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. You should read the whole document before you decide to **[REDACTED]** *in the* **[REDACTED]**.

There are risks associated with any investment. 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 in full before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are the largest producer of potted vegetable produce in Shandong province, the largest vegetable producing province in the PRC in 2022, with a market share of 14.8% in terms of sales revenue in Shandong province in 2022. Meanwhile, with a sales revenue of RMB126.7 million, the Group accounted for less than 0.01% of total sales revenue of vegetable producers and approximately 3.1% of total sales revenue of potted vegetable producers in China in 2022. We commenced our business of cultivation and sales of potted vegetable produce in 2012 in Laixi, Qingdao, Shandong province, and we are one of the first few potted vegetable producers in Shandong province which started large scale production of potted vegetable produce with an annual production capacity of more than one million pots in 2016. During the Track Record Period, we sold our products primarily in Shandong province. In view of the growing business opportunities, we extended our geographical coverage to Xi'an, Shaanxi province and Dalian, Liaoning province in 2019.

China's vegetable produce market and potted vegetable produce market were both highly fragmented with around one million to two million vegetable producers and thousands of potted vegetable producers, respectively. As potted vegetable produce is a newly-developed type of produce as compared with ordinary vegetable produce that is normally cultivated under traditional in-ground cultivation method, in terms of sales volume measured by net weight of vegetable, total sales volume of potted vegetable produce accounted for less than 0.1% of total sales volume of vegetable produce in China in 2021.

During the Track Record Period, our products were marketed under our core brand "富景農業" which included 29 potted vegetable produce species. As in line with the industry practice, we sell our potted vegetable produce primarily through a network of distributors in the PRC which then on-sell our products to over 1,000 customers in the Shandong province, Xi'an and Dalian, the majority of which are hotels and restaurants.

For ensuring our potted vegetable produce is of good quality and meet the relevant safety requirements, all of them are grown in greenhouses in our cultivation facilities, and we do not purchase potted vegetable produce from other producers. As at the Latest Practicable Date, we had been accredited with Certificate of Pollution-free Agricultural Products* (無公害農產品證書) issued by Qingdao Agricultural Rural Bureau* (青島市農業農村局) in respect of the potted vegetable produce cultivated at our Laixi Facility.

As at the Latest Practicable Date, we had three cultivation facilities in operation for cultivating our potted vegetable produce, namely, (i) Laixi Facility; (ii) Xi'an Facility; and (iii) Dalian Facility which, in aggregate, covers a land area of approximately 431,605 sq.m. As at the Latest Practicable Date, we had 140 greenhouses operating in our cultivation facilities with a total gross floor area of 155,401 sq.m.

Our potted vegetable produce is cultivated and sold to customers in pots. As our potted vegetable produce is sold to our customers in pots filled with organic substrates, our potted vegetable produce is sold while still fresh and living and has not been harvested upon sales. During the Track Record Period, our 29 potted vegetable produce species included crown daisy, rapeseed, Frisée, Indian lettuce, pak choi, lettuce, Chinese celery and tatsoi which were our principal products offered in the market. For details, please refer to the paragraph headed "Business — Our products".

Revenue

The following table sets forth a breakdown of our revenue, sales volume and average selling price in terms of our geographical location and cultivation facilities during the Track Record Period:

	Year ended 31 December												Five months ended 31 May							
	2020				**2021**				**2022**				**2022**				**2023**			
	Revenue	*% of total revenue*	Sales volume	Average selling price	Revenue	*% of total revenue*	Sales volume	Average selling price	Revenue	*% of total revenue*	Sales volume	Average selling price	Revenue	*% of total revenue*	Sales volume	Average selling price	Revenue	*% of total revenue*	Sales volume	Average selling price
	RMB'000		*('000 pots)*	*(RMB) (Note 1)*	*RMB'000*		*('000 pots)*	*(RMB) (Note 1)*	*RMB'000*		*('000 pots)*	*(RMB) (Note 1)*	*RMB'000* (unaudited)		*('000 pots)*	*(RMB) (Note 1)*	*RMB'000*		*('000 pots)*	*(RMB) (Note 1)*
Shandong province																				
Laixi Facility	105,737	87.1	7,045	15.0	141,291	91.2	9,419	15.0	114,468	90.3	7,631	15.0	27,223	90.0	1,815	15.0	52,021	92.5	3,468	15.0
Shaanxi province																				
Xi'an Facility	8,704	7.2	543	16.0	6,206	4.0	388	16.0	5,316	4.2	332	16.0	1,499	5.0	94	16.0	2,035	3.6	127	16.0
Liaoning province																				
Dalian Facility	6,964	5.7	434	16.0	7,449	4.8	466	16.0	6,910	5.5	432	16.0	1,529	5.0	95	16.0	2,163	3.9	135	16.0
Total/overall	121,405	100.0	8,022	15.1	154,946	100.0	10,273	15.1	126,694	100.0	8,395	15.1	30,251	100.0	2,004	15.1	56,219	100.0	3,730	15.1

Note:

(1) Average selling price represents total revenue divided by sales volume as at the respective period.

Cost of sales

The following table sets forth a breakdown of our major cost of sales for the periods indicated:

	Year ended 31 December						Five months ended 31 May			
	2020		2021		2022		2022		2023	
	RMB'000	*% of cost of sales*	*RMB'000*	*% of cost of sales*	*RMB'000*	*% of cost of sales*	*RMB'000*	*% of cost of sales*	*RMB'000*	*% of cost of sales*
Raw materials	33,366	50.7	42,718	49.7	34,986	49.4	8,429	47.8	15,299	48.9
Labour	28,285	43.0	37,168	43.2	30,315	42.8	7,281	41.3	13,464	43.1
Cultivation overheads	4,177	6.3	6,113	7.1	5,503	7.8	1,933	10.9	2,506	8.0
Total	65,828	100.0	85,999	100.0	70,804	100.0	17,643	100.0	31,269	100.0

COMPETITIVE STRENGTHS

We believe our market position are derived from the following key competitive strengths: (i) we are in a leading position in the potted vegetable produce industry in the Shandong province with strong brand recognition and high product quality; (ii) we have an extensive distribution network across Shandong province; (iii) we have an experienced management team with a proven track record to lead our development; (iv) our special potted vegetable cultivation method ensures high productivity as compared with traditional cultivation method; and (v) the higher technical requirements and upfront investment costs in cultivation of potted vegetable produce in greenhouses differentiate us from traditional players in the vegetable produce industry. For details, please refer to the paragraph headed "Business — Our competitive strengths".

BUSINESS STRATEGIES

We intend to achieve sustainable growth in sales and profit and further strengthen our leading position in the potted vegetable produce industry in the PRC by implementing the following strategies: (i) to expand our cultivation capacity; (ii) to establish a new cultivation facility in new geographical market; (iii) to set up a designated organic substrates preparation facility; and (iv) to strengthen our operational efficiency through upgrade of our information technology system. For details, please refer to the paragraph headed "Business — Our business strategies".

OUR CUSTOMERS, DISTRIBUTION AND SALES NETWORK

We sell our potted vegetable produce primarily through a network of distributors in the PRC, which is consistent with industry practice. Our distributors then on-sell our products to end-user customers, the majority of which are hotels and restaurants in the PRC. To a lesser-extent, we also sell our products through direct sales to end-user customers, such as hotels and restaurants in the PRC.

In FY2020, FY2021, FY2022 and 5M2023, sales to our five largest customers in each year combined accounted for approximately 56.1%, 66.3%, 67.3% and 68.8%, respectively, of our total revenue while sales to our largest customer in each year accounted for approximately 15.3%, 16.3%, 16.5% and 16.8%, of our total revenue, respectively. As at 1

January 2020, 31 December 2020, 31 December 2021, 31 December 2022 and 31 May 2023, we had 12, 12, 12, 12 and 12 distributors, respectively. In FY2020, FY2021, FY2022 and 5M2023, sales to our distributors (which were all based in the PRC) amounted to RMB121.0 million, RMB154.9 million, RMB126.7 million and RMB56.2 million, respectively, representing approximately 99.7%, 100.0%, 100.0% and 100.0% of our revenue during the same periods, respectively. Through our distributors, our potted vegetable produce was sold to over 1,000 customers in the Shandong province, Xi'an and Dalian during the Track Record Period, the majority of which are hotels and restaurants.

The following table sets forth the changes in the number of our distributors for the periods indicated:

	Year ended 31 December			Five months ended 31 May
	2020	**2021**	**2022**	**2023**
Number of distributors at the beginning of the year/period	12	12	12	12
Number of distributors added during the year/period	1	0	0	0
Number of existing distributors terminated during the year/period	(1)	0	0	0
Net increase in the number of distributors during the year/period	0	0	0	0
Number of distributors at the end of the year/period	12	12	12	12

For details, please refer to the paragraph headed "Business — Distribution and sales network".

OUR CULTIVATION AND PRODUCTION

We cultivate our vegetable produce in pots which contain our specially formulated organic substrates. Such organic substrates are made primarily from raw materials such as cow manure, fungi residue and peanut shells that are proportioned, mixed and processed through high-temperature fermentation. Compared to vegetable produce grown in open fields, using such organic substrates enables our potted vegetable produce to be cultivated with ideal nutrients for healthy growth, and prevents the risks of contamination and pollution. We apply an industrial cultivation method to produce our potted vegetable produce. Such cultivation method requires the use of enclosed greenhouses together with the application of our horticultural know-how and equipment in connection with pest control, heat preservation, ventilation and/or shading of sunlight in order to create an appropriate and ideal microclimate environment for the growth of our potted vegetable produce. The entire cultivation process of potted vegetable produce commencing from procurement of raw materials to delivery of our products takes approximately 40 days to 50 days, depending on the species of vegetable produce cultivated and the season of cultivation. For details, please refer to the paragraph headed "Business — Cultivation of our potted vegetable produce — Cultivation process".

As at the Latest Practicable Date, we had three cultivation facilities in operation for cultivating our potted vegetable produce, namely, (i) Laixi Facility; (ii) Xi'an Facility; and (iii) Dalian Facility which, in aggregate, covers a land area of approximately 431,605 sq.m. As at the Latest Practicable Date, we had 140 greenhouses operating in our cultivation facilities with a total gross floor area of 155,401 sq.m. For details, please refer to the paragraph headed "Business — Cultivation of our potted vegetable produce — Cultivation facilities".

RAW MATERIALS, SUPPLIERS AND SUBCONTRACTORS

Raw materials

Our raw materials primarily include (i) components of organic substrates; (ii) seeds; and (iii) fertilisers (such as foliar fertilisers) and biopesticides (such as matrine). We typically enter into purchase agreements with our suppliers which generally specify the type, quantity and/or quality specifications of raw materials, terms of delivery and credit period. The prices of our raw materials are fixed in the purchase agreements.

Our suppliers

In FY2020, FY2021, FY2022 and 5M2023, purchases from our largest supplier in each year accounted for approximately 70.3%, 62.9%, 50.8% and 52.8%, respectively, of our total purchases. For the same periods, our five largest suppliers in each year combined accounted for approximately 94.3%, 99.7%, 99.7% and 99.9%, respectively, of our total purchases. Our purchase from our five largest suppliers in each year increased by approximately RMB9.4 million (or 26.6%) from approximately RMB35.3 million in FY2020 to approximately RMB44.7 million in FY2021. The said increases from FY2020 to FY2021 were mainly due to the increase in our cultivation capacity and the volume of our actual cultivation output in the corresponding period. Our purchase from our five largest suppliers in each year decreased by approximately RMB4.9 million (or 11.0%) from approximately RMB44.7 million in FY2021 to approximately RMB39.8 million in FY2022. The said decreases was mainly due to the adverse impact of the COVID-19 epidemic which affected our Shandong market during FY2022. Our purchases from our five largest suppliers increased by approximately RMB3.4 million (or 28.6%) from approximately RMB11.9 million in 5M2022 to approximately RMB15.3 million in 5M2023. The said increases was mainly due to the increase in the volume of our actual cultivation output in the corresponding period. For details, please refer to the paragraph headed "Business — Raw materials, suppliers and subcontractors — Suppliers".

Our subcontractors

We engage by entering into standard labour subcontracting agreements (勞務外包合作協議書) with Independent Third Parties for performing simple labour work such as watering, sowing and transporting in the cultivation process under our management and supervision at our cultivation facilities. Our Directors believe that adopting such arrangement would provide us with more flexibility in management, reduce our administrative workload and allow us to manage effectively our cultivation process and meet our demand for workforce in a timely manner to cope with our recent expansion. It also allows our experienced staff to focus on the quality control procedures to uphold the quality of our products and conduct testing for the refinement of our current cultivation methods and techniques which are our core competitive advantages, and focus less on monitoring simple labour work. In FY2020, FY2021, FY2022 and 5M2023, our subcontracting labour cost amounted to approximately RMB28.3 million, RMB37.2 million, RMB30.3 million and RMB13.5 million, which represents approximately 43.0%, 43.2%, 42.8% and 43.1% of our total cost of sales for the same period, respectively. For details, please refer to the paragraph headed "Business — Raw materials, suppliers and subcontractors — Subcontractors".

SHAREHOLDERS' INFORMATION

Pre-[REDACTED] investments

	Ms. Geng Qi	Mr. Li Changbai	Mr. Cui Wei	Mr. Xie Xing
Approximate percentage of shareholding in our Company upon [REDACTED] *(Note)*	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

Note: Without taking into account any Shares which may be issued upon exercise of the **[REDACTED]** or any option and/or award which may be granted under the Share Option Scheme.

For details of the said pre-**[REDACTED]** investments, please refer to the paragraphs headed "History, Reorganisation and Corporate Structure — Reorganisation — 4. Pre-**[REDACTED]** investments by Ms. Geng Qi, Mr. Li Changbai and Mr. Cui Wei" and "History, Reorganisation and Corporate Structure — Reorganisation — 6. Pre-**[REDACTED]** investment by Mr. Xie Xing and conversion of Fujing Agriculture into a sinoforeign equity joint venture enterprise" in this document.

Our controlling shareholders

Immediately following completion of the **[REDACTED]** and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and without taking into account any Shares which may be issued and allotted upon the exercise of any options and/or awards granted under the Share Scheme), Wider International will own approximately **[REDACTED]**% of the entire issued share capital of our Company. Mr. Zhang, being the sole beneficial owner of the entire issued share capital of Wider International, is indirectly holding approximately **[REDACTED]**% of the entire issued share capital of our Company. Accordingly, Mr. Zhang and Wider International will be our Controlling Shareholders upon **[REDACTED]**. For details regarding our Controlling Shareholders, please refer to the section headed "Substantial Shareholders" in this document.

RISK FACTORS

Our business is subject to a number of risks and potential **[REDACTED]** are advised to read the entire section headed "Risk Factors" before making any **[REDACTED]** decision in the **[REDACTED]**. Some of the major risk we face include, among others, (i) we derive a significant portion of our revenue from our five largest customers and we are dependent on our major suppliers. Any change in our relationships with them may adversely affect our business, financial conditions and results of operations; (ii) we may encounter difficulties in expanding our distribution and sales network into new regions, which may limit our growth prospects; (iii) our results of operations are subject to biological asset fair value adjustments, which are subject to a few assumptions. Any increase in the selling prices of our biological assets will increase both our sales revenue and net changes in fair value of our biological assets, and vice versa; and (iv) we are subject to the potential adverse consequences due to the title issue in relation to part of the land at our Laixi Facility.

MATERIAL NON-COMPLIANCE

During the Track Record Period, we failed to comply with the applicable PRC social insurance contribution and housing provident fund regulations. Save for these non-compliance incidents, during the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we had complied with all major applicable laws and regulations in the PRC and Hong Kong in all material aspects, and we had not been involved in any material non-compliance incidents that had led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. For details, please refer to the paragraph headed "Business — Non-compliance".

KEY OPERATIONAL AND FINANCIAL DATA

The tables below are summaries of our consolidated results for the Track Record Period which were extracted from the Accountants' Report as set out in Appendix I to this document.

Summary of consolidated statements of profit or loss

	Year ended 31 December			Five months ended 31 May	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	121,405	154,946	126,694	30,251	56,219
Cost of sales	(65,828)	(85,999)	(70,804)	(17,643)	(31,269)
Gross profit	55,577	68,947	55,890	12,608	24,950
Profit/(loss) from operation	44,961	48,200	32,712	(196)	18,736
Finance cost	(1,183)	(897)	(900)	(382)	(366)
Profit/(loss) before tax	43,778	47,303	31,812	(578)	18,370
Income tax expense	—	—	—	—	—
Profit/(loss) for the year/period	43,778	47,303	31,812	(578)	18,370

Our revenue has grown continuously from approximately RMB121.4 million in FY2020 to approximately RMB154.9 million in FY2021 due to our increase in cultivation capacity during the Track Record Period.

Our revenue dropped from approximately RMB154.9 million in FY2021 to RMB126.7 million in FY2022. Such temporary decrease was mainly due to the series of lockdown measures in Dalian and various areas in Shandong province due to the COVID-19 epidemic since March 2022. Operation of Laixi Facility, our largest cultivation base, was suspended for more than one month between March and April 2022. Furthermore, due to the prolonged lockdown since March 2022 that restricted the operation of some of our end-user customers in the Shandong province and Dalian, it took several months for our overall sales to pickup and gradually resumed to normal level in August 2022.

Our revenue increased from approximately RMB30.3 million in 5M2022 to approximately RMB56.2 million in 5M2023. The said increases was mainly due to the increase in the volume of our actual cultivation output in the corresponding period as our business operation was no longer affected by COVID-19 epidemic in 5M2023.

We incurred **[REDACTED]** of approximately RMB**[REDACTED]**, RMB**[REDACTED]**, RMB**[REDACTED]** and RMB**[REDACTED]** for FY2020, FY2021, FY2022 and 5M2023, respectively.

Our gross profit increased by approximately RMB13.3 million (or 23.9%) from approximately RMB55.6 million in FY2020 to approximately RMB68.9 million in FY2021. Such increase was primarily attributable to the increase in the sales volume of our potted vegetable produce; effect of which was partially offset by the increase in our cost of sales, which was in line with the increase in sales volume of our potted vegetable produce.

Our gross profit decreased by approximately RMB13.1 million (or 18.9%) from approximately RMB68.9 million in FY2021 to approximately RMB55.9 million in FY2022. Such decrease was primarily attributable to the decrease in the sales volume of our potted vegetable produce due to the temporary adverse impact of the COVID-19 epidemic which seriously affected our Shandong market during FY2022.

Our gross profit increased by approximately RMB12.3 million (or 97.9%) from approximately RMB12.6 million in 5M2022 to approximately RMB25.0 million in 5M2023. Such increase was primarily attributable to the increase in the sales volume of our potted vegetable produce; effect of which was partially offset by the increase in our cost of sales, which was in line with the increase in sales volume of our potted vegetable produce.

Our net profit increased from approximately RMB43.8 million in FY2020 to approximately RMB47.3 million in FY2021, which was primarily due to the increase of our revenue as a result of our increase in cultivation capacity during the corresponding period.

As a result of the resurgence of the COVID-19 epidemic in March 2022 and the temporary suspension of our cultivation facilities, we recorded a decrease in revenue for FY2022 as compared to that of the FY2021. Although the demand of our potted vegetable produce gradually resume normal in the second half of 2022, we recorded a decrease in net profit for FY2022 due to the decrease in revenue in the first half of 2022 as a result of the temporary adverse impact of the COVID-19 epidemic to our revenue in the first half of 2022. Our net profit decreased from approximately RMB47.3 million in FY2021 to approximately RMB31.8 million in FY2022. Such temporary decrease was mainly due to the series of lockdown measures in Dalian and various areas in Shandong province due to the COVID-19 epidemic since March 2022 leading to the temporary suspension of our Laixi Facility and Dalian Facility.

We recorded a net profit of approximately RMB18.4 million in 5M2023, compared to a net loss of approximately RMB0.6 million we recorded in 5M2022, which was primarily due to the increase in our revenue as a result of our increase in the volume of our actual cultivation output during the corresponding period as our business operation was no longer affected by COVID-19 epidemic in 5M2023.

Summary of consolidated statements of financial position

	As at 31 December			As at 31 May
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	197,875	201,476	190,894	200,845
Current Assets	50,576	88,617	140,712	149,919
Current liabilities	32,771	27,423	37,453	38,318
Net current assets	17,805	61,194	103,259	111,601
Non-current liabilities	4,367	4,053	3,727	3,653
Net assets	211,313	258,617	290,426	308,793

Our net current assets increased from approximately RMB17.8 million as at 31 December 2020 to approximately RMB61.2 million as at 31 December 2021, which was primarily attributable to (i) the increase in our trade receivables by approximately RMB15.5 million; (ii) the increase in our bank and cash balances by approximately RMB16.0 million; and (iii) the increase in our prepayments and other receivables by approximately RMB6.0 million in the corresponding period. Our net current assets further increased to approximately RMB103.3 million as at 31 December 2022, which was primarily attributable to the increase in our bank and cash balances by approximately RMB48.1 million in the corresponding period. Our net current assets further increased to approximately RMB111.6 million as at 31 May 2023, which was primarily attributable to the increase in our bank and cash balances by approximately RMB19.0 million in the corresponding period.

Our net assets increased from approximately RMB211.3 million as at 31 December 2020 to approximately RMB258.6 million as at 31 December 2021, which was primarily attributable to the addition of our profit and total comprehensive income of approximately RMB47.3 million in FY2021. Our net assets further increased to approximately RMB290.4 million as at 31 December 2022, which was primarily attributable to the addition of our profit and total comprehensive income of approximately RMB31.8 million generated in FY2022. Our net assets further increased to approximately RMB308.8 million as at 31 May 2023, which was primarily attributable to the addition of our profit and total comprehensive income of approximately RMB18.4 million generated in 5M2023. For more details, please refer to the section headed "Consolidated Statements of Changes in Equity" in the Accountants' Report as set out in Appendix I to this document.

Summary of consolidated statements of cash flows

	Year ended 31 December			Five months ended 31 May	
	2020	**2021**	**2022**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash generated from operating activities	51,612	33,818	50,235	27,782	33,868
Net cash used in investing activities	(55,222)	(16,812)	(1,091)	(8)	(14,448)
Net cash generated from/(used in) financing activities	5,495	(1,012)	(1,025)	(390)	(342)
Cash and cash equivalents at end of year/period	6,968	22,963	71,079	50,346	90,114

Our net cash generated from operating activities remained positive during the Track Record Period, and we recorded a net cash generated from operating activities of approximately RMB51.6 million in FY2020 mainly because we shortened the credit terms offered to our major customers in 2019 and FY2020. We recorded a net cash generated from operating activities of approximately RMB33.8 million in FY2021 mainly because of our operating profit before working capital changes of approximately RMB59.0 million as partially offset by our payment of **[REDACTED]** of approximately RMB**[REDACTED]**. We recorded a net cash generated from operating activities of approximately RMB50.2 million in FY2022, mainly because of our operating profit before working capital changes of approximately RMB49.9 million as partially offset by the increase in biological assets and inventories of approximately RMB4.0 million and RMB1.4 million, respectively. We recorded a net cash generated from operating activities of approximately RMB33.9 million in 5M2023, mainly because of our operating profit before working capital changes of approximately RMB24.2 million as partially offset by the increase in prepayments and other receivables of approximately RMB0.4 million. Our net cash used in investing activities decreased from approximately RMB55.2 million in FY2020 to approximately RMB16.8 million in FY2021, which was primarily due to the renovation of the office premises and other maintenance and improvement works in our Laixi Facility. Our net cash used in investing activities decreased to approximately RMB1.1 million in FY2022, which was primarily due to the fact that we have completed most of the renovation, maintenance and improvement works in our Laixi Facility before FY2022. Our net cash used in investing activities increased to approximately RMB14.5 million in 5M2023, which was primarily due to payments for investment properties of approximately RMB12.0 million for the renovation of our Laixi Land and Buildings for Investment Purpose conducted during the same period.

Financial ratios

	As at/For the year ended 31 December			As at/For the five months ended 31 May
	2020	2021	2022	2023
Profitability Ratios				
Gross profit margin *(Note 1)*	45.8%	44.5%	44.1%	44.4%
Net profit margin *(Note 2)*	36.1%	30.5%	25.1%	32.7%
Return on assets *(Notes 3&4)*	17.6%	16.3%	9.6%	N/A *(Note 4)*
Return on equity *(Notes 4&5)*	20.7%	18.3%	11.0%	N/A *(Note 4)*
Liquidity Ratios				
Current ratio *(Note 6)*	1.5 times	3.2 times	3.8 times	3.9 times
Quick ratio *(Note 7)*	1.5 times	3.2 times	3.7 times	3.9 times
Solvency Ratios				
Interest coverage ratio *(Note 8)*	38.0 times	53.7 times	36.3 times	51.2 times
Net debt to equity ratio *(Note 9)*	6.5%	N/A *(Note 11)*	N/A *(note 11)*	N/A *(Note 11)*
Gearing Ratio *(Note 10)*	9.8%	8.0%	7.1%	6.7%

Notes:

1. The gross profit margin represents the gross profit divided by the revenue for the respective year/period multiplied by 100%. For details, please refer to the paragraph headed "Financial Information — Description of selected statements of profit or loss items — Gross profit and gross profit margin" in this document.

2. The net profit margin represents the net profit divided by the revenue for the respective year/period multiplied by 100%.

3. Return on assets represents net profit divided by total assets as at the respective year end and multiplied by 100%.

4. Return on equity and return on assets are calculated on a full year basis.

5. Return on equity represents net profit divided by total equity as at the respective year end and multiplied by 100%.

6. Current ratio represents total current assets divided by total current liabilities as at the respective year/period end.

7. Quick ratio represents total current assets less inventories divided by total current liabilities as at the respective year/period end.

8. Interest coverage ratio represents profit before income tax and interest expenses divided by interest expenses for the respective year/period end.

9. Net debt to equity ratio represents net debt divided by total equity as at the respective year/period end. Net debt is calculated as the total interest-bearing debt including borrowings and lease liabilities less bank and cash balances.

10. Gearing ratio represents the total interest-bearing debt including borrowings and lease liabilities divided by total equity as at the respective year/period end multiplied by 100%.

11. Net debt to equity ratio is not applicable for FY2021, FY2022 and 5M2023 as the Group's bank and cash balance is more than the sum of its borrowings and lease liabilities.

Our gross profit margin decreased from 45.8% in FY2020 to approximately 44.5% in FY2021 mainly because of the increase in cultivation overheads from approximately RMB4.2 million for FY2020 to RMB6.1 million for FY2021 which are predominantly depreciation charges. Such increase in cultivation overheads was due to the significant capital expenditure on our cultivation facilities including, such as, greenhouses and infrastructure which amounted to approximately RMB44.4 million and RMB14.4 million for FY2020 and FY2021 respectively. Such decrease in gross profit margin was primarily the result of the increase in our cost of sales by approximately RMB20.2 million (or 30.6%) between FY2020 and FY2021, which overwhelmed the increase in our revenue by approximately RMB33.5 million (or 27.6%) during the same periods.

Our gross profit margin decreased from approximately 44.5% in FY2021 to approximately 44.1% in FY2022 because the percentage drop of our cultivation overheads by 10.0% is less than the 17.7% drop of overall cost of sales between FY2021 and FY2022. As a result, our cultivation overheads accounted for a larger proportion of cost of sales in FY2022, leading to lower gross profit margin in FY2022.

Our gross profit margin increased from approximately 41.7% in 5M2022 to approximately 44.4% in 5M2023 mainly because of the increase in revenue from the sale of our potted vegetable produce by approximately RMB26.0 million (or 85.8%) from 5M2022 to 5M2023, which overwhelmed the increase in our cost of sales by approximately RMB13.6 million (or 77.2%) during the same period.

Our net profit margin decreased from approximately 36.1% in FY2020 to approximately 30.5% in FY2021. Such decrease was primarily the result of (i) increase in our **[REDACTED]** by approximately RMB**[REDACTED]** million (or **[REDACTED]**%); and (ii) decrease in our other income by approximately RMB3.4 million (or 73.4%) in the corresponding period.

Our net profit margin decreased from approximately 30.5% in FY2021 to approximately 25.1% in FY2022. Such decrease was primarily the result of the decrease in revenue from the sale of our potted vegetable produce by approximately RMB28.3 million (or 18.2%) from FY2021 to FY2022 due to the temporary adverse impact of the COVID-19 epidemic which seriously affected our Shandong and Dalian market during FY2022.

We have a net profit margin of 32.7% in 5M2023, while we recorded a net loss in 5M2022, which was primarily the result of the increase in revenue from the sale of our potted vegetable produce by approximately RMB26.0 million (or 85.8%) from 5M2022 to 5M2023 as our business operation was no longer affected by COVID-19 epidemic in 5M2023.

Biological assets

Our biological assets consist of potted vegetable produce stated at fair value less estimated cost to sell as at the end of reporting period. The fair value has been assessed by Savills, a firm of independent qualified professional valuers not connected with us, which has appropriate qualifications and experiences in valuation of biological assets, with reference to market prices, scrap rate, cultivation areas, species, growing conditions and cost incurred. We are required under HKFRS to recognise such changes under "net changes in fair value of biological assets". This line item represents fair value changes of our biological assets due to the changes in physical attributes and market prices of our biological assets, in particular, our potted vegetable produce at the end of each of the Track Record Period. Cost approach is adopted for these newly planted potted vegetable produce, and market approach is adopted for mature potted vegetable produce since observable biological transformation has taken place. Please refer to the paragraphs headed "Risk Factors — Our results of operations are subject to biological asset fair value adjustments, which are subject to a few assumptions" and "Financial Information — Valuation of biological assets — Key assumptions and inputs", respectively, in this document for further details.

The following table sets forth the value of our biological assets as at the dates indicated:

	At 31 December			At 31 May
	2020	**2021**	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Value of biological assets				
At 1 January	6,724	9,395	9,781	8,371
Increase due to plantation	67,444	86,208	74,798	31,430
Decrease due to sales	(65,828)	(85,999)	(70,804)	(31,269)
Decrease due to write-off	—	—	(4,585)	—
Net changes in fair value of biological assets	1,055	177	(819)	(983)
At 31 December/31 May	9,395	9,781	8,371	7,549
Original cost before fair value adjustment	6,221	6,430	5,839	6,000
Fair value adjustment	3,174	3,351	2,532	1,549
Value of biological assets	9,395	9,781	8,371	7,549

According to paragraphs 12 and 13 of HKAS 41 "Agriculture" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), (i) a biological asset shall be measured at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably; and (ii) agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. The resultant changes in the fair value adjustment between each reporting period are recognised as gain or loss and charged to "net changes in fair value of biological assets" in our consolidated statements of profit or loss. However, the fair value of potted vegetables that are planted and sold within the same financial period results in no net changes in fair value of biological assets recognised during that reporting period.

Write-off of biological assets

According to paragraphs 97 of HKAS 1 "Presentation of Financial Statements" issued by the HKICPA, if the expense involved is material to the consolidated financial statements, the Group should disclose its nature and amount separately. Accordingly, the cost of the unsold vegetable produce resulting from the temporary suspension of our Group's cultivation facilities or the imposition of lock down and travel restrictions were accounted for write-off of biological assets and were charged to profit or loss as a separate item given it was abnormal amounts of wastage. In FY2022, we wrote off certain of our biological assets of approximately RMB4.6 million which represented the unsold vegetable produce as a result of the temporary suspension of our facilities due to the outbreak of COVID-19 epidemic from March 2022 to April 2022. Most of the unsold potted vegetable produce from our Laixi Facility was donated to the government for the distribution to the local residents for their consumption during the lockdown period of the COVID-19 epidemic in FY2022.

The fair value of our biological assets was approximately RMB9.4 million, RMB9.8 million, RMB8.4 million and RMB7.5 million as at 31 December 2020, 31 December 2021, 31 December 2022 and 31 May 2023, respectively. The increase in the fair value of our biological assets from 31 December 2020 to 31 December 2021 was primarily due to the increase in the number of pots of vegetable produce in our cultivation facilities at the relevant time. The slightly decrease in the fair value of our biological assets as at 31 December 2022 was primarily due to the decrease in the number of pots of vegetable produce in our cultivation facilities as at 31 December 2022. The slightly decrease in the fair value of our biological assets as at 31 May 2023 was primarily due to the decrease in the number of pots of vegetable produce in our cultivation facilities as at 31 May 2023. Please refer to the paragraph headed "Financial Information — Analysis of selected statement of financial position items — Biological assets" in this document for details.

Taxation

According to Article 27 of the EIT Law and Article 86 of the Regulations of Enterprise Income Tax Law, enterprise income from agriculture, forestry, husbandry and fishery projects may be reduced or exempted from taxation. Pursuant to the abovementioned provisions and with the approval of Dianbu Branch of the State Taxation Bureau of Laixi City, Fujing Agriculture's enterprise income from agriculture has been exempted from taxation for the period from 1 May 2010 to 1 May 2050. Therefore, we did not have any income tax expense and our effective tax rate remained to be nil throughout the Track Record Period. For details of the relevant laws and regulations, please refer to the paragraph headed "Regulatory Overview — Laws and regulations relating to taxation" in this document.

DIVIDENDS

No dividend had been declared or paid by the companies now comprising the Group during the Track Record Period. Going forward, we will re-evaluate our dividend policy in light of our financial position and the prevailing economic climate. The determination to pay dividends will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors deem relevant. The payment of dividends may also be limited by legal restrictions and by financing agreements that we may enter into in the future. Our historical dividends may not be indicative of the amount of our future dividends. For details, please refer to the paragraph headed "Financial Information — Dividend Policy".

[REDACTED]

Our total estimated **[REDACTED]** primarily consist of our estimated **[REDACTED]** commissions for the **[REDACTED]** in addition to our professional fees paid in relation to the **[REDACTED]**. Assuming the **[REDACTED]** is not exercised and assuming an **[REDACTED]** of HK$**[REDACTED]**, being the mid-point of our indicative price range for the **[REDACTED]**, our total **[REDACTED]** is estimated to be approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**), representing approximately **[REDACTED]**% of the gross proceeds from the **[REDACTED]**. The **[REDACTED]** comprise (i) **[REDACTED]**-related expenses of approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**); (ii) non-**[REDACTED]**-related expenses of RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), including (a) fees and expenses of legal advisers and reporting accountants of approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**); and (b) other non-**[REDACTED]**-related fees and expenses of approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**). Our **[REDACTED]** of approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) is directly attributable to the issue of the **[REDACTED]** in the **[REDACTED]** which was and is expected to be accounted for as a deduction from equity in accordance with relevant accounting standards. Our remaining **[REDACTED]** of approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) were or are expected to be charged as expenses to our consolidated statements of profit or loss and other comprehensive income, of which approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**), approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**), approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**), approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) and approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) was charged for before the Track Record Period, FY2020, FY2021, FY2022 and 5M2023 respectively, while the balance of approximately RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**) is expected to be charged in the remaining months in the year ending 31 December 2023. Our above total estimated **[REDACTED]** are the latest practicable estimates for reference only. The final amount to be recognised may differ from these estimates.

FUTURE PLANS AND [REDACTED]

Assuming that the **[REDACTED]** is not exercised at all, based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the proposed **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**, the **[REDACTED]** of the **[REDACTED]**, after deduction of **[REDACTED]** fees and other expenses payable by our Company in relation to the **[REDACTED]**, are estimated to be HK$**[REDACTED]** (equivalent to approximately RMB**[REDACTED]**). Our Company currently intends to use the **[REDACTED]** from the **[REDACTED]** as follows:

	For the period from the Latest Practicable Date to 31 December 2024 [REDACTED]	For the period from 1 January 2025 to 31 December 2025 [REDACTED]	For the period from 1 January 2026 to 31 December 2026 [REDACTED]	Total [REDACTED]	Approximate % of the total [REDACTED]
Expansion of our cultivation capacity					
— Improvement and expansion of cultivation facilities at existing geographical markets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
— Establishing new cultivation facilities in new geographical markets	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Setting up a dedicated organic substrates production facility	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Strengthening our operating efficiency through upgrade of information technology system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Repayment of our bank borrowings	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

For details of how we intend to implement the **[REDACTED]** raised from **[REDACTED]**, please refer to the section headed "Future Plans and **[REDACTED]**" and the paragraph headed "Business — Our business strategies" in this document.

REASONS FOR THE [REDACTED]

Our Directors believe the estimated **[REDACTED]** from the **[REDACTED]** will provide us with financial resources for the execution of our business strategies and plans as set out in this document, which will help us pursue our business objective. Further, the **[REDACTED]** may act as an efficient and sustainable fund-raising platform for our Group. Our Directors believe that this way of financing is beneficial to the overall business development and financial performance of our Group, which in turn will maximise Shareholders' return. Our Directors believe that through **[REDACTED]**, the internal control and corporate governance practices of our Group could be enhanced and the transparency in our operations and financial reporting could be increased. Following the **[REDACTED]**, we are required to meet high standards with respect to internal control and corporate governance, which are instrumental in strengthening the overall control and supervision of our Group. This could also increase our customers' and suppliers' confidence in us and attract potential customers.

[REDACTED] STATISTICS

	Based on the [REDACTED] of HK$[REDACTED] per Share	Based on the [REDACTED] of HK$[REDACTED] per Share
[REDACTED] of our Shares *(Note 1)*	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to the owners of the Company per Share *(Note 2)*	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

1. The calculation of **[REDACTED]** is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]** and the **[REDACTED]** but without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]** and the Share Scheme.

2. The unaudited **[REDACTED]** adjusted consolidated net tangible assets attributable to the owners of our Company per Share is calculated based on **[REDACTED]** Shares in issue immediately following the completion of the **[REDACTED]** and the proposed **[REDACTED]** assuming the proposed **[REDACTED]** had been completed on **[REDACTED]** and no exercise of the **[REDACTED]** or any options and/or awards may be granted under the Share Scheme and no Shares may be allotted, issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix V to this document or otherwise.

IMPACT OF THE OUTBREAK OF COVID-19 EPIDEMIC

China was hit by the outbreak of COVID-19 epidemic since January 2020 until the end of 2022. The outbreak of the COVID-19 disease had prompted the PRC government to place many provinces into lockdown at various time during this period, stipulate measures aiming at reducing mobilities and close non-essential businesses which affected our business to different extent.

In early 2020, government policies were issued to require that during the prevention and control of outbreak of COVID-19, normal supply of agricultural production materials shall be ensured. For details, please refer to the paragraph headed "Regulatory Overview — Regulations relating to prevention and control of COVID-19 epidemic" in this document.

The following table sets forth the several outbreaks of COVID-19 epidemic which affected the operation of our cultivation facilities during the Track Record Period:

	Affected period and duration:	Facilities and markets being affected by the COVID-19 epidemic:	Whether our cultivation activities were interrupted, and impact on our business operations:	Direct loss of potted vegetable produce and the estimated loss of potential sales revenue during the lockdown:
1.	February 2020 to March 2020 (approximately one month)	Laixi Facility and the Shandong market	No, the lockdown and travel restrictions were mainly imposed in the Qingdao city. Our Laixi Facility, which is located in suburban area was still in operation. Our distributors sold our potted vegetable produce to residents in local residential estates through property management companies.	N/A
2.	22 December 2020 to 15 January 2021 (approximately 24 days)	Dalian Facility and the Liaoning market	Yes, the lockdown measures limited the operation of our Dalian Facility and caused temporary suspension of our sales activities in Dalian.	Direct loss of unsold vegetable produce: approximately 15,000 pots Estimated direct loss of potential sales revenue: approximately RMB0.2 million *(Note 1)*
3.	23 December 2021 to 24 January 2022 (approximately one month)	Xi'an Facility and the Shaanxi market	Yes, lockdown and travel restrictions were imposed in certain areas of Xi'an which limited the operation of our Xi'an Facility and caused the temporary suspension of our sales activities.	Direct loss of unsold vegetable produce: approximately 9,000 pots Estimated direct loss of potential sales revenue: approximately RMB0.1 million *(Note 2)*
4.	5 March 2022 to 10 April 2022 (approximately one month)	Laixi Facility and the Shandong market	Yes, lockdown and travel restrictions were imposed in Laixi. Our Laixi Facility was suspended for more than a month which caused the temporary suspension of our sales activities in the Shandong province. Hotels and restaurants were temporarily closed. Our distributors in Shandong were unable to pick up potted vegetable produce from our Laixi Facility; suppliers outside of Laixi also had difficulties in reaching our Laixi Facility and our subcontractors were also affected due to the home isolation and quarantine policy which restricted the movement of local residents and supply of workforce.	Direct loss of unsold vegetable produce: approximately 549,000 pots Estimated direct loss of potential sales revenue: approximately RMB8.2 million *(Note 3)*

	Affected period and duration:	Facilities and markets being affected by the COVID-19 epidemic:	Whether our cultivation activities were interrupted, and impact on our business operations:	Direct loss of potted vegetable produce and the estimated loss of potential sales revenue during the lockdown:
5.	14 March 2022 to 10 April 2022 (approximately one month)	Dalian Facility and the Liaoning market	Yes, lockdown and travel restrictions were imposed in the Jinpu New Area of Dalian. Our Dalian Facility was suspended which caused the temporary suspension of our sales activities in the Liaoning province.	Direct loss of unsold vegetable produce: approximately 8,100 pots Estimated direct loss of potential sales revenue: approximately RMB0.1 million *(Note 1)*

Notes:

1. The estimated loss of potential sales revenue is calculated based on the average selling price of our potted vegetable produce in Liaoning province of approximately RMB16.0 per pot in FY2020, FY2021 and FY2022

2. The estimated loss of potential sales revenue is calculated based on the average selling price of our potted vegetable produce in Shaanxi province of approximately RMB16.0 per pot in FY2021 and FY2022

3. The estimated loss of potential sales revenue is calculated based on the average selling price of our potted vegetable produce in Shandong province of approximately RMB15.0 per pot in FY2022

In February and March 2020, in light of the closure of some hotels and restaurants and the government policy of home isolation and quarantine which restricted the movement of local residents, as a temporary and extraordinary arrangement, our distributors sold 524,900 pots of our potted vegetable produce to residents in local residential estates through property management companies, accounting for revenue of our Group of approximately RMB7.8 million (or 6.5% of our total revenue in FY2020). In view of the above and that our potted vegetable produce is targeted to food and beverage industry rather than household daily consumption, such temporary and extraordinary arrangement was ceased after March 2020.

The series of lockdown measures in Dalian and various areas in Shandong province due to the COVID-19 epidemic in 2022 has temporary adverse impact on our business in FY2022. Our revenue derived from Laixi Facility and the Dalian Facility has dropped by approximately RMB26.8 million and RMB0.5 million, or 19.0% and 7.2% between FY2021 and FY2022 respectively. Such lockdowns have more serious impact on our business and financial performance than lockdown in prior years due to the following reasons:

(i) the lockdown affected our Laixi Facility and the Shandong market which accounts for most of our revenue and lasted for around one month;

(ii) unlike the first lockdown in 2020 when our cultivation facilities were still in operation, during the lockdown in 2022 distributors were not allowed to pick up potted vegetable produce from us and no sales took place during the lockdown, resulting in direct loss of unsold vegetable produce of approximately 557,000 pots and estimated direct loss of potential sales revenue of approximately RMB8.3 million during the lockdown. We wrote off our biological assets of approximately RMB4.6 million as a result; and

(iii) the COVID-19 epidemic was particularly serious in the Shandong province in March 2022. Hence, during the initial period of our resumption of operation of Laixi Facility in April 2022, some of the lockdown and travel restrictions were still partially in force in various parts of the Shandong province. Due to the prolonged lockdown in 2022, it took several months for our overall sales to pickup and gradually resume to normal level.

Between March and July 2022, our revenue in Shandong province and Dalian fell short of the revenue in the same period in 2021 by approximately RMB26.6 million and RMB1.0 million respectively. Such shortfall includes the estimated direct loss of potential sales revenue for unsold potted vegetable produce of approximately RMB8.2 million and RMB0.1 million for Laixi Facility and Dalian Facility respectively as explained in the table on pages [10.1] and [10.2]. By August 2022, our sales have fully resumed and we recorded a revenue of approximately RMB17.2 million in August 2022, which exceeded our revenue of approximately RMB16.1 million in August 2021. We recorded a revenue of approximately RMB54.2 million from September 2022 to December 2022, which is comparable to the revenue of approximately RMB54.6 million we recorded during the same period in 2021. As confirmed by the Directors, most of the hotels and restaurants end-user customers of the Group's distributors have resumed normal operation since August 2022. The Group's operations and financial position since September 2022 was no longer materially affected by the COVID-19 epidemic.

The PRC government has substantially lifted its COVID-19 prevention and control policies since December 2022. Our business continued to recover from the impact of COVID-19 outbreak in 2023, as our business operation was no longer affected by COVID-19 epidemic. We recorded a revenue of approximately RMB56.2 million in 5M2023, which slightly exceeded the revenue of approximately RMB55.9 million for the five months ended 31 May 2021. Our Directors are of the view that it is unlikely that the COVID-19 pandemic will have a material adverse impact on our business going forward. Our Directors confirmed that there was no material adverse impact on our operation, our sales to our customers, our suppliers and our subcontractors in relation to our business due to the COVID-19 epidemic during the Track Record Period and up to the Latest Practicable Date. We had adopted additional internal control and hygiene measures since the outbreak of COVID-19 epidemic.

However, there is no assurance that there will not be any direct or indirect adverse impact on our business, financial condition and results of operations arising from any effect on the PRC economy or other parts of the world as a result of the continuance of the COVID-19 outbreak. For details, please refer to the paragraph headed "Risk Factors — Risks relating to our business — The recent outbreak of COVID-19 has caused, and may continue to cause, damage to the economy and as a result may adversely affect our business, financial condition and results of operations" in this document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, there had not been any material changes to our principal business. Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial and trading position since 31 May 2023 and there has been no event since 31 May 2023 which would materially affect the information shown in the Accountants' Report as set out in Appendix I to this document. The PRC government has substantially lifted its COVID-19 prevention and control policies since December 2022. Our business continued to recover from the impact of COVID-19 outbreak in 2023, as our business operation was no longer affected by COVID-19 epidemic. Our Directors are of the view that the COVID-19 outbreak would not have any material adverse effect on our results of operations and our long-term business development and it is unlikely that the COVID-19 pandemic will have a material adverse impact on our business going forward.

OTHER INFORMATION

Regulatory Developments on Overseas Listing

On 17 February 2023, the CSRC formally released 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 "**Trial Overseas Listing Measures**") and five filing guidelines, which became effective on 31 March 2023. The Trial Overseas Listing Measures will regulate both direct and indirect overseas offerings and listings of securities by PRC domestic companies by adopting a filing-based regulatory regime. Where an issuer submits an application for initial public offering for overseas offering or listing directly or indirectly, such issuer must file with the CSRC within three business days after such application is submitted.

Based on the above and the current expected timetable of the **[REDACTED]**, our PRC Legal Advisers are of the view that we are required to perform the record-filing procedures for the **[REDACTED]** and the **[REDACTED]**. As confirmed by our Directors and our PRC Legal Advisers, as at the Latest Practicable Date, we have prepared all the necessary documents for the CSRC filing and will submit the same to the CSRC within three business days after our resubmission of the application for **[REDACTED]** to the Stock Exchange, and the Group will comply with the relevant requirements of the Trail Overseas Listing Measures.

NEEQ listing and delisting

In November 2015, the shares in Fujing Agriculture were first listed on the NEEQ. On 21 January 2019, Fujing Agriculture's shareholders resolved to voluntarily delist Fujing Agriculture's shares from NEEQ (the "**NEEQ Delisting**"). On 15 May 2019, Fujing Agriculture received regulatory approval for the NEEQ Delisting. On 22 May 2019, the shares in Fujing Agriculture ceased to be quoted on the NEEQ. The NEEQ Delisting was a commercial and strategic decision made by Fujing Agriculture's directors, based on the desire to attain greater access to international investors and markets by **[REDACTED]** on the Stock Exchange. Please refer to the section headed "History, Reorganisation and Corporate Structure" for further details.