
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OVERVIEW

We have over ten years of experience in the cultivation and sales of potted vegetable produce to our customers in the PRC. Our history can be traced back to December 2006, when our Controlling Shareholder, Mr. Zhang, founded our principal operating subsidiary, Fujing Agriculture, which was then known as Qingdao Fujing Agriculture Ecological Development Limited Liability Company* (青島富景農業生態開發有限公司), a one-person limited liability company in the PRC.

Mr. Zhang tapped into the agricultural industry as he sees agriculture essential to people’s livelihood and therefore believes that the industry would have huge prospects. In December 2003, “Certain Opinion of the Central Committee of the Communist Party of China and the State Council in relation to the promotion of farmers’ income* (中共中央、國務院關於促進農民增加收入若干政策的意見)” was executed by the then President of China and later became the “2004 No. 1 Document* (2004年度一號文件)” of the Communist Party of China. With the publication of the “2004 No. 1 Document”, Mr. Zhang believes that the Chinese government may publish favourable policy for the agricultural industry and therefore he founded Fujing Agriculture in December 2006. When Fujing Agriculture was established, we grew vegetables in traditional methods. Mr. Zhang found that there were shortcomings in traditional way of agriculture, particularly in the aspects of food safety, production standardisation, preservation and brand building. Meanwhile, as he took part in the industry and has gained considerable knowledge, Mr. Zhang eventually came up with an idea to grow vegetable produce in individual pots as a solution to the shortcomings of traditional agriculture. In 2011, we established our first greenhouse and started our research on cultivation of potted vegetable produce. Since second half of 2012, we developed our potted vegetable produce which became the main products of our Group and we started large scale production of potted vegetable produce with an annual production capacity of one million pots above in 2016. We started research on and developed our own formulated organic substrates in 2012 and 2014 respectively. For more information about Mr. Zhang, please refer to the paragraph headed “Directors and Senior Management — Directors and Senior Management — Executive Directors” in this document.

MILESTONES

Year	Events
2006	Establishment of Fujing Agriculture
2007–2010	Conducted land clearing and site formation for our Laixi Facility in Qingdao, Shandong province
2010	We commenced sales of non-potted vegetable produce by our Laixi Facility
2012	We commenced cultivation and sales of potted vegetable produce
2014	Accredited with the Qingdao Municipal Vegetable Base* (青島市市控蔬菜基地) by the Bureau of Commerce, Qingdao (青島市商務局)

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Year	Events
2015	<p>Accredited with the March 15 — the Most Socially Trustworthy Brand* (3 • 15最具社會誠信品牌) by Peninsula Metropolitan Newspaper* (半島都市報社)</p> <p>Accredited with the Qingdao 2015 World Leisure Games Franchisee* (青島2015世界休閒體育大會特許經營商) by Qingdao 2015 World Leisure Games Organising Committee* (青島2015世界休閒體育大會組委會)</p> <p>Expanded our Laixi Facility with aggregate site area of approximately 378,000 sq.m.</p> <p>The Shares of Fujing Agriculture became quoted on the NEEQ under stock code 834389</p> <p>We ceased sales and production of non-potted vegetable produce</p>
2017	<p>Accredited with the Certificate of Origin of Pollution-free Agricultural Products* (無公害農產品產地認定證書) by Qingdao Agriculture Commission* (青島市農業委員會)</p>
2018	<p>Accredited with the Qingdao Green Vegetable Garden* (青島市綠色菜園) by Qingdao Agriculture Commission* (青島市農業委員會)</p> <p>Established over 100 greenhouses with total gross floor area exceeding 100,000 sq.m.</p>
2019	<p>Establishment of Xi'an Facility and Dalian Facility</p> <p>Being selected to be involved in the development of the industry standard for the industrial cultivation of potted vegetable produce in the PRC together with the Laixi Potted Vegetable Cultivation Association* (萊西市盤菜種植協會), Qingdao Fugeng Agricultural Machinery Professional Cooperative* (青島富耕農機專業合作社) and Qingdao Institute of Technology and Standards* (青島市技術標準科學研究所) by the Qingdao Association of Standardisation (青島市標準化協會)</p>
2020	<p>Obtained: (i) GB/T 45001-2020 idt ISO 45001:2018 Certificate of Occupational Health and Safety Management System (職業健康安全管理體系認證證書); (ii) GB/T 24001-2016 idt ISO 14001:2015 Certificate of Environmental Management System (環境管理體系認證證書); and (iii) GB/T 19001-2016 idt ISO 9001:2015 Certificate of Quality Management System (質量管理體系認證證書) issued by Qingdao Huazhong Century Certification Co., Ltd.* (青島華中世紀認證有限公司)</p>

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

CORPORATE HISTORY AND DEVELOPMENT

Our Company

Our Company is an exempted company incorporated in the Cayman Islands under the Companies Act with limited liability on 23 July 2019 with authorised share capital of US\$50,000 divided into 50,000 shares of par value of US\$1.00 each. Upon the incorporation of our Company, one share of par value of US\$1.00 was allotted and issued to the initial subscriber at par, which was then transferred to Wider International on the same date.

Upon the completion of the Reorganisation, our Company shall become the ultimate holding company of our Group.

Fujing Agriculture

Fujing Agriculture is our main operating subsidiary with principal business of cultivation and sales of potted vegetable produce and was established under the name of Qingdao Fujing Agriculture Ecological Development Limited Liability Company* (青島富景農業生態開發有限公司) in the PRC on 4 December 2006 as a one-person limited liability company with a registered and paid up capital of RMB100,000 with Mr. Zhang being its sole owner.

Pursuant to the resolutions of Fujing Agriculture passed on 16 May 2007, Fujing Agriculture was converted from a one-person limited liability company to a limited liability company, and the registered capital of Fujing Agriculture was increased from RMB100,000 to RMB1.6 million. The additional registered capital of RMB1.5 million was contributed in cash by Ms. Zhang, sister of Mr. Zhang, and was settled on 25 May 2007. After such contribution of capital, Mr. Zhang and Ms. Zhang held 6.25% and 93.75% of the total equity interests of Fujing Agriculture respectively. Fujing Agriculture completed the legal procedure and registration of such increase in registered capital on 31 May 2007.

On 21 February 2010, pursuant to an equity transfer agreement dated the same date, Mr. Zhang transferred 6.25% of the then total equity interests in Fujing Agriculture to Ms. Zhang, who paid Mr. Zhang RMB100,000 as consideration, which was determined after arm's length negotiation with reference to the registered capital of Fujing Agriculture at the time of such transfer. Such consideration was fully and legally settled and the legal procedure for such transfer of equity interest was completed on the same day, as a result of which Ms. Zhang became the sole equity owner in Fujing Agriculture. On the same day, Ms. Zhang resolved to convert Fujing Agriculture back into an one-person limited liability company. The conversion was duly registered and the legal procedure for such conversion was completed on 23 February 2010.

On 18 October 2010, pursuant to an equity transfer agreement dated the same date, Ms. Zhang transferred 100% of the then total equity interests in Fujing Agriculture to Mr. Zhang, who paid Ms. Zhang RMB1,600,000 as consideration, which was determined after arm's length negotiation with reference to the registered capital of Fujing Agriculture at the time of such transfer. Such consideration was fully and legally settled and the transfer of equity interest was completed on 18 October 2010. On the same day, Fujing Agriculture was

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

resolved to be renamed as Qingdao Fujing Agriculture Development Limited Liability Company* (青島富景農業開發有限公司). Such renaming was duly registered on 1 November 2010.

Pursuant to the resolutions of the then sole equity owner in Fujing Agriculture passed on 28 December 2010, Fujing Agriculture was converted from a one-person limited liability company into a limited liability company, and the registered capital of Fujing Agriculture increased from RMB1.6 million to RMB16.0 million as Mr. Zhang, Ms. Li Meiping (李美平), Ms. Bi Ailing (畢愛玲), Ms. Zhang and Ms. Geng Qi (耿琦) contributed approximately RMB12.1 million, RMB1.3 million, RMB720,000, RMB144,000 and RMB144,000 respectively as the registered capital of Fujing Agriculture. Such additional registered capitals were contributed in cash and were fully and legally settled on 29 December 2010. Fujing Agriculture completed the legal procedure and registration of such increase in registered capital on 30 December 2010. Upon the completion of such increase in registered capital, the equity holding structure of Fujing Agriculture was as follows:

Name of equity owners	Capital contribution (RMB'000)	Percentage of equity holding
Zhang Yonggang (張永剛) (Mr. Zhang)	13,696	85.6%
Li Meiping (李美平) ^(Note 1)	1,296	8.1%
Bi Ailing (畢愛玲) ^(Note 2)	720	4.5%
Zhang Chunyan (張春燕) (Ms. Zhang)	144	0.9%
Geng Qi (耿琦) ^(Note 3)	144	0.9%
Total	16,000	100%

Notes:

1. Ms. Li Meiping is an Independent Third Party. Except for the investment Ms. Li made in Fujing Agriculture in December 2010 and being a shareholder of Fujing Agriculture, she has no relation with our Group and/or any of our Controlling Shareholders.
2. Ms. Bi Ailing was formerly a supervisor of Fujing Agriculture and her term of office ended on 25 September 2018.
3. Ms. Geng Qi is the sister of Ms. Geng Juan (耿娟) who is cohabiting with Mr. Zhang, our Controlling Shareholder, as his spouse.

On 23 April 2015, the then equity owner of Fujing Agriculture resolved to, among other things, rename Fujing Agriculture as Qingdao Fujing Agriculture Development Company Limited* (青島富景農業開發股份有限公司) and to convert Fujing Agriculture from a limited liability company into a joint stock limited company. The legal procedure

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

and registration of such conversion was completed on 25 August 2015, after which the total share capital of Fujing Agriculture was RMB16.0 million divided into 16 million shares with nominal value of RMB1.0 each, and its then shareholding structure was as follows:

Name of shareholders	Number of shares held	Percentage of shareholding
Zhang Yonggang (張永剛) (Mr. Zhang)	13,696,000	85.6%
Li Meiping (李美平)	1,296,000	8.1%
Bi Ailing (畢愛玲)	720,000	4.5%
Zhang Chunyan (張春燕) (Ms. Zhang)	144,000	0.9%
Geng Qi (耿琦)	<u>144,000</u>	<u>0.9%</u>
Total	<u><u>16,000,000</u></u>	<u><u>100%</u></u>

On 5 November 2015, Fujing Agriculture received approval for its shares to be listed on NEEQ in the PRC (stock code: 834389). Its shares began to be traded on NEEQ on 25 November 2015.

On 28 April 2016, the then shareholders of Fujing Agriculture resolved to allot and issue 54 million shares to the then existing shareholders on the basis of 33.75 shares for every 10 shares held and to debit a sum of RMB54.0 million in the capital common reserve fund of Fujing Agriculture for such allotment and issuance. As a result, the total share capital of Fujing Agriculture increased from RMB16.0 million to RMB70.0 million. The legal procedure and registration in relation to such increase in share capital was completed on 19 May 2016. After such allotment of shares, the shareholding of Fujing Agriculture was as follows:

Name of shareholders	Number of shares held	Percentage of shareholding
Zhang Yonggang (張永剛) (Mr. Zhang)	59,920,000	85.6%
Li Meiping (李美平)	5,670,000	8.1%
Bi Ailing (畢愛玲)	3,150,000	4.5%
Zhang Chunyan (張春燕) (Ms. Zhang)	630,000	0.9%
Geng Qi (耿琦)	<u>630,000</u>	<u>0.9%</u>
Total	<u><u>70,000,000</u></u>	<u><u>100%</u></u>

On 21 January 2019, the then shareholders of Fujing Agriculture passed a resolution to approve the voluntary delisting of Fujing Agriculture’s shares from NEEQ (“**NEEQ Delisting**”). Fujing Agriculture received regulatory approval for the NEEQ Delisting on 15 May 2019. The NEEQ Delisting took place on 22 May 2019. For further details of the

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HISTORY, REORGANISATION AND CORPORATE STRUCTURE

NEEQ Delisting, please refer to the paragraph headed “NEEQ Delisting” in this section of the document. Immediately following the NEEQ Delisting, the then shareholding of Fujing Agriculture was as follows:

Name of shareholders ^(Note 1)	Number of shares held	Approximate percentage of shareholding
Zhang Yonggang (張永剛) (Mr. Zhang)	48,370,000	69.1%
Li Meiping (李美平)	3,193,000	4.6%
Bi Ailing (畢愛玲)	2,370,000	3.4%
Geng Qi (耿琦)	630,000	0.9%
Zhang Chunyan (張春燕) (Ms. Zhang)	472,500	0.7%
Shi Cunqiang (史存強)	12,803,500	18.3%
Wu Hongchang (吳紅廠)	554,000	0.8%
Ying Jie (應杰)	312,000	0.4%
Jiang Yuanhao (江源浩)	235,000	0.3%
Beijing Yupeng Investment Management Co., Ltd. — Yupeng Huali No. 2 Private Equity Fund* (北京宇鵬投資管理有限公司 — 宇鵬華利二號私募基金)	198,000	0.3%
Yang Changqing (楊長青)	170,000	0.2%
Xu Erhua (徐二華)	123,000	0.2%
Yang Shichuan (楊世傳)	85,000	0.1%
Wu Haijing (吳海靜)	76,000	0.1%
Wang Yajun (王亞君)	67,000	0.1%
Zhang Guohong (張國宏)	40,000	0.1%
Xu Yongqiang (徐勇強)	36,000	0.1%
Chen Wenrui (陳文銳)	36,000	0.1%
Ouyang Qiong (歐陽瓊)	32,000	Note 2
Tu Guigang (屠貴剛)	32,000	Note 2
Song Mingjie (宋明杰)	30,000	Note 2
Ye Zhihua (葉志華)	27,000	Note 2
Guangzhou Weide Trading Co., Ltd.* (廣州偉德貿易有限公司)	26,000	Note 2
Gan Jun (甘軍)	20,000	Note 2
Luo Kai (羅凱)	17,000	Note 2
Ding Yan (丁燕)	12,000	Note 2
Wang Qinghua (王青華)	11,000	Note 2
Xie Li (謝立)	11,000	Note 2
Guangzhou Masuda Digital Technology Co., Ltd.* (廣州馬速達數碼科技有限公司)	11,000	Note 2
Total	70,000,000	100%

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Notes:

1. Except Mr. Zhang, Geng Qi (sister of Ms. Geng Juan who is cohabiting with Mr. Zhang as his spouse) and Ms. Zhang (sister of Mr. Zhang), all other than shareholders of Fujing Agriculture are Independent Third Parties to the best knowledge of our Directors having made all reasonable enquiries.
2. The percentage of shareholding in Fujing Agriculture was less than 0.1%.

Upon completion of the Reorganisation, Fujing Agriculture became an indirect wholly-owned subsidiary of our Company.

Glory Team

On 8 August 2019, Glory Team was incorporated in the BVI as a BVI business company which is authorised to issue a maximum of 50,000 shares of par value of US\$1.00 each. On 5 September 2019, one share in Glory Team was allotted and issued as fully paid to our Company at the consideration of US\$1.00. Following such allotment, Glory Team became a direct wholly-owned subsidiary of our Company on the same day.

Fujing Holdings (HK)

On 9 October 2019, Fujing Holdings (HK) was incorporated in Hong Kong as a company limited by shares under the Companies Ordinance. On the same day, one share in Fujing Holdings (HK) was allotted and issued as fully paid to Glory Team at the consideration of HK\$1.00. Following such allotment, Fujing Holdings (HK) became wholly-owned by Glory Team, and became an indirect wholly-owned subsidiary of our Company on the same day.

Xinfujing

On 6 May 2020, Xinfujing was established in the PRC as a limited liability company under the PRC laws with a registered capital of RMB2.0 million. Since its incorporation, Xinfujing has been a wholly-owned subsidiary of Fujing Holdings (HK). Upon completion of the Reorganisation, Xinfujing became an indirect wholly-owned subsidiary of our Company.

Deregistration of QF Vegetables

QF Vegetables was a limited liability company incorporated in the PRC on 14 September 2011 and had been a wholly-owned subsidiary Fujing Agriculture since its incorporation. QF Vegetables was originally set up for the business of plantation, preservation, cold storage and inventory storage of agriculture produce. However, as Fujing Agriculture subsequently commenced its business of cultivation and sales of potted vegetable produce which did not require cold storage in 2012, Fujing Agriculture ceased to commence its plan to develop its business in cold storage of agriculture produce. Therefore, QF Vegetables never commenced its business. Fujing Agriculture also did not engage in the business of cold storage of agriculture produce since the incorporation of QF Vegetables in

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

light of the aforesaid. In order to optimise the governance structure and reduce the operation costs of Fujing Agriculture, QF Vegetables was duly deregistered on 20 December 2016 as QF Vegetables had never commenced business.

NEEQ DELISTING

Delisting of Fujing Agriculture from NEEQ

On 21 January 2019, the then shareholders of Fujing Agriculture passed resolutions approving, among other things, the NEEQ Delisting. Fujing Agriculture applied and subsequently received regulatory approval on 15 May 2019, for the NEEQ Delisting. The shares of Fujing Agriculture ceased to be traded on NEEQ on 22 May 2019. Immediately before delisting from NEEQ, the valuation of Fujing Agriculture was estimated at RMB105,000,000 with the basis on the last trading price of RMB1.50 per share and the then 70,000,000 issued shares.

Compliance during listing on NEEQ

As advised by our PRC Legal Advisers based on searches conducted on the official websites of the NEEQ and CSRC and as confirmed by our Company, Fujing Agriculture complied with all applicable laws and regulations and the listing rules of NEEQ during its listing on the NEEQ in all material aspects. Fujing Agriculture and all its then directors or senior management had not been subject to any investigation or disciplinary action by the relevant regulators during the period when its shares were quoted on the NEEQ and up to the NEEQ Delisting. As such, our Directors confirm that (i) there is no matter that might materially and adversely affect our Company's suitability for the [REDACTED] in relation to the previous quotation of the shares of Fujing Agriculture on the NEEQ; and (ii) there has not been any matter that needs to be brought to the attention of the potential investors or the regulators in Hong Kong in respect of the previous quotation of shares of Fujing Agriculture on the NEEQ.

Reasons for the NEEQ Delisting and the [REDACTED] on the Stock Exchange

Our Directors are of the view that the NEEQ Delisting and the [REDACTED] will be in the interests of our business development strategies, and would benefit us and our Shareholders as a whole for the reasons below:

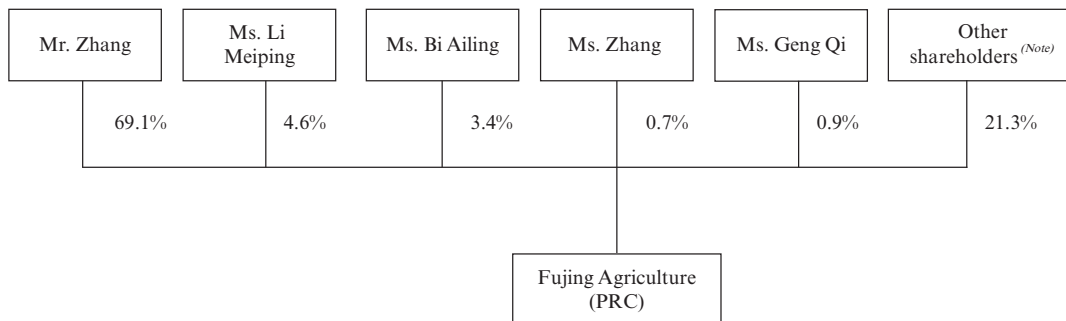
- (a) NEEQ is a market in the PRC open to qualified investors only;
- (b) NEEQ has a low trading volume and low liquidity level, making it difficult to identify and establish the fair value of Fujing Agriculture to reflect the underlying quality of our assets and management. Listing on NEEQ also inhibits our ability to publicly raise funds, in equity or debt, to sustain our business growth, and execute substantial on-market disposals by shareholders to realise value;

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- (c) in contrast, the Stock Exchange, as a leading player of the international financial markets, could offers us a direct access to the international capital markets, enhance our fund-raising capabilities and channels and broaden our Shareholders base and accelerate our fund-raising exercise to support our business expansion. Thus, the [REDACTED] will give us a stronger ability to attract new customers, business partners and strategic investors; as well as greater access to international investors and global markets;
- (d) our Company can better re-allocate and focus the use of our limited financial and administrative resources on the [REDACTED]; and
- (e) the [REDACTED] would also enable our Company to devise more appealing share incentive plan, which correlates directly to the performance of our business, which in turn would help us to attract and motivate the talents needed to support our rapid growth and enhance our operating efficiency on an ongoing basis. Also, the [REDACTED] will raise our business profile and thus enhance our ability to recruit, motivate and retain key management personnel for our business.

REORGANISATION

The corporate structure of our Group immediately following the NEEQ Delisting and before the Reorganisation is shown in the following chart:



Note: “Other shareholders” comprise of 24 shareholders who are all Independent Third Parties to the best knowledge of our Directors having made all reasonable enquiries.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

In preparation for the [REDACTED], our Group underwent a series of reorganisation, details of which are set out below:

1. Incorporation of offshore holding companies

For the purpose of Reorganisation, the following companies were incorporated in the BVI as BVI business companies:

Name of company	Date of incorporation	Authorised share capital	Changes of shareholding since incorporation
Wider International	24 May 2019	US\$50,000 divided into 50,000 shares of US\$1.00 each	Upon incorporation, one share in Wider International was allotted and issued as fully paid at par to Mr. Zhang, and thus Wider International became wholly-owned by Mr. Zhang
Beauty Sources	24 May 2019	US\$50,000 divided into 50,000 shares of US\$1.00 each	Upon incorporation, one share in Beauty Sources was allotted and issued as fully paid at par to Ms. Geng Qi, and thus Beauty Sources became wholly-owned by Ms. Geng Qi
Vortex Festive	24 May 2019	US\$50,000 divided into 50,000 shares of US\$1.00 each	Upon incorporation, one share in Vortex Festive was allotted and issued as fully paid at par to Mr. Li Changbai, and thus Vortex Festive became wholly-owned by Mr. Li Changbai
Yuen Sang Tai	24 May 2019	US\$50,000 divided into 50,000 shares of US\$1.00 each	Upon incorporation, one fully paid share in Yuen Sang Tai was allotted and issued as fully paid at par to Ms. Geng Qi. As part of the Reorganisation, on 22 February 2020, Ms. Bi Ailing, a former supervisor of Fujing Agriculture, acquired the said one share in Yuen Sang Tai from Ms. Geng Qi at the consideration of HK\$20,000, which was determined based on arm’s length negotiation between Ms. Bi Ailing and Ms. Geng Qi with reference to costs of incorporation of Yuen Sang Tai. On the same day, Yuen Sang Tai allotted and issued 829 shares to Ms. Bi Ailing and 534 shares in aggregate to eight other individuals, who are all Independent Third Parties, respectively. After such allotment of shares, Yuen Sang Tai became owned as to approximately 60.9% by Ms. Bi Ailing and 39.1% by eight other individual shareholders respectively.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Name of company	Date of incorporation	Authorised share capital	Changes of shareholding since incorporation
Great Winner	2 January 2020	US\$50,000 divided into 50,000 shares of US\$1.00 each	On 13 February 2020, 3,315 fully paid shares in Great Winner were allotted and issued as fully paid at par to Ms. Bi Ailing, and thus Great Winner became wholly-owned by Ms. Bi Ailing. As part of the Reorganisation, and pursuant to a declaration of trust dated 3 November 2023, Ms. Bi Ailing declared that she held 624 out of the said 3,315 shares in Great Winner on trust for Mr. Ying Jie (應杰), who is an Independent Third Party.
Caring Plentiful	24 May 2019	US\$50,000 divided into 50,000 shares of US\$1.00 each	Upon incorporation, one share in Caring Plentiful was allotted and issued as fully paid at par to Mr. Cui Wei, and thus Caring Plentiful became wholly-owned by Mr. Cui Wei.
Well Resourced	24 May 2019	US\$50,000 divided into 50,000 shares of US\$1.00 each	Upon incorporation, one share in Well Resourced was allotted and issued as fully paid at par to Ms. Zhang, and thus Well Resourced became wholly-owned by Ms. Zhang.

2. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 23 July 2019 with authorised share capital of US\$50,000 divided into 50,000 shares of par value of US\$1.00 each. Our Company was registered as a non-Hong Kong company pursuant to Part 16 of the Companies Ordinance on 3 March 2020. It shall be the ultimate holding company of our Group upon [REDACTED]. Upon the incorporation of our Company, one share of par value of US\$1.00 was allotted and issued as fully paid to the initial subscriber, an Independent Third Party, at par, which was then transferred to Wider International on the same day. Upon the completion of the above allotment, issue and transfer on 23 July 2019, our Company became a wholly-owned subsidiary of Wider International.

3. Incorporation of offshore subsidiaries

Glory Team was incorporated in the BVI as a BVI business company on 8 August 2019 with authorised share capital of US\$50,000 divided into 50,000 shares of US\$1.00 each. On 5 September 2019, one share in Glory Team was allotted and issued as fully paid at par to our Company, after which Glory Team became a direct wholly-owned subsidiary of our Company.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

On 9 October 2019, Fujing Holdings (HK) was incorporated under the laws of Hong Kong as a limited liability company. Upon its incorporation, one share in Fujing Holdings (HK) was allotted and issued as fully paid to Glory Team, after which Fujing Holdings (HK) became wholly-owned by Glory Team.

4. Pre-[REDACTED] investments by Ms. Geng Qi, Mr. Li Changbai and Mr. Cui Wei

On various dates during the period from 18 February 2019 to 18 January 2020, Ms. Geng Qi made pre-[REDACTED] investments in our Group by entering into agreements with Ms. Li Meiping, Ms. Bi Ailing and other then shareholders of Fujing Agriculture respectively to acquire, in aggregate, 17,313,853 shares in Fujing Agriculture, representing approximately 24.7% of the then total number of issued shares of Fujing Agriculture at the total consideration of RMB19,956,299.5. The said consideration of the said acquisitions were fully settled on various dates during the period from 19 June 2019 to 8 June 2020.

On 1 December 2019, Mr. Li Changbai (李長柏) made a pre-[REDACTED] investment in our Group by entering into an agreement with Ms. Geng Qi to acquire from her 3,150,000 shares in Fujing Agriculture, representing approximately 4.5% of the then total number of issued shares of Fujing Agriculture, at the consideration of RMB4,725,000. The said acquisition was properly and legally completed on 5 March 2020 when the consideration was fully settled.

Also on 1 December 2019, Mr. Cui Wei, one of our Directors, made pre-[REDACTED] investment in our Group by entering into agreements with Ms. Geng Qi and Ms. Bi Ailing respectively, to acquire 1,557,853 and 192,147 shares in Fujing Agriculture, representing approximately 2.2% and 0.3% of the then total number of issued shares of Fujing Agriculture, from Ms. Geng Qi and Ms. Bi Ailing at the considerations of RMB2,336,779.5 and RMB288,220.5 respectively. The said transfers were properly and legally completed on 6 March 2020 and 9 March 2020, respectively.

The following table sets forth other information of the aforesaid pre-[REDACTED] investments:

	<u>Ms. Geng Qi</u>	<u>Mr. Li Changbai</u>	<u>Mr. Cui Wei</u>
Date on which the agreement(s) for the pre-[REDACTED] investment was entered into	on various dates during the period from 18 February 2019 to 18 January 2020 (<i>Note 1</i>)	1 December 2019	1 December 2019
Parties to the pre-[REDACTED] investment agreement	Ms. Geng Qi and various other shareholders of Fujing Agriculture (<i>Note 1</i>)	Mr. Li Changbai and Ms. Geng Qi	(i) Mr. Cui Wei and Ms. Bi Ailing; and (ii) Mr. Cui Wei and Ms. Geng Qi
Approximate percentage of shareholding in Fujing Agriculture upon completion of pre-[REDACTED] investments	18.9% (<i>Note 2</i>)	4.5%	2.5%

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HISTORY, REORGANISATION AND CORPORATE STRUCTURE

	<u>Ms. Geng Qi</u>	<u>Mr. Li Changbai</u>	<u>Mr. Cui Wei</u>
Approximate percentage of shareholding in our Company upon [REDACTED] <i>(Note 3)</i>	[REDACTED]%	[REDACTED]%	[REDACTED]%
Amount of consideration paid	RMB19,956,299.5 in aggregate (without taking account the transfers of 3,150,000 and 1,557,853 shares from Ms. Geng Qi to Mr. Li Changbai and Ms. Cui Wei respectively) or RMB12,894,520.0 in aggregate (after taking into account the transfers of 3,150,000 and 1,557,853 shares from Ms. Geng Qi to Mr. Li Changbai and Mr. Cui Wei respectively)	RMB4,725,000.0	RMB2,625,000.0 in aggregate
Date(s) on which the consideration of the pre-[REDACTED] investment was fully settled	on various dates during the period from 19 June 2019 to 8 June 2020	5 March 2020	On 6 March 2020 and 9 March 2020
Effective cost per share paid (based on effective shareholding in our Company upon the [REDACTED])	HK\$0.22 <i>(Note2)</i>	HK\$0.34	HK\$0.34
Effective discount to the mid-point of indicative [REDACTED] range	[REDACTED]%	[REDACTED]%	[REDACTED]%
[REDACTED] from the pre-[REDACTED] Investment	Not applicable	Not applicable	Not applicable

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

	<u>Ms. Geng Qi</u>	<u>Mr. Li Changbai</u>	<u>Mr. Cui Wei</u>
Basis of determining the consideration	the consideration was determined based on arm’s length negotiation between the respective parties to the pre-[REDACTED] investment agreements with reference to the historical share prices of Fujing Agriculture quoted on NEEQ, financial position of Fujing Agriculture at the time and its prospects of development of business.	the consideration was determined based on arm’s length negotiation between the respective parties to the pre-[REDACTED] investment agreement with reference to the price of the shares of Fujing Agriculture quoted on NEEQ immediately prior to the NEEQ Delisting. ^(Note 4)	the consideration was determined based on arm’s length negotiation between the respective parties to the pre-[REDACTED] investment agreement with reference to the price of the shares of Fujing Agriculture quoted on NEEQ immediately prior to the NEEQ Delisting. ^(Note 5)
Special rights granted	No special right was granted to any of Ms. Geng Qi, Mr. Li Changbai and Mr. Cui Wei.		
Strategic benefits to our Group	The pre-[REDACTED] investors’ investments and commitment in our Group demonstrated their confidence in our business prospects and growth potential. With such investments and commitment in our Group, our Directors believe that we could benefit from (i) the diversified business connections of the pre-[REDACTED] investors; and (ii) the diversified knowledge and experience of our pre-[REDACTED] investors in the way that they could share with us on their insights accumulated in their respective industry sectors.		

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

	<u>Ms. Geng Qi</u>	<u>Mr. Li Changbai</u>	<u>Mr. Cui Wei</u>
Lock-up and public float	<p>Ms. Geng Qi is not subject to any lock-up under the relevant pre-[REDACTED] investment agreements. As Ms. Geng Qi is a substantial Shareholder of our Company and therefore a core connected person of our Company, its shareholding in our Company will not be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules.</p>	<p>Mr. Li Changbai is not subject to any lock-up under the relevant pre-[REDACTED] investment agreement. As Mr. Li Changbai is not a core connected person of our Company and its investment in our Group was not financed directly or indirectly by any core connected person of our Company, its shareholding in our Company will be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules.</p>	<p>Mr. Cui Wei is not subject to any lock-up under the relevant pre-[REDACTED] investment agreements. As Mr. Cui Wei is one of our Directors and therefore a core connected person of our Company, his shareholding in our Company will not be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules.</p>

Notes:

- (1) Ms. Geng Qi had entered into 17 share transfer agreements with 17 other shareholders of Fujing Agriculture (who are all Independent Third Parties) respectively, which were dated on various dates from 18 February 2019 to 18 January 2020, and the consideration payable pursuant to these share transfer agreements, which was determined after arm’s length negotiations between the parties, were legally and fully settled on various dates on or before 8 June 2020.
- (2) The calculation of shareholding in Fujing Agriculture and effective cost per share paid has taken into account the transfer of 3,150,000 and 1,557,853 shares from Ms. Geng Qi to Mr. Li Changbai and Mr. Cui Wei, respectively.
- (3) Without taking into account any Shares which may be issued upon the exercise of the **[REDACTED]** or any option and/or award which may be granted under the Share Scheme.
- (4) The share price Mr. Li paid to Ms. Geng is higher than the average share price Ms. Geng acquired the shares from the 17 other Independent Third Party shareholders as Ms. Geng considered that her shares were acquired through lengthy and effort-consuming negotiations with the 17 other shareholders.
- (5) The share price Mr. Cui paid to Ms. Geng is higher than the average share price Ms. Geng acquired the shares from the 17 other Independent Third Party shareholders as Ms. Geng considered that her shares were acquired through lengthy and effort-consuming negotiations with the 17 other shareholders.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Ms. Geng Qi had been one of the equity owners in Fujing Agriculture since 2010. She is an entrepreneur and has her own real estate business. Ms. Geng has built up extensive connections when she was building up her own business. Ms. Geng is also a shareholder in a company in Qingdao and she participates in the operation of such company which is principally engaged in the manufacturing of primarily-processed peanuts, through which she has gained experience in the agricultural industry. Since 6 February 2020, she has become the supervisor of Fujing Agriculture. Save as disclosed herein, Ms. Geng Qi has never been involved in the management and daily operation of our Group.

We became acquainted with Ms. Geng Qi through Mr. Zhang, our Controlling Shareholder, as Ms. Geng Qi is the sister of Ms. Geng Juan, who is cohabiting with Mr. Zhang as his spouse. Ms. Geng Qi decided to invest in our Group because she is optimistic about the prospects of the potted vegetable produce industry in the PRC.

Between June 2011 and May 2015, Mr. Li Changbai was a chief financial officer of Fujing Agriculture. Thereafter, he decided to retire himself from the management of Fujing Agriculture in order to focus on his family life and thus took up the role of part-time assistant to the chairman of Fujing Agriculture. Mr. Li was interested in investing in our Group in light of the potential business prospects and future development of the potted vegetable produce industry in the PRC, he decided to make investment in our Group by acquiring 3,150,000 shares (representing approximately 4.5% of the then total number of issued shares) in Fujing Agriculture from Ms. Geng Qi on 1 December 2019.

Mr. Cui Wei is one of our executive Directors. He has gained extensive knowledge in the agricultural industry when he served as an administration assistant for a company which principally engaged in the production, development and sale of fertilisers before joining our Group. Mr. Cui has built up extensive social network when he was serving as the secretary to the board of directors of Fujing Agriculture. For biographical information of Mr. Cui, please refer to the section headed “Directors and Senior Management” of this document. Mr. Cui was a director of Fujing Agriculture at the time when he invested in our Group. Mr. Cui invested in our Group because he is optimistic about the potential growth and bright prospects of the potted vegetable produce industry in the PRC.

The Sole Sponsor confirms that the pre-[REDACTED] investments by each of Ms. Geng Qi, Mr. Li Changbai and Mr. Cui Wei are in compliance with Chapter 4.2 of the Guide For the New Listing Applicants issued by the Stock Exchange in December 2023.

Save as disclosed above, to the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, Ms. Geng Qi, Mr. Li Changbai and Mr. Cui Wei did not have any past or present relationships, including without limitation family, trust, business or employment relationship, or any agreement, arrangement or understanding with our Company, our subsidiaries, Shareholders, Directors or members of senior management and any of their respective associates as at the Latest Practicable Date. To the best of our Directors’ knowledge, information and belief having made all reasonable enquires, the Sole Sponsor and other professional parties involved in the [REDACTED] (collectively the “Professional Parties”) and their respective staff members involved in the [REDACTED], have not introduced Ms. Geng Qi, Mr. Li Changbai and/or

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Mr. Cui Wei, to the Company and none of the Professional Parties has participated in any liaison with Ms. Geng, Mr. Li and/or Mr. Cui in respect of any matter that would reasonably affect Ms. Geng, Mr. Li and/or Mr. Cui’s decision of investing in the Group.

The table below sets out the shareholding structure of Fujing Agriculture after the above pre-[REDACTED] investments made by Ms. Geng Qi, Mr. Li Changbai and Mr. Cui Wei:

Name of shareholder <i>(Note 1)</i>	Number of shares held	Approximate percentage of shareholding
Zhang Yonggang (張永剛) (Mr. Zhang)	48,370,000	69.1%
Geng Qi (耿琦)	13,236,000	18.9%
Li Changbai (李長柏)	3,150,000	4.5%
Bi Ailing (畢愛玲)	2,175,500	3.1%
Cui Wei (崔偉)	1,750,000	2.5%
Zhang Chunyuan (張春燕) (Ms. Zhang)	472,500	0.7%
Ying Jie (應杰)	312,000	0.4%
Yang Changqing (楊長青)	170,000	0.2%
Xu Erhua (徐二華)	123,000	0.2%
Yang Shichuan (楊世傳)	85,000	0.1%
Wang Yajun (王亞君)	67,000	0.1%
Ouyang Qiong (歐陽琼)	32,000	<i>Note 2</i>
Gu Bing (顧兵)	26,000	<i>Note 2</i>
Gan Jun (甘軍)	20,000	<i>Note 2</i>
Wang Qinghua (王青華)	11,000	<i>Note 2</i>
Total	<u>70,000,000</u>	<u>100%</u>

Notes:

1. Except Mr. Zhang, Ms. Geng Qi, Mr. Cui Wei and Ms. Zhang, all other shareholders are Independent Third Parties to the best knowledge of our Directors having made all reasonable enquiries.
2. The percentage of shareholding in Fujing Agriculture was less than 0.1%.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

5. Conversion of Fujing Agriculture into a limited liability company

Pursuant to the shareholders’ resolutions passed on 6 February 2020, Fujing Agriculture was converted from a joint stock company with limited liability into a limited liability company. The legal procedure for such conversion was completed on 12 February 2020, and the ownership of Fujing Agriculture after such conversion was as follows:

Name of equity owner ^(Note 1)	Capital contribution (RMB’000)	Approximate percentage of equity holding
Zhang Yonggang (張永剛) (Mr. Zhang)	48,370	69.1%
Geng Qi (耿琦)	13,236	18.9%
Li Changbai (李長柏)	3,150	4.5%
Bi Ailing (畢愛玲) ^(Note 2)	2,175.5	3.1%
Cui Wei (崔偉)	1,750	2.5%
Zhang Chunyuan (張春燕) (Ms. Zhang)	472.5	0.7%
Ying Jie (應杰) ^(Note 2)	312	0.4%
Yang Changqing (楊長青)	170	0.2%
Xu Erhua (徐二華)	123	0.2%
Yang Shichuan (楊世傳)	85	0.1%
Wang Yajun (王亞君)	67	0.1%
Ouyang Qiong (歐陽琼)	32	Note 3
Gu Bing (顧兵)	26	Note 3
Gan Jun (甘軍)	20	Note 3
Wang Qinghua (王青華)	11	Note 3
Total	70,000	100%

Notes:

1. Except Mr. Zhang, Ms. Geng Qi, Mr. Cui Wei and Ms. Zhang, all other equity owners are Independent Third Parties to the best knowledge of our Directors having made all reasonable enquiries.
2. Since the NEEQ Delisting, we have been unable to contact Mr. Ying Jie, who held 312,000 shares in Fujing Agriculture as at date of the NEEQ Delisting, despite our management having taken all reasonable steps to reach him. For the purpose of the Reorganisation, pursuant to the resolutions passed in the shareholders’ meeting of Fujing Agriculture held on 6 February 2020, Ms. Bi Ailing was registered as having made contribution of RMB2,487,500 to Fujing Agriculture, which in substance represents RMB2,175,500 contributed by Ms. Bi Ailing and RMB312,000 contributed by Mr. Ying Jie. In this connection, Ms. Bi Ailing made a declaration of trust on 3 November 2023 whereby she declared that she held 624 out of the 3,315 shares in Great Winner, one of our corporate Shareholders after the Reorganisation, on trust for Mr. Ying Jie to represent his interest in Fujing Agriculture. Ms. Bi Ailing has also confirmed in writing that she will procure Great Winner to transfer the corresponding portion of the Shares it holds to Mr. Ying Jie if Mr. Ying Jie elects to hold the Shares and enters into a written agreement with Ms. Bi Ailing. Our PRC Legal Advisers are

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

of the view that the aforesaid arrangement would not (i) affect the legality and validity of the Reorganisation; (ii) cause any material adverse effect to the Reorganisation; and (iii) would not incur any liability on the part of our Group, under the PRC laws and regulations.

3. The percentage of shareholding in Fujing Agriculture was less than 0.1%.

6. Pre-[REDACTED] investment by Mr. Xie Xing and conversion of Fujing Agriculture into a sino-foreign equity joint venture enterprise

On 12 March 2020, Mr. Xie Xing (謝星), an Independent Third Party, through Prosperity Plentiful (HK) made a pre-[REDACTED] investment in our Group by entering into a capital injection agreement with Fujing Agriculture, whereby Prosperity Plentiful (HK) agreed to contribute registered capital to Fujing Agriculture in the amount of RMB707,080, representing approximately 1.0% of its enlarged registered capital, at the consideration of RMB1,767,700. As a result, the registered capital of Fujing Agriculture increased from RMB70,000,000 to RMB70,707,080, and Fujing Agriculture became a sino-foreign equity joint venture enterprise. As advised by our PRC Legal Advisers, the transaction contemplated under the said capital injection agreement has been conducted in compliance with applicable PRC laws and regulations and has been legally completed and duly registered with the relevant authorities of the PRC on 13 March 2020.

Details of the pre-[REDACTED] investment by Mr. Xie Xing are as follow:

Date on which the agreement(s) for the pre-[REDACTED] investment was entered into	12 March 2020
Parties to the pre-[REDACTED] investment agreement	Prosperity Plentiful (HK) and Fujing Agriculture
Approximate percentage of shareholding in Fujing Agriculture upon completion of pre-[REDACTED] investment	1.0%
Approximate percentage of shareholding in our Company upon [REDACTED] <i>(Note)</i>	[REDACTED]%
Amount of consideration paid	RMB1,767,700
Date(s) on which the consideration of the pre-[REDACTED] investment was fully settled	27 May 2020

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Effective cost per share paid (based on effective shareholding)	HK\$0.56
Effective discount to the mid-point of indicative [REDACTED] range	[REDACTED]%
[REDACTED] from the pre-[REDACTED] Investment	General working capital and the proceeds were all utilised.
Strategic benefits to our Group	Our Directors are of the view that our Group could benefit from the additional capital provided by investment by Prosperity Plentiful (HK) and knowledge and experience of Mr. Xie Xing. The investment from Mr. Xie has improved our liquidity and is an essential step to complete the Reorganisation.
Basis of determining the consideration	The consideration was determined based on arm's length negotiation between Mr. Xie Xing and our Group with reference to the net asset value as appraised by an Independent Third Party valuer. The effective cost of Mr. Xie is different from that of Ms. Geng Qi, Mr. Li Changbai and Mr. Cui Wei as Mr. Xie made direct investment in our Group and negotiated directly with our Controlling Shareholders while Ms. Geng, Mr. Li and Mr. Cui's investments were purchased among other shareholders of Fujing Agriculture and negotiated separately in the absence of our Controlling Shareholders.
Special rights granted	No special right was granted to Prosperity Plentiful (HK).
Lock-up and public float	Mr. Xie Xing is not subject to any lock-up under the relevant pre-[REDACTED] investment agreement. As Mr. Xie Xing is not a core connected person of our Company and his investment in our Group was not financed directly or indirectly by any core connected person of our Company, his shareholding in our Company will be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules.

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 Scheme.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Prosperity Plentiful (HK) is a company with limited liability incorporated in Hong Kong on 6 June 2019. Through Prosperity Plentiful (BVI), Mr. Xie Xing was the ultimate sole shareholder of Prosperity Plentiful (HK) at the time of making the pre-[REDACTED] investment.

Mr. Xie Xing has worked in the accounting and financial field for over 17 years. He has been a member of the Hong Kong Institute of Certified Public Accountants since May 2011 and has held management positions in various companies before investing in our Group. He currently acts as the chief financial officer of Zeta Capital (H.K.) Limited, a licensed corporation to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and the responsible officer of Zeta Capital (H.K.) Limited for Type 9 (asset management) regulated activities under the SFO. We became acquainted with Mr. Xie through Mr. Zhang, our Controlling Shareholder at a social event. Mr. Xie has never been involved in the management and daily operation of our Group.

Mr. Xie Xing decided to invest in our Group because he is confident in the prospects and development of the potted vegetable produce industry in the PRC.

The Sole Sponsor confirms that the investment by Mr. Xie Xing through Prosperity Plentiful (HK) is in compliance with Chapter 4.2 of the Guide of the New Listing Applicants issued by the Stock Exchange in December 2023.

Save for the Pre-[REDACTED] investment stipulated above, to the best of our Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Xie Xing did not have any past or present relationships, including without limitation family, trust, business or employment relationship, or any agreement, arrangement or understanding with our Company, our subsidiaries, Shareholders, Directors or members of senior management and any of their respective associates as at the Latest Practicable Date. To the best of our Directors' knowledge, information and belief having made all reasonable enquires, the Professional Parties and their respective staff members involved in the [REDACTED], have not introduced Mr. Xie Xing to the Company and none of the Professional Parties has participated in any liaison with Mr. Xie in respect of any matter that would reasonably affect Mr. Xie's decision of investing in the Group.

7. Subdivision of share capital of our Company and allotment of Shares to offshore holding companies

Pursuant to the resolutions of the then Shareholders passed on 24 March 2020, the authorised share capital of our Company was sub-divided from US\$50,000.00 divided into 50,000 Shares of a par value of US\$1.00 each to US\$50,000.00 divided into 5,000,000 Shares of a nominal value of US\$0.01 each. Accordingly, the one Share held by Wider International was sub-divided into 100 Shares of a par value of US\$0.01 each. On the same day, our Company allotted and issued (i) 96,640, (ii) 26,472, (iii) 6,300, (iv) 3,500, (v) 3,315, (vi) 2,728 and (vii) 945 Shares as fully paid at par to (i) Wider International, (ii) Beauty Sources, (iii) Vortex Festive, (iv) Caring Plentiful, (v) Great Winner, (vi) Yuen Sang

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Tai and (vii) Well Resourced respectively. After such allotment and issuance of Shares, the shareholding of our Company was as follows:

Name of shareholder	Number of shares held	Approximate percentage of shareholding
Wider International	96,740	69.1%
Beauty Sources	26,472	18.9%
Vortex Festive	6,300	4.5%
Caring Plentiful	3,500	2.5%
Great Winner ^(Note 1)	3,315	2.4%
Yuen Sang Tai ^(Note 2)	2,728	1.9%
Well Resourced	945	0.7%
Total	140,000 ^(Note 3)	100%

Notes:

1. Pursuant to a declaration of trust dated 3 November 2023, Ms. Bi Ailing declared that she held 624 out of the 3,315 shares in Great Winner on trust for Mr. Ying Jie, who is an Independent Third Party.
2. Among the entire issued share capital of Yuen Sang Tai, 830 shares of Yuen Sang Tai were owned by Ms. Bi Aliling and 534 shares of Yuen Sang Tai were owned by eight individuals, namely (i) Yang Changqing; (ii) Xu Erhua; (iii) Yang Shichuan; (iv) Wang Yajun; (v) Ouyang Qiong; (vi) Gu Bing; (vii) Gan Jun; and (viii) Wang Qinghua, who were the shareholders of Fujing Agriculture immediately upon the completion of step 5 of Reorganisation. To the best knowledge of our Directors, such eight individuals are Independent Third Parties. RMB534,000 contributed by those eight individuals were represented by 534 shares of Yuen Sang Tai owned by the same group of persons in a ratio of RMB1,000 to one share in Yuen Sang Tai.
3. Immediately after the aforesaid allotment and issuance of Shares on 24 March 2020, there were 140,000 Shares, in view of the registered capital of Fujing Agriculture immediately before the pre-[REDACTED] investment by Mr. Xie Xing, the overall conversion ratio was RMB500 for each Share.

8. Incorporation of Xinfujing

Xinfujing was established on 6 May 2020 as a limited liability company under the PRC laws with a registered capital of RMB2.0 million. Since its incorporation, Xinfujing has been a direct wholly-owned subsidiary of Fujing Holdings (HK).

9. Acquisition of equity interest of Fujing Agriculture by Xinfujing

Pursuant to the respective equity transfer agreements entered into by the then equity owners of Fujing Agriculture (excluding Prosperity Plentiful (HK)) and Xinfujing on 27 June 2020 Xinfujing agreed to acquire approximately 99% of the entire equity interest in Fujing Agriculture at the total consideration of RMB70,000,000, which were determined based on their respective contribution to registered capital. Upon the settlement of such

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

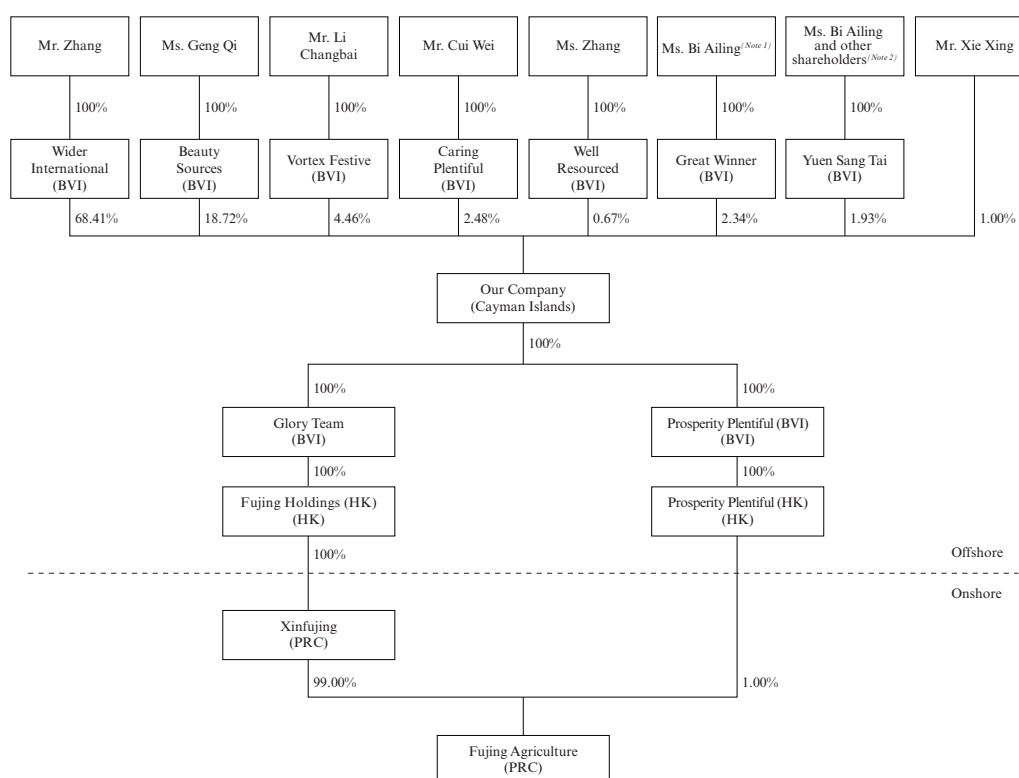
consideration and the completion of the above acquisition on 24 December 2020, Fujing Agriculture became owned as to approximately 99% by Xinfujing and approximately 1% by Prosperity Plentiful (HK).

10. Acquisition of entire share capital of Prosperity Plentiful (BVI) by our Company

Pursuant to an agreement dated 8 February 2021 entered into between our Company and Mr. Xie Xing, our Company acquired the entire issued share capital of Prosperity Plentiful (BVI) from Mr. Xie, in exchange of which, our Company allotted and issued 1,414 Shares, representing approximately 1% of the enlarged share capital of our Company, to Mr. Xie. Following such transfers of shares, Prosperity Plentiful (BVI) became a direct wholly-owned subsidiary of our Company and Mr. Xie became a Shareholder of our Company.

Corporate Structure immediately upon the completion of the Reorganisation

The chart below illustrates the shareholding structure of our Group immediately after the Reorganisation but before the completion of the [REDACTED] and [REDACTED]:



Notes:

- Pursuant to a declaration of trust dated 3 November 2023, Ms. Bi Ailing declared that she held 624 shares in Great Winner on trust for Mr. Ying Jie. Ms. Bi Ailing has also confirmed in writing that she will procure Great Winner to transfer the corresponding portion of the Shares it holds to Mr. Ying Jie if Mr. Ying Jie elects to hold the Shares and enters into a written agreement with Ms. Bi Ailing.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

2. “Other shareholders” comprise of Yang Changqing (楊長青), Xu Erhua (徐二華), Yang Shichuan (楊世傳), Wang Yajun (王亞君), Ouyang Qiong (歐陽琼), Gu Bing (顧兵), Gan Jun (甘軍) and Wang Qinghua (王青華) who are the same group of persons under “other shareholders” as set out above under step 5 of the Reorganisation. Save as disclosed above, to the best knowledge of our Directors having made all reasonable enquiries, such persons are (i) are all Independent Third Parties; (ii) are independent from each other; and (iii) did not have any past or present relationships (including business, employment, family, trust or financing relationships) with our Company or any of our subsidiaries, Shareholders, Directors, or senior management or any of their respective associates.

As confirmed by our Directors, our Group does not have any outstanding share options, warrants, convertible instruments, pre-[REDACTED] share option or similar rights convertible into our Shares as at the Latest Practicable Date.

POST-REORGANISATION

Increase of authorised share capital

Pursuant to the resolutions of the Shareholders passed on 16 November 2023, the authorised share capital of our Company was increased from US\$50,000 divided into 5,000,000 Shares of par value of US\$0.01 each to US\$100,000,000 divided into 10,000,000 Shares of US\$0.01 each by the creation of an additional 9,995,000,000 Shares of par value US\$0.01 each.

[REDACTED] AND [REDACTED]

[REDACTED]

Pursuant to the written resolutions of our Shareholders passed on 11 March 2024, conditional upon the fulfillment or waiver of the conditions set out in the section headed “Structure and Conditions of the [REDACTED]” in this document and subject to the share premium account of our Company being credited as a result of the issue of the new Shares under the [REDACTED], our Directors are authorised to allot and issue a total of [REDACTED] Shares credited as fully paid at par to our Shareholders whose names appear on the register of members of our Company at the close of business on 11 March 2024 in proportion to their respective shareholdings by way of capitalisation of an amount of US\$[REDACTED] standing to the credit of the share premium account of our Company.

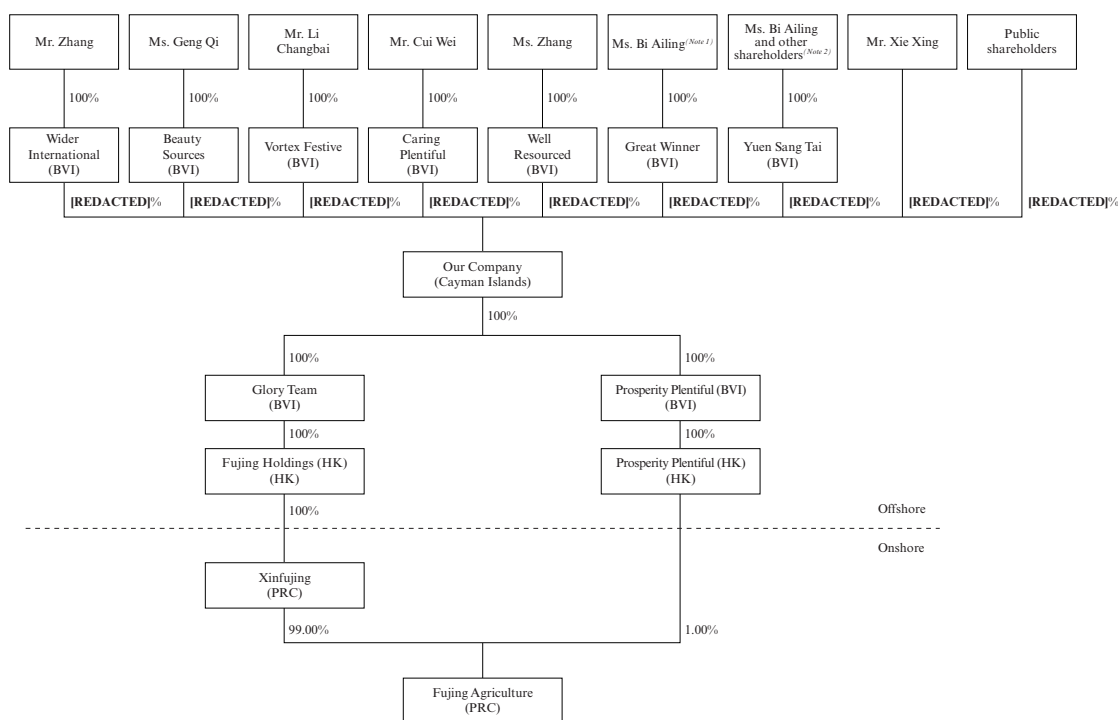
[REDACTED]

The [REDACTED] comprises the [REDACTED] and the [REDACTED], involving the issue of a total of [REDACTED] Shares. Under the [REDACTED], [REDACTED] Shares, representing approximately [REDACTED]% of the enlarged issued share capital of our Company upon [REDACTED] will be issued and placed. Under the [REDACTED], [REDACTED] Shares, representing approximately [REDACTED]% of the enlarged issued share capital of our Company upon [REDACTED], will be offered for subscription by members of the [REDACTED] in Hong Kong.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Corporate Structure immediately after the completion of the [REDACTED] and [REDACTED]

The chart below sets out the shareholding structure of our Group immediately after the Reorganisation and the completion of the [REDACTED] and [REDACTED] (without taking into account any Shares of our Company which may be issued upon the exercise of the [REDACTED] or any option and/or award which may be granted under the Share Scheme):



Notes:

1. Pursuant to a declaration of trust dated 3 November 2023, Ms. Bi Ailing declared that she held 624 shares in Great Winner on trust for Mr. Ying Jie. Ms. Bi Ailing has also confirmed in writing that she will procure Great Winner to transfer the corresponding portion of the Shares it holds to Mr. Ying Jie if Mr. Ying Jie elects to hold the Shares and enters into a written agreement with Ms. Bi Ailing.
2. “Other shareholders” comprise of eight individual shareholders who are the same group of persons under “other shareholders” as set out above in the paragraph headed “Corporate Structure immediately upon the completion of the Reorganisation” in this section of the document.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

SHARE SCHEME

We have conditionally adopted the Share Scheme, summary of the principal terms of which are summarised in the paragraph headed “D. Share Scheme” in Appendix VI to this document. The Company will comply with Chapter 14A of, and other applicable rules under the Listing Rules, for Shares to be issued to connected persons under the Share Scheme after [REDACTED].

PRC REGULATORY REQUIREMENTS

The Rules on the Mergers and Acquisition of Domestic Enterprises by Foreign Investors in the PRC

According to the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors in the PRC (關於外國投資者併購境內企業的規定) (the “**PRC Regulations on Merger and Acquisition**”) jointly issued by the authorities in the PRC on 8 August 2006 and was revised on 22 June 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise.

According to Article 11 of the PRC Regulations on Merger and Acquisition, the merger and acquisition of a domestic company with a related party relationship by a domestic company, enterprise or individual in the name of an overseas company legitimately incorporated or controlled by the domestic company, enterprise or individual shall be subject to examination and approval by the Ministry of Commerce of the PRC (中華人民共和國商務部). The parties involved shall not use domestic investment by foreign invested enterprises or other methods to circumvent the aforesaid requirements. Pursuant to the Manual of Guidance on Administration for Foreign Investment Access (2008 edition) (外商投資准入管理指引手冊(2008年版)), the transfer of equity interest from Chinese parties to foreign parties in existing foreign-invested enterprises does not refer to the PRC Regulations on Merger and Acquisition, regardless of whether there is any affiliated relationship between the Chinese and foreign parties, and whether the foreign party is the original shareholder or new investor; the subject of merger and acquisition only includes domestic enterprises.

As advised by our PRC Legal Advisers, the PRC Regulations on Merger and Acquisition are not applicable to the acquisition by Xinfujing of the equity interest of Fujing Agriculture, which was then a sino-foreign equity joint venture enterprise. Accordingly, the approval by CSRC or Ministry of Commerce of the PRC was not required under the PRC Regulations on Merger and Acquisition.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Circular 37 and ODI Rules

Pursuant to the Circular 37 promulgated by the SAFE, a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing.

Pursuant to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**Circular 13**”), promulgated by the SAFE which became effective on 1 June, 2015 the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity was located.

Pursuant to the Administrative Measures for the Outbound Investment of Enterprises (企業境外投資管理辦法) and the Measures on the Administration of Overseas Investments (境外投資管理辦法) (collectively, the “**ODI Rules**”), promulgated by the National Development and Reform Commission and the Ministry of Commerce respectively, a domestic institution shall undergo approval or record-filing or other procedure with the relevant authorities prior to its overseas investment in accordance with the provisions of the ODI Rules.

PRC Legal Compliance

Our PRC Legal Advisers confirm that all relevant approvals and permits (where applicable) required under the PRC laws and regulations in respect of the Reorganisation as described above have been obtained and the procedures and steps involved are in compliance with relevant PRC laws and regulations.

Our PRC Legal Advisers further advise that our ultimate PRC individual shareholders (as PRC residents as defined under the applicable provisions under SAFE Circular 37 and Circular 13) who were required to undergo registration have completed the registration as at the Latest Practicable Date.