by the supervisory committee or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a shareholders' meetings is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Company Law, shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the shareholders' meetings. The convener shall issue a supplementary notice of the shareholders' meetings within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, shareholders present at shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidelines for Articles of Association, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or any guaranty provided to others by the company within one year exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; and (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors may exercise its powers:

- to convene shareholders' meetings and report on its work to the shareholders' meetings;
- to implement resolutions of the shareholders' meeting;
- to decide on the company's operational plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or decrease of the company's registered capital and the issue of corporate bonds;
- to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- to decide on the setup of the company's internal management organs;
- to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;
- to formulate the company's basic management system; and
- to exercise any other authority stipulated in the articles of association.

Board meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the supervisory committee. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or a resolution of the shareholders' meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board of the Directors

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualifications of Directors

The PRC Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offence of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence. If he/she has been pronounced on a suspended sentence, the period of two years has not elapsed since the expiration of the suspension of sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license and the order for closure; or

- a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidelines for Articles of Association.

Supervisory Committee

Under the Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the Supervisory Committee, in place of a Supervisory Committee or supervisors. Otherwise, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the supervisory committee shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The supervisory committee shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory committee are elected with approval of more than half of all the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the chairman of the supervisory committee is incapable of performing or not performing his duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the vice chairman of the supervisory committee is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory committee of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the supervisory committee shall be passed by more than half of all the supervisors.

The supervisory committee exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meeting under this law;
- to initiate proposals for resolutions to shareholders' meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and

- supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The supervisory committee may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorized by the board of directors. The manager attends board meetings. According to the Company Law, senior management shall mean the manager, deputy manager (s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and should take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits.

Directors, supervisors and senior management have a duty of diligence to the company and should exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager. Directors, supervisors and senior management are prohibited from:

- seizing or misappropriating company property or funds;
- depositing the company's capital into accounts under his/her own name or the name of other individuals;
- giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- taking commissions from the transactions between the company and any other person into his/her own pocket;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their fiduciary duty to the company.

Income generated by directors or senior management in violation of aforementioned regulations shall be returned to the company.

Directors, Supervisors and senior management, who directly or indirectly enter into contracts or conduct transactions with the company, shall report to the board of directors or the shareholders' meeting on matters relating to the entering into of such contracts or the conduct of such transactions, which shall be approved by a resolution of the board of directors or the shareholders' meetings in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use the convenience of their positions to seek business opportunities belonging to the company for themselves or others, except in the following circumstances: (i) after reporting to the board of directors or the shareholders' meetings and a resolution by the board of directors or the shareholders' meetings in accordance with the articles of association of the company has been passed; or (ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual shareholder' meetings. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital). If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions. After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meetings, allocate discretionary common reserve fund from after-tax profits. The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund. The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. Where the reserve fund of a 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. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meetings, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meetings, board of directors or the board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidelines for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders' meetings.

Profit Distribution

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendment to the Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In the event of a company registration, the amendments to the articles of association shall be registered with the relevant registration authorities in accordance with applicable laws.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred;

(ii) the shareholders' meeting has resolved to dissolve the company;

(iii) the company is dissolved by reason of merger or division;

(iv) the business license is revoked, or the company is ordered to close down or be dissolved; or

(v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within 10 days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or by a resolution of the shareholders' meetings if it has not distributed its assets to its shareholders yet. The amendment of the articles of association or resolution of a shareholders' meetings in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meetings.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established. The directors shall be the liquidation obligors of the company and form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation group is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to settle claims and debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meetings or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance with the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' meetings or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation group are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation group shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

According to the Trial Measures, a PRC domestic company seeking overseas listing shall submit an application to the CSRC in accordance with the administrative filing procedures required by the Trial Measures.

Merger and Division

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). This regulation deals mainly with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed and foreign invested shares and disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

The PRC Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest amendment to the Securities Law took effect on March 1, 2020. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in order to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

On November 14, 2019, the CSRC issued the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies, which became effective on the same day and was partially amended on August 10, 2023 pursuant to the Decision of the China Securities Regulatory Commission on Amending and Repeal Certain Securities and Futures System Documents. The purpose of the Guidelines is to regulate the listing and circulation of unlisted domestic shares (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued in the PRC upon overseas listing and unlisted shares held by overseas shareholders) of domestic joint stock limited companies listed on the Stock Exchange (hereinafter referred to as "**H-share companies**") (hereinafter referred to as "**Full Circulation**").

H-share companies applying for Full Circulation shall apply to the CSRC for record-filing. H-share companies may, separately or concurrently, submit an application for Full Circulation when applying for offshore refinancing. An unlisted domestic joint stock limited company may submit an application for Full Circulation at the same time when applying for an overseas initial public offering and listing.

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this document received from King Kee Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at January 31, 2026 of the property interests held by our Company.



King Kee Appraisal and Advisory Limited
Rm 1502-G16 Easey Comm Bldg,
253-261 Hennessy Road, Hong Kong

[•], 2026

The Board of Directors
Jiangxi Qiyunshan Food Co., Ltd.江西齊雲山食品股份有限公司
Niujiao River,
Hengshui Town,
Chongyi County,
Ganzhou City,
Jiangxi Province,
PRC
江西省贛州市崇義縣橫水鎮牛角河

Dear Sirs,

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions of Jiangxi Qiyunshan Food Co., Ltd.(江西齊雲山食品股份有限公司)(referred to as the "**Company**") for us to carry out the valuation of the property interests held by the Company in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest (the "**Report**") as at January 31, 2026 (the "**Valuation Date**").

BASIS OF VALUATION

In arriving at our opinion of a market value, we followed "The RICS Valuation — Global Standards" issued by The Royal Institution of Chartered Surveyors ("**RICS**") with reference to the "International Valuation Standards" published by the International Valuation Standards Council. Under the said standards, market value is defined as:

"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION METHODOLOGY

In valuing the property interest of Property No.1 in Group I which is held and occupied in the PRC, in the absence of relevant market data to arrive at the market value of the Property by means of market-based evidence, we have valued the Property by Depreciated Replacement Cost Method. It requires a valuation of the market value of the land in its existing use by Market Comparison Method by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors; and an estimate of the new replacement cost of the buildings and structures, from which deductions are made to allow for the age, condition and functional obsolescence. The market value by Depreciated Replacement Cost Method only applies to the whole of the Property as a unique interest, and no piecemeal transaction of the Property is assumed.

In valuing the property interests of Properties Nos. 2 & 3 in Group I which are held in the PRC, we have valued the property interests by the Direct Comparison Approach assuming sale of the property interests in its existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or its legal adviser, King & Wood Mallesons ("**PRC Legal Advisers**") or other professional advisers on such matters as statutory notices, planning approval, zoning, easements, tenure, completion date of building, development proposal identification of property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore approximations and for reference only. We have not searched original plans, developer brochures and the like to verify them.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

TITLE INVESTIGATION

We have been provided with copies of the title documents relating to the properties but have not carried out any land title searches. Moreover, we have not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Company regarding its interests in the properties.

In the course of our valuation, we have relied to a considerable extent on the information given by the Company and its legal adviser in respect of the title to the properties in the PRC.

SITE INSPECTION

Ms. Nancy Yang (our valuer with relevant experience over 9 years), inspected the exterior and, where possible, the interior of the properties on May 8, 2025. However, no structural survey has been made, but during our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation, or other structural defects. No test was carried out on any of the services. We have assumed that utility services, such as electricity, telephone, water, etc., are available and free from defect. Our valuations are prepared on the assumption that these aspects are satisfactory.

We have not arranged for any investigation to be carried out to determine whether high alumina cement concrete or calcium chloride additive or pulverized fly ash, or any other deleterious material has been used in the construction of the properties. We are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that deleterious material has not been used in the construction of the properties.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realized from piecemeal disposition of the property in the open market.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the Report. In addition, it is assumed that the utilization of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the Report.

No allowance has been made in our Report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their value.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the Valuation Date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the Valuation Date.

CURRENCY

Unless otherwise stated, all monetary amounts stated in our Report are in Renminbi (**"RMB**"), the official currency of the PRC. Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,

Richard Zhang
Managing Director
ASA MRICS CPV
For and on behalf of
King Kee Appraisal and Advisory Limited

Note: Mr. Richard Zhang is a chartered surveyor who has 31 years' experience in the valuation of properties in Mainland China, Hong Kong and the Asia-Pacific region.

SUMMARY OF VALUES

Group I: Property interests held and occupied by the Company in the PRC

No.	Property	Interest attributable to the Company	The total market value in existing state as at the Valuation Date
			RMB
1	a parcel of land, various buildings and structures located at Niujiao River, Hengshui Town, Chongyi County, Ganzhou City, Jiangxi Province, the PRC(江西省贛州市崇義縣橫水鎮牛角河)	100%	120,255,000
2	a six-story office building, Building No. 3, Jinzun Garden, No. 1, Yanggong Road, Zhanggong District, Ganzhou City, Jiangxi Province, the PRC(江西省贛州市章貢區楊公路1號金樽花園3號樓辦公樓一至六層)	100%	11,576,000
3	4 garages Nos. 1, 3, 6 and 11, Building No. 9, Jinzun Garden, No. 1 Yanggong Road, Zhanggong District, Ganzhou City, Jiangxi Province, the PRC(江西省贛州市章貢區楊公路1號金樽花園9號樓1、3、6和11號4個車庫)	100%	280,000
	Total:		**132,111,000**

VALUATION CERTIFICATE

Group I – Property interests held and occupied by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at Valuation Date
1.	a parcel of land, various buildings and structures located at Niujiao River, Hengshui Town, Chongyi County, Ganzhou City, Jiangxi Province, The PRC (江西省贛州市崇義縣橫水鎮牛角河)	The property comprises a parcel of land with a site area of approximately 69,757.72 sq.m. and various buildings and structures with a total gross floor area of approximately 55,893.99 sq.m. erected thereon which were completed in various stages between 2017 and 2021. The buildings mainly include two industrial buildings, two staff dormitories, a boiler building and an office building. The structures mainly include new factory perimeter fence, river embankment retaining wall, roads and factory greening project. The land use rights of the property have been granted to Jiangxi Qiyunshan Food Co., Ltd. (江西齊雲山食品股份有限公司) ("**the Company**") for a term of 50 years with the expiry date on September 30, 2065 for industrial use. The property is located in Hengshui town in Chongyi County, with approximately 63km to Ganzhou West Station and 62km to Ganzhou Huangjin Airport. The immediate locality is an industrial and residential area with some low-rise buildings scattering along the main roads of the district. Hengshui Town is the administrative center of Chongyi County, serving as the political, economic and cultural hub of the entire county.	The property is occupied by the Company for employee dormitory, office, production and auxiliary facilities purposes.	RMB120,255,000

Notes:

1. *Pursuant to six Property Ownership Certificates – Gan (2025) Chongyi County Real Estate Title Di Nos. 0001586, 0001587, 0001588, 0001589, 0001590 and 0001591 (贛(2025)崇義縣不動產權第0001586, 0001587, 0001588, 0001589, 0001590和0001591號), six buildings with a total gross floor area of approximately 55,893.99 sq.m. are owned by the Company. The land use rights of a parcel of land with a site area of approximately 69,757.72 sq.m. have been granted to the Company for a term of 50 years with the expiry date on September 30, 2065 for industrial use.*

2. *We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Advisers, which contains, inter alia, the following:*

   a. *the Company legally obtained the State-owned Land Use Rights and Building Ownership Rights for the property. It can legally occupy, use, lease, transfer, mortgage or otherwise dispose of such state-owned land use rights and building ownership rights; and*

   b. *except for the disclosed circumstances mentioned above, there is no mortgage, seizure, property right disputes or other restrictions on such property.*

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at Valuation Date
2.	a six-story office building, Building No. 3, Jinzun Garden, No. 1, Yanggong Road, Zhanggong District, Ganzhou City, Jiangxi Province, the PRC (江西省贛州市章貢區楊公路1號金樽花園3號樓一至六層]	The property comprises a six-story office building with a total gross floor area of approximately 1,876.81 sq.m. completed in 2007. The land use rights of the property have been granted for a term of 40 years with the expiry date on August 3, 2044 for commercial use. The property is located at Yanggong Road of Zhanggong District in Ganzhou, with approximately 15km to Ganzhou West Station and 17km to Ganzhou Huangjin Airport. The immediate locality is Central Business District with some high-rise commercial and residential buildings scattering along the main roads of the district.	The property is occupied by the Company for office and commercial purposes except for a portion of the property on the first floor and the second floor with a total gross floor area of approximately 667.00 sq.m. which are currently rented to various independent third parties.	RMB11,576,000

Notes:

1. *Pursuant to a Property Ownership Certificate – Gan (2025) Ganzhou City Real Estate Title Di No. 0053634 (贛(2025)贛州市不動產權第0053634號), an office building with a gross floor area of approximately 1,876.81 sq.m. is owned by the Company. The land use rights of a parcel of land with a site area of approximately 725.414 sq.m. have been granted to the Company for a term of 40 years expiring on August 3, 2044 for commercial use.*

2. *According to three Lease Agreements, a portion of the property on the first floor and the second floor with a total gross floor area of approximately 667.00 sq.m. are rented to three independent third parties for commercial and office purposes for various terms with the expiry date between April 15, 2027 and December 31, 2030 at a monthly rent of RMB 18,900, exclusive of management fees, water and electricity charges.*

3. *We have identified and analyzed various relevant commercial units in the locality which have similar characteristics as the subject property on the first floor ("**Part A**") such as nature, use, tenure and accessibility. The selected comparables located in similar locality which were transacted in June 2025. The unit rate of these comparable ranges from about RMB7,550 to RMB8,619 per sq.m. on gross floor area basis. Appropriate adjustments and analysis are considered to the differences in location, size, time and other characters between the comparable properties and the subject property to arrive at our assumed unit rate of about RMB8,221 per sq.m. on gross floor area basis.*

4. *We have identified and analyzed various relevant office units in the locality which have similar characteristics as the subject property on the second floor ("**Part B**") such as nature, use, tenure and accessibility. The selected comparables located in similar locality which were transacted in January 2026. The unit rate of these comparable ranges from about RMB5,353 to RMB6,812 per sq.m. on gross floor area basis. Appropriate adjustments and analysis are considered to the differences in location, size, time and other characters between the comparable properties and the subject property to arrive at our assumed unit rate of about RMB6,046 per sq.m. on gross floor area basis.*

5. *We have identified and analyzed the Part B which has similar characteristics as the subject property from the third floor to the sixth floor ("**Part C**") such as nature, use, tenure and accessibility. Appropriate adjustments and analysis are considered to the differences in floor, size and other characteristics between the Part B and Part C to arrive at our assumed unit rate of about RMB5,593 per sq.m. on gross floor area basis.*

6. We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Advisers, which contains, inter alia, the following:

a. the Company legally obtained the State-owned Land Use Rights and Building Ownership Rights for the property. It can legally occupy, use, lease, transfer, mortgage or otherwise dispose of such state-owned land use rights and building ownership rights; and

b. except for the disclosed circumstances mentioned above, there is no mortgage, seizure, property right disputes or other restrictions on such property.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at Valuation Date
3.	4 garages Nos. 1, 3, 6 and 11, Building No. 9 Jinzun Garden, No. 1, Yanggong Road, Zhanggong District, Ganzhou City, Jiangxi Province, the PRC (江西省贛州市章貢區楊公路1號金樽花園9號樓1、3、6和11號4個車庫]	The property comprises four ground-level garages with a total gross floor area of approximately 97.59 sq.m. completed in 2007. The land use rights of the property have been granted with the expiry date on August 3, 2054 for residential use. The property is located at Yanggong Road of Zhanggong District in Ganzhou, with approximately 15km to Ganzhou West Station and 17km to Ganzhou Huangjin Airport. The immediate locality is Central Business District with some high-rise commercial and residential buildings scattering along the main roads of the district.	The property is occupied by the Company for car parking and auxiliary storage purposes.	RMB[280,000]

Notes:

1. *Pursuant to four Property Ownership Certificates – Gan (2025) Ganzhou City Real Estate Title Di Nos. 0053632, 0053633, 0053635 and 0053636 (贛(2025)贛州市不動產權第0053632, 0053633, 0053635和0053636號), four garages with a total gross floor area of approximately 97.59 sq.m. are owned by the Company (江西齊雲山食品股份有限公司)]. The land use rights of allocated land with a total site area of approximately 28.35 sq.m. have been granted to the Company expiring on August 3, 2054 for residential use.*

2. *We have identified and analyzed various relevant garages in the locality which have similar characteristics as the subject property such as nature, use, tenure and accessibility. The selected comparables located in similar locality which were transacted between May 2025 and January 2026. The unit rate of these comparable ranges from about RMB63,000 to RMB83,000 each. Appropriate adjustments and analysis are considered to the differences in location, size, time and other characters between the comparable properties and the subject property to arrive at our assumed unit rate of about RMB70,000 each.*

3. *We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Advisers, which contains, inter alia, the following:*

4. a. *the Company legally obtained State-owned Land Use Rights and Building Ownership Rights for the property. It can legally occupy, use, lease, transfer, mortgage or otherwise dispose of such state-owned land use rights and building ownership rights; and*

   b. *except for the disclosed circumstances mentioned above, there is no mortgage, seizure, property right disputes or other restrictions on such property.*

TAXATION OF SECURITY HOLDERS

The income tax and the tax on capital gains for the holders of H Shares shall be subject to the laws and practices of China and the jurisdictions in which the holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and does not take into account anticipated changes or modifications in relevant laws or policies and does not constitute any opinion or advice. The discussion does not address all of the possible tax consequences associated with the investment in H Shares, nor does it consider the specific circumstances of any particular investor, which in some cases may be subject to special regulations. Therefore, you should consult your own tax advisor as to the tax consequences of investing in H Shares. The discussion is based on the laws and relevant interpretations in force as of the Latest Practicable Date, which are subject to change and may have a retroactive effect.

Apart from the income tax, tax on capital gains and profit tax, business tax/value added tax, stamp duty and estate duty, no tax issues in China or Hong Kong are mentioned in the discussion. Prospective investors are advised to consult their financial advisors regarding the mainland China, Hong Kong and other tax consequences of owning and disposing of H Shares.

THE PRC TAXATION

Dividend-related tax

Individual Investor

According to the provisions of the latest Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) amended on August 31, 2018 and the latest Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China (the "**Individual Income Tax Law**") revised on December 18, 2018, dividends distributed by PRC enterprises shall be subject to a uniform individual income tax rate of 20%. For foreign individuals who are not Chinese residents, dividends received from PRC enterprises are generally subject to a tax rate of 20%, unless specifically exempted by the tax authorities of the State Council or reduced under an applicable tax treaty. According to the Circular on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonuses from Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) promulgated on September 7, 2015, the specific tax treatment applies to dividends and bonuses obtained from listed companies. According to the Circular, individuals who purchase shares of listed companies through public offerings or on the stock market shall be subject to tax rates depending on their holding period. If the holding period exceeds one year, the income from dividends and bonuses shall be exempted from the individual income tax. If the holding period is one month or less, the total income from dividends and bonuses shall be included in the taxable income. For a holding period of one month to one year, 50% of the income from dividends and bonuses shall be temporarily included in the taxable income. The individual income tax rate of this portion of income is uniform at 20%. According to the Arrangement between the Mainland China and the

Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income(《內地和香港特別行政區開於對所得避免雙重微稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC government shall have the right to impose a tax on dividends payable by a PRC company to a Hong Kong resident(including the natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and satisfies certain conditions for being the beneficial owner of the equity interest, the tax levied shall not exceed 5% of the total amount of dividends payable by the PRC company.

The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income(《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》)(The "**Fifth Protocol(《第五議定書》)**"), which entered into force on December 6, 2019, introduces specific criteria for determining the entitlement to agreed treatment. Under the Fifth Protocol, agreed treatment shall not be granted if it is reasonably determined, after weighing all relevant facts and conditions, that obtaining such benefit is the main purpose of arrangements or transactions so as to provide direct or indirect benefits under the Arrangement, except where the treatment is consistent with the relevant object and purpose of the arrangements.

Enterprise Investor

The Enterprise Income Tax Law of the PRC(《中華人民共和國企業所得稅法》) was promulgated by the National People's Congress on March 16, 2007 and last revised on December 29, 2018, and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC(《中華人民共和國企業所得稅法實施條例》)(together with the Enterprise Income Tax Law of the PRC, collectively referred to as the "**Enterprise Income Tax Law**") was promulgated by the State Council on December 6, 2007, which came into effect on January 1, 2008 and was amended by the State Council and effective on January 20, 2025. According to the Enterprise Income Tax Law, if a non-resident enterprise does not have an institution or place in China, or has an institution or place in China but its income derived from China is not actually related to the above-mentioned PRC institution or place, it is generally required to pay a 10% enterprise income tax on its income derived from China (including received from a PRC resident enterprise). The enterprise income tax payable by a non-resident enterprise shall be withheld at source, and the payer of the income shall withhold the income tax from the amount to be paid to the non-resident enterprise. The tax withheld may be reduced or exempted under applicable treaties for the avoidance of double taxation.

As further clarified in the Circular of the State Administration of Taxation on Issues Relating to the Withholding and Payment of the Enterprise Income Tax on Dividends Distributed by PRC Resident Enterprises to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued and implemented by the SAT on November 6, 2008, PRC resident enterprises shall withhold and pay the enterprise income tax at a uniform rate of 10% on behalf of the overseas non-resident enterprise holders of H shares in distributing dividends for 2008 and subsequent years. Shareholders of non-resident enterprises who need to enjoy the treatment under the tax agreements shall be governed by the relevant provisions of the tax agreements.

According to the Arrangement between the mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose a tax on dividends payable by a PRC company to a Hong Kong resident(including the natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable.

However, if a Hong Kong resident directly holds 25%or more of the equity interest in a PRC company, and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, the tax levied shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that these provisions do not apply to arrangements or transactions whose main purpose is to obtain such tax benefits.

Notwithstanding other provisions of the Arrangement between the mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, if the benefits are reasonably considered to be one of the main purposes of the arrangements or transactions (a direct or indirect benefit under the Arrangement), taking into account all the relevant facts and conditions, the standard treaty benefits shall not be granted unless the granting hereof in such a case would be consistent with the relevant aims and objectives under the Arrangement. The dividend provisions of the tax agreements shall be implemented in accordance with the Circular of the State Administration of Taxation on Issues related to the Implementation of Dividend Provisions of Tax Agreements and other PRC tax laws and regulations.

Tax Treaty

Non-resident investors living in jurisdictions that have entered into treaties with China on the avoidance of double taxation or made relevant adjustments shall be entitled to the relief from the enterprise income tax on dividends received from PRC companies. China has treaties or arrangements on the avoidance of double taxation with a number of countries and regions, including the Hong Kong Special Administrative Region, the Macao Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non- resident enterprises entitled to preferential tax rates under the relevant tax treaties or arrangements shall apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed rate, and the refund application shall be approved by the PRC tax authorities.

Share Transfer

VAT and local surtax

According to the guideline set out in the Circular on Comprehensive Launch of Pilot Replacement of Business Tax with Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》)(the "**Circular 36**"), which has been effective since May 1, 2016, and was subsequently revised on July 11, 2017, January 1, 2018 and April 1, 2019, individuals and entities engaged in the services sale in the PRC shall be subject to the VAT and "engaged in the services sale in the PRC" means that transactions conducted by service providers or recipients in China. In addition, Circular 36 provides that transfers of financial products (including transfers of ownership of marketable securities) shall be subject to a VAT rate of 6% on the taxable income. In this case, the taxable income refers to the balance of the sales price after deducting the purchase price. This VAT obligation applies to ordinary and foreign VAT payers. It is worth noting that individuals are exempted from VAT obligations when engaging in the transfer of financial products. According to the above provisions, non-resident individuals who sell or dispose of H shares shall be exempt from the VAT in China. However, if the holder is a non-resident enterprise, it shall be exempt from the VAT in China only if the buyer of the H shares is an individual or entity located outside China. Conversely, if the buyer of the H shares is an individual or entity located in China, the holder may have to pay the VAT in China.

Income Tax

Individual Investor

Under the Individual Income Tax Law, gains from the transfer of equity interests in PRC resident enterprises shall be subject to a 20% individual income tax.

According to the Circular on Continued Temporary Exemption of Individual Income Tax on Income from Transfer of Stocks(《關於個人轉讓股票所得繼續暫免微收個人所得稅的通知》) issued by the Ministry of Finance and the SAT on March 30, 1998, individuals shall continue to be temporarily exempted from the individual income tax on the income from the transfer of shares in listed enterprises from January 1, 1997. In the newly revised Individual Income Tax Law, the NPC Standing Committee has not explicitly stated whether they would continue to temporarily exempt individuals from the individual income tax on the income from the transfer of shares in listed enterprises.

According to the Circular on the Issues Relating to the Collection of Individual Income Tax on Individuals ' Income from the Transfer of Restricted Shares of Listed Companies(《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) jointly promulgated by the MOF, the SAT and the CSRC on December 31, 2009 and came into effect on January 1, 2010, individuals shall continue to be exempted from the individual income tax on the income from the transfer of listed shares acquired from the public offering of listed companies and the transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, with the exception of the relevant restricted shares as defined in the Supplementary Circular on the Issues Relating to the Collection of Individual Income Tax on Individuals' Income from the Transfer of Restricted Shares of Listed Companies(《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》), which was jointly promulgated and enforced by the above-mentioned authorities on November 10, 2010. As of the Latest Practicable Date, the above provisions did not expressly provide for the imposition of individual income tax on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges by non-resident individuals.

Enterprise Investor

According to the Enterprise Income Tax Law, non-resident enterprises usually shall pay a 10% enterprise income tax on its income derived from sources in China, including gains realized from the sale of equity interests in PRC resident enterprises. However, this tax only applies to cases where the non-resident enterprises have no institutions or establishments in the PRC, or which, despite such institutions or establishments, have obtained incomes unrelated to such institutions or establishments.

The income tax payable by a non-resident enterprise shall be withheld at source, and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid to the non-resident enterprise on each payment or due payment. Notably, the tax liability may be diminished to avoid double taxation under an applicable tax treaty or agreement.

Stamp Duty

According to the Stamp Tax Law of the PRC(《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and became effective on July 1, 2022, the PRC stamp duty only applies to specific taxable documents entered into or received in China, legally binding in China and protected by PRC laws. Therefore, the provisions on the stamp duty levied on the transfer of shares of listed companies in China do not apply to the purchase and disposal of H shares by non-PRC investors outside China.

Estate Duty

As the date of this document, no estate duty has been levied in the PRC under the PRC laws.

Major taxes payable by the Company in China

Please refer to the section headed "Regulatory Overview" in this document.

Foreign Exchange Administration in the PRC

Renminbi, the legal tender of China, is still subject to foreign exchange Administration and cannot be freely convertible into foreign currencies. The State Administration of Foreign Exchange under the People's Bank of China is responsible for all matters related to foreign exchange, including the implementation of foreign exchange Administration regulations.

According to the Regulations on Foreign Exchange Administration of the PRC(《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, implemented on April 1, 1996, and last revised on August 5, 2008, all international payments and transfers shall be classified into the current account and capital account. The current account shall be subject to the reasonable examination of the authenticity of transaction documents and their consistency with foreign exchange receipts and payments by the financial institutions engaging in the business of foreign exchange settlement and sales, and shall be subject to the supervision and inspection by the foreign exchange administrative authorities. With regard to the capital account, foreign organizations and individuals making direct investments in China shall, upon approval by the competent authorities concerned, register with the foreign exchange administrative authorities. The foreign exchange income obtained from abroad may be repatriated or deposited abroad. Foreign exchange funds and foreign exchange settlement funds under the capital account shall be used for the purposes approved by the relevant competent authorities and the foreign exchange administrative authorities. When there is or may be a serious imbalance in the balance of payments, or when there is or may be a serious crisis in the national economy, the State may take measures necessary to guarantee and control the balance of payments.

The Regulations on Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, have removed other restrictions on foreign exchange under the current account, but imposed existing restrictions on foreign exchange transactions under the capital account.

According to the Announcement on Improving the Reform of the RMB Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) promulgated and implemented by the PBOC on July 21, 2005, China began to implement a managed floating exchange rate system based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. As a result, the RMB exchange rate is no longer pegged to a single US dollar. The PBOC shall announce, after the market closes on each working day, the closing price of the exchange rate of the US dollar and other currencies traded in the interbank foreign exchange market against RMB on that day, which serves as the median price for transactions of that currency against RMB on the following working day.

According to China's relevant laws and regulations, when PRC enterprises (including foreign-invested enterprises) require foreign exchange for current account transactions, they may make payments through foreign exchange accounts opened in designated foreign exchange banks without the approval of foreign exchange Administration agencies, but valid transaction receipts and vouchers shall be provided. If a foreign-invested enterprise needs to distribute profits to its shareholders through foreign exchange, and a PRC enterprise (such as the Company) needs to pay dividends to its shareholders through foreign exchange according to relevant regulations, it may make payments from the foreign exchange account of a designated foreign exchange bank or make exchanges and payments at a designated foreign exchange bank according to the resolution of the Board or the general meeting on profit distribution.

According to the Decision of the State Council on the Cancellation and Adjustment of a Batch of Items Requiring Government Review and Approval (《國務院關於取消和調整一批行政審批項目等事項I決定》) issued by the State Council on October 23, 2014, it decided to cancel the examination and approval requirements of the SAFE and its branches for the remittance and settlement of proceeds raised from the overseas listing of overseas shares into domestic accounts in RMB.

According to the Circular of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued and implemented by the SAFE on December 26, 2014, a domestic company shall, within 15 business days from the date of closing of overseas listing, apply for the registration of overseas listing with the local branch of the SAFE at the place of its incorporation. Proceeds from the overseas listing of the domestic company may be repatriated to a domestic account or deposited in an overseas account, provided that the use of the proceeds is consistent with the relevant content set out in this document and other disclosure documents.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Standardizing the Policy on Settlement Management 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 and implemented by the SAFE on June 9, 2016, relevant policies have made it clear that domestic institutions may settle their foreign exchange incomes under the capital account(including funds raised from the overseas listing), which are subject to discretional settlement, with banks as actually needed for business operation.

This Appendix contains a summary of the principal provisions of the Articles of Association. As the principal objective of this Appendix is to provide potential investors with an overview of the Articles of Association, it may not contain all the information that is important to potential investors. The full text of the Articles of Association in Chinese is available for inspection.

SHARES AND REGISTERED CAPITAL

The Company's shares are in the form of stock.

The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall have the same issuance conditions and price. Each share subscribed for by the subscriber shall be paid for at the same price.

INCREASE, DECREASE, REPURCHASE, AND TRANSFER OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws, regulations, and the rules of the securities regulatory authorities of the place where the Company's shares are listed, and upon resolutions passed by the Shareholders' meeting:

(i) Issuing shares to non-specific objects;

(ii) Issuing shares to specific objects;

(iii) Distributing bonus shares to existing shareholders;

(iv) Converting capital reserve into share capital;

(v) Other methods approved by laws, administrative regulations, and approved by the securities regulatory authorities where the Company's shares are listed.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, the Hong Kong Listing Rules and other relevant regulations and the Articles of Association.

Repurchase of Shares

The company shall not acquire its own shares. However, the following circumstances shall be excluded:

(i) To reduce the Company's registered capital;

(ii) To merge with another company holding the Company's shares;

(iii) To use the shares for employee stock ownership plans or equity incentives;

(iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(v) To use the shares for converting corporate bonds issued by the Company into shares;

(vi) As necessary to safeguard the Company's value and the rights and interests of shareholders;

(vii) Other circumstances permitted by laws, administrative regulations, departmental rules and regulations, and the securities regulatory rules of the Company's stock listing place.

The Company may repurchase its own shares through public centralized trading or other methods recognized by laws, regulations, the securities regulatory rules of the Company's stock listing place.

The Company shall repurchase its own shares through public centralized trading under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed.

The Company shall repurchase its own shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed.

After the Company repurchases its own shares in accordance with the above provisions, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (iii), (v), and (vi) above, and the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

If the applicable laws, regulations, securities regulatory rules of the place where the Company's shares are listed have other provisions regarding the repurchase of the Company's shares, the Company shall comply with such provisions.

After the Company repurchases its own shares, it shall fulfill its information disclosure obligations in accordance with the rules of stock exchanges, and other securities regulatory rules of the place where the Company's shares are listed.

Transfer of Shares

The Company's shares shall be transferred in accordance with the law. Shares issued before the Company's public offering shall not be transferred within one year from the date the Company's shares are listed and traded on the stock exchange.

Directors and senior management members of the Company shall report to the Company the shares (including preferred shares) they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If the securities regulatory rules of the place where the Company's shares are listed have other provisions on the transfer restrictions of the Company's shares, such provisions shall apply.

Shareholders who hold more than 5% of the Company's shares, Directors, and senior management members shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the securities regulatory authorities and stock exchanges where the company's shares are listed. The above-mentioned shareholders who hold more than 5% of the company's shares do not include the recognized clearing houses and their agents as defined in the relevant ordinances that are in force from time to time in accordance with the laws of Hong Kong. If the applicable laws, regulations, other provisions of the laws or securities regulatory authorities of the place where the Company's shares are listed have other provisions regarding the repurchase of the Company's shares, the Company shall comply with such provisions.

The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions above, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in the name of itself for the benefit of the Company. If the Board of Directors fails to execute the provisions above, the directors who are responsible for such failure shall, in accordance with the law, bear joint and several liabilities.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

General Provisions on Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration institution. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares.

Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) To receive dividends and other forms of profit distribution according to the proportion of the shares they hold;

(ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting and exercise corresponding voting rights;

(iii) To supervise the Company's operations and make suggestions or inquiries;

(iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, and the Articles of Association;

(v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports, and accounting books and vouchers of the Company if they meet the requirements;

(vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;

(vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

Shareholders of the Company shall bear the following obligations:

(i) To comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(ii) To pay the share price according to the shares they subscribe for and the method of subscription;

(iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;

(iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

(v) Other obligations stipulated by laws, administrative regulations, and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Controlling Shareholders and Actual Controllers

The Company's Controlling Shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the regulatory agencies and the stock exchange where the Company's shares are listed, and shall safeguard the interests of the Company.

The Company's Controlling Shareholders and actual controllers shall comply with the following provisions:

(i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;

(ii) To strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;

(iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure, and promptly inform the Company of major events that have occurred or are about to occur;

(iv) Not to occupy the Company's funds in any way;

(v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, market manipulation, etc.;

(vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair connected party transactions, profit distribution, asset restructuring, external investment, etc.;

(viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;

(ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the stock exchange, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Company's Controlling Shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's Controlling Shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders' Meeting

The Shareholders' meeting is the Company's authority and shall exercise the following powers according to law:

(i) To elect and replace Directors who are not appointed by employee representatives and decide on matters connected to Directors' remuneration;

(ii) To examine and approve the Board of Directors' report;

(iii) To examine and approve the Company's profit distribution plan and loss recovery plan;

(iv) To make resolutions on the Company's increase or decrease of registered capital;

(v) To make resolutions on the issuance of corporate bonds;

(vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(vii) To amend the Articles of Association;

(viii) To make resolutions on the appointment and dismissal of accounting firms auditing the Company;

(ix) To examine and approve the guarantee matters stipulated in Article 48 of the Articles of Association;

(x) To examine and approve matters connected to the Company's purchase or sale of major assets exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(xi) To examine and approve changes in the use of raised funds;

(xii) To examine and approve equity incentive plans and employee stock ownership plans;

(xiii) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting:

(i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the latest audited financial statements;

(ii) Any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;

(iii) Any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;

(iv) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

(v) Any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;

(vi) Any guarantee provided to shareholders, actual controllers, and their connected parties;

(vii) Other guarantee circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The resolution in item (iii) above shall be made by the Shareholders' meeting and approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the Shareholders' meeting reviews the guarantee matters stipulated in item (vi) of this article, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than half of the voting rights held by other shareholders present at the meeting.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

(i) When the number of Directors is less than the number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association;

(ii) When the Company's unrecovered losses reach one-third of the total paid-up share capital;

(iii) When shareholders who individually or jointly hold more than 10% of the Company's shares request it;

(iv) When the Board of Directors deems it necessary;

(v) When the Audit Committee proposes to convene;

(vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent Directors, independent Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's total issued share capital (including preferred shares with restored voting rights) have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's total issued share capital (including preferred shares with restored voting rights) have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' meeting, and shareholders holding more than 10% of the Company's total issued share capital (including preferred shares with restored voting rights) separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing. Before the announcement of the Shareholders' meeting resolution, the shareholding ratio of the convening shareholders (including preferred shares with restored voting rights) shall not be less than 10% of the total issued share capital.

For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

If the applicable laws, administrative regulations, departmental rules, or securities regulatory authorities of the place where the Company's shares are listed have other provisions regarding the convening of shareholders' meeting, the Company shall comply with such provisions.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's total issued share capital (including preferred shares with restored voting rights) separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total issued share capital (including preferred shares with restored voting rights) separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting.

Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

The convener shall notify all shareholders by way of announcement 20 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting. For the purpose of calculating the commencement of such time limits, the day of the meeting shall not be included. In the event that there are any other provisions under applicable laws, regulations, or the rules of the securities regulatory authority of the place where the Company's shares are listed, the Company shall comply with such provisions.

The notice of the Shareholders' meeting shall include the following content:

(i) The time, place, and duration of the meeting;

(ii) The matters and proposals to be reviewed at the meeting;

(iii) A clear statement that all ordinary shareholders (including preferred shareholders with restored voting rights), shareholders holding special voting rights shares and other shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;

(iv) The record date for shareholders entitled to attend the Shareholders' meeting;

(v) The name and telephone number of the standing contact person for the meeting;

(vi) The time and procedure for voting by network or other means;

(vii) Other matters stipulated by laws, administrative regulations, departmental rules, the rules of the securities regulatory authority and the stock exchange where the Company's shares are listed, and this Articles of Association.

Holding of the Shareholders' Meeting

All shareholders who are registered on the record date as well as their proxies, shall be entitled to attend the shareholders' meeting and exercise their voting rights in accordance with the relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Company's Articles of Association (unless individual shareholders are required to abstain from voting on specific matters in accordance with the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend the shareholders' meeting in person or appoint a proxy (who need not be a shareholder of the Company) to attend and vote on their behalf.

Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder.

Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder, except for shareholders who are a recognized clearing house as defined in the relevant laws and regulations 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 (the "**Recognized Clearing House**") or its proxy.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

(i) The name or title of the principal and the category and quantity of shares held;

(ii) The name or title of the proxy;

(iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;

(iv) The date of issuance and validity period of the power of attorney;

(v) The signature (or seal) of the principal. Where the principal is a corporate shareholder or a partnership shareholder, the seal of the shareholder entity shall be affixed. if the overseas corporate shareholder does not have a seal, it may be signed by a legally authorized person.

(vi) Specify the number of shares of the principal represented by the proxy;

(vii) If one or more proxy are entrusted, the power of attorney should specify the number of shares represented by each proxy.

The power of attorney shall indicate whether the proxy can vote at his or her own will if the shareholder does not give specific instructions.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the shareholder is a Recognized Clearing House (or its proxy), the shareholder may authorize one or more persons it deems appropriate to act as its representative at any Shareholders' meeting or creditors' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and category of shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the Recognized Clearing House. The authorized person may attend Shareholders' meeting (without presenting shareholding certificates, with notarized authorization and/or further evidence confirming their formal authorization), and exercise the rights (including the right to speak and vote) of the Recognized Clearing House (or its proxy), as if the person were an individual shareholder of the Company.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and be subject to the interrogation of the shareholder.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, the Vice Chairman elected by more than half of the Directors shall preside over the meeting. If the Vice Chairman is also unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside. The Shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his duties, an Audit and Risk Management Committee member elected by more than half of the Audit Committee members shall preside. The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener. If the meeting chairperson violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Voting and Resolutions at the Shareholders' Meeting

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

(i) The work report of the Board of Directors;

(ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;

(iii) The appointment and dismissal of board members not appointed as employee representative Directors and the Directors' remuneration and payment methods;

(iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

(i) The increase or decrease of the Company's registered capital;

(ii) The division, split, merger, dissolution, and liquidation of the Company;

(iii) Amendments to the Articles of Association;

(iv) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(v) Equity incentive plans;

(vi) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as matters that the Shareholders' meeting deems to have a significant impact on the Company and require a special resolution.

If at any time the Company's Shares are divided into different classes of shares, any variation of the rights attached to any class of shares shall, unless otherwise provided, be approved by a special resolution passed at a meeting of the shareholders of that class who are entitled to vote and are present at the meeting.

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting.

According to applicable laws, regulations and rules of the place where the Company's shares are listed, if any shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

The Company's Board of Directors, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, the rules of the securities regulatory authorities of the place where the Company's shares are listed, may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders' meeting reviews connected party transactions, connected shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; The Shareholders' meeting resolution shall fully disclose the voting situation of non-connected shareholders.

If the securities regulatory authorities of the place where the Company's shares are listed have other provisions regarding voting and resolutions at the shareholders' meeting, the Company shall comply with such provisions.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors, and independent Directors. Non-executive Directors refer to Directors who do not hold management positions in the Company.

Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

(i) Having no capacity for civil conduct or limited capacity for civil conduct;

(ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;

(iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;

(v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;

(vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;

(vii) A person who has been publicly determined by the stock exchange as unfit to serve as a director or senior management personnel of a company, and the term of such determination has not expired;

(viii) Other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the Company's stock listing place.

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position and cease his duties.

Directors not appointed as employee representative Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by a resolution of the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association until the newly elected Directors assume office.

A Director may also hold the position of senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

Where the number of employees of the Company exceeds 300, there shall be employee representatives on the Board of Directors. The employee representatives on the Board of Directors shall be elected through democratic elections by the employees of the company in the form of a staff congress, a general meeting of employees, or other forms, and there is no need to submit such election to the Shareholders' meeting for deliberation.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Board of Directors receives the written resignation report, and the Company shall disclose the relevant information to the shareholders within two trading days. If the resignation of a Director results in the number of board members falling below the statutory minimum, or if there is a lack of accounting professionals among the Independent Directors, or if the resignation of an employee representative director results in no employee representative director on the board of directors, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association until the newly elected Directors assume office.

Board of Directors

The Company shall have a Board of Directors, which shall be accountable to the Shareholders' meeting. The Board of Directors shall consist of nine directors, including one employee representative director and three Independent Directors. The Board of Directors shall have one Chairman and may, have two Vice Chairmen. The Chairman and Vice Chairmen shall be elected by the Board of Directors by a majority vote of all directors.

The Board of Directors shall exercise the following powers and duties:

(i) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;

(ii) Implementing the resolutions of the Shareholders' meeting;

(iii) Deciding on the Company's business plans and investment proposals;

(iv) Formulating the Company's profit distribution plans and loss recovery plans;

(v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;

(vi) Drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes of the Company's form;

(vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected party transactions, and external donations, within the scope authorized by the Shareholders' meeting;

(viii) Deciding on the establishment of the Company's internal management structure;

(ix) Deciding on the appointment or dismissal of the general manager, secretary of the Board, and other senior management members, and determining their remuneration and reward (or punishment); based on the general manager's nomination, deciding on the appointment or dismissal of deputy general managers, financial officer, and other senior management members, and determining their remuneration and reward (or punishment);

(x) Formulating the Company's basic management systems;

(xi) Managing the Company's information disclosure matters;

(xii) Drafting amendments to the Articles of Association;

(xiii) Deciding on the repurchase of the Company's shares under Items (3), (5), and (6) of Article 25 of the Articles of Association, provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed.

(xiv) Other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

There are no specific provisions in the Articles of Association for Directors to exercise the borrowing power, but there are relevant provisions on matters relating to the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected party transactions, and external donations as determined by the Board of Directors within the scope authorized by the shareholders' meeting.

The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected party transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' meeting for approval.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Extraordinary board meetings may be convened by fax, mail (including email), or personal delivery, with notice provided to all Directors at least three days before the meeting. However, in cases of emergency where it is necessary to convene an extraordinary meeting of the Board of Directors as soon as possible, the meeting notice may be given at any time through telephone or other oral means. However, the convener shall provide an explanation at the meeting.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Except as otherwise provided by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association. Each Director shall have one vote in board resolutions.

If a Director has a connected relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The Director with such a connected relationship shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting may proceed with the attendance of more than half of the non-connected Directors, and resolutions shall require the approval of more than half of the non-connected Directors. If the number of non-connected Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review. If laws, regulations, or securities regulatory rules of the place where the Company's shares are listed impose additional restrictions on Directors' participation in board meetings and voting, such provisions shall apply.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting.

Independent Directors

Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

Independent Directors must maintain independence. The following persons shall not serve as independent Directors:

(i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;

(ii) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;

(iii) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;

(iv) Persons employed by affiliated enterprises of the Company's Controlling Shareholders or actual controllers, as well as their spouses, parents, and children;

(v) Persons who have significant business dealings with the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;

(vi) Persons who provide financial, legal, consulting, or underwriting services to the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;

(vii) Persons who have had any of the above-mentioned circumstances within the past 12 months;

(viii) Other persons deemed not independent under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Affiliated enterprises of the Company's Controlling Shareholders or actual controllers referred to in items (iv) to (vi) above do not include enterprises controlled by the same state-owned assets management institution as the Company and that do not constitute connected parties under relevant regulations.

Independent Directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent Directors and issue a special opinion.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all independent Directors:

(i) connected party transactions that require disclosure;

(ii) Proposals for the Company and related parties to change or waive commitments;

(iii) Decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition;

(iv) 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.

The Company shall establish a special meeting mechanism composed entirely of independent Directors. Matters such as connected party transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent Directors. The Company holds special meetings of independent Directors regularly or irregularly. Matters listed in items (i) to (iii) of paragraph 1 of Article 135 and Article 136 of the Articles of Association shall be reviewed by the special meeting of independent Directors. The special meeting of independent Directors may discuss other matters of the Company as needed.

The special meeting of independent Directors shall be convened and presided over by one independent Director jointly recommended by more than half of the independent Directors. If the convener fails to perform their duties or is unable to do so, two or more independent Directors may convene the meeting and recommend one representative to preside.

Special Committees under the Board

The Company's Board of Directors shall establish an Audit Committee to exercise the powers of a board of supervisors set out in PRC Company Law and the securities regulatory authorities of the place where the Company's shares are listed.

The Audit Committee shall consist of three members, all of whom shall be non-executive directors or independent directors, including at least two independent directors. The convener of the Audit Committee shall be an independent director who is a professional in accounting. The independent directors shall constitute a majority of the members of the Audit Committee.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

(i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(ii) Appointment or dismissal of the accounting firm auditing the Company;

(iii) Appointment or dismissal of the Company's financial officer;

(iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;

(v) 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.

The Company has also established the strategy committee, the nomination committee, and the remuneration and appraisal committee under the Board of Directors, which shall perform their duties in accordance with the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for deliberation and decision. The working procedures of the special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company may have several Deputy general managers, who shall be appointed or dismissed by the Board of Directors.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

The general manager shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(i) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;

(ii) Implementing the Company's annual business plans and investment proposals;

(iii) Drafting proposals for the establishment of the Company's internal management structure;

(iv) Drafting the Company's basic management systems;

(v) Formulating the Company's specific regulations;

(vi) Recommend to the Board of Directors the appointment or dismissal of the Company's Deputy general managers and financial officer;

(vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;

(viii) Approve transactions that do not need to be submitted to the Board of Directors, or shareholders' meeting for deliberation and approval in accordance with the rules of the stock exchange where the Company is listed and these Articles of Association (excluding transactions involving the provision of guarantees by the Company);

(ix) Other powers and duties granted by the Articles of Association or the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations, the provisions of relevant national authorities, and the rules of the securities regulatory authorities of the place where the Company's shares are listed.

The Company shall prepare its financial and accounting reports within four months after the end of each fiscal year, which shall be audited by an accounting firm engaged by the Company.

The Company shall prepare its financial and accounting reports in accordance with the relevant laws, administrative regulations and departmental rules.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's funds shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations. If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless all shareholders agree not to distribute profits according to the proportion of shares held by shareholder. If the Shareholders' meeting violates the PRC Company Law by distributing profits to shareholders before covering losses and allocating statutory reserve fund, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital. When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

After the resolution on the profit distribution plan is passed at the Company's general meeting, or after the Board of the Company formulates a specific distribution plan based on the conditions and upper limits for interim dividends approved at the annual general meeting, the Company shall complete the distribution of dividends (or bonus shares) within 2 months.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after approval by the Board of Directors.

The internal audit department is accountable to the Board of Directors.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law and the rules of the securities regulatory authorities of the place where the Company's shares are listed to conduct audits of financial statements, verification of net assets, and other connected consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be decided by the Shareholders' meeting through an ordinary resolution. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The remuneration of the accounting firm shall be decided by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 20 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

If the accounting firm resigns, it shall explain to the Shareholders' meeting whether there are any improper circumstances in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company's merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

Where the payment for a company merger does not exceed 10% of the Company's net assets, it may proceed without a Shareholders' meeting resolution, unless otherwise provided by the securities regulatory rules of the place where the Company's shares are listed or by the Company's Articles of Association. Where a merger is to be conducted without a shareholders' meeting resolution in accordance with the provisions mentioned above, it shall be approved by a resolution of the Board of Directors.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees. In the event that the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with the relevant provisions.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days. In the event that the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with the relevant provisions.

The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. In the event that the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with the relevant provisions.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;

(ii) The Shareholders' meeting resolves to dissolve the Company;

(iii) The Company needs to be dissolved due to a merger or division;

(iv) The Company is legally revoked its business license, ordered to close, or revoked;

(v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders' meeting. To amend the Articles of Association or pass a resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

(i) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;

(ii) Notifying and announcing to creditors;

(iii) Handling the Company's unfinished business related to the liquidation;

(iv) Paying off the taxes owed and the taxes incurred during the liquidation process;

(v) Cleaning up claims and debts;

(vi) Distributing the remaining assets after the Company's debts are settled;

(vii) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the newspapers or the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. In the event that the securities regulatory rules of the place where the Company's shares are listed provide otherwise, the Company shall also comply with the relevant provisions. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unconnected to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company's registration.

If the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

(i) After the PRC Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;

(ii) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;

(iii) The Shareholders' meeting resolves to amend the Articles of Association.

If the amendment of the Articles of Association passed by a resolution of the Shareholders' meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendment of the Articles of Association and the approval opinions of the competent authority.

If the amendment of the Articles of Association involves information required to be disclosed by laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed, it shall be announced in accordance with regulations.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated as a limited liability company under the laws of the PRC on 28 September 1995 and was converted into a joint stock company with limited liability on 11 June 2025. Our registered address and principal place of business is at Niujiao River, Hengshui Town, Chongyi County, Ganzhou City, Jiangxi Province, PRC.

We have established a place of business in Hong Kong at Suite 2703, 27/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 30 June 2025. Ms. Ho Wing Yan(何詠欣), our joint company secretary, is the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. 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. An overview of the relevant aspects of laws and regulations of the PRC is set out in the section headed "Regulatory Overview" in this document. A summary of our Articles of Association is set out in Appendix VI to this document.

B. Changes in the Share Capital of our Company

The registered capital of our Company was increased from RMB4,180,000 to RMB75,000,000 upon completion of the joint stock reform of our Company on 11 June 2025. As of the date of our establishment as a joint stock company with limited liability, our registered capital was RMB75,000,000 consisting of 75,000,000 issued Unlisted Shares with a nominal value of RMB1.00 each, which has been fully paid up by our promoters.

Immediately following the completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised, our registered share capital will be increased to RMB**[REDACTED]**, divided into 75,000,000 Unlisted Shares and **[REDACTED]** H Shares, fully paid up or credited as fully paid up, representing **[REDACTED]** and **[REDACTED]** of our enlarged share capital, respectively.

Save as disclosed above, there has been no alteration in the share capital within two years immediately preceding the date of this document.

C. Resolutions Passed by Our Shareholders' General Meeting in relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on 18 June 2025, the following resolutions, among others, were duly passed:

(1) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be **[REDACTED]** on the Stock Exchange;

(2) the proposed number of H Shares to be **[REDACTED]** under the **[REDACTED]** and the grant of the **[REDACTED]**. The number of H Shares to be issued pursuant to the exercise of the **[REDACTED]** shall not exceed **[REDACTED]** of the total number of H Shares to be **[REDACTED]** initially pursuant to the **[REDACTED]**;

(3) subject to the completion of the **[REDACTED]**, the conditional adoption of the revised Articles of Association, which shall become effective on the **[REDACTED]**; and

(4) authorisation of our Board and its authorised persons to handle all matters relating to, among other things, the **[REDACTED]**.

D. Changes in Share Capital of our Subsidiaries

During the Track Record Period and up to the date of this document, our Company had no subsidiary. As such, there has been no alteration in the share capital of any of our subsidiaries within the two years preceding the date of this document.

E. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to the section headed "Summary of our Articles of Association" in Appendix VI to this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(1) the Deed of Indemnity; and

(2) the **[REDACTED]**.

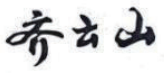
B. Our Material Intellectual Property Rights

As at the Latest Practicable Date, we had registered, or has applied for the registration of, the following intellectual property rights which were material to our Company's business.

Trademarks

As at the Latest Practicable Date, we had registered the following trademarks in the PRC which we considered to be material to our business:

No.	Trademark	Class	Registered owner	Registration number	Validity Period
					(yyyy.mm.dd)
1.	微酸心情	29	Our Company	4639789	2018.2.28-2028.2.27
2.	微酸心情	30	Our Company	4639791	2018.2.28-2028.2.27
3.	丫-hoo	30	Our Company	4639792	2018.2.28-2028.2.27
4.	丫-hoo	29	Our Company	4639788	2018.2.28-2028.2.27
5.	吖-hoo	29	Our Company	4639790	2018.2.28-2028.2.27
6.		30	Our Company	4862946	2018.7.28-2028.7.27
7.		29	Our Company	4862948	2018.7.28-2028.7.27
8.		29	Our Company	4862947	2018.7.28-2028.7.27
9.		30	Our Company	4862945	2018.7.28-2028.7.27
10.		29	Our Company	1257462	2019.3.21-2029.3.20
11.	云吉鲜 YUNJIXIAN	29	Our Company	30506079	2019.3.28-2029.3.27
12.	云小二	29	Our Company	32436438	2019.4.14-2029.4.13
13.		32	Our Company	1271861	2019.5.7-2029.5.6
14.	齐云山	31	Our Company	5777172	2019.6.28-2029.6.27
15.	齐云山	32	Our Company	5776059	2019.10.14-2029.10.13
16.	齐云山	29	Our Company	5619566	2019.11.7-2029.11.6
17.	齐云山	30	Our Company	5777162	2019.12.21-2029.12.20

No.	Trademark	Class	Registered owner	Registration number	Validity Period
					(yyyy.mm.dd)
18.		5	Our Company	5777171	2020.2.14-2030.2.13
19.	云之山	29	Our Company	39982639	2020.5.21-2030.5.20
20.	云之尚	29	Our Company	39969295	2020.5.21-2030.5.20
21.	云之家	29	Our Company	39976506	2020.5.21-2030.5.20
22.	云之海	29	Our Company	39976515	2020.5.28-2030.5.27
23.	呀嗬	30	Our Company	7098498	2020.7.7-2030.7.6
24.	云之端	29	Our Company	39984642	2020.8.14-2030.8.13
25.	吁-hou	29	Our Company	7023773	2020.8.28-2030.8.27
26.	呀嗬	29	Our Company	7098499	2020.9.14-2030.9.13
27.		29	Our Company	531344	2020.10.20-2030.10.19
28.		32	Our Company	531258	2020.10.20-2030.10.19
29.	云呵护	3	Our Company	46604532	2021.2.7-2031.2.6
30.	Qiyunshan	30	Our Company	7098496	2021.4.21-2031.4.20
31.	齐云山	3	Our Company	48623633	2021.7.7-2031.7.6
32.	Qiyunshan	29	Our Company	7098497	2021.8.21-2031.8.20
33.	云之上	29	Our Company	39972155	2021.11.28-2031.11.27
34.		29	Our Company	1730583	2022.3.14-2032.3.13
35.	瓜瓜叫	29	Our Company	1738574	2022.3.28-2032.3.27
36.		32	Our Company	1784170	2022.6.7-2032.6.6
37.	齐云山	30	Our Company	9802170	2022.12.7-2032.12.6
38.		32	Our Company	67018026	2023.2.28-2033.2.27
39.		31	Our Company	67039395	2023.2.28-2033.2.27
40.		29	Our Company	67040981	2023.2.28-2033.2.27
41.		30	Our Company	67031218	2023.2.28-2033.2.27
42.		30	Our Company	67022293	2023.2.28-2033.2.27
43.		31	Our Company	67035610	2023.2.28-2033.2.27

No.	Trademark	Class	Registered owner	Registration number	Validity Period
					(yyyy.mm.dd)
44.		32	Our Company	67024061	2023.2.28-2033.2.27
45.		29	Our Company	67032914	2023.2.28-2033.2.27
46.	齐云仙	31	Our Company	67017978	2023.2.28-2033.2.27
47.	齐云仙	30	Our Company	67032941	2023.5.7-2033.5.6
48.	齐云仙	32	Our Company	67024586	2023.5.7-2033.5.6
49.	齐云山	29	Our Company	9802030	2023.12.7-2033.12.6
50.	雲之巔	29	Our Company	11909719	2024.5.28-2034.5.27
51.	齐云山	29	Our Company	3594542	2025.2.21-2035.2.20
52.		29	Our Company	3730504	2025.12.7-2035.12.6

As at the Latest Practicable Date, we had made an application for the registration of the following trademark in Hong Kong which we considered to be material to our business:

No.	Trademark	Classes	Applicant	Trademark number	Application date
					(yyyy.mm.dd)
1.		3, 5, 29, 30, 31, 32	Our Company	307096168	2025.11.18

Patents

As at the Latest Practicable Date, we had registered the following patents in the PRC which we considered to be material to our business:

No.	Registered owner	Description	Patent No.	Patent category	Application date	Duration of patent rights (from application date)
					(yyyy.mm.dd)	
1.	Our Company	A production method for low-sugar hog plum paste (一種低糖南酸棗糕的製作方法)	ZL 201210400284.4	Invention	2012.10.21	20 years

No.	Registered owner	Description	Patent No.	Patent category	Application date	Duration of patent rights (from application date)
					(yyyy.mm.dd)	
2.	Our Company	Multi-stage variable temperature drying process for wild green plum paste and navel orange paste (野青梅糕、臍橙糕的多級變溫乾燥工藝)	ZL 201210410575.1	Invention	2012.10.25	20 years
3.	Our Company	A method for high-position grafting of hog plum trees (一種南酸棗樹高位嫁接的方法)	ZL 201310483430.9	Invention	2013.10.16	20 years
4.	Our Company	A nutritious soft candy made of hog plum peels rich in polyphenols and its preparation method (一種富含多酚的南酸棗皮營養軟糖及其製備方法)	ZL 201410202322.4	Invention	2014.5.14	20 years
5.	Our Company	A production method for hog plum beverage rich in polyphenols (一種富含多酚的南酸棗汁飲料的生產方法)	ZL 201410222590.2	Invention	2014.5.26	20 years
6.	Our Company	Packaging bag (Qiyunshan nata de coco hog plum paste 1) 包裝袋(齊雲山椰果南酸棗糕1)	ZL 201630589228.9	Exterior design	2016.12.2	10 years
7.	Our Company	Packaging bag (Qiyunshan hog plum paste 3) 包裝袋(齊雲山南酸棗糕3)	ZL 201630589214.7	Exterior design	2016.12.2	10 years
8.	Our Company	A production method for unfermented hog plum flavoured whole bean milk (一種未發酵的南酸棗風味全豆豆奶製作方法)	ZL 202011470716.X	Invention	2020.12.15	20 years
9.	Our Company	Packaging bag (passion fruit hog plum paste) 包裝袋(百香果南酸棗糕)	ZL 202130211727.5	Exterior design	2021.4.14	10 years
10.	Our Company	Packaging bag (zero additive hog plum paste) 包裝袋(0添加南酸棗糕)	ZL 202130211743.4	Exterior design	2021.4.14	10 years
11.	Our Company	Packaging bag (mango hog plum paste) 包裝袋(芒果南酸棗糕)	ZL 202130211731.1	Exterior design	2021.4.14	10 years
12.	Our Company	Packaging bag (reduced sugar hog plum paste) 包裝袋(減糖南酸棗糕)	ZL 202130211781.X	Exterior design	2021.4.14	10 years
13.	Our Company	Packaging bag (ginger hog plum paste) 包裝袋(生薑南酸棗糕)	ZL 202130211194.0	Exterior design	2021.4.14	10 years
14.	Our Company	Packaging bag (hog plum pellets) 包裝袋(南酸棗粒)	ZL 202130705893.0	Exterior design	2021.10.28	15 years

No.	Registered owner	Description	Patent No.	Patent category	Application date	Duration of patent rights (from application date)
					(yyyy.mm.dd)	
15.	Our Company	A composition containing hog plum peel and its preparation method and use thereof to promote pet hairball removal (一種包含南酸棗皮的組合物及其製備方法與其促進寵物排毛的用途)	ZL 202410072111.7	Invention	2024.1.17	20 years
16.	Our Company	A device for sorting and cleaning hog plums (一種南酸棗果實分選清洗裝置)	ZL 202410685801.X	Invention	2024.5.30	20 years
17.	Our Company	A device for separating the core of hog plums (一種南酸棗肉核分離設備)	ZL 202411483447.9	Invention	2024.10.23	20 years
18.	Our Company	A device for removing the core of hog plums (一種南酸棗去核裝置)	ZL 202411864067.X	Invention	2024.12.18	20 years
19.	Our Company	A lightweight pitting device for separating the pit and flesh of hog plums using pneumatic pressure (一種氣壓式核肉分離的南酸棗輕量化去核設備)	ZL 202510837641.0	Invention	2025.6.23	20 years
20.	Our Company	A rotary multi-station pre-expansion and ejection device for hog plum pits (一種轉盤式多工位南酸棗核孔預擴與頂出設備)	ZL 202510899132.0	Invention	2025.7.1	20 years
21.	Our Company	A device for extracting hog plum pulp (一種南酸棗果泥提取裝置)	ZL 202510968853.2	Invention	2025.7.15	20 years

As of the Latest Practicable Date, we had made applications in the PRC for the registrations of the following patents:

No.	Applicant	Description	Application number	Patent category	Application date
					(yyyy.mm.dd)
1.	Our Company	A processing technique for hog plum peel and a hog plum peel tea (一種南酸棗果皮的加工工藝及一種南酸棗果皮茶)	202011105079.6	Invention	2020.10.15
2.	Our Company	A freeze-drying method for fruit (一種水果的凍乾處理方法)	202011105885.3	Invention	2020.10.15
3.	Our Company	A kind of continuous drying equipment for peel material of hog plum (一種連續式酸棗果皮物料烘乾設備)	202310165395.X	Invention	2023.02.24

No.	Applicant	Description	Application number	Patent category	Application date
					(yyyy.mm.dd)
4.	Our Company	A kind of extracting device and extracting method of peel flavonoids of hog plum (一種南酸棗皮黃酮的提取裝置及提取方法)	202411078441.3	Invention	2024.08.07
5.	Our Company	A kind of automatic liquid fertilization device of hog plum trees (一種南酸棗樹自動液體施肥裝置)	202411241886.9	Invention	2024.09.05
6.	Our Company	A kind of automatic picker of hog plum (一種南酸棗自動採摘機)	202411500971.2	Invention	2024.10.25
7.	Our Company	A lightweight peeling device for hog plums using pneumatic pulse-type peel splitting and separation (一種氣壓脈衝式果皮脹裂分離的南酸棗輕量化去皮裝置)	202510772637.0	Invention	2025.6.11
8.	Our Company	A clean dehulling processing device for hog plum kernels based on a peeling structure (一種基於剝殼結構的南酸棗仁潔淨脫殼加工設備)	202511467882.7	Invention	2025.10.15
9.	Our Company	Hog plum paste preparation and hog plum energy-saving cleaning equipment (酸棗糕製備酸棗節能清洗設備)	202511610601.9	Invention	2025.11.05

Plant variety rights

As at the Latest Practicable Date, we had registered the following plant variety rights (植物新品種權) in the PRC:

No.	Registered owner	Name of plant variety	Plant variety right number	Genus or species	Effective date of the right	Duration of the right (from effective date)
					(yyyy.mm.dd)	
1.	Our Company	Qiyunshan No. 1 (齊雲山1號)	20130127	Hog plum (南酸棗)	2013.12.25	20 years
2.	Our Company	Qiyunshan No. 7 (齊雲山7號)	20130128	Hog plum (南酸棗)	2013.12.25	20 years
3.	Our Company	Qiyunshan No. 13 (齊雲山13號)	20130129	Hog plum (南酸棗)	2013.12.25	20 years
4.	Our Company	Qiyunshan No. 17 (齊雲山17號)	20150161	Hog plum (南酸棗)	2015.12.25	20 years
5.	Our Company	Qiyunshan No. 16 (齊雲山16號)	20200353	Hog plum (南酸棗)	2020.12.21	20 years
6.	Our Company	Qiyunshan No. 18 (齊雲山18號)	20200354	Hog plum (南酸棗)	2020.12.21	20 years
7.	Our Company	Qiyunshan No. 19 (齊雲山19號)	20250173	Hog plum (南酸棗)	2025.7.2	25 years

Domain Names

As at the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain name	Name of registered proprietor	Validity period
			(yyyy.mm.dd)
1.	qiyunshan.cc	Our Company	2007.1.23-2028.1.23
2.	qiyunshan.net.cn	Our Company	2005.11.10-2027.11.10

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts

Each of our Directors has entered into a service contract with our Company. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Company, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Remuneration of Directors

Please refer to the section headed "Directors and Senior Management" and Note 10 to the Accountants' Report in Appendix I to this document for the remuneration or benefits in kind paid to our Directors for each of the three years ended 31 December 2025.

During the Track Record Period, no fees were paid by our Company to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

4. DISCLOSURE OF INTERESTS

A. Disclosure of Interests of Directors

Save as disclosed below, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions 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, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company and the Stock Exchange, once the H Shares are **[REDACTED]** on the Stock Exchange.

		As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised)		
Name	Capacity/Nature of interest	Number and description of Shares (L) (Note 1)	Approximate percentage of shareholding	Number and description of Shares (L) (Note 1)	Approximate percentage of shareholding in the Unlisted Shares	Approximate percentage of shareholding in the total issued Shares of our Company
Chongyi Food Factory.	Beneficial owner	56,250,000 Unlisted Shares	75.00%	[REDACTED]	[REDACTED]	[REDACTED]
Yunzhishang LP	Beneficial owner	18,750,000 Unlisted Shares	25.00%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Liu Zhigao	Interest in controlled corporation and persons acting in concert (Note 2)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Qiu Lin(邱琳)	Interest of spouse (Note 3)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhu Fangyong	Interest in controlled corporation and persons acting in concert (Note 2)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Chen Qingjiu(陳慶久) . .	Interest of spouse (Note 4)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Liu Jiyan	Interest in controlled corporation and persons acting in concert (Note 2)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Chen Sulan(陳素蘭) . . .	Interest of spouse (Note 5)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Yang Yulan	Interest in controlled corporation and persons acting in concert (Note 2)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Liu Jingmin(劉京敏) . . .	Interest of spouse (Note 6)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Huang Zhongming	Interest in controlled corporation and persons acting in concert (Note 2)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Luo Qiuhua(駱秋華) . . .	Interest of spouse (Note 7)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]

		As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised)		
Name	Capacity/Nature of interest	Number and description of Shares (L) (Note 1)	Approximate percentage of shareholding	Number and description of Shares (L) (Note 1)	Approximate percentage of shareholding in the Unlisted Shares	Approximate percentage of shareholding in the total issued Shares of our Company
Mr. Ling Huashan	Interest in controlled corporation and persons acting in concert (Note 2)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Li Liangjun (黎良軍) . . .	Interest of spouse (Note 8)	75,000,000 Unlisted Shares	100.00%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The letter (L) denotes the person's long position in the Shares.

(2) As at the Latest Practicable Date, the Core Management Shareholders, namely Mr. Liu Zhigao, Mr. Zhu Fangyong, Mr. Liu Jiyan, Ms. Yang Yulan, Mr. Huang Zhongming and Mr. Ling Huashan, who in aggregate held over two-thirds of the equity interest in Chongyi Food Factory and over two-thirds of the partnership interest in Yunzhishang LP, had entered into a concert party agreement. Due to their collective shareholding control in Chongyi Food Factory and Yunzhishang LP, as well as their management influence over our Company as the executive Directors, the Core Management Shareholders are considered our Controlling Shareholders and each of them is deemed to be interested in the entire shareholding of our Company held by Chongyi Food Factory and Yunzhishang LP. For details, please refer to the section headed "Relationship with Our Controlling Shareholders" in this document.

(3) Ms. Qiu Lin is the spouse of Mr. Liu Zhigao. Therefore Ms. Qiu Lin is deemed to be interested in all of Mr. Liu Zhigao's interest in our Company by virtue of the SFO.

(4) Ms. Chen Qingjiu is the spouse of Mr. Zhu Fangyong. Therefore Ms. Chen Qingjiu is deemed to be interested in all of Mr. Zhu Fangyong's interest in our Company by virtue of the SFO.

(5) Ms. Chen Sulan is the spouse of Mr. Liu Jiyan. Therefore Ms. Chen Sulan is deemed to be interested in all of Mr. Liu Jiyan's interest in our Company by virtue of the SFO.

(6) Mr. Liu Jingmin is the spouse of Ms. Yang Yulan. Therefore Mr. Liu Jingmin is deemed to be interested in all of Ms. Yang Yulan's interest in our Company by virtue of the SFO.

(7) Ms. Luo Qiuhua is the spouse of Mr. Huang Zhongming. Therefore Ms. Luo Qiuhua is deemed to be interested in all of Mr. Huang Zhongming's interest in our Company by virtue of the SFO.

(8) Ms. Li Liangjun is the spouse of Mr. Ling Huashan. Therefore Ms. Li Liangjun is deemed to be interested in all of Mr. Ling Huashan's interest in our Company by virtue of the SFO.

Up to the Latest Practicable Date, none of the Directors or their respective spouses and children under 18 years of age had been granted by our Company or had exercised any rights to subscribe for shares or debentures of our Company or any of its associated corporations.

B. Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the **[REDACTED]**, would fall to be disclosed to our Company 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 or any member of our Company.

C. Disclaimers

(1) None of our Directors nor any of the persons whose name are listed in the paragraphs headed "5. Other Information — G. Qualification of Experts" in this Appendix VII to this document has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Company, or are proposed to be acquired or disposed of by or leased to any member of our Company;

(2) None of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Company taken as a whole; and

(3) So far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Company.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under the laws of the PRC is likely to fall on our Company or its subsidiaries.

B. Litigation

As of the Latest Practicable Date, save as disclosed in the paragraphs headed "Business — Legal Proceeding and Compliance" in this document, none of our Company or our branches was engaged in any litigation or arbitration which may have material and adverse effect on the **[REDACTED]** and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Company.

C. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee for the **[REDACTED]** of, and permission to **[REDACTED]** in, our H Shares.

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor of HK$**[REDACTED]** million to act as the sole sponsor in connection with the **[REDACTED]**.

D. Compliance Adviser

We have appointed Zhongtai International Capital Limited as our compliance adviser upon the **[REDACTED]** in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expenses.

F. Promoters

The promoters as of the time of our Company's conversion into a joint stock company are Chongyi Food Factory and Yunzhishang LP.

Within the two years immediately preceding the date of this document, save for the Unlisted Shares subscribed for by Chongyi Food Factory and Yunzhishang LP pursuant to the joint stock reform of our Company as disclosed in the section headed "History and Corporate Structure — Our Corporate Development — Joint Stock Reform of our Company" in this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the **[REDACTED]** and the related transactions described in this document.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this document, are as follows:

Name	Qualification
Zhongtai International Capital Limited	Licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
King & Wood Mallesons	PRC Legal Advisers
Ernst & Young	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
China Insights Industry Consultancy Limited	Independent industry consultant
King Kee Appraisal and Advisory Limited	Independent valuer

H. Consents of Experts

Each of the experts named in the paragraphs headed "5. Other Information — G. Qualification of Experts" in this section above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

I. Deed of Indemnity

[•] (the "**Indemnifiers**") [have entered] into the Deed of Indemnity with and in favour of our Company for itself and as trustee for its subsidiaries, to provide indemnities in respect of, among other things:

(a) [any liability of any or all of the members of our Company to any form of taxation and duty whenever created or imposed, whether of Hong Kong, the PRC or of any other part of the world, and without prejudice to the generality of the foregoing includes profits tax, provisional profits tax, business tax on gross income, income tax, value added tax, interest tax, salaries tax, property tax, land appreciation tax, lease registration tax, estate duty, capital gains tax, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, import, customs and excise duties and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities of local, municipal, provincial, national, state or federal level whether of Hong Kong, the PRC or of any other part of the world falling on any of the members of our Company resulting from or by reference to any income, profits or gains earned, accrued or received on or before the **[REDACTED]** or any event on transaction on or before **[REDACTED]** whether alone or in conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company;

(b) any fines, late payment fees, damages, loses, attorney fees, litigation fees and public relationship costs which might be payable by our Company in relation to occupation of land and property without obtaining the certificate of title to real estate by our Company, and any relocation expenses, decoration expenses, losses arisen from relocation and suspension of operation when our Company or any other members of our Company is prohibited from occupation and usage of such land and property; and

(c) all claims, actions, demands, liabilities, damages, costs, expenses, penalties, fines and of whatever nature suffered or incurred by any member of our Company directly or indirectly as a result of or in connection with the non-compliance or alleged non-compliance by any member of our Company with any applicable laws, rules and regulations in PRC or any jurisdictions in the course of its business occurred on or before the **[REDACTED]** and/or all actions, claims, demands, proceedings, costs and expenses, damages, losses and liabilities whatsoever which may be made, suffered or incurred by any member of our Company in respect of or arising directly or indirectly from or on the basis of or

in connection with any litigation, arbitration, claim and/or legal proceedings, whether of criminal, administrative, contractual, tortuous or otherwise nature instituted or threatened against any member of our Company and/or any act, non-performance, omission or otherwise of any member of our Company accrued or arising on or before the **[REDACTED]**.]

The Deed of Indemnity does not cover any claim and the Indemnifiers shall be under no liability under this Deed of Indemnity in respect of above:

(a) [to the extent that provision or allowance has been made for such taxation in the combined financial statements of our Company as set out in Appendix I to this document for the Track Record Period (the "**Accounts**") or in the audited accounts of the relevant members of our Company for the Track Record Period; or

(b) for which any company of our Company is liable as a result of any event occurring or income, profits earned, accrued or received or alleged to have been earned, accrued or received or transactions entered into in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after 31 December 2025 up to and including the **[REDACTED]** or consisting of any company of our Company ceasing, or being deemed to cease, to be a company in our Company for the purposes of any matter of the taxation; or

(c) to the extent that such claim arises or is incurred as a consequence of any retrospective change in the law or the interpretation or practice by the Hong Kong Inland Revenue Department or the tax authorities or any other authority in any part of the world coming into force after the **[REDACTED]** or to the extent such claim arises or is increased by an increase in the rates of taxation after the **[REDACTED]** with retrospective effect; or

(d) to the extent that any provision or reserve made for such taxation in the Accounts is finally established to be an over-provision or an excessive reserve as certified by a firm of accountants acceptable to our Company then the liability of our Indemnifiers (if any) in respect of such taxation shall be reduced by an amount not exceeding such over-provision or excess reserve.]

Under the Deed of Indemnity, the Indemnifiers have also undertaken to indemnify, on a joint and several basis, from any depletion in or reduction in value of its assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages, penalties, fines or other liabilities which any member of our Company may incur or suffer arising from the non-compliance as disclosed in the section headed "Business — Legal Proceeding and Compliance" in this document.

J. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effect on the Stock Exchange. For further information in relation to taxation, please refer to the sections headed "Regulatory Overview" in this document and "Taxation and Foreign Exchange" in Appendix V to this document.

K. No Material and Adverse Change

Our Directors confirm that there has been no material and adverse change in the financial or trading position of our Company since 31 December 2025.

L. Binding Effect

This document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all 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.

M. Related Party Transactions

Our Company entered into certain related party transactions within the two years immediately preceding the date of this document as mentioned in Note 34 to the Accountants' Report in Appendix I to this document.

N. Restriction on Share Repurchases

Please refer to Appendix VI to this document for details.

O. Miscellaneous

(1) Within the two years immediately preceding the date of this document:

(i) save as disclosed in the section headed "History and Corporate Structure" in this document, no share or loan capital of our Company has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in the section headed "**[REDACTED]**" in this document, no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company; and

(iv) save as disclosed in the section headed "**[REDACTED]**" in this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

(2) There are no founder, management or deferred shares or any debentures in our Company.

(3) There has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this document.

(4) Our Company has no outstanding convertible debt securities or debentures.

(5) There is no arrangement under which future dividends are waived or agreed to be waived.

(6) Save as disclosed in the section headed "History and Corporate Structure" in this document, none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

(7) All necessary arrangements have been made to enable the H shares to be admitted into **[REDACTED]** for clearing and settlement.

(8) Our Company is not presently listed on any stock exchange or traded on any trading system.

P. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(1) certified copies of the material contracts referred to in "2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VII; and

(2) the written consents referred to in "5. Other information — H. Consents of Experts" in Appendix VII.

2. DOCUMENTS AVAILABLE ON DISPLAY

The following documents will be available on display on the website of our Company at **www.qiyunshan.cc** and on the website of the Stock Exchange at **www.hkexnews.hk** up to and including the date which is 14 days from the date of this document:

(1) the Articles of Association in Chinese;

(2) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I;

(3) the audited consolidated financial statements of our Company for the three years ended 31 December 2025;

(4) the report from Ernst & Young relating to the **[REDACTED]** financial information, the text of which is set out in Appendix II;

(5) the material contracts referred to in "2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VII;

(6) the written consents referred to in "5. Other information — H. Consents of Experts" in Appendix VII;

(7) the contracts referred to in "3. Further Information about Our Directors — A. Particulars of Directors' Contracts" in Appendix VII;

(8) the legal opinions issued by King & Wood Mallesons, our PRC Legal Advisers, in respect of certain general corporate matters and our Company's business operations in the PRC;

(9) the PRC Company Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations; and

(10) the industry report issued by China Insights Industry Consultancy Limited.