

Stock Code: 603609

Stock Abbreviation (English): Wellhope Ltd.

Bond Code: 113647

Bond Abbreviation (English): Wellhope Convertible Bond

Wellhope Foods Co., Ltd.

2024 Annual Report



Important Statements

I. The Board of Directors, the Supervisory Board, the Directors, Supervisors and Senior Management of the Company hereby warrant that the contents of this annual report are true, accurate and complete, and do not contain any false records, misleading statements or material omissions, and severally and jointly accept legal responsibility for the contents hereof.

II. All members of the Board attended the Board meeting.

III. RSM CHINA CPA LLP issued a standard unqualified audit opinion on the Company's financial statements.

IV. Mr. Jin Weidong, the Legal Representative of the Company, and Mr. Chen Yu, the Chief Financial Officer (responsible for accounting affairs), hereby declare that they guarantee the truthfulness, accuracy and completeness of the financial statements contained in the annual report.

V. Proposed profit distribution for the reporting period approved by the Board of Directors

The Board proposes to distribute a cash dividend of RMB 0.058 per share (inclusive of tax), based on the total number of issued shares as of the record date for dividend distribution, excluding shares repurchased and held in the Company's repurchase account. As of April 20, 2025, the Company had 919,434,448 shares in issue. Based on 868,671,037 shares, which exclude 50,763,411 shares held in the repurchase account, the total proposed cash dividend amounts to RMB 50,382,920.15 (inclusive of tax). In 2024, the Company repurchased its shares through bidding on the Stock Exchange with total consideration amounting to RMB 287,387,710.93. The aggregate amount of cash returned to shareholders, comprising both the cash dividend and share repurchases, totaled RMB 337,770,631.08, representing 98.63% of the net profit attributable to shareholders of the Company for the year.

Shares held in the Company's repurchase account are not entitled to dividends. In the event of any change in the total number of shares in issue between the date of this announcement and the record date, the per share dividend amount will remain unchanged, and the total distribution amount will be adjusted accordingly.

VI. Statement on risks relating to forward-looking statements

The forward-looking statements contained in this report, including but not limited to business plans, development strategies and other related information, do not constitute substantive commitments by the Company to investors. Investors are advised to pay attention to potential investment risks.

VII. Whether there was any non-operating use of funds by the controlling shareholder or related parties?

No

VIII. Whether the Company provided external guarantees in violation of prescribed decision-making procedures?

No

IX. Whether more than half of the Directors failed to guarantee the truthfulness, accuracy and

completeness of the Company's annual report?

No

X. Material risk warning

The relevant risk factors have been discussed in detail in this report. For further information, please refer to the subsection "Potential Risks" under "Section III – Management Discussion and Analysis".

XI. This annual report is published in both Chinese and English versions. In the event of any inconsistency or ambiguity between the two versions, the Chinese version shall prevail. The Chinese version of the 2024 Annual Report is available on the website of the Shanghai Stock Exchange at www.sse.com.cn.

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Documents available for inspection	The financial statements have been signed and sealed by the Company's Legal Representative and the Chief Financial Officer (responsible for accounting affairs).
	The original audit report bears the seal of the accounting firm and has also been signed and sealed by the certified public accountants.
	The full text of all documents and announcements publicly disclosed during the reporting period on the websites designated by the China Securities Regulatory Commission.

Section I Glossary

I. Glossary

CSRC	refers to	China Securities Regulatory Commission
SSE, Stock Exchange	refers to	Shanghai Stock Exchange
Wellhope, the Company	refers to	Wellhope Foods Co., Ltd.
Reporting period, the period	refers to	January 1, 2024-December 31, 2024
The end of the reporting period, period-end	refers to	December 31, 2024
Royal De Heus	refers to	Koninklijke De Heus B.V., the parent company of De Heus Mauritius Ltd., the biggest privately-owned feed company in the Netherlands
Articles of Association	refers to	Articles of Association of Wellhope Foods Co., Ltd.
General Meeting	refers to	The General Meeting of Shareholders of Wellhope Foods Co., Ltd.
Board of Directors	refers to	The Board of Directors of Wellhope Foods Co., Ltd.
Supervisory Board	refers to	The Supervisory Board of Wellhope Foods Co., Ltd.
Corporate Law	refers to	The Corporate Law of the People's Republic of China
Securities Law	refers to	The Securities Law of the People's Republic of China

Section II Company Profile and Key Financial Information

I. Company Information

Company name (English)	Wellhope Foods Co., Ltd.
Abbreviation (English)	Wellhope Ltd.
Company name (Chinese)	禾丰食品股份有限公司
Abbreviation (Chinese)	禾丰股份
Legal representative	Jin Weidong

II. Contact Person

	Secretary of the Board	Representative of Securities Affairs
Name	Chen Yu	Zhao Changqing, Ren Kunsong
Address	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China
Tel	024-88081409	024-88081409
Fax	024-88082333	024-88082333
Email	hfmy@wellhope.co	hfmy@wellhope.co

III. Basic Information of the Company

Registered address	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China
Change of the Company's registered address	On December 6, 2016, the registered address of the Company was changed from "No. 67, Hunnan Development Zone, Shenyang " to "No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province". For details, please refer to Announcement No. 2016-045 disclosed on the website of the Shanghai Stock Exchange.
Office address	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China
Postal code	110164
Company website	www.wellhope-ag.com
Email	hfmy@wellhope.co

IV. Place where the Annual Report is Prepared

Media designated by the Company for the disclosure of information	China Securities Journal, Shanghai Securities News, Securities Times
Website of the Stock Exchange where the annual report is disclosed	www.sse.com.cn
Location where the Company's annual report is kept for inspection	Securities Department

V. Stock Information

Stock information			
Stock type	Stock exchange for IPO	Stock abbreviation	Stock code
A share	Shanghai Stock Exchange	Wellhope Ltd. (禾丰股份)	603609

VI. Other Information

Accounting firm (local)	Name	RSM CHINA CPA LLP
	Office address	Room 2801, Block B, Enterprise Plaza, No. 125 Qingnian Street, Shenhe District, Shenyang, Liaoning Province, PRC
	Name of the signing accountant	Huang Xiao, Zhao Songhe, Zhang Yuanyuan
Sponsor with ongoing supervisory responsibilities during the reporting period	Name	China Galaxy Securities Co., Ltd.
	Office address	Qinghai financial building, Fengtai district, Beijing
	Name of the sponsoring representative	Gao Han, Qiao Na
	Period of ongoing supervision	August 23, 2021-December 31, 2024

VII. Key Accounting Data and Financial Performance Indicators for the Latest Three Years**1. Key accounting data**

RMB

Item	2024	2023	Fluctuation YoY %	2022
Revenue	32,545,260,037.87	35,970,261,909.41	-9.52	32,811,758,209.54
Net profit attributable to shareholders of the Company	342,468,141.14	-457,037,550.28	174.93	512,797,304.59
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	349,481,351.97	-503,050,322.71	169.47	518,898,468.37
Net cash flow from operating activities	1,176,900,496.53	956,152,750.32	23.09	196,266,510.34
	As at the end of 2024	As at the end of 2023	Fluctuation YoY(%)	As at the end of 2022
Net assets attributable to shareholders of the Company	6,695,188,322.87	6,659,295,008.79	0.54	7,235,715,361.79
Total assets	14,882,522,901.31	14,937,114,834.54	-0.37	15,427,594,029.54

2. Key financial performance indicators

Item	2024	2023	Fluctuation YoY(%)	2022
Basic earnings per share (RMB)	0.38	-0.50	176.00	0.58
Diluted earnings per share (RMB)	0.38	-0.50	176.00	0.55
Basic earnings per share after deducting non-recurring gains and losses (RMB)	0.39	-0.55	170.91	0.58
Weighted average return on net assets (%)	5.06	-6.58	An increase of 11.64 percentage points	7.48
Weighted average return on net assets after deducting non-recurring gains and losses (%)	5.17	-7.24	An increase of 12.41 percentage points	7.57

VIII. Key Financial Figures by Quarters in 2024

RMB

Item	Q1	Q2	Q3	Q4
Revenue	7,221,755,333.00	7,748,860,641.23	9,039,991,748.90	8,534,652,314.74
Net profit attributable to shareholders of the Company	-102,487,079.30	68,434,366.24	323,185,071.62	53,335,782.58
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	-98,204,158.32	65,869,585.28	323,345,228.18	58,470,696.83
Net cash flow from operating activities	-344,752,921.60	297,860,553.88	460,912,060.55	762,880,803.70

IX. Non-recurring Gains and Losses

RMB

Item	2024	2023	2022
Gains or losses from the disposal of non-current assets, including the reversal of impairment provisions previously made	-12,802,784.26	17,370,417.70	-4,023,922.69
Government grants recognized in profit or loss for the period, excluding those that are closely related to the Company's ordinary business, granted in accordance with national policies, based on established standards, and having a sustained impact on the Company's profit or loss	40,790,123.39	83,115,983.41	43,999,785.07
Gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and from the disposal of such assets and liabilities, excluding effective hedging activities related to the Company's ordinary business	-2,489,576.88	-1,205,993.28	-6,371,590.35
Reversal of impairment losses on individually assessed receivables	1,288,016.75	9,122,730.49	
Gains arising from acquisition of subsidiaries, associates or joint ventures where the cost of investment is less than the share of the fair value of the identifiable net assets acquired		14,299,036.35	58.82
Other non-operating income and expenses not included in the items listed above	-26,982,020.11	-49,135,731.60	-36,876,323.54
Other items that meet the definition of non-recurring gains or losses in accordance with applicable accounting standards	655,040.54	-10,565,822.12	154,001.44
Less: Income tax effects	3,049,188.70	21,574,736.43	4,291,726.21
Non-controlling interests' effects (after-tax)	4,422,821.56	-4,586,887.91	-1,308,553.68
Total	-7,013,210.83	46,012,772.43	-6,101,163.78

X. Item Measured at Fair Value

RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit or loss
Derivative financial assets	4,296,668.60	2,441,832.40	-1,854,836.20	-2,489,576.88
Total	4,296,668.60	2,441,832.40	-1,854,836.20	-2,489,576.88

Section III Management Discussion and Analysis

I. Business Operation Analysis

During the reporting period, the Company recorded revenue of RMB 32.545 billion, representing a year-on-year decrease of 9.52%. Net profit attributable to shareholders of the Company amounted to RMB 342 million, marking a year-on-year increase of 174.93%. Excluding non-recurring gains and losses, net profit attributable to shareholders of the Company reached RMB 349 million, up 169.47% year-on-year.

1. Feed business

In 2024, the external sales volume of feed produced by the Company's consolidated entities amounted to 3.96 million tons, representing a year-on-year decrease of 8%. The breakdown of sales volume is as follows:

Variety	2024 (10,000 tons)	Percentage of total
Pig feed	141	36%
Poultry feed	170	43%
Ruminant feed	68	17%
Other feed	17	4%
Total	396	100%

A. Driving cross-functional collaboration to reduce costs and improve efficiency

During the reporting period, China's macroeconomic recovery remained sluggish, with weak consumer demand driving a sustained decline in most meat prices—except for pork. This triggered a widespread exit of backyard farms and accelerated consolidation in the livestock sector, intensifying competition and adding further margin pressure on upstream feed producers. To absorb excess capacity from previous expansions and boost utilization rates, feed producers in some regions resorted to price competition. Amid such fierce industry rivalry, we reinforced cross-functional coordination to reduce costs, enhance efficiency and strengthen overall competitiveness. On the technical front, we continued upgrading nutritional systems and feeding models, refined feed formulation database, and boosted the commercialization of R&D outcomes. Efforts focused on reducing feed costs per kilogram of weight gain, with high-volume product lines delivering steady improvements in both cost-effectiveness and market competitiveness. In procurement, we continued strengthening core sourcing organization. For key raw material categories, we built internal long-term talent pipelines and engaged external experts to support major purchasing decisions. These measures significantly enhanced our market analysis. These combined efforts significantly improved our market intelligence and price forecasting capabilities. In 2024, our average procurement prices for both energy and protein feed raw materials remained well below industry averages. In operations, we maintained commitment to lean management by tightening control over material losses, inventory and labor productivity. We continuously improved processing techniques and made steady progress in standardizing process parameters across production lines.

Under joint oversight from the quality assurance and production teams, we achieved notable improvements in key areas such as grinding, mixing and pelleting efficiency, along with higher pellet durability and compliance rates. Collectively, these efforts delivered tangible gains in cost efficiency and overall operational performance.

B. Navigating challenges through internal strength and external agility

During the reporting period, China's sow inventory began to recover from prior lows, with the rebound progressing notably faster in southern regions than northern regions. In the poultry sector, production capacity continued to grow after several consecutive years of expansion. However, sluggish consumption placed sustained pressure on prices across the value chain, resulting in significant losses for mid- and downstream operators. In the ruminant sector, persistently low milk prices left regional dairy producers in a difficult position, while beef cattle farming remained structurally unprofitable. As a result, overall demand for ruminant feed declined sharply over the course of the year. To address these market challenges, our feed business adopted a dual-track strategy—reinforcing internal benchmarking and service infrastructure to strengthen operational capabilities, while actively expanding external markets. We pursued both volume and profitability targets in parallel, and formulated targeted, responsive strategies for different feed categories based on shifting market dynamics. In swine feed, we capitalized on improvements in sow reproduction and finishing (hog fattening) systems to accelerate growth in our commercial feed business. Our frontline managers visited farms to learn about swine farming, gaining firsthand insight into procurement, production and biosecurity practices to better identify customer pain points and tailor service delivery. Drawing on our integrated swine farming resources, we strengthened service and marketing system, enabling deeper, long-term partnerships with large-scale farm clients. In poultry feed, the continued shift toward large-scale farming has driven more diverse customer needs and a growing preference for contract and customized feed manufacturing. We closely monitored client formulation habits and developed targeted market segmentation strategies in response. These efforts enabled us to optimize technical support, lower operating costs, ensure product integrity and quality consistency, and steadily expand our bulk feed delivery capacity to meet evolving customer expectations. In ruminant feed, we took a research-led approach, carrying out deep market analysis and competitive benchmarking to support continuous, targeted improvements to our product range. At the same time, we strengthened internal systems by improving incentive design, refining performance and compensation structures, and tightening recruitment and training standards. These efforts were key to building a professional, high-caliber field team capable of supporting customers through tough market conditions.

2. Broiler integration business

In 2024, China's white-feather broiler industry further expanded its production capacity from an already elevated base. However, subdued macroeconomic conditions significantly constrained demand in mass foodservice channels—the primary consumption scenario for white broilers. As a result, the

incremental capacity was not efficiently absorbed, placing sustained pressure on profitability across the value chain. Mid- and downstream operators were hit the hardest: the commercial broiler farming segment recorded substantial operating losses due to overcapacity, the slaughtering and processing segment operated at a slight loss, and modest profitability was limited to upstream breeding operations.

A. Balancing volume and profit to steadily expand market share

During the reporting period, we adhered to annual production plan, maintaining disciplined output scheduling despite a challenging industry environment. By accelerating turnover and balancing volume with profitability, we remained committed to maintaining cost leadership as a top priority while steadily increasing our market share. On the breeder side, in response to growing demand from the commercial broiler farming segment, we moderately expanded our breeding stock, optimized stock introduction and hatching schedules, and progressively phased out outdated housing facilities. Existing breeder farms and hatcheries were ramped up to reach full utilization as quickly as possible. In terms of farming, we continued to prioritize the development and retention of mid-level management talent, with a long-term focus on establishing a stable, high-quality supply chain for live broilers to ensure consistent volume and quality of broiler deliveries to the slaughtering and processing segment. Commercial broiler farming capacity expanded steadily in line with downstream processing growth. In terms of slaughtering and processing, we leveraged our industry-leading operational efficiency and profitability to support sustained growth in production and sales. Capacity utilization across the slaughtering and processing segment remained consistently high. A new plant commissioned last year ramped up rapidly and reached single-month profitability by June. During the reporting period, our holding and associated companies slaughtered approximately 920 million broilers, representing a year-on-year increase of 14%. Total sales of broiler products reached 2.43 million tons, up 15% from the previous year.

B. Strengthening internal capabilities to enhance profitability

During the reporting period, profit divergence within the white-feather broiler industry continued to widen, primarily due to varying levels of cost management capability among industry participants. In response to intensifying market competition, we reinforced our operational management and implemented rigorous quality control measures, aiming to strengthen competitive advantages and drive sustained improvements in profitability. At the breeder level, amid a general decline in breeder stock quality across the industry, we placed greater emphasis on genetic integrity. We maintained long-term strategic partnerships with leading breeding suppliers and continued to refine our chick source purification protocols and biosecurity systems to ensure the quality of day-old chicks. In farming operations, we continued to enhance management systems and upgrade automation, with the goal of developing modern, large-scale white-feather broiler farms. During the year, we further optimized feed formulations, refined feeding strategies and dynamically adjusted the compensation policies for contract farms. As a result, commercial broiler farming costs declined significantly year-on-year,

accompanied by a marked improvement in overall production performance. In slaughtering and processing operations, we maintained commitment to a high-quality strategy. We rigorously enforced standard operating procedures in the cut-up and deboning process and continuously enhanced operator proficiency to deliver consistent product quality, earning long-standing recognition in the market. Meanwhile, our market development capabilities continued to improve, with an increasing proportion of sales generated through high-value channels. This supported ongoing gains in product premiums, inventory turnover and overall business performance.

3. Swine farming business

After more than a year of industry-wide capacity reduction, the swine sector entered 2024 with improved fundamentals and more stable profitability. Capitalizing on this favorable backdrop, we accelerated the production scheduling, optimized sales structure and strengthened on-farm management to drive further improvements in operational performance. Supported by higher hog prices and lower unit costs, our swine farming business became profitable on a monthly basis starting in March. Core operational capabilities improved significantly throughout the year. During the reporting period, we sold a total of 1.40 million hogs, including 1.21 million finishers, 160,000 piglets, and 30,000 breeding pigs.

A. Managing production rhythm and optimizing sales structure

In swine farming operations, we adopted a development strategy focused on controlling production scale and optimizing herd structure. Subsidiaries within the segment applied rational planning and prudent management practices to keep total farming volume within a reasonable range. From 2021 to 2023, we took decisive action to phase out low-efficiency capacity and adopted a prudent approach to capital expenditure, enabling our swine farming business to navigate a prolonged industry downturn with resilience. During this period, we achieved steady improvements in asset quality, operational efficiency and production performance. In the first half of 2024, as supply and demand conditions in China's hog market gradually improved, we moderately increased our sow inventory and actively procured low-cost piglets ahead of the market upturn. In the third quarter, hog prices rose sharply, reaching their annual peak and generating strong profitability. In response, we significantly slowed piglet procurement and moderately reduced sow inventory to manage downside risk in the event of price corrections. In the fourth quarter, hog prices declined amid increasing seasonal disease pressure. We responded by shortening the fattening cycle, accelerating turnover and culling underperforming sows in order to safeguard biosecurity. Overall, during the favorable market cycle of 2024, we maintained strategic discipline and made rational, long-term-oriented decisions. Our swine farming team continued to mature, demonstrating stronger capabilities in market response and operational execution.

B. Strengthening management and building core operational capabilities

During the reporting period, we identified the enhancement of core capabilities in our breeding pig

operations as a strategic priority. We conducted a systematic review across key areas, including farm site selection, equipment specifications, operational workflows, production models, genetic management and biosecurity, with the aim of addressing structural gaps and building core business capabilities as soon as possible. From a management perspective, our swine segment continued to implement a process-based performance management practice. Monthly business review meetings were held at the Group, regional and subsidiary levels to identify farm-level issues through a benchmarking approach defined by learning from external best practices and replicating internal successes. Site-specific task lists were developed, and progress was closely tracked with corrective actions rigorously executed. In terms of talent development, our swine segment accelerated the recruitment of young technical and managerial talent while intensifying training for front-line and mid-level farm managers. Through structured on-the-job development, targeted mentoring and hands-on guidance, junior farm managers were supported in developing practical leadership capabilities. In parallel, regular talent reviews and enhanced performance assessments enabled dynamic team optimization based on merit. These efforts were reinforced by a data-driven incentive and compensation scheme, which significantly strengthened initiative and accountability across farm management teams.

II. Industry Overview of the Company during the Reporting Period

1. Feed industry

In 2024, while China's domestic economy showed signs of a gradual recovery, consumer confidence in meat products remained subdued. Prices of animal proteins—particularly beef and poultry—fell sharply, while pork consumption registered only modest growth. As a result, the upstream feed industry continued to face mounting pressure on profitability.

On the supply side, China's total industrial feed output reached 315.03 million tons in 2024, marking a 2.1% decline compared to the previous year. Among the main feed categories, swine feed production totaled 143.91 million tons, a year-on-year decrease of 3.9%; layer feed reached 32.36 million tons, down 1.2%; broiler feed increased to 97.54 million tons, up 2.6%; ruminant feed declined sharply to 14.49 million tons, a drop of 13.3%, and aquatic feed stood at 22.62 million tons, down 3.5% from a year earlier. In terms of market concentration, 34 feed enterprise groups recorded annual production exceeding one million tons, collectively accounting for 55.0% of the total national feed output. Of these, seven groups produced more than 10 million tons annually. In addition, eleven individual production facilities reported annual output above 500,000 tons, with the largest single plant reaching 1.331 million tons. In terms of sales model, the total national volume of bulk feed reached 130.502 million tons in 2024, representing a year-on-year increase of 10.7%. Bulk feed accounted for 49.2% of total compound feed output, up 5.5 percentage points from the previous year.

In terms of demand, within the swine feed segment, hog production capacity began to recover from a low base, with the pace of recovery faster in the south than in the north. Despite this, swine feed

demand declined year-on-year, driven by the accelerated exit of small-scale backyard farms. This structural shift increased the dominance of large-scale, vertically integrated operations, shrinking the addressable market for commercial feed and intensifying competition in an already saturated landscape. In the poultry feed segment, national layer inventories saw modest growth, although a downward trend persisted in Northeast China. Broiler production continued to rise from an already elevated level, however, the feed-to-meat ratio declined significantly, and as a result, overall demand for poultry feed did not see any notable increase. As for ruminant feed, persistently low milk prices and mounting operational pressure on regional dairy processors, coupled with sustained losses in beef cattle farming, led to a sharp decline in ruminant feed demand over the year. Overall, except for pork, prices for most meat products remained at subdued levels, and the recovery in consumer demand for animal protein was broadly sluggish.

Amid intensifying market competition, some regional producers turned to price cuts to improve capacity utilization. Confronted with domestic overcapacity and softening demand, leading Chinese feed companies have turned to overseas markets for growth. Notably, Chinese feed producers have been rapidly gaining market share in Southeast Asia, highlighting a clear strategic pivot toward international growth in response to domestic headwinds.

Source: China Feed Industry Association Statistical Report; Boyar Intelligence Industry Analysis Report.

2. Broiler industry

In 2024, white-feather broiler prices remained subdued, with profitability varying significantly across segments of the value chain. Upstream breeding operations remained profitable, while commercial broiler farming incurred heavy losses, and the slaughtering segment ran at a slight deficit.

On the supply side, the population of active grandparent stock increased as imports of breeding stock gradually resumed and domestic breeding lines underwent accelerated renewal, parent stock also stabilized and began to recover. However, widespread forced molting and delayed culling practices led to a further decline in the reproductive performance of parent stock. Combined with disease pressures, these factors reduced the supply of commercial chicks in the second half of the year, causing chick prices to rise year-on-year. In commercial broiler farming, live bird supply was relatively sufficient in the first half of the year, exerting continued downward pressure on prices. In the third quarter, farms reduced chick placements to avoid high temperatures, tightening live bird supply. Meanwhile, global avian influenza developments briefly pushed prices higher before they retreated. In the fourth quarter, live bird supply rose sharply, but stronger downstream pricing sentiment supported a modest price rebound. For the full year, China's broiler slaughter volume rose by 1.8%, while production of broiler cuts increased by 2.3%. However, white-feather broiler prices fell year-on-year, and the farming segment remained deeply unprofitable.

On the demand side, consumer demand for white-feather broilers recovered relatively slowly. Demand from institutional catering channels—such as corporate cafeterias and factory meal services—remained

weak, and product movement in the foodservice and food manufacturing sectors was sluggish. Household consumption accounted for only a small share. Overall, market demand for chicken remained subdued, with narrowed product margins. Distributors were generally reluctant to place new orders, which shifted inventory pressure upstream to slaughterhouses. This led to slower product circulation, a decline in slaughterhouse operating rates and continued downward pressure on selling prices. Although pork prices rose sharply and substitution-driven demand for chicken improved, it remained insufficient to absorb the surplus broiler supply. Broiler cut prices trended downward through the first half of the year, rebounded briefly in Q3, and softened again in Q4. Although producers increasingly resisted further price declines toward the year-end, these efforts failed to meaningfully lift the market. The annual average price settled at RMB 9,450 per ton, marking a 12.17% decline year-on-year. The slaughtering segment remained broadly unprofitable, with profitability varying significantly across enterprises—reflecting divergent cost structures and management capabilities.

In summary, China's white-feather broiler market in 2024 was marked by ample supply and weak demand. Prices remained subdued throughout the year, while performance disparities widened—both across segments of the value chain and among players within the same segment.

Source: Boyar Intelligence Industry Analysis Report.

3. Swine farming industry

In 2024, China's swine farming sector began to recover, with prices following a rise-then-fall pattern. Amid elevated average hog prices and a sharp drop in feed costs, producers recorded their strongest profitability in recent years.

On the supply side, capacity reductions throughout 2023, coupled with widespread disease outbreaks in northern China during Q4, led to substantial losses in sow inventories and constrained restocking efforts. By early 2024, the market had shifted toward a tighter supply environment. As piglet and hog prices climbed in the first half of the year, farming profitability improved markedly, prompting breeding sow inventories to bottom out and rebound from May onward. Boosted by opportunistic secondary fattening activity, stronger market sentiment, and expectations of a supply gap, hog prices peaked in Q3. However, as sow inventories continued to recover and the supply gap narrowed, hog prices came under further pressure from a surge of secondary fattening hogs reaching slaughter weight and began trending lower in Q4. For the full year, China's total hog slaughter volume declined by 3.3% year-on-year, pork production fell by 1.5%, and the average hog price recorded a year-on-year increase.

On the demand side, pork consumption remained subdued, constrained by slower income growth, intensifying competition from alternative proteins, and continued destocking of frozen inventories. While foodservice demand showed a mild recovery, overall pork consumption was still driven primarily by households. In contrast, outdoor catering consumption has increasingly shifted toward alternatives such as chicken, beef and lamb. With substitute meat prices falling and hog prices rising, pork lost price competitiveness—further weighing on demand. At the same time, sustained losses in the slaughtering

segment, elevated procurement costs and high frozen inventory levels exacerbated financial strain on processors, driving slaughter activity to multi-period lows. Overall, demand remained soft throughout 2024, and the sharp price rally in the second half ultimately lacked downstream support, triggering a market correction. Due to a sharp drop in feed ingredient prices, production costs declined significantly, making 2024 the most profitable year for hog farming in the past three years. However, large-scale producers remained cautious about expanding capacity, placing greater emphasis on cost control and operational efficiency. As price expectations adjusted more rapidly and market corrections became more frequent, hog price volatility narrowed, making cost management an increasingly critical lever for sustaining margins.

In addition, following the failure to contain African Swine Fever outbreaks in northern China, a structural shift has begun to take shape: sows are increasingly relocated to southern regions, while piglets are sent northward for finishing. The scale and specialization of secondary fattening operations have expanded rapidly. Looking ahead, China's hog industry is expected to accelerate its transition toward larger-scale, more specialized, and increasingly integrated production systems.

Source: The Ministry of Agriculture and Rural Affairs of China, the National Bureau of Statistics, and Boyar Intelligence Industry Analysis Report.

III. Circumstance of Primary Businesses in the Reporting Period

Wellhope is a well-recognized, large-scale enterprise in China's agriculture and livestock sector. Its core businesses include animal feed production, feed raw material trading, integrated broiler operations, and swine farming. The Company also operates in veterinary pharmaceuticals, farming equipment manufacturing and pet healthcare. In 2018, Wellhope identified food as a strategic development area. Since its founding, Wellhope has remained committed to its corporate mission: "Through advanced technology, professional service, and high-quality products, Wellhope is dedicated to advancing China's animal husbandry industry, conserving resources, protecting the environment, and ensuring food safety for the benefit of society." United by a shared vision, Wellhope's teams collaborate across sectors to achieve the Company's long-term goal of becoming a world-leading enterprise in agriculture, livestock and food industries.

During the reporting period, there were no significant changes in the Company's core business operations. Details are as follows:

Primary business	Primary products	Operation model
Feed	Swine, poultry, ruminant, aquatic feed	Sales model -Distribution and direct sales Operation model -R&D, purchasing, production, sales, service
Broiler integration	Live broiler, broiler parts products	Industrial chain -covers the full value chain, including broiler breeding, hatching, feed production, commercial broiler farming, broiler slaughtering and processing, and further processing of prepared and cooked products Farming model of commercial broiler - the

		Company together with large-scale contract farms
Swine farming	Finisher, piglet, breeding pig	Industrial chain -covering a complete breeding system, including great grandparent, grandparent and parent stock, piglet, and market hogs Farming model of finisher - contract farms and a small number of company-owned farms

1. Animal feed, feed raw materials trade businesses

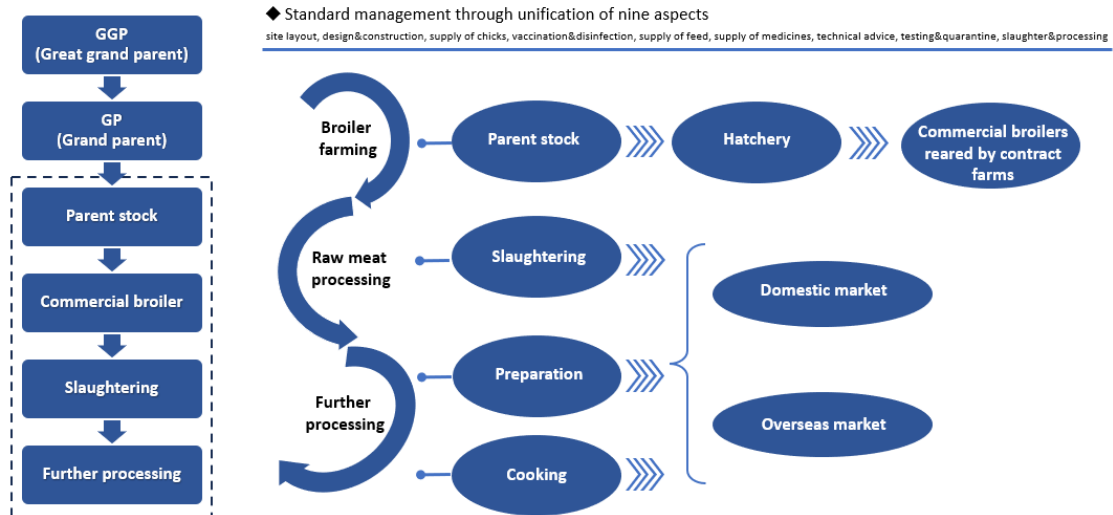
Wellhope produces and markets feed products for pigs, poultry, ruminants, aquatic animals, and fur-bearing animals, with distribution across 32 provinces and regions in China. The Company has also established feed mills in countries such as Nepal, Indonesia and the Philippines. Guided by the philosophy of continuous innovation and rejecting stagnation, Wellhope customizes feed formulations to different growth stages of animals and provides farmers with integrated solutions that include animal husbandry support, disease prevention and farm management services — all aimed at helping customers achieve optimal economic returns.

The Company's trading subsidiaries primarily deal in feed raw materials such as fishmeal, soybean meal, and corn by-products, as well as feed additives including amino acids, antioxidants, mold inhibitors, and vitamins. In addition, they act as distributors for animal health products — such as vaccines and veterinary medicines — sourced through strategic partnerships with leading multinational companies. The trading business operates across regions including Northeast, North, East, South, and Southwest China, and select products are exported to countries such as Nepal and Mongolia.

2. Broiler integration business

The entities of Wellhope's broiler integration business are primarily located in the three northeastern provinces—Liaoning, Jilin, and Heilongjiang—as well as in Hebei, Henan, and Shandong. The business is structured around three core segments: farming, processing and further processing. The fully integrated value chain encompasses parent stock breeding, day-old chick hatching, feed production, commercial broiler rearing, slaughtering, and raw meat processing, along with the further processing of prepared and cooked products. This integrated model ensures a stable supply of raw materials across all stages and applies strict controls throughout the entire process—from feed production and broiler farming to slaughtering and meat processing. Biosafety, drug residue control, and hygiene management are seamlessly integrated through standardized procedures and process-oriented operations, enabling full traceability and reinforcing food safety. Wellhope's broiler business has expanded rapidly in recent years, with significant growth in both production capacity and operational scale, becoming a pivotal industry leader in China's white-feather broiler sector.

Wellhope's broiler industry chain sees as follows:



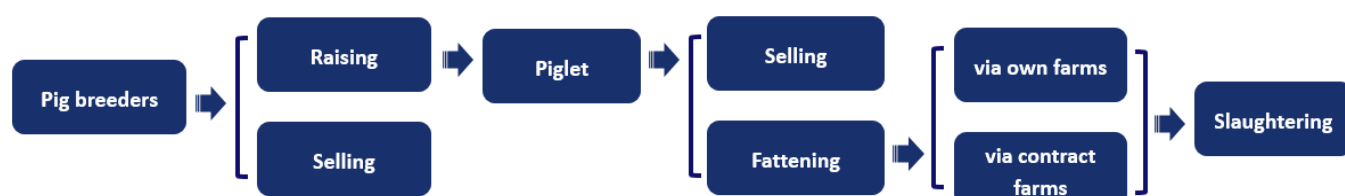
◆ **Broiler raising:** Wellhope's broiler farming segment covers parent stock breeding, hatching, commercial broiler rearing, and feed production. The Company formulates scientifically designed feeding protocols, lighting programs, and comprehensive biosecurity plans for parent stock to ensure the consistent supply of high-quality hatching eggs. At the hatchery level, Wellhope has established a robust production management system and adopted intelligent hatching equipment, including high-efficiency, energy-saving hatchers and advanced environmental control systems, to produce healthy day-old chicks for commercial rearing. Wellhope adopts a contract farming model, working with large-scale farms under unified standards and centralized management. All partner farms employ three-tier cage systems with full automation across feed delivery, water supply, temperature and humidity control. The average live weight of broilers reaches 2.9–3.0 kg, with a livability rate of 96–97%, a feed conversion ratio of 1.44–1.48, and a European Performance Index of 450–460, performance levels have been widely recognized across its farming network.

◆ **Raw meat processing:** Wellhope holds equity in 20 slaughtering enterprises (including both holding and associated entities), with an annual capacity exceeding 1.1 billion broilers. These facilities utilize advanced, automated poultry processing lines sourced domestically, and operate under rigorous protocols for entry-exit inspection, quarantine, and drug residue testing, forming a comprehensive quality assurance and traceability system. The Company continuously enhances slaughtering and processing efficiency through systematic pre-job and on-the-job training programs, paired with 6S lean management practices (Seiri, Seiton, Seiso, Seiketsu, Shitsuke, Safety). As a result, its yield rate and labor productivity rank among the highest in the industry for comparable-sized companies. Wellhope's broiler parts products are widely distributed to leading clients such as Shineway Group, Jinluo Group, Yurun Group, McDonald's, KFC, Yoshinoya, Wallace, Dili Fresh, Yonghui Superstores, RT-Mart, as well as regional foodservice companies, fresh markets, and food processors. In addition to domestic sales, products are also exported to Hong Kong, Macau, and countries including Mongolia, Bahrain, and Russia.

◆ **Further processing:** Leveraging the advantages of vertical integration, Wellhope uses high-quality chicken from its own slaughtering facilities as raw material and has introduced energy-efficient, modern processing equipment to support deep processing operations. The Company currently offers over 100 types of cooked and prepared products, which are mainly distributed through offline channels to restaurant chain central kitchens, corporate and school cafeterias, supermarkets, and convenience stores. In response to continuously upgrading consumer demand, Wellhope has also actively expanded its export business in ready-to-eat foods, with cooked products already gaining strong traction in markets such as Japan and South Korea.

3. Swine farming business

Wellhope began exploring the swine farming business in 2016 and formally identified it as a strategic business in 2018. Since then, the Company has established operations in Liaoning, Jilin, Heilongjiang (three provinces of Northeast China), Inner Mongolia, Henan, Hebei and Anhui through self-built, joint-venture and leased facilities. Currently, Wellhope's swine business primarily encompasses breeding pig production and sales, commercial piglet sales, hog fattening (primarily through contract farming, with a small number of company-owned farms), and hog slaughtering. By establishing comprehensive and rigorous biosecurity systems, advanced breeding platforms, and science-based feeding and farm management protocols, Wellhope is committed to building an integrated swine value chain covering breeding, farming, slaughtering and processing.



A. High-standard farm construction

Wellhope adheres to the principle of reasonable, effective and moderate scale for individual farms, with appropriately configured facilities and equipment. Each site is designed with a robust biosecurity system, guided by long-term disease prevention and whole-process risk control. Advanced production technologies are integrated with intelligent feeding systems, environmental control equipment, and digital management platforms — all aimed at improving operational efficiency and ensuring a healthy, comfortable environment for swine.

B. All-round system operation

a. Genetics and breeding: Wellhope introduces high-quality French, American and Danish breed breeding pigs to match different business regions, aiming to breed and provide pure-bred, pedigree-clear breeding pigs. It also establishes scientific breeding and selection programs and conducts systematic platform-based breeding efforts to continuously optimize herd structure, maintain

its own genetic advantages, and enhance its competitiveness in swine farming.

b. Feeding management: The Company has established a dynamic and efficient full cycle feeding management system for swine, which includes databases for feed nutrition and raw materials, feed production and product quality, and farming performance. Combined with dynamic nutritional formulation technology, feeding management technology for large-scale farms and biosecurity technology, it provides systematic nutrition and feeding management solutions for pig farms. Meanwhile, through continuous data collection and analysis, result tracking, it achieves precise optimization of nutrition solutions, internal refined management, and risk early warning to enhance farming performance.

c. Biosecurity management: Wellhope has built a comprehensive biosecurity system incorporating small-batch compartmentalized feeding, four-zone access control, three-level disinfection protocol, precise pathogen detection, and real-time surveillance with automated alerts. Externally, farms are supported by multi-tiered safety systems, including designated service centers and external disinfection zones, where professional staff disinfect personnel, vehicles and materials step by step. Internally, each farm is divided into security zones based on isolation and quarantine protocols, with AI-based identification and camera systems installed at key control points to monitor compliance. Visualized management ensures that biosecurity protocols are enforced in real time. Each operational region is also equipped with dedicated African Swine Fever (ASF) testing laboratories. Using technologies such as quantitative PCR, these labs enable accurate detection, rapid response, and targeted culling to protect herd health and farm biosecurity.

4. The Company's industry position

Wellhope has received numerous national-level honors, including designation as a National Key Leading Enterprise in Agricultural Industrialization, a Nationally Certified Enterprise Technology Center, and a National High-Tech Enterprise. Since its IPO in 2014, Wellhope has been named four times among the Top 100 Most Valuable A-Share Listed Companies in China and was recognized as one of the Top 10 Internationalized Brands in China's Livestock and Feed Industry (2022–2023). In 2024, the Company was listed for the eighth time on the Fortune China 500. Wellhope holds a leading position in Northeast China and maintains a strong brand presence in Northwest, North and Central China. In the feed sector, Wellhope is a Vice President Member of the China Feed Industry Association and has been recognized among China's Top 10 Leading Feed Enterprises. It consistently ranks among the top in national commercial feed sales and was ranked 17th globally on the WATT Global Media Top Feed Companies List in 2024. In the broiler sector, Wellhope's white-feather broiler business has grown rapidly in recent years, with significant expansion in integrated capacity and overall production scale. As a result, Wellhope has become a leading player in China's white broiler industry. Based on the slaughtering and processing volume of its holding and associated enterprises, the Company was ranked 7th globally on the 2024 WATT Global Top Broiler Producers List.

IV. Core Competence Analysis within the Reporting Period

The core competencies of Wellhope are reflected in a highly capable, loyal and entrepreneurial management team; a strategy of disciplined planning and steady growth; a mature and well-developed industrial footprint; a systematic, scientific and continuously innovative R&D system; a broadening and deepening brand influence; and a cohesive, empowering corporate culture that aligns and drives the organization forward. Together, these strengths form the foundation of Wellhope's long-term competitiveness and sustainable development.

1. A highly capable, loyal and entrepreneurial management team

Talent is Wellhope's most valuable asset and the cornerstone of its long-term competitiveness. The Company's management team consists of multiple tiers of internal shareholders, highly educated, experienced professionals with deep industry expertise and strong strategic vision. Equally important, they share a deep alignment with Wellhope's core values and corporate culture. Most of the Company's middle and senior managers have advanced through structured internal development and promotion pathways, supported by a comprehensive incentive system. They consistently demonstrate strong ownership, accountability, and long-term commitment to the organization. Over the past three decades, the management team has exhibited exceptional stability. Turnover at the general manager's level and above has been extremely rare, typically occurring only due to performance-related adjustments. A new generation of leaders—born in the 1980s and 1990s—is now taking on key roles within the organization. Selected through rigorous internal development programs such as the "Seedling Plan" and the "Sunflower Program," these ambitious and forward-thinking individuals have become the backbone of Wellhope's next-generation leadership. Wellhope places strong emphasis on continuous leadership development. Mid- and senior-level managers regularly participate in structured training programs, including the Executive Development Program (EDP) and Leadership Training Camp. The Company also organizes benchmarking visits to top-performing domestic and international companies, helping managers broaden their perspectives and sharpen their leadership capabilities. While many local companies struggle with leadership turnover or lack of cohesion at the top, Wellhope's loyal, capable, and future-oriented management team remains one of its most enduring competitive advantages, and a key source of confidence in the Company's steady progress and sustainable future.

2. A strategy of disciplined planning and steady growth

Wellhope formulates its business strategy with a long-term mindset, grounded in deep insight into both domestic and global political, economic and industry dynamics. The Company consistently prioritizes sustainable growth and risk management, focusing on operational efficiency and returns from both new and existing projects. Guided by the principles of steady expansion and sound development, Wellhope takes a measured, step-by-step approach to strategic deployment, maintains structural balance and risk resilience across its operations, and remains firmly committed to building a business that stands the test of time.

This philosophy is reflected in four key areas:

A. Prudent expansion into new business areas: Wellhope began with premix production and has grown into one of China's top 10 commercial feed producers through years of focused investment in the feed industry. In 2008, following careful evaluation, the Company entered the broiler integration sector. After 17 years of dedicated development, Wellhope's holding and associated companies now rank 7th globally in broiler processing volume, with management and technical capabilities rank among the best domestically and internationally. In 2018, to capture growth opportunities and mitigate sector-specific risks, the Company made a strategic entry into the swine farming business. Through a combination of wholly owned projects and strategic partnerships, Wellhope has rapidly developed its core capabilities in this segment. From 2023 to 2025, the Company will continue to strengthen its two strategic core businesses—feed and broiler integration—while accelerating two strategic growth areas: swine farming and food processing. Wellhope aims to gradually establish regional food brands and become a leading enterprise setting benchmarks in safety, quality, cost efficiency and operational excellence across the agriculture, livestock, and food industries.

B. A forward-looking, integrated business model: Wellhope has developed a resilient and synergistic value chain that spans raw material trading, feed production, breeding, farming, animal health products, slaughtering, and further food processing. This vertically integrated model ensures strong connectivity across segments, reduces intermediaries, lowers transaction risks, cushions against market volatility, expands profit margins, and enhances food safety. In an increasingly complex economic and industry environment, this model offers a robust and future-ready framework for modern agribusiness development.

C. Deliberated and phased market expansion: Despite its strong performance in feed and broiler integration in Northeast China, Wellhope has never pursued rapid, nationwide expansion. Instead, the Company follows a research-driven, disciplined approach—gradually extending its footprint into Northwest, North, Central China, the Shandong region and Eastern regions. In new markets, Wellhope emphasizes asset-light expansion and remains focused on operational efficiency and investment returns.

D. Rigorous financial risk management: Wellhope places great importance on financial prudence and internal control. Since its IPO, the Company has continuously improved its risk management framework and corporate governance practices. It operates a vertically managed, centralized financial system covering financing, credit, capital allocation, and guarantee approvals. In alignment with macroeconomic conditions, industry trends, and its own business performance, Wellhope carefully controls leverage and financing costs. As of the end of the reporting period, the Company's asset-liability ratio remained at a sound level of 49.09%.

3. A mature and highly developed industrial footprint

Wellhope's industrial footprint reflects both strategic geographic positioning and a continuously

optimized business structure. These strengths serve as key enablers of efficiency, cost control, and long-term competitiveness.

A. Strategic geographic positioning: Headquartered in Shenyang, Liaoning Province, Wellhope maintains a strong operational presence across northern China, with a particular focus on the northeastern region. Designated by national policy as a key growth area for livestock production, Northeast China offers abundant raw materials, a favorable climate, low stocking density, and relatively low labor costs—making it highly conducive to the development of agriculture and animal husbandry. The region is also China’s largest grain-producing base, particularly for corn and rice, with advantages in both quality and volume. Its well-developed grain processing sector provides a wide range of cost-effective feed ingredients and by-products with efficient logistics networks. Since the introduction of national rice auction mechanisms, the Northeast has gained unique cost advantages in supply. For example, the inclusion of brown rice in feed formulations has helped mitigate the impact of rising corn prices on overall feed costs. Wellhope’s broiler operations are primarily located in Liaoning, Jilin, Henan, Hebei and Shandong—regions collectively representing over 75% of China’s total broiler production. These areas not only offer a strong foundation for poultry farming but also feature mature downstream market infrastructure. In both poultry and swine operations, Wellhope adopts a regional, cluster-based development model: concentrating resources in key industrial zones, building localized scale, and enhancing operational efficiency while reducing logistics costs.

In parallel, the Company is actively expanding into international markets with significant potential for livestock development. It has established feed production facilities in countries such as the Philippines, Indonesia and Nepal, laying a foundation for long-term global growth.

B. Continuously optimized business structure: Wellhope’s development strategy is rooted in agriculture and animal husbandry and guided by a dual approach of horizontal diversification and vertical integration. This model continues to strengthen the Company’s risk resilience and capacity for sustainable profitability. Horizontally, Wellhope is scaling up its feed business while accelerating the growth of its broiler segment, with the ambition to achieve both domestic and global leadership. At the same time, the Company is steadily strengthening its hog farming operations to achieve regional leadership in selected markets. Vertically, the Company has built a robust, fully integrated value chain covering raw material trading, feed production, animal farming, slaughtering and further processing. This integrated model reflects a long-term strategic direction for China’s agri-livestock and food industry. Looking ahead, Wellhope will continue to strengthen coordination across all segments of the chain—deepening synergies, expanding into food processing, and accelerating the development of a closed-loop, end-to-end supply chain. These efforts are further supported by the ongoing standardization and optimization of internal division of labor and cross-segment collaboration, ensuring long-term cohesion, scalability, and operational excellence.

4. A systematic, scientific and continuously innovative R&D system

Guided by its mission — “Through advanced technology, professional services, and high-quality products, Wellhope is devoted to the development of China’s animal husbandry industry, resource conservation, environmental protection, and food safety for the benefit of society”, the Company has established an R&D system that is both customer-oriented and market-driven. Wellhope remains focused on product safety, quality consistency, precise nutrition and customer-centered services, while continuously pursuing technological innovation and new product development. Through a distinctive collaboration model, a dedicated and highly capable technical team, and a three-tier structure centered on the Wellhope Research Institute, the Company has built a comprehensive framework for efficient research and rapid application. This system is further supported by top-tier testing capabilities, a dynamic and precise raw material database, a well-balanced product portfolio, and an ever-improving technical service infrastructure.

A. Strong and specialized R&D team: Leveraging its complete industrial chain, Wellhope has established an integrated R&D team covering feed formulation, farming technologies, and processing innovations across key business segments including feed, broiler integration, swine farming, and biological feed additives. Comprising hundreds of experts, including PhDs, master's graduates, professors, and senior technical personnel, the team excels at both theoretical research and practical applications. Senior experts provide strategic guidance in translating cutting-edge technologies into real-world solutions, while experienced technicians, based on on-site realities, conduct trials and demonstration projects to validate and implement the most suitable technologies. Backed by its technical capabilities, Wellhope has received multiple national and provincial-level accreditations and honors, including Nationally Certified Enterprise Technology Center, National and Local Joint Engineering Research Center for the Development and Application of New Biological Feed, National Feed Processing Sub-Center under the National Agri-Product Processing System, Comprehensive Trial Station of the National Swine Industry Technology System, Liaoning Province R&D Center for Deep Agricultural Processing and Biopharmaceutical Industry Cluster, Innovation Team for Feed Technology and Safety in Liaoning Province.

B. Competitive R&D collaborations: Since 2006, Wellhope has maintained a long-standing partnership with Royal De Heus, a century-old Dutch company. By drawing on De Heus’s globally advanced technologies, leading nutritional expertise, and proven management practices, Wellhope has achieved major breakthroughs in safe, high-quality, efficient, and antibiotic-free feed formulation. The R&D teams from both companies engage in regular exchanges, enabling Wellhope to remain aligned with the world’s latest technological advancements. Building on nearly 30 years of its own experience, Wellhope continues to integrate global innovations with local farming realities, delivering superior products and technical services. The Company also partners closely with leading universities and research institutions—including China Agricultural University, Nanjing Agricultural University, Shenyang Agricultural University, Northeast Agricultural University, Hefei University of Technology, and Anhui

Agricultural University—to co-develop feed and meat processing technologies and jointly train professional talent.

C. World-class testing capability and data infrastructure: Wellhope's central laboratory is one of the few CNAS-accredited labs among domestic feed producers, with testing results recognized in over 60 countries and regions. Equipped with state-of-the-art instruments, the lab is organized into three divisions: physical and chemical testing, microbiological testing, and precision instrument analysis. From raw materials to finished products, the lab ensures consistent quality and enforces the Company's safety-first philosophy throughout the entire production process. The Company has also developed a continuously updated internal raw material database and shares data resources with its Dutch partner. Its precision formulation tools include accurate databases for net energy (for sows and growing pigs), amino acids, crude fiber, fatty acids, and more—enabling precise diet formulation based on performance targets and feed intake to achieve optimal cost-effectiveness.

D. Innovation Achievements: R&D serves as a core driver of Wellhope's long-term growth. Over the years, the Company has built a strong portfolio of innovative results. As of the end of the reporting period, Wellhope held 78 invention patents and was honored with two National Science and Technology Progress Awards, one National Technology Invention Award, one First Prize of the Harvest Award, and nearly 20 provincial and ministerial-level science and technology awards.

5. A broadening and deepening brand influence

Over the past 30 years, Wellhope has successfully established both a product brand and a corporate brand within China's agriculture and livestock sector. As the industry continues to evolve and upgrade, the influence of the Wellhope brand is expected to grow further.

A. Product brand: Driven by advanced technologies, high-quality products and a continually improving service system, the Wellhope brand has earned broad recognition and trust in its core markets, particularly across northern China, where its influence is most prominent. The Company has received numerous honors, including the Famous Brand of Liaoning Province, Well-Known Trademark of China, China's Top 500 Most Valuable Trademarks, the Most Influential Brand in China's Livestock Industry, the Trusted Product in China's Feed Industry, and the Governor's Quality Award of Liaoning Province.

B. Corporate brand: Wellhope consistently upholds its core values of integrity, responsibility, and mutual success. Many of the Company's business segments are structured as long-term joint ventures with trusted partners, some lasting over a decade or even two. Notably, the 19-year strategic partnership with Royal De Heus of the Netherlands stands as a hallmark of enduring global collaboration. In addition, Wellhope maintains long-standing and amicable partnerships with numerous multinational and domestic suppliers. These successful partnerships fully demonstrate the acceptance and recognition of the Wellhope corporate brand among its partners. As an employer brand, Wellhope is also widely recognized and respected. It has been named the Best Employer three times by Zhaopin.com and, in 2022, received the award of Top 10 Employer Brand in China's Livestock and Feed

Industry, reflecting its reputation as an ideal workplace among job seekers and employees alike.

C. Brand extension: As Wellhope continues to expand its broiler and hog businesses and advances its horizontal diversification and vertical integration strategy, its market share and reputation have grown across a wide range of sectors, including raw material trading, animal health, breeding, farming, fresh meat and ready-to-eat products. To protect the core value of the Wellhope brand and ensure consistency across business lines, the Company has adopted a disciplined approach to brand extension. Rather than applying the master brand indiscriminately, Wellhope builds vertical brand equity in targeted sectors where business maturity, product quality, and long-term value can be fully supported. This strategy not only enhances brand influence within the industry but also increases the added value of individual business units.

6. A cohesive and empowering corporate culture that aligns and drives the organization forward

Over the past 30 years, Wellhope has cultivated a corporate culture that emphasizes shared purpose, top-down alignment and collective empowerment. Its core values—integrity, responsibility, and mutual success—along with an operational culture centered on innovation, efficiency, and self-discipline, are deeply embedded in the organization. These values shape behavior and are reflected in every aspect of the business—from talent selection and strategy development to daily decision-making and management execution.

In 2024, cultural development remained closely aligned with business priorities, supporting the development of large-scale farms in the feed business while accelerating cultural integration in the swine and broiler operations. One key initiative was the company-wide Innovation & Efficiency Competition, focused on reducing costs and improving performance. A record 98 projects were submitted across four categories, with 31 reaching the finals. Employees were encouraged to contribute practical ideas from their daily work, transforming values into action and innovation into habit. In September 2023, the Company launched a group-wide learning initiative based on *The Ten Precepts of Taiichi Ohno*. Business units and functional teams studied, discussed and applied lean thinking in their operations. In June 2024, a final review and evaluation event was held to assess results and recognize progress in cost control and performance improvement. Also in 2024, Wellhope hosted three types of employee skill competitions, covering broiler processing, feed pelleting and hog fattening, to engage front-line teams and recognize high-performing individuals. The Group also organized the “Wellhope Cup” basketball tournament to promote teamwork, perseverance and pride among employees. Meanwhile, the Company continued to promote subcultures that reinforce execution and alignment, including process-based performance, excellence benchmarking, disciplined execution and a culture of constructive feedback and self-criticism. These subcultures have become effective mechanisms for driving strategy implementation across the organization.

Wellhope’s 30-year journey has clearly demonstrated that corporate culture is a strategic moat for the Company’s development. Strengthening this culture remains a long-term, high-priority initiative that

will continue to support sustainable growth and organizational cohesion.

V. Operations during the reporting period

During the reporting period, the Company recorded revenue of RMB 32.545 billion, representing a year-on-year decrease of 9.52%. Net profit attributable to shareholders of the Company reached RMB 342 million, up 174.93% year-on-year. Net profit attributable to shareholders after deducting non-recurring gains and losses reached RMB 349 million, marking a year-on-year increase of 169.47%.

1. Analysis of primary business

A. Analysis of changes of income and cash flow

			RMB
Item	2024	2023	Change %
Revenue	32,545,260,037.87	35,970,261,909.41	-9.52
Costs of revenue	30,447,129,165.17	34,540,124,263.81	-11.85
Sales expenses	709,944,370.21	718,365,669.03	-1.17
Administrative expenses	672,530,023.01	614,800,562.62	9.39
Financial expenses	168,191,270.31	171,600,672.91	-1.99
R&D expenses	29,041,137.57	83,797,469.99	-65.34
Net cash flow from operating activities	1,176,900,496.53	956,152,750.32	23.09
Net cash flow from investing activities	-448,278,145.58	-402,864,641.04	-11.27
Net cash flow from financing activities	-877,353,019.52	-308,196,369.71	-184.67

Explanation of the above changes.

Revenue: The decrease was primarily due to year-on-year declines in feed sales volume, feed prices and chicken prices.

Cost of revenue: The decrease was mainly attributable to lower feed sales volume and a drop in the prices of key feed raw materials, resulting in a corresponding decline in feed production costs.

Administrative expenses: The increase was primarily due to higher employee compensation and depreciation expenses during the reporting period.

R&D expenses: The decrease was mainly the result of fewer R&D projects carried out during the reporting period.

Net cash flow from operating activities: The increase was mainly due to a reduction in cash payments for goods and services.

Net cash flow from investing activities: The decrease was primarily due to lower cash received from investment income and reduced proceeds from the disposal of fixed assets, intangible assets, and other long-term assets.

Net cash flow from financing activities: The decrease was mainly attributable to an increase in debt repayments during the reporting period.

B. Analysis of revenue and cost

During the reporting period, the Company recorded revenue of RMB 32.545 billion, representing a year-on-year decrease of 9.52%. The cost of revenue amounted to RMB 30.447 billion, down 11.85% year-on-year.

a. Breakdown of revenue by segment, product, region and sales channel

RMB

Analyzed by segment						
Segment	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %
Feed	12,509,047,052.89	11,178,618,301.03	10.64	-24.05	-25.89	Increased by 2.21 percentage points
Broiler integration	11,339,656,046.86	11,020,455,472.07	2.81	1.14	-1.09	Increased by 2.19 percentage points
Raw materials trading	4,999,646,088.08	5,026,504,887.50	-0.54	-5.66	-2.46	Decreased by 3.29 percentage points
Swine farming	3,317,621,699.20	2,920,495,993.12	11.97	28.79	3.80	Increased by 21.20 percentage points
Other businesses	333,086,724.17	264,635,654.97	20.55	-9.05	-14.52	Increased by 5.08 percentage points
Analyzed by product						
Product	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %
Feed	12,509,047,052.89	11,178,618,301.03	10.64	-24.05	-25.89	Increased by 2.21 percentage points
Broiler integration	11,339,656,046.86	11,020,455,472.07	2.81	1.14	-1.09	Increased by 2.19 percentage points
Raw materials trading	4,999,646,088.08	5,026,504,887.50	-0.54	-5.66	-2.46	Decreased by 3.29 percentage points
Swine farming	3,317,621,699.20	2,920,495,993.12	11.97	28.79	3.80	Increased by 21.20 percentage points
Other businesses	333,086,724.17	264,635,654.97	20.55	-9.05	-14.52	Increased by 5.08 percentage points
Analyzed by region						
Region	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %

East China	4,741,206,164.09	4,547,268,332.46	4.09	-11.46	-13.46	Increased by 2.22 percentage points
North China	4,381,552,292.38	4,083,402,751.79	6.80	-3.76	-7.24	Increased by 3.49 percentage points
Northeast China	15,776,348,142.92	14,688,456,371.56	6.90	-9.51	-11.74	Increased by 2.35 percentage points
Central and South China	5,438,888,818.56	5,085,550,928.24	6.50	-13.60	-16.30	Increased by 3.02 percentage points
Southwest China	602,515,942.82	585,357,067.90	2.85	-13.25	-12.33	Decreased by 1.02 percentage points
Northwest China	1,007,781,334.39	904,021,828.72	10.30	-14.42	-15.41	Increased by 1.05 percentage points
Overseas market	550,764,916.06	516,653,028.03	6.19	32.84	32.58	Increased by 0.18 percentage points
Analyzed by sales channel						
Sales channel	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %
Direct sales	23,645,286,456.61	22,117,077,625.98	6.46	-0.30	-2.93	Increased by 2.54 percentage points
Distributor sales	8,853,771,154.60	8,293,632,682.72	6.33	-27.47	-29.21	Increased by 2.31 percentage points

b. Analysis of sales volume

Product	Production volume (10,000 tons)	Sales volume (10,000 tons)	Inventory (10,000 tons)	Production volume fluctuation YoY %	Sales volume fluctuation YoY %	Inventory fluctuation YoY %
Feed	531.94	396.18	5.50	1.57	-7.98	-32.68

Explanation: Sales of feed products are external sales and do not include sales for internal use.

c. Analysis of cost

RMB

By Industry	Item	2024	% of total costs	2023	% of total costs	Fluctuation YoY %
Feed	Raw materials	9,934,436,780.88	94.35	13,760,282,630.25	95.71	-27.80
Feed	Labor costs	173,184,097.12	1.64	178,359,637.62	1.24	-2.90
Feed	Depreciation	143,890,233.53	1.37	134,483,142.61	0.94	6.99
Feed	Energy (electricity, coal, steam)	159,474,147.12	1.51	172,821,323.26	1.20	-7.72

Feed	Other manufacturing expenses (excluding energy and depreciation)	118,427,413.36	1.12	131,452,494.49	0.91	-9.91
Feed	Total production cost	10,529,412,672.01	100.00	14,377,399,228.24	100.00	-26.76
Broiler	Raw material	9,258,588,070.50	85.02	9,136,127,364.54	82.67	1.34
Broiler	Labor cost	577,534,915.23	5.30	515,755,275.59	4.67	11.98
Broiler	Depreciation	85,263,486.93	0.78	80,174,895.32	0.73	6.35
Broiler	Energy (electricity, coal, steam)	105,303,466.83	0.97	118,275,580.27	1.07	-10.97
Broiler	Other manufacturing expenses (excluding energy and depreciation)	863,002,228.40	7.92	1,200,822,494.66	10.87	-28.13
Broiler	Total production cost	10,889,692,167.89	100.00	11,051,155,610.38	100.00	-1.46
By Product	Item	2024	% of total costs	2023	% of total costs	Fluctuation YoY %
Feed	Raw materials	9,934,436,780.88	94.35	13,760,282,630.25	95.71	-27.80
Feed	Labor costs	173,184,097.12	1.64	178,359,637.62	1.24	-2.90
Feed	Depreciation	143,890,233.53	1.37	134,483,142.61	0.94	6.99
Feed	Energy (electricity, coal, steam)	159,474,147.12	1.51	172,821,323.26	1.20	-7.72
Feed	Other manufacturing expenses (excluding energy and depreciation)	118,427,413.36	1.12	131,452,494.49	0.91	-9.91
Feed	Total production cost	10,529,412,672.01	100.00	14,377,399,228.24	100.00	-26.76
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Broiler	Labor cost	577,534,915.23	5.30	515,755,275.59	4.67	11.98
Broiler	Depreciation	85,263,486.93	0.78	80,174,895.32	0.73	6.35
Broiler	Energy (electricity, coal, steam)	105,303,466.83	0.97	118,275,580.27	1.07	-10.97
Broiler	Other manufacturing expenses (excluding energy and depreciation)	863,002,228.40	7.92	1,200,822,494.66	10.87	-28.13
Broiler	Total production cost	10,889,692,167.89	100.00	11,051,155,610.38	100.00	-1.46

d. Top 5 customers and suppliers

d-1: Major customers

The total sales to the top five customers amounted to RMB 1,036.25 million, accounting for 3.18% of the annual revenue. Among them, sales to related parties totaled RMB 189.45 million, representing 0.58% of the annual revenue.

d-2: Major suppliers

The total purchases from the top five suppliers amounted to RMB 5,791.39 million, accounting for 19.02% of the annual total procurement. There were no purchases from related parties.

C. Expense

RMB

Item	2024	2023	Change %
Sales expense	709,944,370.21	718,365,669.03	-1.17
Administrative expense	672,530,023.01	614,800,562.62	9.39
R&D expense	29,041,137.57	83,797,469.99	-65.34
Financial expense	168,191,270.31	171,600,672.91	-1.99

D. R&D Investment**a. R&D investment**

RMB

R&D expenses	29,041,137.57
Capitalized R&D expenditures	0.00
Total R&D investment	29,041,137.57
% of revenue	0.09
Capitalization ratio of R&D investment %	0.00

b. Headcount

Headcount of R&D	143
Percentage of total staff %	1.56
Educational structure	
Item	Headcount
PhD	11
Master's degree	57
Bachelor's degree	50
Junior college	21
High school and below	4
Age structure	
Item	Headcount
30 years old (30 excluded)	49
30-40 (30 included, 40 excluded)	56
40-50 (40 included, 50 excluded)	31
50-60 (50 included, 60 excluded)	6
60 and above	1

c. Circumstances of R&D**(a) Feed product innovation and advancement in farming technologies**

Swine feed: The Company focused its R&D efforts on the piglet and nursery stages, with a focus on optimizing daily feed formulations and nutritional levels, while advancing low-zinc creep feed technologies and developing eco-friendly formulas. The design and application of compound feed for secondary fattening practices were completed, providing stage-specific nutritional solutions for different growth phases.

Ruminant feed: The Company promoted proven feeding models for meat sheep to enhance farming efficiency through precision nutrition management. Customized products and feeding programs were developed for beef and dairy cattle to address nutritional needs, supporting improved production

performance and overall farm profitability.

Poultry feed: The Company enhanced its broiler nutrition database and promoted the use of bulk feed. Studies were conducted to examine the correlation between feed particle size and layer performance, aiming to improve eggshell quality in the late laying period and support greater profitability in poultry farming.

Raw material alternatives: The Company established a dynamic evaluation mechanism for assessing the nutritional value of raw materials, enabling rapid substitution during market fluctuations to maintain nutritional consistency and control costs. Cross-departmental collaboration was enhanced to improve raw material inventory turnover, supporting cost reduction and operational efficiency through coordinated initiatives.

Farming technology empowerment: The Company focused on enhancing broiler production performance and overall value chain efficiency, while continuing R&D efforts to improve feed conversion ratios and livability rates. In swine farming, precision nutrition and feed formulation technologies were further advanced, and tailored feeding strategies were developed to support the sustainable development of the swine business.

(b) Key projects, industry standards participation, awards and patents

Patents Granted in 2024			
Number of patents granted in 2024	5	Total number of patents granted by the end of the reporting period	78
Participation in Standard Formulation and Scientific Projects			
Participation in the formulation of national or industry standards	Compound Feed for Aquatic Animals – Part 11: Loach Feed (GB/T 22919.11-2024) Compound Feed for Aquatic Animals – Part 12: Crucian Carp Feed (GB/T 22919.12-2024) Compound Feed for Beef Cattle (T/CFIAS 1003-2024) Compound Feed for Meat Sheep (T/CFIAS 1004-2024)		
Scientific projects carried out or managed by the Company	Breeding and Full Industry Chain Technologies for Livestock and Poultry with Regional Characteristics in Liaoning Province – rated as "Excellent"		
Awards for Technological Innovation			
Awards received	Second Prize, Liaoning Agricultural Science and Technology Contribution Award (2024): Key Technological Innovations and Applications in Intelligent Breeding and Farming of Swine		
	Second Prize, Liaoning Agricultural Science and Technology Contribution Award (2024): Development and Demonstration of High-Efficiency Broiler Feed Based on Unconventional Raw Materials		
	Liaoning Agricultural Science and Technology Contribution Award (2024): Research and Promotion of Low-Protein, High-Fiber Diets and Standardized Feeding Models for Sows		
	Industry Award: The Company’s 553A Gestating Sow Feed received the 2024 “Craftsmanship Award for Sow Feed”		

E.Cash flow

			RMB
Item	2024	2023	Change %
Net cash flow from operating activities	1,176,900,496.53	956,152,750.32	23.09
Net cash flow from investing activities	-448,278,145.58	-402,864,641.04	-11.27
Net cash flow from financing activities	-877,353,019.52	-308,196,369.71	-184.67
Net increase in cash and cash equivalents	-146,542,683.04	246,054,337.82	-159.56

2. Assets and liabilities

A. Circumstance of assets and liabilities

RMB

Item	December 31, 2024	% of total assets	December 31, 2023	% of total assets	YoY change %	Explanation
Derivative financial assets	2,441,832.40	0.02	4,296,668.60	0.03	-43.17	Due to reduced futures investments at the end of the reporting period
Notes receivable	27,893,377.89	0.19	6,620,586.95	0.04	321.31	Due to a higher amount of commercial acceptance bills received during the reporting period
Prepayments	262,395,498.70	1.76	469,857,003.51	3.15	-44.15	Due to significant fluctuations in raw material purchase prices during the reporting period, the Company's prepayments declined accordingly
Contract assets	628,713.20	0.00	2,432,720.15	0.02	-74.16	Due to the recovery of contract assets recognized at the beginning of the reporting period
Other equity instrument investments	163,722.78	0.00	14,826,710.99	0.10	-98.90	Due to the fair value measurement of investees during the reporting period
Investment properties	23,980,919.68	0.16			-	Due to the leasing of subsidiary plant facilities to external parties during the reporting period
Goodwill	19,864,604.90	0.13	290,425.67	0.00	6,739.82	Due to the acquisition of an equity interest in Shandong Fengkang Food Company
Short-term borrowings	567,278,990.41	3.81	970,957,309.50	6.50	-41.58	Due to the Company's optimization of its bank loan structure by converting short-term borrowings into long-term borrowings
Taxes payable	56,466,910.36	0.38	42,449,739.70	0.28	33.02	Due to taxes and fees accrued but not yet paid during the reporting period
Other payables	638,629,689.02	4.29	479,780,643.59	3.21	33.11	Due to the implementation of an employee stock ownership plan during the reporting period
Current portion of non-current liabilities	497,542,789.55	3.34	932,730,557.07	6.24	-46.66	Due to a reduction in the current portion of long-term borrowings during the reporting period
Long-term borrowings	1,444,154,268.34	9.70	920,051,517.19	6.16	56.96	Due to the Company's optimization of its bank loan structure by converting short-term borrowings into long-term borrowings
Long-term payables	94,867,723.87	0.64	42,542,892.62	0.28	122.99	Due to finance leases of fixed assets held by acquired companies during the reporting period

B. Overseas assets

Overseas assets amounted to RMB 3.5951 million, accounting for 0.02% of total assets.

C. Restrictions on major assets at the end of the reporting period

As of the end of the reporting period, the Company's total restricted assets amounted to RMB 263.178 million. For details, please refer to Note 31 "Assets with Ownership or Usage Restrictions" under Section VIII "Financial Statements" – "Notes to the Consolidated Financial Statements".

3. Investment analysis

As of the end of the reporting period, the balance of the Company's long-term equity investments was RMB 2,484.3236 million, representing an increase of 7.27% compared to the end of the previous year. Other equity instrument investments amounted to RMB 0.1637 million, representing a decrease of 98.90% from the end of the previous year.

For details, please refer to Long-term Equity Investments and Other Equity Instrument Investments under Section VIII "Financial Statements" – "Notes to the Consolidated Financial Statements".

4. Main holding and associated companies

RMB 10,000

Company	Primary business	Registered capital	Total assets	Net assets	Net profit	Revenue	Pretax profit
Beijing Sanyuan Wellhope Animal Husbandry Company	Feed production and sales	1,000.00	29,472.49	22,034.63	3,109.90	57,850.94	4,043.56
Shenyang Wellhope Animal Husbandry Company	Feed production and sales	8,210.00	31,859.08	26,887.36	3,537.56	95,312.55	4,894.45
Xi'an Wellhope Feed Technology Company	Feed production and sales	500.00	33,196.90	27,374.52	2,576.34	91,461.96	3,003.17
Anshan Jiuguhe Food Company	Broiler slaughtering, processing and sales	4,320.00	106,689.88	59,310.88	4,143.65	187,464.32	4,112.59
Beipiao Hongfa Food Company	Feed processing, broiler breeder farming, hatchery, broiler raising and slaughtering	3,000.00	313,241.18	172,677.65	9,710.83	393,834.19	10,575.63
Dalian Heyuan Animal Husbandry Company	Feed processing, broiler breeder farming, hatchery, broiler raising	10,000.00	173,044.50	68,680.93	-3,122.63	253,681.90	-2,735.57
Dalian Chengsan Food Group Company	Feed processing, broiler farming and slaughtering	1,008.61	241,020.49	153,885.90	23,174.33	505,083.84	23,644.04
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	Swine farming	10,000.00	113,123.63	26,144.41	10,577.61	122,603.57	10,915.94
Anhui Wellhope Animal Husbandry Company	Feed processing and sales, swine farming	16,000.00	57,802.73	-12,065.19	-1,601.78	87,127.34	-1,167.68
Tai'an Jiuguhe Agricultural Development Company	Feed processing, broiler farming	4,730.00	79,220.94	5,409.45	-4,943.00	258,037.11	-4,967.22
Shenyang Wellhope Ruminant Feed Company	Feed production and sales	550.00	30,113.80	26,879.40	3,167.66	59,329.38	4,289.48
Linghai Jiuguhe Feed Company	Feed processing, broiler farming	2,655.00	23,680.00	10,363.96	-1,296.98	121,076.73	-1,326.76

VI. Discussion and Analysis on the Company's Future Development

1. Industry outlook

Please refer to Section III "Management Discussion and Analysis", subsection 2 "Industry Overview" for relevant details.

2. Development strategy of the Company

The Company has adopted a centralized, group-driven management model and remains firmly committed to strengthening its two core strategic businesses—feed and broiler. It will also promote the high-quality development of its two emerging strategic businesses—swine and food—while progressively building regional food brands. From 2025 to 2027, the Company aims to position itself as a leading enterprise in agriculture, livestock and food industries, with industry-leading performance in safety, quality, cost control and operational efficiency.

3. Business plan for 2025

The year 2024 witnessed a rapid rollout and accelerated implementation of macroeconomic policies. Looking ahead to 2025, as policy dividends continue to materialize, the domestic economy is expected to show marginal improvements, with consumer demand gradually recovering amid ongoing volatility. In this macro environment, the Company will remain committed to its core values of innovation, efficiency, and self-discipline. It will stay focused on its principal businesses, enhance core operational capabilities, and strengthen its resilience across cycles—aiming to deliver steady performance amid a gradual, structurally supported recovery, while generating sustained value for shareholders.

A. Feed business

The feed business has consistently remained the Company's core line of business. In 2025, the Company will further reinforce the strategic positioning of this segment and steadily advance three key transformation initiatives: (1) Upgrading the overall competitiveness of the feed segment by transitioning from a traditional advantage in concentrated feed to a stronger focus on complete feed and premix products; (2) Building integrated service capabilities by maintaining the strength of the Company's distributor network while actively increasing the share of large-scale farming clients—shifting from a single-channel advantage to a dual-focus model that balances both distribution networks and large-scale farming clients; (3) Focusing resources on core operations by progressively establishing a group-wide management model characterized by centralized guidance from headquarters, coordinated collaboration across business units, and efficient resource sharing. Centered around these three strategic directions, the Company will further enhance its execution efficiency, streamline organizational structure, and strengthen team capabilities. Efforts will be made to implement dedicated business lines, assign specialized personnel, and uphold professional operating standards, with a continued focus on strengthening the deployment of key talent. For 2025, the Company targets a year-on-year increase of over 10% in feed sales volume.

B. Broiler integration business

In 2025, the Company will continue to be guided by seven core operational principles: ensuring safety, controlling development pace, optimizing structure, strengthening the business ecosystem, reducing costs, improving efficiency, and enhancing profitability. Building on these principles, the Company will continue to strengthen its internal operational capabilities, advance its industrial deployment in a phased and orderly manner, and further optimize the structure of its integrated supply chain. On the breeding side, the Company will accelerate the expansion of its breeding stock, increase the proportion of self-supplied chicks, continue to optimize key production indicators, and enhance chick quality. These efforts aim to strengthen the overall management and supply capacity of the Company's breeder operations. On the farming side, the Company will temporarily pause the expansion of commercial broiler production. At the same time, it will moderately increase the proportion of externally sourced broilers for slaughter. In parallel, the Company will continue its efforts to reduce operational costs and will accelerate the transition toward automation, sustainable farming practices, and efficient waste resource utilization. On the slaughtering side, the Company will maintain stable development based on existing capacity. It will adopt a measured and incremental approach to capacity expansion, prioritize maximizing utilization efficiency, and aim to deliver the highest overall value through an optimized product mix. For 2025, the Company's holding and associated companies target a total white-feather broiler slaughter volume of approximately 960 million.

C. Swine farming business

In 2025, the Company will continue to adhere to a prudent investment strategy for its swine farming business. Key initiatives will include maintaining a steady development pace, exercising strict control over capital expenditure and intensifying efforts to reduce production costs. In terms of breeding, the Company aims to maintain a stable sow population while improving genetic management to enhance breeding quality. It will also implement phased upgrades to existing sow farms, focusing on production processes, operating models and housing infrastructure. In terms of fattening, the Company plans to expand piglet procurement and hog finishing operations in a moderate manner, based on market conditions. It will also continue to develop its capabilities in sales execution, piglet sourcing and market forecasting. In parallel, the Company will strengthen internal management by further implementing its performance-based management system, expanding its core talent pool and gradually establishing a standardized, digitalized and modular farming management system designed to be scalable and replicable across farms. These efforts aim to enhance operational efficiency and systematically reduce production costs throughout the entire farming process. Biosecurity will remain a top operational priority. The Company will continue to refine its biosecurity framework with a strong focus on managing major challenges such as African swine fever, porcine reproductive and respiratory syndrome and swine diarrhea, thereby ensuring the safe and stable operation of its farming assets. The Company's target for 2025 is a marketed volume of approximately 1.8 to 2.0 million hogs.

This business plan does not constitute a performance commitment to investors. Readers are advised to exercise appropriate risk awareness.

4. Potential risks

A. Risks of fluctuations in raw material prices

Raw materials account for the majority of costs in the feed business. Fluctuations in output from key production regions, changes in import policies, storage and subsidy programs, exchange rate movements, logistics costs, and other factors can all impact raw material prices—thereby affecting the cost and gross margin of the Company's feed operations. With the deepening internationalization of agricultural trade in recent years, raw material supply-demand dynamics and pricing are increasingly influenced by both domestic and global spot and futures markets. As a result, price trends have become more volatile and complex, making cost management significantly more challenging. In addition, evolving international political and economic conditions, such as China-U.S. relations and the Russia–Ukraine conflict, have added further uncertainty to raw material procurement.

Solutions

- a. Wellhope has established strategic partnerships with leading domestic and international raw material suppliers. It has also implemented a three-tier procurement model that combines centralized group purchasing, regional price-based bidding, and local variety-specific sourcing, ensuring clear role definitions and procurement efficiency at each level.
- b. The Company integrates its raw material trading business with purchasing management. A professional and experienced procurement team conducts targeted forward-looking research and real-time market tracking. Through coordinated management of commodity categories and a combination of spot and futures contracts, Wellhope tactically lowers its overall purchase prices.
- c. The procurement team works closely with R&D, production and sales teams. The R&D team develops cost-effective alternatives to major raw materials; the production team continuously refines processes and upgrades equipment; and the sales team supports purchasing strategy through wave-based volume forecasting. Cross-departmental coordination, information sharing and complementary strengths help minimize the impact of raw material price fluctuations.
- d. Wellhope has established an information-sharing channel with Royal De Heus, enabling timely exchange of data on key raw materials and additives. The two parties have already launched joint purchasing for vitamins, amino acids, and other ingredients—and plan to further expand the scope of joint procurement to enhance overall bargaining power.

B. Risks of fluctuations in livestock and poultry prices

Livestock and poultry production is a typically cyclical industry. Due to the lag in supply adjustments, prices tend to follow periodic fluctuations. Sharp price swings increase earnings volatility and uncertainty for industry players.

Solutions

- a. In terms of strategy: Wellhope closely monitors price movements across upstream and downstream segments. Over the years, the Company has continuously deepened its market research, improved forecasting of industry trends and maintained flexibility in business strategy. Its three core business segments share resources and complement one another, enabling coordinated and phased capacity planning. These efforts help mitigate the strategic risk of price fluctuations across the livestock and poultry value chain.
- b. In terms of business: Wellhope's integrated broiler business spans multiple modules, including breeder farming, hatching, feed production, commercial broiler farming, slaughtering and further processing of both prepared and cooked food. This fully integrated model enables pricing volatility at different stages to partially offset one another, thereby smoothing overall cyclicity at the industry chain level.
- c. In terms of management: The Company continuously refines production standards, innovates operating models and enhances process efficiency across business lines. By improving key performance indicators and increasing per capita productivity, Wellhope lowers unit operating costs. This cost advantage reduces downside risk during industry downturns and enhances profitability during upward cycles.

C. Risks of serious animal epidemic

Feed and livestock farming are the Company's two core businesses. Animal disease outbreaks represent one of the most significant risks to the farming industry. Once an epidemic occurs, it can trigger widespread consumer panic—leading to reduced demand, lower production, declining revenues, and rising costs. The feed business, which primarily serves the downstream farming sector, is directly affected by the prosperity or downturn of the livestock industry. As unpredictable events, major epidemics can have a profound impact on the Company's operations.

Solutions

- a. Wellhope places strong emphasis on regional and structural diversification, which remains one of the most effective ways to mitigate epidemic-related risks.
- b. Prioritizing prevention over treatment, the Company has established biosecurity monitoring centers across all farming regions. It continuously adjusts the frequency and scope of disease testing based on seasonal, geographic and epidemiological patterns, striving to detect and contain potential outbreaks before they occur.
- c. Speed is critical in minimizing the impact of an outbreak. Wellhope has implemented a dedicated emergency command system for major epidemics to enable timely decision-making and response, thereby reducing potential losses.
- d. The Company consistently conducts post-incident reviews and research to enhance its disease prevention capabilities. It strengthens safeguards across multiple dimensions, including animal

nutrition, veterinary services, and farm management practices.

e. In response to African Swine Fever, Wellhope has developed a comprehensive prevention and control system that spans from R&D through to on-farm implementation, forming a robust defense across the entire swine production chain.

D. Risk of industry restructuring due to environmental policies

In recent years, the Chinese government has introduced a series of environmental regulations—such as the revised *Environmental Protection Law*, the *Environmental Protection Tax Law*, the *Regulations on Pollution Prevention and Control in Livestock and Poultry Farming*, and the *Action Plan for Agricultural and Rural Pollution Control*. These policies reflect the state's growing commitment to environmental regulation in the livestock sector. Stricter environmental enforcement is becoming the industry norm—an irreversible trend that all livestock enterprises must address.

Solutions

Since its founding, Wellhope has embedded the principle of saving resources and protecting the environment into its corporate mission. The Company treats full legal compliance and implementation of environmental standards as key evaluation criteria for management teams and subsidiaries. Environmental protection is viewed not only as a regulatory obligation but as a core corporate responsibility.

a. In terms of animal farming and slaughtering: In response to increasingly stringent environmental requirements, all production units have conducted comprehensive risk assessments to identify potential environmental hazards. Each factory has developed contingency plans for emergency environmental incidents based on its specific operational context and local government regulations, ensuring business continuity. For key pollutant discharge entities, Wellhope has implemented robust self-monitoring programs, enabling timely detection and remediation of risks. The Company continues to increase investment in environmental personnel and infrastructure to ensure full and sustained compliance with national standards.

b. In terms of feed processing: Wellhope rigorously complies with all national environmental standards and has established comprehensive controls for pollutants generated during feed production, including air emissions, noise, wastewater, and solid waste. Environmentally friendly raw materials and additives are incorporated into feed formulations, and the Company continues to invest in the development of safe and eco-friendly diets to reduce emissions of heavy metals, nitrogen and phosphorus.

E. Risks of exchange-rate fluctuations

Wellhope's international business started early and has developed rapidly, making it increasingly susceptible to exchange rate fluctuations in areas such as raw material procurement, product exports and overseas investment. The impacts are reflected in the following aspects: Firstly, with the globalization of the feed industry, international sourcing of raw materials has become standard practice. As a result, exchange rate risks are particularly evident for raw materials primarily sourced from abroad.

Secondly, Wellhope's broiler product export business continues to grow, with customers across a wide range of countries and regions. Settlements involving multiple currencies inevitably lead to exchange rate fluctuations. Finally, the Company's overseas investments and operations are expanding, and cross-border capital flows and settlements are also exposed to currency volatility.

Solutions

- a. Wellhope closely monitors trends in the global foreign exchange market, enhancing its awareness of exchange rate risk and improving its capacity for market research and forecasting.
- b. The Company improves its bargaining power in foreign trade by strengthening product competitiveness and mitigates exchange rate risk through mechanisms such as RMB settlement, contract clauses for value preservation and shared exchange risk provisions.
- c. Wellhope makes full use of a range of hedging instruments, including forward contracts, currency swaps and option portfolios, to manage foreign exchange exposures.
- d. In line with the principle of "matching currency with usage," the Company manages revenues and liabilities by market to ensure alignment, thereby reducing exchange rate risk through natural hedging.

F. Risks of food safety

In recent years, multiple food safety incidents in China have significantly undermined consumer confidence. In response, the government has continuously strengthened legislation on food safety and traceability, while increasing penalties for violations. A food safety incident resulting from poor quality control could trigger widespread panic among consumers, severely impact downstream demand, and cause substantial harm to both brand reputation and business performance.

Solutions

Since its founding, Wellhope has placed the highest priority on food and quality safety. The Company adheres to a strict "Six Nevers" quality policy: never accept unqualified raw materials, never use faulty equipment, never allow nonstandard operations, never produce substandard products, never ignore dissatisfied customers, and never tolerate inadequate service. A dedicated Food and Quality Safety Management Committee has been established at the Group level, with corresponding task groups formed across all business divisions and subsidiaries. Responsibility is clearly assigned across all stages to ensure sustained vigilance and accountability.

- a. In terms of feed business: Wellhope has established a three-tier quality management and testing system at the headquarters, region and subsidiary levels. It operates in full compliance with international standards including ISO 9001, ISO 22000, and ISO/IEC 17025, while rigorously implementing national regulations such as the *Feed Quality and Safety Management Code* and the *Veterinary Drug Production Quality Management Code*. The Company maintains full-process quality control and a traceability system. To further enhance testing capabilities, it actively promotes near-infrared technology to improve detection efficiency, enable real-time data sharing and support early warning mechanisms. Priority testing areas include heavy metals, harmful microorganisms, and

mycotoxins—providing critical assurance for feed safety.

b. In terms of farming and slaughtering business: In farming operations, the Company enforces strict controls over drug use and residue management in both poultry and swine production. At the slaughtering stage, it continuously strengthens quality oversight, strictly adhering to inspection, quarantine and drug residue testing protocols. From a business model perspective, Wellhope's vertically integrated broiler chain includes breeder farming, hatching, feed production, commercial farming, slaughtering, and the further processing of prepared and cooked products. This integration ensures a stable raw material supply and allows for stringent quality and safety controls throughout the value chain. Through standardized management and process-based operations, the Company integrates biosecurity, residue control and hygiene management to ensure end-to-end traceability of food safety.

Section IV Corporate Governance, Environmental Protection and Social Responsibility

I. Overview of Corporate Governance

In strict accordance with the *Company Law*, *Securities Law*, *Code of Corporate Governance for Listed Companies*, *Listing Rules of the Shanghai Stock Exchange*, and other applicable laws, regulations, and normative documents, the Company has continuously strengthened and improved its corporate governance practices and standardized operations. The General Meeting of Shareholders, the Board of Directors, the Supervisory Board and Senior Management each perform their duties with a clear division of responsibilities and well-defined authority. Internal governance mechanisms are structured to ensure mutual checks and balances as well as effective coordination, forming scientific and efficient decision-making, execution and supervisory framework. Independent directors, the Supervisory Board, and the various special committees of the Board have actively performed their respective functions with diligence, loyalty and professionalism. They have issued objective and independent opinions on matters under review, ensuring that the Company operates in a lawful, compliant, fair and transparent manner. Directors, supervisors, and senior management have effectively fulfilled their roles as the “key few” in corporate governance, continuously improving the governance structure, enhancing transparency, and safeguarding the legitimate rights and interests of the Company and its shareholders. During the reporting period, the Company revised its Articles of Association in accordance with relevant laws and regulations and proactively advanced revisions to the rules related to independent directors. The regular election of the Board of Directors, the Supervisory Board and senior management was successfully completed in January 2024. In 2024, the Company held a total of 4 general meetings of shareholders, 10 meetings of the Board of Directors, 7 meetings of the Supervisory Board, 5 meetings of the Audit Committee, 2 meetings of the Remuneration and Appraisal Committee, 1 meeting of the Strategy Committee, 1 meeting of the Nomination Committee and 2 meetings of independent directors. All meetings were convened, conducted, and voted on in a standardized, lawful, and effective manner. Throughout the reporting period, the Company continued to strengthen information disclosure, standardized operations, and investor relations management. These efforts enhanced corporate transparency, ensured investors’ right to know, and protected the lawful rights and interests of the Company and all shareholders. The Company received a Grade A rating in the official assessment for its information disclosure work in 2023–2024, marking the seventh consecutive year it has received this recognition. Since its IPO in 2014, the Company has not been subject to any regulatory criticism, penalties, or disciplinary actions related to information disclosure.

II. General Meeting Convened during the Reporting Period

Meeting	Date	Links to Published Resolutions	Disclosing Date of Resolution
The First Extraordinary General Meeting in 2024	February 1, 2024	www.sse.com.cn	February 2, 2024
The 2023 Annual General	April 19, 2024	www.sse.com.cn	April 20, 2024

Meeting			
The Second Extraordinary General Meeting in 2024	May 23, 2024	www.sse.com.cn	May 24, 2024
The Third Extraordinary General Meeting in 2024	September 2, 2024	www.sse.com.cn	September 3, 2024

III. Information about Directors, Supervisors and Senior Managers

1. Changes in shareholdings and remuneration of incumbent and outgoing directors, supervisors and senior management during the reporting period

Name	Office title	Gender	Age	Start date of tenure	End date of term	Number of shares held at beginning of the year	Number of shares held at end of the year	Change in shareholding during the year	Reason for change in shareholding	Pre-tax remuneration paid by the Company during the reporting period (RMB 10,000)	Whether the individual received remuneration from related parties of the Company
Jin Weidong	Chairman	Male	61	Feb. 3, 2015	Feb. 1, 2027	149,549,498	149,549,498			82.00	No
Qiu Jiahui	Director, President	Male	53	Feb. 1, 2021	Feb. 1, 2027					80.00	No
Jacobus Johannes de Heus	Director	Male	56	Feb. 3, 2015	Feb. 1, 2027						No
Shao Caimei	Director	Female	59	Feb. 3, 2015	Feb. 1, 2027	49,773,878	49,773,878			76.00	No
Zhao Xin	Director	Female	53	Feb. 3, 2015	Feb. 1, 2027	4,420,160	4,420,160			76.00	No
	Former Board Secretary (term expired)			Mar. 28, 2016	Feb. 1, 2024						
	Vice President			Feb. 1, 2024	Feb. 1, 2027						
Chen Yu	Director	Male	40	Feb. 1, 2024	Feb. 1, 2027					66.62	No
	Board Secretary			Apr. 2, 2024	Feb. 1, 2027						
	Chief Financial Officer			Aug. 12, 2022	Feb. 1, 2027						
ZUO XIAOLEI	Independent Director	Female	71	Feb. 1, 2021	Feb. 1, 2027					10.00	No
Jiang Yan	Independent Director	Female	51	Feb. 1, 2021	Feb. 1, 2027					10.00	No

Zhang Shuyi	Independent Director	Male	60	Feb. 1, 2021	Feb. 1, 2027					10.00	No
Wang Fengjiu	Former Vice President (term expired)	Male	56	Feb. 3, 2015	Feb. 1, 2024	47,964,602	47,964,602			31.50	Yes
	Chairman of Supervisory Board			Feb. 1, 2024	Feb. 1, 2027						
Li Jun	Supervisor	Male	52	Apr. 27, 2016	Feb. 1, 2027					66.00	No
Marcus Leonardus van der Kwaak	Supervisor	Male	56	Feb. 3, 2015	Feb. 1, 2027						No
Jin Ge	Vice President	Male	35	Feb. 1, 2024	Feb. 1, 2027					73.00	No
Zhang Wenliang	Former Director (term expired)	Male	64	Feb. 3, 2015	2024-02-01	8,565,100	8,565,100			20.00	No
Wang Xueqiang	Former Vice President (term expired)	Male	58	Feb. 1, 2021	Feb. 1, 2024	9,355,000	9,375,000	20,000	Increase holdings	85.00	No
Di Guo	Former Vice President (term expired)	Male	54	Feb. 1, 2021	Feb. 1, 2024	4,908,219	4,908,219			75.00	No
Wang Zhongtao	Former Chairman of the Supervisory Board (term expired)	Male	61	Feb. 3, 2015	Feb. 1, 2024	46,625,229	46,625,229				No
Ren Bingxin	Former Supervisor (term expired)	Male	61	Mar. 27, 2019	Feb. 1, 2024	5,429,500	5,429,500			58.00	No
Yuan Minger	Former Supervisor (term expired)	Female	54	Feb. 3, 2015	Feb. 1, 2024					32.18	No
Total	/	/	/	/	/	326,591,186	326,611,186	20,000	/	851.30	/

Note: Zhang Wenliang, Wang Xueqiang, Di Guo, Ren Bingxin, and Yuan Ming'er concluded their terms as directors, supervisors, or senior management on February 1, 2024, due to the expiration of their terms of office. The total remuneration listed above reflects all compensation received from the Company during the reporting period.

Name	Work experience
Jin Weidong	Male, born in 1963, Chinese nationality. He holds a bachelor's degree in Veterinary Medicine from Shenyang Agricultural University and a master's degree in Physiology and Biochemistry from Jilin University (formerly the People's Liberation Army Veterinary University). He is a senior animal husbandry expert and a Ph.D. supervisor. His research project was among the first to be funded by the National Natural Science Foundation of China. He is the core founder of Wellhope and has served as Chairman since 1995. After completing his postgraduate studies, he spent two years teaching at the university before entering the business sector in 1991. He previously held positions as Regional Sales Manager, National Sales Manager, and Assistant to the President for the Asia-Pacific region at Beijing Continental Grain Company. He currently serves as Vice Chairman of the China Feed Industry Association, Vice Chairman of the China Animal Agriculture Association, Chairman of the Liaoning Feed Association, and Chairman of the Haicheng City Chamber of Commerce under the Shenyang General Federation of Industry and Commerce. He has for many years served as an MBA interviewer and class advisor for MBA programs at Peking University and Tsinghua University, and has long been a visiting professor at Renmin University of China, Ocean University of China, and Northeast Agricultural University. He has been recognized as China's Outstanding Private Science and Technology Entrepreneur, a National Outstanding Builder of the Socialist Cause, one of the Top 10 Economic Figures in China's Feed Industry over 30 Years of Reform and Opening-up, a recipient of the May Day Labor Medal of Shenyang, and a Model Worker of Liaoning Province. In addition, he was named Outstanding Entrepreneur of Liaoning Province in 2017, recognized as a Career-Creating Talent in Science and Technology Innovation by the Ministry of Science and Technology in 2018, selected as a member of the fourth cohort of Leading Talents in Technological Entrepreneurship under the National Ten Thousand Talents Program in 2019, and awarded the honorary title of National Model Worker in 2020.
Qiu Jiahui	Male, born in 1972, Chinese nationality. He holds a bachelor's degree in Veterinary Medicine from Shenyang Agricultural University. After graduating from university, he worked at Dalian Broiler Breeder Farm, a state-owned breeding enterprise, where he was engaged in technical and on-site management. He joined Wellhope in 2000, starting as a business representative, and was rapidly promoted due to his outstanding capabilities. He has successively served as General Manager of Haicheng Wellhope Feed Mill and Haicheng Xinzhongxin Feed Mill, Vice President of the former Huakang Feed Group, Marketing Director of Wellhope, President of the Broiler Integration Business Division, and Vice President of Wellhope. He is now the Director and President of Wellhope. He also serves as Vice President of the Liaoning Chinese and Foreign Entrepreneurs Club, Member of the 9th Liaoning Provincial Agricultural Committee, President of the Liaoning White Broiler Association, Vice President of the Liaoning Provincial Animal Husbandry Association, and Guest Professor at the College of Animal Science and Technology and the College of Veterinary Medicine at Shenyang Agricultural University. He was the lead contributor to the Company's project that won the First Prize for Agricultural Technology Promotion under the National Harvest Award (2019–2021), was awarded the May 1st Labor Medal of Shenbei New District in 2022, and received the honorary title of Shenyang Outstanding Expert (Eighth Session) in 2023. Mr. Qiu Jiahui pioneered Wellhope's broiler integration business. Over the past decade, he has led the team to achieve rapid and transformative growth, securing a leading position in the industry.
Jacobus Johannes de Heus	Male, born in 1969, Dutch nationality. He holds a master's degree in Economics from the University of Groningen. He has been with De Heus since 1992 and is currently serving as CEO of Royal De Heus. He also serves as a Director of Wellhope.
Shao Caimei	Female, born in 1966, Chinese nationality. She holds a PhD in Animal Physiology and Biochemistry from Nanjing Agricultural University and is a Senior Agronomist. She is one of the co-founders of Wellhope. She previously served as a technician at the China Huamu Poultry Breeding Center under the Ministry of Agriculture and as a formulation manager at Conti (Beijing) Feed Additive Co., Ltd., a subsidiary of Continental Grain Company. Since the founding of Wellhope, she has consistently served as the Company's chief technical lead, having held positions including Technology Director and Vice President. She is currently a Board Director and the Chief Technology Officer of Wellhope. She also holds various industry and academic positions, including Standing Director of the Animal Nutrition Branch of the Chinese Association of Animal Science and Veterinary Medicine, Member of the Chinese Feed Industry Standardization Technical Committee, and Head of the Comprehensive Trial Farm for the National Swine Industry Technology System. In addition, she has served as a master's supervisor in animal nutrition at China Agricultural University and in animal nutrition and feed processing at Shenyang Agricultural University, and has long held visiting professorships at Ocean University of China, Shenyang Agricultural University, Nanjing Agricultural University, and several other universities. She has received multiple First and Second Prizes for Provincial- and Ministerial-Level Science and Technology Progress Awards and has applied for nearly 40 national invention patents. In 2022, she was named one of Forbes China Top 50 Women in Tech, and in 2023, she was awarded the honorary title of Shenyang Outstanding Expert (Eighth Session).

Zhao Xin	Female, born in 1972, Chinese nationality. She holds a bachelor's degree in Economics from Shenyang Agricultural University. She joined Wellhope in 1995 after graduating from university, and has successively served as Executive Assistant, Director of the Marketing Department, Director of the Human Resources Department, Human Resources Manager, Chief HR Director, Assistant to the Chairman, and Board Secretary. She is currently a Board Director, Vice President, and Chief Human Resources Officer of Wellhope. Ms. Zhao Xin has over 20 years of experience in human resources and enterprise management. She is one of the key contributors to the establishment of Wellhope's human resources management system. In 2020 and 2021, she was named "Outstanding Board Secretary" in the Selection of China's Valuable Public Companies. In 2021, 2022, and 2023, she received the "Golden Bull Board Secretary Award" by China Securities Journal.
Chen Yu	Male, born in 1984, Chinese nationality. He holds a master's degree from Shanghai University of Finance and Economics and is a Certified Public Accountant. From September 2009 to January 2017, he worked at KPMG Huazhen LLP, where he held positions such as Auditor and Audit Department Manager. From January 2017 to May 2019, he worked at New Northeast Electric Group, where he was responsible for financial management. From May 2019 to November 2021, he served as Chief Financial Officer at Anhui Hetian Hospital Management Co., Ltd. He is currently a Board Director, Board Secretary and Chief Financial Officer of Wellhope.
ZUO XIAOLEI	Female, born in 1953, Singaporean nationality. She is a renowned economist and holds a PhD in International Finance and Econometrics from the University of Illinois, USA. She previously served as a lecturer in the Department of Economic Statistics at the National University of Singapore, Associate Professor at the Asian Institute of Management in the Philippines, Chief Economist and Chief Advisor to the President at Galaxy Securities, Independent Director of Tongfang Co., Ltd., and Independent Director of Hubei Bank. She also served as a Special Researcher at the Counsellors' Office of the State Council, and as a Researcher at the Financial Center under the Counsellors' Office of the State Council of China. She is currently an Independent Director of Wellhope. Ms. ZUO XIAOLEI is one of the most influential economists in China. She has published numerous papers and articles in the fields of econometrics, international finance, and the securities market, and is the author of <i>Xiaolei's Perspective: My View on China's Economy</i> and other books.
Jiang Yan	Female, born in 1973, Chinese nationality. She holds a Doctorate in Management from the Institute of Fiscal Science under the Ministry of Finance, and is a Certified Public Accountant and a Certified Asset Appraiser. From 2002 to 2016, she worked in the Stock Issuance Supervision Department of the China Securities Regulatory Commission. She currently serves as an Independent Director of Weichai Power Co., Ltd. and Wellhope, and acts as a core advisor to several investment banks, including Minsheng Securities Co., Ltd.
Zhang Shuyi	Male, born in 1964, Chinese nationality. He holds a PhD in Ecology from Marie Curie University (Université Marie Curie) in France. He is a second-level professor and a doctoral advisor at Shenyang Agricultural University. He previously served as a Researcher at the Institute of Zoology, Chinese Academy of Sciences, Dean of the Interdisciplinary Institute of Science and Technology at East China Normal University, and Dean of the School of Management at Zhejiang Ocean University. He is currently a Professor at the School of Animal Husbandry and Veterinary Medicine, Shenyang Agricultural University and an Independent Director of Wellhope. In addition to his academic career, he has held positions including Independent Director of Wellhope, Director of the Investment and Option Division at China High-Tech Investment Group Corporation, Vice President of Tiansanqi Group Co., Ltd. (Beijing), and Legal Representative of Zhejiang Zhongke Marine Biotechnology Co., Ltd. Mr. Zhang Shuyi has made outstanding achievements in the field of science. He has been awarded the Distinguished Young Scholars Fund by the National Natural Science Foundation of China, supported by the "Changjiang Scholars" Team Project of the Ministry of Education, and selected into the first and second levels of the National Millions of Talents Project, the "Hundred Talents Program" of the Chinese Academy of Sciences, and the Climbing Scholars Program for Higher Education Institutions in Liaoning Province. He has also received the Special Government Allowance from the State Council, the Second Prize of the National Science and Technology Progress Award, the First Prize of the Shanghai Natural Science Award.
Wang Fengjiu	Male, born in 1969, Chinese nationality. He holds a bachelor's degree in Animal Science from Shenyang Agricultural University and a master's degree in Animal Nutrition and Feed Science from the Chinese Academy of Agricultural Sciences. He is one of the co-founders of Wellhope. After graduating from university, he worked in the Academic Affairs Office of Shenyang Agricultural University and later joined the wholly foreign-owned subsidiary of Continental Grain Company in China, where he successively served as Business Representative and Sales Manager for Northeast China. Since co-founding Wellhope in 1995, he has served as Business Manager and Deputy General Manager of Liaoning Wellhope, and as General Manager of multiple subsidiaries including Gongzhuling Wellhope, Shenyang Wellhope, Daqing Wellhope, and Liaoning Wellhope Food Company. From 2002 to 2014, he served as Director and President of Wellhope. He later held the position of Vice President, leading the development of the Company's food

	deep processing business. He is currently Chairman of the Supervisory Board of Wellhope and Chairman of Petmate Pet Healthcare Institution. He previously served as a Member of the Standing Committee of the Shenyang Municipal Committee of the CPPCC, and as Vice Chairman of the CPPCC in Shenbei New District of Shenyang. He currently serves as Executive Vice President of the Liaoning Agricultural Industrialization Association, Vice President of the Liaoning Catering and Culinary Industry Association, and Vice President of the Shenyang Food Association.
Marcus Leonardus van der Kwaak	Male, born in 1969, Dutch nationality. He holds a master's degree in Economics from the University of Groningen. After graduation, he joined Royal De Heus in the Netherlands, where he currently serves as Chief Financial Officer. He is also a Supervisor of Wellhope.
Li Jun	Male, born in 1972, Chinese nationality. He holds a Master of Business Administration from Northeastern University. He previously worked as an export salesman at Shenyang Grain, Oil and Food Import and Export Company, and as Sales Manager at Shenyang Tongfeng Trading Co., Ltd. He joined Wellhope in 2004 and has since served as General Manager of several subsidiaries, including Wellhope Trading Division, Shenyang Expert, Shenyang Pufeng Trading, and Liaoning Expert. He is currently a Supervisor of Wellhope and President of the Company's trading business division. Mr. Li Jun has been engaged in international trade for many years and has extensive experience in trading feed raw materials. He has made significant contributions to the development of Wellhope's trading business.
Jin Ge	Male, born in 1989, Chinese nationality. He holds a bachelor's degree in Veterinary Medicine from Nanjing Agricultural University and a master's degree in Veterinary Science from the University of Liverpool in the UK. He joined Wellhope in 2014 and has since held positions including Project Manager, General Manager, Director, and Assistant President in international business and broiler integration. He was promoted to Vice President in February 2024, is currently responsible for the strategic ruminant and premix feed businesses within the feed business division. He also serves as Deputy to the Shenyang Municipal People's Congress, Vice President of the Youth Committee of the Shenyang Western Returned Scholars Association, Executive Council Member of the Liaoning Young Entrepreneurs Association, and Deputy Director of the Youth Entrepreneurship Committee of the Liaoning Chamber of Commerce. He was honored as Model Worker of Shenbei New District in 2022 and awarded the Shenyang May Fourth Youth Medal in 2024.

2. Post held by incumbent and outgoing directors, supervisors and senior managers in other entity**-Post in other entities**

Name	Other entity	Post	Start of tenure	End of tenure
Zhang Shuyi	Shenyang Agricultural University	Professor at the School of Animal Husbandry and Veterinary Medicine	2016	
Zhang Shuyi	Wuxi Kezhiqian Technology Company	Executive director	2012	
Zhang Shuyi	Liaoning Petmate Bio-tech Company	Board director	2016	
Jiang Yan	Weichai Power Co., Ltd.	Independent director	2020	
Jacobus Johannes de Heus	Royal De Heus Company	CEO	2002	
Marcus Leonardus van der Kwaak	Royal De Heus Company	CFO	2001	
Jin Weidong	Beijing Huikezhongda Information Consulting Company	Board director	2020	
Jin Weidong	Changzhou Sangdichuan Agricultural Development Company	Executive director	2021	
Jin Weidong	Liaoning Guowei Industrial Group Company	Board director	2021	

3. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure for remuneration	The remuneration of directors and supervisors is reviewed and determined by the General Meeting of Shareholders, while the remuneration of senior management is reviewed and approved by the Board of Directors.
Whether directors abstain from voting when their own remuneration is discussed	Yes
Comments from the Remuneration and Appraisal Committee or independent directors on remuneration matters	The Remuneration and Appraisal Committee reviewed the remuneration of directors and senior management in accordance with the Company's remuneration evaluation standards and submitted the results to the Board for deliberation.
Basis for determining remuneration	Remuneration is determined based on industry standards, the Company's operating performance, job responsibilities, and the work plan set at the beginning of the year, as well as qualitative and quantitative assessments of individual performance.
Actual payment	Payment is made reasonably based on comprehensive evaluations of the Company's annual performance, responsibility fulfillment, and the management capability of relevant personnel.
Total remuneration during the reporting period	As of the end of the reporting period, the total remuneration received by all directors, supervisors, and senior management was RMB 8.513 million.

4. Changes in Directors, Supervisors, and Senior Management

Name	Position Held	Change Description	Reason for Change
Chen Yu	Director	Elected	Election
Chen Yu	Board Secretary	Appointed	Election
Wang Fengjiu	Chairman of the Supervisory Board	Elected	Election
Wang Fengjiu	Vice President	Left office upon expiration of term	Election
Zhao Xin	Vice President	Appointed	Election
Zhao Xin	Board Secretary	Left office upon expiration of term	Election
Jin Ge	Vice President	Appointed	Election
Zhang Wenliang	Director	Left office upon expiration of term	Election
Wang Xueqiang	Vice President	Left office upon expiration of term	Election
Di Guo	Vice President	Left office upon expiration of term	Election
Wang Zhongtao	Chairman of the Supervisory Board	Left office upon expiration of term	Election
Ren Bingxin	Supervisor	Left office upon expiration of term	Election
Yuan Minger	Supervisor	Left office upon expiration of term	Election

IV. Board Meetings Held in the Reporting Period

Meeting	Date	Resolution
The 19th Meeting of the 7th Board of Directors	January 8, 2024	No. 2024-002 announcement – Maintaining the Conversion Price of Wellhope Convertible Bonds Unchanged
The 20th Meeting of the 7th Board of Directors	January 15, 2024	No. 2024-003 announcement – meeting resolution
The 1st Meeting of the 8th Board of Directors	February 1, 2024	No. 2024-013 announcement – meeting resolution
The 2nd Meeting of the 8th Board of Directors	March 28, 2024	No. 2024-018 announcement – meeting resolution
The 3rd Meeting of the 8th Board of Directors	April 25, 2024	No. 2024-036 announcement – meeting resolution
The 4th Meeting of the 8th Board of Directors	May 7, 2024	No. 2024-041 announcement – meeting resolution
The 5th Meeting of the 8th Board of Directors	June 24, 2024	No. 2024-051 announcement – Plan to Repurchase Shares through Bidding on the Stock Exchange
The 6th Meeting of the 8th Board of Directors	July 29, 2024	No. 2024-062 announcement – Maintaining the Conversion Price of Wellhope Convertible Bonds Unchanged
The 7th Meeting of the 8th Board of Directors	August 14, 2024	No. 2024-067 announcement – meeting resolution
The 8th Meeting of the 8th Board of Directors	October 28, 2024	No. 2024-082 announcement – meeting resolution

V. Performance of Duties of Directors

1. Attendance of directors at board meetings and general meetings

Name	Independent director (yes or no)	Attendance of Board Meeting						General Meeting
		Board meetings required to attend during the year	Meetings attended in person	Meetings attended remotely	By proxy	Meetings missed	Absent from two consecutive meetings without attending in person	Number of general meetings attended
Jin Weidong	No	10	10	7			No	3
Qiu Jiahui	No	10	10	6			No	4
Jacobus Johannes de Heus	No	10	10	10			No	0
Shao Caimei	No	10	10	8			No	4
Zhao Xin	No	10	10	4			No	4
Chen Yu	No	8	8	2			No	4
ZUO XIAOLEI	Yes	10	10	10			No	3
Jiang Yan	Yes	10	10	10			No	4
Zhang Shuyi	Yes	10	10	6			No	4
Zhang Wenliang	No	2	2	2			No	1

Number of board meetings held during the year	10
Including on-site meeting	0
Meetings held remotely	2
A combination of on-site attendance and communication methods	8

VI. Committees under the Board of Directors

1. Composition of Specialized Committees under the Board

Committee	Member
Audit Committee	Jiang Yan(Chairperson), ZUO XIAOLEI, Shao Caimei
Nomination Committee	ZUO XIAOLEI(Chairperson), Zhang Shuyi, Shao Caimei
Remuneration and Appraisal Committee	Zhang Shuyi(Chairperson), Jiang Yan, Zhao Xin
Strategy Committee	Jin Weidong(Chairperson), Jacobus Johannes de Heus, Qiu Jiahui, Chen Yu, ZUO XIAOLEI

2. The Audit Committee held 5 meetings during the reporting period

Date	Agenda	Important comments and suggestions	Other circumstance
January 25, 2024	Proposal on the appointment of the Chief Financial Director	All proposals were approved and submitted to the Board of Directors	Non
March 25, 2024	2023 Annual Report, proposal on the reappointment of the accounting firm and 2023 Internal Control Evaluation Report	All proposals were approved and submitted to the Board of Directors	Non
April 23, 2024	2024 First Quarter Report	All proposals were approved and	Non

		submitted to the Board of Directors	
August 12, 2024	2024 Semi-Annual Report and proposal on the change of the accounting firm	All proposals were approved and submitted to the Board of Directors	Non
October 28, 2024	2024 Third Quarter Report	All proposals were approved and submitted to the Board of Directors	Non

3. The Nomination Committee held 1 meeting during the reporting period

Date	Agenda	Important comments and suggestions	Other circumstance
January 25, 2024	Proposal on the appointment of senior management personnel	The proposal was approved and submitted to the Board of Directors	Non

4. The Remuneration and Appraisal Committee held 2 meetings during the reporting period

Date	Agenda	Important comments and suggestions	Other circumstance
March 25, 2024	2023 remuneration packages for directors and senior management	The proposal was approved and submitted to the Board of Directors	Non
May 6, 2024	The draft of the 2024 Employee Stock Ownership Plan and the Administrative Measures for the 2024 Employee Stock Ownership Plan	The proposals were approved and submitted to the Board of Directors	Non

5.The Strategy Committee held 1 meeting during the reporting period

Date	Agenda	Important comments and suggestions	Other circumstance
October 28, 2024	The second share repurchase plan of the Company in 2024	The proposal was approved and submitted to the Board of Directors	Non

VII. Supervisory Board's Statement on Risks Identified in the Company

During the reporting period, the Supervisory Board raised no objections to supervisory matters.

VIII. Employees of the Parent Company and Major Subsidiaries

1. Headcount

Full time employee of parent company	289
Full time employee of major subsidiaries	8,878
Total full-time employees	9,167
The number of retired employees whose expenses are borne by the parent company and major subsidiaries	27

Functions	
Line	Employees
Production	4,051
Sales	2,697
Technology	839
Finance	455
Administration	1,125
Total	9,167
Educational backgrounds	
Educational background	Employees
Master's degree and above	473
Bachelor's degree	2,853
Junior college	2,545
Below junior college	3,296
Total	9,167

2. Remuneration policy

Wellhope adheres to a human resources philosophy centered on performance-based compensation, meritocracy and fairness. The Company has established a comprehensive compensation and performance incentive system covering key areas including salary policy, appointment management, diversified incentives, welfare protection and career development. This system strikes a balance between fairness, motivation and competitiveness, linking individual compensation closely with both organizational and personal performance. Total compensation is determined based on the Company's operating results and individual performance evaluations, with the goal of continuously motivating employees and achieving mutual growth.

In 2024, the Company further strengthened its performance management practices. Key performance indicators were established across business units, multi-level ranking systems were introduced, and short-term incentives were awarded to the top 10% of high-performing teams. In the feed business, annual compensation was linked to business outcomes through a total compensation package model, reinforcing the connection between performance and pay. In the swine farming business, performance- and bonus-based pay models were piloted at the frontline level to directly tie employee income to results. Tailored compensation structures were also implemented in the broiler and raw material trading segments to reflect their specific operational characteristics. Meanwhile, the Company enhanced both internal and external benchmarking to ensure its compensation levels remain competitive across industries and regions, supporting talent attraction and retention. The Company continued to improve its appointment and promotion processes by relying on a scientific talent selection system to appoint high performers, while demoting the bottom 10% based on performance. For consistently underperforming employees, the Company conducted performance reviews and made appropriate role adjustments to align capabilities with operational requirements. To further encourage team performance, the Company launched a commendation program for strategic business units, with recognition based on annual performance rankings. Through team-building initiatives and on-site

award ceremonies, the Company fostered cross-departmental communication, enhanced employees' sense of recognition and achievement, and supported their career development and personal growth. The Company provides employees with compensation and benefits that are competitive within both the industry and the regions in which it operates. In accordance with relevant laws and regulations, it contributes to statutory social insurance and housing funds (five social insurances and one housing fund) for employees. In addition, the Company offers supplementary benefits such as commercial insurance and annual health check-ups, which also extend to employees' families. To further enrich the employee welfare system, the Company has implemented various programs, including the "Wings of Love" initiative, to promote internal resource sharing and enhance overall employee satisfaction.

3. Training plan

During the reporting period, training initiatives were closely aligned with the Company's overarching strategic blueprint and human resources development objectives. Greater emphasis was placed on driving business outcomes and improving operational effectiveness. The Company prioritized the development of key talent, embedded training within real-world business contexts, accelerated the growth of critical roles, and delivered targeted, outcome-oriented programs.

A. Integrated learning with business execution to strengthen capabilities: Adopting a firmly results-driven approach, the Company intensified its efforts to upskill employees in key positions by integrating training into hands-on, business-critical scenarios. To support the transformation of large-scale operations, the Chairman, President, and other senior executives led the development of five customized training programs for key accounts. Concurrently, a corporate expert team designed 12 specialized courses focused on service and sales capabilities, collectively reaching more than 28,000 participants. A total of more than 90 training programs were delivered across a wide range of domains, including large-scale farm operations, production and operations management, livestock husbandry, frontline leadership, and back-office support. These initiatives significantly enhanced workforce skill levels and operational efficiency across both business and functional units.

B. Codifying common strengths and scaling best practices: With a clear business-driven focus, the Company identified, refined, and scaled a series of best practices aligned with strategic priorities such as large-scale farm development and cost optimization. These practices were codified and disseminated organization-wide, reaching over 5,000 employees. In parallel, a continuous improvement initiative was launched to monitor and evaluate 21 improvement projects. As a result, 9 high-impact initiatives were formally recognized and promoted within the Company.

C. Strengthening the talent pipeline and leadership readiness: Building upon its established talent development framework, the Company further refined and implemented a multi-tiered, precision-targeted onboarding program for new hires, accelerating integration, role alignment, and early-stage development. Key efforts included training externally recruited supervisors and developing successor talent within both group- and business-unit-level leadership pipelines, reaching more than

400 participants. Specialized training programs in legal affairs, procurement, and key account management were introduced to reinforce back-office support capabilities. In addition, over 3,600 mid- and senior-level managers engaged in live training sessions aimed at promoting organizational alignment, enhancing cross-functional collaboration, and strengthening enterprise-wide cohesion.

IX. Proposed Profit Distribution and Capital Reserve Capitalization Plan

1. Cash dividend

With a long-term and sustainability-driven perspective, the Company has established a stable, consistent and well-defined shareholder return framework. This approach is informed by a comprehensive assessment of factors such as business performance, shareholder expectations, capital costs, and the broader financing environment. It also takes into account both current and projected profitability, cash flow, development stage, capital expenditure requirements, funding strategies, and credit conditions. Based on this framework, the Company has implemented a structured profit distribution policy to ensure the continuity and stability of its dividend practices. No changes were made to the Company's dividend policy during the reporting period.

According to the audit conducted by RSM CHINA CPA LLP, the Company recorded a net profit attributable to shareholders of RMB 342,468,141.14 for the year ended December 31, 2024. As of that date, undistributed profits at the parent company level totaled RMB 2,793,134,438.75. Based on the recommendation of the Board of Directors, the profit distribution plan for 2024 is as follows:

The Board proposes to distribute a cash dividend of RMB 0.058 per share (inclusive of tax), based on the total number of issued shares as of the record date for dividend distribution, excluding shares repurchased and held in the Company's repurchase account. As of April 20, 2025, the Company had 919,434,448 shares in issue. Based on 868,671,037 shares, which exclude 50,763,411 shares held in the repurchase account, the total proposed cash dividend amounts to RMB 50,382,920.15 (inclusive of tax). In 2024, the Company repurchased its shares through bidding on the Stock Exchange with total consideration amounting to RMB 287,387,710.93. The aggregate amount of cash returned to shareholders, comprising both the cash dividend and share repurchases, totaled RMB 337,770,631.08, representing 98.63% of the net profit attributable to shareholders of the Company for the year.

Shares held in the repurchase account are not entitled to dividends. If there is any change in the total number of shares in issue between the date of this announcement and the record date, the per-share dividend will remain unchanged, and the total distribution amount will be adjusted accordingly. Any such adjustment will be separately announced.

2. Special statement on the cash dividend policy

Whether the dividend distribution is in compliance with the Company's Articles of Association and the resolutions adopted at the General Meeting	Yes
Whether the criteria and ratios for dividend distribution are clearly defined and transparent	Yes
Whether the relevant decision-making procedures and mechanisms are	Yes

well-established and effectively implemented	
Whether the independent directors have duly fulfilled their duties and exercised their oversight functions as expected	Yes
Whether minority shareholders have been provided with sufficient opportunities to express their views and concerns, and whether their legitimate rights and interests have been fully safeguarded	Yes

3. Proposed profit distribution and capitalization of capital reserve for the reporting period

RMB

Bonus shares per 10 shares	
Cash dividend per 10 shares (tax inclusive)	0.58
Shares transferred from capital reserve per 10 shares	
Total cash dividend (tax inclusive)	50,382,920.15
Net profit attributable to shareholders of the Company (consolidated)	342,468,141.14
Cash dividend as a percentage of net profit attributable to shareholders (consolidated)	14.71%
Share repurchase amount included in total shareholder return	287,387,710.93
Total shareholder return (tax inclusive)	337,770,631.08
Total shareholders return as a percentage of net profit attributable to shareholders (consolidated)	98.63%

4. Cash dividend distribution over the past three fiscal years

RMB

Total cash dividends for the past three fiscal years (tax inclusive) (1)	158,200,122.95
Total shares repurchase and cancellation for the past three fiscal years (2)	0.00
Total cash return to shareholders for the past three fiscal years (3) = (1) + (2)	158,200,122.95
Average annual net profit for the past three fiscal years (4)	132,742,631.82
Cash return ratio for the past three fiscal years (%) (5) = (3) / (4)	119.18
Net profit attributable to shareholders of the Company (consolidated), most recent fiscal year	342,468,141.14
Undistributed profits at year-end in the parent company's standalone financial statements	2,793,134,438.75

X. Status of the Company's Share Incentive Scheme, Employee Share Ownership Scheme or other Employee Incentives and their Impacts

1. Status of the employee stock ownership plan

On May 7, 2024, the Company convened the 4th meeting of the 8th Board of Directors and the 4th meeting of the 8th Supervisory Board, followed by the second extraordinary general meeting of shareholders on May 23, 2024. At these meetings, the 2024 Employee Stock Ownership Plan (Draft) and

the Administrative Measures for the 2024 Employee Stock Ownership Plan were approved. Further details can be found in the relevant announcements published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on May 8 and May 24, 2024. A total of 426 employees participated in the 2024 Employee Stock Ownership Plan, contributing RMB 72.10 million to subscribe for 14 million treasury shares previously repurchased and held in the Company's dedicated repurchase account.

On August 22, 2024, the Company received a *Confirmation of Transfer Registration* issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. According to the confirmation, 14 million shares were transferred via off-market transaction on August 21, 2024, from the Company's repurchase account to the securities account designated for the 2024 Employee Stock Ownership Plan, at a transfer price of RMB 5.15 per share.

2. Performance evaluation and incentive mechanism for senior management during the reporting period

Annual performance evaluations for senior management were conducted based on the Company's actual operating performance and implemented in accordance with relevant internal regulations.

XI. Development and implementation of the internal control system during the reporting period

The Company disclosed its Internal Control Evaluation Report concurrently with the release of the 2024 Annual Report. For details, please refer to the Shanghai Stock Exchange website (www.sse.com.cn).

XII. Management and Control over Subsidiaries during the Reporting Period

The Company implemented internal control over its subsidiaries in strict compliance with the Company Law, the Securities Law, the Listing Rules of the Shanghai Stock Exchange, and other applicable laws, regulations, normative documents, and the Articles of Association. The Company exercised risk control through standardized management measures across subsidiaries, including operational compliance, human resources, financial oversight, internal audit, information disclosure, investment and financing activities, and business performance evaluation. All subsidiaries consistently adhered to the Company's policies and regulations and established corresponding business plans and risk management procedures aligned with the Company's overall development strategy and annual business objectives.

In accordance with the Company's rules on the reporting and review of material matters, each subsidiary promptly reported significant business and financial events to the designated Company officer and submitted major issues for deliberation by the Board of Directors or the General Meeting of Shareholders in line with the authorization procedures. During the reporting period, the Company identified no major deficiencies in subsidiary management. Internal control over subsidiaries was effectively implemented and operated as intended.

XIII. Explanation of Audit Report for Internal Control

RSM CHINA CPA LLP, the Company's internal control auditor, issued an Internal Control Audit Report stating that, as of December 31, 2024, the Company maintained effective internal control over financial reporting, in all material respects, in accordance with the Basic Standards for Enterprise Internal

Control and relevant regulatory requirements.

For further details, please refer to the Company's disclosure on the website of the Shanghai Stock Exchange (www.sse.com.cn).

Whether an internal control audit report was disclosed: Yes

Type of audit opinion on internal control: Standard unqualified opinion

XIV. Environmental Information

Whether an environmental protection mechanism has been established	Yes
Environmental protection investment during the reporting period (RMB 10,000)	1,495.56

1. Environmental compliance of the Company and its key subsidiaries identified as major pollutant discharging entities by environmental authorities

A. Pollutant discharge information

The Company's subsidiaries, including the following entities — Puyang Wellhope Food Company ("Puyang Wellhope"), Dalian Zhongjia Wellhope Food Company ("Zhongjia Food"), Dalian Huakang Xinxin Food Company ("Dalian Huakang"), Shenyang Huakang Broiler Company ("Shenyang Huakang"), Pingyuan Wellhope Food Processing Company ("Pingyuan Wellhope"), Changchun Wellhope Food Company ("Changchun Wellhope"), Chifeng Wellhope Fuxinyuan Food Company ("Chifeng Wellhope"), Shandong Heyuan Food Company ("Shandong Heyuan"), Dunhua Fengda Agriculture and Animal Husbandry Development Company ("Dunhua Fengda"), Daqing Wellhope Food Company ("Daqing Wellhope"), Hebei Taihang Wellhope Food Company ("Taihang Wellhope"), Anhui Wellhope Food Company ("Anhui Wellhope"), Shandong Fengkang Food Company ("Shandong Fengkang"), and Heilongjiang Wellhope Dasenlin Food Company ("Wellhope Dasenlin") — have been designated by local environmental protection authorities as key pollutant discharging entities. The pollution discharge information is set out below.

Company	Names of major pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Applicable pollutant discharge standards	Total discharge volume	Permitted discharge volume	Non-compliance with discharge limits
Puyang Wellhope	Wastewater: COD, ammonia nitrogen, total phosphorus, pH, suspended solids, biochemical oxygen demand, animal and vegetable oils, fecal coliforms, total nitrogen Exhaust gas: sulfur dioxide (SO ₂), nitrogen oxides, particulate matter	Air emissions: Direct discharge after treatment; Wastewater: Indirect discharge	Exhaust gas: 3 discharge outlets Wastewater: 1 discharge outlet	Wastewater outlet: Southeast corner of the company's wastewater monitoring station building Exhaust gas outlet: Boiler room located at the northeast corner of the company premises	COD: 29.247 mg/L Ammonia nitrogen: 2.436 mg/L Total phosphorus: 0.467 mg/L Total nitrogen: 11.696 mg/L Sulfur dioxide: 0 mg/m ³ Nitrogen oxides: 28 mg/m ³ Particulate matter: 2.9 mg/m ³	Wastewater emissions comply with the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992); Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014).	COD: 7.446116 t/half year Ammonia nitrogen: 0.566142 t/half year	COD: 72.48 t/year Ammonia nitrogen: 5.436 t/year	None
Zhongjia Food	Wastewater: COD, ammonia nitrogen, total phosphorus, pH, suspended solids, biochemical oxygen demand, total nitrogen Exhaust gas: sulfur dioxide (SO ₂), nitrogen oxides, sulfur dioxide, particulate matter	Air emissions: Direct discharge after treatment; Wastewater: Discharged to wastewater treatment plant	Exhaust gas: 1 discharge outlet Wastewater: 1 discharge outlet	Wastewater outlet: Pumped to the municipal wastewater treatment plant Exhaust gas outlet: Boiler room located on the north side of the company premises	COD: 41.35 mg/L Ammonia nitrogen: 1.98 mg/L Total phosphorus: 2.64 mg/L pH value: 7.27 Particulate matter: 22.9 mg/m ³ Sulfur dioxide: 209 mg/m ³ Nitrogen oxides: 132 mg/m ³	Wastewater emissions comply with the <i>Comprehensive Wastewater Discharge Standard of Liaoning Province</i> (DB 21/1627-2008); Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014).	No emission due to simplified management	None	None
Dalian Huakang	Wastewater: COD, ammonia nitrogen, total phosphorus, pH, suspended solids, total nitrogen, five-day biochemical oxygen demand, animal and vegetable oils Exhaust gas: sulfur dioxide (SO ₂), nitrogen oxides, particulate matter	Wastewater: Discharged to sewer network after treatment; Air emissions: Compliant discharge after treatment	Exhaust gas: 3 discharge outlets Wastewater: 1 discharge outlet	Wastewater outlet: Southeast corner of the company's wastewater treatment workshop Exhaust gas outlet: Rooftop of the company's boiler room	COD: 300 mg/L Ammonia nitrogen: 25 mg/L Total phosphorus: 4 mg/L Total nitrogen: 35 mg/L pH value: 6.0–8.5 BOD: 250 mg/L Suspended solids: 250 mg/L Animal and vegetable oils: 50 mg/L	Wastewater emissions comply with stricter standards than both the <i>Comprehensive Wastewater Discharge Standard of Liaoning Province</i> (DB 21/1627-2008) and the national <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992); Exhaust gas emissions comply with the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93) and the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014).	Wastewater is fully discharged into the municipal pipeline network with no direct emissions. Biomass boilers are used for exhaust gas, which is treated and discharged in compliance. Odorous gases from workshops and wastewater stations are treated before release.	None	None

Shenyang Huakang	Wastewater: five-day biochemical oxygen demand, total nitrogen, suspended solids, animal and vegetable oils, ammonia nitrogen, pH, COD, total phosphorus Exhaust gas: particulate matter, sulfur dioxide, nitrogen oxides, Ringelmann blackness, mercury and its compounds	Air emissions: Direct discharge after treatment; Wastewater: Discharged to municipal pipeline after treatment	Exhaust gas: 1 discharge outlet Wastewater: 1 discharge outlet	Wastewater outlet: Southeast corner of the company's wastewater monitoring station building Exhaust gas outlet: Boiler room located at the northeast corner of the company premises	COD: 450 mg/L Animal and vegetable oils: 60 mg/L Five-day biochemical oxygen demand: 250 mg/L Total nitrogen: 50 mg/L Ammonia nitrogen: 30 mg/L Suspended solids: 300 mg/L pH value: 6.0-8.5 Total phosphorus: 5 mg/L Sulfur dioxide: 200 mg/m ³ Ringelmann blackness: Grade 1 Mercury and its compounds: 0.05 mg/m ³ Particulate matter: 30 mg/m ³ Nitrogen oxides: 200 mg/m ³	Wastewater emissions comply with the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992) and the <i>Comprehensive Wastewater Discharge Standard of Liaoning Province</i> (DB 21/1627-2008); Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014), the <i>Integrated Emission Standard of Air Pollutants</i> (GB 16297-1996), and the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93).	COD: 7.0846 t/year Ammonia nitrogen: 0.419 t/year Sulfur dioxide: 0.60415 t/year Nitrogen oxides: 1.655 t/year	COD: 118.27 t/year Ammonia nitrogen: 32.76 t/year Sulfur dioxide: 5.268 t/year Nitrogen oxides: 5.506 t/year	None
Pingyuan Wellhope	Wastewater: COD, ammonia nitrogen, total phosphorus, pH, suspended solids, biochemical oxygen demand, animal and vegetable oils, fecal coliforms, total nitrogen Exhaust gas: sulfur dioxide, nitrogen oxides, particulate matter, cooking fumes, odor, hydrogen sulfide, ammonia	Air emissions: Direct discharge from natural gas boiler, kitchen exhaust duct, feather meal exhaust duct, and sewage treatment station exhaust duct; Wastewater: Indirect discharge	Exhaust gas: 6 discharge outlets Wastewater: 1 discharge outlet	Wastewater outlet: East side of the old wastewater monitoring station building Exhaust gas outlets: East side boiler room, rooftop of the canteen, north side of the wastewater treatment station, and east side of the feather meal workshop	Ammonia nitrogen: 1 mg/L COD: 50 mg/L pH value: 7.6-7.8 Suspended solids: 11 mg/L Animal and vegetable oils: 0.51 mg/L Sulfur dioxide: 1 mg/m ³ Nitrogen oxides: 13 mg/m ³ Particulate matter: 2.5 mg/m ³ Cooking fume: 1.6 mg/m ³ Odor concentration: 478 mg/m ³ Hydrogen sulfide: 0.11 mg/m ³ Ammonia: 0.62 mg/m ³	Wastewater emissions comply with the Class II standard under the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992) and local influent quality requirements of Linzhang County; Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014), the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93), and the <i>Emission Standard for Cooking Fumes from the Catering Industry</i> (GB 18483-2001), as well as relevant local emission limits for gas-fired boilers.	COD: 4.971 t/year Ammonia nitrogen: 0.073 t/year Sulfur dioxide: 0.065834 t/year Nitrogen oxides: 0.391548 t/year	COD: 74.488 t/year Ammonia nitrogen: 9.732 t/year Sulfur dioxide: 3.395 t/year Nitrogen oxides: 3.789 t/year	None
Changchun Wellhope	Wastewater: COD, ammonia nitrogen, total phosphorus, pH, suspended solids, five-day biochemical oxygen demand(BOD ₅), animal and vegetable oils, total nitrogen Exhaust gas: hydrogen sulfide, Ringelmann blackness, mercury and its compounds, sulfur dioxide, particulate matter, nitrogen oxides	Air emissions: Compliant discharge after treatment; Wastewater: Discharged after compliant treatment at sewage treatment station;	Wastewater: 1 discharge outlet Exhaust gas: 1 discharge outlet	Wastewater outlet: Inside the company's wastewater monitoring station building Exhaust gas outlet: Northwest side of the company's boiler room	COD: 14 mg/L Suspended solids: 8 mg/L Fecal coliform count: Not detected pH value: 7.96 Ammonia nitrogen: 0.587 mg/L BOD ₅ : 2.7 mg/L Animal and vegetable oils: 0.17 mg/L Ringelmann blackness: Grade 1 Mercury and its compounds: 0.05 mg/m ³ Particulate matter: 30 mg/m ³	Wastewater emissions comply with the Class II standard under the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992) and the ultra-low discharge standards for COD (≤40 mg/L), ammonia nitrogen (≤1.0 mg/L), and total phosphorus (≤0.4 mg/L) set by local authorities; Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014) and the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93).	COD: 3.487 t/year Ammonia nitrogen: 0.104 t/year Nitrogen oxides: 1.1216 t/year Sulfur dioxide: 0.07098 t/year	COD: 93.24 t/year Ammonia nitrogen: 2.331 t/year Nitrogen oxides: 12.004 t/year Sulfur dioxide: 2.983 t/year	None

					Nitrogen oxides: 200 mg/m ³ Sulfur dioxide: 200 mg/m ³				
Chifeng Wellhope	Wastewater: COD, ammonia nitrogen, total phosphorus, pH, suspended solids, five-day biochemical oxygen demand, animal and vegetable oils, fecal coliforms, total nitrogen	Wastewater: Indirect discharge	Wastewater: 1 discharge outlet	Wastewater outlet: East boundary of the company premises, next to the wastewater monitoring station building	COD: 1000 mg/L Ammonia nitrogen: Not limited pH value: 6–9	Wastewater emissions comply with the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992).	COD: 0.893 t/year Ammonia nitrogen: 0.021 t/year	COD: 640.5 t/year Ammonia nitrogen: Not available	None
Shandong Heyuan	Wastewater: COD, suspended solids, fecal coliforms, anionic surfactants, ammonia nitrogen, total phosphorus, pH, five-day biochemical oxygen demand (BOD ₅), animal and vegetable oils, chromaticity Exhaust gas: particulate matter, sulfur dioxide, nitrogen oxides	Air emissions: Direct discharge after treatment; Wastewater: Treated before entering wastewater treatment plant	Exhaust gas: 1 discharge outlet Wastewater: 1 discharge outlet	Wastewater outlet: Southeast side of the wastewater pool at the company's wastewater treatment station Exhaust gas outlet: Boiler room located on the northwest side of the company premises	Anionic surfactants: 10 mg/L pH value: 6.5–9.5 Ammonia nitrogen: 35 mg/L COD: 500 mg/L Total nitrogen: 45 mg/L Animal and vegetable oils: 100 mg/L BOD ₅ : 200 mg/L Suspended solids: 400 mg/L Total phosphorus: 6 mg/L Chromaticity: 64 Fecal coliform count: 10,000 cfu/L	Wastewater emissions comply with the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992) and the <i>Quality Standard for Wastewater Discharged into Urban Sewage Systems</i> (GB/T 31962-2015); Exhaust gas emissions comply with the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93) and the <i>Air Pollutant Emission Standard for Boilers of Shandong Province</i> (DB 37/2374-2018).	COD: 192.8 t/year Ammonia nitrogen: 17.35 t/year Total nitrogen: 27 t/year	COD: 1485 t/year Ammonia nitrogen: 103.95 t/year Total nitrogen: 133.65 t/year	None
Dunhua Fengda	Wastewater: COD, ammonia nitrogen, total phosphorus, total nitrogen, pH, suspended solids, five-day biochemical oxygen demand (BOD ₅), animal and vegetable oils, fecal coliforms Exhaust gas: sulfur dioxide, nitrogen oxides, particulate matter, Ringelmann blackness	Air emissions: Direct discharge after treatment; Wastewater: Treated before entering wastewater treatment plant	Exhaust gas: 1 discharge outlet Wastewater: 1 discharge outlet	Exhaust gas outlet: Boiler room located on the southeast side of the factory area Wastewater outlet: North side of the wastewater pool at the company's wastewater treatment station	COD: 100 mg/L Ammonia nitrogen: 20 mg/L pH value: 6–8.5 Animal and vegetable oils: 20 mg/L BOD ₅ : 40 mg/L Suspended solids: 100 mg/L Fecal coliform count: 10,000 cfu/L Sulfur dioxide: 300 mg/m ³ Nitrogen oxides: 300 mg/m ³ Particulate matter: 50 mg/m ³	Wastewater emissions comply with the Class II standard under the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992); Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014), the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93), and the <i>Integrated Emission Standard of Air Pollutants</i> (GB 16297-1996).	COD: 37.8 t/year Ammonia nitrogen: 7.56 t/year	None	None
Daqing Wellhope	Wastewater: COD, ammonia nitrogen, pH, total dissolved solids, five-day biochemical oxygen demand (BOD ₅), suspended solids, total nitrogen, total phosphorus, animal and vegetable oils, fecal coliforms, anionic surfactants Exhaust gas: particulate matter, sulfur dioxide, nitrogen oxides, Ringelmann blackness, hydrogen sulfide, ammonia, odor concentration,	Air emissions: Direct discharge after treatment; Wastewater: Treated before entering wastewater treatment plant	Exhaust gas: 1 discharge outlet Wastewater: 1 discharge outlet	Exhaust gas outlet: North side of the factory area Wastewater outlet: North side of the factory area	COD: 80 mg/L BOD ₅ : 15 mg/L Suspended solids: 50 mg/L Ammonia nitrogen: 12 mg/L Animal and vegetable oils: 5 mg/L pH value: 6–8.5 Total phosphorus: 0.5 mg/L Fecal coliform count: 10,000 cfu/L Anionic surfactants: 3 mg/L Total nitrogen: 16 mg/L Particulate matter: 50 mg/m ³ Nitrogen oxides: 300 mg/m ³ Sulfur dioxide: 300 mg/m ³ Mercury and its compounds:	Wastewater emissions comply with the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992); Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014) and the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93).	Particulate matter: 0.51 t/year Sulfur dioxide: 2.45 t/year Nitrogen oxides: 3.06 t/year COD: 56 t/year Ammonia nitrogen: 8.4 t/year	None	None

	cooking fumes, mercury and its compounds				0.05 mg/m ³				
Taihang Wellhope	Wastewater: COD, ammonia nitrogen, total phosphorus, pH, suspended solids, five-day biochemical oxygen demand (BOD ₅), animal and vegetable oils, fecal coliforms, total nitrogen Exhaust gas: sulfur dioxide, nitrogen oxides, particulate matter	Air emissions: Direct discharge after treatment; Wastewater: Indirect discharge	Exhaust gas: 5 discharge outlets Wastewater: 1 discharge outlet	Wastewater outlet: Northwest corner of the company's wastewater monitoring station building Exhaust gas outlet: Boiler room located at the northwest corner of the company premises	COD: 20.84 mg/L Ammonia nitrogen: 0.09 mg/L Total phosphorus: 0.13 mg/L Total nitrogen: 8.48 mg/L Suspended solids: 8 mg/L BOD ₅ : 5.0 mg/L Animal and vegetable oils: 0.06 mg/L Nitrogen oxides: 20 mg/m ³ Sulfur dioxide: Not detected Mercury and its compounds: Not detected Ringelmann blackness: ≤ Grade 1	Wastewater emissions comply with the Class A standard under the <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants</i> (GB 18918-2008); Exhaust gas emissions comply with the <i>Air Pollutant Emission Standard for Boilers of Hebei Province</i> (DB 13/5161-2020).	COD: 14.354 t/year Ammonia nitrogen: 0.058 t/year Total nitrogen: 6.007 t/year Total phosphorus: 0.095 t/year	Phase I COD: 33.229 t/year Ammonia nitrogen: 3.323 t/year Total nitrogen: 9.969 t/year Total phosphorus: 0.332 t/year Full plant after Phase II COD: 73.994 t/year Ammonia nitrogen: 7.399 t/year Total nitrogen: 22.198 t/year Total phosphorus: 0.740 t/year	None
Anhui Wellhope	Wastewater: five-day biochemical oxygen demand, suspended solids, animal and vegetable oils, ammonia nitrogen, pH, COD, Escherichia coli Exhaust gas: particulate matter, sulfur dioxide, nitrogen oxides, Ringelmann blackness and other characteristic pollutants	Air emissions: Direct discharge after treatment; Wastewater: Discharged after treatment	Exhaust gas: 1 discharge outlet Wastewater: 1 discharge outlet	Wastewater outlet: Southeast corner of the company's wastewater station Exhaust gas outlet: Northwest corner of the company's wastewater station	COD: 46 mg/L Ammonia nitrogen: 0.58 mg/L Low-concentration particulate matter: 12.3 mg/m ³ Nitrogen oxides: 24 mg/m ³ Sulfur dioxide: Not detected	Wastewater emissions comply with the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992); Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014).	COD: 3.58 t/year Ammonia nitrogen: 0.123 t/year	COD: 381.55 t/year Ammonia nitrogen: 22.89 t/year	None
Shandong Fenggang	Wastewater: COD, ammonia nitrogen, total salinity, total nitrogen, total phosphorus, pH, suspended solids, five-day biochemical oxygen demand (BOD ₅), anionic surfactants, animal and vegetable oils, fecal coliforms Exhaust gas: sulfur dioxide, nitrogen oxides, particulate matter, odor concentration, ammonia, hydrogen sulfide (, Ringelmann blackness	Air emissions: Direct discharge after treatment; Wastewater: Treated and then indirectly discharged to wastewater treatment plant	Exhaust gas: 2 discharge outlets Wastewater: 1 discharge outlet	Wastewater outlet: Northeast corner of the company's wastewater monitoring station building Exhaust gas outlet: Boiler room located at the northern end of the company premises	COD: 22.2 mg/L Ammonia nitrogen: 0.07 mg/L Total phosphorus: 0.71 mg/L pH value: 6.86 Sulfur dioxide: 3 mg/m ³ Nitrogen oxides: 50 mg/m ³ BOD ₅ : 33.6 mg/L Anionic surfactants: 0.97 mg/L Animal and vegetable oils: 1.83 mg/L Fecal coliforms: 940 cfu/L Particulate matter: 3.1 mg/m ³ Ringelmann blackness: 0 mg/m ³	Wastewater emissions comply with the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992); Exhaust gas emissions comply with the <i>Air Pollutant Emission Standard for Boilers of Shandong Province</i> (DB 37/2374-2018) and the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93).	COD: 29.6 t/year Ammonia nitrogen: 1.53 t/year Total phosphorus: 2.13 t/year Total nitrogen: 21.7 t/year	COD: 93.2 t/year Ammonia nitrogen: 9.32 t/year Sulfur dioxide: 1.82 t/year Nitrogen oxides: 5.46 t/year	None
Wellhope Dasenlin	Wastewater: COD, ammonia nitrogen, total nitrogen, pH, suspended solids, five-day biochemical oxygen demand (BOD ₅), animal and vegetable oils, fecal coliforms Exhaust gas: sulfur dioxide, nitrogen oxides, particulate	Air emissions: Direct discharge after treatment; Wastewater: Treated before entering wastewater treatment plant	Exhaust gas: 1 discharge outlet Wastewater: 1 discharge outlet	Exhaust gas outlet: Boiler room located at the northwest side of the factory area Wastewater outlet: West side	COD: 120–140 mg/L Ammonia nitrogen: 1.5–1.6 mg/L pH value: 6–8.5 Animal and vegetable oils: 50 mg/L BOD ₅ : 250 mg/L Suspended solids: 300 mg/L Fecal coliform count: 200–270 cfu/L Sulfur dioxide: 300 mg/m ³	Wastewater emissions comply with the Class II standard under the <i>Emission Standard of Water Pollutants for Meat Processing Industry</i> (GB 13457-1992); Exhaust gas emissions comply with the <i>Emission Standard of Air Pollutants for Boilers</i> (GB 13271-2014), the <i>Emission Standard for Odor Pollutants</i> (GB 14554-93), and the <i>Integrated</i>	Particulate matter: 25.88 t/year Sulfur dioxide: 28.86 t/year COD: 5.83 t/year Ammonia nitrogen: 1.43 t/year	None	None

	matter, Ringelmann blackness			of the wastewater pool at the company's wastewater treatment station	Nitrogen oxides: 300 mg/m ³ Particulate matter: 50 mg/m ³	<i>Emission Standard of Air Pollutants</i> (GB 16297-1996).			
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B. Circumstance of building and operating pollution control facilities**Puyang Wellhope**

a. Wastewater treatment: Puyang Wellhope operates a 2,000-ton-per-day wastewater treatment station, utilizing a process of pretreatment, oil separation, A2O, and disinfection. The environmental protection facilities are functioning properly, and pollutant discharge complies with the Level III standards of GB 13457-1992, the company's emission permit, environmental impact approval, and the indirect discharge standards of the Nanle County Sewage Treatment Co., Ltd.

b. Waste gas treatment: Gas from the wastewater tank is collected and treated in two stages: alkali scrubbing and activated carbon adsorption, then discharged through a 25-meter stack. Waste gas from the slaughtering shed and broiler platform undergoes the same treatment and is discharged through a 15-meter stack. Coal boilers have been replaced by low-nitrogen gas boilers, with emissions discharged through an 8-meter stack in compliance with GB 13271-2014.

Zhongjia Food

a. Wastewater treatment: Zhongjia Food operates a 1,200-ton-per-day wastewater treatment station using a process of mechanical grating, oil separation, adjustment pool, hydrolysis, contact oxidation, sedimentation, and sand filtration. Emissions meet DB 21/1627-2008 (Liaoning Provincial Integrated Wastewater Discharge Standard).

b. Waste gas treatment: Waste gas from the 4T coal-fired boiler is treated by wet dedusting and magnesium oxide desulfurization. Emissions meet the GB 13271-2014 standards and are discharged through a 25-meter stack.

Dalian Huakang

a. Wastewater treatment: Dalian Huakang operates a 1,700-ton-per-day treatment station using SBR with physical-chemical treatment, hydrolytic acidification, anaerobic and aerobic processes. Effluent is discharged into the municipal treatment system, meeting stricter standards than both DB 21/1627-2008 and GB 13457-1992.

b. Waste gas treatment: Particulates, SO₂, and NO_x from biomass boilers are treated by wet dedusting and magnesium oxide desulfurization and discharged via a 35-meter stack. Odorous gas (NH₃, H₂S) from the slaughterhouse and wastewater station is treated with activated carbon and low-temperature plasma, then discharged via 15-meter chimneys, complying with GB 14554-93.

Shenyang Huakang

a. Wastewater treatment: Shenyang Huakang operates a 2,220-ton-per-day wastewater treatment station with grating, oil separation, air flotation, AO treatment, secondary sedimentation, and flocculation-phosphorus removal. All discharges meet DB 21/1627-2008 standards.

b. Waste gas treatment: The 4T biomass boiler exhaust is treated with a bag filter and discharged through a 35-meter stack, meeting GB 13271-2014 standards.

Pingyuan Wellhope

- a. Wastewater treatment: Pingyuan Wellhope operates a 3,000-ton-per-day wastewater station using the AO process. Discharge meets Class II of GB 13457-1992, the emission permit, and Linzhang County's inlet requirements.
- b. Waste gas treatment: Gas from the wastewater tank is purified via activated carbon adsorption and photolysis, discharged through a 15-meter-high stack. Boilers were upgraded to low-carbon gas-fired units and discharged through a 12-meter-high stack, meeting GB 13271-2014.

Changchun Wellhope

- a. Wastewater treatment: Changchun Wellhope operates a 500-ton-per-day station using oil separation, air flotation, and A2O. Discharge meets GB 13457-1992 (Level II), emission permit, and Changchun's ultra-low standard implemented since February 2021.
- b. Waste gas treatment: Boiler exhaust is treated by bag filter, meeting special limits for coal boilers under GB 13271-2014, and discharged through a chimney at least 40 meters high.

Chifeng Wellhope

Wastewater treatment: Chifeng Wellhope operates a 2,400-ton-per-day wastewater treatment plant utilizing the A2O (Anaerobic-Anoxic-Oxic) process. The equipment and facilities are operating in good condition. Key discharge parameters including COD, ammonia nitrogen, pH, and flow are monitored automatically and linked to the municipal Bureau of Ecology and Environment's networked monitoring system. The company has also built a biogas facility with a daily processing capacity of 8,000 cubic meters, capable of fermenting wastewater, gastrointestinal contents from livestock and poultry, manure, and solid residues from harmless treatment. The generated biogas is used to fuel boilers, while the biogas residue and slurry are returned to farmland as fertilizer.

Shandong Heyuan

- a. Wastewater treatment: Shandong Heyuan operates a 2,000-ton-per-day wastewater treatment station using the AO process. Its environmental protection facilities are running normally, and pollutant emissions comply with GB 13457-1992 and the discharge permit.
- b. Waste gas treatment: Gas from the wastewater tank is treated with activated carbon and discharged through a 15-meter-high stack. Coal boilers have been replaced with gas-fired ones, and emissions meet DB 37/2374-2018 and the discharge permit, released through a 10-meter stack.

Dunhua Fengda

- a. Wastewater treatment: Dunhua Fengda operates an 800-ton-per-day treatment station using air flotation and A2O. All discharges meet GB 13457-1992 (Level II) and the emission permit.
- b. Waste gas treatment: Boiler flue gas is treated with a bag filter and discharged through a 20-meter-high stack. Biomass boilers have replaced coal ones, and emissions comply with GB 13271-2014 and the discharge permit.

Daqing Wellhope

- a. Wastewater treatment: Daqing Wellhope operates a 500-ton-per-day A2O wastewater treatment station. A new 500-ton/day facility was added in 2023. All units operate normally and discharges comply with GB 13457-1992.
- b. Waste gas treatment: Waste gas from the company's 4T biomass boiler is removed by the bag filter and multi-tube ceramic dust collector, then discharged by exhaust funnel. All types of pollutants have met the emission standards complying with the concentration requirements for biomass boilers under GB 13271-2014.

Taihang Wellhope

- a. Wastewater treatment: Taihang Wellhope has two treatment units each handling 3,500 tons/day, totaling 7,000 tons/day. The process includes grating, oil separation, adjustment, air flotation, hydrolysis-acidification, anoxic tank, contact oxidation, and phosphorus removal. Discharges meet Class A of GB 18918-2008 and the inlet standard of the local sewage plant.
- b. Waste gas treatment: Waste gas is collected under slight negative pressure, treated through chemical scrubbing and bio-filtration, and discharged through a 15-meter-high stack. Boilers are low-nitrogen natural gas models with emissions released through stacks not lower than 15 meters, complying with DB 13/5161-2020.

Anhui Wellhope

- a. Wastewater treatment: Anhui Wellhope operates an 1,800-ton-per-day wastewater treatment station, using grating pretreatment, oil separation, hydrolysis-acidification, A/O process, and disinfection. Facilities are running properly, and pollutant discharges comply with GB 13457-1992 (Level III), the emission permit, environmental impact approval, and indirect discharge requirements of the local sewage plant.
- b. Waste gas treatment: Gas from wastewater tanks as well as from slaughtering pens, hair-burning areas, red and white offal processing areas, gastric juice storage rooms, and temporary storage rooms is collected and treated in two stages: first by an alkali scrubber, then by biological filtration using an activated microbial system. The treated gas is discharged through a 15-meter-high stack. Boilers are low-nitrogen natural gas models, and emissions through an 8-meter-high stack comply with GB 13271-2014 for gas-fired boilers.

Shandong Fengkang

- a. Wastewater treatment: Shandong Fengkang operates a 4,000-ton-per-day wastewater treatment station, which uses a process of grating, oil separation tank, air flotation unit, AO process, secondary sedimentation tank, and flocculation-phosphorus removal sedimentation tank. The environmental protection facilities are functioning normally, and pollutant discharges comply with the national Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) as well as the influent water quality requirements of the Jiangtuan Sewage Treatment Plant.

b. Waste gas treatment: The company uses gas-fired boilers equipped with low-nitrogen combustion technology. The flue gas emission concentrations meet the limits specified in the Shandong Provincial Boiler Air Pollutant Emission Standard (DB 37/2374-2018) for gas boilers, and emissions are discharged through an 8-meter-high chimney in full compliance with relevant standards.

Wellhope Dasenlin

a. Wastewater treatment: Wellhope Dasenlin operates an 800-ton-per-day wastewater treatment station using air flotation and A2O processes. Environmental protection systems are functioning normally, and emissions meet GB 13457-1992 (Level II) and the emission permit.

b. Waste gas treatment: Boiler flue gas is treated using a multi-tube ceramic dust collector and discharged through a 40-meter-high chimney. The boiler is biomass-fired, and all emissions comply with GB 13271-2014 and the emission permit.

C. Environmental impact assessment and other environmental protection permits for construction projects

During the reporting period, all the Company's construction projects complied with the requirements for environmental impact assessments and other environmental protection permits. The Company strictly implemented the "three-simultaneities" environmental management system.

D. Emergency plan for environmental incident

In accordance with the requirements of environmental authorities and applicable laws and regulations, each production entity of the Company has identified environmental risk points and developed emergency plans for potential environmental incidents, taking into account actual operating conditions and local government requirements. The Company has also conducted emergency drills to enhance its preparedness and response capabilities. Regular risk inspections are carried out to identify and eliminate potential hazards in a timely manner, ensuring stable and uninterrupted operations.

E. Self-monitoring program for environmental compliance

In strict compliance with the *Measures for Self-Monitoring and Information Disclosure by Key State-Monitored Enterprises* and other applicable laws and regulations, the Company's key pollutant-discharging entities have established self-monitoring programs that define monitoring parameters, frequencies, locations, and responsible implementing parties. Monitoring and information disclosure are carried out in a timely manner in accordance with the established programs.

F. Environmental administrative penalties during the reporting period

On July 30, 2024, Dalian Huakang Xinxin Food Co., Ltd. received an administrative penalty decision from the Dalian Municipal Bureau of Ecology and Environment for discharging wastewater that failed to meet the required standards, the company was fined RMB 80,000. It immediately initiated rectification efforts and conducted a comprehensive review to standardize its environmental management practices. It will strictly implement environmental protection measures in accordance with relevant national policies to prevent the recurrence of such incidents.

2. Environmental compliance status of non-key pollutant-discharging subsidiaries

A. Administrative penalties due to environmental violations

On August 13, 2024, Zhangjiakou Wellhope Animal Husbandry Co., Ltd. was fined RMB 160,000 by the Zhangjiakou Municipal Bureau of Ecology and Environment for discharging livestock wastewater into a farmland due to a malfunction in its UASB anaerobic digester. The company promptly took corrective action and reviewed its environmental management practices. It will continue to strictly follow national environmental regulations to prevent similar incidents in the future.

B. Disclosure of other environmental information with reference to key pollutant-discharging entities

The Company's non-key pollutant-discharging entities mainly consist of feed mills, swine and broiler farms.

a. The main pollutants from feed mills are dust and noise. The Integrated Emission Standard of Air Pollutants (GB 16297-1996) sets emission heights and concentration limits for dust. Related companies use pulse-jet dust collectors and other methods to ensure dust emissions remain below national thresholds. For noise, the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008) defines limits and testing methods. Related companies mitigate noise by enclosing key equipment in sound-insulated rooms and installing silencers on fan outlets.

b. The main pollutants from swine and broiler farms include:

- Wastewater: primarily containing COD, ammonia nitrogen, suspended solids, BOD, and microorganisms;
- Exhaust gas: primarily nitrogen oxides, sulfur compounds, and particulate matter;
- Solid waste: mainly manure, spent bedding materials, and animal hair.

All farming operations strictly comply with the *Pollutant Discharge Standards for the Livestock and Poultry Breeding Industry* (GB 18596-2001) and the emission limits for gas-fired boilers under the *Boiler Air Pollutant Emission Standard* (GB 13271-2014). Emissions of ammonia and hydrogen sulfide follow the *Emission Standard for Odor Pollutants* (GB 14554-93).

During the reporting period, the Company and its subsidiaries fully complied with applicable environmental laws, regulations, standards, and other requirements. They assumed full responsibility for environmental compliance, actively implemented pollution control and emission reduction measures, strengthened day-to-day management and maintenance of environmental facilities, and ensured stable system operation. Wastewater, exhaust gas, and solid waste were regularly monitored by environmental authorities, with all major pollutants discharged in compliance. Total emissions remained within the limits approved by the competent authorities.

3. Information related to ecological protection, pollution prevention, and fulfillment of environmental responsibilities

While strengthening workplace safety, the Company actively promotes a green development philosophy and takes full responsibility for environmental protection. Together with its subsidiaries, it

has made sustained efforts in ecological conservation and pollution prevention across farming, slaughtering, and food processing operations. To prevent water pollution, wastewater treatment stations at all swine and broiler farms and slaughterhouses are designed to meet discharge standards and have operated consistently throughout the year with stable, compliant output, helping to protect aquatic ecosystems. To reduce air pollution, the Company uses biomass or natural gas boilers at its farms and slaughterhouses, which emit significantly lower levels of carbon and nitrogen oxides compared to other fuels. These boilers achieve standard-compliant emissions without the need for desulfurization or denitrification technologies. To prevent pollution caused by farming, the Company has introduced organic fertilizer projects that utilize modern biotechnology to efficiently and rapidly convert waste into high-quality organic fertilizer, promoting the resource utilization of livestock farming waste.

4. Measures taken to reduce carbon emissions and their results during the reporting period

Whether carbon reduction measures were taken	Yes
Reduction in CO ₂ equivalent emissions (unit: tons)	/
Type of carbon reduction measures (e.g., adoption of clean energy for power generation, implementation of carbon reduction technologies in production processes, development and manufacturing of low-carbon products)	Implementation of carbon reduction technologies in production processes

Detailed description:

The Company remains strongly committed to advancing low-carbon operations by addressing emissions at their source and implementing a series of effective reduction strategies. These efforts have produced measurable results. In the area of energy use, the Company has transitioned to cleaner energy sources by replacing traditional fuel-fired boilers with natural gas or biomass alternatives. This shift has significantly reduced carbon emissions from combustion and reflects the Company's strong environmental responsibility, setting a benchmark for clean energy adoption. In its broiler operations, the Company has adopted refrigeration heat recovery systems, capturing waste heat from refrigeration compressors and oil-based systems and transferring it via high-efficiency heat exchangers to support workshop heating. This has partially offset boiler fuel consumption and reduced emissions at the source. The Company has also upgraded its wastewater treatment aeration systems, replacing Roots blowers with air suspension blowers. This upgrade has led to a 30% reduction in electricity consumption, further curbing indirect emissions from power generation. In its swine operations, the Company has implemented energy-efficient housing designs. During colder months, heat recovery systems are used to preheat incoming ventilation air, significantly decreasing natural gas consumption for heating. Environmental control systems have also been introduced to more precisely regulate fan operations, reducing energy waste from continuous use and further lowering electricity-related

emissions.

Looking ahead, the Company will continue to strengthen its energy-saving and emission-reduction initiatives. These include expanding employee training and awareness programs to enhance all employees' awareness of energy conservation and emission reduction and drive the Company to make steady progress in green operations. The Company also plans to explore emerging technologies and continuously refine its production processes, contributing actively to the achievement of national dual-carbon goals.

XV. Overview of Corporate Social Responsibility(CSR) Initiatives

1. CSR implementation overview

External Donations & Public Welfare Projects	Amount	Remarks
Total investment (RMB 10,000)	610.15	Donations for education support, public welfare, and poverty alleviation
Of which: cash (RMB 10,000)	605.47	
In-kind donations (converted value, RMB 10,000)	4.68	

Detailed description:

As a leading enterprise in agricultural industrialization, serving as a vital link between crop cultivation and agri-food processing, the Company has made social responsibility a core part of its identity since its founding in 1995—an approach embedded in the Wellhope Declaration and Mission. In 2018, it reaffirmed this commitment by formally adopting the values of Integrity, Responsibility, and Win-Win as part of its core philosophy. Through ongoing, concrete actions, the Company continues to demonstrate its sense of responsibility as a corporate citizen and its long-term dedication to creating shared value for society.

1. Fulfilling our mission and creating shared value for the industry

A. Safeguarding grain security and advancing green development

Guided by a strategy focused on resource substitution and efficiency-driven reduction in feed grain use, the Company continuously leverages technological innovation to reduce its dependence on traditional feed grains and promote the sustainable development of animal agriculture. Over the years, it has established a diversified formulation system, promoted multi-grain and multi-protein diet strategies to improve the utilization efficiency of alternative ingredients of various meals. It has also developed feed formulas using substitutes like wheat and brown rice to further reduce reliance on corn and soybean meal. On the environmental front, the Company strictly adheres to national regulations and has developed eco-friendly feed solutions with reduced levels of heavy metals, nitrogen, and phosphorus, contributing to emission reductions at the source. In addition, its subsidiaries regularly carry out environmental risk inspections and corrective actions to ensure the coordinated progress of industry development and ecological protection.

B. Upholding quality standards and ensuring food safety

Driven by its vision to become a world-class enterprise in agriculture, animal husbandry, and food production, the Company has built a full-chain quality management system that covers every stage—from raw material sourcing to the consumer’s table. In the feed production segment, a three-level quality control structure (headquarter–business unit–subsidiary) ensures strict compliance with national standards, such as the *Feed Quality and Safety Management Regulations*. This system is supported by advanced testing technologies and a comprehensive raw material traceability mechanism, enabling closed-loop management throughout the entire production process, from procurement to final delivery. Even before China’s national ban on antibiotics in feed, the Company had already launched a range of antibiotic-free products, continuously providing the farming sector with safe and high-quality nutritional solutions. In the livestock farming segment, the Company promotes standardized production protocols and precision feeding strategies. In the slaughtering and processing stage, it has implemented rigorous quarantine and residue testing systems, supported by intelligent monitoring equipment, to ensure that all products meet national food safety standards and effectively safeguard consumer health.

C. Advancing public welfare and creating shared value

Staying true to its founding commitment to serving society, the Company has built a comprehensive public welfare platform that includes disaster relief, education initiatives, and targeted assistance programs. Through direct donations and collaboration with charitable organizations such as the Red Cross, the Company and its subsidiaries have continuously provided assistance to disaster-affected regions, disability support initiatives, and educational institutions. The Company places strong emphasis on talent development. It has funded the construction of six Hope primary and secondary schools and established the “Wellhope Education Fund,” which benefits nearly 30 universities across China through scholarships and dedicated research grants aimed at cultivating talent in the agriculture, livestock and food sectors. The Company also actively organizes internships, site visits, and university–enterprise exchange activities to help students connect academic learning with real-world experience. Guided by the belief that every individual shares responsibility for the well-being and development of the nation, the Company remains committed to supporting China’s livestock industry, education, and future talent—demonstrating its long-term commitment to social responsibility as a corporate citizen.

D. Promoting employment and building a strong talent pipeline

The Company considers talent its most valuable asset. In response to a shifting economic landscape, it actively fulfills its social responsibilities by prioritizing employment stability, workforce development, and long-term career growth. Each year, the Company carries out both campus and social recruitment to steadily expand its workforce while contributing to broader job creation across society. To support sustainable talent development, the Company has built an integrated framework covering talent

selection, training, deployment, and retention. New hires receive tailored onboarding programs designed to help them quickly build the skills needed for success. Clear promotion pathways and diversified career tracks further enable employees to grow in alignment with both their personal ambitions and the Company's long-term strategy.

2. Adhering to compliance and sharing the results of growth

-For shareholders

A. Strengthening corporate governance and enhancing transparency

The Company continues to strengthen its corporate governance framework, which consists of the General Meeting of Shareholders, the Board of Directors, the Supervisory Board, and Executive Management. This structure ensures clearly defined responsibilities, effective checks and balances, and well-regulated operations. Independent directors and members of the Supervisory Board perform their oversight duties in compliance with applicable laws and regulations, promoting transparency and accountability in the decision-making process. During the reporting period, the Company updated key governance documents—such as the Rules of Procedure for the General Meeting of Shareholders and the Rules of Procedure for the Board of Directors—in response to evolving regulatory policies. These updates further improved governance efficiency and ensured alignment with national policy directions and industry trends. In terms of information disclosure, the Company adheres to the principles of fairness, timeliness, and accuracy. A comprehensive disclosure system has been established, covering periodic reports (annual, semi-annual, and quarterly), disclosures of material events, and ongoing communications with investors. In 2024, the Company held several performance briefings to provide shareholders with timely updates on operational performance and address investor inquiries, ensuring equal access to information for all stakeholders. For seven consecutive years, the Company has received an A rating from the Shanghai Stock Exchange for its excellence in information disclosure.

B. Optimizing shareholder returns and reinforcing confidence in long-term value

Amid industry cycles and market pressures, the Company remains committed to safeguarding shareholder interests. While maintaining stable operations, it continues to refine its return mechanisms to ensure a strong alignment between long-term enterprise value and shareholder returns. Since its IPO in 2014, the Company has upheld its philosophy of sharing value with shareholders. The total capital returned through cash dividends and share repurchases has now exceeded the amount raised from its initial public offering. In 2024, in response to a cyclical downturn, the Company conducted two rounds of share buybacks, repurchasing nearly 40 million shares at a total cost of RMB 287 million. These efforts helped optimize the capital structure, stabilize market expectations, and signaled management's strong confidence in the Company's long-term prospects. Looking ahead, the Company will continue to formulate its shareholder return strategy based on operational performance and evolving capital market conditions, aiming to deliver steady, sustainable value while supporting long-term growth.

-For employees

A. Optimizing compensation structures and strengthening long-term incentives

The Company follows a people-centered approach to human resources, grounded in fairness, transparency, and performance. It has built a comprehensive compensation system that includes base salary, performance-based bonuses, and a full suite of employee benefits. This system is regularly benchmarked against leading industry peers to ensure internal equity and market competitiveness. To further attract and retain key talent, the Company launched an employee stock ownership plan in 2024. Under the plan, 426 participants, including members of the management team, technical specialists, and other critical personnel, acquired repurchased shares through a targeted transfer arrangement. This incentive model is designed to align individual interests with long-term Company performance by promoting shared benefits and shared responsibilities. It helps unlock the potential of core teams and supports the Company's long-term, sustainable growth.

B. Developing tiered training systems and expanding career pathways

The Company continues to refine its training and development framework to support strategic priorities across all business units. It provides role-specific courses and curated learning resources to help employees strengthen job-related skills and unlock their full potential. For example, the "Wellhope Management Bootcamp" focuses on building organizational effectiveness and leadership capabilities, especially among senior and mid-level managers. In addition, employees are encouraged to take part in industry conferences and cross-disciplinary learning programs to expand their strategic thinking and deepen sector knowledge. To support long-term growth, the Company has implemented a dual-track career development system that offers both managerial and technical advancement paths. Employees can choose the route that best fits their strengths, with the flexibility to switch between tracks as their careers evolve. This approach ensures talent is fully leveraged while enabling individuals to grow alongside the organization.

C. Fostering a supportive workplace and enhancing employee wellbeing

In addition to meeting all statutory obligations, such as social insurance and housing fund contributions, the Company offers a range of supplementary benefits, including commercial insurance, annual health checkups. It also runs the Wings of Love Fund, an internal charitable initiative that provides care and support for employees in need. For 18 consecutive years, the Company has awarded scholarships to employees whose children are admitted to national universities, demonstrating the Company's ongoing commitment to education and encouraging employees to contribute to talent development for the nation and society. Financial assistance is also available to employees and their families facing serious illness, natural disasters, or other unforeseen challenges. To promote work-life balance and strengthen team cohesion, the Company regularly organizes a variety of cultural and engagement activities. These efforts foster open communication, meaningful connections, and a strong sense of belonging across the organization.

-For customers**A. Delivering tailored solutions and a high-quality product portfolio**

The Company follows a market-driven R&D strategy and has developed an end-to-end innovation framework—from identifying customer needs for product development and performance validation. Its R&D team closely tracks trends in the swine, ruminant, and poultry sectors, formulating targeted nutrition plans and feeding programs to address specific production challenges. For instance, to meet the nutritional demands of re-fattening pigs or improve survival rates in broiler production, the Company has launched specialized products and dynamically adjusted feeding protocols. It has also implemented an iterative product development model that integrates continuous optimization of existing offerings with the rollout of new formulations. These efforts aim to boost farming efficiency, reduce operational costs, and deliver personalized solutions for a diverse client base.

B. Enhancing technical services to drive shared success

The Company is committed to building a comprehensive service system that integrates technical expertise, management support, and resource connectivity, delivering end-to-end solutions to help customers enhance their farming performance. A dedicated team of livestock specialists, veterinarians, and nutritionists provides on-site, one-on-one technical support tailored to the specific conditions of each farm. Services include customized guidance on farm management processes, disease prevention strategies, and other practical operational challenges. To broaden access to expert knowledge, the Company has also developed a digital support platform that offers short-form educational videos and livestreamed training sessions. These resources equip farmers with up-to-date technical know-how and real-time market insights. For large-scale farming operations, the Company provides full-cycle management solutions, covering everything from feed formulation and production planning to data tracking and cost control. This one-stop model helps customers reduce costs, improve efficiency, and achieve mutually beneficial outcomes.

For over 30 years, Wellhope has stayed true to its founding values by integrating social responsibility into its strategic development. Looking ahead, the Company will continue to adopt a global perspective, optimize grain resource utilization, strengthen food safety systems, and support national food security and industry progress. In its pursuit of sustainable development, Wellhope is committed to acting as a responsible corporate citizen and contributing to a resilient, sustainable development of the industries.

XVI. Efforts to Consolidate Poverty Alleviation Achievements and Advance Rural Revitalization

Poverty alleviation and rural revitalization projects	Amount	Remarks
Total investment (RMB 10,000)	1,165.84	See details below
Of which: cash (RMB 10,000)	1,165.84	/
In-kind contribution (RMB 10,000)	/	/

Forms of assistance (such as poverty alleviation by developing industries, offering job opportunities and supporting education)	Poverty alleviation by developing industry	/
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Detailed description:

Although China has declared victory in its fight against poverty, ensuring these gains are sustained and fully integrated into long-term rural revitalization remains a continuing challenge. The 2024 Government Work Report reaffirmed China's commitment to upholding efforts to strengthen work related to agriculture, rural areas and farmers, highlighting the need for sustained and practical efforts to advance rural revitalization. Rural revitalization remains a cornerstone of China's strategy to build a strong agricultural country. As a leading enterprise in agricultural industrialization, the Company actively participates in industrial poverty alleviation to support the nation's efforts in consolidating poverty alleviation achievements and advancing rural revitalization. During the reporting period, the Company leveraged its expertise and scale to advance rural development, enhance agricultural productivity, and increase farmer incomes. The Company's Subsidiaries, including Pingyuan Wellhope Food Processing Company, Dalian Heyuan Animal Husbandry Company, Wafangdian Huinong Poultry Company, Daqing Wellhope Food Company, and Hebei Taihang Wellhope Food Company, partnered with local governments to implement industry-based poverty alleviation programs as part of broader rural revitalization efforts. These programs created employment opportunities for low-income households and encouraged their participation in broiler farming. Through a profit-sharing mechanism, participating households earned additional income, total dividends disbursed under these programs reached RMB 11.56 million in 2024.

Section V Important Disclosures

I. Fulfillment of Commitments

Background of commitment	Type of commitment	Commitment party	Content of commitment	Date of making commitment	Whether there is a deadline for fulfillment	Commitment period	Whether performs strictly
Commitment relating to IPO	Horizontal competition management	Nature person shareholders holding more than 5% of the shares	I warrant and commit that I will not directly or indirectly develop, operate or assist in the operation or participate in or engage in any activity that is competitive with the business of Wellhope, if Wellhope will increase any business scope after the date of signing this commitment, I promise to give up the business.	March 2, 2011	Yes	Long-term valid	Yes
	Related party transaction management	Legal person shareholders holding more than 5% of the shares-Heli Investment	Our company warrants and commits that our company will not directly or indirectly develop, operate or assist in the operation or participate in or engage in any activity that is competitive with the business of Wellhope, if Wellhope will increase any business scope after the date of signing this commitment, our company promises to give up the business.	March 2, 2011	Yes	Long-term valid	Yes
	Other	Jin Weidong, Wang Fengjiu, Shao Caimei, Wang Zhongtao, Ding Yunfeng	The controlling shareholder Jin Weidong and persons acting in concert with him undertake that there are no false records, misleading statements or material omissions in the prospectus of IPO and its abstract, and shall bear individual and joint legal liabilities for its authenticity, accuracy and completeness.	March 2, 2011	Yes	Long-term valid	Yes
	Other	Wellhope	The Company undertakes that there are no false records, misleading statements or material omissions in the prospectus of IPO and its abstract, and it shall bear individual and joint legal liabilities for its authenticity, accuracy and completeness.	March 2, 2011	Yes	Long-term valid	Yes
Commitment relating to re-Financing	Other	Wellhope	Measures taken by the Company for filling dilution resulting from issuing bonds. 1. Accelerating the implementation of fund-raising projects to enhance operational efficiency and profitability and reduce the risk of dilution. 2. Strengthening the management of fund-raising and ensure the standardized and effective use of fund-raising. 3. Further strengthening business management and internal control,	July 2, 2021	Yes	Long-term valid	Yes

			<p>improving the efficiency of the Company's operations, reducing operating costs, comprehensively and effectively controlling the operational and management risks.</p> <p>4. Strictly implementing the Company's dividend policy, strengthening the investor return mechanism to protect the interests of the Company's shareholders, especially the small and medium-sized shareholders. Future operating results are affected by a variety of macro and micro factors and are subject to uncertainty, and the measures taken by the Company for filling dilution are not equivalent to guaranteeing the Company's future profits.</p> <p>5. To establish a more effective incentive and competition mechanism as well as a scientific, reasonable and practical talent introduction and training mechanism, to build a market-oriented talent operation mode, and to provide a reliable talent guarantee for the sustainable development of the Company.</p>				
	Other	Controlling shareholder and actual controller	<p>To ensure that the remedial measures for the dilution of immediate returns resulting from issuing bonds can be effectively implemented, the controlling shareholder and actual controller of the Company make the following commitments.</p> <p>1.I will not interfere in the operation and management activities of the Company beyond its authority, and will not encroach upon the interests of the Company.</p> <p>2.If I violate or refuse to perform the above commitments, I agree to bear the corresponding legal liabilities in accordance with the relevant regulations and rules formulated or issued by CSRC, Shanghai Stock Exchange and other securities regulatory authorities.</p> <p>3.Prior to the completion of the bond, if the regulatory authorities make other detailed provisions on the remedial measures for diluted immediate returns and its undertakings, and when the above undertakings fail to meet the detailed requirements of the regulatory authorities, I will make supplementary undertakings in accordance with the relevant provisions.</p>	July 2, 2021	Yes	Long-term valid	Yes
Commitment relating to re-Financing	Other	All board directors, senior managers	<p>All board directors, senior managers made the following undertakings to ensure that the remedial measures for the dilution of immediate returns resulting from issuing bonds can be effectively implemented.</p> <p>1.I will not transfer any interests to other entities or individuals without consideration or with unfair conditions, nor otherwise damage the interests of the Company.</p> <p>2.I will impose constraints on position-related consumption behavior.</p>	July 2, 2021,	Yes	Long-term valid	Yes

			<p>3.I will not make any investment or consumption activity irrelevant to my performance of duties using the Company's assets.</p> <p>4. I will propel to link the remuneration policy formulated by the Board or the Remuneration Committee with the implementation of the Company's remedial measures for returns.</p> <p>5. In the case that any equity incentive scheme (if any) is introduced hereafter, I will actively support to link the vesting conditions of equity incentive with the implementation of the Company's remedial measures for returns.</p> <p>6. Prior to the completion of the Bond, if the regulatory authorities make other detailed provisions on the remedial measures for diluted immediate returns and its undertakings, and when the above undertakings fail to meet the detailed requirements of the regulatory authorities, I will make supplementary undertakings in accordance with the relevant provisions.</p> <p>7. I promise following the regulations of this commitment. If I fail following the regulations which lead to any financial loss to the company or stockholders, I will take responsibility of compensation.</p> <p>8.The above commitments are my true intentions. I voluntarily accept the supervision of securities regulatory authorities, self regulatory organizations and the public. If I fail to fulfill the above commitments, I will assume corresponding responsibilities in accordance with relevant laws and regulations and the requirements of regulatory authorities.</p>				
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II. Analysis of Changes in Accounting Policies, Estimates, and Material Error Corrections

1. Analysis of changes in accounting policies and estimates

A. Adoption of Accounting Standards Interpretation No. 17

On October 25, 2023, the Ministry of Finance issued *Accounting Standards for Business Enterprises Interpretation No. 17* (Caikuai [2023] No. 21), which came into effect on January 1, 2024. The Company adopted the interpretation as of the effective date. Its implementation had no material impact on the Company's financial statements for the reporting period.

B. Adoption of Accounting Standards Interpretation No. 18

In March 2024, the Ministry of Finance released the *2024 Compilation of Application Guidelines for Accounting Standards for Business Enterprises* and subsequently issued *Interpretation No. 18* on December 6, 2024. Under this interpretation, warranty-related expenses are required to be classified as operating costs. The adoption of this interpretation had no material effect on the Company's financial statements for the reporting period.

2. Communication with the former accounting firm

The Company conducted sufficient communication with its former accounting firm, Suyajincheng CPA LLP, regarding the change of auditor. The former firm raised no objections.

III. Accounting Firm Engaged by the Company

RMB 10,000

	Former Auditor	Current Auditor
Name of domestic accounting firm	Suyajincheng CPA LLP	RSM CHINA CPA LLP
Audit fees	120	118
Number of years as the Company's domestic auditor	13	1
Name of certified public accountants (CPAs)	Zhou Qiong, Wang Lei	Huang Xiao, Zhao Songhe, Zhang Yuanyuan
Cumulative years of audit service by CPAs	Zhou Qiong: 1 year Wang Lei: 5 years	Huang Xiao: 1 year Zhao Songhe: 1 year Zhang Yuanyuan: 1 year

	Name	Payment (RMB 10,000)
Accounting firm of internal control	RSM CHINA CPA LLP	40

Explanation of the engagement and dismissal of accounting firms:

On September 2, 2024, the Company's third extraordinary general meeting approved the proposal to change its accounting firm. RSM CHINA CPA LLP was appointed as the auditor for the 2024 fiscal year, replacing Suyajincheng CPA LLP, whose engagement was discontinued.

IV. Major litigation and Arbitration Matters

Non

V. Statement of the Integrity of the Company, its Controlling Shareholder and Actual Controller during the Reporting Period

During the reporting period, neither the Company nor its controlling shareholder or actual controller was involved in any failure to comply with effective court rulings, nor were there any significant outstanding debts that remained unpaid upon maturity.

VI. Material Related-Party Transactions

1. Related-party transactions arising from ordinary business activities

No matters requiring separate disclosure

RMB 10,000

Related Party	Relationship	Transaction type	Transaction content	Pricing principle	Transaction amount	Settlement mode
Anshan Fengsheng Food Company	Associated company	Selling product	Live broiler	Comparable uncontrolled price	208.26	Bank transfer
Anshan Jiuguhe Food Company	Associated company	Selling product	Live broiler	Comparable uncontrolled price	1,055.09	Bank transfer
Dalian Chengsan Food Group Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	408.57	Bank transfer
Dandong Wellhope Chengsan Animal Husbandry Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	646.01	Bank transfer
Linghai Jiuguhe Feed Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	5,620.41	Bank transfer
Tai'an Jiuguhe Agriculture Development Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	12,512.61	Bank transfer
Dalian Sida Food Company	Associated company	Selling product	Live broiler	Comparable uncontrolled price	18,945.23	Bank transfer
Shandong Fengkang Food Company	Associated company	Selling product	Live broiler	Comparable uncontrolled price	61,219.66	Bank transfer
Harbin Weierhao Trading Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	7,233.78	Bank transfer
Dazhou Wellhope Bio-Tech Company	Associated company	Selling product	Feed	Comparable uncontrolled price	1,720.36	Bank transfer
Dandong Wellhope Chengsan Food Group Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	5.49	Bank transfer
Anshan Jiuguhe Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	1,079.72	Bank transfer
Dalian Chengsan Food Group Company	Associated company	Purchasing product	Live broiler	Comparable uncontrolled price	5,107.44	Bank transfer
Gongzhuling Corn Purchasing and Storing Company	Associated company	Purchasing product	Feed raw materials	Comparable uncontrolled price	1,305.63	Bank transfer
Jinzhou Jiufeng Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	1,843.23	Bank transfer
Linghai Jiuguhe Feed Company	Associated company	Purchasing product	Other products	Comparable uncontrolled price	72.44	Bank transfer
Tai'an Jiuguhe Agricultural Development Company	Associated company	Purchasing product	Feed	Comparable uncontrolled price	3,252.46	Bank transfer
Jilin Hengfeng Animal Health Products	Associated	Purchasing	Veterinary drugs	Comparable uncontrolled price	19.74	Bank transfer

Company	company	product	and vaccines			
Harbin Weierhao Trading Company	Associated company	Purchasing product	Feed raw materials	Comparable uncontrolled price	1,867.15	Bank transfer
Beipiao Hongfa Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	939.32	Bank transfer
Anshan Fengsheng Food Company	Associated company	Purchasing product	Feed raw materials	Comparable uncontrolled price	274.75	Bank transfer
Hebei Taihang Wellhope Animal Husbandry Company	Associated company	Purchasing product	Live broiler	Comparable uncontrolled price	5,101.51	Bank transfer
Total				/	130,438.85	/
Details of significant sales returns				Non		
Explanation of related-party transactions				<p>The Company and its associates have established long-term cooperative relationships based on mutual familiarity and understanding. These relationships have enhanced mutual trust in each other's products, thereby reducing transaction costs, improving efficiency, and minimizing the risk of commercial disputes. Procurement of key raw materials from related parties ensures reliable quality. By participating in the management of these entities or exerting influence, the Company can secure stable, long-term supply while also supporting the related parties by easing their sales pressure and enabling them to focus on production. All related-party transactions are conducted to meet the Company's normal operational needs. The pricing of purchases and sales is determined based on prevailing market prices for comparable products. These transactions comply with applicable laws and regulations, the Company's Articles of Association, and its Related-Party Transaction Management Policy. No shareholder interests have been harmed as a result of these transactions.</p>		

2. Guarantee information

RMB 10,000

Guarantees provided to external parties (excluding subsidiaries)	
Total amount of guarantees provided during the reporting period (excluding subsidiaries)	
Outstanding guarantee balance as of the end of the reporting period (A)	
Guarantees provided by the Company and its subsidiaries to subsidiaries	
Total amount of guarantees provided during the reporting period	145,450.00
Outstanding guarantee balance as of the end of the reporting period (B)	61,862.63
Total guarantees provided by the Company (including guarantees to subsidiaries)	
Total guarantee amount (A + B)	61,862.63
Total guarantees as a percentage of the Company's net assets	9.24%
Breakdown of key guarantee exposures:	
Amount of guarantees provided to shareholders, the actual controller, and their related parties (C)	
Amount of guarantees provided to entities with an asset-liability ratio exceeding 70% (D)	13,191.57
Amount of total guarantees exceeding 50% of the Company's net assets (E)	
Total of the above three types of guarantees (C + D + E)	13,191.57

VII. Explanation of Progress in the Use of Raised Funds

1. The use of raised funds

RMB 10,000

Source of raised funds	Date of fund receipt	Total funds raised	Net proceeds of raised funds	Committed investment amount in the prospectus	Cumulative amount of raised funds invested as of the end of the reporting period	Cumulative investment progress as of the end of the reporting period (%)	Amount invested during the current year	Proportion of current year investment to net raised funds (%)	Total amount of raised funds with changed purpose
Issuance of convertible bonds	April 28, 2022	150,000.00	148,988.35	148,988.35	75,992.88	51.01			

2. Fund-raising project details

RMB 10,000

Projects invested by the raised funds	Source of raised funds	Nature of project	Whether the investment has changed	Planned total investment amount of raised funds	Amount invested during the current year	Cumulative amount of raised funds invested as of the end of the reporting period	Cumulative investment progress as of the end of the reporting period (%)	Date when the project reached its intended usable state	Whether the project is completed	Whether the investment progress is in line with the planned schedule	Profit realized during the current year	Whether there has been any significant change in project feasibility
Wellhope Nongda Feed Company--complete feed mill with annual capacity of 300,000 tons	Issuance of convertible bonds	Production and construction	No	8,400.00		7,988.44	95.10	2023	No	Yes	-449.02	No
Anhui Wellhope Agri-Tech Company--pig feed project with annual capacity of 300,000 tons, ruminant feed project with annual capacity of 150,000 tons	Issuance of convertible bonds	Production and construction	No	11,400.00		-	-	2025	No	N/A	N/A	No
Heilongjiang Wellhope Agri-Tech Company--creep feed and nursery feed project with annual capacity of 100,000 tons	Issuance of convertible bonds	Production and construction	No	3,900.00		262.40	6.73	2025	No	N/A	N/A	No
Fuxin Wellhope Agriculture and Animal Husbandry Company--pig breeding integration project, producing 150,000 heads of piglet per year	Issuance of convertible bonds	Production and construction	No	17,400.00		12,818.20	73.67	2023	No	Yes	-979.66	No
Lingyuan Wellhope Agriculture and Animal Husbandry Company--breeding farm with annual production of 10,000 heads of pig breeders	Issuance of convertible bonds	Production and construction	No	24,688.35		17.52	0.07	2025	No	N/A	N/A	No
Anhui Wellhope Food Company--pig integration	Issuance of convertible	Production and	No	14,400.00		9,200.87	63.89	Slaughter project completed in	No	N/A	-980.40	No

project, slaughtering 1 million heads of live pig, further processing 120,000 tons of pork per year with cold chain logistics	bonds	construction						2023				
Pingyuan Wellhope Food Processing Company--further processing project with annual capacity of 30,000 tons of prepared food and cooked food(broiler)	Issuance of convertible bonds	Production and construction	No	23,800.00		705.45	2.96	2025	No	N/A	N/A	No
Replenishment of working capital	Issuance of convertible bonds	Replenishment of working capital, repayment of bank loans	No	45,000.00		45,000.00	100.00	N/A	No	Yes	N/A	No
Total	/	/	/	148,988.35		75,992.88	/	/	/	/	-2,409.08	/

3.Other use of raised funds during the reporting period

A. Preliminary investment and replacement of funds in fundraising investment projects

On May 24, 2022, the Company convened the 11th meeting of the 7th Board of Directors and the 9th meeting of the 7th Supervisory Board, during which the proposal regarding the use of proceeds from convertible corporate bonds to reimburse self-raised funds previously invested in fundraising investment projects was approved. The Company was authorized to use RMB 240.20 million of the proceeds to replace self-raised funds that had been used in advance for fundraising investment projects and to cover issuance expenses. The Company's independent directors and its sponsor, Galaxy Securities, each issued explicit consent opinions on this matter. Suyu Jincheng Certified Public Accountants LLP conducted a special audit of the Company's use of self-raised funds for pre-investment in fundraising projects as of May 24, 2022, and issued a special verification report (Suya Verification [2022] No. 29).

B. Use of idle raised funds to temporarily replenish working capital

On April 25, 2024, the Company convened the 3rd meeting of the 8th Board of Directors and the 3rd meeting of the 8th Supervisory Board, at which the proposal to use a portion of idle raised funds to temporarily replenish working capital was approved. To maximize shareholder value and improve the efficiency of fund utilization—without affecting the progress and use of fundraising investment projects—the Company proposed to use up to RMB 600 million of idle raised funds for this purpose, with a usage period not exceeding 12 months from the date of board approval.

As of December 31, 2024, the Company had utilized RMB 600 million of idle raised funds to temporarily replenish working capital.

Section VI Changes in Common Shares and Shareholder Information

I. Changes in Common Shares

1. Changes of common shares

	Before changing		Increase or decrease in this year		After changing	
	Shares	Percentage %	Issuing new shares	Subtotal	Shares	Percentage %
1. Shares with selling restrictions						
A. State-owned shares						
B. Shares held by state-owned entity						
C. Shares held by other domestic investors						
D. Shares held by foreign investors						
2. Shares without selling restrictions	919,433,663	100.00	785	785	919,434,448	100.00
A. RMB ordinary shares	919,433,663	100.00	785	785	919,434,448	100.00
B. Foreign shares listed domestically						
C. Foreign shares listed overseas						
3. Total number of shares	919,433,663	100.00	785	785	919,434,448	100.00

2. Explanation of changes in shares

On April 22, 2022, the Company publicly issued RMB 1.5 billion of convertible corporate bonds named Wellhope Convertible Bonds (bond code: 113647). From January 1, 2024 to December 31, 2024, a total of RMB 8,000 of Wellhope Convertible Bonds were converted into the Company's shares, resulting in 785 shares being converted. The total number of shares of the Company increased from 919,433,663 shares to 919,434,448 shares.

II. Securities Issuance and Listing Status

1. Changes in total share capital and shareholder structure and in the Company's asset and liability structure

During the reporting period, a portion of the Company's convertible bonds were converted into shares, increasing the total share capital from 919,433,663 shares to 919,434,448 shares. There was no change in the Company's control rights. At the beginning of the reporting period, the Company's total assets amounted to RMB 14.937 billion, total liabilities were RMB 7.322 billion, and the asset-liability ratio stood at 49.02%. By the end of the reporting period, total assets amounted to RMB 14.883 billion, total liabilities were RMB 7.305 billion, and the asset-liability ratio was 49.09%.

III. Shareholder and Actual Controller

1.Total shareholders

Number of shareholders at the end of the reporting period (accounts)	22,779
Number of shareholders at the end of the month preceding the disclosure date of the annual report (accounts)	23,234

2.Top ten shareholders and top ten shareholders holding unrestricted shares as at the end of the reporting period

Shareholding of top ten shareholders							
Name of shareholder	Changes in this year	Total shares held at the period-end	%	Restricted shares held	Pledged or Frozen		Nature of shareholder
					Status	Shares	
Jin Weidong		149,549,498	16.27		-		Domestic individual
DE HEUS MAURITIUS		82,303,939	8.95		-		Foreign legal entity
Ding Yunfeng		81,929,558	8.91		-		Domestic individual
Shao Caimei		49,773,878	5.41		-		Domestic individual
Zhang Tiesheng		48,360,000	5.26		-		Domestic individual
Changzhou Heli Venture Capital Partnership (Limited Partnership)		48,360,000	5.26		-		Other
Wang Fengjiu		47,964,602	5.22		Pledged	9,980,000	Domestic individual
Wellhope Foods Co., Ltd. special securities account for share repurchase	25,987,732	46,944,311	5.11		-		Other
Wang Zhongtao		46,625,229	5.07		-		Domestic individual
Hong Kong Securities Clearing Company Limited	9,336,192	17,885,588	1.95		Unknown		Other
Top ten shareholders holding unrestricted shares							
Name of shareholder	Unrestricted shares held	Shares by type					
		Type	Shares				
Jin Weidong	149,549,498	RMB common stock	149,549,498				
DE HEUS MAURITIUS	82,303,939	RMB common stock	82,303,939				
Ding Yunfeng	81,929,558	RMB common stock	81,929,558				
Shao Caimei	49,773,878	RMB common stock	49,773,878				
Zhang Tiesheng	48,360,000	RMB common stock	48,360,000				
Changzhou Heli Venture Capital Partnership (Limited Partnership)	48,360,000	RMB common stock	48,360,000				
Wang Fengjiu	47,964,602	RMB common stock	47,964,602				
Wellhope Foods Co., Ltd. special securities account for share repurchase	46,944,311	RMB common stock	46,944,311				
Wang Zhongtao	46,625,229	RMB common stock	46,625,229				
Hong Kong Securities Clearing Company Limited	17,885,588	RMB common stock	17,885,588				
Explanation of the special account for repurchasing the Company's stock	In 2021, the Company repurchased a total of 20,956,579 shares through bidding on the Stock Exchange, of which 14,000,000 shares were transferred to the Company's employee stock						

	ownership plan account. In 2024, the Company repurchased a total of 39,987,732 shares through bidding on the Stock Exchange.
Explanation of proxy voting rights, entrusted voting rights, and waiver of voting rights by the above shareholders	According to the provisions of the Company's 2024 Employee Stock Ownership Plan, the 14,000,000 shares held in the securities account of the employee stock ownership plan shall waive their voting rights at shareholders' meetings during the plan's duration.
Relationship of above shareholders or statement on parties acting in concert	<ol style="list-style-type: none"> 1. Jin Weidong, Wang Fengjiu and Shao Caimei are acting in concert. 2. Jin Weidong is the actual controller of Changzhou Huli Venture Capital Partnership (Limited Partnership). 3. No other relationships or concerted actions have been identified among the remaining shareholders.

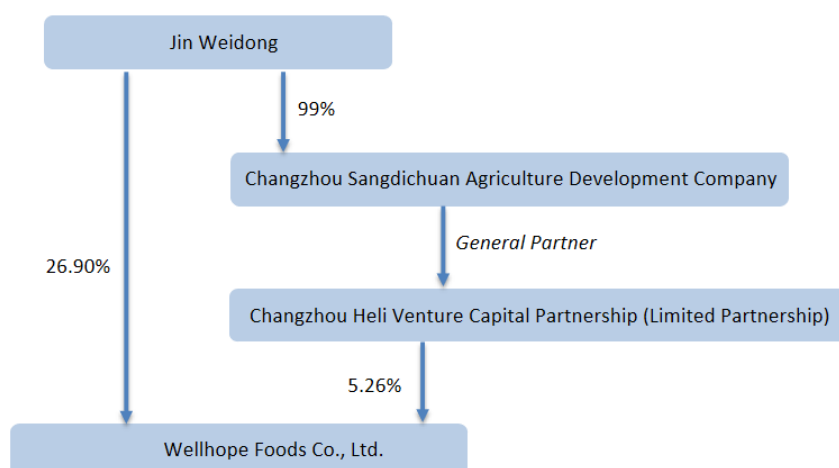
IV. Controlling Shareholder and Ultimate Controller

1. Controlling shareholder

A. Natural individual

Name	Jin Weidong
Nationality	China
Whether holding residency in other countries or regions	No
Primary occupation and position	Chairman of Wellhope Foods Co., Ltd.

B. Diagram of ownership and control relationship between the Company and its controlling shareholder



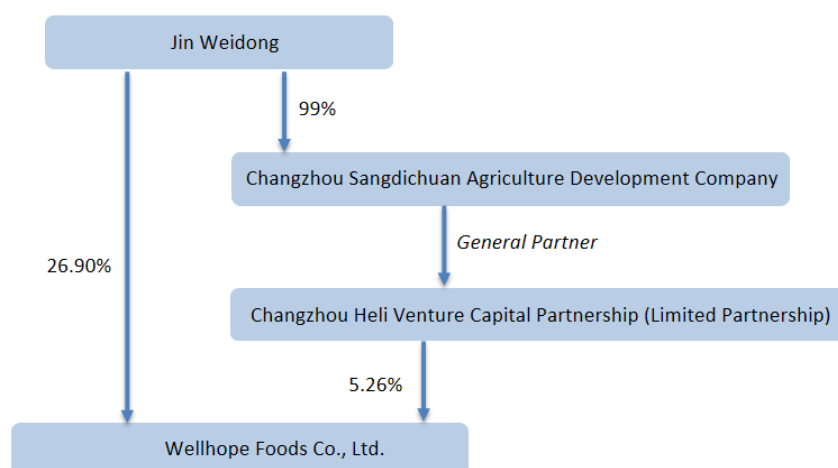
Note: As of December 31, 2024, Jin Weidong directly held 149,549,498 shares of the Company, representing 16.27% of the total share capital. He indirectly controlled 5.26% of the Company's voting rights through his control over Changzhou Heli. In addition, pursuant to the *Letter of Confirmation and Undertaking of Concerted Action*, he jointly controlled 10.63% of the Company's voting rights together with Wang Fengjiu (holding 5.22%) and Shao Caimei (holding 5.41%). In total, Jin Weidong controlled 32.16% of the Company's voting rights and is the controlling shareholder of the Company.

2.Ultimate controller

A. Natural individual

Name	Jin Weidong
Nationality	China
Whether holding residency in other countries or regions	No
Primary occupation and position	Chairman of Wellhope Foods Co., Ltd.

B. Diagram of ownership and control relationship between the Company and its ultimate controller



Note: As of December 31, 2024, Jin Weidong directly held 149,549,498 shares of the Company, representing 16.27% of the total share capital. He indirectly controlled 5.26% of the Company's voting rights through his control over Changzhou Heli. In addition, pursuant to the *Letter of Confirmation and Undertaking of Concerted Action*, he jointly controlled 10.63% of the Company's voting rights together with Wang Fengjiu (holding 5.22%) and Shao Caimei (holding 5.41%). In total, Jin Weidong controlled 32.16% of the Company's voting rights and is the ultimate controller of the Company.

V. Implementation of Share Repurchase during the Reporting Period

Name of share repurchase plan	Share repurchase plan through bidding on the Stock Exchange
Disclosure date of the repurchase plan	June 25, 2024
Planned repurchase volume and percentage of total share capital	15,000,000 to 30,000,000 shares; 1.63% – 3.26%
Planned repurchase amount (RMB 10,000)	15,000-30,000
Planned repurchase period	No more than 3 months from the date of approval by the Board of Directors
Purpose of the repurchase	For resale; any portion not resold within the specified period will be cancelled in accordance with the law
Number of shares already repurchased	29,759,468 shares

Name of share repurchase plan	The second share repurchase plan through bidding on the Stock Exchange
Disclosure date of the repurchase plan	October 30, 2024
Planned repurchase volume and percentage of total share capital	9,174,311 – 18,348,623 shares; 1.00% – 2.00%

Planned repurchase amount (RMB 10,000)	10,000-20,000
Planned repurchase period	No more than 12 months from the date of approval by the Board of Directors
Purpose of the repurchase	For conversion into convertible bonds issued by the Company
Number of shares already repurchased	10,228,264 shares

VI. Situation Related to Preferred Shares

Not applicable

Section VII Corporate Bond

I. Status of Convertible Bonds

1. Issuance of convertible bonds

With the approval of the China Securities Regulatory Commission, the Company publicly issued 15 million convertible bonds on April 22, 2022, at an issue price of RMB 100.00 per bond, with a total issuance amounting to RMB 1.5 billion and a term of six years. The Company's convertible bonds were approved for listing and commenced trading on the Shanghai Stock Exchange on May 18, 2022, under the bond name "Wellhope Convertible Bond" and bond code "113647".

2. Status of convertible bondholders and guarantors during the reporting period

Name of convertible bonds	Wellhope convertible bonds	
Number of convertible bondholders at the end of the period	6,922	
Guarantors of the Company's convertible bonds	Not applicable	
The top ten convertible bondholders are as follows:		
Name of bondholders	Bonds held at period end (RMB)	Percentage %
China Merchants Bank Co., Ltd. – Bosera CSI Convertible Bond and Exchangeable Bond ETF	63,498,000	4.33
China Minsheng Banking Corp., Ltd. – Everbright Pramerica Credit Tianyi Bond Fund	49,659,000	3.39
National Social Security Fund Portfolio 105	47,380,000	3.23
China Asset Management Yannianshou No. 9 Fixed Income Pension Product – China Merchants Bank Co., Ltd.	45,872,000	3.13
E Fund Yitian Allocation Mixed Pension Product – Industrial and Commercial Bank of China Limited	43,212,000	2.95
Zhong Baoshen	40,466,000	2.76
China Construction Bank Corporation – E Fund Dual Bond Enhanced Bond Fund	37,046,000	2.53
Industrial and Commercial Bank of China Limited – Fullgoal Steady Enhanced Bond Fund	34,447,000	2.35
Industrial and Commercial Bank of China Limited – Fullgoal Tianying Bond Fund (LOF)	33,799,000	2.30
Industrial and Commercial Bank of China Limited – E Fund Anxin Return Bond Fund	28,882,000	1.97

3. Changes in convertible bonds during the reporting period

Bond name	Before changing	Changes (increase or decrease)			After changing
		Bonds converted to shares	Redemption	Repurchase	
Wellhope convertible bonds	1,467,008,000	8,000			1,467,000,000

RMB

Cumulative conversion of convertible bonds during the reporting period

Name of convertible bonds	Wellhope convertible bonds
Conversion amount during the reporting period (RMB)	8,000
Number of bonds converted into shares during the reporting period	785
Cumulative conversions of convertible bonds (Shares)	3,216,252
Cumulative converted shares as a percentage of the Company's total issued shares before conversion (%)	0.35
Outstanding unconverted amount (RMB)	1,467,000,000
Unconverted bonds as a percentage of total convertible bonds (%)	97.80

4. Adjustments of the conversion price

Name of convertible bonds		Wellhope convertible bonds		
Conversion price adjustment date	Conversion price after adjustment (RMB)	Disclosure time	Disclosure media	Explanation
June 23, 2022	10.26	June 20, 2022	Securities Journal, Shanghai Securities News, Securities Times and SSE website (www.sse.com.cn)	Due to the buy-back and cancellation of 5.74 million restricted shares by the Company
May 26, 2023	10.14	May 22, 2023	Securities Journal, Shanghai Securities News, Securities Times and SSE website (www.sse.com.cn)	Due to the implementation of the 2022 annual dividend
Latest conversion price at the end of the reporting period		10.14		

5. The Company's debt position, credit rating changes, and cash arrangements for debt repayment in future years**A. Debt position**

As of the end of the reporting period, the Company's total liabilities amounted to RMB 7.305 billion, comprising RMB 3.920 billion in current liabilities and RMB 3.385 billion in non-current liabilities. The debt-to-asset ratio was 49.09%.

B. Credit rating changes

During the reporting period, United Credit Ratings Co., Ltd. issued the *2024 Tracking Credit Rating Report on the Public Issuance of Convertible Corporate Bonds by Wellhope Foods Co., Ltd.* on June 17, 2024. According to the report, the Company's issuer credit rating was AA, and the credit rating of the "Wellhope Convertible Bond" was also AA, both with a stable outlook. The ratings remained unchanged

from the previous assessment.

C. Cash arrangements for debt repayment in future years

The principal and interest payments for the Company's convertible bonds in future years will primarily be funded by cash flows generated from its core operating activities. The Company maintains a sound debt repayment record and has no history of overdue bank loans.

Section VIII Financial Statements

I. Audit Report

Audit Report

RSM China Audit Report No. [2025] 110Z0173

To all the shareholders of Wellhope Foods Co., Ltd.,

1. Opinion

We have audited the financial statements of Wellhope Foods Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2024, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in owners' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises (ASBE), and present fairly the financial position of the Company and its subsidiaries as of December 31, 2024, as well as their operating results and cash flows for the year then ended.

2. Basis for Opinion

We conducted our audit in accordance with the Chinese Standards on Auditing (CSAs). Our responsibilities under those standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Financial Statements" of this report.

We are independent of Wellhope Foods Co., Ltd. in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed as part of our audit of the financial statements as a whole, and in forming our audit opinion thereon. We do not provide a separate opinion on these matters.

A. Revenue recognition

1) Description of the matter

In 2024, the Company reported revenue of RMB 32.545 billion, representing a 9.52% decrease compared to the prior year. Revenue from the feed business declined by 24.05%, while revenue from the broiler and swine farming businesses increased by 1.14% and 28.79%, respectively. Given that revenue is one of the Company's key performance indicators, we identified revenue recognition as a

key audit matter. Refer to Note VII-46(Revenue and Cost) to the financial statements.

2) How the matter was addressed in the audit

Our audit procedures in response to this matter included, among others:

- a. Obtaining an understanding of, and assessing, the design and implementation of internal controls over the sales process, and testing the operating effectiveness of key controls related to revenue recognition;
- b. Reviewing a sample of sales contracts to identify performance obligations, assess the timing of revenue recognition, and evaluate whether judgments regarding the transfer of control were consistent with the Company's accounting policies and the Accounting Standards for Business Enterprises (ASBE);
- c. Performing analytical procedures to identify significant or unusual fluctuations in revenue and gross profit, and assessing the reasonableness of those variances;
- d. Testing revenue transactions on a sample basis to verify occurrence and cut-off. This included:
 - a) Examining supporting documents such as sales contracts, purchase orders, invoices, and customer delivery receipts;
 - b) Sending confirmations for selected accounts receivable balances and revenue amounts;
 - c) Performing cut-off testing of revenue recorded before and after the balance sheet date to assess whether it was recognized in the appropriate accounting period.

Based on the procedures performed, we did not identify any material misstatements related to revenue recognition.

B. Share of profit from investments accounted for using the equity method

1) Description of the matter

In 2024, the Company recognized income of RMB 129.86 million from long-term equity investments accounted for using the equity method, representing an increase of RMB 263.26 million compared with the same period in the prior year. Given the material impact of this income on the Company's financial statements, we identified it as a key audit matter. Refer to Note VII-53(Income from investment) to the financial statements for further details.

2) How the matter was addressed in the audit

Our audit procedures in response to this matter included, among others:

- a. Understanding and evaluating the design and implementation of internal controls related to the recognition of income under the equity method;
- b. Reviewing the articles of association and investment agreements of investees to assess whether the Company exercised significant influence, and whether the application of the equity method was appropriate;
- c. Inquiring about management regarding significant or unusual fluctuations in investment income and assessing the reasonableness of the explanations provided;
- d. Obtaining the financial statements of investees to verify the accuracy of adjustments for unrealized

profits from related-party transactions, the calculation of investment income, and the Company's share of changes in the investees' net assets.

e. Performing analytical procedures on investees that contributed significantly to the current-period investment income, including the analysis of revenue, cost of sales, and inventory balances, as well as reviewing supporting schedules and documentation provided by the investees.

Based on the procedures performed, we did not identify any material misstatements related to the recognition of income from long-term equity investments.

4. Other Information

The management of Wellhope Foods Co., Ltd. (hereinafter referred to as "the Company") is responsible for the other information. The other information comprises the information included in the Company's 2024 Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether it is materially inconsistent with the financial statements or with the knowledge we obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have no such matters to report.

5. Responsibilities of the Management and Those Charged with Governance for Financial Statements

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Accounting Standards for Business Enterprises (ASBE), and for designing, implementing, and maintaining such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material

misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

B. Obtain an understanding of internal control relevant to the audit to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company audit and remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide them with a statement confirming our compliance with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and, therefore, are the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure, or, in extremely rare circumstances, we conclude that a matter should not be disclosed because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits.

RSM CHINA CPA LLP

Certified Public Accountant (China): Huang Xiao
(Engagement Partner)

Certified Public Accountant (China): Zhao Songhe

Certified Public Accountant (China): Zhang Yuanyuan

Beijing, China

April 24, 2025

II. Financial Statements

Consolidated Balance Sheet

Dec. 31, 2024

RMB

Item	Dec. 31, 2024	Dec. 31, 2023
Current Assets		
Cash at banks	1,794,235,141.02	1,915,378,798.77
Trading financial assets	904,884.08	829,591.32
Derivative financial assets	2,441,832.40	4,296,668.60
Notes receivable	27,893,377.89	6,620,586.95
Accounts receivable	893,154,885.76	1,114,486,394.01
Receivables financing	9,139,184.14	
Prepaid expenses	262,395,498.70	469,857,003.51
Other receivables	69,263,268.24	92,732,094.80
Inventory	2,809,039,422.59	2,686,755,249.88
Contract assets	628,713.20	2,432,720.15
Other current assets	144,952,159.05	129,436,936.38
Total current assets	6,014,048,367.07	6,422,826,044.37
Non-current assets		
Long-term equity investment	2,484,323,621.63	2,316,034,522.19
Other equity instrument investment	163,722.78	14,826,710.99
Investment property	23,980,919.68	
Fixed assets	4,307,643,182.96	4,168,026,657.86
Construction in progress	189,068,183.70	158,377,935.65
Biological asset	216,354,910.60	199,776,536.89
Right-of-use assets	547,493,899.54	525,191,183.39
Intangible assets	393,245,823.31	363,530,774.64
Goodwill	19,864,604.90	290,425.67
Long-term deferred expenses	65,401,006.07	65,324,043.39
Deferred tax assets	68,833,034.84	102,365,943.34
Other non-current assets	552,101,624.23	600,544,056.16
Total non-current assets	8,868,474,534.24	8,514,288,790.17
Total Assets	14,882,522,901.31	14,937,114,834.54
Current Liabilities		
Short-term borrowings	567,278,990.41	970,957,309.50
Accounts payable	1,629,553,678.79	1,629,789,558.94
Customer advances		18,172,031.73
Contract liabilities	281,430,591.89	252,530,723.35
Payables to employees	240,573,782.76	225,357,401.11
Taxes payable	56,466,910.36	42,449,739.70
Other payables	638,629,689.02	479,780,643.59
Of which: Interests payable	10,369,863.01	5,184,931.51
Dividends payable		16,453,038.17
Current portion of non-current liabilities	497,542,789.55	932,730,557.07
Other current liabilities	8,223,061.85	6,656,358.86
Total current liabilities	3,919,699,494.63	4,558,424,323.85
Non-current Liabilities		
Long-term loans	1,444,154,268.34	920,051,517.19
Bonds payable	1,349,079,789.00	1,305,789,795.09
Lease liabilities	420,845,598.26	368,001,422.29

Long-term payables	94,867,723.87	42,542,892.62
Deferred income	75,291,554.80	73,419,574.05
Deferred tax liabilities	1,185,667.86	53,459,620.43
Total non-current liabilities	3,385,424,602.13	2,763,264,821.67
Total Liabilities	7,305,124,096.76	7,321,689,145.52
Owners' equity (or shareholders' equity)		
Share capital	919,434,448.00	919,433,663.00
Other equity instruments	233,670,941.96	233,672,216.24
Additional paid-in capital	808,038,213.37	872,912,049.17
Less: Treasury shares	425,931,323.30	200,003,612.37
Other comprehensive income	-39,649,855.09	-23,877,064.04
Surplus reserves	474,685,527.73	457,022,680.97
Undistributed profit	4,724,940,370.20	4,400,135,075.82
Equity attributable to owners of the parent	6,695,188,322.87	6,659,295,008.79
Non-controlling interests	882,210,481.68	956,130,680.23
Total owners' equity	7,577,398,804.55	7,615,425,689.02
Total liabilities and owners' equity	14,882,522,901.31	14,937,114,834.54

Consolidated Balance Sheet of Parent Company

December 31, 2024

RMB

Item	Dec. 31, 2024	Dec. 31, 2023
Current assets		
Cash at banks	1,670,844,671.81	1,691,224,437.05
Accounts receivable	65,913,288.04	27,663,635.24
Prepaid expenses	732,811.68	3,801,364.20
Other receivables	2,235,085,491.40	2,344,452,508.57
Of which: Interest receivable		
Dividends receivable	19,052,119.77	54,770,301.77
Inventory	66,261,344.18	49,373,613.63
Total current assets	4,038,837,607.11	4,116,515,558.69
Non-current assets		
Long-term equity investment	6,485,005,782.44	6,197,179,106.62
Other equity instruments investment	717,064.49	4,824,017.06
Fixed assets	118,662,128.54	130,562,943.77
Construction in progress	5,484,692.80	4,163,600.00
Intangible assets	19,967,998.28	15,428,979.00
Long-term deferred expenses	1,465,672.77	2,490,858.28
Deferred income tax assets	12,569,724.20	8,832,488.62
Other non-current assets	990,000.00	7,200,000.00
Total non-current assets	6,644,863,063.52	6,370,681,993.35
Total assets	10,683,700,670.63	10,487,197,552.04
Current liabilities:		
Short-term borrowings	270,173,790.32	552,401,555.56
Accounts payable	31,540,843.42	21,019,772.54
Customer advances	5,188.00	
Contract liabilities	2,989,164.65	4,647,122.21
Payables to employees	13,118,898.87	9,642,962.98
Taxes payable	3,620,439.89	5,125,029.13
Other payables	2,869,019,473.66	2,392,238,692.22
Of which: Interest payable	10,369,863.01	5,184,931.51
Current portion of non-current liabilities	288,300,000.00	775,600,000.00
Total current liabilities	3,478,767,798.81	3,760,675,134.64
Non-current liabilities		
Long-term loans	1,034,598,752.69	481,999,161.11
Bonds payable	1,349,079,789.00	1,305,789,795.09
Deferred income	34,577,340.00	38,958,320.00
Deferred tax liabilities		1,365.00
Total non-current liabilities	2,418,255,881.69	1,826,748,641.20
Total liabilities	5,897,023,680.50	5,587,423,775.84
Owners' equity (or shareholders' equity)		
Share capital	919,434,448.00	919,433,663.00
Other equity instruments	233,670,941.96	233,672,216.24
Additional paid-in capital	821,935,606.00	878,828,709.67
Less: Treasury shares	425,931,323.30	200,003,612.37
Other comprehensive income	-30,252,649.01	-23,348,699.23
Surplus reserves	474,685,527.73	457,022,680.97
Undistributed profit	2,793,134,438.75	2,634,168,817.92

Total owners' equity	4,786,676,990.13	4,899,773,776.20
Total liabilities and owners' equity	10,683,700,670.63	10,487,197,552.04

Consolidated Income Statement
January-December, 2024

	RMB	
Item	2024	2023
1. Revenue	32,545,260,037.87	35,970,261,909.41
Of which: Revenue	32,545,260,037.87	35,970,261,909.41
2. Cost of revenue	32,083,825,709.63	36,183,648,470.74
Of which: Cost of revenue	30,447,129,165.17	34,540,124,263.81
Taxes and surcharges	56,989,743.36	54,959,832.38
Sales expenses	709,944,370.21	718,365,669.03
Administrative expenses	672,530,023.01	614,800,562.62
R&D expenses	29,041,137.57	83,797,469.99
Financial expenses	168,191,270.31	171,600,672.91
Of which: Interest expenses	181,050,699.18	179,236,989.51
Interest income	12,294,655.57	13,127,370.37
Add: Other income	38,455,461.52	34,513,001.48
Income from investment	137,700,522.64	-148,334,501.12
Of which: Income from investments in associated companies and joint ventures	129,857,217.55	-133,401,069.07
Gain or loss from changes in fair value	-147,128.24	-490,609.02
Credit impairment loss	-141,911,879.37	-38,716,956.58
Assets impairment loss	-53,274,841.91	-143,836,924.38
Gain or loss from assets disposal	1,358,138.02	20,674,676.33
3. Operating profit	443,614,600.90	-489,577,874.62
Add: Non-operating income	26,553,761.91	74,211,372.98
Less: Non-operating expenditure	76,264,332.73	65,574,928.07
4. Pretax profit	393,904,030.08	-480,941,429.71
Less: Income tax expense	83,607,979.72	107,091,597.63
5. Net profit	310,296,050.36	-588,033,027.34
A. Classified by continuity of operations		
a.Net profit from continuing operations	310,296,050.36	-588,033,027.34
B. Classified by ownership attribution		
a.Net profit attributable to owners of the parent	342,468,141.14	-457,037,550.28
b. Profit or loss attributable to minority interests	-32,172,090.78	-130,995,477.06
6. Other comprehensive income, net of tax	-14,423,278.24	-4,169,370.03
A. Attributable to owners of the parent	-15,772,791.06	-3,729,321.14
a.Other comprehensive income that will not be reclassified to profit or loss	-14,642,433.23	-8,486,483.42
a)Fair value changes in other equity instruments	-14,642,433.23	-8,486,483.42

b.Other comprehensive income that will be reclassified to profit or loss	-1,130,357.83	4,757,162.28
a)Other comprehensive income under the equity method that can be reclassified to profit or loss	-2,832,988.68	5,344,603.95
b)Foreign exchange differences on translation of foreign financial statements	1,702,630.85	-587,441.67
B. Attributable to minority interests	1,349,512.82	-440,048.89
7. Total comprehensive income	295,872,772.12	-592,202,397.37
Attributable to the owners of parent company	326,695,350.08	-460,766,871.42
Attributable to non-controlling interests	-30,822,577.96	-131,435,525.95
8. EPS		
(1) Basic earnings per share (yuan per share)	0.38	-0.50
(2) Diluted earnings per share (yuan per share)	0.38	-0.50

Consolidated Income Statement of Parent Company

January-December, 2024

RMB

Item	2024	2023
1. Revenue	682,050,134.44	716,127,171.26
Less: Cost of revenue	509,845,631.64	538,676,281.08
Taxes and surcharges	2,101,403.14	2,005,206.45
Sales expenses	16,337,920.76	13,941,941.52
Administrative expenses	67,520,705.89	54,956,164.98
R&D expenses	22,135,865.78	23,168,745.28
Financial expenses	52,649,924.21	53,893,983.25
Of which: Interest expenses	115,157,179.78	117,713,796.21
Interest income	62,747,413.27	63,964,147.19
Add: Other income	8,884,658.25	5,982,990.84
Income from Investment	167,225,085.53	17,018,412.65
Of which: Income from investments in associated companies and joint ventures	117,945,879.18	-118,923,656.51
Gain or loss from changes in fair value		9,100.00
Credit impairment loss	56,957.96	-11,861,099.83
Assets impairment loss		
Gain or loss from assets disposal	-221,245.41	87,143.54
2. Operating profit	187,404,139.35	40,721,395.90
Add: Non-operating income	848,736.59	3,731,810.00
Less: Non-operating expenditure	5,211,244.12	3,471,507.36
3. Pretax profit	183,041,631.82	40,981,698.54
Less: Income tax expense	6,413,164.23	10,807,557.67
4. Net profit	176,628,467.59	30,174,140.87
Net profit from continuing operations	176,628,467.59	30,174,140.87
5. Other comprehensive income, net of tax	-6,903,949.78	-4,651,391.98
A. Other comprehensive income that will not be reclassified to profit or loss	-4,096,952.57	-10,025,752.09
a. Fair value changes in other equity instruments	-4,096,952.57	-10,025,752.09
B. Other comprehensive income that will be reclassified into gains or losses	-2,806,997.21	5,374,360.11
a. Other comprehensive income under the equity method that can be reclassified to profit or loss	-2,806,997.21	5,374,360.11
6. Total comprehensive income	169,724,517.81	25,522,748.89

Consolidated Statement of Cash Flow

January-December, 2024

RMB

Item	2024	2023
1. Cash flow from operating activities		
Cash received by selling products, providing labor services	34,340,820,896.67	37,256,317,508.82
Tax refunds	39,211,390.72	56,144,648.50
Cash received from other activities related to operating	393,298,565.50	200,210,649.34
Sub-total of cash inflow of operating activities	34,773,330,852.89	37,512,672,806.66
Cash paid for purchasing products and receiving labor services	30,793,203,529.15	34,376,170,787.12
Cash paid to and for employees	1,669,334,296.14	1,341,188,891.15
Tax payments	199,057,582.61	206,139,366.67
Cash paid to other activities related to operating	934,834,948.46	633,021,011.40
Sub-total of cash outflow of operating activities	33,596,430,356.36	36,556,520,056.34
Net cash flow from operating activities	1,176,900,496.53	956,152,750.32
2. Cash flow from investing activities		
Cash received from disinvestment	13,000,000.00	31,320,000.00
Cash received from return on investment	16,941,434.70	75,098,517.32
Net cash received from the disposal of fixed assets, intangible assets and other long-lived assets	10,336,063.55	78,944,914.78
Cash received from other activities related to investment	2,409,207.07	20,625,440.88
Sub-total of cash inflow of investing activities	42,686,705.32	205,988,872.98
Cash paid for acquiring and building fixed assets, intangible assets and other long-lived assets	393,119,573.96	486,888,624.03
Cash paid for investment	81,986,951.00	87,325,879.79
Net cash paid for acquiring subsidiaries and other business units	234,461.47	31,609,074.72
Cash paid for other activities related to investing activities	15,623,864.47	3,029,935.48
Sub-total of cash outflow of investing activities	490,964,850.90	608,853,514.02
Net cash flow from investing activities	-448,278,145.58	-402,864,641.04
3. Cash flow from financing activities		
Cash received by absorbing investments	110,268,965.00	80,869,000.00
Of which: Capital contributed by non-controlling interests to subsidiaries	38,170,000.00	80,869,000.00
Cash received from borrowings	1,903,088,118.55	1,959,093,175.98
Cash received from other activities related to financing	17,306,056.53	17,502,820.88
Sub-total of cash inflow of financing activities	2,030,663,140.08	2,057,464,996.86
Cash paid for debt service	2,318,304,866.68	1,913,030,822.71
Cash paid for dividends, profits, or paid for interests	120,402,126.46	260,193,609.83
Oh which: Dividends or profits paid by subsidiaries to non-controlling interests	23,455,436.28	49,681,301.69
Cash paid to other activities related to financing activities	469,309,166.46	192,436,934.03
Sub-total of cash outflow of financing activities	2,908,016,159.60	2,365,661,366.57
Net cash flow from financing activities	-877,353,019.52	-308,196,369.71
4. Effect of foreign exchange rate fluctuations on cash and cash equivalents	2,187,985.53	962,598.25
5. Net increase in cash and cash equivalents	-146,542,683.04	246,054,337.82

Add: Opening balance of cash and cash equivalents	1,895,034,560.64	1,648,980,222.82
6. Closing balance of cash and cash equivalents	1,748,491,877.60	1,895,034,560.64

Consolidated Statement of Cash Flow of Parent Company
January-December, 2024

RMB

Item	2024	2023
1. Cash flow from operating activities		
Cash received by selling products, providing labor services	646,385,106.67	729,864,336.81
Cash received from other activities related to operating	24,648,667.48	28,731,129.25
Sub-total of cash inflow of operating activities	671,033,774.15	758,595,466.06
Cash paid for purchasing products and receiving labor services	503,976,806.39	535,935,783.53
Cash paid to and for employee	62,823,017.91	61,839,292.07
Tax payments	17,650,510.92	6,605,925.10
Cash paid to other activities related to operating	46,024,888.98	29,901,683.93
Sub-total of cash outflow of operating activities	630,475,224.20	634,282,684.63
Net cash flow from operating activities	40,558,549.95	124,312,781.43
2. Cash flow from investing activities		
Cash received from disinvestment	39,518,868.83	71,426,938.53
Cash received from return on investment	82,353,110.06	131,796,058.16
Net cash received from disposal of fixed assets, intangible assets and other long-lived assets	80,680.00	189,609.57
Cash received from other activities related to investment	502,266,851.90	1,388,081.74
Sub-total of cash inflow of investing activities	624,219,510.79	204,800,688.00
Cash paid for acquiring and building fixed assets, intangible assets and other long-lived assets	3,013,759.80	17,731,144.01
Cash paid for investments	183,161,464.03	496,225,561.83
Cash paid for other activities related to investing activities		25,235,942.34
Sub-total of cash outflow of investing activities	186,175,223.83	539,192,648.18
Net cash flow from investing activities	438,044,286.96	-334,391,960.18
3. Cash flow from financing activities		
Cash received from borrowings	72,098,965.00	
Cash received from issuing bonds	1,170,000,000.00	900,000,000.00
Cash received from other activities related to financing	1,591,861.08	686,397,146.94
Sub-total of cash inflow of financing activities	1,243,690,826.08	1,586,397,146.94
Cash paid for debt service	1,386,600,000.00	1,023,600,000.00
Cash paid for dividends, profits, or paid for interests	67,010,349.19	175,965,032.98
Cash paid to other activities related to financing activities	310,000,000.00	
Sub-total of cash outflow of financing activities	1,763,610,349.19	1,199,565,032.98
Net cash flow from financing activities	-519,919,523.11	386,832,113.96
4. Effect of foreign exchange rate fluctuations on cash and cash equivalents	160.65	11,903.33
5. Net increase in cash and cash equivalents	-41,316,525.55	176,764,838.54
Add: Opening balance of cash and cash equivalents	1,682,342,826.24	1,505,577,987.70
6. Closing balance of cash and cash equivalents	1,641,026,300.69	1,682,342,826.24

Consolidated Statement of Changes in Equity

January-December, 2024

RMB

Item	2024									
	Equity Attributable to the Owners of Parent Company								Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Subtotal		
		Other								
1. Closing balance of prior period	919,433,663.00	233,672,216.24	872,912,049.17	200,003,612.37	-23,877,064.04	457,022,680.97	4,400,135,075.82	6,659,295,008.79	956,130,680.23	7,615,425,689.02
Add: Changes in accounting policies										
Other										
2. Opening balance of current period	919,433,663.00	233,672,216.24	872,912,049.17	200,003,612.37	-23,877,064.04	457,022,680.97	4,400,135,075.82	6,659,295,008.79	956,130,680.23	7,615,425,689.02
3. Fluctuations of current period	785.00	-1,274.28	-64,873,835.80	225,927,710.93	-15,772,791.05	17,662,846.76	324,805,294.38	35,893,314.08	-73,920,198.55	-38,026,884.47
A. Total comprehensive income					-15,772,791.05		342,468,141.14	326,695,350.09	-30,822,577.96	295,872,772.13
B. Capital contributed and reduced by owners	785.00	-1,274.28	-64,873,835.80	225,927,710.93				-290,802,036.01	-21,149,217.68	-311,951,253.69
a. Common stock invested by owners			-66,617,313.16	225,927,710.93				-292,545,024.09	-12,750,079.48	-304,065,885.44
b. Capital contributed by the holders of other equity instruments	785.00	-1,274.28	7,817.67					7,328.39		7,328.39
c. Other			1,735,659.69					1,735,659.69	-8,399,138.20	-7,892,696.64
C. Profit distribution						17,662,846.76	-17,662,846.76		-21,948,402.91	-21,948,402.91
a. Withdrawal of surplus reserves						17,662,846.76	-17,662,846.76			
b. Extraction of general risk										

provisions										
c. Dividend to owners (or shareholders)									-21,948,402.91	-21,948,402.91
d. Other										
D. Internal carry-over of owners' equity										
a. Carry-over of other comprehensive income to undistributed profit										
4. Closing balance of current period	919,434,448.00	233,670,941.96	808,038,213.37	425,931,323.30	-39,649,855.09	474,685,527.73	4,724,940,370.20	6,695,188,322.87	882,210,481.68	7,577,398,804.55

Item	2023									
	Equity Attributable to the Owners of Parent Company								Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Subtotal		
		Other								
1. Closing balance of prior period	919,430,450.00	233,677,472.64	880,746,284.55	200,003,612.37	-20,147,742.90	454,175,320.97	4,967,837,188.90	7,235,715,361.79	1,119,910,247.51	8,355,625,609.30
Add: Changes in accounting policies										
Other										
2. Opening balance of current period	919,430,450.00	233,677,472.64	880,746,284.55	200,003,612.37	-20,147,742.90	454,175,320.97	4,967,837,188.90	7,235,715,361.79	1,119,910,247.51	8,355,625,609.30
3. Fluctuations of current period	3,213.00	-5,256.40	-7,834,235.38		-3,729,321.14	2,847,360.00	-567,702,113.08	-576,420,353.00	-163,779,567.28	-740,199,920.28
A. Total comprehensive income					-3,729,321.14		-457,037,550.28	-460,766,871.42	-131,435,525.95	-592,202,397.37
B. Capital contributed and reduced by owners	3,213.00	-5,256.40	-7,834,235.38					-7,836,278.78	18,847,225.78	11,010,947.00

a. Common stock invested by owners			-11,391,428.92					-11,391,428.92	22,029,990.09	10,638,561.17
b. Capital contributed by the holders of other equity instruments	3,213.00	-5,256.40	38,669.80					36,626.40		36,626.40
c. Amount of share-based payment included in the owner's equity										
d. Other			3,518,523.74					3,518,523.74	-3,182,764.31	335,759.43
C. Profit distribution						2,847,360.00	-110,664,562.80	-107,817,202.80	-51,191,267.11	-159,008,469.91
a. Withdrawal of surplus reserves						3,017,414.09	-3,017,414.09			
b. Extraction of general risk provisions										
c. Dividend to owners (or shareholders)							-107,817,202.80	-107,817,202.80	-51,191,267.11	-159,008,469.91
d. Other						-170,054.09	170,054.09			
D. Internal carry-over of owners' equity										
a. Carry-over of other comprehensive income to undistributed profit										
4. Closing balance of current period	919,433,663.00	233,672,216.24	872,912,049.17	200,003,612.37	-23,877,064.04	457,022,680.97	4,400,135,075.82	6,659,295,008.79	956,130,680.23	7,615,425,689.02

Statement of Changes in Equity of Parent Company
January-December, 2024

RMB

Item	2024							
	Share capital	Other equity instruments	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Total owners' equity
		Other						
1. Closing balance of prior period	919,433,663.00	233,672,216.24	878,828,709.67	200,003,612.37	-23,348,699.23	457,022,680.97	2,634,168,817.92	4,899,773,776.20
Add: Changes in accounting policies								
Other								
2. Opening balance of current period	919,433,663.00	233,672,216.24	878,828,709.67	200,003,612.37	-23,348,699.23	457,022,680.97	2,634,168,817.92	4,899,773,776.20
3. Fluctuations of current period	785.00	-1,274.28	-56,893,103.67	225,927,710.93	-6,903,949.78	17,662,846.76	158,965,620.83	-113,096,786.07
A. Total comprehensive income					-6,903,949.78		176,628,467.59	169,724,517.81
B. Capital contributed and reduced by owners	785.00	-1,274.28	-56,893,103.67	225,927,710.93				-282,821,303.88
a. Common stock invested by owners			-61,496,032.42	225,927,710.93				-287,423,743.35
b. Capital contributed by the holders of other equity instruments	785.00	-1,274.28	7,817.67					7,328.39
c. Amount of share-based payment that included in the owner's equity			1,970,111.08					1,970,111.08
d. Other			2,625,000.00					2,625,000.00
C. Profit distribution						17,662,846.76	-17,662,846.76	
a. Withdrawal of surplus reserves						17,662,846.76	-17,662,846.76	
b. Dividend to owners (or shareholders)								
c. Other								
4. Closing balance of	919,434,448.00	233,670,941.96	821,935,606.00	425,931,323.30	-30,252,649.01	474,685,527.73	2,793,134,438.75	4,786,676,990.13

current period								
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Item	2023							
	Share capital	Other equity instruments	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Total owners' equity
		Other						
1. Closing balance of prior period	919,430,450.00	233,677,472.64	878,256,358.18	200,003,612.37	-18,697,307.25	454,175,320.97	2,716,359,780.79	4,983,198,462.96
Add: Changes in accounting policies								
Other								
2. Opening balance of current period	919,430,450.00	233,677,472.64	878,256,358.18	200,003,612.37	-18,697,307.25	454,175,320.97	2,716,359,780.79	4,983,198,462.96
3. Fluctuations of current period	3,213.00	-5,256.40	572,351.49		-4,651,391.98	2,847,360.00	-82,190,962.87	-83,424,686.76
A. Total comprehensive income					-4,651,391.98		30,174,140.87	25,522,748.89
B. Capital contributed and reduced by owners	3,213.00	-5,256.40	572,351.49					570,308.09
a. Common stock invested by owners								
b. Capital contributed by the holders of other equity instruments	3,213.00	-5,256.40	38,669.80					36,626.40
c. Amount of share-based payment that included in the owner's equity								
d. Other			533,681.69					533,681.69
C. Profit distribution						2,847,360.00	-112,365,103.74	-109,517,743.74
a. Withdrawal of surplus reserves						3,017,414.09	-3,017,414.09	
b. Dividend to owners (or shareholders)							-107,817,202.80	-107,817,202.80
c. Other						-170,054.09	-1,530,486.85	-1,700,540.94
4. Closing balance of current period	919,433,663.00	233,672,216.24	878,828,709.67	200,003,612.37	-23,348,699.23	457,022,680.97	2,634,168,817.92	4,899,773,776.20

III. Basic Information of the Company

1. Overview of the Company

Wellhope Foods Co., Ltd. (formerly known as Liaoning Wellhope Agri-Tech Co., Ltd., hereinafter referred to as the "Company" or "the Company") is a joint-stock company established by 23 natural persons including Jin Weidong and Ding Yunfeng with the approval of the People's Government of Liaoning Province. The Company was registered and established on March 27, 2003, with a registered capital of RMB 53.00 million. Among them: Jin Weidong contributed RMB 12.19 million, accounting for 23.00% of the share capital; Ding Yunfeng contributed RMB 7.685 million, accounting for 14.50% of the share capital; Wang Fengjiu, Zhang Tiesheng, Shao Caimei and Wang Zhongtao each contributed RMB 4.505 million, each accounting for 8.50% of the share capital; the other 17 shareholders contributed RMB 15.105 million in total, accounting for 28.50% of the share capital.

With the approval of the Ministry of Commerce of the People's Republic of China, the Company issued 5.888889 million shares to De Heus (China) through private placement on August 22, 2006. The Company was converted into a foreign-invested joint-stock company, and the total share capital was changed to 58.888889 million shares. With the approval of the Liaoning Foreign Trade and Economic Cooperation Department, the Company issued 3.464052 million shares to De Heus (China) through private placement on November 15, 2007. After the capital increase, the total share capital of the Company was increased to 62.352941 million shares.

In 2010, the Second Extraordinary General Meeting of the Company approved the conversion of undistributed profits into share capital by issuing 50 bonus shares for every 10 shares, based on the total share capital as of December 31, 2009. After the conversion, the total share capital of the Company was increased to 374.117646 million shares. In addition, the Third Extraordinary General Meeting of the Company in 2010 approved the conversion of capital reserves into 100 million shares, and the total share capital of the Company increased to 474.117646 million shares.

With the approval of the China Securities Regulatory Commission, the Company issued 80 million new shares at a price of RMB 5.88 per share on August 4, 2014. After the initial public offering (IPO), the total share capital of the Company was increased to 554.1176 million shares.

The Second Extraordinary General Meeting of the Company in 2015 approved the conversion of capital reserves into share capital by issuing 5 bonus shares for every 10 shares, based on the total share capital as of June 30, 2015. After the conversion, the total share capital of the Company was increased to 831.1765 million shares.

The Second Extraordinary General Meeting of the Company in 2018 resolved to issue 14.575 million restricted shares to 372 natural persons at RMB 4.85 per share on December 29, 2018. After the change, the total share capital of the Company was increased to 845.7515 million shares.

With the approval of the China Securities Regulatory Commission, the Company privately issued 76.5529 million domestic listed RMB ordinary shares on April 18, 2019. After the change, the total

share capital was 922.3044 million shares.

On March 27, 2020, the Company repurchased and cancelled 244,500 restricted shares that had been granted but not yet released from restriction. After the change, the total share capital was 922.0599 million shares.

On March 24, 2021, the Company's name was changed to Wellhope Foods Co., Ltd.

On May 19, 2021, the Company repurchased and wrote off 99,700 restricted shares that had been granted but not yet released from restriction. After the change, the total share capital was 921.9602 million shares.

On June 22, 2022, the Company repurchased and cancelled 5.742 million restricted shares that had been granted but not yet released from restriction. After the change, the total share capital was 916.2182 million shares.

On April 22, 2022, with the approval of the China Securities Regulatory Commission's "Decision on Approving Wellhope Foods Co., Ltd to Issue Convertible Corporate Bonds", the Company publicly issued RMB 1.5 billion worth of convertible corporate bonds (referred to as "Wellhope Convertible Bonds") with a term of 6 years, starting to be convertible from October 28, 2022.

As of December 31, 2024, due to the conversion of convertible bonds, the Company increased its shares by 3.2163 million, and the total share capital changed to 919.4344 million shares.

Principal activities of the Company and its subsidiaries: production and sale of feed and feed additives, trade in feed raw materials, poultry farming, slaughtering and processing, livestock farming, frozen food processing, packaging, refrigeration, sales, processing of agricultural and local specialty products, etc.

Registered address (head office address): No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province.

Legal representative: Jin Weidong

The financial statements have been approved by the meeting of Board of Directors held on April 24, 2025.

IV. Basis of Preparing Financial Statements

1. Basis of preparing

The Company prepares its financial statements on a going concern basis, recognizing and measuring transactions and events based on their actual occurrence in accordance with the Accounting Standards for Business Enterprises, their application guidelines, and related interpretations. In addition, the Company discloses financial information in compliance with the Compilation Rule for Information Disclosure by Companies Offering Securities to the Public No.15 - General Provisions on Financial Reports (2023 revised) issued by the China Securities Regulatory Commission.

2. Going concern

The Company has evaluated the ability to continue as a going concern for 12 months from the end of

the Reporting Period and has not identified any factors that would impact its ability to continue as a going concern. It is reasonable for the Company to prepare its financial statements on a going concern basis.

V. Important Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

The following significant accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. For matters not mentioned, the relevant accounting policies in the Accounting Standards for Business Enterprises will be applied.

1. Declaration about compliance with Accounting Standards for Business Enterprises

The financial statements are in compliance with the requirements of accounting standards for business enterprises, and truly and completely reflect the financial status, operating results, changes in owners' equity, cash flow and other relevant information of the Company.

2. Accounting period

The accounting year of the Company is from January 1 to December 31 in the calendar year.

3. Operating cycle

The normal operating cycle of the Company is twelve months.

4. Bookkeeping base currency

RMB.

5. Method for determining materiality criteria and basis for selection

Item	Criteria for materiality
Significant receivables with a single provision for bad debts	RMB 1 million
Significant receivables written off	RMB 1 million
Significant construction in progress	RMB 10 million
Significant dividends receivable	RMB 10 million

6. Accounting treatment of business combinations under and not under common control

(1) Business combination under common control

The assets and liabilities acquired by the Company in a business combination are measured at the carrying amount in the consolidated financial statements of the ultimate controlling party on the acquisition date. In cases where the acquired company uses different accounting policies or periods compared to the Company before the business combination, the accounting policies and periods are aligned based on the principle of materiality. Specifically, the carrying amounts of the acquired assets and liabilities are adjusted according to the Company's accounting policies and periods. If there is a difference between the carrying amount of the net assets acquired in the business combination and the consideration paid, the capital reserve (capital premium or capital stock premium) is adjusted first. If the balance of the capital reserve (capital premium or capital stock premium) is insufficient, it is then sequentially adjusted against the surplus reserve and undistributed profit.

For the accounting treatment of business combinations under common control achieved through step

transactions, refer to Note V-7 (5).

(2) Business combination not under the common control

The identifiable assets and liabilities of the acquired party in a business combination are measured at their fair value on the acquisition date. In cases where the acquired party uses different accounting policies or periods compared to the Company before the business combination, the accounting policies and periods are aligned based on the principle of materiality. Specifically, the carrying amounts of the acquired assets and liabilities are adjusted according to the Company's accounting policies and periods. If the Company's acquisition cost on the acquisition date exceeds the fair value of the identifiable assets and liabilities acquired in the business combination, the difference is recognized as goodwill. If the acquisition cost is less than the fair value of the identifiable assets and liabilities acquired, the acquisition cost and the fair value of the acquired identifiable assets and liabilities are reviewed. After review, if the acquisition cost is still less than the fair value of the identifiable assets and liabilities acquired, the difference is recognized in the current period's consolidated profit or loss.

For the accounting treatment of business combinations under different control achieved through step transactions, refer to Note V-7 (5).

(3) Treatment of transaction costs in a business combination

The audit, legal services, valuation, consulting, and other intermediary fees, as well as other related administrative expenses incurred for the purpose of a business combination, are recognized as expenses in the current period when incurred. Transaction costs related to equity securities or debt securities issued as part of the merger consideration are included in the initial recognition amount of the equity securities or debt securities.

7. Judgment of control and method of preparing the consolidated financial statements

(1) Judgment of control and determination of consolidation scope

Control refers to the Company's power over the investee, the variable returns it can obtain through participation in the investee's relevant activities, and the ability to use its power over the investee to affect the amount of returns. The definition of control includes three key elements: 1) The investor has power over the investee. 2) The investor has rights to enjoy variable returns from its involvement with the investee. 3) The investor has the ability to use its power over the investee to affect the amount of returns. When the Company's investment in the investee meets these three elements, it indicates that the Company has control over the investee.

The scope of consolidation in the consolidated financial statements is determined based on control, and includes not only subsidiaries determined by voting rights (or similar rights) alone or in combination with other arrangements but also structured entities determined by one or more contractual arrangements.

A subsidiary refers to an entity controlled by the Company (including businesses, separable parts of an investee, and structured entities controlled by the Company). A structured entity refers to an entity

designed in such a way that voting rights or similar rights are not the deciding factor in determining its controlling party (Note: sometimes also called a Special Purpose Entity, or SPE).

(2) Method of preparing the consolidated financial statements

The Company prepares consolidated financial statements based on the financial statements of itself and its subsidiaries and other relevant information.

While preparing consolidated financial statements, the Company treats the entire enterprise group as an accounting entity, and in accordance with the requirements for confirmation, measurement and presentation of relevant enterprise accounting standards, and based on unified accounting policies and periods, reflects the overall financial position, operating results and cash flow of the enterprise group.

① Consolidate the assets, liabilities, owners' equity, revenue, expenses, and cash flows of the parent company and its subsidiaries.

② Offset the long-term equity investments of the parent company in its subsidiaries against the portion of owners' equity held by the parent company in the subsidiaries.

③ Offset the effects of internal transactions between the parent company and its subsidiaries, as well as between subsidiaries. If internal transactions indicate impairment losses of related assets, the full amount of the loss shall be recognized.

④ Adjust special transactions from the perspective of the enterprise group.

(3) Treatment of changes in subsidiaries during the Reporting Period

① Increase in subsidiary or business

A. Subsidiaries or businesses acquired in a business combination under common control

(a) When preparing the consolidated balance sheet, adjust the opening balances of the consolidated balance sheet and also adjust the relevant items of the comparative financial statements. It is treated as if the combined reporting entity has existed since the point when the ultimate controlling party started controlling.

(b) When preparing the consolidated income statement, include the revenue, expenses, and profits of the acquired subsidiary or business from the beginning of the period to the end of the Reporting Period in the consolidated income statement. Also, adjust the relevant items of the comparative financial statements, treating the combined reporting entity as if it has existed since the point when the ultimate controlling party started controlling.

(c) When preparing the consolidated cash flow statement, include the cash flows of the acquired subsidiary or business from the beginning of the period to the end of the Reporting Period in the consolidated cash flow statement. Also, adjust the relevant items of the comparative financial statements, treating the combined reporting entity as if it has existed since the point when the ultimate controlling party started controlling.

B. Subsidiaries or businesses acquired in a business combination not under common control

(a) When preparing the consolidated balance sheet, do not adjust the opening balances of the

consolidated balance sheet.

(b) When preparing the consolidated income statement, include the revenue, expenses, and profits of the acquired subsidiary or business from the acquisition date to the end of the Reporting Period in the consolidated income statement.

(c) When preparing the consolidated cash flow statement, include the cash flows of the acquired subsidiary or business from the acquisition date to the end of the Reporting Period in the consolidated cash flow statement.

② Disposal of subsidiary or business

A. When preparing the consolidated balance sheet, do not adjust the opening balances of the consolidated balance sheet.

B. When preparing the consolidated income statement, include the revenue, expenses, and profits of the disposed subsidiary or business from the beginning of the period to the disposal date in the consolidated income statement.

C. When preparing the consolidated cash flow statement, include the cash flows of the disposed subsidiary or business from the beginning of the period to the disposal date in the consolidated cash flow statement.

(4) Special considerations in consolidation eliminations

① The long-term equity investments held by subsidiaries in the parent company shall be treated as treasury stock and deducted from equity. In the consolidated balance sheet, they shall be presented under the "Equity" item as "Less: treasury stock."

Long-term equity investments held between subsidiaries shall be offset with the corresponding portion of equity held in the subsidiary, following the same elimination method as for the parent company's equity investments in its subsidiaries.

② The "special reserve" and "general risk provision" items, since they do not belong to paid-in capital (or share capital) or capital reserves, and differs from undistributed profit or undistributed profits, shall be restored to the portion attributable to the parent company's shareholders after offsetting long-term equity investments with the owners' equity in subsidiaries.

③ If offsetting unrealized internal sales profits or losses results in temporary differences between the book value of assets and liabilities in the consolidated balance sheet and their tax bases, deferred income tax assets or liabilities shall be recognized in the consolidated balance sheet. Additionally, income tax expense shall be adjusted in the consolidated income statement, excluding deferred taxes related to transactions directly recorded in equity or related to business combinations.

④ Unrealized internal transaction profits or losses from the sale of assets by the parent to subsidiaries shall be fully offset against "Net profit attributable to shareholders of the parent company" in the consolidated income statement. Unrealized internal transaction profits or losses from the sale of assets by subsidiaries to the parent shall be allocated and offset between "Net profit attributable to

shareholders of the parent company” and “Profit or loss of minority interest” according to the parent company’s shareholding in the subsidiary. Unrealized internal transaction profits or losses from the sale of assets between subsidiaries shall be allocated and offset between “Net profit attributable to shareholders of the parent company” and “Profit or loss of minority interest” based on the parent company’s shareholding in the selling subsidiary.

⑤ If losses attributable to minority shareholders for the current period exceed their share of equity in the subsidiary at the beginning of the period, the excess should still be deducted from minority shareholders’ equity.

(5) Accounting for special transactions

① Purchase of minority shareholder equity

When the Company purchases the minority shareholder equity in its subsidiary, the investment cost of the new long-term equity investment acquired from the purchase of minority equity shall be measured at the fair value of the consideration paid in the individual financial statements. In the consolidated financial statements, the difference between the new long-term equity investment acquired through the purchase of minority equity and the share of the subsidiary’s net assets (continuously calculated from the purchase date or consolidation date) corresponding to the new shareholding ratio shall be adjusted to capital reserves (capital premium or capital stock premium). If capital reserves are insufficient, it shall be adjusted sequentially to surplus reserves and undistributed profit.

② Step-by-step acquisition of control over a subsidiary

A. Business combination under common control through multiple transactions

On the consolidation date, in the individual financial statements, the initial investment cost of the long-term equity investment shall be determined based on the share of the subsidiary’s net assets in the final controlling entity’s consolidated financial statements. The difference between the initial investment cost and the sum of the book value of the equity investment prior to the consolidation and the newly paid consideration on the consolidation date shall be adjusted to capital reserves (capital premium or capital stock premium). If capital reserves are insufficient, it shall be adjusted sequentially to surplus reserves and undistributed profit.

In the consolidated financial statements, the assets and liabilities of the acquired entity shall be measured at the book value on the consolidation date, except for adjustments made due to differences in accounting policies and periods. The difference between the sum of the book value of the pre-acquisition investment and the book value of the new consideration paid on the consolidation date, and the book value of the net assets acquired shall be adjusted to capital reserves (capital stock premium /capital premium). If capital reserves are insufficient, it shall be adjusted to undistributed profit.

For equity investments held by the parent company before the acquisition of control, all relevant profits and losses, other comprehensive income, and other changes in equity that have been recognized from

the date the parent and the subsidiary were under common control until the consolidation date shall be adjusted in the opening undistributed profit for the comparative period or profits and losses for the current period.

B. Business combination not under common control through multiple transactions

On the consolidation date, in the individual financial statements, the initial investment cost of the long-term equity investment shall be the sum of the book value of the pre-existing equity investment and the new investment cost on the consolidation date.

In the consolidated financial statements, for the equity held in the acquiree before the purchase date, it shall be remeasured at the fair value on the purchase date. If the equity held before the purchase date is designated as a financial asset measured at fair value with changes recorded in other comprehensive income, the difference between the fair value and its book value shall be recorded in undistributed profit, and the cumulative fair value changes previously recognized in other comprehensive income shall be transferred to undistributed profit. If the equity held before the purchase date is classified as a financial asset measured at fair value through profit or loss, or as a long-term equity investment accounted for using the equity method, the difference between the fair value and its book value shall be recorded as investment income for the current period. If the equity held before the purchase date involves other comprehensive income under the equity method, as well as other changes in owners' equity under the equity method excluding net profit or loss, other comprehensive income, and profit distribution, the related other comprehensive income shall be accounted for in the same manner as the direct disposal of related assets or liabilities by the investee, and the related other owners' equity changes shall be transferred to investment income for the current period on the purchase date.

③ Disposal of long-term equity investment in a subsidiary without losing control

When the parent company disposes of part of its equity investment in a subsidiary without losing control, in the consolidated financial statements, the difference between the disposal consideration and the subsidiary's net asset portion from the purchase date or consolidation date, shall be adjusted to capital reserves (capital premium or capital stock premium). If capital reserves are insufficient, it shall be adjusted sequentially to undistributed profit.

④ Disposal of long-term equity investment in a subsidiary and loss of control

A. Disposal in a single transaction

If the parent company disposes of part of its equity investment and loses control over the investee, in the preparation of consolidated financial statements, the remaining equity shall be remeasured at its fair value on the date of loss of control. The difference between the disposal consideration and the fair value of the remaining equity, minus the net asset portion and goodwill from the original subsidiary, shall be recognized as investment income in the period of losing control.

Other comprehensive income related to the original subsidiary's equity investment shall be accounted for based on the same treatment as if the related assets or liabilities of the original subsidiary were

directly disposed of. Other changes in equity under the equity method related to the original subsidiary shall be transferred to current profit and loss upon losing control.

B. Step-by-step disposal in multiple transactions

In the consolidated financial statements, it should first be determined whether the step-by-step transaction constitutes a package transaction.

If it is not considered a package transaction, in the individual financial statements, for each transaction before losing control of the subsidiary, the carrying amount of the long-term equity investment corresponding to the disposed equity is derecognized, and the difference between the consideration received and the carrying amount of the disposed long-term equity investment is recognized in current period investment income; In the consolidated financial statements, it shall be handled according to the relevant rules for the disposal of long-term equity investment in a subsidiary without losing control.

If the step-by-step transaction is a package transaction, all transactions shall be treated as one transaction involving the disposal of a subsidiary and the loss of control. In the individual financial statements, the difference between the disposal price of each transaction before losing control and the carrying amount of the long-term equity investment corresponding to the disposed equity is first recognized in other comprehensive income, which will be transferred to profit and loss when control is lost. In the consolidated financial statements, for each transaction before losing control, the difference between the disposal price and the portion of the subsidiary's net assets shall be recognized as other comprehensive income, which will be transferred to profit and loss when control is lost.

Multiple transactions are generally treated as a package transaction if any of the following terms, conditions and economic impacts are met:

- (a) The transactions are entered into simultaneously or with consideration of each other's impact.
- (b) The transactions as a whole are aimed at achieving a complete business result.
- (c) The occurrence of one transaction depends on the occurrence of at least one other transaction.
- (d) A single transaction would not be economically feasible, but it becomes economically viable when considered together with other transactions.

⑤ Dilution of the parent company's ownership in subsidiary due to capital increase by minority shareholders

When other shareholders (minority shareholders) of the subsidiaries increase capital in the subsidiary, thereby diluting the parent company's equity interest in the subsidiary, in the consolidated financial statements, the difference between this share (the share of the subsidiary's book net assets before the capital increase, calculated based on the parent company's pre-increase shareholding ratio) and the share of the subsidiary's book net assets after the capital increase (calculated based on the parent company's post-increase shareholding ratio) is adjusted to capital reserves (capital premium or capital stock premium). If capital reserves are insufficient, it shall be adjusted to undistributed profit.

8. Classification of Joint Arrangements and Accounting for Joint Operation

A joint arrangement refers to an arrangement that is jointly controlled by two or more participants. The Company classifies its joint arrangements as either joint operations or joint ventures.

(1) Joint operations

A joint operation refers to a joint arrangement in which the Company enjoys the related assets and assumes the related liabilities of the arrangement.

The Company recognizes the following items related to the share of interests in joint operations and makes accounting treatment according to the relevant ASBE:

- ① Recognizes the assets held separately, and the assets held jointly according to its proportion;
- ② Recognizes the liabilities assumed separately, and the liabilities assumed jointly according to its proportion;
- ③ Recognizes the income from the sales of its share in the outputs of joint operation;
- ④ Recognizes the income from the sales of the outputs of joint operation according to its proportion;
- ⑤ Recognizes the expenses incurred separately, and recognizes the expenses incurred jointly according to its proportion.

(2) Joint ventures

A joint venture refers to a joint arrangement in which the Company only has rights to the net assets of the arrangement.

The Company accounts for its investment in the joint venture in accordance with the equity method of accounting for long-term equity investments.

9. Recognition standard of cash and cash equivalents

Cash refers to the Company's on-hand cash and deposits that can be used for payment at any time. Cash equivalents refer to investments that are of short duration (generally those due within three months from the date of purchase), highly liquid, easily convertible into known amounts of cash, and with minimal risk of value fluctuation.

10. Foreign currency transactions and foreign currency statement translation

(1) Method for determining the exchange rate for foreign currency transactions

The Company uses the spot exchange rate on the transaction date or an exchange rate approximating the spot rate on the transaction date, determined by a reasonable method in the system, to convert foreign currency transactions into the functional currency at initial recognition.

(2) Translation method for foreign currency monetary items at the balance sheet date

At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at the balance sheet date. Exchange differences arising from the difference between the spot exchange rate at the balance sheet date and the spot exchange rate at the time of initial recognition or the previous balance sheet date are recognized in the current profit or loss. For foreign currency non-monetary items measured at historical cost, the spot exchange rate at the transaction date is still

used for translation. For inventories measured at the lower of cost or net realizable value, if the inventory is purchased in foreign currency and the net realizable value of the inventory at the balance sheet date is reflected in foreign currency, the net realizable value is first translated into the functional currency at the spot exchange rate at the balance sheet date, and then compared with the cost of the inventory reflected in the functional currency to determine the ending value of the inventory. For foreign currency non-monetary items measured at fair value, the spot exchange rate at the fair value determination date is used for translation. For financial assets measured at fair value through profit or loss, the difference between the translated functional currency amount and the original functional currency amount is recognized in the current profit or loss. For non-trading equity investments designated as measured at fair value through other comprehensive income, the difference between the translated functional currency amount and the original functional currency amount is recognized in other comprehensive income.

(3) Translation method for foreign currency financial statements

Before translating the financial statements of overseas operations, adjustments should first be made to align the accounting periods and accounting policies of the overseas operations with those of the enterprise. After making these adjustments to the accounting policies and periods, the financial statements in corresponding currencies (other than the functional currency) shall be prepared according to the adjusted accounting policies and periods. Then, the financial statements of the overseas operations shall be translated according to the following methods:

- ① The assets and liabilities items in the balance sheet shall be treated at the spot exchange rate on the balance sheet date. Except for the “undistributed profit” items, other owners’ equity items shall be translated at the spot exchange rate at the time of occurrence.
- ② The income and expense items in the income statement shall be translated using the spot exchange rate at the transaction date or an exchange rate close to the spot rate at the transaction date.
- ③ For foreign currency cash flows and the cash flows of foreign subsidiaries, the spot exchange rate at the cash flow transaction date or an exchange rate close to the spot rate shall be used for translation. The impact of exchange rate fluctuations on cash shall be treated as an adjustment item and reported separately in the cash flow statement.
- ④ The foreign currency translation differences arising from the financial statement translation shall be presented under the “Other comprehensive income” item in the owners’ equity section of the consolidated balance sheet when preparing the consolidated financial statements.

When disposing of an overseas operation and losing control, the foreign currency translation differences related to the overseas operation, listed under the owners’ equity section of the balance sheet, shall be fully or proportionally transferred to the profit or loss for the period of disposal.

11. Financial instruments

Financial Instruments refer to contracts that create financial assets for one party and financial liabilities

or equity instruments for another party.

(1) Recognition and derecognition of financial instruments

When the Company becomes a party to a financial instrument contract, it recognizes the relevant financial asset or financial liability.

A financial asset should be derecognized when it satisfies one of the following conditions:

- ① The contractual right to receive cash flows from the financial asset expires;
- ② The financial asset has been transferred, and the transfer meets the derecognition conditions for financial asset transfer.

A financial liability (or part of it) is derecognized when its current obligation has been discharged. If the Company (borrower) enters into an agreement with the lender to replace an original financial liability with a new financial liability, and the contract terms of the new liability are significantly different from those of the original liability, the original liability is derecognized and a new financial liability is recognized simultaneously. If the Company makes a substantial modification to the contract terms of the original financial liability (or part of it), the original financial liability should be derecognized, and a new financial liability should be recognized based on the modified terms.

Regular buying and selling of financial assets are recognized and derecognized on the transaction date. Regular buying and selling of financial assets refer to the delivery of financial assets as per the terms of the contract, and at the time determined by regulations or market practices. A transaction date refers to the date on which the Company commits to buying or selling financial assets.

(2) Classification and measurement of financial assets

Upon initial recognition, the Company classifies financial assets based on the business model for managing the assets and the contractual cash flow characteristics of the financial asset into: financial assets measured at amortized cost; financial assets measured at fair value with changes recognized in profit or loss; financial assets measured at fair value with changes recognized in other comprehensive income. The financial assets shall not be reclassified after initial recognition unless the Company changes its business model for managing financial assets. In this case, all affected relevant financial assets will be reclassified on the first day of the first Reporting Period following the change in the business model.

Financial assets are initially measured at fair value. For financial assets measured at fair value with changes recognized in profit or loss, the related transaction costs are directly included in the current profit or loss. For other categories of financial assets, transaction costs are included in the initial recognition amount. Accounts receivable and notes receivable arising from the sale of goods or services, where significant financing components are not included or considered, are initially measured by the Company according to the transaction price defined in the revenue standards.

Subsequent measurement of financial assets depends on their classification:

- ① Financial assets measured at amortized cost

A financial asset that meets the following conditions shall be classified as a financial asset measured at amortized cost: The Company's business model for managing the financial asset is to collect contractual cash flows; the contractual terms of the financial asset specify that the cash flows generated at specific dates are solely payments of principal and interest on the outstanding principal amount. For such financial assets, the effective interest method is used for subsequent measurement at amortized cost. The gains or losses arising from derecognition, amortization using the effective interest method, or impairment are recognized in the current profit or loss.

② Financial assets measured at fair value with changes recognized in other comprehensive income

A financial asset that meets the following conditions shall be classified as a financial asset measured at fair value with changes recognized in other comprehensive income: The Company's business model for managing the financial asset is both to collect contractual cash flows and to sell the financial asset; the contractual terms of the financial asset specify that the cash flows generated at specific dates are solely payments of principal and interest on the outstanding principal amount. For such financial assets, subsequent measurement is at fair value. Except for impairment losses or gains and foreign exchange gains or losses, which are recognized in the current profit or loss, changes in the fair value of these financial assets are recognized in other comprehensive income until derecognition. At that point, the accumulated gains or losses are transferred to current profit or loss. However, interest income for such financial assets, calculated using the effective interest method, is recognized in the current profit or loss.

The Company irrevocably elects to designate certain non-trading equity investments as financial assets measured at fair value with changes recognized in other comprehensive income. Only the related dividend income is recognized in the current profit or loss, and changes in the fair value are recognized in other comprehensive income. Upon derecognition of the financial asset, the accumulated gains or losses are transferred to undistributed profit.

③ Financial assets measured at fair value with changes recognized in current profit or loss

Financial assets other than those classified as financial assets measured at amortized cost or financial assets measured at fair value with changes recognized in other comprehensive income shall be classified as financial assets measured at fair value with changes recognized in profit or loss. For such financial assets, subsequent measurement is at fair value, and all changes in fair value are recognized in the current profit or loss.

(3) Classification and measurement of financial liabilities

The Company classifies financial liabilities into financial liabilities measured at fair value with changes recognized in current profit or loss, loan commitments at below-market interest rates, financial guarantee contract liabilities, and financial liabilities measured at amortized cost.

The subsequent measurement of financial liabilities depends on their classification:

① Financial liabilities measured at fair value with changes recognized in current profit or loss

This type of financial liability includes trading financial liabilities (including derivative instruments that are financial liabilities) and financial liabilities designated at fair value through profit or loss. After initial recognition, these financial liabilities are subsequently measured at fair value, with gains or losses (including interest expenses) arising from changes in fair value recognized in current profit or loss, except for those related to hedge accounting. However, for financial liabilities designated at fair value through profit or loss, changes in fair value arising from changes in the Company's own credit risk are recognized in other comprehensive income. When financial liability is derecognized, the cumulative gains and losses previously recognized in other comprehensive income should be reclassified from other comprehensive income to undistributed profit.

② Loan commitments and financial guarantee contract liabilities

A loan commitment is a promise made by the Company to provide a loan to a customer under predetermined contractual terms within the commitment period. Loan commitments are subject to impairment losses under the expected credit loss model.

A financial guarantee contract refers to a contract where, in the event that a specific debtor fails to repay the debt according to the original or modified terms of the debt instrument, the company is required to compensate the contract holder for a specific amount of loss. The financial guarantee contract liability is subsequently measured at the higher of the loss allowance determined based on the impairment principles for financial instruments, and the balance after deducting the cumulative amortization recognized under the revenue recognition principles from the initial recognition amount.

③ Financial liabilities measured at amortized cost

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Except in special circumstances, financial liabilities and equity instruments are distinguished according to the following principles:

① If the Company cannot unconditionally avoid fulfilling a contract obligation by delivering cash or other financial assets, the contract obligation meets the definition of a financial liability. Some financial instruments, although they do not explicitly contain terms and conditions requiring the delivery of cash or other financial assets, may still indirectly create a contractual obligation through other terms and conditions.

② If a financial instrument is settled, or may be settled, using the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used for settlement are a substitute for cash or other financial assets, or whether they represent the remaining equity in the assets of the issuer after deducting all liabilities. If the former, the instrument is a financial liability of the issuer; if the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract may require or allow settlement using the Company's own equity instruments, where the amount of contractual rights or obligations is equal to the number of equity instruments that

can be obtained or delivered, multiplied by their fair value at settlement. In this case, regardless of whether the amount of the contractual rights or obligations is fixed or changes partially or entirely based on variables other than the market price of the Company's own equity instruments (such as interest rates, commodity prices, or prices of other financial instruments), the contract is classified as a financial liability.

(4) Derivative financial instruments and embedded derivative instruments

Derivatives are initially measured at fair value on the date the derivative contract is signed and subsequently measured at fair value. A derivative with a positive fair value is recognized as an asset, while a derivative with a negative fair value is recognized as a liability.

Except for the portion of cash flow hedges that are effective and recognized in other comprehensive income, which is reclassified to profit or loss when the hedged item affects profit or loss, gains or losses arising from changes in the fair value of derivatives are directly recognized in profit or loss for the current period.

For hybrid instruments that contain embedded derivatives, if the host contract is a financial asset, the hybrid instrument as a whole applies the relevant financial asset classification rules. If the host contract is not a financial asset and the hybrid instrument is not measured at fair value with changes recognized in profit or loss, and the embedded derivative is not closely related to the host contract in terms of economic characteristics and risks, and an instrument that is identical to the embedded derivative and exists separately would meet the definition of a derivative, the embedded derivative is separated from the hybrid instrument and treated as a separate derivative financial instrument. If the fair value of the embedded derivative cannot be separately measured at the acquisition date or on subsequent balance sheet dates, the hybrid instrument as a whole is designated as a financial asset or financial liability measured at fair value with changes recognized in current profit or loss.

(5) Impairment of financial instruments

The Company recognizes loss provisions based on expected credit losses for financial assets measured at amortized cost, debt investments measured at fair value with changes recognized in other comprehensive income, contract assets, lease receivables, loan commitments, and financial guarantee contracts.

① Measurement of expected credit loss

Expected credit loss refers to the weighted average of the credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows discounted at the original effective interest rate and receivable according to the contract and all cash flows expected to be collected of the Company, i.e. the present value of all cash shortfalls. Among them, credit-impaired purchased or originated financial assets of the Company shall be discounted at the credit-adjusted effective interest rate of such financial assets.

The expected credit loss over the entire life of a financial instrument refers to the expected credit loss

arising from all potential default events that may occur during the entire expected life of the instrument.

The expected credit loss within the next 12 months refers to the expected credit loss resulting from default events that may occur within the next 12 months after the balance sheet date (or the expected life if the instrument's expected life is shorter than 12 months), and is a part of the expected credit loss over the entire life of the instrument.

At each balance sheet date, the Company measures the expected credit loss for financial instruments in different stages separately. If the credit risk of the financial instrument has not significantly increased since initial recognition, it is classified into Stage 1, and the loss provision is measured based on the expected credit loss over the next 12 months. If the credit risk has significantly increased but no credit impairment has occurred since initial recognition, it is classified into Stage 2, and the loss provision is measured based on the expected credit loss over the entire life of the instrument. If the financial instrument has already incurred credit impairment since initial recognition, it is classified into Stage 3, and the loss provision is measured based on the expected credit loss over the entire life of the instrument.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that their credit risk has not significantly increased since initial recognition, and the loss provision is measured based on the expected credit loss over the next 12 months.

For financial instruments in Stage 1, Stage 2, and those with low credit risk, the Company calculates interest income based on their carrying amount before impairment provisions and the effective interest rate. For financial instruments in Stage 3, interest income is calculated based on their carrying amount after impairment provisions and the effective interest rate.

For notes receivable, accounts receivable, receivable financing, and contract assets, the Company measures loss provisions based on the expected credit loss over the entire life of the instrument, regardless of whether there is a significant financing component.

A. Receivables / contract assets

For notes receivable, accounts receivable, other receivables, receivable financing, contract assets, and long-term receivables where there is objective evidence of impairment, as well as other items that are subject to individual impairment testing, the Company performs individual impairment tests to recognize expected credit losses and make provisions for individual impairments.

For notes receivable, accounts receivable, other receivables, receivable financing, contract assets, and long-term receivables where there is no objective evidence of impairment, or when it is not possible to reasonably assess the expected credit loss for individual financial assets, the Company classifies these financial instruments into groups based on their credit risk characteristics. The expected credit loss is then calculated on a portfolio basis. The criteria for grouping are as follows:

The criteria for grouping notes receivable are as follows:

Group 1: Commercial acceptance bills

Group 2: Bank acceptance bills

For notes receivable grouped into categories, the Company refers to historical credit loss experience, current conditions, and forecasts of future economic conditions. The expected credit loss is calculated based on default risk exposure and the expected credit loss rate over the entire life of the instrument.

The criteria for grouping accounts receivable are as follows:

Group 1: Aging group

Group 2: Receivables from related parties within the consolidation scope

For accounts receivable grouped into categories, the Company refers to historical credit loss experience, current conditions, and forecasts of future economic conditions. A comparison table is prepared that aligns the aging of accounts receivable with the expected credit loss rate over the entire life of the instrument. The expected credit loss is then calculated.

The criteria for grouping other receivables are as follows:

Group 1: Interest receivable

Group 2: Dividends receivable

Group 3: Other receivables

Group 4: Receivables from related parties within the consolidation scope

For other receivables grouped into categories, the Company refers to historical credit loss experience, current conditions, and forecasts of future economic conditions. The expected credit loss is calculated based on default risk exposure and the expected credit loss rate over the next 12 months or the entire life of the instrument.

The criteria for grouping receivable financing are as follows:

Group 1: Notes receivable

Group 2: Accounts receivable

For receivable financing grouped into categories, the Company refers to historical credit loss experience, current conditions, and forecasts of future economic conditions. The expected credit loss is calculated based on default risk exposure and the expected credit loss rate over the entire life of the instrument.

B. Debt investments and other debt investments

For debt investments and other debt investments, the Company calculates expected credit losses based on the nature of the investment, various types of counterparty risk exposures, and default risk exposure, using the expected credit loss rate over the next 12 months or the entire life of the instrument.

② Low credit risk

If the default risk of a financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in the short term, and even if adverse economic conditions and operating environments persist over a longer period, they may not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations, then the financial instrument is considered to have

low credit risk.

③ Significant increase of credit risk

The Company determines whether the credit risk of a financial instrument has significantly increased since initial recognition by comparing the default probability over the expected life of the financial instrument at the balance sheet date with the default probability determined at initial recognition. This helps assess the relative change in the likelihood of default over the instrument's expected life.

In evaluating whether there has been a significant increase in credit risk since initial recognition, the Company considers reasonable and supported information that can be obtained without unnecessary additional costs or efforts, including forward-looking information. The information the Company considers includes:

- A. Whether there has been a significant change in internal price indicators due to changes in credit risk;
- B. Whether there have been adverse changes in the business, financial, or economic conditions that are expected to significantly affect the debtor's ability to meet its debt obligations;
- C. Whether the actual or expected operating results of the debtor have changed significantly; whether the regulatory, economic or technological environment of the debtor has undergone significant adverse changes;
- D. Whether the following items have changed significantly: the value of collateral as debt mortgage, or the guarantee provided by a third party, or the quality of credit enhancement; these changes will reduce the debtor's economic motivation to repay the loan within the time limit stipulated in the contract or impact the probability of default;
- E. Whether there has been a significant change in the economic incentives expected to reduce the debtor's motivation to repay according to the contractual terms;
- F. Expected changes to the loan contract, including whether violations of the contract might lead to the exemption or revision of contractual obligations, the provision of interest-free periods, interest rate hikes, requests for additional collateral or guarantees, or other changes to the contractual framework of the financial instrument;
- G. Whether the debtor's expected performance and repayment behavior have changed significantly;
- H. Whether the contract payment is overdue for 30 days or more.

Based on the nature of the financial instrument, the Company evaluates whether the credit risk has significantly increased on an individual instrument or portfolio basis. When evaluating on a portfolio basis, the Company can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings.

Generally, if the payment is overdue for more than 30 days, the Company determines that the credit risk of the financial instrument has significantly increased. However, unless the Company can obtain reasonable and supported information, without incurring excessive cost or effort, that proves the credit risk has not significantly increased since initial recognition, even though the payment is more than 30

days overdue, the credit risk will be considered significantly increased.

④ Financial assets with credit impairment

The Company assesses, at the balance sheet date, whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income have experienced credit impairment. If one or more events have adverse effects on the expected future cash flow of a financial asset, the financial asset will become a financial asset that has suffered credit impairment. The following observable information can be regarded as evidence of credit impairment of financial assets:

The issuer or debtor is in serious financial difficulties; the debtor breaches the contract, such as default or overdue payment of interest or principal, etc.; the creditor gives concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties; the concessions will not be made under any other circumstances; there is a great possibility of bankruptcy or other financial restructuring of the debtor; the financial difficulties of the issuer or debtor cause the disappearance of the active market for the financial asset; the purchase or origin of a financial asset at a substantial discount that reflects the fact that a credit loss has occurred.

⑤ Presentation of expected credit loss provisions

To reflect the changes in the credit risk of financial instruments since initial recognition, the Company remeasures the expected credit loss at each balance sheet date. The increase or reversal of the loss provision resulting from this remeasurement should be recognized as impairment losses or gains in the current period's profit or loss. For financial assets measured at amortized cost, the loss provision reduces the carrying amount of the financial asset presented on the balance sheet. For debt investments measured at fair value through other comprehensive income, the Company recognizes the loss provision in other comprehensive income, without reducing the carrying amount of the financial asset.

⑥ Write-off

If the Company no longer reasonably expects that the contractual cash flows of a financial asset can be fully or partially recovered, it will directly reduce the carrying amount of the financial asset. This reduction constitutes the derecognition of the relevant financial asset. This situation typically occurs when the Company determines that the debtor has no assets or income sources capable of generating sufficient cash flows to repay the amount being written off.

If the previously written-off financial asset is later recovered, the recovery is recognized as a reversal of the impairment loss and included in the profit or loss for the current period.

(6) Transfer of financial assets

The transfer of financial assets refers to the following two situations:

- A. Transferring the contractual right to receive the cash flows of a financial asset to another party;
- B. Transferring all or part of a financial asset to another party, while retaining the contractual right to receive the cash flows of the financial asset and assuming the contractual obligation to pay the received

cash flows to one or more payees.

① Derecognition of transferred financial assets

If almost all the risks and rewards of ownership of a financial asset have been transferred to the transferee, or if neither the risks and rewards of ownership nor the control of the financial asset have been retained, but the control of the financial asset has been relinquished, the financial asset should be derecognized.

When determining whether control of the transferred financial asset has been relinquished, the Company considers the transferee's ability to sell the financial asset. If the transferee can unilaterally sell the transferred financial asset to an unrelated third party without additional conditions restricting the sale, the Company has relinquished control of the financial asset.

In assessing whether the transfer of a financial asset meets the conditions for derecognition, the Company focuses on the substance of the transfer of the financial asset.

When the transfer of a financial asset as a whole meets the derecognition criteria, the difference between the following two amounts should be recognized in the current period's profit or loss:

- A. The carrying amount of the transferred financial asset;
- B. The consideration received for the transfer, plus the amount related to the derecognized portion from the accumulated fair value changes previously recognized in other comprehensive income (this applies to financial assets classified as fair value through other comprehensive income under Article 18 of Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments).

When a partial transfer of a financial asset meets the derecognition criteria, the carrying amount of the entire transferred financial asset should be allocated between the derecognized portion and the portion that is not derecognized (in this case, the retained servicing asset is treated as part of the continuing recognition of the financial asset), based on their relative fair values at the transfer date. The difference between the following two amounts should be recognized in current profit or loss:

- A. The carrying amount of the derecognized portion at the derecognition date;
- B. The consideration received for the derecognized portion, plus the amount corresponding to the derecognized portion from the accumulated fair value changes previously recognized in other comprehensive income (this applies to financial assets classified as fair value through other comprehensive income under Article 18 of Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments).

② Continued involvement in the transferred financial asset

If neither substantially all the risks and rewards of ownership of the financial assets have been transferred nor retained, and control of the financial asset has not been relinquished, the Company should recognize the relevant financial assets to the extent of its continued involvement in the transferred financial assets and correspondingly recognize the related liability.

The extent of continued involvement in the transferred financial asset refers to the degree of risk or reward the Company retains regarding changes in the value of the transferred financial asset.

③ Continuing Recognition of the Transferred Financial Asset

If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, it should continue to recognize the entire transferred financial asset and recognize the consideration received as a financial liability.

The financial asset and the recognized related financial liability must not be offset against each other. In subsequent accounting periods, the Company should continue to recognize the income (or gains) arising from the financial asset and the expense (or losses) arising from the financial liability.

(7) Offset of financial assets and financial liabilities

In the balance sheet, financial assets and financial liabilities are shown separately without offsetting each other. However, if the following conditions are met at the same time, the net amount after offset will be listed in the balance sheet:

The Company has the legal right, which is currently enforceable, to offset the confirmed amount;

The Company plans to settle on a net basis, or realize the financial assets and settle the financial liabilities at the same time.

For the transfer of financial assets that do not meet the derecognition criteria, the transferor must not offset the transferred financial asset against the related liability.

(8) Determination of fair value of financial instruments

The methods for determining the fair value of financial assets and financial liabilities are provided in Note V.

12. Notes receivable

The recognition and accounting treatment of expected credit losses on receivables are presented in the note on Financial Instruments.

13. Accounts receivable

The recognition and accounting treatment of expected credit losses on receivables are presented in the note on Financial Instruments.

14. Receivables financing

The recognition and accounting treatment of expected credit losses on receivables are presented in the note on Financial Instruments.

15. Other receivables

The recognition and accounting treatment of expected credit losses on receivables are presented in the note on Financial Instruments.

16. Inventory

(1) Classification of inventory

The Company's inventories are categorized as raw materials, supplies (including packaging and

low-value consumables), work in progress, finished goods, goods for resale, expendable biological assets and engineering and construction costs. Expendable biological assets include broilers, piglets and fattening pigs.

(2) Valuation method for inventories upon delivery

The delivered materials, delivered finished products, and delivered expendable biological assets shall be calculated by weighted average method.

(3) Inventory system of inventories

The Company adopts a perpetual inventory system, with inventories to be checked at least once a year. Any inventory gains or losses will be included in profits and losses for the current year.

(4) Amortization method for turnover materials

① Amortization method for low-value consumables

The Company uses the 50% amortization method for ring moulds and wooden pallets, and adopts the one-time write-off method for other low-value consumables.

② Amortization method for packaging materials

The Company adopts the one-time write-off method for packaging materials upon issuance.

Criteria for Recognition and Provision Method of Inventory Impairment

On the balance sheet date, inventory should be valued at the lower of cost and net realizable value. If the inventory's cost exceeds its net realizable value, the provision for inventory impairment shall be recognized in current profits and losses.

The net realizable value of inventories is determined based on reliable evidence, considering the purpose of holding the inventories, the effects of events occurring after the balance sheet date, and other relevant factors.

① In the ordinary course of business, the net realizable value of inventories held for sale—such as finished products, commodities, and materials—is determined by subtracting estimated selling expenses and relevant taxes from the estimated selling price. For inventories held to fulfill sales or service contracts, their net realizable value is based on the contract price. If the quantity of inventory exceeds the amount specified in the contract, the excess inventory is measured at the general market price. For materials designated for sale, their net realizable value is measured using the prevailing market price.

② During normal production and operation, the net realizable value of processed materials is determined by subtracting estimated costs to complete, estimated selling expenses, and applicable taxes from the estimated selling price of the finished products. If the net realizable value of the finished products exceeds their cost, the materials are valued at cost. However, if a decline in the material's price indicates that the net realizable value of the finished products is lower than their cost, the materials should be valued at their net realizable value. The provision for inventory impairment shall be recognized for the difference.

③ The Company typically calculates and deducts the provision for inventory impairment based on individual inventory items. For large quantities of low-priced items, the provision is determined and applied according to inventory categories.

④ On the balance sheet date, if the factors that led to the previous inventory impairment no longer exist, the amount of the impairment shall be reversed. This reversal shall not exceed the original provision for inventory impairment, and the reversed amount should be recognized as part of the profits and losses for the current period.

17.Contract assets

The Company reports contract assets and contract liabilities on the balance sheet based on the relationship between performance obligations and customer payments. Amounts the Company is entitled to receive for transferring goods or providing services—excluding time-based factors—are recognized as contract assets. Obligations to deliver goods or services in exchange for consideration already received or receivable from customers are recorded as contract liabilities.

Contract assets and contract liabilities are presented separately on the balance sheet. When both arise from the same contract, they are offset and shown as a net amount. If the net balance is a debit, it is reported as “Contract assets” or “Other non-current assets,” depending on its liquidity. If the net balance is a credit, it is recognized as “Contract liabilities” or “Other non-current liabilities,” based on its liquidity. Contract assets and contract liabilities from different contracts cannot be offset against each other.

Method of determination and accounting for expected credit loss for contract assets please refer to Note V-11.

18.Long-term equity investment

The Company’s long-term equity investments include holdings that allow it to exercise control or significant influence over the investees, as well as investments in joint ventures. When the Company is able to exert significant influence over an investee, that entity is considered an associated enterprise.

(1) Criteria for establishing joint control and significant influence over the investee

Joint control refers to shared authority over an arrangement, governed by the relevant agreement. Decisions regarding the arrangement's activities can only be made with the unanimous consent of all participants sharing control. To determine whether joint control exists, the first step is to assess whether all participants or a specific group collectively control the arrangement. If these participants must act together to make decisions about the arrangement’s activities, they are considered to have joint control. Next, it must be evaluated whether decisions related to the arrangement require the approval of those who collectively control it. Joint control does not exist when two or more participants simply share control without requiring joint decision-making. Additionally, protective rights held by individual participants are not considered when assessing the existence of joint control.

Significant influence refers to the investor’s right to participate in the decision-making processes

regarding the financial and operational policies of the investee. However, it does not grant the investor control or joint control over the formulation of these policies.

When assessing whether the investor has significant influence over the investee, consider both the voting shares directly or indirectly owned by the investor and the potential impact of current executable voting rights held by the investor and other parties. This includes the effects of convertible instruments such as warrants, stock options, and corporate bonds issued by the investee that could be converted into equity.

When the Company owns 20% or more but less than 50% of the voting shares of the investee, directly or indirectly through its subsidiaries, it is generally regarded as having a significant influence over the investee. This assumption holds unless there is clear evidence indicating that the Company is unable to participate in the investee's production and operational decisions under those circumstances, and does not exercise significant influence.

(2) Determining the initial investment cost

① The investment cost of long-term equity investments resulting from enterprise mergers shall be determined in accordance with the following provisions:

A. For a business combination under common control, if the merging party provides cash, transfers non-cash assets, or assumes debts as consideration, the book value of the merged entity's owners' equity in the consolidated financial statements of the ultimate controlling party on the merger date will be recognized as the initial cost of the long-term equity investment. The difference between the initial investment cost and the actual cash paid, non-cash assets transferred, and the book value of debts assumed shall be adjusted against the capital reserve. If the capital reserve is insufficient to cover the difference, the remaining amount shall be adjusted against undistributed profit.

B. For a business combination under common control, the merging party issues equity securities as consideration, the share of the book value of the merged entity's owners' equity in the consolidated financial statements of the ultimate controlling party—calculated as of the merger date—shall be recognized as the initial cost of the long-term equity investment. The total face value of the issued shares will be recorded as capital stock. Any difference between the initial investment cost and the total face value of the shares issued should be adjusted to the capital reserve. If the capital reserve is insufficient to cover this difference, the remaining amount shall be adjusted against undistributed profit.

C. For a business combination not under common control, the fair value of the assets transferred, liabilities incurred or assumed, and equity securities issued on the acquisition date to gain control over the acquiree is recognized as the acquisition cost. This amount is considered the initial investment cost of the long-term equity investment. Any intermediary expenses incurred by the acquiring party—such as audit, legal, valuation, consulting fees, and other related administrative costs—should be recognized as expenses for the current period.

② Except for long-term equity investments acquired through mergers, the investment cost for other long-term equity investments shall be determined in accordance with the following provisions:

A. For long-term equity investments acquired through cash payment, the actual purchase price paid shall be considered the investment cost. The initial investment cost includes expenses, taxes, and other necessary costs directly related to the acquisition of the investment.

B. For long-term equity investments acquired through the issuance of equity securities, the fair value of the issued securities shall be recognized as the initial investment cost.

C. For long-term equity investments acquired through the exchange of non-monetary assets, if the exchange has commercial substance and the fair value of the assets received or surrendered can be reliably measured, then the initial investment cost shall be based on the fair value of the assets surrendered, including relevant taxes. Any difference between the fair value and the book value of the surrendered assets shall be recognized in current profits or losses. If the exchange does not meet both of these conditions simultaneously, the initial investment cost shall be based on the book value of the assets surrendered, along with applicable taxes and fees.

D. For long-term equity investments acquired through debt restructuring, the initial recognition is based on the fair value of the relinquished creditor's rights and other directly attributable costs. Any difference between the fair value of these rights and their book value is recognized as a gain or loss in current profits and losses.

(3) Method for subsequent measurement and recognition of profit and loss

The Company uses the cost method to account for long-term equity investments in entities it can control, while it applies the equity method for investments in associates and joint ventures.

① Cost method

For long-term equity investments accounted for using the cost method, the carrying amount should be adjusted when additional investments are made or when investments are withdrawn. Cash dividends or profits declared and distributed by the investee should be recognized as current investment income.

② Equity method

For long-term equity investments accounted for using the equity method, the standard accounting treatment is:

If the Company's initial investment cost for a long-term equity investment exceeds the fair value of the investee's identifiable net assets at the time of investment, no adjustment will be made to the initial investment cost. Conversely, if the initial investment cost is less than the fair value of the investee's identifiable net assets, the difference will be recognized in current profits and losses, and the carrying amount of the long-term equity investment will be adjusted accordingly.

The Company recognizes investment income and other comprehensive income based on its share of the net profit or loss and other comprehensive income realized by the invested entity that should be enjoyed or shared. Simultaneously, it adjusts the carrying amount of the long-term equity investment

accordingly. The portion to be recognized is calculated based on the profit or cash dividends declared and distributed by the invested entity, and the carrying amount of the long-term equity investment is reduced accordingly. Adjustments are also made to the carrying amount of long-term equity investment for other changes in the investee's equity, excluding net profit or loss, other comprehensive income, and profit distributions, and these adjustments are reflected in the owners' equity. When recognizing the share of net profit or loss from the invested entity, the net profit is adjusted and confirmed based on the fair value of the identifiable net assets of the investee at the time of acquiring the investment. If the invested entity's accounting policies and periods differ from those of the Company, its financial statements are adjusted to align with the Company's policies and periods, and investment income and other comprehensive income are recognized accordingly. Unrealized gains and losses from internal transactions between the Company and its associates or joint ventures are offset proportionally to the Company's share, and investment gains or losses are recognized on this basis. If the unrealized internal transaction loss is an asset impairment loss, it shall be recognized in full.

If an entity can exert significant influence over an investee or exercise joint control but does not have control due to additional investments or other reasons, the initial investment cost under the equity method should be calculated as the combined fair value of the original equity investment and the cost of the new investment. When the originally held equity investment is classified as other equity instruments, any difference between its fair value and book value, along with accumulated gains or losses previously recognized in other comprehensive income, should be reclassified out of other comprehensive income and included in undistributed profit in the current period when the equity method is changed.

If joint control or significant influence over the investee is lost due to partial disposal of equity or other reasons, the remaining equity shall be measured at its fair value. Any difference between this fair value and the book value at the date of loss of joint control or influence shall be recognized in current profits and losses. Additionally, any other comprehensive income previously recognized through the equity method, as a result of the original investment, should be accounted for in the same manner as a direct disposal of related assets or liabilities by the investee when the equity method is terminated.

(4) Equity investments held for sale

For any remaining equity investments not classified as assets held for sale, the equity method is applied for accounting purposes.

Equity investments in associates or joint ventures that were previously classified as held for sale but no longer meet the criteria for such classification should be adjusted retrospectively using the equity method, starting from the date they were reclassified. The financial statements for the period during which these investments were classified as held for sale should be restated accordingly.

(5) Method for impairment tests and provision for impairment

For investments in subsidiaries, associates, and joint ventures, please refer to Note V-25 for the

procedures on asset impairment provisions.

19. Investment properties

(1) Types of investment properties

Investment property refers to real estate held primarily to generate rental income, appreciate in value, or both. It typically includes:

- ① Leased land use rights.
- ② Land use rights held and to be transferred after appreciation.
- ③ Leased buildings.

(2) Measurement method for investment properties

The Company uses the cost model for subsequent measurement of its investment properties. Please refer to Note V-25 for details on asset impairment provisions.

The Company calculates depreciation or amortization of investment properties using the straight-line method, after deducting accumulated impairments and the net residual value from the asset's cost. The depreciation period and annual depreciation rate are determined based on the category, estimated service life, and expected residual value rate of the investment real estate.

Category	Estimated useful life (year)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and structures	10-40	3	2.43-9.70
Land use rights	Service life of land use rights		

20. Fixed assets

(1) Recognition conditions

The fixed assets refer to tangible assets with relatively high unit value, held for commodity production, rendering services, lease or operation management, with a service life of more than one accounting year. The fixed assets are recognized when the following conditions are met:

- ① The economic interests related to the fixed assets are likely to flow into the Company;
- ② The costs of the fixed assets can be calculated reliably.

Subsequent expenditure for fixed assets shall be recorded in cost of fixed assets, if recognition criteria of fixed assets are satisfied, otherwise the expenditure shall be recorded in current profit or loss when incurred.

(2) Method of depreciation

Item	Method of depreciation	Period of depreciation (year)	RM value rate %	Yearly depreciation %
Office and buildings	straight-line depreciation	10-40	3	2.43-9.70
Machinery equipment	straight-line depreciation	10	3	9.70
Transportation equipment	straight-line depreciation	4	3	24.25
Other equipment	straight-line depreciation	5	3	19.40

21. Construction in progress

(1) Construction in progress is accounted for by project categories based on their approved proposals.

(2) Standard procedures and timeline for capitalizing construction in progress to fixed assets

For the construction in progress project, all expenses incurred prior to the asset reaching its expected usable condition are considered the initial recognition of the fixed asset. This includes construction costs, the original purchase price of machinery and equipment, other necessary expenditures to bring the project to its intended operational state, as well as borrowing costs associated with special financing for the project incurred before the asset becomes usable, and borrowing costs from general loans used during this period. Once the project installation or construction is completed and the asset reaches its expected usable condition, the project under construction is transferred to fixed assets. For fixed assets that have reached the expected usable state but have not yet undergone final accounting, they are recorded at an estimated value based on the project budget, cost, or actual expenses incurred from the date the asset became usable. Depreciation is calculated and recognized in accordance with the Company's fixed asset depreciation policies. The original estimated value is adjusted to reflect actual costs; however, previously accrued depreciation remains unchanged.

22. Borrowing costs

(1) Recognition principles and capitalization period for borrowing costs

The Company shall capitalize borrowing costs directly attributable to the acquisition, construction, or production of eligible assets, and include them in the asset's cost, provided that all of the following conditions are met simultaneously:

- ① The asset expenditure has been incurred.
- ② The borrowing costs have been incurred.
- ③ The activities required for the purchase, construction, or production of the assets to achieve their expected usable condition have begun.

Any other borrowing costs, discounts, premiums, or exchange differences should be included in the current profit and loss.

Borrowing costs shall be capitalized only when the acquisition, construction, or production of eligible assets proceeds without abnormal interruption. If such interruption exceeds three months, capitalization shall be suspended.

Capitalization of borrowing costs shall cease once the assets under construction or production, which meet the capitalization criteria, are ready for their intended use or sale. Any borrowing costs incurred thereafter shall be recognized as expenses in the current period.

(2) Capitalization rate for borrowing costs and method of calculating the capitalized amount

When a special loan is used to acquire, construct, or produce assets eligible for capitalization, the interest expense for the current period is calculated as the actual interest incurred on the loan minus any interest income earned from depositing unused funds in the bank or from temporary investments.

This net amount represents the capitalized interest expense of the special loan.

When a general borrowing is used to acquire, construct, or produce assets eligible for capitalization, the interest to be capitalized should be calculated by multiplying the weighted average asset expenditure—specifically, the portion of accumulated asset costs exceeding the amount financed by special borrowings—by the capitalization rate of the general borrowing. This capitalization rate is determined based on the weighted average interest rate of the general borrowings.

23. Biological assets

(1) Classification of biological assets

The Company's biological assets include consumable biological assets, productive biological assets, and public welfare biological assets. The Company measures biological assets at cost for subsequent measurement.

① Consumable biological assets

Consumable biological assets refer to biological assets held for sale or to be harvested as agricultural products in the future, including growing field crops, vegetables, timber forests, and livestock held for sale, etc. Consumable biological assets are initially measured at cost. The cost of self-cultivated, self-established, self-propagated, or self-bred consumable biological assets consists of necessary expenditures directly attributable to the assets before they are sold, including borrowing costs that meet the capitalization criteria. Subsequent expenditures such as management and feeding costs incurred after the harvest of consumable biological assets are recognized in current profits and losses.

When consumable biological assets are harvested or sold, their costs are transferred at book value using the weighted average method.

② Productive biological assets

Productive biological assets refer to biological assets held for producing agricultural products, providing services, or leasing, etc., including economic forests, fuelwood forests, breeding livestock, and draught animals, etc. Productive biological assets are initially measured at cost. The cost of self-established or self-propagated productive biological assets consists of necessary expenditures directly attributable to the assets before they reach the intended production and operation purposes, including borrowing costs that meet the capitalization criteria.

Management and feeding costs incurred by productive biological assets after they are closed (for forests) or reach the intended production and operation purposes are recognized in current profits and losses. The difference between the disposal proceeds of productive biological assets (from sale, inventory shortage, death, or damage) and their book value plus related taxes is recognized in current profits and losses.

③ Public welfare biological assets

Public welfare biological assets refer to biological assets mainly for protection and environmental conservation purposes, including windbreak and sand-fixation forests, water and soil conservation

forests, and water source conservation forests, etc. Public welfare biological assets are initially measured at cost. The cost of self-established public welfare biological assets consists of necessary expenditures directly attributable to the assets before they are closed (canopy closure), including borrowing costs that meet the capitalization criteria.

Subsequent expenditures such as management and maintenance costs incurred by public welfare biological assets after they are closed (canopy closure) are recognized in current profits and losses.

Public welfare biological assets are measured at cost for subsequent measurement and no impairment provisions are made for them.

The difference between the disposal proceeds of public welfare biological assets (from sale, inventory shortage, death, or damage) and their book value plus related taxes is recognized in current profits and losses.

(2) Useful life and depreciation method of productive biological assets

Depreciation of productive biological assets is calculated using the straight-line method. The depreciation rate is determined based on the estimated service life and residual value rate of each type of biological asset as follows:

Type	Service life	Anticipated net residual value	Depreciation method
Pig breeder	36 months	20.00%	Straight-line service life
Broiler breeder	30 weeks	RMB 22.50 per broiler	Workload
Laying duck	10 months	RMB 30.00 per duck	Straight-line service life
Layer	14 months	RMB 21.00 per layer	Straight-line service life
Breeding cow	6 years	30%	Straight-line service life

The Company reviews the service life, estimated net residual value, and depreciation method of productive biological assets at least at the end of each year. If there is a change, it shall be treated as a change in accounting estimate.

24.Intangible assets

(1) Valuation methods for intangible assets

Intangible assets are recorded at their acquisition cost.

(2) The service life and its determination basis, estimated situation, amortization method or review procedures

① Estimating the service life of intangible assets with limited service life

Categories	Estimated service life(year)	Basis
Land use rights	According to the service life of land license	Legal life

Computer software and other	5-10	The service life is determined by reference to the period that can bring economic benefits to the Company
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At the end of each year, the Company will review the service life and amortization method of intangible assets with limited service lives.

If, after review, there are no changes from previous estimates, the current service life and amortization method will remain unchanged.

② If it is not possible to determine the time frame within which intangible assets will generate economic benefits for the company, they should be classified as intangible assets with an indefinite service life. For such assets, the Company shall review their service life at the end of each year. If, after this review, the service life remains uncertain, an impairment test shall be performed as of the balance sheet date.

③ Amortization of intangible assets

For intangible assets with a limited service life, the Company determines their service life at the time of acquisition. These assets are then amortized systematically and reasonably using the straight-line method over their designated service life. The amortization expense is recorded in either the current profit and loss or the cost of related assets, depending on the beneficiary items. The amortizable amount is calculated as the asset's cost minus its estimated residual value. For intangible assets that have been impaired, the accumulated impairment losses are also deducted when determining the net book value. The residual value of an intangible asset with a limited service life is generally considered zero, unless there is a third-party commitment to purchase the asset at the end of its service life or if reliable information about an estimated residual value can be obtained from an active market, indicating that a market is likely to exist at the end of the asset's service life.

Intangible assets with uncertain service life should not be amortized. Their service life must be reviewed annually. If evidence indicates that the asset's service life is limited, its service life should be estimated accordingly, and amortization should be carried out systematically and prudently within that estimated period.

(3) Sweep scope for R&D expenses and relevant accounting treatments

The Company classifies all expenses directly associated with research and development activities as R&D expenditures. These include R&D staff salaries, direct input costs, depreciation expenses, and long-term deferred expenses, etc.

① The Company considers preparatory activities such as data collection and other relevant preparations for further development as part of the research phase. Expenses incurred during this research stage for intangible assets are recognized in the current profit and loss when they occur.

② Activities conducted after the Company has completed the research phase will be considered part of the development stage.

Expenditures during the development stage can be recognized as intangible assets only if they simultaneously meet the following conditions:

- A. It is technically feasible to develop the intangible asset to the point where it can be used or sold.
- B. It aims to complete the intangible asset for use or sale.
- C. The manner in which the intangible asset generates economic benefits, including demonstrating the existence of a market for the products created using the asset or for the asset itself. It also involves confirming that the intangible asset will be used internally and providing evidence of its usefulness.
- D. It possesses adequate technical, financial, and other resources to complete the development of the intangible assets and has the capacity to effectively utilize or sell them.
- E. The costs associated with the development stage of the intangible asset can be reliably determined.

25.Impairment of long-lived assets

The impairment of long-term equity investments in subsidiaries, associates, and joint ventures, as well as investment properties, fixed assets, construction in progress, productive biological assets measured at cost, right-of-use assets, intangible assets, goodwill, proven oil and gas mining rights, and wells and related facilities (excluding inventories, deferred tax assets, and financial assets) measured subsequently at cost, shall be assessed using the following methods:

On the balance sheet date, the Company will assess whether there are any indications of potential asset impairment. If such signs are identified, the Company will estimate the recoverable amount and perform an impairment test. Additionally, goodwill arising from business combinations, intangible assets with uncertain service life, and intangible assets not yet ready for use must undergo annual impairment testing, regardless of whether there are any signs of impairment.

The recoverable amount is determined as the higher of the fair value of the asset less disposal expenses and the present value of estimated future cash flows generated by the asset. The Company assesses the recoverable amount on a per-asset basis. If it is challenging to estimate the recoverable amount of a single asset, the Company evaluates the recoverable amount of the asset group to which the asset belongs. An asset group is recognized based on whether the primary cash inflow it generates is independent of other assets or other asset groups.

When the recoverable amount of an asset or asset group falls below its book value, the Company shall reduce its carrying amount to the recoverable amount. The impairment loss will be recognized in the current profit and loss, and an appropriate provision for asset impairment will be established simultaneously.

Regarding the impairment test for goodwill, the book value of goodwill arising from a business combination should be allocated to the relevant asset groups using a reasonable method from the acquisition date. If it is difficult to allocate to specific asset groups, it should be allocated to the relevant combination of asset groups. These asset groups or combinations are those that are expected to benefit from the synergies of the business combination and are not larger than the reporting segments defined by the Company.

During the impairment test, if there are any indications of impairment in the asset group or

combination of asset groups related to goodwill, the asset group or groups excluding goodwill should be tested first. The recoverable amount will be calculated, and any resulting impairment loss recognized. Subsequently, the asset group or groups containing goodwill will undergo impairment testing, with their carrying amounts compared to their recoverable amounts. If the recoverable amount is lower than the carrying amount, an impairment loss for goodwill should be recognized.

Once an asset impairment loss is recognized, it cannot be reversed in subsequent accounting periods.

26. Long-term prepaid expenses

Long-term deferred expenses are costs that the Company has already incurred but will be allocated over the current and subsequent periods, with an amortization period exceeding one year.

The Company's long-term deferred expenses are generally amortized over their respective benefit periods.

27. Contract liabilities

The Company's method for recognizing contract liabilities is detailed in Note V- 17.

28. Employee remuneration

Employee compensation refers to all forms of remuneration the Company provides in exchange for employees' services or upon the termination of employment. This includes short-term incentives, post-employment benefits, severance packages, and other long-term employee benefits. Additionally, benefits extended to employees' spouses, children, dependents, survivors of deceased employees, and other beneficiaries are also considered part of employee compensation.

Based on liquidity, employee compensation is recorded under "Employee compensation payable" and "Long-term employee compensation payable" on the balance sheet.

(1) Accounting treatment of short-term employee compensation

① Basic employee compensation, including salary, bonuses, allowances, and subsidies

During the accounting period in which employees provide services, the Company recognizes the actual short-term compensation as a liability and records it as an expense in the current period, except for amounts that are required or permitted by other accounting standards to be capitalized as part of asset costs.

② Employee benefits expenses

Employee benefits expenses incurred by the Company shall be recognized in the current profit and loss or as part of the cost of relevant assets based on the actual amount incurred. For non-monetary benefits, their value shall be measured at fair value.

③ Medical insurance premiums, industrial injury insurance, maternity insurance, and other social insurance contributions, along with housing provident fund, trade union funds, and staff education funds.

During the accounting period in which employees provide services, the Company shall calculate and determine the corresponding employee compensation for social insurance premiums (including

medical insurance, work-related injury insurance, maternity insurance, and other social insurance contributions), housing provident fund payments, labor union funds, and employee education funds in accordance with applicable regulations. These amounts shall be based on the prescribed accrual basis and proportions. The corresponding liabilities shall be recognized and included either in the current profit and loss or as part of the cost of related assets.

④ Short-term paid leave

The Company recognizes employee compensation for accumulated paid leave when employees provide services that increase their future paid leave entitlement. This is measured by the expected payment amount, adjusted for any accumulated unused leave rights. For non-cumulative paid absences, the Company recognizes related compensation during the accounting period in which the employee is actually absent from work.

⑤ Short-term profit-sharing plan

If the profit-sharing plan simultaneously meets the following conditions, the Company will confirm the corresponding employee compensation payable:

- A. The Company has a legal or constructive obligation to pay employee compensation arising from past events.
- B. The amount of the employee compensation obligation arising from the profit-sharing plan can be reliably estimated

(2) Accounting treatment for post-employment benefits

① Defined contribution plan

During the accounting period in which employees provide services, the Company will recognize the payable amount calculated under the defined contribution plan as a liability. This amount will be included in current profit and loss or allocated to the cost of related assets.

Under the defined contribution plan, if it is anticipated that the deposit will not be fully paid within 12 months after the end of the annual Reporting Period during which employees provide the related services, the Company should use an appropriate discount rate. This rate is determined based on the market yield of treasury bonds or high-quality corporate bonds with similar maturity and currency in an active market, as of the balance sheet date. The total deposit amount is then measured as the present value of the employee compensation payable, discounted at this rate.

② Defined benefit plan

- A. Determine the present value of the defined benefit plan obligation and the current service cost

Using the expected cumulative unit benefit method, relevant demographic and financial variables are estimated based on unbiased and mutually consistent actuarial assumptions. The obligations stemming from the defined benefit plan are then measured, and the vesting period for these obligations is determined. The Company discounts the obligations using an appropriate discount rate—derived from the market yields of treasury bonds or high-quality corporate bonds that match the duration and

currency of the plan's obligations on the balance sheet date. This process calculates the present value of the defined benefit obligations and the current service cost.

B. Recognize net liabilities or net assets in defined benefit plans

If the defined benefit plan has assets, the Company will recognize a net liability or net asset based on the difference between the present value of the plan's obligations and the fair value of its assets. This reflects either a deficit or a surplus in the plan.

If there is a surplus in the defined benefit plan, the Company shall measure the plan's net assets at the lesser of the surplus amount and the maximum allowable asset ceiling.

C. Determine the amount to be included in the assets' cost or current profit and loss

Service costs, including current service costs, past service costs, and settlement gains or losses. Except for current service costs that are required or permitted by other accounting standards to be capitalized as part of asset costs, all other service costs are recognized in current profits and losses.

The net interest on the net liabilities or net assets of the defined benefit plan—including interest income from plan assets, interest expenses on the plan obligations, and interest related to the asset ceiling—shall be recognized in current profits and losses.

D. Determine the amount to be included in other comprehensive income

The adjustments resulting from the re-measurement of the net liabilities or net assets of the defined benefit plan include:

- (a) Actuarial gains or losses, which are increases or decreases in the present value of previously recognized defined benefit plan obligations resulting from changes in actuarial assumptions and experience adjustments;
- (b) The return on plan assets minus the amount included in the net interest on the plan's net liability or net assets;
- (c) Changes in the impact of the asset ceiling, net of the amount included in the net interest on the net liabilities or net assets of a defined benefit plan.

Any changes resulting from the re-measurement of the net liabilities or net assets of the defined benefit plan are recognized directly in other comprehensive income. These amounts cannot be reclassified to profit or loss in future periods. Upon the termination of the original defined benefit plan, the Company will transfer all amounts previously recognized in other comprehensive income to undistributed profits within equity.

(3) Accounting treatment for termination benefits

When the Company offers termination benefits to employees, the corresponding employee compensation liabilities shall be recognized and included in current profits and losses on the earlier of these two dates:

- ① When the enterprise cannot unilaterally revoke the termination benefits offered, due to plans to terminate the employment relationship or layoff proposals;

② When the Company confirms the costs or expenses associated with the reorganization, including the payment of termination benefits.

If the termination benefits are not expected to be fully paid within 12 months after the end of the annual Reporting Period, the amount should be discounted using an appropriate discount rate. This rate should be based on the market yield of treasury bonds or high-quality corporate bonds that match the period and currency of the defined benefit plan obligations as of the balance sheet date. The employee compensation payable shall then be measured at this discounted amount.

(4) Accounting treatment for other long-term employee benefits

① Complying with the requirements of the defined contribution plan

For other long-term employee benefits offered by the Company, if they qualify as a defined contribution plan, all payable amounts shall be discounted to determine the employee compensation payable.

② Complying with the requirements of the defined benefit plan

At the end of the Reporting Period, the Company recognizes employee compensation costs related to other long-term employee benefits, including the following components:

A. Service costs;

B. Net interest on the net liabilities or assets of other long-term employee benefits;

C. Adjustments resulting from the re-measurement of net liabilities or net assets related to other long-term employee benefits.

To simplify the accounting process, the total net amount of the above items is incorporated into the current profit and loss or the cost of related assets.

29. Estimated liabilities

(1) Recognition criteria of estimated liabilities

If the obligations related to contingencies meet all of the following conditions simultaneously, the Company will recognize them as estimated liabilities:

① The obligation refers to the Company's present obligation.

② The performance of the obligation is likely to lead to the outflow of economic benefits from the Company.

③ The amount of the obligation can be measured reliably.

(2) Measurement of estimated liabilities

The estimated liabilities are initially recognized based on the best estimate of the expenditure needed to settle the present obligations, considering risks, uncertainties, the time value of money, and other relevant factors related to contingencies. The carrying amount of these estimated liabilities should be reviewed at each balance sheet date. If there is clear evidence indicating that the carrying amount no longer reflects the current best estimate, it should be adjusted accordingly.

30.Share-based payment

(1) Categories of share-based payments

The Company's share-based payments include both cash-settled and equity-settled arrangements.

(2) Determination method of fair value of equity instruments

① The fair value of shares granted to employees shall be determined based on the current market price of the Company's shares, adjusted to reflect the specific terms and conditions of the grant, excluding any vesting conditions other than market-based ones.

② In many cases, obtaining an exact market price for employee stock options can be challenging. When there are no traded options with similar terms and conditions, the Company will use an appropriate option pricing model to estimate the fair value of the options granted.

(3) Basis for determining the best estimate of exercisable equity instruments

On each balance sheet date during the vesting period, the Company will make the most accurate estimate possible, based on the latest available information—such as changes in the number of employees eligible to exercise their options—and will revise the expected number of exercisable equity instruments accordingly to ensure the best estimate for exercisable equity instruments.

(4) Accounting treatment for implementing share-based payment plans

Cash-settled share-based payments

① For cash-settled share-based payments that can be exercised immediately after the grant, the fair value of the liabilities assumed by the Company should be recognized as part of the relevant costs or expenses on the grant date, with an increase in liabilities accordingly. The fair value of these liabilities must be re-measured at each balance sheet date and again on the settlement date, with any changes recognized in profit or loss.

② For cash-settled share-based payments that can only be exercised after the completion of service within the vesting period or once specific performance conditions are met, the costs or expenses incurred during the current period should be recognized. The corresponding liabilities should be recorded at their fair value, reflecting the Company's assumed liabilities on each balance sheet date within the vesting period. This fair value should be estimated based on the best assessment of the exercisable conditions.

Equity-settled share-based payments

① For equity-settled share-based payments granted in exchange for employee services that can be exercised immediately after the grant, the fair value of the equity instrument should be recognized as part of the relevant costs or expenses on the grant date, with a corresponding increase in capital reserve.

② For equity-settled share-based payments granted in exchange for employee services that become exercisable only after the completion of service within the vesting period or the satisfaction of specified performance conditions, on each balance sheet date during the vesting period, the services received in

the current period shall be recognized in costs or expenses and capital reserve. The amount is based on the best estimate of the number of exercisable equity instruments and the fair value of the equity instruments at the grant date.

(5) Accounting treatment for modifications to share-based payment plans

When the Company amends the share-based payment plan, any increase in the fair value of the granted equity instruments resulting from the modification shall be recognized as an increase in the services acquired. Similarly, if the modification increases the number of equity instruments granted, the additional fair value shall also be recognized as an increase in the services acquired. The increase in fair value is calculated as the difference between the fair value of the equity instruments before and after the modification date. If the modification reduces the total fair value of the share-based payment or alters the plan's terms and conditions in a way that is unfavorable to employees, the accounting treatment for the services already obtained shall remain unchanged as if the modification had not occurred, unless the Company cancels part or all of the granted equity instruments.

(6) Accounting treatment for terminating a share-based payment plan

If the equity instruments granted are canceled or settled during the vesting period (excluding cancellations due to failure to meet vesting conditions), the Company:

- ① considers cancellation or settlement as an acceleration of the exercisable right, and the amount that would have been recognized during the remaining vesting period shall be recognized immediately.
- ② considers all payments made to employees upon cancellation or settlement as equity repurchase. Any amount exceeding the fair value of the equity instrument on the repurchase date will be recognized as a current expense.

If the Company repurchases equity instruments that employees have exercised, it will reduce the owners' equity. If the purchase price exceeds the fair value of the equity instruments on the repurchase date, the excess will be recognized in current profits and losses.

31.Revenue

(1) General principles

Revenue is the total economic benefits earned from the Company's regular business activities, leading to an increase in shareholders' equity. It is not related to the capital invested by shareholders.

The Company recognizes revenue when it fulfills its contractual performance obligations, i.e., when the customer obtains control of the relevant goods. Obtaining control of the relevant goods means having the ability to direct the use of the goods and obtain almost all economic benefits therefrom.

When a contract contains two or more performance obligations, the Company, on the contract commencement date, allocates the transaction price to each performance obligation based on the relative proportion of the standalone selling prices of the goods or services promised in each performance obligation, and measures revenue based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled to receive for transferring goods or services to the customer, excluding amounts collected on behalf of third parties. When determining the contract transaction price, if there is variable consideration, the Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, and includes in the transaction price an amount that does not exceed the amount at which a significant reversal of cumulatively recognized revenue is highly unlikely to occur when the relevant uncertainties are resolved. If a contract contains a significant financing component, the Company determines the transaction price based on the amount payable by the customer in cash when the customer obtains control of the goods. The difference between the transaction price and the contract consideration is amortized over the contract period using the effective interest method. For contracts where the interval between the transfer of control and the customer's payment does not exceed one year, the Company does not consider the financing component.

An obligation is satisfied over time if one of the following conditions is met; otherwise, it is satisfied at a point in time:

- ① The customer receives and enjoys the economic benefits generated by the Company's performance under the contract.
- ② The customer has the right to oversee the goods under construction while the Company is performing its services.
- ③ The products manufactured by the Company in the course of fulfilling the contract serve unique and indispensable purposes. The Company is entitled to receive payment for the completed portion of the contract throughout its duration.

For performance obligations fulfilled within a specified period, the Company shall recognize revenue based on the progress of performance during that period, unless the progress cannot be reasonably measured. The Company will assess the progress of services using either an input method (such as costs incurred) or an output method. If the progress cannot be reasonably determined but the Company expects to be compensated for the costs incurred, revenue will be recognized equal to the costs incurred until the progress can be reliably measured.

For performance obligations fulfilled at a specific point in time, the Company recognizes revenue when the customer gains control of the relevant goods or services. To assess whether control has been transferred, the Company will consider the following indicators:

- ① The customer obtains and consumes the economic benefits from the Company's performance as the Company performs;
- ② The customer has the ability to control the goods under construction during the Company's performance;
- ③ The goods produced by the Company in performing its obligations have no alternative use, and the Company has the right to receive payment for the cumulative completed portion of the performance

up to the present time throughout the contract period.

For performance obligations satisfied over time, the Company recognizes revenue over that period based on the progress of performance, except when the progress of performance cannot be reasonably determined. The Company determines the progress of service provision using the input method (or output method). When the progress of performance cannot be reasonably determined, if the Company expects that the costs incurred can be compensated, it recognizes revenue in the amount of the costs incurred until the progress of performance can be reasonably determined.

For performance obligations satisfied at a point in time, the Company recognizes revenue when the customer obtains control of the relevant goods. In judging whether the customer has obtained control of the goods or services, the Company considers the following indicators:

- ① The Company has a present right to receive payment for the goods or services, i.e., the customer has a present obligation to pay for the goods;
- ② The Company has transferred the legal ownership of the goods to the customer, i.e., the customer has obtained legal ownership of the goods;
- ③ The Company has transferred physical possession of the goods to the customer, i.e., the customer has physical possession of the goods;
- ④ The Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained the significant risks and rewards of ownership of the goods;
- ⑤ The customer has accepted the goods.

Sales return clauses

For sales with sales return clauses, when the customer obtains control of the relevant goods, the Company recognizes revenue in the amount of consideration to which it is entitled for transferring the goods to the customer, and recognizes a provision for the amount expected to be refunded due to sales returns as a liability; at the same time, recognizes an asset, i.e., refundable return costs, in the amount equal to the carrying amount of the expected returned goods at the time of transfer, minus the estimated costs to recover the goods (including impairment of the value of returned goods). The cost is transferred at the net amount of the carrying amount of the transferred goods at the time of transfer minus the cost of the above assets. At each balance sheet date, the Company re-estimates future sales returns and remeasures the above assets and liabilities.

Quality assurance obligations

In accordance with contractual agreements, legal provisions, etc., the Company provides quality assurance for sold goods, constructed projects, etc. For assurance-type quality assurance that guarantees to the customer that the sold goods meet established standards, the Company accounts for it in accordance with Accounting Standards for Business Enterprises No. 13 - Contingencies. For service-type quality assurance that provides a separate service in addition to guaranteeing that the sold goods meet established standards to the customer, the Company treats it as a separate performance

obligation, allocates part of the transaction price to the service-type quality assurance based on the relative proportion of the standalone selling prices of the provided goods and service-type quality assurance, and recognizes revenue when the customer obtains control of the service. In evaluating whether the quality assurance provides a separate service in addition to guaranteeing that the sold goods meet established standards to the customer, the Company considers factors such as whether the quality assurance is legally required, the duration of the quality assurance, and the nature of the tasks that the Company commits to perform.

Principal vs. agent

The Company determines whether it acts as a principal or an agent in a transaction based on whether it has control of the goods or services before transferring them to the customer. If the Company has control of the goods or services before transferring them to the customer, the Company is the principal and recognizes revenue based on the total amount of consideration received or receivable. Otherwise, the Company is an agent and recognizes revenue based on the amount of commission or handling fee it expects to be entitled to, which shall be determined based on the net amount after deducting the amounts payable to other relevant parties from the total amount of consideration received or receivable, or based on the agreed commission amount or ratio, etc.

Consideration payable to customers

If a contract contains consideration payable to a customer, unless the consideration is for obtaining other distinct goods or services from the customer, the Company offsets the payable consideration against the transaction price and reduces current revenue at the later of the date when the relevant revenue is recognized and the date when the payment (or commitment to pay) to the customer is made.

Customer's unexercised contractual rights

When the Company receives advance payments from customers for the sale of goods or services, it first recognizes the amount as a liability and converts it to revenue only when the relevant performance obligations are fulfilled. When the Company's advance payments are non-refundable and the customer may waive all or part of their contractual rights, if the Company expects to be entitled to the amount related to the customer's waived contractual rights, it recognizes the above amount as revenue in proportion to the pattern of the customer's exercise of contractual rights; otherwise, the Company converts the relevant balance of the liability to revenue only when the probability of the customer requesting performance of the remaining obligations is extremely low.

Contract modifications

When there is a modification to the construction contract between the Company and the customer:

- ① If the contract modification adds distinct construction services and contract price, and the new contract price reflects the standalone selling price of the additional construction services, the Company accounts for the contract modification as a separate contract.

② If the contract modification does not fall into the first scenario above, and the transferred construction services and untransferred construction services at the contract modification date are distinct, the Company treats it as the termination of the original contract, and combines the unperformed part of the original contract with the contract modification part to form a new contract for accounting treatment.

③ If the contract modification does not fall into the first scenario above, and the transferred construction services and untransferred construction services at the contract modification date are not distinct, the Company accounts for the contract modification part as an integral part of the original contract, and the impact on recognized revenue arising therefrom is adjusted to current revenue at the contract modification date.

(2) Specific methods

The specific methods for the Company's revenue recognition are as follows:

The Company's sales revenue mainly consists of sales revenue from goods such as feed products, feed raw materials, poultry products, commercial pigs, etc. The Company recognizes revenue when payment has been received (cash sales or advance payment method) or is expected to be recoverable (credit sales method), and the goods have been delivered to the customer in accordance with the contractual agreement, and the customer has obtained control of the relevant goods

32.Contract costs

Contract costs are divided into contract performance costs and contract acquisition costs.

The Company recognizes costs incurred to fulfill a contract as an asset (contract performance costs) when all of the following conditions are met:

- ① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs explicitly borne by the customer, and other costs incurred solely because of the contract.
- ② The cost increases the Company's future resources to fulfill performance obligations.
- ③ The cost is expected to be recoverable.

The incremental costs incurred by the Company to obtain a contract that are expected to be recoverable are recognized as an asset (contract acquisition costs).

Assets related to contract costs are amortized on the same basis as the revenue recognition of the goods or services related to the asset; however, if the amortization period of contract acquisition costs does not exceed one year, the Company recognizes them in current profits and losses when incurred.

If the carrying amount of an asset related to contract costs exceeds the difference between the following two items, the Company will recognize an impairment provision for the excess amount, recognize it as an asset impairment loss, and further consider whether to accrue a provision for estimated liabilities related to loss-making contracts:

- ① The remaining consideration expected to be obtained from the transfer of goods or services related

to the asset;

② The estimated costs to be incurred to transfer the related goods or services.

If the above asset impairment provision is subsequently reversed, the carrying amount of the asset after reversal shall not exceed the carrying amount of the asset on the reversal date assuming no impairment provision was recognized.

Contract performance costs recognized as assets, with an amortization period not exceeding one year or a normal operating cycle at initial recognition, are presented under the “Inventory” item; those with an amortization period exceeding one year or a normal operating cycle at initial recognition are presented under the “Other non-current assets” item.

Contract acquisition costs recognized as assets, with an amortization period not exceeding one year or a normal operating cycle at initial recognition, are presented under the “Other current assets” item; those with an amortization period exceeding one year or a normal operating cycle at initial recognition are presented under the “Other non-current assets” item.

33. Government grant

(1) Recognition of government subsidies

Government grants are recognized only when both of the following conditions are met:

- ① The Company is able to meet the conditions attached to the government grant;
- ② The Company is able to receive the government grant.

(2) Measurement of government grants

If a government grant is a monetary asset, it is measured at the amount received or receivable. If it is a non-monetary asset, it is measured at fair value; if fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

(3) Accounting treatment for government grants

① Asset-related government grants

Government grants obtained by the Company for the purchase, construction, or other formation of long-term assets are classified as asset-related government grants. Asset-related government grants are recognized as deferred income and amortized into profits and losses in a reasonable and systematic manner over the service life of the relevant assets. Government grants measured at a nominal amount are recognized directly in current profits and losses. If the relevant asset is sold, transferred, scrapped, or damaged before the end of its service life, the remaining balance of the related deferred income is transferred to the profit or loss of the current period of asset disposal.

② Income-related government grants

Government grants other than asset-related government grants are classified as income-related government grants. Income-related government grants are accounted for as follows depending on the circumstances:

Those used to compensate for the Company’s relevant costs, expenses, or losses in future periods are

recognized as deferred income and included in current profits and losses in the period when the relevant costs, expenses, or losses are recognized;

Those used to compensate for the Company's already incurred relevant costs, expenses, or losses are recognized directly in current profits and losses.

For government grants that include both asset-related and income-related components, the different components are accounted for separately; if it is difficult to distinguish, the entire grant is classified as income-related government grant.

Government grants related to the Company's daily activities are included in other income based on the economic substance of the transaction. Government grants unrelated to the Company's daily activities are included in non-operating income and expenses.

③ Policy-based preferential loan interest grants

If the finance department allocates the interest grant funds to the lending bank, and the lending bank provides loans to the Company at a policy-based preferential interest rate, the actual amount of the loan received is recognized as the book value of the loan, and the relevant borrowing costs are calculated based on the principal of the loan and the policy-based preferential interest rate.

If the finance department allocates the interest grant funds directly to the Company, the Company offsets the corresponding interest grant against the relevant borrowing costs.

④ Repayment of government grants

When a recognized government grant needs to be repaid, if the initial recognition offset the carrying amount of the relevant asset, the carrying amount of the asset is adjusted; if there is a balance of relevant deferred income, the carrying balance of the relevant deferred income is offset, and the excess is included in current profits and losses; in other cases, it is recognized directly in current profits and losses.

34. Deferred income tax assets or deferred income tax liabilities

The Company generally uses the balance sheet liability method to recognize and measure the effects of taxable and deductible temporary differences on income tax, which are recorded as deferred income tax liabilities or deferred income tax assets based on the differences between the carrying amounts of assets and liabilities on the balance sheet date and their respective tax bases. The Company does not discount deferred income tax assets or liabilities.

(1) Recognition of deferred income tax assets

For deductible temporary differences, as well as deductible losses and tax credits that can be carried forward to future years, their impact on income tax is calculated using the tax rate expected at the time of reversal. These amounts are recognized as deferred income tax assets, but only to the extent that the Company is likely to generate future taxable income to offset these deductible temporary differences, deductible losses, and tax credits.

The impact of deductible temporary differences on income tax arising from the initial recognition of

assets or liabilities in transactions or events with the following characteristics is not recognized as a deferred income tax asset:

- A. The transaction is not a business combination;
- B. At the time of the transaction, it neither affects accounting profit nor taxable income (or deductible losses).

However, the exemption from initially recognizing deferred income tax liabilities and assets does not apply to a single transaction that simultaneously meets the above two conditions and results in equivalent taxable temporary differences and deductible temporary differences. For such transactions, the Company recognizes the corresponding deferred income tax liabilities and assets at the time of the transaction for the taxable and deductible temporary differences arising from the initial recognition of assets and liabilities.

For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, the impact on income tax is recognized as a deferred income tax asset only if both of the following conditions are met:

- A. The temporary differences are likely to reverse in the foreseeable future;
- B. It is likely that future taxable income will be available to offset the deductible temporary differences.

On the balance sheet date, if there is clear evidence indicating that sufficient taxable income is likely to be generated in the future to offset the deductible temporary differences, the previously unrecognized deferred income tax assets are recognized.

On the balance sheet date, the Company reviews the carrying amount of deferred income tax assets. If it is likely that sufficient taxable income will not be available in the future to realize the benefits of deferred income tax assets, the carrying amount of deferred income tax assets is written down. When it becomes likely that sufficient taxable income will be available, the written-down amount is reversed.

(2) Recognition of deferred income tax liabilities

The Company measures the impact of all taxable temporary differences on income tax using the income tax rate expected for the period of reversal and recognizes such impact as deferred income tax liabilities, except in the following cases:

- ① The impact of taxable temporary differences arising from the following transactions or events on income tax is not recognized as deferred income tax liabilities:

- A. The initial recognition of goodwill;
- B. The initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, neither affects accounting profit nor taxable income or deductible losses.

- ② For taxable temporary differences related to investments in subsidiaries, joint ventures, and associates, the impact on income tax is generally recognized as a deferred income tax liability, except when both of the following conditions are met:

- A. The Company has the ability to control the timing of the reversal of the temporary differences;

B. It is unlikely that the temporary differences will reverse in the foreseeable future.

(3) Recognition of deferred income tax liabilities or assets arising from specific transactions or events

① Deferred income tax liabilities or assets related to business combinations

For taxable or deductible temporary differences arising from business combinations not under common control, when recognizing deferred income tax liabilities or assets, the related deferred tax expenses (or gains) are generally used to adjust the goodwill recognized in the business combination.

② Items directly included in owners' equity

Current tax and deferred tax related to transactions or events directly included in owners' equity are included in owners' equity. Transactions or events where the impact of temporary differences on income tax is included in owners' equity include: other comprehensive income arising from changes in the fair value of other debt investments, adjustments to opening undistributed profit through retrospective application of changes in accounting policies or retrospective restatement of prior period (significant) accounting errors, and initial recognition of hybrid financial instruments with both liability and equity components in owners' equity.

③ Deductible losses and tax credits

A. Deductible losses and tax credits arising from the Company's own operations

Deductible losses are losses determined in accordance with tax laws that are allowed to be offset against taxable income in future years. Unused losses (deductible losses) and tax credits that can be carried forward to future years are treated as deductible temporary differences. When it is likely that sufficient taxable income will be available in future periods to utilize these deductible losses or tax credits, a deferred income tax asset is recognized to the extent of the likely taxable income, with a corresponding reduction in income tax expense for the current period.

B. Deductible unused losses of the acquired company arising from a business combination

In a business combination, if the Company acquires deductible temporary differences of the acquiree that do not meet the criteria for recognizing deferred income tax assets on the acquisition date, they are not recognized. Within 12 months after the acquisition date, if new or additional information indicates that the circumstances existing at the acquisition date make it likely that the economic benefits from the acquiree's deductible temporary differences will be realized, the related deferred income tax assets are recognized, with a corresponding reduction in goodwill. If goodwill is insufficient to absorb the amount, the excess is recognized in current profit or loss; otherwise, deferred income tax assets related to the business combination are recognized in current profit or loss.

④ Temporary differences arising from consolidation eliminations

When preparing consolidated financial statements, if temporary differences arise between the carrying amounts of assets and liabilities in the consolidated balance sheet and their tax bases in the respective tax jurisdictions (e.g., due to elimination of unrealized internal sales profits and losses), deferred income tax assets or liabilities are recognized in the consolidated balance sheet, with a corresponding

adjustment to income tax expense in the consolidated income statement, except for deferred tax related to transactions or events directly included in owners' equity or business combinations.

⑤ Equity-settled share-based payments

If tax laws allow the deduction of expenses related to share-based payments for tax purposes, during the period when such costs are recognized in accordance with accounting standards, the Company estimates the deductible amount based on information available at the end of the accounting period to determine the tax basis and resulting temporary differences, and recognizes the related deferred income tax if the recognition criteria are met. If the expected future deductible amount exceeds the share-based payment costs recognized under accounting standards, the tax impact of the excess is recognized directly in owners' equity.

⑥ Dividends on financial instruments classified as equity instruments

For financial instruments classified as equity instruments by the Company as the issuer, if related dividend payments are deductible for enterprise income tax purposes under tax regulations, the Company recognizes the related income tax impact when recognizing dividends payable. The income tax impact of dividends is included in current profit or loss if the distributed profits originate from transactions or events that previously generated profit or loss; if the distributed profits originate from transactions or events previously recognized in owners' equity, the income tax impact is included in owners' equity.

(4) Basis for presenting deferred income tax assets and deferred income tax liabilities on a net basis

The Company presents deferred income tax assets and deferred income tax liabilities on a net basis only if both of the following conditions are met:

- ① The Company has a legal right to settle current income tax assets and current income tax liabilities on a net basis;
- ② The deferred income tax assets and liabilities are related to income tax levied by the same tax authority on the same taxable entity, or on different taxable entities but, in each future period of significance when the deferred tax assets and liabilities reverse, the relevant taxable entities intend to settle current income tax assets and liabilities on a net basis or to realize assets and settle liabilities simultaneously.

35. Lease

(1) Lease identification

At the contract commencement date, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if one party to the contract transfers the right to control the use of one or more identified assets for a period of time in exchange for consideration. To determine whether a contract transfers the right to control the use of an identified asset for a period of time, the Company evaluates whether the customer in the contract has the right to obtain substantially all of the economic benefits from using the identified asset during the period and has the right to direct the use of the

identified asset during that period.

(2) Identification of separate leases

If a contract contains multiple separate leases, the Company separates the contract and applies accounting treatment to each separate lease individually. A right to use an identified asset constitutes a separate lease in the contract if both of the following conditions are met: ① the lessee can benefit from using the asset either on its own or together with other readily available resources; ② the asset is not highly dependent on or highly interrelated with other assets in the contract.

(3) Accounting treatment for lease modifications

① Lease modifications accounted for as a separate lease

A lease modification is accounted for as a separate lease if both of the following conditions are met: A. The modification increases the scope of the lease by adding the right to use one or more additional assets; B. The additional consideration for the modification is commensurate with the stand-alone price for the increase in scope, adjusted for the specific circumstances of the contract.

② Lease modifications not accounted for as a separate lease

A. The Company as lessee

On the effective date of the lease modification, the Company re-determines the lease term and remeasures the lease liability by discounting the modified lease payments using a revised discount rate. When calculating the present value of the modified lease payments, the interest rate implicit in the lease for the remaining lease term is used as the discount rate; if the implicit interest rate cannot be determined, the incremental borrowing rate at the effective date of the modification is used.

The impact of the above adjustment to the lease liability is accounted for as follows:

If the lease modification reduces the lease scope or shortens the lease term, the carrying amount of the right-of-use asset is reduced, and any gain or loss arising from the partial or full termination of the lease is recognized in current profit or loss;

For other lease modifications, the carrying amount of the right-of-use asset is adjusted accordingly.

B. The Company as lessor

For modifications to operating leases, the Company accounts for the modification as a new lease from the effective date, with any prepaid or accrued lease payments related to the original lease treated as payments for the new lease.

For modifications to finance leases that are not accounted for as a separate lease, the Company accounts for the modified lease as follows: If the modification would have resulted in a classification as an operating lease had it been in effect at the lease commencement date, the Company accounts for the modification as a new lease from the effective date, with the lease investment net before the modification recognized as the carrying amount of the leased asset; if the modification would have resulted in a classification as a finance lease had it been in effect at the lease commencement date, the Company accounts for the modification in accordance with the provisions for contract modifications or

renegotiations.

(4) Sale and leaseback

The Company assesses whether the asset transfer in a sale and leaseback transaction qualifies as a sale in accordance with Note V-31.

The Company as seller (lessee)

If the asset transfer does not qualify as a sale, the Company continues to recognize the transferred asset, recognizes a financial liability equal to the transfer proceeds, and accounts for the financial liability in accordance with Note V-11.

If the asset transfer qualifies as a sale, the Company measures the right-of-use asset arising from the leaseback based on the portion of the original asset's carrying amount attributable to the right of use retained, and recognizes gains or losses only to the extent of the rights transferred to the lessor.

The Company as buyer (lessor)

If the asset transfer does not qualify as a sale, the Company does not recognize the transferred asset, recognizes a financial asset equal to the transfer proceeds, and accounts for the financial asset in accordance with Note V-11.

If the asset transfer qualifies as a sale, the Company accounts for the asset purchase in accordance with other applicable accounting standards and accounts for the lease in accordance with the relevant provisions.

Accounting treatment for short-term leases and leases of low-value assets as a lessee

At the lease commencement date, the Company classifies leases with a lease term of 12 months or less and no purchase option as short-term leases; leases of a single asset that is of low value when new are classified as leases of low-value assets. If the Company subleases or expects to sublease a leased asset, the original lease is not classified as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, the Company recognizes lease payments as an expense in profit or loss on a straight-line basis over the lease term.

Except for short-term leases and leases of low-value assets accounted for using the simplified method, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

① Right-of-use assets

A right-of-use asset is the lessee's right to use an underlying asset for the lease term.

At the lease commencement date, the right-of-use asset is initially measured at cost, which includes:

The initial measurement amount of the lease liability;

Lease payments made on or before the lease commencement date, less any lease incentives received;

Initial direct costs incurred by the lessee;

Estimated costs to be incurred by the lessee to dismantle and remove the underlying asset, restore the site on which it is located, or restore the underlying asset to the condition required by the lease terms.

These costs are recognized and measured in accordance with the provisions for provisions (see Note

V-29). Costs incurred for the production of inventories are included in the cost of inventories.

Depreciation of right-of-use assets is calculated using the straight-line method by category. If it is reasonably certain that the lessee will obtain ownership of the underlying asset by the end of the lease term, depreciation is calculated over the estimated remaining useful life of the underlying asset, based on the right-of-use asset category and estimated residual value rate; otherwise, depreciation is calculated over the shorter of the lease term and the estimated remaining useful life of the right-of-use asset, based on the right-of-use asset category.

The depreciation methods, estimated useful lives, residual value rates, and annual depreciation rates by category of right-of-use assets are as follows:

Category	Depreciation method	Estimated useful life (year)	Residual rates (%)	Annual depreciation rates %
Housing & Buildings	straight-line method	5-20	0	5.00-20.00
Equipment	straight-line method	2-20	0	5.00-50.00
Land	straight-line method	5-40	0	2.50-20.00

Accounting treatment for leases as a lessor

At the lease commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset; all other leases are classified as operating leases.

① Operating leases

Rental income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs are capitalized and amortized on the same basis as rental income, recognized in current profit or loss over the lease term. Variable lease payments from operating leases that are not included in the measurement of lease receivables are recognized in current profit or loss when incurred.

② Finance leases

At the lease commencement date, the Company recognizes a finance lease receivable at the net investment in the lease (the sum of the present value of lease payments not yet received at the lease commencement date and unguaranteed residual value, discounted using the interest rate implicit in the lease), and derecognizes the leased asset. Interest income is recognized in each period during the lease term using the interest rate implicit in the lease.

Variable lease payments from finance leases that are not included in the measurement of the net investment in the lease are recognized in current profit or loss when incurred.

36. Other significant accounting policies and accounting estimates

Accounting of hedging

(1) Classification of hedges

The Company classifies hedges into fair value hedges, cash flow hedges, and net investment hedges in

overseas operations.

① Fair value hedge. It refers to hedging activities conducted to mitigate the risk of changes in the fair value of recognized assets or liabilities, unrecognized firm commitments, or components of the aforementioned items. The fair value changes are caused by specific risks that will impact the Company's profit or other comprehensive income.

② Cash flow hedge refers to the hedging of cash flow risk. The change in cash flow is derived from specific risks associated with recognized assets or liabilities, expected transactions that are likely to occur, or components of the above-mentioned items, and will affect the enterprise's profit or loss.

③ Net investment hedge in overseas operations refers to the hedging of the foreign exchange risk exposure of net investments in overseas operations. The hedged risk in a net investment hedge in overseas operations refers to the translation difference between the functional currency of the overseas operation and that of the parent company.

(2) Hedging instruments and hedged items

Hedging instruments are financial instruments designated by the Company for hedging, whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged items. They include:

① Derivative instruments measured at fair value with changes recognized in current profit or loss, except for written options. A written option may be used as a hedging instrument only when hedging a purchased option (including a purchased option embedded in a hybrid contract). Derivatives embedded in a hybrid contract that are not separated cannot be used as separate hedging instruments.

② Non-derivative financial assets or non-derivative financial liabilities measured at fair value with changes recognized in current profit or loss, except for financial liabilities designated as measured at fair value with changes recognized in current profit or loss and whose fair value changes due to changes in their own credit risk are recognized in other comprehensive income.

An entity's own equity instruments are not financial assets or financial liabilities and cannot be used as hedging instruments.

A hedged item is an item that exposes the Company to the risk of changes in fair value or cash flows, is designated as the hedged object, and can be reliably measured. The Company designates the following individual items, combinations of items, or components thereof as hedged items:

① Recognized assets or liabilities.

② Unrecognized firm commitments. A firm commitment is a legally binding agreement to exchange a specific quantity of resources at an agreed price on a specific future date or period.

③ Highly probable expected transactions. An expected transaction is a transaction that is not yet committed but is expected to occur.

④ Net investments in overseas operations.

The above-mentioned components of an item are parts that are less than the overall changes in fair

value or cash flows of the item. The Company designates the following components of an item or combinations thereof as hedged items:

- ① The portion of the overall changes in fair value or cash flows of an item that is attributable to one or more specific risks (risk components). Based on assessment in a specific market environment, the risk component shall be separately identifiable and reliably measurable. Risk components also include portions where changes in the fair value or cash flows of the hedged item are only above or below a specific price or other variable.
- ② One or more selected contractual cash flows.
- ③ Components of the nominal amount of an item, i.e., specific portions of the overall amount or quantity of the item, which may be a certain proportion of the whole item or a specific tranche of the whole item. If a tranche includes an early repayment right whose fair value is affected by changes in the hedged risk, such tranche shall not be designated as a hedged item in a fair value hedge, unless the effect of the early repayment right is included when measuring the fair value of the hedged item.

(3) Evaluation of hedging relationship

At the inception of a hedging relationship, the Company formally designates the hedging relationship and prepares a formal written document specifying the hedging relationship, risk management objectives, and risk management strategies. This document sets out the hedging instruments, hedged items, the nature of the hedged risk, and the Company's method for assessing hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedging instrument offset changes in the fair value or cash flows of the hedged item attributable to the hedged risk. Such hedges are continuously evaluated on and after the initial designation date to ensure they meet the requirements for hedge effectiveness.

The Company discontinues hedge accounting when the hedging instrument expires, is sold, terminated, or exercised (excluding renewals or replacements that are part of the hedging strategy, which are not treated as expirations or terminations), or when changes in risk management objectives result in the hedging relationship no longer meeting the risk management objectives, or the economic relationship between the hedged item and the hedging instrument ceases to exist, or credit risk begins to dominate the value changes arising from the economic relationship between the hedged item and the hedging instrument, or the hedge no longer meets other conditions for hedge accounting.

If a hedging relationship no longer meets the requirements for hedge effectiveness due to the hedge ratio, but the risk management objective for which the hedging relationship was designated remains unchanged, the Company rebalances the hedging relationship.

(4) Recognition and measurement

If the conditions for applying hedge accounting are met, the following treatments apply:

① Fair value hedge

Gains or losses from hedging instruments are recognized in current profit or loss. If hedging a

designated non-trading equity instrument investment (or component thereof) measured at fair value with changes recognized in other comprehensive income, gains or losses from the hedging instrument are recognized in other comprehensive income. Gains or losses on the hedged item arising from the hedged risk are recognized in current profit or loss, with a corresponding adjustment to the carrying amount of the recognized hedged item not measured at fair value. If the hedged item is a designated non-trading equity instrument investment (or component thereof) measured at fair value with changes recognized in other comprehensive income, gains or losses arising from the hedged risk are recognized in other comprehensive income, and no adjustment is needed as its carrying amount is already measured at fair value.

For fair value hedges of financial instruments (or components thereof) measured at amortized cost, adjustments to the carrying amount of the hedged item are amortized using the effective interest rate recalculated from the commencement of amortization, and recognized in current profit or loss. The amortization shall start from the adjustment date and shall not be later than the date when adjustments for hedge gains or losses cease for the hedged item. For hedged items that are financial assets (or components thereof) measured at fair value with changes recognized in other comprehensive income, cumulative recognized hedge gains or losses are amortized in the same manner and recognized in current profit or loss, without adjusting the carrying amount of the financial asset (or component thereof).

For a hedged item that is an unrecognized firm commitment (or component thereof), cumulative changes in fair value attributable to the hedged risk after designation of the hedging relationship are recognized as an asset or liability, with related gains or losses recognized in current profit or loss. When the firm commitment is fulfilled to acquire an asset or assume a liability, the initial recognition amount of the asset or liability is adjusted to include the cumulative changes in fair value of the designated hedged item.

② Cash flow hedge

The effective portion of gains or losses on the hedging instrument is recognized in other comprehensive income as a cash flow hedge reserve; the ineffective portion (i.e., other gains or losses after deducting those recognized in other comprehensive income) is recognized in current profit or loss. The amount of the cash flow hedge reserve is determined as the lower of the absolute amounts of: ① cumulative gains or losses on the hedging instrument since the inception of the hedge; ② cumulative changes in the present value of expected future cash flows of the hedged item since the inception of the hedge

If the hedged expected transaction is subsequently recognized as a non-financial asset or non-financial liability, or forms a firm commitment accounted for as a fair value hedge, the cash flow hedge reserve previously recognized in other comprehensive income is reclassified to the initial recognition amount of the asset or liability. For other cash flow hedges, the cash flow hedge reserve recognized in other comprehensive income is reclassified to current profit or loss in the same period when the hedged

expected cash flows affect profit or loss (e.g., when expected sales occur).

③ Net investment hedge in overseas operations

For hedges of net investments in overseas operations, the effective portion of gains or losses on the hedging instrument is recognized directly in other comprehensive income; the ineffective portion is recognized in current profit or loss. When the overseas operation is disposed of, the gains or losses on the hedging instrument reflected in other comprehensive income are reclassified to current profit or loss.

37.Changes of important accounting policies and estimates

Changes in accounting policies and reasons	Names of affected financial statement items	Amount affected
<p>Implementation of <i>Interpretation No. 17 of the Accounting Standards for Business Enterprises</i></p> <p>On October 25, 2023, the Ministry of Finance issued <i>Interpretation No. 17 of the Accounting Standards for Business Enterprises</i> (Caikuai [2023] No. 21, hereinafter referred to as "Interpretation 17"), which became effective on January 1, 2024. The Company has applied the provisions of Interpretation 17 starting from January 1, 2024.</p>	<p>The implementation of the relevant provisions of Interpretation 17 has no material impact on the Company's financial statements for the reporting period.</p>	
<p>Reclassification of Assurance-Type Warranty Expenses</p> <p>The Ministry of Finance, in the <i>2024 Compilation of Application Guidelines for Accounting Standards for Business Enterprises</i> (issued in March 2024) and <i>Interpretation No. 18 of the Accounting Standards for Business Enterprises</i> (issued on December 6, 2024), stipulates that assurance-type warranty expenses shall be recognized in operating costs.</p>	<p>The implementation of this provision has no material impact on the Company's financial statements for the reporting period.</p>	

38.Others

(1) Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures the fair value of relevant assets or liabilities using prices from the principal market. In the absence of a principal market, the Company uses prices from the most advantageous market. The Company applies assumptions that market participants would use to maximize their economic benefits when pricing the asset or liability.

The principal market is the market with the highest volume and level of activity for the relevant asset or liability. The most advantageous market is the market that maximizes the amount received from selling

the asset or minimizes the amount paid to transfer the liability, after considering transaction costs and transportation costs.

For financial assets or liabilities with an active market, the Company determines their fair value using quoted prices in such markets. For financial instruments without an active market, the Company uses valuation techniques to determine their fair value.

When measuring non-financial assets at fair value, the Company considers the ability of market participants to generate economic benefits by using the asset for its highest and best use, or by selling it to other market participants who would use it for that purpose.

① Valuation techniques

The Company uses valuation techniques that are appropriate in the current circumstances and supported by sufficient available data and information. The primary valuation techniques used include the market approach, income approach, and cost approach. The Company measures fair value using methods consistent with one or more of these techniques. When multiple valuation techniques are used, the Company evaluates the reasonableness of each result and selects the amount that best represents fair value in the current circumstances.

In applying valuation techniques, the Company prioritizes relevant observable inputs. Unobservable inputs are used only when observable inputs are unavailable or impracticable to obtain. Observable inputs are those derived from market data, reflecting assumptions that market participants would use in pricing the asset or liability. Unobservable inputs are those not derived from market data, based on the best available information about assumptions that market participants would use in pricing the asset or liability.

② Fair value hierarchy

The Company classifies inputs used in fair value measurement into three levels, prioritizing Level 1 inputs first, followed by Level 2, and then Level 3. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. Level 2 inputs are observable inputs (directly or indirectly) for the asset or liability, other than Level 1 inputs. Level 3 inputs are unobservable inputs for the asset or liability.

(2) Share repurchases

① When the Company reduces its capital by repurchasing its own shares upon approval in accordance with legal procedures, it reduces share capital by the total par value of the canceled shares. The difference between the repurchase price (including transaction costs) and the par value of the shares is adjusted against equity: any excess over the total par value is deducted from capital surplus (share premium), then from undistributed profit, and finally from undistributed profits in that order; any shortfall below the total par value is added to capital surplus (share premium).

② Repurchased shares are accounted for as treasury shares until canceled or transferred, with all repurchase costs recognized as the cost of treasury shares.

③ When treasury shares are transferred, any portion of the transfer proceeds that exceeds the cost of the treasury shares shall be credited to capital reserve (share premium). Any portion that is less than the cost of the treasury shares shall be charged against capital reserve (share premium), surplus reserve, and undistributed profits in that order.

(3) Restricted Stock

Under the equity incentive plan, the Company grants restricted shares to eligible participants, who are required to subscribe for the shares upfront. If the participants fail to meet the vesting conditions specified in the plan, the Company will repurchase the shares at a pre-agreed price. When restricted shares issued to employees have completed the necessary registration and other capital increase procedures in accordance with applicable regulations, the Company recognizes share capital and capital reserve (share premium) on the grant date based on the subscription proceeds received from employees. Concurrently, the Company recognizes treasury shares and a corresponding liability for the repurchase obligation.

VI. Tax

1. Categories of taxes and tax rate

Categories	Taxation basis	Tax rate
Value-added tax	Output VAT-deductible input VAT	1%, 3%, 9%, 13%
Urban maintenance and construction tax	Turnover tax	1%, 5%, 7%
Corporate income tax	Income tax	15%, 17%, 25%
Extra charges of education funds	Turnover tax	3%
Extra charges of local education funds	Turnover tax	2%

Taxpayer	Income tax rate%
Wellhope Foods Co., Ltd., Xi'an Wellhope Feed Technology Company, Gansu Wellhope Animal Husbandry Company, Guangzhou Xiangshun Animal Husbandry Equipment Company, Shenyang Fame Bio-tech Company, Yangling Wellhope Agriculture and Animal Husbandry Company, Yunnan Wellhope Feed Company, Dazhou Wellhope Bio-tech Company	15
Dalian Huakang Xinxin Food Company, Kaifeng Wellhope Meat Food Company, Puyang Wellhope Food Company, Dalian Heyuan Animal Husbandry Company, Wafangdian Yifeng Animal Husbandry Company, Shandong Heyuan Food Company, Shandong Heyuan Animal Husbandry Company, Pingyuan Wellhope Food Processing Company, Fuyu Wellhope Taolaizhao Poultry Breeding Company, Puyang Wellhope Animal Husbandry Company, Changchun Wellhope Food Company, Dehui Wellhope Animal Husbandry Company, Tongliao Wellhope Tianyi Grass Industry Company, Kaifeng Wellhope Agriculture and Animal Husbandry Technology Company, Shenyang Huakang Meat Poultry Company, Tangshan Hejia Agriculture and Animal Husbandry Company, Shenyang Wellhope Poultry Company, Fushun Wellhope Agriculture and Animal Husbandry Company, Anhui Wellhope Haoxiang Agricultural Development Company, Lixin Xiangfeng Agriculture and Animal Husbandry Company, Lixin Hongfeng Agriculture and Animal Husbandry Company, Shulan Fengtai Agriculture and Animal Husbandry Company, Daqing Bifeng Animal	Enterprises engaged in primary processing of agricultural products, livestock and poultry raising businesses are exempt from levying corporate income tax

Husbandry Company, Hebei Deheng Breeding Company, Dalian Hongtu Animal Husbandry Company, Liaoning Wellhope Agriculture and Animal Husbandry Development Company, Luoyang Wellhope Agriculture and Animal Husbandry Company, Gongzhuling Wellhope Pig Breeding Company, Lishu Wellhope Ecological Breeding Company, Anyang Wellhope Agriculture and Animal Husbandry Company, Hebei Taihang Wellhope Food Company, Nanyang Jinwan Animal Husbandry Company, Daqing Wellhope Food Company, Zhumadian Wellhope Agricultural Development Company, Datong Hejia Agriculture and Animal Husbandry Company, Shijiazhuang Hejia Agriculture and Animal Husbandry Company, Fuxin Wellhope Agriculture and Animal Husbandry Company, Dalian Zhongjia Food Company, Wafangdian Huinong Poultry Company, Shenyang Wellhope Extruded Feed Company, Jilin Wellhope Breeding Pig Breeding Company, Dunhua Fengda Agriculture and Animal Husbandry Development Company, Shenyang Xiaohe Agriculture and Animal Husbandry Company, Shenyang Wellhope Pig Breeding Company, Shenyang Wellhope Agriculture and Animal Husbandry Technology Company, Lingyuan Wellhope Agriculture and Animal Husbandry Company, Fuyang Wellhope Agriculture and Animal Husbandry Technology Company, Lanxi Fengyuan Agriculture and Animal Husbandry Company, Kaifeng Jiufeng Agriculture and Animal Husbandry Company, Fuyu Wellhope Egg Poultry Company, Anhui Wellhope Food Company, Lixin Rongfeng Agriculture and Animal Husbandry Company, Fuxin Wellhope Agriculture and Animal Husbandry Technology Company, Huaiaren Dazhuang Breeding Company, Suihua Wellhope Animal Husbandry Company, Tailai Wellhope Agriculture and Animal Husbandry Company, Inner Mongolia Xinhaoji Agriculture and Animal Husbandry Development Company, Zhangjiakou Wellhope Agriculture and Animal Husbandry Company, Tangshan Fengnan Heyou Agriculture and Animal Husbandry Company, Hengshui Hechen Agriculture and Animal Husbandry Company, Hengshui Heyou Agriculture and Animal Husbandry Company, Shenze Hezhi Agriculture and Animal Husbandry Company, Xinji Heyou Agriculture and Animal Husbandry Company, Hebei New Taihang Wellhope Animal Husbandry Company, Hunan Wellhope Agriculture and Animal Husbandry Company, Shandong Fengkang Food Company, Dalian Wellhope Pig Breeding Company, Xingcheng Wellhope Pig Breeding Company, Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company, Pingyuan Wellhope Animal Husbandry Company, Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company, Tieling Wellhope Animal Husbandry Company, Fushun Hexin Animal Husbandry Company, Qingdao Haifeng Animal Husbandry Company, Chifeng Wellhope Fuxinyuan Food Company, Heilongjiang Wellhope Dasenlin Food Company, Tieling Wellhope Food Company	
Singapore Golden Harvesta Trade Company	17
Other companies	25

2. Tax preference

(1) Value-Added Tax ("VAT")

In accordance with the provisions of the *Circular on Issues Concerning VAT Exemption for Feed Products* (Caishui [2001] No. 121) and other relevant documents, the Company and its related subsidiaries are exempt from VAT on feed sales.

Pursuant to the *Announcement on Policies for Reducing and Exempting VAT for Small-Scale Taxpayers* (Ministry of Finance and State Taxation Administration [2023] No. 19), small-scale VAT taxpayers with monthly sales of RMB 100,000 or less (inclusive) are exempt from VAT. For taxable sales

revenue of small-scale VAT taxpayers subject to the 3% levy rate, VAT shall be levied at a reduced rate of 1%; for prepaid VAT items subject to the 3% prepayment rate, VAT shall be prepaid at a reduced rate of 1%. This policy has been extended until December 31, 2027.

(2) Income Tax

In accordance with the *Notice on Issuing the Scope of Initial Processing of Agricultural Products Eligible for Enterprise Income Tax Exemption Preferential Policy (Trial)* (Caishui [2008] No. 149) issued by the Ministry of Finance and the State Taxation Administration, as well as the *Enterprise Income Tax Law of the People's Republic of China* and its *Implementation Regulations*, the Company and its subsidiaries are exempt from enterprise income tax on income derived from the initial processing of agricultural products and the breeding of livestock and poultry that qualify for such preferential exemption. The entities eligible for enterprise income tax exemption are specified in Note VI-1-Main Tax Types and Rates: "Taxpayers Subject to Different Enterprise Income Tax Rates and Their Applicable Rates".

Guangzhou Xiangshun Animal Husbandry Equipment Company, a subsidiary of the Company, has been jointly recognized as a high-tech enterprise by the Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, and State Taxation Administration Guangdong Provincial Taxation Bureau (Certificate No. GR202344006108). It is subject to a preferential enterprise income tax rate of 15%, with validity from December 2023 to December 2026. During the reporting period, Guangzhou Xiangshun Animal Husbandry Equipment Company applied the 15% enterprise income tax rate.

Pursuant to the *Notice of the General Office of the State Council on Forwarding the Implementation Opinions on Several Policy Measures for Western Development* (Guobanfa [2001] No. 73), the *Notice on Implementing Preferential Tax Policies for Western Development* (Caishui [2001] No. 202), and the *Specific Implementation Opinions on Implementing Tax Policies for Western Development* (Guoshui Fa [2002] No. 47), Xi'an Wellhope Feed Technology Company, Gansu Wellhope Animal Husbandry Company, Yangling Wellhope Agriculture and Animal Husbandry Company, Yunnan Wellhope Feed Company, and Dazhou Wellhope Bio-tech Company are eligible for a preferential enterprise income tax rate of 15%.

On November 4, 2022, Shenyang Fame Bio-Tech Company, a subsidiary of the Company, was jointly recognized as a high-tech enterprise by the Liaoning Provincial Department of Science and Technology, Liaoning Provincial Department of Finance, and State Taxation Administration Liaoning Provincial Taxation Bureau (Certificate No. GR202221000172). It is subject to a 15% enterprise income tax rate, with a three-year validity period.

The Company itself has been jointly recognized as a high-tech enterprise by the Liaoning Provincial Department of Science and Technology, Liaoning Provincial Department of Finance, and State Taxation Administration Liaoning Provincial Taxation Bureau (Certificate No. GR202321001872). It is subject to a

15% enterprise income tax rate, with validity from 2023 to 2025.

Pursuant to the *Announcement on Further Implementing Preferential Enterprise Income Tax Policies for Small and Micro Profit-Making Enterprises* (Caishui [2022] No. 13), for small and micro profit-making enterprises, the portion of annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million shall be included in taxable income at a reduced rate of 25% and subject to enterprise income tax at a 20% rate. Pursuant to the *Announcement on Further Supporting the Development of Small and Micro-Enterprises and Individual Businesses with Relevant Tax Policies* (Caishui [2023] No. 12), for small and micro profit-making enterprises, annual taxable income not exceeding RMB 3 million shall be included in taxable income at a reduced rate of 25% and subject to enterprise income tax at a 20% rate. This policy has been extended until December 31, 2027.

Pursuant to the *Announcement on Further Improving the Policy for Additional Pre-Tax Deduction of Research and Development Expenses* (Caishui [2023] No. 7), for research and development expenses actually incurred by enterprises in research activities: where such expenses do not form intangible assets and are included in current profits and losses, in addition to the deduction of the actual amount in accordance with regulations, an additional 100% of the actual amount shall be allowed as a pre-tax deduction starting from January 1, 2023; where such expenses form intangible assets, the intangible assets shall be amortized at 200% of their cost for pre-tax purposes starting from January 1, 2023.

VII. Notes to the Items of Consolidated Financial Statements

1. Cash at bank

RMB

Item	Closing balance	Opening balance
Cash on hand	339,635.02	202,957.16
Cash deposit	1,748,152,242.58	1,894,831,603.48
Other monetary funds	45,743,263.42	20,344,238.13
Total	1,794,235,141.02	1,915,378,798.77
including: Total funds deposited overseas	2,252,445.03	3,051,960.87

Other explanation:

At the end of the period, other monetary funds included RMB 5,106,257.99 as margin for letters of credit, RMB 19,700,245.12 as margin for futures transactions, and RMB 20,936,760.31 as funds in securities accounts.

2. Trading financial assets

RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value and the changes recorded in current profits and losses	904,884.08	829,591.32
including		
Others	904,884.08	829,591.32
Total	904,884.08	829,591.32

Other explanation:

The “Others” category refers to listed equity securities acquired through debt-for-equity swaps.

3. Derivative financial assets

RMB

Item	Closing balance	Opening balance
Futures	2,441,832.40	4,296,668.60
Total	2,441,832.40	4,296,668.60

4. Notes receivable

A. Classification

RMB

Item	Closing balance	Opening balance
Bank acceptance bill	1,369,195.29	6,620,586.95
Commercial acceptance bill	26,524,182.60	
Total	27,893,377.89	6,620,586.95

B. Categorized by method of bad debt provision

RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage %	Amount	Provision rate %		Amount	Percentage %	Amount	Provision rate %	
Provision for bad debts on an individual basis										
Provision for bad debts on a collective basis	28,462,630.50	100.00	569,252.61	2.00	27,893,377.89	6,620,586.95	100.00			6,620,586.95
grouped as follows:										
Group 1: Commercial acceptance bills	27,065,492.45	95.09	541,309.85	2.00	26,524,182.60					
Group 2: Bank acceptance bills	1,397,138.05	4.91	27,942.76	2.00	1,369,195.29	6,620,586.95	100.00			6,620,586.95
Total	28,462,630.50	/	569,252.61	/	27,893,377.89	6,620,586.95	/		/	6,620,586.95

Provision for bad debts on a collective basis:

Group 1: Commercial acceptance bills

RMB

Item	Closing balance		
	Notes receivable	Bad debt provision	Provision rate %
Commercial acceptance bills	27,065,492.45	541,309.85	2.00
Total	27,065,492.45	541,309.85	2.00

Group 2: Bank acceptance bills

RMB

Item	Closing balance		
	Notes receivable	Bad debt provision	Provision rate %
Bank acceptance bills	1,397,138.05	27,942.76	2.00
Total	1,397,138.05	27,942.76	2.00

C.Bad debt provision

RMB

Category	Opening balance	Fluctuations in 2024				Closing balance
		Provision	Reversal	Write-off	Other fluctuations	
Commercial acceptance bills		541,309.85				541,309.85
Bank acceptance bills		27,942.76				27,942.76
Total		569,252.61				569,252.61

5.Accounts receivable

A.Categorized by aging

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	841,743,338.66	1,068,503,974.72
1-2 years	124,582,704.37	74,841,466.32
2-3 years	47,670,563.50	35,466,407.80
Over 3 years	118,938,308.96	109,873,833.23
Total	1,132,934,915.49	1,288,685,682.07

B.Categorized by the method of bad debt provision

RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage %	Amount	Provision rate %		Amount	Percentage %	Amount	Provision rate %	
Provision for bad debts on an individual basis	92,664,981.83	8.18	92,664,981.83	100.00		21,864,441.90	1.70	21,864,441.90	100.00	
Provision for bad debts on a collective basis	1,040,269,933.66	91.82	147,115,047.90	14.14	893,154,885.76	1,266,821,240.17	98.30	152,334,846.16	12.02	1,114,486,394.01
including										
Aging analysis group	1,040,269,933.66	91.82	147,115,047.90	14.14	893,154,885.76	1,266,821,240.17	98.30	152,334,846.16	12.02	1,114,486,394.01
Total	1,132,934,915.49	/	239,780,029.73	/	893,154,885.76	1,288,685,682.07	/	174,199,288.06	/	1,114,486,394.01

Provision for bad debts on an individual basis:

RMB

Name	Closing balance			
	Book balance	Bad debt provision	Provision rate %	Reason
Customer 1	25,112,815.51	25,112,815.51	100.00	Uncollectible
Customer 2	19,350,023.78	19,350,023.78	100.00	Uncollectible
Customer 3	14,768,684.40	14,768,684.40	100.00	Uncollectible
Customer 4	8,461,300.00	8,461,300.00	100.00	Uncollectible
Other individually assessed customers	24,972,158.14	24,972,158.14	100.00	Uncollectible
Total	92,664,981.83	92,664,981.83	100.00	/

Provision for bad debts on a collective basis-Aging :

RMB

Aging	Closing balance		
	Account receivable	Bad debt provision	Provision rate %
Within 1 year	833,705,602.36	29,305,717.31	3.52
1-2 years	94,212,136.60	14,131,820.49	15.00
2-3 years	17,349,369.21	8,674,684.61	50.00
Over 3 years	95,002,825.49	95,002,825.49	100.00
Total	1,040,269,933.66	147,115,047.90	14.14

C.Bad debt provision

RMB

Category	Opening balance	Fluctuations in 2024				Closing balance
		Provision	Recovery or reversal	Write-off	Other fluctuations	
Provision for bad debts on an individual basis	21,864,441.90	78,140,077.85	112,620.50	7,226,917.42		92,664,981.83
Provision for bad debts on a collective basis	152,334,846.16	12,070,519.16		19,918,962.32	2,628,644.90	147,115,047.90
Total	174,199,288.06	90,210,597.01	112,620.50	27,145,879.74	2,628,644.90	239,780,029.73

D.Accounts receivables written off in the current period

RMB

Item	Write-off amount
Actual write-off of accounts receivable	27,145,879.74

Significant write-off of accounts receivable:

RMB

Name	Nature	Written off amount	Reason	Whether generated by related party transactions
Customer 5	Payment for products	7,053,335.00	Uncollectible	No
Customer 6	Payment for products	2,348,413.70	Uncollectible	No
Customer 7	Payment for products	1,949,337.50	Uncollectible	No
Customer 8	Payment for products	1,617,615.00	Uncollectible	No

Customer 9	Payment for products	1,047,792.88	Uncollectible	No
Total	/	14,016,494.08	/	/

E.Top 5 accounts receivable and contract assets at the end of the reporting period

RMB

Debtor	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total accounts receivable and contract assets at period-end %	Closing balance of bad debt provision
1	45,185,071.89		45,185,071.89	3.99	4,518,507.19
2	26,900,000.00		26,900,000.00	2.37	538,000.00
3	25,112,815.51		25,112,815.51	2.22	25,112,815.51
4	22,780,793.00		22,780,793.00	2.01	455,615.86
5	21,447,578.36		21,447,578.36	1.89	428,951.57
Total	141,426,258.76		141,426,258.76	12.48	31,053,890.13

6.Contract assets**A.Information of contact assets**

RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value
Retention money not yet due	641,840.00	13,126.80	628,713.20	2,482,367.50	49,647.35	2,432,720.15
Total	641,840.00	13,126.80	628,713.20	2,482,367.50	49,647.35	2,432,720.15

B.Categorized by bad debt provision method

RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage %	Amount	Provision rate %		Amount	Percentage %	Amount	Provision rate %	
Provision for bad debts on an individual basis										
Provision for bad debts on a collective basis	641,840.00	100.00	13,126.80	2.00	628,713.20	2,482,367.50	100.00	49,647.35	2.00	2,432,720.15
including										
Aging analysis group	641,840.00	100.00	13,126.80	2.00	628,713.20	2,482,367.50	100.00	49,647.35	2.00	2,432,720.15
Total	641,840.00	/	13,126.80	/	628,713.20	2,482,367.50	/	49,647.35	/	2,432,720.15

Provision for bad debts on a collective basis:

RMB

Item	Closing balance		
	Contractual assets	Bad debt provision	Provision rate %
Retention money not yet due	641,840.00	13,126.80	2.00
Total	641,840.00	13,126.80	2.00

C.Provision for bad debts on contract assets during the period

RMB

Item	Opening balance	Amount of provision made during the period	Closing balance	Reason
Retention money not yet due	49,647.35	-36,520.55	13,126.80	
Total	49,647.35	-36,520.55	13,126.80	/

7.Accounts receivable financing**A. Classification**

RMB

Item	Closing balance	Opening balance
Notes receivable	9,139,184.14	
Total	9,139,184.14	

B. Accounts receivable financing that had been endorsed or discounted but not yet matured as at the balance sheet date

RMB

Item	Amount derecognized at period-end	Amount not derecognized
Bank acceptance bills	1,746,875.00	
Total	1,746,875.00	

8.Prepayments**A.Presenting by aging**

RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage %	Amount	Percentage %
Within 1 year	259,488,864.09	98.89	464,654,321.65	98.89
Over 1 year	2,906,634.61	1.11	5,202,681.86	1.11
Total	262,395,498.70	100.00	469,857,003.51	100.00

B.Top 5 prepayments at the end of the reporting period

RMB

Company	Closing balance	Percentage of the closing balance of prepayments %
1	7,255,439.10	2.77

2	6,922,436.25	2.64
3	6,588,686.20	2.51
4	6,147,688.47	2.34
5	5,615,208.26	2.14
Total	32,529,458.28	12.40

9.Other receivables

RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	69,263,268.24	92,732,094.80
Total	69,263,268.24	92,732,094.80

Other receivables**A.Presenting by aging**

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	53,446,126.87	92,235,945.08
1-2 years	37,383,595.16	6,461,849.91
2-3 years	6,235,298.82	2,239,316.81
Over 3 years	17,283,478.23	16,035,831.47
Total	114,348,499.08	116,972,943.27

B.Presenting by nature

RMB

Nature	Closing book balance	Opening book balance
General operating receivables	53,681,551.93	30,370,169.36
Deposits and margins	18,871,947.15	42,957,773.91
Receivables from disposal of investments	37,445,000.00	39,295,000.00
Other	4,350,000.00	4,350,000.00
Total	114,348,499.08	116,972,943.27

C.Bad debt provision

RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
Balance on January 1, 2024	8,430,971.67		15,809,876.80	24,240,848.47
-Transfer to stage 2				
- Transfer to stage 3	-560,273.39		560,273.39	
-Transfer back to stage 2				
- Transfer back to stage 1				
Provision made during the reporting period	2,107,866.95		24,068,348.61	26,176,215.56
Reversal			1,175,396.25	1,175,396.25
Charged-off during the reporting period				

Write-off during the reporting period	535,065.96		3,646,451.44	4,181,517.40
Other fluctuations	25,080.46			25,080.46
Closing balance on December 31, 2024	9,468,579.73		35,616,651.11	45,085,230.84

Basis for stage classification and provision rates for expected credit losses

a. As of December 31, 2024, the provision for bad debts was measured based on the three-stage model as follows:

RMB			
Stage	Book balance	Provision for bad debts	Book value
Stage 1	77,402,593.47	9,468,579.73	67,934,013.74
Stage 2			
Stage 3	36,945,905.61	35,616,651.11	1,329,254.50
Total	114,348,499.08	45,085,230.84	69,263,268.24

b. As of December 31, 2023, the provision for bad debts was measured based on the three-stage model as follows:

RMB			
Stage	Book balance	Provision for bad debts	Book value
Stage 1	101,163,066.47	8,430,971.67	92,732,094.80
Stage 2			
Stage 3	15,809,876.80	15,809,876.80	
Total	116,972,943.27	24,240,848.47	92,732,094.80

D.Bad debt provision

RMB						
Category	Opening balance	Fluctuations in 2024			Other fluctuations	Closing balance
		Provision	Reversal	Write-off		
Other receivables	24,240,848.47	26,176,215.56	1,175,396.25	4,181,517.40	25,080.46	45,085,230.84
Total	24,240,848.47	26,176,215.56	1,175,396.25	4,181,517.40	25,080.46	45,085,230.84

E.Write-off of other receivables during the period

RMB	
Item	Amount written off
Other receivables written off	4,181,517.40

Write-off of significant other receivables during the period

Name	Nature	Written off amount	Reason	Whether generated by related party transactions
1	Advances and settlements	2,014,874.40	Unrecoverable	No
Total	/	2,014,874.40	/	/

F.Top 5 other receivables at the end of the reporting period

RMB

Company	Closing balance	Percentage of closing balance of other receivables %	Nature	Aging	Closing balance of bad debt provision
1	33,400,000.00	29.21	Equity transfer consideration	1-2 years	5,010,000.00
2	11,508,472.64	10.06	Operating receivables	Less than 1 year	11,508,472.64
3	4,350,000.00	3.80	Others	Over 3 years	4,350,000.00
4	3,246,750.00	2.84	Operating receivables	Less than 1 year	1,946,750.00
5	2,600,000.00	2.27	Deposit	Less than 1 year	52,000.00
Total	55,105,222.64	48.18	/	/	22,867,222.64

10.Inventory**A. Category of inventory**

RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory write-down/impairment of contract performance costs	Book value	Book balance	Provision for inventory write-down/impairment of contract performance costs	Book value
Raw materials	1,030,538,644.88	2,747,387.50	1,027,791,257.38	899,627,530.69	613,737.64	899,013,793.05
Work in progress	64,061,979.28	4,851,516.02	59,210,463.26	64,101,323.01		64,101,323.01
Finished goods	794,286,722.53	25,678,770.76	768,607,951.77	915,053,061.24	33,437,376.01	881,615,685.23
Consumable biological assets	912,612,731.35	17,300,534.64	895,312,196.71	830,749,973.43	42,645,221.93	788,104,751.50
Low-value consumables	37,970,752.28		37,970,752.28	33,924,805.09		33,924,805.09
Packaging	20,146,801.19		20,146,801.19	19,994,892.00		19,994,892.00
Total	2,859,617,631.51	50,578,208.92	2,809,039,422.59	2,763,451,585.46	76,696,335.58	2,686,755,249.88

B. Provision for inventory write-down/impairment of contract performance costs

RMB

Item	Opening balance	Added amount	Deducted amount		Closing balance
		Provision	Reversal or write-off	Other	
Raw materials	613,737.64	2,986,131.54		852,481.68	2,747,387.50
Work in progress		4,853,447.82		1,931.80	4,851,516.02
Finished goods	33,437,376.01	32,779,133.01	338,426.45	40,876,164.71	25,678,770.76
Consumable biological assets	42,645,221.93	16,498,531.43		41,843,218.72	17,300,534.64
Total	76,696,335.58	57,117,243.80	338,426.45	83,573,796.91	50,578,208.92

11.Other current assets

RMB

Item	Closing balance	Opening balance
Reclassification of input VAT balance	143,400,061.96	124,309,514.95
Other	1,552,097.09	5,127,421.43
Total	144,952,159.05	129,436,936.38

12.Long-term equity investment

RMB

Investee	Opening balance	Fluctuations in the current period							Closing balance	Impairment provision at period-end
		Additional investments	Reduction of investment	Share of profit or loss under the equity method	Adjustment of other comprehensive income	Other equity changes	Dividends or profit declared	Other		
1.Joint Venture										
Unphung Joint Venture Company	4,167,616.44								4,167,616.44	
Nepal Wellhope Agri-tech Pvt. Ltd.	7,501,575.10								7,501,575.10	
Nexus Well-Hope Agritech International Limited	17,900,000.00								17,900,000.00	17,900,000.00
Subtotal	29,569,191.54								29,569,191.54	17,900,000.00
2.Associated Company										
Beipiao Hongfa Food Company	577,420,717.85			32,341,043.78			5,390,000.00		604,371,761.63	
Dalian Chengsan Food Group Company	335,590,076.13			39,747,509.78			5,000,000.00		370,337,585.91	
Anshan Jiuguhe Food Company	229,218,949.11			17,216,866.04					246,435,815.15	
Golden Harvesta Inc.	118,725,880.04			27,135,877.85	-1,533,053.64				144,328,704.25	
Dandong Wellhope Chengsan Animal Husbandry Company	110,101,992.65			11,142,207.26					121,244,199.91	
Dandong Wellhope Chengsan Food Company	101,348,309.01			8,491,052.32					109,839,361.33	
Jinzhou Jiufeng Food Company	98,214,303.40			10,452,169.84					108,666,473.24	
Tai'an Fengjiu Animal Husbandry Company	61,361,547.74	9,500,000.00		15,027,004.66			760,000.00		85,128,552.40	
PT Mulia Harvest Agritech	61,235,381.67			4,473,546.46	-736,758.26				64,972,169.87	
Gongzhuling Wellhope Corn Purchasing and Storage Company	52,862,080.60			993,632.22					53,855,712.82	
Anshan Fengsheng Food Company	55,295,625.46			-5,452,690.37					49,842,935.09	
Dalian Sidafa Food Company	45,570,725.69			720,564.63					46,291,290.32	
Huludao Jiuguhe Food Company	34,887,946.48			-8,085,188.62					26,802,757.86	
Linghai Jiuguhe Feed Company	40,037,876.72	3,420,000.00		-5,824,765.63					37,633,111.09	
Lankao Tiandi Duck Industry Company	30,267,279.37			6,089,245.12					36,356,524.49	
Hebei Taihang Wellhope Animal Husbandry Company	33,027,074.95		900,000.00	1,296,150.01					33,423,224.96	
PT Sekar Golden Harvesta Indonesia	34,125,322.42			-1,191,701.47	-537,185.31				32,396,435.64	
Harbin Wei'erhao Trade Company	14,174,967.30	7,803,000.00		2,251,618.13					24,229,585.43	
Beijing Dahong Hengfeng Animal Husbandry Technology Company	23,768,257.00			373,448.81					24,141,705.81	

Dalian Wellhope Fishmeal Company	12,774,842.36	4,045,613.31		7,186,056.72					24,006,512.39	
Dalian Minglu Agricultural Development Company		24,500,000.00		-2,744,527.94					21,755,472.06	
Jilin Jinfeng Animal Husbandry Company	4,496,784.48	9,000,000.00		4,202,965.13					17,699,749.61	
Tai'an Jiuguhe Agricultural Development Company	26,553,370.21	15,249,951.00		-24,761,732.88					17,041,588.33	
Shenyang Zhongwenjie Bio-technology Company	10,358,475.96			4,852,423.26					15,210,899.22	
Liaoning Mubang Animal Husbandry Equipment Manufacturing Company	12,230,028.52			561,003.17					12,791,031.69	
Qingdao Shenfeng Animal Husbandry Company	12,368,636.02			-10,742.29					12,357,893.73	
Jinzhou Xinfeng Food Company	11,164,938.36			715,929.06					11,880,867.42	
Chongqing Kuizhou Rabbit Industry Company	7,544,722.25	3,500,000.00		550,521.16					11,595,243.41	
Chongqing Dahong Agricultural and Animal Husbandry Machinery Company	14,393,314.92			-3,386,293.29					11,007,021.63	
Jiyuan Sunshine Rabbit Industry Technology Company	12,509,492.01			-2,553,290.64					9,956,201.37	
Liaoning Yufeng Bio-technology Company	16,280,236.96			-6,735,576.94					9,544,660.02	
Jilin Hengfeng Animal Health Products Company	8,017,708.75			1,430,062.30					9,447,771.05	
Shenyang Wanlitan Agriculture and Animal Husbandry Company	10,346,139.83			1,177,015.75			2,600,000.00		8,923,155.58	
Anshan Jiuguhe Paper Packaging Company	5,636,125.21	1,824,000.00		850,956.45					8,311,081.66	
Dunhua Fengda Breeding Poultry Company	5,643,687.46			2,293,469.94					7,937,157.40	
Weifang Wellhope Xinhesheng Feed Company	6,260,794.83			86,903.65					6,347,698.48	
Liaoning Petmate Bio-technology Company	6,539,804.40			-963,193.43					5,576,610.97	
Suizhong Renhe Fishery Company		3,866,741.77		46,963.80				933,259.23	4,846,964.80	
Anshan Antai Plastic Products Company	4,256,064.48			552,006.14					4,808,070.62	
Daqing Supply and Marketing Wellhope Animal Husbandry Company	4,901,990.85			-725,168.99					4,176,821.86	571,733.76
Indonesia Godaji International Trade Company	2,368,362.16			501,198.73	-33,449.66	3,023.12			2,839,134.35	
Huludao Jiuguhe Feed Company	1,072,437.29			1,382,111.99					2,454,549.28	
Shihaipu (Beijing) Commerce and Trade Company	2,195,480.34			205,853.77					2,401,334.11	

Shenyang Yihe Enterprise Management Partnership (Limited Partnership)	1,854,886.06			-55.65					1,854,830.41	
Shulan Fengtai Organic Fertilizer Company	1,661,310.19			-134,630.63					1,526,679.56	
Indonesia Max Animal Husbandry Technology Company	1,479,055.56			0.00	13,318.20				1,492,373.76	
Liaoning Xijuntong Logistics Technology Company		1,140,000.00		219,145.08					1,359,145.08	
Fuyu Fengyuan Poultry and Egg Company		1,250,000.00		8,259.96					1,258,259.96	
Hainan Nongken Wenfeng Wenchang Chicken Industry (Group) Company	1,089,591.10			-172,387.50					917,203.60	
Wudalianchi Zhongwang Dairy Cattle Breeding Farmers Professional Cooperative	764,945.13								764,945.13	
Hebei Taihang Wellhope Feed Company		900,000.00		-175,475.54					724,524.46	
Shenyang Wellhope Huahu Food Technology Company	188,882.09			-76,078.44					112,803.65	
Huludao Jiuguhe Animal Husbandry Company	2,456,236.03			-2,456,236.03						
Taian Jiufeng Animal Husbandry Company										
Shandong Fengkang Food Company										
Dazhou Wellhope Bio-technology Company	14,143,883.56			-1,626,026.35		2,625,000.00		-15,142,857.21		
Shenyang Wenjie Bio-technology Company	13,934,675.24		12,000,000.00	-96,285.04			1,838,390.20			
Wudalianchi Shengda Pasture Professional Cooperative	11,134,388.17			-11,134,388.17						
Tai'an Huijun Biomass Energy Company	509,726.28			-509,726.28						
Subtotal	2,304,365,330.65	85,999,306.08	12,900,000.00	125,758,620.85	-2,827,128.67	2,628,023.12	15,588,390.20	-14,209,597.98	2,473,226,163.85	571,733.76
Total	2,333,934,522.19	85,999,306.08	12,900,000.00	125,758,620.85	-2,827,128.67	2,628,023.12	15,588,390.20	-14,209,597.98	2,502,795,355.39	18,471,733.76

1. In view of the specific market and regulatory conditions in the countries where Unphung Joint Venture Company, Nepal Wellhope Agri-tech Pvt. Ltd., and Nexus Well-Hope Agritech International Limited are located, as well as the limited extent to which the Company is able to exercise significant influence over them, investments in the above three entities are accounted for using the cost method.

2. As of the end of the reporting period, the net assets of Tai'an Huijun Biomass Energy Company amounted to RMB -10,940,385.63. The book value of the long-term equity investment has been written down to zero, and the unrecognized investment loss at period-end was RMB -2,545,827.73.

13.Other equity instruments Investment

Item	Opening balance	Fluctuations in the current period					Closing balance	Dividend income recognized during the period	Cumulative gain recognized in other comprehensive income	Cumulative loss recognized in other comprehensive income
		Additional investments	Reduction of investment	Other comprehensive income – gain for the period	Other comprehensive income – loss for the period	Other				
Liaoning China-Russia Friendship Association	10,000.00				10,000.00					-10,000.00
Xi'an Micro Monkey E-commerce Company										-340,000.00
Dalian Chengsan Xuelong Wagyu Food Processing Company	4,096,952.57				4,096,952.57					-15,000,000.00
Henan Shanghui Feed Development Company	164,776.38				1,053.60		163,722.78			-336,277.22
Mudanjiang Wanding Dairy Company	10,554,982.04				10,554,982.04					-9,022,830.49
Total	14,826,710.99				14,662,988.21		163,722.78			-24,709,107.71

RMB

14. Investment properties

Investment properties accounted for using cost model

RMB

Item	Buildings and structures	Land use rights	Total
1. Original value			
A. Opening balance			
B. Increased amount	26,701,973.69	12,899,279.82	39,601,253.51
a. Purchased			
b. Reclassification from fixed assets or intangible assets	26,701,973.69	12,899,279.82	39,601,253.51
c. Increased by business combination			
C. Decreased amount			
D. Closing balance	26,701,973.69	12,899,279.82	39,601,253.51
2. Accumulated depreciation / amortization			
A. Opening balance			
B. Increased amount	12,305,995.33	3,314,338.50	15,620,333.83
a. Reclassification from fixed assets or intangible assets	11,094,266.59	3,056,352.90	14,150,619.49
b. Provision or amortization	1,211,728.74	257,985.60	1,469,714.34
C. Decreased amount			
D. Closing balance	12,305,995.33	3,314,338.50	15,620,333.83
3. Impairment provision			
A. Opening balance			
B. Increased amount			
a. Provision			
C. Decreased amount			
a. Disposed or retired			
D. Closing balance			
4. Book value			
A. Closing book value	14,395,978.36	9,584,941.32	23,980,919.68
B. Opening book value			

15.Fixed assets

RMB

Item	Closing balance	Opening balance
Fixed assets	4,307,643,182.96	4,168,026,657.86
Disposal of fixed assets		
Total	4,307,643,182.96	4,168,026,657.86

A.Circumstance of fixed assets

RMB

Item	Buildings and structures	Machinery and equipment	Transportation vehicle	Other equipment	Total
1. Original value					
A. Opening balance	3,611,104,431.11	2,514,063,900.91	142,169,762.83	160,457,072.89	6,427,795,167.74
B. Increased amount	360,500,201.41	265,581,342.97	7,087,038.79	14,214,305.19	647,382,888.36

a. Purchased	54,836,135.76	81,957,719.66	6,112,628.45	11,679,834.32	154,586,318.19
b. Transferred from construction in progress	161,425,323.04	89,924,185.53		443,871.22	251,793,379.79
c. Increased by business combination	144,238,742.61	93,699,437.78	974,410.34	2,090,599.65	241,003,190.38
C. Decreased amount	52,751,147.70	74,612,125.28	18,319,745.51	20,061,339.18	165,744,357.67
a. Disposal or retirement	18,426,418.01	64,067,966.92	16,876,588.82	19,934,177.34	119,305,151.09
b. Disposal of subsidiaries	7,622,756.00	10,544,158.36	1,443,156.69	127,161.84	19,737,232.89
c. Other	26,701,973.69				26,701,973.69
D. Closing balance	3,918,853,484.82	2,705,033,118.60	130,937,056.11	154,610,038.90	6,909,433,698.43
2. Accumulated depreciation					
A. Opening balance	862,327,919.82	1,117,845,075.70	107,138,576.49	100,129,568.55	2,187,441,140.56
B. Increased amount	177,662,286.57	233,627,265.14	17,030,092.53	19,224,087.58	447,543,731.82
a. Provision	158,608,988.99	211,557,550.38	16,457,878.45	17,983,417.35	404,607,835.17
b. Increased by business combination	19,053,297.58	22,069,714.76	572,214.08	1,240,670.23	42,935,896.65
C. Decreased amount	20,242,195.69	47,157,733.24	16,908,006.14	19,038,053.08	103,345,988.15
a. Disposal or retirement	7,235,644.18	41,690,486.70	16,109,338.29	18,651,269.59	83,686,738.76
b. Disposal of subsidiaries	700,556.18	5,467,246.54	798,667.85	386,783.49	7,353,254.06
c. Other	12,305,995.33				12,305,995.33
D. Closing balance	1,019,748,010.70	1,304,314,607.60	107,260,662.88	100,315,603.05	2,531,638,884.23
3. Impairment provision					
A. Opening balance	40,320,761.32	31,307,742.23	91,498.28	607,367.49	72,327,369.32
B. Increased amount	126,157.75	937,396.36	15,940.16	1,411.98	1,080,906.25
a. Provision	126,157.75	937,396.36	15,940.16	1,411.98	1,080,906.25
C. Decreased amount	308,271.15	2,934,635.44	879.00	12,858.74	3,256,644.33
a. Disposal or retirement	308,271.15	2,934,635.44	879.00	12,858.74	3,256,644.33
D. Closing balance	40,138,647.92	29,310,503.15	106,559.44	595,920.73	70,151,631.24
4. Book value					
A. Closing book value	2,858,966,826.20	1,371,408,007.85	23,569,833.79	53,698,515.12	4,307,643,182.96
B. Opening book value	2,708,455,749.97	1,364,911,082.98	34,939,688.06	59,720,136.85	4,168,026,657.86

B. Status of fixed assets pending ownership certification

Item	Book value	Reason for not obtaining ownership certificate
Operations center and raw material warehouse	15,318,916.78	In process
Total	15,318,916.78	/

16. Construction in progress

RMB

Item	Closing balance	Opening balance
Construction in progress	189,068,183.70	158,377,935.65
Engineering material		
Total	189,068,183.70	158,377,935.65

A.Circumstance of construction in progress

RMB

Item	Closing balance		Opening balance	
	Book balance	Book value	Book balance	Book value
Dalian Zhongjia - Phase II Chicken Processing and Slaughtering Project	8,489,311.95	8,489,311.95	8,286,191.62	8,286,191.62
Changchun Wellhope Food - Factory Area Transformation Project			54,455.45	54,455.45
Hainan Wellhope - 200,000 Tons Feed Production Line Project	1,331,909.70	1,331,909.70	2,658,725.44	2,658,725.44
Baotou Hechen - 150,000 Tons Feed Production Line Project			51,269,819.50	51,269,819.50
Haicheng Wellhope - Phase II Factory Construction Project			7,353,647.36	7,353,647.36
Fuzhou Wellhope - 200,000 Tons Feed Production Line Project			894,389.04	894,389.04
Fushun Agriculture and Animal Husbandry - Pig Farm Construction			3,753,480.00	3,753,480.00
Heilongjiang Wellhope - Creep and Nursery Feed Workshop	4,557,981.00	4,557,981.00	4,557,981.00	4,557,981.00
Shandong Heyuan - Water Reservoir Renovation	9,798,025.36	9,798,025.36	9,798,025.36	9,798,025.36
Pingyuan Wellhope - Cold Storage Project	1,526,890.49	1,526,890.49	44,377,073.84	44,377,073.84
Lingyuan Wellhope - Pig Farm Construction			630,800.00	630,800.00
Tieling Wellhope Food - Annual Slaughter of 50 Million White Feather Broilers Renovation Project	65,808,853.00	65,808,853.00		
Siping Wellhope Food - Phase I of the 80-million Broiler Slaughtering and Further Processing Project in Shuangliao City	3,947,909.86	3,947,909.86		
Liaoning Qingyuan -The Fifth Pelleting Line and Bulk Grain Storage System Project	6,387,071.04	6,387,071.04		
Dasenlin Food - Workshop Expansion	4,427,782.48	4,427,782.48	330,194.18	330,194.18
Shenyang Wellhope Agriculture and Animal Husbandry Technology Company-Beef Cattle Breeding Innovation Capacity Enhancement Project	21,166,842.80	21,166,842.80	1,018,118.24	1,018,118.24
Dazhou Wellhope - Biological Food Processing Project (Phase II)	17,063,531.33	17,063,531.33	8,009,077.36	8,009,077.36
Other Construction Projects	44,562,074.69	44,562,074.69	15,385,957.26	15,385,957.26
Total	189,068,183.70	189,068,183.70	158,377,935.65	158,377,935.65

B.Changes of important constructions in progress

RMB

Project	Budget	Opening balance	Increased amount	Amount transferred to fixed assets	Closing balance	Cumulative investment as a percentage of budget %	Construction progress %	Cumulative amount of capitalized interest	Of which: interest capitalized during the period	Interest capitalization rate during the period %	Source of funds
Dalian Zhongjia - Phase II Chicken Processing and Slaughtering Project	250,000,000.00	8,286,191.62	2,925,242.41	2,722,122.08	8,489,311.95	20.00	13.50				Self-funded
Changchun Wellhope Food - Factory Area Transformation Project	97,300,000.00	54,455.45		54,455.45		100.00	100.00				Self-funded
Hainan Wellhope - 200,000 Tons Feed Production Line Project	72,000,000.00	2,658,725.44	1,333,409.70	2,660,225.44	1,331,909.70	98.00	98.00				Self-funded
Baotou Hochen - 150,000 Tons Feed Production Line Project	60,000,000.00	51,269,819.50	4,406,687.06	55,676,506.56		92.79	100.00				Self-funded
Haicheng Wellhope - Phase II Factory Construction Project	73,500,000.00	7,353,647.36	49,182,690.43	56,536,337.79		76.92	100.00	875,970.98	858,407.43	3.41	Self-funded, loans
Fuzhou Wellhope - 200,000 Tons Feed Production Line Project	80,000,000.00	894,389.04	7,972,565.14	8,866,954.18		100.00	100.00				Self-funded
Fushun Agriculture and Animal Husbandry - Pig Farm Construction	380,300,000.00	3,753,480.00	4,141,500.00	7,894,980.00		100.00	100.00				Self-funded
Heilongjiang Wellhope - Creep and Nursery Feed Workshop	50,000,000.00	4,557,981.00			4,557,981.00	34.00	15.00				Self-funded, public financing
Shandong Heyuan - Water Reservoir Renovation	15,000,000.00	9,798,025.36			9,798,025.36	65.32	66.00				Self-funded
Pingyuan Wellhope - Cold Storage Project	95,000,000.00	44,377,073.84	21,121,245.95	63,971,429.30	1,526,890.49	100.00	98.20				Self-funded
Lingyuan Wellhope - Pig Farm Construction	85,000,000.00	630,800.00		630,800.00		100.00	100.00				Self-funded, public financing
Tieling Wellhope Food - Annual Slaughter of 50 Million White Feather Broilers Renovation Project	120,000,000.00		65,808,853.00		65,808,853.00	54.84	54.84				Self-funded

Siping Wellhope Food - Phase I of the 80-million Broiler Slaughtering and Further Processing Project in Shuangliao City	120,000,000.00		3,947,909.86		3,947,909.86	3.29	3.29				Self-funded
Liaoning Qingyuan -The Fifth Pelleting Line and Bulk Grain Storage System Project	13,000,000.00		7,061,794.04	674,723.00	6,387,071.04	54.32	54.32				Self-funded
Dasenlin Food - Workshop Expansion	10,500,000.00	330,194.18	4,097,588.30		4,427,782.48	42.17	42.17				Self-funded
Shenyang Wellhope Agriculture and Animal Husbandry Technology Company - Beef Cattle Breeding Innovation Capacity Enhancement Project	30,000,000.00	1,018,118.24	20,148,724.56		21,166,842.80	70.56	95.00				Self-funded
Dazhou Wellhope - Biological Food Processing Project (Phase II)	61,214,100.00	8,009,077.36	9,054,453.97		17,063,531.33	27.88	27.88				Self-funded
Total	1,612,814,100.00	142,991,978.39	201,202,664.42	199,688,533.80	144,506,109.01	/	/	875,970.98	858,407.43	/	/

17. Productive biological asset**Productive biological assets measured at cost**

RMB

Item	Livestock industry				Total
	Broiler breeder	Pig breeder	Layer	Cow breeder	
1. Original value					
A. Opening balance	64,899,903.46	148,636,775.79	28,043,023.36	5,059,778.99	246,639,481.60
B. Increased amount	104,046,000.89	337,727,286.72	16,271,698.87	2,445,163.30	460,490,149.78
a. Externally purchased	48,198,841.08	109,385,780.10	8,075,993.41	2,445,163.30	168,105,777.89
b. Breeding by own farm	55,847,159.81	228,341,506.62	8,195,705.46		292,384,371.89
C. Decreased amount	66,033,157.25	341,186,002.32	28,360,200.78	3,171,402.27	438,750,762.62
a. Disposed	66,033,157.25	249,906,191.70	7,208,833.75	225,452.90	323,373,635.60
b. Transferred to consumable biological assets		91,279,810.62	21,151,367.03	2,945,949.37	115,377,127.02
D. Closing balance	102,912,747.10	145,178,060.19	15,954,521.45	4,333,540.02	268,378,868.76
2. Accumulated depreciation					
A. Opening balance	18,480,428.20	22,308,146.30	5,737,759.52	336,610.69	46,862,944.71
B. Increased amount	56,280,796.00	53,827,685.78	8,620,569.89	232,737.84	118,961,789.51
a. Provision	56,280,796.00	53,827,685.78	8,620,569.89	232,737.84	118,961,789.51
C. Decreased amount	51,784,458.51	51,063,001.81	10,788,064.15	165,251.59	113,800,776.06
a. Disposed	51,784,458.51	35,996,352.10	2,524,766.18	27,773.96	90,333,350.75
b. Others		15,066,649.71	8,263,297.97	137,477.63	23,467,425.31
D. Closing balance	22,976,765.69	25,072,830.27	3,570,265.26	404,096.94	52,023,958.16
3. Impairment provision					
4. Book value					
A. Closing book value	79,935,981.41	120,105,229.92	12,384,256.19	3,929,443.08	216,354,910.60
B. Opening book value	46,419,475.26	126,328,629.49	22,305,263.84	4,723,168.30	199,776,536.89

18.Right-of-use asset

RMB

Item	Buildings and structures	Machinery equipment	Land	Total
1. Original value				
A. Opening balance	449,987,922.21	99,958,189.70	87,273,835.31	637,219,947.22
B. Increased amount	116,598,082.68	2,576,314.51	1,216,041.63	120,390,438.82
a. New lease	116,598,082.68	2,576,314.51	1,216,041.63	120,390,438.82
C. Decreased amount	20,045,161.79	15,442,475.89		35,487,637.68
a. Lease expiration	20,045,161.79	15,442,475.89		35,487,637.68
D. Closing balance	546,540,843.10	87,092,028.32	88,489,876.94	722,122,748.36
2. Accumulated amortization				
A. Opening balance	69,744,483.68	14,965,520.80	27,318,759.35	112,028,763.83
B. Increased amount	58,420,604.43	5,210,504.78	8,868,994.55	72,500,103.76
a. Provision	58,420,604.43	5,210,504.78	8,868,994.55	72,500,103.76
C. Decreased amount	7,288,591.26	2,611,427.51		9,900,018.77
a. Disposed	7,288,591.26	2,611,427.51		9,900,018.77
D. Closing balance	120,876,496.85	17,564,598.07	36,187,753.90	174,628,848.82
3. Impairment provision				
4. Book value				
A. Closing book value	425,664,346.25	69,527,430.25	52,302,123.04	547,493,899.54
B. Opening book value	380,243,438.53	84,992,668.90	59,955,075.96	525,191,183.39

19.Intangible assets

RMB

Item	Land use rights	Computer software and other	Total
1. Original value			
A. Opening balance	434,249,996.69	20,442,192.38	454,692,189.07
B. Increased amount	46,610,245.99	10,635,772.24	57,246,018.23
a. Purchased	10,168,593.09	10,635,772.24	20,804,365.33
b. Increased by business combination	36,441,652.90		36,441,652.90
C. Decreased amount	15,249,995.62	219,705.69	15,469,701.31
a. Disposed	15,249,995.62	219,705.69	15,469,701.31
D. Closing balance	465,610,247.06	30,858,258.93	496,468,505.99
2. Accumulated amortization			
A. Opening balance	79,433,011.85	11,728,402.58	91,161,414.43
B. Increased amount	14,017,932.09	2,289,739.33	16,307,671.42
a. Provision	14,017,932.09	2,289,739.33	16,307,671.42
C. Decreased amount	4,033,638.87	212,764.30	4,246,403.17
a. Disposed	4,033,638.87	212,764.30	4,246,403.17
D. Closing balance	89,417,305.07	13,805,377.61	103,222,682.68
3. Impairment provision			
4. Book value			
A. Closing book value	376,192,941.99	17,052,881.32	393,245,823.31
B. Opening book value	354,816,984.84	8,713,789.80	363,530,774.64

20. Goodwill**A. Original value of goodwill**

RMB

Name of investee or item giving rise to goodwill	Opening balance	Increased amount	Decreased amount	Closing balance
		Resulting from business combination	Disposal	
Dalian Zhongjia Food Company	290,425.67			290,425.67
Tianyi Chuwei (Beijing) Technology Company	1,844,995.57		1,844,995.57	
Shandong Fengkang Company		17,594,587.49		17,594,587.49
Dazhou Wellhope Bio-technology Company		1,979,591.74		1,979,591.74
Total	2,135,421.24	19,574,179.23	1,844,995.57	19,864,604.90

Explanation:

The goodwill recognized above primarily arose from business combinations not under common control, where the consideration paid by the Company exceeded the share of the fair value of the identifiable net assets of the acquiree obtained in the combination.

The Company determines the recoverable amount of the relevant asset groups using the present value of expected future cash flows method. Future cash flows for the next three to five years are estimated based on financial budgets approved by management, with a terminal growth rate of 0.00% (prior period: 0.00%). These budgets are prepared by management based on historical performance and their expectations for future market developments. Based on the results of the impairment test, the goodwill impairment provision at the end of the current period was RMB 0 (prior period: RMB 1,844,995.57).

B. Impairment provision for goodwill

RMB

Invested entity or matters forming goodwill	Opening balance	Increased amount	Decreased amount	Closing balance
		Provision	Disposal	
Tianyi Chuwei (Beijing) Technology Company	1,844,995.57		1,844,995.57	
Total	1,844,995.57		1,844,995.57	

21. Long-term deferred expenses

RMB

Item	Opening balance	Increased amount	Amortized amount	Closing balance
Land leveling costs	9,562,916.94	238,486.50	4,936,036.98	4,865,366.46
Improvements to fixed assets	40,226,945.89	16,692,520.36	15,411,087.66	41,508,378.59
Other	15,534,180.56	24,988,246.86	21,495,166.40	19,027,261.02
Total	65,324,043.39	41,919,253.72	41,842,291.04	65,401,006.07

22.Deferred tax assets /deferred tax liabilities**A. Deferred tax assets not offset**

RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for credit impairment	41,909,351.47	8,682,373.14	36,442,704.81	7,615,711.47
Provision for the impairment of assets	239,715,227.47	50,322,619.56	174,392,013.60	38,411,905.63
Unrealized profit on internal transactions	13,781,926.78	3,415,687.36	14,338,602.28	3,046,834.38
Deferred income	36,998,506.68	5,791,892.67	5,709,166.67	983,925.00
Fair value changes	202,400.00	50,600.00	234,900.00	58,725.00
Lease liabilities	212,942,519.06	52,889,803.34	211,468,285.47	52,248,841.86
Share-based payment	373,420.49	60,676.61		
Total	545,923,351.95	121,213,652.68	442,585,672.83	102,365,943.34

B. Deferred tax liabilities not offset

RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Carrying value of assets exceeds tax base	217,702,263.91	53,566,285.70	217,729,256.18	53,459,620.43
Total	217,702,263.91	53,566,285.70	217,729,256.18	53,459,620.43

C. Deferred tax assets or liabilities presented on a net basis after offsetting

Item	Deferred tax assets and liabilities offset at the end of the period	Deferred tax assets or liabilities at the end of the period after offsetting	Deferred tax assets and liabilities offset at the beginning of the period	Deferred tax assets or liabilities at the beginning of the period after offsetting
Deferred tax assets	52,380,617.84	68,833,034.84		102,365,943.34
Deferred tax liabilities	52,380,617.84	1,185,667.86		53,459,620.43

D. Details of unrecognized deferred tax asset

RMB

Item	Closing balance	Opening balance
Deductible temporary difference	85,745,387.98	67,331,835.17
Deductible losses	547,479,095.46	327,162,158.67
Total	633,224,483.44	394,493,993.84

E. Unrecognized deductible tax losses will expire in the following years

RMB

Year	Closing balance	Opening balance
2025	35,070,359.10	35,467,636.74
2026	55,180,100.74	56,928,485.24
2027	83,463,503.82	106,163,347.12
2028	110,931,053.08	116,665,570.22

2029	255,180,815.70	4,278,584.71
2030	76,653.53	76,653.33
2031	4,294,631.45	4,299,903.27
2032	3,281,978.04	3,281,978.04
Total	547,479,095.46	327,162,158.67

23. Other non-current assets

RMB

Item	Closing balance			Opening balance		
	Book balance	Provision	Book value	Book balance	Provision	Book value
Prepayments for long-lived assets	52,743,172.87		52,743,172.87	76,500,287.28		76,500,287.28
Prepaid feeding fees to contract farmers	525,602,282.30	26,243,830.94	499,358,451.36	521,843,768.88		521,843,768.88
Prepaid rent				2,200,000.00		2,200,000.00
Total	578,345,455.17	26,243,830.94	552,101,624.23	600,544,056.16		600,544,056.16

24. Assets with restricted ownership or usage rights

RMB

Item	Closing balance			Opening balance		
	Book balance	Book value	Type of restriction	Book balance	Book value	Type of restriction
Monetary funds	45,743,263.42	45,743,263.42		20,344,238.13	20,344,238.13	
Including: Futures margin deposits	19,700,245.12	19,700,245.12	Held as margin	19,369,409.88	19,369,409.88	Held as margin
Margin deposits for letters of credit	5,106,257.99	5,106,257.99	Held as margin	974,828.25	974,828.25	Held as margin
Funds in securities accounts	20,936,760.31	20,936,760.31	Held as margin			
Fixed assets	192,584,707.96	192,584,707.96	Mortgaged	96,970,880.23	96,970,880.23	Mortgaged
Intangible assets	24,850,032.42	24,850,032.42	Mortgaged			
Total	263,178,003.80	263,178,003.80	/	117,315,118.36	117,315,118.36	/

25. Short-term borrowing

RMB

Item	Closing balance	Opening balance
Secured loan	66,500,000.00	
Guaranteed loan	169,094,236.21	208,263,920.52
Unsecured loan	330,124,132.88	761,240,000.00
Interest payable	1,560,621.32	1,453,388.98
Total	567,278,990.41	970,957,309.50

Explanation:

At the end of the period, the guaranteed borrowings represented bank loans guaranteed by the Company on behalf of its subsidiaries, including Lingyuan Wellhope Animal Husbandry Company, Baicheng Wellhope Animal Husbandry Company, Lixin Xiangfeng Agriculture and Animal Husbandry Company, Liaoning Expert Trade Company, Daqing Wellhope Food Company, and Baotou Hechen Animal Husbandry Company.

The secured borrowings at the end of the period amounted to RMB 66.5 million, which were bank

loans secured by the Company's subsidiaries — Dazhou Wellhope Bio-technology Company and Shandong Fengkang Food Company — by pledging assets such as equipment, plant buildings and land use rights.

26.Accounts payable

RMB

Item	Closing balance	Opening balance
Accounts payable related to trade and expenses	1,556,969,201.55	1,511,676,623.40
Accounts payable related to long-lived assets	72,584,477.24	118,112,935.54
Total	1,629,553,678.79	1,629,789,558.94

27.Advance receipt

RMB

Item	Closing balance	Opening balance
Advance payments for goods		18,172,031.73
Total		18,172,031.73

28.Contract Liabilities

RMB

Item	Closing balance	Opening balance
Advance payments for goods	281,430,591.89	252,530,723.35
Total	281,430,591.89	252,530,723.35

29.Employee benefits payable

A. Employee benefits

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
1. Short-term employee benefits	224,138,953.77	1,576,366,394.45	1,561,058,963.43	239,446,384.79
2. Post-employment benefits-Defined contribution plans	1,218,447.34	105,875,366.78	106,052,416.15	1,041,397.97
3. Termination benefits		3,657,124.73	3,571,124.73	86,000.00
4. Other long-term employee benefits due within one year				
Total	225,357,401.11	1,685,898,885.96	1,670,682,504.31	240,573,782.76

B. Short-term employee benefits

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
1. Salaries, bonuses, allowances and subsidies	221,776,570.05	1,411,314,770.44	1,396,185,330.77	236,906,009.72
2. Employee welfare expenses		70,281,821.53	69,824,152.42	457,669.11
3. Social insurance contributions	710,492.08	62,586,374.30	62,706,392.22	590,474.16
including: Medical insurance contributions	643,621.92	55,323,446.35	55,444,576.64	522,491.63
Work-related injury insurance contributions	44,181.86	5,124,033.74	5,120,985.69	47,229.91
Maternity insurance contributions	22,688.30	2,138,894.21	2,140,829.89	20,752.62

4. Housing provident fund contributions	150,051.76	22,253,668.97	22,293,026.73	110,694.00
5. Union and employee education expenses	1,501,839.88	9,929,759.21	10,050,061.29	1,381,537.80
Total	224,138,953.77	1,576,366,394.45	1,561,058,963.43	239,446,384.79

C. Defined contribution plans

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
Basic insurance contributions	1,183,266.96	102,284,818.73	102,457,973.15	1,010,112.54
Unemployment insurance contributions	35,180.38	3,590,548.05	3,594,443.00	31,285.43
Total	1,218,447.34	105,875,366.78	106,052,416.15	1,041,397.97

30.Tax payable

RMB

Item	Closing balance	Opening balance
Value-added tax	6,752,457.25	2,693,798.13
Enterprise income tax	35,959,307.30	27,984,343.36
Individual income tax	3,859,929.41	2,511,721.24
Urban maintenance and construction tax	129,737.82	128,663.10
Education surcharge	102,235.47	97,215.04
Property tax	2,130,688.60	1,641,369.59
Urban land use tax	1,749,911.58	1,729,045.15
Stamp duty	4,899,112.15	5,040,290.51
Others	883,530.78	623,293.58
Total	56,466,910.36	42,449,739.70

31.Other payables

RMB

Item	Closing balance	Opening balance
Interest payable	10,369,863.01	5,184,931.51
Dividend payable		16,453,038.17
Other payables	628,259,826.01	458,142,673.91
Total	638,629,689.02	479,780,643.59

A.Interest payable

RMB

Item	Closing balance	Opening balance
Interest payable on convertible bonds	10,369,863.01	5,184,931.51
Total	10,369,863.01	5,184,931.51

B.Dividend payable

RMB

Item	Closing balance	Opening balance
Common stock dividends		16,453,038.17
Total		16,453,038.17

C.Other payables

RMB

Item	Closing balance	Opening balance
Operating payables related to expenses and internal transactions	483,961,450.75	391,398,162.64
Investment-related payables	14,022,500.00	2,064,978.80

Employee stock ownership plan	72,100,000.00	
Transactions with external parties	58,175,875.26	64,679,532.47
Total	628,259,826.01	458,142,673.91

32.Current portion of non-current liabilities

RMB

Item	Closing balance	Opening balance
Current portion of long-term borrowings	453,606,051.58	812,076,600.00
Current portion of long-term payables	15,250,875.29	63,513,759.91
Current portion of lease liabilities	28,685,862.68	57,140,197.16
Total	497,542,789.55	932,730,557.07

33.Other non-current liability

RMB

Item	Closing balance	Opening balance
Input VAT pending deduction/write-off	8,223,061.85	6,656,358.86
Total	8,223,061.85	6,656,358.86

34.Long-term borrowings

RMB

Item	Closing balance	Opening balance
Secured loans	99,264,210.00	101,994,210.00
Guaranteed loans	389,750,606.09	328,144,061.86
Unsecured loans	1,407,340,000.00	1,300,210,000.00
Interest payable	1,405,503.83	1,779,845.33
Subtotal	1,897,760,319.92	1,732,128,117.19
Less: Current portion of long-term borrowings	453,606,051.58	812,076,600.00
Total	1,444,154,268.34	920,051,517.19

At the end of the reporting period, the guaranteed loans represented bank loans guaranteed by the Company on behalf of its subsidiaries, including Hebei Taihang Wellhope Food Company, Daqing Wellhope Food Company, Dalian Heyuan Animal Husbandry Company, Dalian Zhongjia Food Company, Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company, Haicheng Wellhope Animal Husbandry Feed Company, and Anhui Wellhope Food Company.

The secured borrowings amounted to RMB 99.2642 million, which were obtained by the Company's subsidiaries — Pingyuan Wellhope Food Company, Hebei Taihang Wellhope Food Company, Dalian Heyuan Animal Husbandry Company, and Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company — using equipment as collateral.

The interest rate range for bank borrowings was 3.00% to 3.45%, while the interest rate range for government borrowings was 3.00% to 10.00%.

35.Bonds payable**A.Bonds payable**

RMB

Item	Closing balance	Opening balance
Wellhope convertible bonds	1,349,079,789.00	1,305,789,795.09
Total	1,349,079,789.00	1,305,789,795.09

B.Details of bonds payable: (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

											RMB
Bond name	Par value	Coupon rate%	Issuing date	Bond term	Total issuing amount	Opening balance	Interest accrued at par value	Amortization of premium/discount	Conversion to shares during the period	Closing balance	Defaulted (Yes/No)
Wellhope convertible bond	100	0.3 in year 1, 0.5 in year 2, 1.0 in year 3, 1.5 in year 4, 1.8 in year 5, 2.0 in year 6	Apr. 22, 2022	6 years	1,500,000,000.00	1,305,789,795.09	12,519,966.50	30,778,027.41	8,000.00	1,349,079,789.00	No
Total	/	/	/	/	1,500,000,000.00	1,305,789,795.09	12,519,966.50	30,778,027.41	8,000.00	1,349,079,789.00	/

C.Description of convertible corporate bonds

Bond name	Conditions for conversion of shares	Conversion time
Wellhope convertible bond	Convertible bonds may be converted into shares starting from the first trading day after six months from the completion of issuance.	October 28, 2022 to April 21, 2028

Accounting treatment and basis for judgment on convertible bonds

With the approval of the China Securities Regulatory Commission (CSRC) [Approval No. 662 (2022)], the Company publicly issued 15 million convertible corporate bonds on April 22, 2022, at an issue price of RMB 100.00 per bond, with a total issuance amount of RMB 1.5 billion and a term of six years. Upon approval by the Shanghai Stock Exchange [Self-Regulatory Decision No. 130 (2022)], the Company's RMB 1.5 billion convertible corporate bonds were listed for trading on the SSE on May 18, 2022, under the bond abbreviation "Wellhope Convertible Bond" and bond code "113647".

The coupon rates of the convertible bonds are set as follows: 0.30% for the first year, 0.50% for the second year, 1.00% for the third year, 1.50% for the fourth year, 1.80% for the fifth year, and 2.00% for the sixth year. Interest is paid annually, and the principal of any bonds not converted into shares, along with the final year's interest, will be repaid upon maturity. The bond term is six years from the issuance date, i.e., from April 22, 2022 (T Day) to April 21, 2028. Interest accrual begins on the issuance date (T Day), and each interest payment date falls on the anniversary of the issuance date. If such a date falls on a statutory holiday or non-trading day, payment shall be postponed to the next trading day, with no additional interest accrued during the deferral period.

The initial conversion price of the convertible bonds was RMB 10.22 per share. On June 20, 2022, the Company repurchased and canceled 5,742,000 restricted shares at a price of RMB 4.23 per share. As a result, the Company adjusted the conversion price of the "Wellhope Convertible Bond" to RMB 10.26 per share, effective from June 23, 2022. On May 22, 2023, due to the implementation of the 2022 annual profit distribution plan, the conversion price was further adjusted to RMB 10.14 per share, effective from May 26, 2023.

In accordance with the provisions of Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, a non-derivative financial instrument issued by an enterprise that contains both a financial liability component and an equity component shall be measured by separately accounting for the two components at initial recognition. Accordingly, the Company recognized: RMB 1,250,956,156.48 (net of directly attributable issuance costs) as the financial liability component, recorded under bonds payable; and RMB 238,927,343.52 (net of directly attributable issuance costs) as the equity component, recorded under other equity instruments.

36. Lease liabilities

RMB

Item	Closing balance	Opening balance
Total lease payments	626,129,851.01	583,051,087.94
Less: Unrecognized finance expenses	176,598,390.07	157,909,468.49
Subtotal(Present value of lease payments)	449,531,460.94	425,141,619.45
Less: Current portion of lease liabilities	28,685,862.68	57,140,197.16
Total	420,845,598.26	368,001,422.29

37. Long-term payables

RMB

Item	Closing balance	Opening balance
Long-term payables	94,867,723.87	42,542,892.62
Specific payables		
Total	94,867,723.87	42,542,892.62

Long-term payables presented by nature

RMB

Item	Opening balance	Closing balance
Finance lease payables	120,762,008.91	113,295,825.18
Unrecognized finance expenses	-10,643,409.75	-7,239,172.65
Subtotal	110,118,599.16	106,056,652.53
Less: Current portion of long-term payables	15,250,875.29	63,513,759.91
Total	94,867,723.87	42,542,892.62

38. Deferred income

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance	Reason
Government grant	73,419,574.05	10,475,552.29	8,603,571.54	75,291,554.80	
Total	73,419,574.05	10,475,552.29	8,603,571.54	75,291,554.80	/

39. Share capital

RMB

	Opening balance	Fluctuations (increase or decrease)					Closing balance
		New share issuance	Bonus issue	Capital reserve converted into share capital	Others	Subtotal	
Total shares	919,433,663				785	785	919,434,448

Other explanations: In 2024, a total of RMB 8,000 of Wellhope convertible bonds were converted into shares of the Company, and the number of shares resulting from the conversion was 785 shares.

40. Other equity instruments

A. Basic information on other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

With the approval of the China Securities Regulatory Commission [Approval No. 662 (2022)], the Company publicly issued 15 million convertible corporate bonds on April 22, 2022, at an issue price of RMB 100.00 per bond, with a total issuance amount of RMB 1.5 billion and a term of six years. Upon approval by the Shanghai Stock Exchange, the Company's RMB 1.5 billion convertible corporate bonds were listed for trading on the SSE on May 18, 2022, under the bond abbreviation "Wellhope Convertible Bond" and bond code "113647".

B.Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period

Outstanding financial instruments	Opening balance		Increase during the period		Decrease during the period		Closing balance	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Wellhope convertible bond	14,670,080	233,672,216.24			80	1,274.28	14,670,000	233,670,941.96
Total	14,670,080	233,672,216.24			80	1,274.28	14,670,000	233,670,941.96

41.Capital reserve

	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium(Share premium)	869,439,566.62	7,817.67	66,617,313.16	802,830,071.13
Other capital reserves	3,472,482.55	1,735,659.69		5,208,142.24
Total	872,912,049.17	1,743,477.36	66,617,313.16	808,038,213.37

Explanation-- The change in capital premium for the current year includes an increase of RMB 7,817.67 resulting from the conversion of convertible bonds into shares during the year, and a decrease of RMB 5,157,313.16 due to changes in the Company's ownership interests in its subsidiaries. 14,000,000 shares repurchased by the Company were transferred to the employee stock ownership plan securities account on August 21, 2024, resulting in a reduction of RMB 61,460,000.00 in capital premium. The change in other capital reserves for the current year includes share-based payment expenses of RMB 1,732,636.56 recognized in connection with the implementation of the employee stock ownership plan, and an increase of RMB 3,023.13 arising from equity-method investees.

42.Treasury stock

Item	Opening balance	Increased amount	Decreased amount	Closing balance
Repurchased stock of the Company	200,003,612.37	287,387,710.93	61,460,000.00	425,931,323.30
Total	200,003,612.37	287,387,710.93	61,460,000.00	425,931,323.30

The annual decrease in treasury shares was due to the implementation of the 2024 employee stock ownership plan. A total of 14,000,000 shares held in the Company's repurchase securities account were

transferred via non-trading transfer to the ESOP securities account. As of December 31, 2024, the Company's treasury shares totaled 46,944,311 shares. For details regarding share-based payments, please refer to Note to Share-based Payment. The annual increase in treasury shares refers to the accumulation of 4.35% of the Company's total shares repurchased through bidding on the Stock Exchange.

43. Other comprehensive income

RMB

Item	Opening balance	2024			Closing balance
		Pre-tax	After-tax, attributable to parent company	After-tax, attributable to non-controlling interest	
1. Other comprehensive income that can't be reclassified into gains or losses	-15,730,587.16	-14,652,988.21	-14,642,433.22	-10,554.98	-30,373,020.38
Changes in fair value of other equity instrument investments	-15,730,587.16	-14,652,988.21	-14,642,433.22	-10,554.98	-30,373,020.38
2. Other comprehensive income that will be reclassified into gains or losses	-8,146,476.88	229,709.98	-1,130,357.83	1,360,067.81	-9,276,834.71
including: Other comprehensive income that can be transferred in gains or losses under the equity method	-6,450,401.01	-2,827,128.67	-2,832,988.68	5,860.01	-9,283,389.69
Translation balance of foreign currency financial statements	-1,696,075.87	3,056,838.65	1,702,630.85	1,354,207.80	6,554.98
Total other comprehensive income	-23,877,064.04	-14,423,278.23	-15,772,791.05	1,349,512.83	-39,649,855.09

44. Surplus reserve

RMB

Item	Opening balance	Increased amount	Decrease amount	Closing balance
Statutory surplus reserve	457,022,680.97	17,662,846.76		474,685,527.73
Total	457,022,680.97	17,662,846.76		474,685,527.73

45. Undistributed profit

RMB

Item	2024	2023
Undistributed profit at the end of prior period before adjustment	4,400,135,075.82	4,967,837,188.90
Total adjustments to opening undistributed profit (increase +, decrease -)		
Undistributed profit at the beginning of current period after adjustment	4,400,135,075.82	4,967,837,188.90
Add: Net profit attributable to the owners of the parent company in current period	342,468,141.14	-457,037,550.28

Less: Appropriation to statutory surplus reserve	17,662,846.76	3,017,414.09
Dividends payable on common shares		107,817,202.80
Others		-170,054.09
Undistributed profit at the end of current period	4,724,940,370.20	4,400,135,075.82

46.Revenue and cost

A.Information of revenue and cost

RMB

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Primary businesses	32,499,057,611.21	30,410,710,308.70	35,924,050,473.57	34,501,668,836.06
Other businesses	46,202,426.66	36,418,856.47	46,211,435.84	38,455,427.75
Total	32,545,260,037.87	30,447,129,165.17	35,970,261,909.41	34,540,124,263.81

B.Breakdown information on revenues and costs

RMB

Contract classification	Total	
	Revenue	Cost
Type of goods		
Feed products	12,509,047,052.89	11,178,618,301.03
Broiler integration	11,339,656,046.86	11,020,455,472.07
Feed raw materials	4,999,646,088.09	5,026,504,887.51
Hog farming	3,317,621,699.20	2,920,495,993.12
Other businesses	379,289,150.83	301,054,511.44
Classified by timing of transfer of goods		
Revenue recognized at a point in time	32,540,244,557.81	30,443,234,271.95
Revenue recognized over time	5,015,480.06	3,894,893.22
Classified by sales channel		
Direct sales	23,691,488,883.27	22,153,496,482.45
Distribution sales	8,853,771,154.60	8,293,632,682.72
Total	32,545,260,037.87	30,447,129,165.17

Explanation:

The Company sells feed products, feed raw materials, meat and poultry products, commercial pigs, and other goods. In accordance with the terms of the sales contracts, these transactions are considered performance obligations satisfied at a point in time. For such obligations, revenue is recognized when control of the goods is transferred to the customer. The Company's asset leasing business is deemed to satisfy performance obligations over time, as stipulated in the lease contracts. For these obligations, revenue is recognized over time based on the progress of performance during the lease period.

47.Taxes and surtaxes

RMB

Item	2024	2023
City maintenance and construction tax	1,058,540.77	970,600.29
Extra charges of education funds	827,319.94	734,254.67
House property tax	14,258,729.65	12,885,626.54
Land use tax	14,462,394.77	14,195,273.86
Stamp tax	20,755,474.73	20,649,461.73
Other	5,627,283.50	5,524,615.29
Total	56,989,743.36	54,959,832.38

48.Sales expenses

RMB

Item	2024	2023
Employee compensation	417,792,737.12	417,073,446.86
Travel expenses	123,453,441.73	132,919,025.74
Transportation, loading and vehicle expenses	12,058,594.69	14,969,771.61
Service fees	18,894,539.11	23,697,073.29
Entertainment expenses	32,813,938.44	32,226,824.44
Marketing and promotion expenses	7,821,937.19	13,072,709.74
Leasing expenses	7,520,918.96	9,267,600.70
Conference expenses	9,413,004.93	7,764,762.98
Sales service expenses	33,262,454.04	29,594,914.00
Office and communication fee	8,912,339.22	8,047,246.54
Subtotal of other items	38,000,464.78	29,732,293.13
Total	709,944,370.21	718,365,669.03

49.Administration expense

RMB

Item	2024	2023
Employee compensation	361,675,503.74	336,844,279.87
Depreciation	66,057,168.08	59,304,108.82
Office and communication fee	31,100,000.92	30,843,944.70
Travel expenses	22,862,655.36	21,668,013.42
Repair and maintenance expenses	17,366,525.08	20,831,900.49
Leasing expenses	9,968,636.31	6,794,333.17
Amortization of intangible assets	12,114,506.16	12,018,541.37
Entertainment expenses	23,532,396.68	21,008,876.49
Utilities expenses	10,698,659.11	10,131,127.79
Service fees	27,430,054.91	25,117,908.18
Heating expenses	7,745,511.30	8,101,572.83
Vehicle expenses	10,348,633.54	9,180,128.38
Depreciation of right-of-use assets	16,439,194.37	16,220,683.05
Amortization of long-term amortized expenses	17,299,181.87	7,685,704.77
Professional service fees	10,023,670.10	7,403,522.15
Board expenses	458,699.92	325,137.00
Equity incentive expenses	1,294,411.92	16,480.00
Others	26,114,613.64	21,304,300.14
Total	672,530,023.01	614,800,562.62

50.R&D expenditure

RMB

Item	2024	2023
Employee compensation	18,021,292.08	41,560,993.54
Design and experiment fee	4,417,180.70	23,770,287.44
Material and appliance charge	1,594,640.40	8,500,766.24
Travel expenses	1,718,007.59	4,001,887.73
Depreciation and amortization expense	2,622,875.09	4,210,524.77
Equity incentive expenses	26,877.94	
Others	640,263.77	1,753,010.27
Total	29,041,137.57	83,797,469.99

51. Financial expense

RMB

Item	2024	2023
Interest expenditure	181,050,699.18	179,236,989.51
Interest income	-12,294,655.57	-13,127,370.37
Exchange loss	-4,964,099.02	1,170,711.85
Service charge	4,399,325.72	4,320,341.92
Total	168,191,270.31	171,600,672.91

52. Other income

RMB

Item	2024	2023
Government grant	37,800,420.98	34,115,034.44
Handling fee for individual income tax withholding	328,257.81	238,308.79
Others	326,782.73	159,658.25
Total	38,455,461.52	34,513,001.48

53. Income from investment

RMB

Item	2024	2023
Income from long-term equity investment under the equity method	129,857,217.55	-133,401,069.07
Gain on disposal of long-term equity investments	-184,193.74	-3,304,258.63
Gain on disposal of derivative financial instruments and others	-2,342,448.64	-815,658.23
Investment income from trading financial assets during the holding period		100,273.97
Gain on remeasurement of remained equity at fair value after loss of control	933,259.23	-1,299,930.06
Other comprehensive income previously recognized under the equity method before the acquisition date	2,625,000.00	-2,966,102.44
Gain or loss on remeasurement of previously held equity interest at fair value on the acquisition date	6,811,688.24	-6,697,756.66
Investment income from other equity instrument investments during the holding period		50,000.00
Total	137,700,522.64	-148,334,501.12

54. Gain or loss from changes in fair value

RMB

Source of gain from changes in fair value	2024	2023
Gains or loss from changes in fair value arising from derivative financial instruments	-147,128.24	-490,609.02
Total	-147,128.24	-490,609.02

55. Credit impairment loss

RMB

Item	2024	2023
Bad debt losses on notes receivable	-569,252.61	
Bad debt losses on accounts receivable	-90,097,976.51	-28,075,323.61
Bad debt losses on other receivables	-25,000,819.31	-10,641,632.97
Bad debt losses on other non-current assets	-26,243,830.94	
Total	-141,911,879.37	-38,716,956.58

56.Asset impairment loss

RMB

Item	2024	2023
Impairment losses on contract assets	36,520.55	-31,391.19
Loss on decline in value of inventories and impairment of contract performance costs	-51,658,722.45	-143,805,533.19
Impairment losses on long-term equity investment	-571,733.76	
Impairment losses on fixed assets	-1,080,906.25	
Total	-53,274,841.91	-143,836,924.38

57.Gain or loss from assets disposal

RMB

Item	2024	2023
Gains or losses on disposal of fixed assets, construction in progress, productive biological assets and intangible assets not classified as held for sale	1,358,138.02	20,674,676.33
Including: Fixed assets	-2,604,366.95	38,155,370.45
Intangible assets	877,084.57	
Productive biological asset	2,162,371.33	-19,952,257.91
Gains on disposal of right-of-use assets	923,049.07	2,471,563.79
Total	1,358,138.02	20,674,676.33

58.Non-operating income

RMB

Item	2024	2023	Amount included in current extraordinary items
Income from penalties and liquidated damages	16,260,608.98	8,440,256.81	16,260,608.98
Government grants unrelated to the Company's ordinary business	1,628,125.30	45,214,985.44	1,628,125.30
Gains on disposal or write-off of damaged or scrapped non-current assets	605,344.55	1,380,187.01	605,344.55
Gains arising from business combinations not under common control		14,299,036.35	
Others	8,059,683.08	4,876,907.37	8,059,683.08
Total	26,553,761.91	74,211,372.98	26,553,761.91

59.Non-operating expenses

RMB

Item	2024	2023	Amount included in current extraordinary items
Donations	6,101,548.00	4,339,033.35	6,101,548.00
Extraordinary losses	9,516,356.91	29,369,640.72	9,516,356.91
Losses on disposal or write-off of damaged or scrapped non-current assets	24,962,020.56	24,035,370.81	24,962,020.56
Compensation, penalties and fines	27,447,447.40	6,520,211.44	27,447,447.40
Others	8,236,959.86	1,310,671.75	8,236,959.86
Total	76,264,332.73	65,574,928.07	76,264,332.73

60. Income tax expense**A. Table of income tax expense**

RMB

Item	2024	2023
Current income tax expense	102,349,023.79	108,437,292.60
Deferred income tax expense	-18,741,044.07	-1,345,694.97
Total	83,607,979.72	107,091,597.63

B. Process of adjusting accounting profit and income tax expense

RMB

Item	2024
Total profit	393,904,030.08
Income tax expense calculated at the statutory/applicable tax rate	59,085,604.51
Effect of different tax rates applied by subsidiaries	-32,469,477.73
Effect of adjustments to income tax of prior periods	3,243,371.57
Effects of non-taxable income	-31,398,201.34
Effect of non-deductible costs, expenses and losses	18,773,766.57
Effect of utilizing previously unrecognized deductible tax losses	-16,914,077.78
Effect of unrecognized deductible temporary differences or tax losses in the current period	87,943,332.59
Additional tax deduction for R&D expenses	-3,942,225.77
Other	-714,112.90
Income tax expense	83,607,979.72

61. Other comprehensive income

For details of each item of other comprehensive income, including the related income tax effects, amounts reclassified to profit or loss, and the reconciliation of each item, please refer to note of Other Comprehensive Income.

62. Items in cash flow statement**A. Cash related to operating activities****a. Other cash received related to operating activities**

RMB

Item	2024	2023
Government grants	43,704,939.11	78,524,150.40
Interest income	12,294,655.57	9,341,406.84
Subtotal of transactions and other	337,298,970.82	112,345,092.10
Total	393,298,565.50	200,210,649.34

b. Other cash paid related to operating activities

RMB

Item	2024	2023
Travel expenses	129,842,486.09	158,588,926.89
Transportation and loading expenses	59,441,109.58	14,969,771.61
R&D expenses	7,319,370.90	34,024,063.95
Entertainment expenses	40,872,751.34	53,235,700.93
Office and communication fee	33,793,881.52	38,891,191.24
Service fees	68,733,237.47	48,814,981.47
Other operating expenses paid	192,254,729.40	177,074,919.47

Payments for other payables and miscellaneous items	402,577,382.16	107,421,455.84
Total	934,834,948.46	633,021,011.40

B.Cash related to investing activities

a.Other cash received related to investing activities

RMB

Item	2024	2023
Decrease in margin for letters of credit		9,505,937.38
Decrease in margin for futures contracts		9,791,205.27
Net cash received from acquisition of subsidiaries	2,409,207.07	1,328,298.23
Total	2,409,207.07	20,625,440.88

b.Other cash paid related to investing activities

RMB

Item	2024	2023
Increase in margin for futures contracts	15,187,238.45	
Net cash paid for disposal of subsidiaries	436,626.02	3,029,935.48
Total	15,623,864.47	3,029,935.48

C.Cash related to financing activities

a.Other cash received relating to financing activities

RMB

Item	2024	2023
Borrowings received from external counterparties	2,960,597.00	10,548,144.88
Decrease in margin for bank acceptance bills		120,000.00
Cash received from stock repurchase account	1,591,861.08	
Cash received from partial disposal of equity interests in subsidiaries	12,753,598.45	6,834,676.00
Total	17,306,056.53	17,502,820.88

b.Other cash paid related to financing activities

RMB

Item	2024	2023
Payments for repurchase of shares	310,000,000.00	
Cash paid to acquire non-controlling interests	32,688,105.14	62,580,212.37
Cash paid to minority shareholders during company liquidation	3,586,630.89	
Repayment of borrowings to external counterparties	43,768,878.34	47,937,133.19
Payments for lease liabilities and interest on right-of-use assets	79,265,552.09	81,919,588.47
Total	469,309,166.46	192,436,934.03

c.Changes in liabilities arising from financing activities

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term loans	970,957,309.50	955,337,216.13	10,493,202.03	1,367,278,025.82	2,230,711.43	567,278,990.41
Long-term loans	920,051,517.19	658,532,072.30	858,407.43	17,295,326.55	117,992,402.03	1,444,154,268.34
Long-term payables	42,542,892.62	47,895,000.00	31,111,154.04	18,540,350.04	8,140,972.75	94,867,723.87
Lease liabilities	368,001,422.29		134,504,378.99	80,026,792.35	1,633,410.67	420,845,598.26
Interest payable	5,184,931.51		12,519,966.50	7,335,035.00		10,369,863.01
Current portion of non-current liabilities	932,730,557.07		468,309,314.68	903,497,082.20		497,542,789.55
Dividends payable	16,453,038.17	14,252,502.91		17,521,069.88	13,184,471.20	
Other payables - external parties	64,679,532.47	40,029.71	30,207,354.72	27,815,776.69	8,935,264.95	58,175,875.26
Total	3,320,601,200.82	1,676,056,821.05	688,003,778.39	2,439,309,458.53	152,117,233.03	3,093,235,108.70

63.Supplementary information of cash flow statement

A.Supplementary information

Further information	RMB	
	2024	2023
1. Reconciliation of net profit to net cash flows from operating activities		
Net profit	310,296,050.36	-588,033,027.34
add: Assets impairment provision	53,274,841.91	143,836,924.38
Credit impairment losses	141,911,879.37	38,716,956.58
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	525,039,339.02	457,032,311.40
Amortization of right-of-use asset	72,500,103.76	84,103,729.30
Amortization of intangible assets	16,307,671.42	14,198,669.42
Amortization of long-term prepaid expenses	41,842,291.04	31,092,107.23
Losses on disposal of fixed assets, intangible assets, and other long-lived assets	-1,358,138.02	-20,674,676.33
Losses on retirement of fixed assets	24,356,676.01	22,655,183.80
Losses on changes in fair value	147,128.24	490,609.02
Financial expense	181,050,699.18	178,274,391.28
Investment losses	-137,700,522.64	148,334,501.12
Decrease in deferred income tax assets	-18,847,709.34	-14,457,010.87
Increase in deferred income tax liabilities	106,665.27	15,761,399.21
Decrease in inventories	-96,166,046.05	520,883,086.77
Decrease in operating receivables	321,180,792.72	169,895,586.58
Increase in operating payables	-258,913,206.47	-242,357,431.74
Others	1,871,980.75	-3,600,559.49
Net cash flow from operating activities	1,176,900,496.53	956,152,750.32
2. Net change in cash and cash equivalents		
Closing balance of cash	1,748,491,877.60	1,895,034,560.64
Less: Opening balance of cash	1,895,034,560.64	1,648,980,222.82
Add: Closing balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase in cash and cash equivalents	-146,542,683.04	246,054,337.82

B.Net cash paid for acquisition of subsidiaries during the period

RMB	
	Amount
Cash or cash equivalents paid for business combinations occurred in current period	3,500,000.00
Of which: Dazhou Wellhope Bio-tech Company	2,500,000.00
Shandong Fengkang Food Company	1,000,000.00
Less: Cash and cash equivalents held by subsidiaries on the date of acquisition	5,674,745.60
Of which: Dazhou Wellhope Bio-tech Company	2,265,538.53
Shandong Fengkang Food Company	3,409,207.07
Add: Cash or cash equivalents paid in the current period for business combinations occurring in prior periods	
Net cash paid for acquisition of subsidiaries	-2,174,745.60

C.Net cash received from disposal of subsidiaries during current period

RMB	
	Amount
Cash or cash equivalents received during current period for the disposal of subsidiaries	2.00
Of which: Suizhong Renhe Fishery Company	2.00
Less: Cash and cash equivalents held by subsidiaries on the date of losing control	436,628.02
Of which: Suizhong Renhe Fisheries Co., Ltd.	436,628.02
Add: Cash or cash equivalents received in current period from the disposal of subsidiaries in prior periods	1,875,000.00
Net cash received from disposal of subsidiaries	1,438,373.98

D.Composition of cash and cash equivalents

RMB		
Item	Closing balance	Opening balance
1. Cash	1,748,491,877.60	1,895,034,560.64
of which: Cash on hand	339,635.02	202,957.16
Bank deposits available for immediate payment	1,748,152,242.58	1,894,831,603.48
2. Cash equivalent		
3. Closing balance of cash and cash equivalents	1,748,491,877.60	1,895,034,560.64
of which: Cash and cash equivalents with restricted use by the parent company or subsidiaries within the group		

64.Foreign currency monetary items**A. Foreign currency monetary items**

RMB			
Item	Closing balance of foreign currency	Translating exchange rate	Closing balance translated into RMB
Monetary capital	-	-	24,817,033.52
US Dollar	3,103,102.91	7.1884	22,306,344.96
Euro	82.85	7.5257	623.50
Hong Kong Dollar	2,681,361.20	0.926004	2,482,951.20
Singapore Dollar	5,095.25	5.3214	27,113.86
Accounts receivable	-	-	41,915,021.24
US dollar	3,155,856.56	7.1884	22,685,559.30
Hong Kong Dollar	20,766,067.90	0.926004	19,229,461.94
Accounts payable	-	-	3,234.78
US Dollar	450.00	7.1884	3,234.78

Short-term borrowing	-	-	103,788,375.78
US Dollar	14,438,313.92	7.1884	103,788,375.78

B. Explanation of overseas operating entity

Operating entity	Business place abroad	Local currency	Currency selection basis
Singapore Golden Harvesta Trade Company	Singapore	Dollar	Major currency

65. Leases**A. As lessee**

Lease costs for short-term leases or low-value assets with simplified treatment:

RMB 15,301,060.17

Total cash outflows related to leases:

RMB 120,717,100.20

B. As lessor

Operating leases as lessor:

RMB

Item	Lease income	Of which: Income related to variable lease payments not included in lease receivables
Own property for rent	5,015,480.06	
Total	5,015,480.06	

C. Undiscounted lease receivables for the next five years

RMB

Item	Undiscounted annual lease receivables	
	Closing balance	Opening balance
First year	7,679,022.68	1,821,634.83
Second year	8,019,022.75	1,821,634.83
Third year	8,019,022.75	1,821,634.83
Fourth year	8,019,022.75	1,821,634.83
Fifth year	5,288,170.15	1,677,493.81
The total amount of undiscounted lease receivables after five years	19,949,290.65	5,593,536.82

VIII. Research and Development Expenses**1. Presentation by nature of expenses**

RMB

Item	2024	2023
Employee compensation	18,021,292.08	41,560,993.54
Design and testing expenses	4,417,180.70	23,770,287.44
Materials and equipment expenses	1,594,640.40	8,500,766.24
Travel expenses	1,718,007.59	4,001,887.73

Depreciation and amortization	2,622,875.09	4,210,524.77
Share-based payment expenses	26,877.94	
Others	640,263.77	1,753,010.27
Total	29,041,137.57	83,797,469.99
Of which: Expensed R&D expenses	29,041,137.57	83,797,469.99
Capitalized R&D expenses		

IX.Change of Consolidation Scope

1.Business combination under different control

A. Business combination under different control occurred in current period

RMB

Name of the acquiree	Date of equity acquisition	Cost of equity acquisition	Percentage of equity acquired %	Method of equity acquisition	Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from acquisition date to period-end	Net profit of the acquiree from acquisition date to period-end	Cash flows of the acquiree from acquisition date to period-end
Dazhou Wellhope Bio-tech Company	Sep. 30, 2024	20,000,000.00	40.00	Purchase of equity	Sep. 30, 2024	Transfer of control	83,828,561.70	295,982.25	-1,821,995.74
Shandong Fengkang Food Company	Nov. 30, 2024	5,454,545.45	60.00	Purchase of equity	Nov. 30, 2024	Transfer of control	112,581,180.50	-1,681,261.42	8,476,235.57

B. Consideration transferred and goodwill

RMB

Consideration transferred	Dazhou Wellhope Bio-tech Company	Shandong Fengkang Food Company
--Cash	2,500,000.00	1,000,000.00
--Fair value of previously held equity interest on the acquisition date	17,500,000.00	4,454,545.45
Total consideration transferred	20,000,000.00	5,454,545.45
Less: Share of fair value of identifiable net assets acquired	18,020,408.26	-12,140,042.03
Goodwill / amount by which consideration transferred is less than the fair value of identifiable net assets acquired	1,979,591.74	17,594,587.48

C. Identifiable assets and liabilities of the acquiree on the acquisition date

RMB

	Dazhou Wellhope Bio-tech Company		Shandong Fengkang Food Company	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
Assets:	136,854,715.19	136,854,715.19	218,985,719.90	199,872,487.24
Monetary capital	2,265,538.53	2,265,538.53	3,409,207.07	3,409,207.07
Accounts receivable	26,878,667.59	26,878,667.59	10,665,395.97	10,665,395.97
Prepayments	6,088,816.05	6,088,816.05	3,733,475.68	3,733,475.68
Other receivables	9,030,053.90	9,030,053.90	222,048.34	222,048.34
Inventories	10,264,069.52	10,264,069.52	41,219,752.89	41,219,752.89
Other current assets			3,298,274.95	3,298,274.95
Fixed assets	64,100,628.73	64,100,628.73	133,966,665.00	122,517,042.12
Construction in progress	8,009,077.36	8,009,077.36		
Intangible assets	10,087,121.20	10,087,121.20	22,470,900.00	14,807,290.22
Deferred income tax assets	130,742.31	130,742.31		
Liabilities:	91,803,694.55	91,803,694.55	239,219,123.29	239,219,123.29
Borrowings	32,000,000.00	32,000,000.00	46,500,000.00	46,500,000.00
Short-term borrowings	22,291,769.03	22,291,769.03	125,473,954.00	125,473,954.00
Accounts payable	5,518,394.00	5,518,394.00	3,141,653.70	3,141,653.70
Employee benefits payable	1,510,627.92	1,510,627.92	2,933,247.69	2,933,247.69
Taxes payable	198,328.92	198,328.92	484,300.34	484,300.34
Interest payable	59,473.61	59,473.61		
Other payables	22,225,101.07	22,225,101.07	7,976,243.72	7,976,243.72
Current portion of non-current liabilities	8,000,000.00	8,000,000.00		
Long-term payables			52,709,723.84	52,709,723.84
Net assets	45,051,020.64	45,051,020.64	-20,233,403.39	-39,346,636.05
Less: Non-controlling interests				
Net assets acquired	45,051,020.64	45,051,020.64	-20,233,403.39	-39,346,636.05

D. Gains or losses arising from the remeasurement of equity interests held prior to the acquisition date at fair value

RMB

Acquiree	Date of acquisition of the original equity interests held prior to the acquisition date	Percentage of the original equity interests acquired prior to the acquisition date %	Percentage of the original equity interests acquired prior to the acquisition date	Percentage of the original equity interests acquired prior to the acquisition date	Carrying value of the original equity interests as of the acquisition date	Fair value of the original equity interests as of the acquisition date	Gains or losses arising from the remeasurement of the original equity interests held prior to the acquisition date at fair value	Methods and key assumptions for determining the fair value of the original equity interests as of the acquisition date	Amount of other comprehensive income related to the original equity interests that is reclassified to investment income or undistributed profit
Dazhou Wellhope Bio-tech Company	Aug. 1, 2020	35.00	12,500,000.00	Investment	15,142,857.21	17,500,000.00	2,357,142.79	Reference transaction price	
Shandong Fengkang Food Company	May 1, 2020	49.00	73,500,000.00	Investment		4,454,545.45	4,454,545.45	Reference transaction price	

2. Disposal of subsidiary

RMB

Subsidiary	Point of loss of control	Consideration received at the point in time when control is lost	Percentage of disposed shareholding %	Disposal way	Basis for determining the point of loss of control	Difference between the disposal consideration and the share of the subsidiary's net assets attributable to the disposed investment in the consolidated financial statements	Remaining equity interest at the date of losing control %	Carrying value of the remaining equity interest at the date of losing control	Fair value of the remaining equity interest at the date of losing control	Gains or losses arising from the remeasurement of the remaining equity at fair value	Methods and key assumptions for determining the fair value of the remaining equity interest in the consolidated financial statements as of the date of losing control	Amount of other comprehensive income related to the equity investment in the former subsidiary that is reclassified to investment income or undistributed profit
Suizhong Renhe Fishery Company	Apr. 30, 2024	2.00	60.00	Transfer of equity	Loss of control	1,866,518.45	30.00	-933,258.23	1.00	933,259.23	Reference transaction price	
Russia Wellhope Agri-Tech Company	Dec. 31, 2024	0.00	55.00	Transfer of equity	Loss of control	-383,605.03					Reference transaction price	-1,721,647.66

3.Change of consolidation scope due to other reasons**A. New subsidiaries included in the scope of consolidation during the period**

Company name	Acquisition method
Huaibei Wellhope Animal Husbandry Company	Investment
Tieling Wellhope Food Company	Investment
Mianyang Wellhope Bio-tech Company	Investment
Siping Wellhope Food Company	Investment
Wellhope E-Commerce (Liaoning) Company	Investment
Hunan Wellhope Agriculture and Animal Husbandry Company	Investment
Tieling Wellhope Animal Husbandry Company	Investment
Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company	Investment
Dalian Wellhope Pig Breeding Company	Investment
Xingcheng Wellhope Pig Breeding Company	Investment
Wellhope Fuxinyuan Supply Chain (Chifeng) Company	Investment
Jingzhou Jingu Agriculture and Animal Husbandry Company	Investment
Xuchang Wellhope Animal Husbandry Company	Investment
Fushun Hexin Animal Husbandry Company	Investment
Chaoyang Hemei Food Company	Investment

B. Subsidiaries no longer included in the scope of consolidation in the current period due to deregistration

Company name	Reason
Tianyi Chuwei (Beijing) Technology Company	Deregistration
Shenyang Huaweida Animal Health Products Company	Deregistration
Fuyang Wellhope Agriculture and Animal Husbandry Technology Company	Deregistration

X.Equity in other Entities**1.Equity in subsidiaries****A.Composition of the Company**

RMB 10,000

Subsidiary	Business site	Registered capital	Registered site	Business type	Shareholding %		Way of acquisition
					Direct	Indirect	
Haicheng Xinzhongxin Feed Company	Haicheng City	600.00	Haicheng City	Production	51.00		Investment
Dalian Huakang Xinxin Food Company	Dalian City	1,600.00	Dalian City	Production	65.00	11.00	Investment
Changchun Hengfeng Agriculture and Animal Husbandry Company	Changchun City	4,700.00	Changchun City	Trade		49.47	Investment
Jinan Xinweita Technology and Trade Company	Jinan City	1,500.00	Jinan City	Trade		62.00	Investment
Henan Wellhope Animal Husbandry Company	Kaifeng City	3,000.00	Kaifeng City	Production	100.00		Investment
Zhengzhou Wellhope Animal Husbandry Company	Zhengzhou City	800.00	Zhengzhou City	Production	100.00		Investment
Zhumadian Wellhope Animal Husbandry Company	Zhumadian City	1,000.00	Zhumadian City	Production	90.00		Investment
Jiaozuo Wellhope Feed Company	Jiaozuo City	5,000.00	Jiaozuo City	Production	100.00		Investment
Nanyang Wellhope Feed Company	Nanyang City	1,000.00	Nanyang City	Production	100.00		Investment
Zhangwu Wellhope Agricultural Development Company	Zhangwu County	300.00	Zhangwu County	Production	60.00		Investment
Heilongjiang Sanjiang Wellhope Animal Husbandry Company	Jixian County	2,100.00	Jixian County	Production	61.00		Investment
Jixian Expert Trade Company	Jixian County	500.00	Jixian County	Trade		65.00	Investment
Gongzhuling Wellhope Animal Husbandry Company	Gongzhuling City	3,500.00	Gongzhuling City	Production	100.00		Investment
Shenyang Expert Trade Company	Shenyang City	1,000.00	Shenyang City	Trade	82.00		Investment
Liaoning Skyland Equipment Company	Shenyang City	2,775.00	Shenyang City	Production	100.00		Investment
Shenyang Wellhope Ruminant Feed Company	Shenyang City	550.00	Shenyang City	Production	100.00		Investment
Shenyang Wellhope Extruded Feed Company	Shenyang City	3,300.00	Shenyang City	Production	100.00		Investment
Shenyang Wellhope Aquatic Feed Company	Shenyang City	1,500.00	Shenyang City	Production	100.00		Investment
Shenyang Jiahietianfeng Trade Company	Shenyang City	1,000.00	Shenyang City	Trade	100.00		Investment
Liaoning Wellhope Food Company	Beipiao City	5,000.00	Beipiao City	Production	60.00		Investment
Haicheng Wellhope Animal Husbandry Feed Company	Haicheng City	1,250.00	Haicheng City	Production	100.00		Investment
Tai'an Wellhope Feed Company	Tai'an County	3,200.00	Tai'an County	Production	100.00		Investment
Lingyuan Wellhope Animal Husbandry Company	Lingyuan City	500.00	Lingyuan City	Production	90.50		Investment
Beijing Wellhope Animal Husbandry Technology Company	Beijing	500.00	Beijing	Trade	100.00		Investment
Beijing Sanyuan Wellhope Animal Husbandry Company	Beijing	1,000.00	Beijing	Production	70.00		Investment
Jilin Wellhope Animal Husbandry Company	Jilin City	1,600.00	Jilin City	Production	100.00		Investment
Jilin Wellhope Pig Breeding Company	Gongzhuling City	1,500.00	Gongzhuling City	Production	100.00		Investment
Daqing Wellhope Bayi Nongda Animal Science and Technology Company	Daqing City	4,000.00	Daqing City	Production	90.00		Investment
Mudanjiang Wellhope Animal Husbandry Company	Mudanjiang City	2,300.00	Mudanjiang City	Production	100.00		Investment
Jinzhou Wellhope Animal Husbandry Company	Jinzhou City	1,700.00	Jinzhou City	Production	100.00		Investment
Gongzhuling Wellhope Ruminant Feed Company	Gongzhuling City	500.00	Gongzhuling City	Production	100.00		Investment
Heilongjiang Wellhope Animal Husbandry Company	Harbin City	12,000.00	Harbin City	Production	100.00		Investment
Tangshan Wellhope Feed Company	Tangshan City	5,000.00	Tangshan City	Production	90.00		Investment

Cangzhou Helai Technology Company	Cangzhou City	500.00	Cangzhou City	Production	70.00		Investment
Xi'an Wellhope Feed Technology Company	Xi'an City	500.00	Xi'an City	Production	80.00		Investment
Gansu Wellhope Animal Husbandry Company	Wuwei City	4,000.00	Wuwei City	Production	100.00		Investment
Jining Wellhope Animal Husbandry Company	Jining City	2,800.00	Jining City	Production	70.00		Investment
Shanghai Wellhope Feed Company	Shanghai City	300.00	Shanghai City	Production	65.00		Investment
Shanghai Hehong Trade Company	Shanghai City	2,400.00	Shanghai City	Trade		70.00	Investment
Zhejiang Pinghu Wellhope Animal Husbandry Company	Pinghu City	100.00	Pinghu City	Production	85.00		Investment
Huai'an Wellhope Feed Company	Huai'an City	3,000.00	Huai'an City	Production	100.00		Investment
Qingdao Wellhope Animal Husbandry Company	Pingdu City	3,000.00	Pingdu City	Production	95.00		Investment
Guangzhou Xiangshun Animal Husbandry Equipment Company	Guangzhou City	500.00	Guangzhou City	Production	56.00		Investment
Hainan Wellhope Animal Husbandry Company	Chengmai County	9,500.00	Chengmai County	Production	60.00		Investment
Fuyu Wellhope Animal Husbandry Company	Fuyu City	4,800.00	Fuyu City	Production	97.00		Investment
Fuyu Wellhope Taolaizhao Poultry Breeding Company	Fuyu City	2,620.00	Fuyu City	Production	98.19		Investment
Changchun Wellhope Feed Company	Nong'an County	8,600.00	Nong'an County	Production	98.00		Investment
Lankao Wellhope Animal Husbandry Company	Lankao County	4,300.00	Lankao County	Production	100.00		Investment
Tongliao Wellhope Tianyi Grass Industry Company	Tongliao City	2,000.00	Tongliao City	Production	51.00		Investment
Liaoning Wellhope Trade Company	Shenyang City	3,000.00	Shenyang City	Trade	100.00		Investment
Shenyang Wellhope Animal Husbandry Company	Shenyang City	8,210.00	Shenyang City	Production	100.00		Investment
Liaoning Expert Trade Company	Shenyang City	8,000.00	Shenyang City	Trade	100.00		Business combinations under common control
Shenyang Fame Bio-tech Company	Shenyang City	2,000.00	Shenyang City	Production	100.00		Business combinations under common control
Shenyang Pufeng Trade Company	Shenyang City	700.00	Shenyang City	Trade	100.00		Business combinations under common control
Shenyang Huawei Pharmaceutical Company	Shenyang City	1,000.00	Shenyang City	Production		51.00	Business combinations under common control
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	Shenyang City	10,000.00	Shenyang City	Production	100.00		Business combinations not under common control
Puyang Wellhope Food Company	Puyang City	3,500.00	Puyang City	Production	60.00		Business combinations not under common control
Jingzhou Wellhope Agricultural Technology Company	Jingzhou City	5,000.00	Jingzhou City	Production	86.00		Investment
Dalian Heyuan Animal Husbandry Company	Dalian City	10,000.00	Dalian City	Production	57.00		Investment
Shenyang Nongda Wellhope Feed Company	Shenyang City	4,420.00	Shenyang City	Production	100.00		Investment
Dalian Wellhope Feed Company	Dalian City	4,710.00	Dalian City	Production	100.00		Investment
Xingcheng Wellhope Feed Company	Xingcheng	8,250.00	Xingcheng	Production	100.00		Investment
Yunnan Wellhope Feed Company	Kunming City	2,500.00	Kunming City	Production	100.00		Investment
Liaoning Godaji E-Commerce Company	Shenyang City	2,000.00	Shenyang City	Trade	100.00		Investment
Anhui Wellhope Animal Husbandry Company	Bozhou City	16,000.00	Bozhou City	Production	70.00		Investment
Shanxi Wellhope Animal Husbandry Company	Yuanping City	4,800.00	Yuanping City	Production	100.00		Investment
Pingyuan Wellhope Food Processing Company	Handan City	20,992.00	Handan City	Production	100.00		Investment
Dalian Zhongjia Food Company	Dalian City	3,963.00	Dalian City	Production		100.00	Business combinations not under common control
Wellhope Food (Shenyang) Company	Shenyang City	500.00	Shenyang City	Production	100.00		Investment
Changchun Wellhope Food Company	Changchun	1,000.00	Changchun	Production	85.00		Investment

	City		City				
Pingyuan Wellhope Animal Husbandry Company	Handan City	13,550.00	Handan City	Production		100.00	Investment
Puyang Wellhope Animal Husbandry Company	Puyang City	7,600.00	Puyang City	Production		100.00	Investment
Beijing Brilliant Dragon Animal Health Products Trade Company	Beijing City	800.00	Beijing City	Trade		61.00	Investment
Tangshan Hejia Agriculture and Animal Husbandry Company	Tangshan City	3,000.00	Tangshan City	Production	65.00	35.00	Investment
Tangshan Wellhope Technology Company	Tangshan City	3,000.00	Tangshan City	Production	70.00		Business combinations not under common control
Shenyang Huakang Xinxin Food Company	Shenyang City	200.00	Shenyang City	Production	85.00		Investment
Kaifeng Wellhope Meat Food Company	Kaifeng City	10,000.00	Kaifeng City	Production	100.00		Investment
Shenyang Huakang Meat Poultry Company	Shenyang City	6,200.00	Shenyang City	Production	95.00		Investment
Agriculture and Animal Husbandry Technology	Kaifeng City	13,100.00	Kaifeng City	Production		100.00	Investment
Fushun Wellhope Agriculture and Animal Husbandry Company	Fushun City	3,000.00	Fushun City	Production		100.00	Investment
Shenyang Wellhope Poultry Industry Company	Shenyang City	5,000.00	Shenyang City	Production		100.00	Investment
Dehui Wellhope Animal Husbandry Company	Dehui City	100.00	Dehui City	Production		100.00	Investment
Chongqing Wellhope Agriculture and Animal Husbandry Company	Chongqing City	500.00	Chongqing City	Production	65.00		Investment
Shulan Fengtai Agriculture and Animal Husbandry Company	Shulan City	8,000.00	Shulan City	Production	80.00		Investment
Daqing Bifeng Animal Husbandry Company	Daqing	1,000.00	Daqing City	Production	51.00		Investment
Linyi Helai Animal Husbandry Company	Linyi City	3,300.00	Linyi City	Production	100.00		Investment
Nanchang Wellhope Animal Husbandry Company	Nanchang	1,000.00	Nanchang City	Production	65.00		Investment
Anhui Wellhope Haoxiang Agricultural Development Company	Lixin County	5,000.00	Lixin County	Production		100.00	Investment
Lixin Xiangfeng Agriculture and Animal Husbandry Company	Lixin County	1,000.00	Lixin County	Production		100.00	Investment
Lixin Hongfeng Agriculture and Animal Husbandry Company	Lixin County	5,000.00	Lixin County	Production		100.00	Investment
Guangzhou Dashang Trade Company	Guangzhou City	500.00	Guangzhou City	Trade		51.00	Investment
Shandong Heyuan Food Company	Weihai City	18,000.00	Weihai City	Production		100.00	Investment
Wafangdian Yifeng Animal Husbandry Company	Wafangdian City	3,500.00	Wafangdian City	Production		51.00	Investment
Hebei Deheng Breeding Company	Handan City	1,700.00	Handan City	Production		100.00	Business combinations not under common control
Yangling Wellhope Agriculture and Animal Husbandry Company	Xianyang City	4,200.00	Xianyang City	Production		100.00	Business combinations not under common control
Dunhua Wellhope Animal Husbandry Company	Dunhua City	1,000.00	Dunhua City	Production	51.00		Business combinations not under common control
Dunhua Fengda Agriculture and Animal Husbandry Development Company	Dunhua City	1,000.00	Dunhua City	Production	51.00		Business combinations not under common control
Anhui Wellhope Food Company	Lixin County	5,000.00	Lixin County	Production		100.00	Investment
Anyang Wellhope Agriculture and Animal Husbandry Company	Anyang City	5,500.00	Anyang City	Production	100.00		Investment
Hebei Taihang Wellhope Food Company	Baoding City	33,534.44	Baoding City	Production	92.00		Investment
Shenyang Xiangmai E-commerce Company	Shenyang City	100.00	Shenyang City	Trade	65.00		Investment
Chifeng Wellhope Fuxinyuan Food Company	Chifeng City	17,000.00	Chifeng City	Production	70.00		Investment
Hainan Expert Trade Company	Chengmai County	1,000.00	Chengmai County	Trade		71.00	Investment
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	Fushun City	12,000.00	Fushun City	Production	95.00		Investment
Nanyang Jinwan Animal Husbandry Company	Nanyang City	1,250.00	Nanyang City	Production		51.00	Investment
Fuzhou Wellhope Xingyuan Animal Husbandry Development Company	Fuzhou City	8,000.00	Fuzhou City	Production	91.00		Investment
Tianjin Fengyunda Supply Chain Company	Tianjin City	1,000.00	Tianjin City	Other	100.00		Investment

Daqing Wellhope Food Company	Daqing City	1,500.00	Daqing City	Production	51.00		Investment
Zhumadian Wellhope Agricultural Development Company	Zhumadian City	3,191.00	Zhumadian	Production	100.00		Investment
Datong Hejia Agriculture and Animal Husbandry Company	Datong City	2,000.00	Datong City	Production	65.00	35.00	Investment
Shijiazhuang Hejia Agriculture and Animal Husbandry Company	Shijiazhuang City	2,000.00	Shijiazhuang	Production	65.00	35.00	Investment
Fuxin Wellhope Agriculture and Animal Husbandry Company	Fuxin City	3,000.00	Fuxin City	Production	100.00		Investment
Dalian Hongtu Animal Husbandry Company	Dalian City	1,600.00	Dalian City	Production		51.00	Investment
Shandong Heyuan Animal Husbandry Company	Weihai City	6,000.00	Weihai City	Production		100.00	Investment
Wafangdian Huinong Poultry Industry Company	Wafangdian City	6,800.00	Wafangdian City	Production		52.94	Investment
Luoyang Wellhope Agriculture and Animal Husbandry Company	Luoyang City	7,500.00	Luoyang City	Production	100.00		Investment
Gongzhuling Wellhope Pig Breeding Company	Gongzhuling City	678.00	Gongzhuling City	Production		100.00	Investment
Lishu Wellhope Ecological Breeding Company	Siping City	1,800.00	Siping City	Production		68.50	Investment
Kaifeng Jiufeng Agriculture and Animal Husbandry Company	Kaifeng City	5,319.00	Kaifeng City	Production	100.00		Investment
Tianjin Expert Trade Company	Tianjin City	2,500.00	Tianjin City	Trade		100.00	Investment
Liaoning Wellhope Egg Industry Company	Anshan City	18,000.00	Anshan City	Production		75.15	Investment
Shenyang Wellhope Animal Husbandry Company	Shenyang City	2,000.00	Shenyang City	Production		100.00	Investment
Lingyuan Wellhope Agriculture and Animal Husbandry Company	Lingyuan City	500.00	Lingyuan City	Production	100.00		Investment
Shenyang Wellhope Pig Breeding Company	Shenyang City	500.00	Shenyang City	Production		100.00	Investment
Shenyang Xiaohu Agriculture and Animal Husbandry Company	Shenyang City	500.00	Shenyang City	Production		100.00	Investment
Qingdao Haifeng Animal Husbandry Company	Qingdao City	500.00	Qingdao City	Production		100.00	Business combinations not under common control
Xi'an Linfeng Shengyi Trade Company	Xi'an City	600.00	Xi'an City	Trade		100.00	Business combinations not under common control
Beijing Linfeng Shengyi Commerce and Trade Company	Beijing City	500.00	Beijing City	Trade		60.00	Investment
Fame (Shenyang) Biological High-tech Industry Research Institute Company	Shenyang City	500.00	Shenyang City	Other	100.00		Investment
Changsha Wellhope Animal Husbandry Company	Changsha City	1,000.00	Changsha City	Production	83.00		Investment
Fuyu Wellhope Egg Poultry Company	Fuyu City	1,000.00	Fuyu City	Production	52.00		Investment
Harbin Linfeng Shengyi Trade Company	Harbin City	500.00	Harbin City	Trade		51.00	Investment
Lixin Rongfeng Agriculture and Animal Husbandry Company	Bozhou City	5,000.00	Bozhou City	Production		100.00	Investment
Fuxin Wellhope Agriculture and Animal Husbandry Technology	Fuxin City	3,000.00	Fuxin City	Production		100.00	Investment
Hebei Linfeng Shengyi Trade Company	Tangshan City	300.00	Tangshan City	Trade		100.00	Investment
Huairan Dazhuang Breeding Company	Shuozhou City	150.00	Shuozhou City	Production		70.00	Investment
Harbin Wellhope Agriculture and Animal Husbandry Development Company	Harbin City	500.00	Harbin City	Production		51.00	Investment
Suihua Wellhope Animal Husbandry Company	Suihua City	5,835.00	Suihua City	Production	47.30	37.70	Investment
Jilin Dalong Wellhope Animal Husbandry Company	Jilin City	1,700.00	Jilin City	Production	24.29	26.71	Investment
Daqing Wellhope Animal Husbandry Company	Daqing City	1,000.00	Daqing City	Production	51.00		Investment
Qiqihar Wellhope Animal Husbandry Company	Qiqihar City	1,500.00	Qiqihar City	Production	51.00		Investment
Lankao Tiandi Feed Company	Lankao County	4,000.00	Lankao County	Production	100.00		Business combinations not under common control
Linyi Wellhope Animal Husbandry Company	Linyi City	1,500.00	Linyi City	Production	100.00		Investment
Jiyuan Helai Feed Company	Jiyuan City	2,300.00	Jiyuan City	Production	100.00		Investment
Wan'an Wellhope Feed Company	Ji'an City	1,500.00	Ji'an City	Production	52.00		Investment

Baotou Hechen Animal Husbandry Company	Baotou City	3,368.00	Baotou City	Production	46.77		Investment
Haicheng New Hongzunda Animal Husbandry Company	Hai Cheng City	4,400.00	Haicheng City	Production	51.00		Business combinations not under common control
Chifeng Wellhope Animal Husbandry Company	Chifeng City	800.00	Chifeng City	Production	85.00		Investment
Neihuang Wellhope Animal Husbandry Company	Anyang City	8,000.00	Anyang City	Production	75.00	20.00	Investment
Tailai Wellhope Agriculture and Animal Husbandry Company	Tailai County	20,000.00	Tailai County	Production	70.00		Business combinations not under common control
Inner Mongolia Xinhaoji Agriculture and Animal Husbandry Development Company	Xing'an League	5,000.00	Xing'an League	Production		71.00	Business combinations not under common control
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	Zhangjiakou City	7,692.00	Zhangjiakou City	Production	100.00		Business combinations not under common control
Tangshan Fengnan Heyou Agriculture and Animal Husbandry Company	Tangshan City	3,000.00	Tangshan City	Production		100.00	Business combinations not under common control
Hengshui Hechen Agriculture and Animal Husbandry Company	Hengshui City	1,700.00	Hengshui City	Production		100.00	Business combinations not under common control
Hengshui Heyou Agriculture and Animal Husbandry Company	Hengshui City	1,000.00	Hengshui City	Production	16.00	73.00	Business combinations not under common control
Shenze Hezhi Agricultural and Animal Husbandry Company	Shenze County	2,000.00	Shenze County	Production	15.00	80.10	Business combinations not under common control
Xinji Heyou Agricultural and Animal Husbandry Company	Xinji City	1,200.00	Xinji City	Production	15.00	85.00	Business combinations not under common control
Hengshui Wellhope Feed Company	Hengshui City	800.00	Hengshui City	Production	80.00		Investment
Hebei New Taihang Wellhope Animal Husbandry Company	Baoding City	10,000.00	Baoding City	Production	100.00		Investment
Siping Huiliang Wellhope Animal Husbandry Company	Siping City	1,000.00	Siping City	Production	51.00		Investment
Singapore Golden Harvesta Trade Company	Singapore	USD1,000.00	Singapore	Trade		100.00	Investment
Tangshan Lekai Animal Husbandry Partnership (Limited Partnership)	Tangshan City	10.00	Tangshan City	Investment		99.90	Investment
Baicheng Wellhope Animal Husbandry Company	Baicheng City	1,000.00	Baicheng City	Production	51.00		Investment
Dalian Heyuan Animal Husbandry Company	Dalian City	7,000.00	Dalian City	Production	52.00	33.00	Investment
Dalian Rixin Plumbing and Building Materials Company	Dalian City	4,000.00	Dalian City	Production		100.00	Business combinations not under common control
Heilongjiang Wellhope Dasenlin Food Company	Qitaihe City	2,000.00	Jiutai City	Production	51.00		Investment
Heilongjiang Wellhope Dasenlin Animal Husbandry Company	Qitaihe City	2,000.00	Jiutai City	Production	51.00		Investment
Tianjin Wellhope Trade Company	Tianjin City	1,500.00	Tianjin City	Trade		79.00	Investment
Huaibei Wellhope Animal Husbandry Company	Huaibei City	1,000.00	Huaibei City	Production	62.50		Investment
Tieling Wellhope Food Company	Tieling City	3,000.00	Tieling City	Production	90.00		Investment
Mianyang Wellhope Bio-tech Company	Mianyang City	1,000.00	Mianyang City	Production	52.00		Investment
Siping Wellhope Food Company	Siping City	10,000.00	Siping City	Production	70.00		Investment
Hunan Wellhope Agriculture and Animal Husbandry Company	Changsha City	4,900.00	Changsha City	Production	100.00		Investment
Shandong Fengkang Food Company	Yantai City	15,000.00	Yantai City	Production		60.00	Business combinations not under common control
Shandong Jiayixiang Agriculture and Animal Husbandry Company	Weifang City	3,000.00	Weifang City	Production	40.00		Investment
Dazhou Wellhope Bio-tech Company	Dazhou City	5,000.00	Dazhou City	Production	40.00		Business combinations not under common control
Wellhope E-Commerce (Liaoning) Company	Shenyang City	1,000.00	Shenyang City	Trade	100.00		Investment
Tieling Wellhope Animal Husbandry Company	Tieling City	3,000.00	Tieling City	Production	100.00		Investment
Lanxi Fengyuan Agriculture and Animal Husbandry Company	Suihua City	500.00	Suihua City	Production	51.00		Investment
Dalian Wellhope Pig Breeding Company	Dalian City	500.00	Dalian City	Production		100.00	Investment
Xingcheng Wellhope Pig Breeding Company	Xingcheng City	500.00	Xingcheng City	Production		100.00	Investment
Fushun Hexin Animal Husbandry	Fushun City	1,000.00	Fushun City	Production		100.00	Investment

Company							
Wellhope Fuxinyuan Supply Chain (Chifeng) Company	Chifeng City	50.00	Chifeng City	Trade		100.00	Investment
Chaoyang Hemei Food Company	Chaoyang City	500.00	Chaoyang City	Production		100.00	Investment
Xuchang Wellhope Animal Husbandry Company	Yuzhou City	200.00	Yuzhou City	Production		100.00	Investment
Jingzhou Jingu Agriculture and Animal Husbandry Company	Jingzhou City	100.00	Jingzhou City	Production		86.00	Investment

The basis for holding 50% or less of the voting rights but still controlling the invested entity, and holding more than 50% of the voting rights but not controlling the invested entity:

The Company holds 40% equity interest in Dazhou Wellhope Bio-tech Company, as its largest single shareholder. Meanwhile, since it has entered into a concerted action agreement with Pu Guisheng, a minority shareholder holding 26.85% equity interest therein, they are concert parties. Therefore, the Company has actual control over Dazhou Wellhope Bio-tech Company.

The Company holds 40% equity interest in Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company, as its largest single shareholder. Meanwhile, since it has entered into a concerted action agreement with Weifang Xinggefeng Agricultural Science and Technology Company, a minority shareholder holding 30% equity interest therein, they are concert parties. Therefore, the Company has actual control over Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company.

B. Significant non-wholly owned subsidiary

RMB

Subsidiary	Shareholding of non-controlling interests %	Gain or loss attributable to non-controlling interests	Declared dividends to non-controlling interests	Closing balance of non-controlling interests
Dalian Heyuan Animal Husbandry Company	43.00	-13,427,329.80		295,611,111.47
Xi'an Wellhope Feed Technology Company	20.00	5,152,677.98		54,749,033.33
Beijing Sanyuan Wellhope Animal Husbandry Company	30.00	9,329,696.80	21,000,000.00	66,103,876.56
Jingzhou Wellhope Agriculture and Animal Husbandry Technology Company	14.00	1,116,948.46		7,406,185.05

C. Financial figures of significant non-wholly owned subsidiary

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dalian Heyuan Animal Husbandry Company	600,831,501.67	1,129,613,449.17	1,730,444,950.84	899,830,391.50	143,805,279.76	1,043,635,671.26	715,240,246.03	974,379,130.37	1,689,619,376.40	760,607,527.85	171,109,410.84	931,716,938.69
Xi'an Wellhope Feed Technology Company	247,122,456.14	84,846,567.59	331,969,023.73	57,553,936.61	669,920.49	58,223,857.10	204,843,733.11	90,546,515.63	295,390,248.74	46,753,270.99	684,752.68	47,438,023.67
Beijing Sanyuan Wellhope Animal Husbandry Company	257,950,390.94	36,774,478.40	294,724,869.34	51,665,597.14	22,713,017.01	74,378,614.15	250,374,750.62	14,196,891.17	264,571,641.79	45,353,083.25		45,353,083.25
Jingzhou Wellhope Agriculture and Animal Husbandry Technology Company	53,433,679.48	58,949,756.86	112,383,436.34	58,775,114.55	707,000.00	59,482,114.55	56,466,360.82	65,007,234.70	121,473,595.52	99,676,676.89	808,000.00	100,484,676.89

Subsidiary	2024				2023			
	Revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Dalian Heyuan Animal Husbandry Company	2,536,818,974.20	-31,226,347.39	-31,226,347.39	244,443,045.38	3,854,833,036.13	-81,296,154.26	-81,296,154.26	240,466,374.04
Xi'an Wellhope Feed Technology Company	914,619,622.23	25,763,389.89	25,763,389.89	26,788,045.33	806,399,333.75	28,284,736.17	28,284,736.17	40,223,965.02
Beijing Sanyuan Wellhope Animal	578,509,350.57	31,098,989.32	31,098,989.32	15,140,326.25	755,764,730.14	32,087,984.31	32,087,984.31	54,995,249.36

Husbandry Company								
Jingzhou Wellhope Agriculture and Animal Husbandry Technology Company	361,691,247.47	7,978,203.27	7,978,203.27	5,751,736.78	427,504,053.48	7,312,850.01	7,312,850.01	13,512,322.27

2. Transactions that change the share of owner's equity in subsidiaries while retaining control over the subsidiaries

A. Description of changes in share of owner's equity

During the period, the Company transferred 11% of the equity interest in its subsidiary Hainan Expert Trade Company, 14% of the equity interest in its subsidiary Tianjin Expert Trade Company, and 18% of the equity interest in its subsidiary Shenyang Expert Trade Company.

During the period, the Company increased its holdings in its subsidiaries as follows: 5.9974% of the equity interest in Kaifeng Jiufeng Agriculture and Animal Husbandry Company, 5.986% of the equity interest in Zhumadian Wellhope Agricultural Development Company, 10% of the equity interest in Dunhua Wellhope Animal Husbandry Company, 20% of the equity interest in Shulan Fengtai Agriculture and Animal Husbandry Company, 5% of the equity interest in Tangshan Wellhope Feed Company, 11.57% of the equity interest in Inner Mongolia Xinhaoji Agriculture and Animal Husbandry Development Company, 20% of the equity interest in Dalian Heyuan Animal Husbandry Company, 10% of the equity interest in Dunhua Fengda Agriculture and Animal Husbandry Development Company, 15.5% of the equity interest in Fuzhou Wellhope Xingyuan Animal Husbandry Development Company, 10% of the equity interest in Zhangjiakou Wellhope Agriculture and Animal Husbandry Company, and 2% of the equity interest in Hebei Taihang Wellhope Food Company.

B. The impact of the transaction on non-controlling interests and the equity attributable to the owners of parent company

RMB

	Hainan Expert Trade Company	Tianjin Expert Trade Company	Shenyang Trade Company	Kaifeng Jiufeng Agriculture and Animal Husbandry Company
Cost of acquisition/disposal considerations				
-Cash	359,729.62	3,500,000.00	1,918,868.83	1.00
-Fair value of non-cash assets				
Total cost of acquisition or disposal considerations	359,729.62	3,500,000.00	1,918,868.83	1.00
less: Share of net assets in the subsidiary calculated by the percentage of acquired or disposed shareholdings	435,604.97	4,016,010.37	2,561,973.94	-2,936,205.98
Difference	-75,875.35	-516,010.37	-643,105.11	2,936,206.98
of which: Adjustment to capital reserve	-75,875.35	-516,010.37	-643,105.11	-2,936,206.98
Adjustment to surplus reserve				
Adjustment to undistributed profits				

	Zhumadian Wellhope Agricultural Development Company	Tangshan Wellhope Feed Company	Inner Mongolia Xinhaoji Agriculture and Animal	Dalian Heyuan Animal Husbandry Company	Dunhua Fengda Agriculture and Animal Husbandry
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			Husbandry Development Company		Development Company
Cost of acquisition/disposal considerations					
-Cash	1.00	3,677,511.03			
-Fair value of non-cash assets			14,725,074.00	59,553,743.44	1,574,514.10
Total cost of acquisition or disposal considerations	1.00	3,677,511.03	14,725,074.00	59,553,743.44	1,574,514.10
less: Share of net assets in the subsidiary calculated by the percentage of acquired or disposed shareholdings	-1,072,172.58	3,647,197.91	10,720,028.46	59,385,664.50	1,574,514.10
Difference	1,072,173.58	30,313.12	4,005,045.54	168,078.94	
of which: Adjustment to capital reserve	-1,072,173.58	-30,313.12	-4,005,045.54	-168,078.94	
Adjustment to surplus reserve					
Adjustment to undistributed profits					

	Fuzhou Wellhope Xingyuan Animal Husbandry Development Company	Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	Hebei Taihang Wellhope Food Company	Dunhua Wellhope Animal Husbandry Company	Shulan Fengtai Agriculture and Animal Husbandry Company
Cost of acquisition/disposal considerations					
-Cash	12,400,000.00	7,000,000.00			
-Fair value of non-cash assets			6,706,900.00	2,508,074.98	13,364,704.20
Total cost of acquisition or disposal considerations	12,400,000.00	7,000,000.00	6,706,900.00	2,508,074.98	13,364,704.20
less: Share of net assets in the subsidiary calculated by the percentage of acquired or disposed shareholdings	11,966,672.45	13,460,535.22	5,748,283.88	2,508,074.98	13,364,704.20
Difference	433,327.55	-6,460,535.22	958,616.12		
of which: Adjustment to capital reserve	-433,327.55	6,460,535.22	-958,616.12		
Adjustment to surplus reserve					
Adjustment to undistributed profits					

3. Equity in joint ventures or associated companies**A. Important joint ventures or associated companies**

Company	Business site	Registered site	Business type	Shareholding %		Accounting treatment
				Direct	Indirect	
Beipiao Hongfa Food Company	Beipiao city	Beipiao city	Production	35.00		Equity method
Anshan Jiuguhe Food Company	Tai'an county	Tai'an county	Production	41.55		Equity method
Tai'an Jiuguhe Agriculture Development Company	Tai'an county	Tai'an county	Production	41.55		Equity method
Dalian Chengsan Food Group Company	Dalian city	Dalian city	Production	20.00		Equity method

B. Financial figures of important joint ventures or associated companies

	2024				2023				RMB
	Beipiao Hongfa Food Company	Anshan Jiuguhe Food Company	Tai'an Jiuguhe Agriculture Development Company	Dalian Chengsan Food Group Company	Beipiao Hongfa Food Company	Anshan Jiuguhe Food Company	Tai'an Jiuguhe Agriculture Development Company	Dalian Chengsan Food Group Company	
Current assets	1,469,130,876.16	805,767,132.08	663,459,640.85	1,745,445,351.68	1,302,293,418.95	835,334,488.93	695,805,327.33	1,771,343,843.54	
Non-current assets	1,663,280,904.74	261,131,707.09	128,749,797.45	664,759,590.15	1,588,715,537.01	246,286,145.99	95,369,809.62	712,175,132.58	
Total assets	3,132,411,780.90	1,066,898,839.17	792,209,438.30	2,410,204,941.83	2,891,008,955.96	1,081,620,634.92	791,175,136.95	2,483,518,976.12	
Current liabilities	1,130,806,995.72	395,301,799.94	738,114,901.96	777,856,537.96	967,892,510.66	435,777,855.47	724,350,582.67	1,026,034,340.60	
Non-current liabilities	274,828,323.33	78,488,218.15		93,489,376.79	273,342,965.71	94,170,459.07		128,586,258.43	
Total liabilities	1,405,635,319.05	473,790,018.09	738,114,901.96	871,345,914.75	1,241,235,476.37	529,948,314.54	724,350,582.67	1,154,620,599.03	
Non-controlling interests				270,016,655.60				233,793,554.49	
Equity attributable to shareholders of parent company	1,726,776,461.85	593,108,821.08	54,094,536.34	1,268,842,371.48	1,649,773,479.59	551,672,320.38	66,824,554.28	1,095,104,822.60	
Share of net assets calculated by shareholdings	604,371,761.65	246,436,715.16	22,476,279.85	253,768,474.30	577,420,717.85	229,219,849.12	27,765,602.30	219,020,964.51	
Adjustment		-900.00	-5,434,691.52	116,569,111.62		-900.00	-1,212,232.10	116,569,111.62	
--Goodwill				116,569,111.62				116,569,111.62	
--Unrealized profit of internal transaction			-17,297.08				-1,212,232.10		
--Others		-900.00	-5,417,394.44			-900.00			
Book value of equity investment in associates	604,371,761.65	246,435,815.15	17,041,588.33	370,337,585.91	577,420,717.85	229,218,949.11	26,553,370.21	335,590,076.13	
Revenue	3,938,341,881.82	1,874,643,211.60	2,580,371,133.61	5,050,838,357.48	4,146,152,397.83	2,169,675,699.57	2,785,734,022.15	5,473,394,399.20	
Net profit	97,108,329.66	41,436,500.70	-49,430,017.94	231,743,304.61	84,333,018.06	31,219,889.35	-101,993,039.29	-225,676,244.78	
Total comprehensive income	97,108,329.66	41,436,500.70	-49,430,017.94	231,743,304.61	84,333,018.06	31,219,889.35	-101,993,039.29	-225,676,244.78	
Dividends received from associates during the period	5,390,000.00			5,000,000.00	10,780,000.00	6,232,950.00			

C. Summarized financial information for insignificant joint ventures and associates

RMB

	2024	2023
Joint ventures:		
Book value of investment	11,669,191.54	11,669,191.54
The total amounts calculated based on the shareholding ratio for the following items		
--Net profit	5,271,581.47	-2,540,981.32
--Other comprehensive income	2,024,129.06	1,595,774.57
--Total comprehensive income	7,295,710.53	-945,206.75
Associates:		
Book value of investment	2,473,226,163.87	1,135,582,217.35
The total amounts calculated based on the shareholding ratio for the following items		
--Net profit	61,214,934.13	-87,789,994.31
--Other comprehensive income	-2,827,128.67	5,351,151.41
--Total comprehensive income	58,387,805.46	-82,438,842.90

Note: Unphung Joint Venture Company, Nepal Wellhope Agri-tech Pvt. Ltd., Nexus Well-hope Agritech International Limited use cost method.

XI. Government grants**1. Liability items involving government grants**

RMB

Financial statement items	Opening balance	Amount of new grants during the period	Amount transferred to other income in the current period	Closing balance	Related to assets/income
Deferred income	73,419,574.05	10,475,552.29	8,603,571.54	75,291,554.80	Asset-related
Total	73,419,574.05	10,475,552.29	8,603,571.54	75,291,554.80	/

2. Government grants recognized in profit or loss

RMB

Type	2024	2023
Asset-related	8,603,571.54	14,146,133.01
Income-related	40,790,123.39	68,969,850.40
Total	49,393,694.93	83,115,983.41

XII. Risks Related to Financial Instruments

The risks associated with the Company's financial instruments arise from various financial assets and liabilities recognized in the course of its operations, including credit risk, liquidity risk, and market risk.

The objectives and policies for managing risks related to financial instruments are formulated by the Company's management. The operational management oversees daily risk management through functional departments (e.g., the Company's Credit Management Department reviews each credit sale transaction on a case-by-case basis). The Company's Internal Audit Department conducts ongoing oversight of the implementation of risk management policies and procedures, and promptly reports relevant findings to the Company's Audit Committee.

The overall objective of the Company's risk management is to formulate risk management policies that

minimize risks associated with financial instruments to the greatest extent possible, without unduly compromising the Company's competitiveness and flexibility.

1. Credit Risk

Credit risk refers to the risk that a party to a financial instrument fails to fulfill its obligations, resulting in financial losses for the other party. The Company's credit risk primarily arises from financial assets such as monetary funds, notes receivable, accounts receivable, financing of receivables, other receivables, contract assets, debt investments, and long-term receivables. The credit risk of these financial assets stems from counterparty default, with the maximum exposure to credit risk equal to the carrying amount of these instruments.

The Company's monetary funds are primarily deposited with financial institutions such as commercial banks, which the Company considers to have strong reputations and sound asset positions, resulting in low credit risk.

For notes receivable, accounts receivable, financing of receivables, other receivables, contract assets, debt investments and long-term receivables, the Company has established policies to control credit risk exposure. The Company assesses customers' creditworthiness based on their financial condition, the availability of guarantees from third parties, credit history, and other factors such as current market conditions, and sets appropriate credit periods. The Company regularly monitors customers' credit records; for customers with poor credit records, it adopts measures such as written reminders, shortening credit periods, or canceling credit periods to ensure that its overall credit risk remains controllable.

A. Criteria for assessing significant increases in credit risk

The Company assesses, at each balance sheet date, whether the credit risk of relevant financial instruments has significantly increased since initial recognition. When making this assessment, the Company considers reasonable and supportable information obtainable without incurring undue cost or effort, including qualitative and quantitative analysis based on its historical data, external credit ratings, and forward-looking information. The Company evaluates financial instruments on an individual basis or in portfolios with similar credit risk characteristics, comparing the risk of default at the balance sheet date with that at initial recognition to determine changes in the expected default risk over the instrument's lifetime.

The Company deems a significant increase in credit risk to have occurred when one or more quantitative or qualitative criteria are triggered: the quantitative criterion is primarily a specified threshold increase in the probability of default over the remaining life at the reporting date compared to initial recognition; qualitative criteria include significant adverse changes in the debtor's operating or financial condition, placement on a watch list, etc.

B. Definition of credit-impaired assets

To determine whether credit impairment has occurred, the Company uses criteria consistent with its

internal credit risk management objectives for the relevant financial instruments, considering both quantitative and qualitative indicators.

When assessing whether a debtor has suffered credit impairment, the Company primarily considers the following factors: the issuer or debtor is experiencing significant financial difficulties; the debtor has breached the contract (e.g., defaulting on or being overdue in paying interest or principal); the creditor has granted concessions to the debtor that would not otherwise be made due to economic or contractual considerations related to the debtor's financial difficulties; the debtor is likely to file for bankruptcy or undergo other financial restructuring; the active market for the financial asset has ceased to exist due to the issuer's or debtor's financial difficulties; a financial asset was purchased or originated at a significant discount that reflects the occurrence of credit losses.

Credit impairment of a financial asset may result from the combined effect of multiple events rather than a single identifiable event.

C. Parameters for measuring expected credit losses

Depending on whether credit risk has significantly increased and whether credit impairment has occurred, the Company measures impairment provisions for different assets based on either 12-month or lifetime expected credit losses. Key parameters for measuring expected credit losses include probability of default, loss given default, and exposure at default. The Company has developed models for these parameters based on quantitative analysis of historical data (e.g., counterparty ratings, types of guarantees and collateral, repayment methods) and forward-looking information.

Relevant definitions are as follows:

Probability of default: The likelihood that a debtor will fail to fulfill its repayment obligations over the next 12 months or the remaining lifetime of the asset.

Loss given default: The Company's estimate of the extent of loss from exposure to default, varying by counterparty type, recourse method and priority, and collateral type. It is expressed as a percentage of the exposure lost at default, calculated over a 12-month period or the asset's lifetime.

Exposure at default: The amount the Company is entitled to receive in the event of default over the next 12 months or the asset's remaining lifetime. Assessments of significant increases in credit risk and calculations of expected credit losses both incorporate forward-looking information. The Company identifies key economic indicators affecting credit risk and expected credit losses for each business type through historical data analysis.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company has not provided any other guarantees that could expose it to credit risk.

Among the Company's accounts receivable, the top five customers account for 12.48% of total receivables; among other receivables, the top five counterparties by outstanding amount account for 48.18% of total other receivables.

2. Liquidity Risk

Liquidity risk refers to the risk of insufficient funds when fulfilling obligations settled by delivering cash or other financial assets. The Company centralizes cash management across its subsidiaries, including short-term investment of surplus cash and arranging loans to meet projected cash needs. Its policy is to regularly monitor short- and long-term working capital requirements and compliance with loan agreements to ensure adequate cash reserves and readily realizable marketable securities are maintained.

As of December 31, 2024, the maturity of the Company's financial liabilities is as follows:

Item	Closing fair value			
	Within 1 year	1-2 years	2-3 years	Over 3 years
Short-term borrowing	567,278,990.41			
Accounts payable	1,629,553,678.79			
Other payables	628,259,826.01			
Current portion of non-current liabilities	497,542,789.55			
Long-term borrowings		291,197,052.25	881,346,000.00	271,611,216.09
Bonds payable				1,349,079,789.00
Lease liabilities		51,404,642.90	48,314,691.46	321,126,263.90
Long-term payables		25,340,254.10	25,340,254.10	44,187,215.67
Total	3,322,635,284.76	367,941,949.25	955,000,945.56	1,986,004,484.66

RMB

3. Market risk

A. Foreign exchange risk

The Company's foreign exchange risk primarily arises from foreign currency-denominated assets and liabilities held by the Company and its subsidiaries that are not in their respective functional currencies. The Company's exposure to foreign exchange risk is mainly related to amounts denominated in Hong Kong dollars and US dollars. Except for the Company's Singapore-based subsidiary, which uses US dollars, RMB, or Singapore dollars for pricing and settlement, the Company's other core operations are priced and settled in RMB.

The Company closely monitors the impact of exchange rate fluctuations on its foreign exchange risk. To date, the Company has not adopted any measures to mitigate foreign exchange risk. However, management is responsible for monitoring such risk and will consider hedging material foreign exchange exposures when necessary.

B. Interest rate risk

The Company's interest rate risk primarily stems from long-term interest-bearing liabilities such as long-term bank borrowings and bonds payable. Floating-rate financial liabilities expose the Company to cash flow interest rate risk, while fixed-rate financial liabilities expose it to fair value interest rate risk. The Company determines the relative proportion of fixed and floating-rate contracts based on prevailing market conditions.

The finance department at the Company's headquarters continuously monitors interest rate levels across the group. A rise in interest rates would increase the cost of new interest-bearing liabilities and

the interest expense on outstanding floating-rate interest-bearing liabilities, which could have a material adverse impact on the Company's financial performance. Management will make timely adjustments in response to the latest market conditions.

XIII. Disclosure of Fair Value

1. Closing fair value of assets and liabilities measured at fair value

RMB

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Continuing fair value measurement				
Trading financial assets	904,884.08			904,884.08
A. Financial assets measured at fair value with changes recognized in profit or loss	904,884.08			904,884.08
Derivative financial assets	2,441,832.40			2,441,832.40
Investments in other equity instruments			163,722.78	163,722.78
Total assets measured at continuing fair value	3,346,716.48		163,722.78	3,510,439.26

2. Basis for determining market prices of items measured at fair value (Level 1) for both continuing and non-continuing measurements

For financial instruments traded in active markets, the Company measures them using unadjusted quoted prices for identical assets or liabilities in active markets as of the balance sheet date.

3. Valuation method and qualitative and quantitative information about significant inputs for items measured at fair value (Level 3) for both continuing and non-continuing measurements

The Company's investments in other equity instruments represent equity investments over which the Company has no control, joint control, or significant influence, and for which there are no quoted prices in active markets. These investments are measured based on the Company's reasonable estimates, which incorporate the cost of investment and the operating performance of the investee.

4. Other

For financial instruments traded in active markets, the Company determines their fair value using quoted prices in such active markets. For financial instruments not traded in active markets, the Company uses valuation techniques to determine their fair value. The primary valuation models used include discounted cash flow models and market comparable company models. Inputs to these valuation techniques mainly include risk-free rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, and illiquidity discounts.

XIV. Related Party and Transaction

1. Information about the Company's subsidiaries

Details of the Company's subsidiaries are set out in Note – Interests in other entities.

2. Information about the Company's joint ventures and associates

Details of the Company's significant joint ventures or associates are set out in Note – Interests in other entities.

Other joint ventures or associates that entered into related party transactions with the Company during

the current period, or with whom balances arose from related party transactions in prior periods.

Name of joint ventures or associates	Relationship
Unphung Joint Venture Company	Joint venture
Nepal Wellhope Agri-tech Pvt. Ltd.	Joint venture
Anshan Fengsheng Food Company	Associate
Dalian Wellhope Fishmeal Company	Associate
Daqing Supply and Marketing Wellhope Animal Husbandry Company	Associate
Dandong Wellhope Chengsan Animal Husbandry Company	Associate
Dandong Wellhope Chengsan Food Company	Associate
Gongzhuling Wellhope Corn Purchasing and Storage Company	Associate
Huludao Jiuguhe Food Company	Associate
Huludao Jiuguhe Feed Company	Associate
Huludao Jiuguhe Animal Husbandry Company	Associate
Jinzhou Jiufeng Food Company	Associate
Lankao Tiandi Duck Industry Company	Associate
Linghai Jiuguhe Feed Company	Associate
Qingdao Shenfeng Animal Husbandry Company	Associate
Shenyang Wenjie Bio-tech Company	Associate
Shihaipu (Beijing) Commerce & Trade Company	Associate
Tai'an Fengjiu Animal Husbandry Company	Associate
Tai'an Jiufeng Animal Husbandry Company	Associate
Shenyang Zhongwenjie Bio-tech Company	Associate
Liaoning Mubang Livestock Equipment Manufacturing Company	Associate
Dalian Sida Food Company	Associate
Wudalianchi Shengda Pasture Professional Cooperative	Associate
Shandong Fengkang Food Company[Note 1]	Associate
Anshan Jiuguhe Paper Packaging Co., Ltd.	Associate
Anshan Antai Plastic Products Co., Ltd.	Associate
Harbin Wei'erhao Trade Company	Associate
Jiyuan Sunshine Rabbit Industry Technology Company	Associate
Wudalianchi Zhongwang Dairy Cattle Breeding Farmers Professional Cooperative[Note 2]	Associate
Hebei Taihang Wellhope Animal Husbandry Company	Associate
Dazhou Wellhope Bio-tech Company [Note 3]	Associate
Suizhong Renhe Fishery Company[Note 4]	Associate
Hebei Taihang Wellhope Feed Company	Associate
Jilin Jinfeng Animal Husbandry Company	Associate
Liaoning Petmate Bio-tech Company	Associate
Tai'an Huijun Biomass Energy Company	Associate
Fuyu Fengyuan Poultry and Egg Company	Associate
Liaoning Xinjuntong Logistics Technology Company	Associate
Chongqing Kuizhou Rabbit Industry Company	Associate
Shenyang Wanlitian Agriculture and Animal Husbandry Company	Associate
Jilin Hengfeng Animal Health Products Company	Associate
Dunhua Fengda Broiler Breeding Company	Associate

Liaoning Yufeng Bio-tech Company	Associate
Chongqing Dahong Agriculture and Animal Husbandry Equipment Company	Associate
PT Mulia Harvest Agritech in Indonesia	Associate
Shenyang Wellhope Huahu Food Technology Company	Associate
Beijing Dahong Hengfeng Animal Husbandry Technology Company	Associate
Dalian Minglu Agricultural Development Company	Associate
Indonesia Godaji International Trade Company	Associate
PT Sekar Golden Harvesta Indonesia	Associate
Golden Harvesta Inc.	Associate

Other explanation:

[Note 1] In November 2024, the Company purchased 11.00% equity interest in Shandong Fengkang Food Company. After the purchase, its shareholding ratio in Shandong Fengkang Food Company reached 60.00%, and the said company was reclassified from an associated enterprise to a subsidiary within the consolidation scope.

[Note 2] In February 2024, Heilongjiang Bei'an Agricultural Reclamation Zhongwang Dairy Cattle Breeding Professional Cooperative was renamed Wudalianchi Zhongwang Dairy Cattle Breeding Farmers Professional Cooperative.

[Note 3] In September 2024, the Company purchased 5.00% equity interest in Dazhou Wellhope Bio-tech Company. After the purchase, its shareholding ratio in Dazhou Wellhope Bio-tech Company amounted to 40.00%. The Company, as the sole largest shareholder of Dazhou Wellhope Bio-tech Company with a 40.00% shareholding, has entered into a concerted action agreement with Pu Guisheng, a minority shareholder holding 26.85% of the equity interest, thereby becoming a concert party. The Company thus exercises control over Dazhou Wellhope Bio-tech Company, and the said company was reclassified from an associated enterprise to a subsidiary within the consolidation scope.

[Note 4] In April 2024, the Company transferred 60.00% equity interest in Suizhong Renhe Fishery Company. After the transfer, its shareholding ratio in Suizhong Renhe Fishery Company decreased to 30.00%, and the said company was reclassified from a subsidiary within the consolidation scope to an associated enterprise.

3. Other related parties information

Related party	Relationship
Related natural persons	Controlling shareholder, natural person shareholders who hold 5% or more of the shares of the Company, directors, supervisors, senior management personnel, and their relatives
Changzhou Heli Venture Capital Partnership (Limited Partnership)	Shareholder of the Company holds more than 5% shares of this company

4.Related party transaction

A.Related party transactions involving the purchase and sale of goods, and the provision and receipt of services

Schedule of purchases of goods and receipt of services

RMB

Relate party	Transaction	2024	2023
Dalian Wellhope Fishmeal Company	Feed raw materials	67,875,835.50	95,952,015.50
Hebei Taihang Wellhope Animal Husbandry Company	Live broiler	201,097,277.52	188,958,399.61
Harbin Wei'erhao Trade Company	Feed raw materials	18,671,525.19	33,344,376.52
Tai'an Jiuguhe Agricultural Development Company	Feed products, live broiler	32,524,555.34	32,065,105.21
Daqing Supply and Marketing Wellhope Animal Husbandry Company	Feed raw materials		29,703,469.35
Huludao Jiuguhe Animal Husbandry Company	Live broiler	41,159,188.40	25,242,539.20
Gongzhuling Wellhope Corn Purchasing and Storage Company	Feed raw materials	13,056,253.87	24,172,617.21
Liaoning Yufeng Bio-tech Company	Feed raw materials	56,469,023.33	17,246,305.00
Tai'an Fengjiu Animal Husbandry Company	Day old chicks	37,533,159.08	14,710,134.17
Dalian Chengsan Food Group Company	Live broiler	152,794,701.21	153,646,805.96
Anshan Jiuguhe Food Company	Broiler products	10,797,153.93	6,498,786.23
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	Piglets		5,062,309.70
Jinzhou Jiufeng Food Company	Broiler products	18,432,250.73	4,420,827.00
Linghai Jiuguhe Feed Company	Feed products, live broiler	724,376.08	4,040,920.50
Shenyang Wanlitan Agriculture and Animal Husbandry Company	Veterinary drugs and vaccines	7,217,770.00	3,098,058.03
Tailai Wellhope Agriculture and Animal Husbandry Company	Piglet		2,636,965.84
Anshan Jiuguhe Paper Packaging Company	Others	3,185,811.81	1,735,573.27
Shihaipu (Beijing) Commerce & Trade Company	Others	980,933.58	1,330,066.83
Beipiao Hongfa Food Company	Broiler products	11,305,158.67	18,749,290.88
Anshan Antai Plastic Products Company	Others	747,330.60	486,454.92
Anshan Fengsheng Food Company	Feed raw materials	2,747,502.34	128,000.00
Jilin Hengfeng Animal Health Products Company	Veterinary vaccines	197,400.00	121,340.71
Qingdao Shengfeng Animal Husbandry Company	Feed Products		26,311.00
Suizhong Renhe Fishery Company	Feed raw materials	12,824,731.10	
Shandong Fengkang Food Company	Broiler products	6,049,339.11	
Dazhou Wellhope Bio-tech Company	Feed Products	4,948,436.44	
Dunhua Fengda Broiler Breeding Company	Day old chicks	2,281,796.50	
Huludao Jiuguhe Food Company	Broiler products	426,646.84	
Jilin Jinfeng Animal Husbandry Company	Breeding pigs	911,062.00	
Liaoning Mubang Livestock Equipment Manufacturing Company	Others	635,600.00	
Total	/	705,594,819.17	663,376,672.64

Schedule of sales of goods and provision of services

RMB

Relate party	Transaction	2024	2023
Shandong Fengkang Food Company	Live broiler	612,196,573.91	514,871,771.15
Dalian Sida Food Company	Live broiler	189,452,312.92	248,928,031.15
Tai'an Jiuguhe Agricultural Development Company	Feed raw materials, feed products	125,126,068.14	150,815,000.73
Huludao Jiuguhe Feed Company	Feed raw materials, feed products	57,420,833.27	76,670,460.04
Anshan Jiuguhe Food Company	Live broiler	10,550,860.27	71,655,291.80
Harbin Wei'erhao Trade Company	Feed raw materials	72,337,773.19	67,956,115.31
Linghai Jiuguhe Feed Company	Feed raw materials, feed products	56,204,142.63	50,452,041.39
Dazhou Wellhope Bio-tech Company	Feed raw materials, feed products	17,203,634.96	32,577,628.84
Daqing Supply and Marketing Wellhope Animal Husbandry Company	Feed products		27,840,120.00
Qingdao Shenfeng Animal Husbandry Company	Feed raw materials, feed products	14,310,315.16	27,213,619.91
Tailai Wellhope Agriculture and Animal Husbandry Company	Feed raw materials, feed products		26,659,659.42
Anshan Fengsheng Food Company	Live broiler	2,082,589.11	24,410,632.68
Liaoning Yufeng Bio-tech Company	Broiler products, feed raw materials	35,491,651.90	37,574,749.79
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	Feed products		12,860,535.87
Dandong Wellhope Chengsan Animal Husbandry Company	Feed raw materials, feed products	6,460,095.88	8,458,299.13
Nepal Wellhope Agri-tech Pvt. Ltd.	Feed products	6,420,472.15	8,027,945.95
Wudalianchi Shengda Pasture Professional Cooperative	Feed products	8,411,628.70	6,863,810.90
Dalian Chengsan Food Group Company	Feed raw materials, veterinary drugs	33,313,870.94	26,662,190.28
Huludao Jiuguhe Animal Husbandry Company	Feed products	906,116.80	1,865,507.10
Shihaipu (Beijing) Commerce & Trade Company	Other products	1,013,732.37	1,814,346.16
Jilin Jinfeng Animal Husbandry Company	Piglets, feed products	122,067,879.00	1,063,823.04
Shenyang Wellhope Huahu Food Technology Company	Others		855,864.19
PT Mulia Harvest Agritech in Indonesia	Feed raw materials	3,759,473.04	531,225.00
Jiyuan Sunshine Rabbit Industry Technology Company	Other products	256,079.61	305,367.26
Dalian Wellhope Fishmeal Company	Feed raw materials	265,486.72	260,031.67
Dunhua Fengda Broiler Breeding Company	Feed Products	378,811.47	39,000.00
Beipiao Hongfa Food Company	Feed raw materials	29,944,358.23	17,918,551.87
Dandong Wellhope Chengsan Food Company	Feed raw materials	54,851.56	

Shenyang Wanlitan Agriculture and Animal Husbandry Company	Feed raw materials	12,355,408.75	
Fuyu Fengyuan Poultry and Egg Company	Pullets, feed products	4,034,088.47	
Huludao Jiuguhe Food Company	Broiler products	3,315,876.77	
PT Sekar Golden Harvesta Indonesia	Feed raw materials	1,210,503.36	
Indonesia Godaji International Trade Company	Feed raw materials	484,553.66	
Liaoning Petmate Bio-tech Company	Other products	150,098.37	
Tai'an Fengjiu Animal Husbandry Company	Other products	7,087,799.36	965,645.86
Lankao Tiandi Duck Industry Company	Other products	13,805.31	
Total	/	1,434,281,745.98	1,446,117,266.49

1)The related party transactions conducted by the Company are essential for its normal business operations. The pricing for purchases and sales is based on the comparable uncontrolled price method, determined according to the market prices of similar products.

2)The transaction amounts involving Beipiao Hongfa Food Company, Dalian Chengsan Food Group Company, and Hebei Taihang Wellhope Animal Husbandry Company include those of their respective controlled subsidiaries

B.Related party guarantee

The Company acted as the guarantor

RMB

Guaranteed party	Amount of guarantee	Guarantee date	Guarantee expiry date	Whether the guarantee has been completed
Anhui Wellhope Food Company	30,000,000.00	April 13, 2021	March 5, 2029	No
Anhui Wellhope Food Company	100,000,000.00	March 6, 2021	March 5, 2029	No
Baicheng Wellhope Animal Husbandry Company	10,000,000.00	October 11, 2024	October 11, 2028	No
Baotou Hechen Animal Husbandry Company	10,000,000.00	March 29, 2024	March 28, 2028	No
Haicheng Wellhope Animal Husbandry Feed Company	51,000,000.00	November 20, 2023	October 25, 2036	No
Hebei Taihang Wellhope Food Company	146,000,000.00	April 28, 2023	April 26, 2036	No
Lixin Xiangfeng Agriculture and Animal Husbandry Company	10,000,000.00	March 14, 2024	March 14, 2028	No
Lixin Xiangfeng Agriculture and Animal Husbandry Company	25,000,000.00	October 17, 2024	October 16, 2028	No
Lingyuan Wellhope Animal Husbandry Company	30,000,000.00	July 31, 2024	July 30, 2030	No
Liaoning Expert Trade Company	230,000,000.00	May 16, 2023	May 16, 2029	No
Liaoning Expert Trade	252,000,000.00	February 27,	February 26,	No

Company		2024	2028	
Liaoning Expert Trade Company	195,000,000.00	June 18, 2024	June 12, 2025	No
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	40,800,000.00	August 18, 2023	August 18, 2036	No
Dalian Heyuan Animal Husbandry Company	50,000,000.00	May 31, 2022	May 30, 2028	No
Dalian Zhongjia Food Company	60,000,000.00	October 28, 2022	October 27, 2028	No
Daqing Wellhope Food Company	7,500,000.00	September 25, 2024	September 20, 2028	No
Daqing Wellhope Food Company	21,920,000.00	July 27, 2022	July 27, 2027	No
Daqing Wellhope Food Company	17,900,000.00	April 22, 2023	April 22, 2027	No

C.Loans to related party

RMB

Related party	Loans	Starting date	Expiry date	Note
Wudalianchi Shengda Pasture Professional Cooperative	4,350,000.00			Wudalianchi Shengda Pasture Professional Cooperative is an associate of Wellhope. Pursuant to the agreement, each member contributes funds to the cooperative in proportion to their respective shareholding.

D.Key management compensation

RMB million

Item	2024	2023
Key management compensation	8.51	8.17

5.Outstanding balances with related parties, including receivables and payables**A.Receivables**

RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts Receivable	Linghai Jiuguhe Feed Company	16,558,276.00	982,549.24	7,649,631.00	526,485.42
Accounts Receivable	Tai'an Jiuguhe Agricultural Development Company	26,900,000.00	538,000.00	9,044,419.00	351,349.98
Accounts Receivable	Anshan Jiuguhe Food Company	20,000,000.00	400,000.00	19,904,264.00	398,085.28
Accounts Receivable	Huludao Jiuguhe Feed Company	14,071,620.00	287,221.30	4,786,800.00	95,736.00

Accounts Receivable	Dalian Chengsan Food Group Company	1,709,690.25	37,729.81	432,000.00	8,640.00
Accounts Receivable	PT Mulia Harvest Agri-tech in Indonesia			531,225.00	10,624.50
Accounts Receivable	Liaoning Yufeng Bio-tech Company	4,265,242.55	85,304.85	1,427,217.50	28,544.35
Accounts Receivable	Wudalianchi Shengda Pasture Professional Cooperative	15,877,651.40	14,790,863.74	13,652,578.33	273,051.57
Accounts Receivable	Dazhou Wellhope Bio-tech Company			3,984,322.80	79,686.46
Accounts Receivable	Jiyuan Sunshine Rabbit Industry Technology Company			251,840.00	5,036.80
Accounts Receivable	Wudalianchi Zhongwang Dairy Cattle Breeding Farmers Professional Cooperative			1,333,862.00	26,677.24
Accounts Receivable	Shandong Fengkang Food Company			95,579,063.79	1,911,581.28
Accounts Receivable	Dalian Sida Food Company			1,213,980.86	24,279.62
Accounts Receivable	Dandong Wellhope Chengsan Animal Husbandry Company	12,500.00	250.00		
Accounts Receivable	Harbin Wei'erhao Trade Company				
Accounts Receivable	Jilin Jinfeng Animal Husbandry Company	11,866,680.00	245,332.80	4,950.00	99.00
Accounts Receivable	Nepal Wellhope Agri-tech Pvt. Ltd.	1,982,680.13	39,653.60	1,941,955.26	38,839.11

Accounts Receivable	PT Sekar Golden Harvest Indonesia	145,041.00	2,900.82		
Accounts Receivable	Beipiao Hongfa Food Company	109,773.70	2,195.47		
Accounts Receivable	Fuyu Fengyuan Poultry and Egg Company	2,993,340.97	59,866.82		
Accounts Receivable	Qingdao Shenfeng Animal Husbandry Company	5,400.00	540.00		
Accounts Receivable	Tai'an Fengjiu Animal Husbandry Company	2,006.00	40.12		
Other Receivables	Wudalianchi Shengda Pasture Professional Cooperative	4,350,000.00	4,350,000.00	4,350,000.00	4,350,000.00
Other Receivables	Lankao Tiandi Duck Industry Company	30,000.00	3,000.00		
Prepayments	Dalian Wellhope Fishmeal Company	1,926,759.00		303,360.00	
Prepayments	Harbin Wei'erhao Trade Company			900,010.10	
Prepayments	Liaoning Yufeng Bio-tech Company	221,508.00			

B. Payables

RMB

Item	Related party	Closing book balance	Opening book balance
Accounts Payable	Anshan Jiuguhe Food Company	3,000,000.00	717,216.00
Accounts Payable	Qingdao Shenfeng Animal Husbandry Company	1,200,000.00	5,100,000.00
Accounts Payable	Shihaipu (Beijing) Commerce & Trade Company	17,600.00	5,760.00
Accounts Payable	Tai'an Fengjiu Animal Husbandry Company	1,773,102.85	372,855.52
Accounts Payable	Gongzhuling Wellhope Corn Purchasing and Storage Company		1,120,700.48
Accounts Payable	Liaoning Yufeng Bio-tech Company	22,347.00	5,455,770.00
Accounts Payable	Anshan Jiuguhe Paper Packaging Company	314,510.87	481,347.54
Accounts Payable	Anshan Antai Plastic Products Company	134,527.97	185,909.80
Accounts Payable	Dalian Wellhope Fishmeal Company	818,950.50	2,141,448.09

Accounts Payable	Shenyang Wanlitan Agriculture and Animal Husbandry Company	2,205,120.00	1,203,434.00
Accounts Payable	Harbin Wei'erhao Trade Company	102,220.00	5,100.00
Accounts Payable	Tai'an Jiuguhe Agricultural Development Company	3,932,445.00	
Accounts Payable	Jilin Hengfeng Animal Health Products Company	10,400.00	
Accounts Payable	Jinzhou Jiufeng Food Company	3,000,000.00	
Accounts Payable	Huludao Jiuguhe Animal Husbandry Company	261,721.60	4,092,604.40
Accounts Payable	Beipiao Hongfa Food Company	375,247.71	
Accounts Payable	Dalian Chengsan Food Group Company	1,573,344.50	
Accounts Payable	Hebei Taihang Wellhope Animal Husbandry Company	2,705,960.48	
Accounts Payable	Liaoning Mubang Livestock Equipment Manufacturing Company	584,659.26	
Accounts Payable	Suizhong Renhe Fishery Company	5,300.00	
Contract Liabilities	Tai'an Jiuguhe Agricultural Development Company		1,166,984.40
Contract Liability	Huludao Jiuguhe Feed Company	399,300.00	878,754.45
Contract Liability	Harbin Wei'erhao Trade Company	1,481,023.88	1,721,140.00
Contract Liability	Nepal Wellhope Agri-tech Pvt. Ltd.	38,700.00	
Contract Liability	Liaoning Yufeng Bio-tech Company	6.50	
Contract Liability	Linghai Jiuguhe Feed Company	141,250.00	593,368.16
Contract Liabilities	Shenyang Wellhope Huahu Food Technology Company	15,947.96	
Other Payables	Unphung Joint Venture Company	71,682.43	71,682.43
Other Payables	Nepal Wellhope Agri-tech Pvt. Ltd.	2,999.41	2,999.41
Other Payables	Liaoning Mubang Livestock Equipment Manufacturing Company	118,732.00	
Other Payables	Chongqing Dahong Agriculture and Animal Husbandry Equipment Company	28,906.80	
Other Payables	Beijing Dahong Hengfeng Animal Husbandry Technology Company	9,960.00	

XV.Share-based payment

1.Equity instruments

Category	Shares granted during the period	
	Quantity (Shares)	Amount(RMB)
Directors (excluding independent directors), Supervisors, Senior Executives, Middle Management, and Core Technical/Business Personnel	14,000,000.00	72,100,000.00
Total	14,000,000.00	72,100,000.00

Outstanding stock options or other equity instruments at the end of the period

Category	Outstanding other equity instruments	
Directors (excluding independent directors), Supervisors, Senior Executives, Middle Management, and Core Technical/Business Personnel	Exercise price	Remaining contract term
Total	RMB 5.15	32 months

2. Equity-settled share-based payment

RMB

Method for determining the fair value of equity instruments on the grant date	Closing price on the grant date
Key parameters for fair value determination of equity instruments on the grant date	Closing price on the grant date and the grant price under the incentive plan
Basis for determining the number of vested equity instruments	It is expected that the vesting conditions will be met, in which case all grantees will become eligible to exercise
Cumulative amount of equity-settled share-based payments recognized in capital reserve	1,970,110.99

3. Share-based payment expenses

RMB

Category	Equity-settled share-based payment expenses
Directors (excluding independent directors), Supervisors, Senior Executives, Middle Management, and Core Technical/Business Personnel	1,970,110.99
Total	1,970,110.99

XVI. Commitments and Contingencies**1. Contingencies**

Significant contingencies existing at the balance sheet date

In November 2024, the Company acquired an additional 11.00% equity interest in Shandong Fengkang Food Company (hereinafter referred to as "Shandong Fengkang"), increasing its shareholding to 60.00%. As a result, Shandong Fengkang changed from an associate to a subsidiary included in the Company's consolidated financial statements.

Prior to the acquisition, Shandong Fengkang provided guarantees for bank loans obtained by Yantai Laiyang Runze Broiler Breeding Company and five individual farmers. After Shandong Fengkang became a controlled subsidiary of the Company, the guarantees it had previously provided for Yantai Laiyang Runze Broiler Breeding Company and the individual farmers were passively assumed by the Company through its subsidiary.

As of December 31, 2024, the total amount of guarantees borne by the Company was RMB 21,500,000.00. As of the date of this report, all related guarantees have been fully released.

XVII. Subsequent Events**1. Significant non-adjusting events**

RMB

Item	Description	Impact on financial position and results of operations	Reason why impact cannot be estimated
Significant external investment	Acquisition of partial equity interests in 13 companies, including Anshan Jiuguhe Food		

	Company, from Jin Tianming, Ma Li, and Jin Xin. For further details, please refer to the explanation below.		
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The Company convened the 9th meeting of the 8th Board of Directors on February 25, 2025, and the first extraordinary general meeting of shareholders in 2025 on March 13, 2025. At these meetings, the Proposal on the Acquisition of Equity Interests in Associated Companies Engaged in the Broiler Business and the Acquisition of Control was approved. It was agreed that the Company would use its own funds and, if necessary, self-raised funds to acquire partial equity interests in 13 companies, including Anshan Jiuguhe Food Co., Ltd., from Jin Tianming, Ma Li, and Jin Xin (hereinafter referred to as the "counterparties"). These 13 companies (collectively referred to as the "target companies") include:

Anshan Jiuguhe Food Company, Anshan Fengsheng Food Company, Tai'an Jiuguhe Agricultural Development Company, Tai'an Fengjiu Animal Husbandry Company, Huludao Jiuguhe Food Company, Huludao Jiuguhe Feed Company, Huludao Jiuguhe Animal Husbandry Company, Jinzhou Jiufeng Food Company, Jinzhou Xinfeng Food Company, Linghai Jiuguhe Feed Company, Liaoning Yufeng Bio-tech Company, Anshan Antai Plastic Products Company, and Anshan Jiuguhe Paper Packaging Company. The base consideration for the transaction amounts to RMB 353.98 million. A price adjustment mechanism has been established based on the profitability of the target companies during the period from 2025 to 2029.

On March 15, 2025, the Company entered into the Equity Transfer Agreement for Thirteen Companies with the counterparties. The base consideration was determined based on the book value of the target companies' net assets as of December 31, 2024, multiplied by the acquisition ratio. A price adjustment mechanism was agreed upon based on the profitability of the target companies from 2025 to 2029. Upon completion of the acquisition, the 13 target companies will become the Company's holding subsidiaries and will be included in the scope of the Company's consolidated financial statements. This transaction does not constitute a related party transaction, nor does it constitute a material asset restructuring as defined by the Administrative Measures for the Material Asset Restructuring of Listed Companies. It does not involve the issuance of shares and will not result in any change of control over the Company.

As of April 24, 2025, the Company had paid the first installment of the equity transfer consideration, totaling RMB 212.39 million, to Jin Tianming, Ma Li and Jin Xin.

2.Profit Distribution

	RMB
Proposed profits or dividends to be distributed	50,382,920.15
Profits or dividends that have been approved and declared by the review process	50,382,920.15

XVIII. Notes to Major Items of the Parent Company's Financial Statements**1. Accounts receivable****A. Categorized by aging**

RMB		
Aging	Closing book balance	Opening book balance
Within 1 year	61,335,910.08	28,002,017.00
1-2 years	6,594,477.00	539,258.75
2-3 years	450,962.50	1,058,108.00
Over 3 years	18,690,222.87	30,662,435.60
Total	87,071,572.45	60,261,819.35

B.Categorized by bad debt provision method

RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage%	Amount	Provision rate %		Amount	Percentage%	Amount	Provision rate %	
Provision for bad debts on an individual basis	686,300.00	0.79	686,300.00	100.00		686,300.00	1.14	686,300.00	100.00	
Provision for bad debts on a collective basis	86,385,272.45	99.21	20,471,984.41	23.70	65,913,288.04	59,575,519.35	98.86	31,911,884.11	53.57	27,663,635.24
including:										
Aging analysis group	85,643,499.12	98.36	20,471,984.41	23.90	65,171,514.71	59,470,239.35	98.69	31,911,884.11	53.66	27,558,355.24
Other groups	741,773.33	0.85			741,773.33	105,280.00	0.17			105,280.00
Total	87,071,572.45	/	21,158,284.41	/	65,913,288.04	60,261,819.35	/	32,598,184.11	/	27,663,635.24

Provision for bad debts on an individual basis:

RMB

Name	Closing balance			
	Book balance	Bad debt provision	Provision rate %	Reason
Customer 1	312,000.00	312,000.00	100.00	Uncollectible
Customer 2	200,000.00	200,000.00	100.00	Uncollectible
Customer 3	174,300.00	174,300.00	100.00	Uncollectible
Total	686,300.00	686,300.00	100.00	/

Provision for bad debts on a collective basis:

RMB

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Provision rate %
Within 1 year	60,594,136.75	1,253,408.74	2.07
1 -2 year	6,594,477.00	989,171.55	15.00
2-3 years	450,962.50	225,481.25	50.00
Over 3 years	18,003,922.87	18,003,922.87	100.00
Total	85,643,499.12	20,471,984.41	23.90

C.Bad debt provision

RMB

Category	Opening balance	Fluctuations in current period		Closing balance
		Provision	Write-off	
Individual	686,300.00			686,300.00
Portfolio	31,911,884.11	-2,015,472.46	9,424,427.24	20,471,984.41
Total	32,598,184.11	-2,015,472.46	9,424,427.24	21,158,284.41

D.Written-off accounts receivable

RMB

Item	Amount
Written-off accounts receivable	9,424,427.24

E.Top five accounts receivable and contract assets

RMB

Name	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total accounts receivable and contract assets (%)	Closing balance of bad debt provision
1	26,900,000.00		26,900,000.00	30.89	538,000.00
2	16,558,276.00		16,558,276.00	19.02	982,549.24
3	14,071,620.00		14,071,620.00	16.16	287,221.30
4	7,350,077.71		7,350,077.71	8.44	7,350,077.71
5	6,591,531.50		6,591,531.50	7.57	5,236,315.90
Total	71,471,505.21		71,471,505.21	82.08	14,394,164.15

2.Other receivables

RMB

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	19,052,119.77	54,770,301.77
Other receivables	2,216,033,371.63	2,289,682,206.80
Total	2,235,085,491.40	2,344,452,508.57

A.Dividends receivable**a. Dividends receivable**

RMB

Item	Closing balance	Opening balance
Dividends from long-term investment under cost method	19,052,119.77	54,770,301.77
Dividends from long-term investment under equity method		
Total	19,052,119.77	54,770,301.77

b.Significant dividends receivable aged over one year

RMB

Item(investee)	Closing balance	Age	Reasons for non-recovery	Whether impairment has occurred and the basis for its determination
Daqing Wellhope Bayi Nongda Animal Sci-Tech Company	16,541,119.77	1-2 years: RMB 10,428,632.53; Over 3 years: RMB 6,112,487.24	Not yet paid	No
Changchun Wellhope Feed Co., Ltd.	2,511,000.00	Over 3 years	Not yet paid	No
Total	19,052,119.77		/	/

B.Other receivables**a.Categorized by aging**

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	2,187,598,080.47	2,293,011,737.14
1-2 years	33,463,143.00	63,143.00
2-3 years		398,700.00
Over 3 years	4,807,900.00	4,593,700.00
Total	2,225,869,123.47	2,298,067,280.14

b.Categorized by nature

RMB

Nature	Closing book balance	Opening book balance
General operating receivables	1,102,229.24	2,466,112.54
Deposits and margins	382,900.00	900,526.00
Related party- fund transactions	2,186,633,994.23	2,256,950,641.60
Receivables from disposal of investments	33,400,000.00	33,400,000.00
Other	4,350,000.00	4,350,000.00
Total	2,225,869,123.47	2,298,067,280.14

c.Bad debt provision

RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	
Balance on January 1, 2024	3,850,573.34		4,534,500.00	8,385,078.34
-Transfer to stage 2				
- Transfer to stage 3				
-Transfer back to stage 2				
- Transfer back to stage 1				
Provision made during the period	1,620,616.50		457,900.00	2,078,516.50
Reversal during the period			120,000.00	120,000.00
Charged-off during the reporting period				
Write-off during the reporting period	443,338.00		64,500.00	507,838.00
Balance on December 31, 2024	5,027,851.84		4,807,900.00	9,835,751.84

Basis for stage classification and provision rates for expected credit losses

a.As of December 31, 2024, the provision for bad debts was measured based on the three-stage model as follows:

RMB

Phase	Book balance	Provision for bad debts	Book value
Phase 1	2,221,061,223.47	5,027,851.84	2,216,033,371.63
Phase 2			
Phase 3	4,807,900.00	4,807,900.00	
Total	2,225,869,123.47	9,835,751.84	2,216,033,371.63

b. As of December 31, 2023, the provision for bad debts was measured based on the three-stage model as follows:

RMB

Phase	Book balance	Provision for bad debts	Book value
Phase 1	2,293,532,780.14	3,850,573.34	2,289,682,206.80
Phase 2			
Phase 3	4,534,500.00	4,534,500.00	
Total	2,298,067,280.14	8,385,073.34	2,289,682,206.80

d.Bad debt provision

RMB

Category	Opening balance	Fluctuations in 2024			Other fluctuations	Closing balance
		Provision	Reversal	Write-off		
Other receivables	8,385,073.34	2,078,516.50	120,000.00	507,838.00		9,835,751.84
total	8,385,073.34	2,078,516.50	120,000.00	507,838.00		9,835,751.84

e.Write-off of other receivables during the period

RMB

Item	Amount
Other receivables written off	507,838.00

f.Top five other receivables

RMB

Company	Closing balance	Percentage of closing balance of other receivables %	Nature	Aging	Closing balance of bad debt provision
1	280,539,777.78	12.60	Non-trade receivables	within 1 year	
2	223,983,412.51	10.06	Non-trade receivables	within 1 year	
3	122,193,331.57	5.49	Non-trade receivables	within 1 year	
4	113,717,941.83	5.11	Non-trade receivables	within 1 year	
5	107,844,398.34	4.85	Non-trade receivables	within 1 year	
Total	848,278,862.03	38.11	/	/	

g.Presented in other receivables due to centralized management of funds

RMB

Amounts reported in other receivables due to centralized management of funds	2,186,633,994.23
Notes	/

3.Long-term equity investment

RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	4,167,552,015.38		4,167,552,015.38	3,999,638,880.61		3,999,638,880.61
Investment in associates and joint ventures	2,335,353,767.06	17,900,000.00	2,317,453,767.06	2,215,440,226.01	17,900,000.00	2,197,540,226.01
Total	6,502,905,782.44	17,900,000.00	6,485,005,782.44	6,215,079,106.62	17,900,000.00	6,197,179,106.62

A.Investment in subsidiaries

RMB

Company	Opening balance	Fluctuations in 2024		Closing balance
		Additional investment	Disposals / Reductions	
Zhejiang Pinghu Wellhope Animal Husbandry Company	1,026,750.75			1,026,750.75
Changsha Wellhope Animal Husbandry Company	8,300,000.00	703.61		8,300,703.61
Tangshan Wellhope Feed Company	43,434,466.04	3,678,918.27		47,113,384.31
Shulan Fengtai Agriculture and Animal Husbandry Company	63,394,541.16	1,407.22		63,395,948.38
Daqing Wellhope Food Company	7,650,000.00	1,407.22		7,651,407.22
Harbin Wellhope Agriculture and Animal Husbandry Development Company		1,407.22		1,407.22
Nanchang Wellhope Animal Husbandry Company	6,500,000.00	1,407.22		6,501,407.22
Haicheng Wellhope Animal Husbandry Feed Company	12,614,789.85	1,407.22		12,616,197.07
Fuyu Wellhope Taolaizhao Poultry Breeding Company	25,757,551.60	1,407.22		25,758,958.82
Jiyuan Helai Feed Company	23,000,000.00	2,110.83		23,002,110.83
Wan'an Wellhope Feed Company	7,800,000.00	2,110.83		7,802,110.83
Lixin Xiangfeng Agriculture and Animal Husbandry Company		2,110.83		2,110.83
Lixin Rongfeng Agriculture and Animal Husbandry Company		2,110.83		2,110.83
Dalian Wellhope Pig Breeding Company		2,110.83		2,110.83
Datong Hejia Agriculture and Animal Husbandry Company		2,110.83		2,110.83
Shenyang Wellhope Poultry Industry Company	60,565.62	2,814.44		63,380.06
Shanxi Wellhope Animal Husbandry Company	48,042,083.51	2,814.44		48,044,897.95
Shenyang Expert Trade Company	30,010,648.28	2,814.44	21,800,000.00	8,213,462.72
Heilongjiang Sanjiang Wellhope Animal Husbandry Company	13,022,410.76	2,814.44		13,025,225.20
Heilongjiang Wellhope Dasenlin Food Company	10,200,000.00	2,814.44		10,202,814.44
Shenyang Jiahietianfeng Trade Company	10,143,614.30	2,814.44		10,146,428.74
Gansu Wellhope Animal Husbandry Company	40,108,690.76	2,814.44		40,111,505.20
Daqing Wellhope Animal Husbandry Company		2,814.44		2,814.44
Fuzhou Wellhope Xingyuan Animal Husbandry Development Company	60,400,000.00	12,403,518.06		72,803,518.06
Baotou Hechen Animal Husbandry Company	15,750,000.00	3,518.06		15,753,518.06
Cangzhou Helai Technology Company	3,531,614.46	3,518.06		3,535,132.52
Zhengzhou Wellhope Animal Husbandry Company	12,898,005.82	3,518.06		12,901,523.88
Dunhua Fengda Agriculture and Animal Husbandry Development Company	13,095,094.63	4,221.67		13,099,316.30
Jinan Xinweita Trade Company	157,757.98	4,221.67		161,979.65
Shenyang Wellhope Extruded Feed Company	33,042,083.51	4,221.67		33,046,305.18
Hengshui Wellhope Feed Company	6,400,000.00	4,221.67		6,404,221.67
Baicheng Wellhope Animal Husbandry Company	5,100,000.00	4,221.67		5,104,221.67
Guangzhou Dashang Trade Company		4,221.67		4,221.67
Shenyang Pufeng Trade Company	7,499,788.72	4,221.67		7,504,010.39
Anyang Wellhope Agriculture and Animal Husbandry Company	55,000,000.00	4,221.67		55,004,221.67
Jinzhou Wellhope Animal Husbandry Company	17,260,917.78	4,221.67		17,265,139.45
Tianjin Wei'erhao Trade Company		4,221.66		4,221.66

Yunnan Wellhope Feed Company	25,082,494.77	504,925.28		25,587,420.05
Haicheng Xinzhongxin Feed Company	6,002,315.70	4,925.28		6,007,240.98
Shijiazhuang Hejia Agriculture and Animal Husbandry Company	13,000,000.00	5,488.17		13,005,488.17
Jingzhou Wellhope Agriculture Technology Company	21,432,261.58	21,874,199.89		43,306,461.47
Jilin Wellhope Pig Breeding Company	15,000,000.00	5,628.89		15,005,628.89
Huaian Wellhope Feed Co., Ltd.	30,230,704.62	5,628.89		30,236,333.51
Zhumadian Wellhope Animal Husbandry Company	9,052,956.04	5,628.89		9,058,584.93
Jiaozuo Wellhope Feed Company	50,704,604.92	6,332.50		50,710,937.42
Hainan Expert Trade Company	9,151.81	6,473.22		15,625.03
Anhui Wellhope Food Company		6,895.39		6,895.39
Tangshan Hejia Agriculture and Animal Husbandry Company	19,634,667.24	6,895.39		19,641,562.63
Hainan Wellhope Animal Husbandry Company	68,155,732.34	7,036.11		68,162,768.45
Tangshan Wellhope Technology Company	21,033,666.81	7,036.11		21,040,702.92
Changchun Wellhope Food Company	8,668,334.04	7,036.11		8,675,370.15
Qingdao Wellhope Animal Husbandry Company	28,887,168.30	7,036.11		28,894,204.41
Kaifeng Wellhope Agriculture and Animal Husbandry Company	40,348.21	7,036.11		47,384.32
Dehui Wellhope Animal Husbandry Company	45,424.21	7,036.11		52,460.32
Puyang Wellhope Animal Husbandry Company	45,424.21	7,036.11		52,460.32
Shandong Heyuan Animal Husbandry Company		7,036.11		7,036.11
Lingyuan Wellhope Animal Husbandry Company	16,910,917.77	7,936.73		16,918,854.50
Puyang Wellhope Food Company	20,210,417.56	8,302.61		20,218,720.17
Chifeng Wellhope Animal Husbandry Company	6,800,000.00	8,443.33		6,808,443.33
Dunhua Wellhope Animal Husbandry Company	7,652,794.97	8,443.33		7,661,238.30
Liaoning Wellhope Trade Company	30,278,344.48	8,443.33		30,286,787.81
Liaoning Wellhope Egg Industry Company		8,443.33		8,443.33
Beijing WellhopeAnimal Husbandry Company	5,071,980.16	8,865.50		5,080,845.66
Luoyang Wellhope Agriculture and Animal Husbandry Company	75,000,000.00	8,865.50		75,008,865.50
Liaoning Wellhope Food Company	30,041,809.18	9,146.94		30,050,956.12
Linyi Helai Animal Husbandry Company	33,038,762.97	9,850.56		33,048,613.53
Beijing Brilliant Dragon Animal Health Trade Company	205,085.39	9,850.56		214,935.95
Shanghai Hehong Trade Company	203,454.84	9,850.56		213,305.40
Tailai Wellhope Agriculture and Animal Husbandry Company	144,179,039.25	9,850.56		144,188,889.81
Hebei Taihang Wellhope Food Company	234,150,000.00	74,377,172.72		308,527,172.72
Henan Wellhope Animal Husbandry Company	53,071,854.64	10,554.17	20,000,000.00	33,082,408.81
Chifeng Wellhope Fuxinyuan Food Company	125,000,000.00	11,257.78	6,000,000.00	119,011,257.78
Guangzhou Xiangshun Animal Husbandry Equipment Company	3,000,500.21	11,257.78		3,011,757.99
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	97,604,896.30	11,679.94		97,616,576.24
Shenyang Wellhope Aquatic Feed Company	15,286,167.88	11,961.39		15,298,129.27
Gongzhuling Wellhope Ruminant Feed Company	5,084,167.03	12,665.00		5,096,832.03
Linyi Wellhope Animal Husbandry Company	15,000,000.00	12,665.00		15,012,665.00
Daqing Wellhope Bayi Nongda Science and Technology Company	39,221,417.77	12,946.44		39,234,364.21
Dalian Wellhope Feed Company	42,386,167.87	13,087.17		42,399,255.04
Lankao Tiandi Feed Company	46,069,798.90	13,368.61		46,083,167.51
Pingyuan Wellhope Food Processing Company	210,203,167.88	13,509.33		210,216,677.21
Jilin Dalong Wellhope Animal Husbandry Company	4,130,000.00	14,072.22		4,144,072.22
Haicheng New Hongzunda Animal Husbandry Company	34,242,841.13	14,072.22		34,256,913.35
Nanyang Wellhope Feed Company	17,925,324.47	14,775.83		17,940,100.30
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	147,885,081.04	7,014,916.56		154,899,997.60
Xingcheng Wellhope Feed Company	82,794,584.59	16,183.06		82,810,767.65
Changchun Hengfeng Agriculture and Animal Husbandry Company	235,667.66	19,701.11		255,368.77
Changchun Wellhope Feed Company	84,597,782.33	20,320.29		84,618,102.62
Shanghai Wellhope Feed Company	2,295,632.60	26,033.61		2,321,666.21
Kaifeng Jiufeng Agriculture and Animal Husbandry Company	42,000,000.00	26,189.41		42,026,189.41

Shenyang Huakang Xinxin Food Company	1,969,334.47	27,581.56		1,996,916.03
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	114,694,899.21	28,144.44		114,723,043.65
Beijing Sanyuan Wellhope Animal Husbandry Company	8,719,369.88	28,707.33		8,748,077.21
Xi'an Wellhope Feed Technology Company	4,688,849.43	29,551.67		4,718,401.10
Shenyang Wellhope Pig Breeding Company		30,677.44		30,677.44
Pingyuan Wellhope Animal Husbandry Company	264,258.47	31,240.33		295,498.80
Shenyang Huakang Meat Poultry Company	68,558,404.83	33,829.62		68,592,234.45
Wellhope Food (Shenyang) Company	5,160,191.67	35,180.56		5,195,372.23
Shenyang Nongda Wellhope Feed Company	44,562,397.18	35,799.73		44,598,196.91
Dalian Heyuan Animal Husbandry Company	103,890,054.30	37,432.11		103,927,486.41
Shenyang Wellhope Animal Husbandry Company	82,988,342.49	39,416.29		83,027,758.78
Dalian Huakang Xinxin Food Company	11,662,375.47	43,061.00		11,705,436.47
Shenyang Wellhope Ruminant Feed Company	6,038,738.05	43,820.90		6,082,558.95
Shenyang Fame Bio-tech Company	20,494,308.42	44,341.57		20,538,649.99
Gongzhuling Wellhope Animal Husbandry Company	35,514,907.90	44,805.96		35,559,713.86
Lankao Wellhope Animal Husbandry Company	43,084,167.03	49,956.39		43,134,123.42
Liaoning Expert Trade Company	73,771,350.84	61,256.38		73,832,607.22
Liaoning Godaji E-commerce Company	20,496,378.16	75,708.56		20,572,086.72
Heilongjiang Wellhope Animal Husbandry Company	120,848,465.45	84,574.06		120,933,039.51
Dalian Zhongjia Food Company	155,824.28	182,066.41		337,890.69
Hunan Wellhope Agriculture and Animal Husbandry Company		49,000,000.00		49,000,000.00
Dazhou Wellhope Bio-tech Company		17,642,857.21		17,642,857.21
Siping Wellhope Food Company		14,000,000.00		14,000,000.00
Hebei New Taihang Wellhope Animal Husbandry Company	10,000,000.00	10,000,000.00		20,000,000.00
Shandong Jiayixiang Agriculture and Animal Husbandry Company		8,000,000.00		8,000,000.00
Huaibei Wellhope Animal Husbandry Company		6,250,000.00		6,250,000.00
Mianyang Wellhope Bio-tech Company		5,200,000.00		5,200,000.00
Wellhope E-Commerce (Liaoning) Company		1,500,000.00		1,500,000.00
Zhumadian Wellhope Agricultural Development Company	30,000,000.00	1.00		30,000,001.00
Jilin Wellhope Animal Husbandry Company	16,241,715.94			16,241,715.94
Dalian Wellhope Animal Husbandry Company	37,000,000.00		600,000.00	36,400,000.00
Russia Wellhope Agri-tech Company	11,700,000.00		11,700,000.00	
Fuyu Wellhope Egg Poultry Company	5,200,000.00			5,200,000.00
Neihuang Wellhope Animal Husbandry Company	60,000,000.00			60,000,000.00
Kaifeng Wellhope Meat Food Company	100,000,000.00			100,000,000.00
Fuxin Wellhope Agriculture and Animal Husbandry Company	30,000,000.00			30,000,000.00
Lingyuan Wellhope Agriculture and Animal Husbandry Company	5,000,000.00			5,000,000.00
Siping Huiliang Wellhope Animal Husbandry Company	5,100,000.00			5,100,000.00
Heilongjiang Wellhope Dasenlin Animal Husbandry Company	10,200,000.00			10,200,000.00
Tianjin Fengyunda Supply Chain Company	10,000,000.00			10,000,000.00
Anhui Wellhope Animal Husbandry Company	112,148,987.28	5,628.89		112,154,616.17
Tai'an Wellhope Feed Company	33,055,140.93			33,055,140.93
Qiqihar Wellhope Animal Husbandry Company	7,650,000.00			7,650,000.00
Mudanjiang Wellhope Animal Husbandry Company	23,286,048.10			23,286,048.10
Fuyu Wellhope Animal Husbandry Company	46,602,083.51			46,602,083.51
Daqing Bifeng Animal Husbandry Company	5,100,000.00			5,100,000.00
Shandong Heyuan Food Company	37,759.87			37,759.87
Liaoning Tiandi Breeding Equipment Company	28,667,982.56			28,667,982.56
Tongliao Wellhope Tianyi Forage Industry Company	10,200,000.00			10,200,000.00
Jining Wellhope Animal Husbandry Company	19,726,723.27			19,726,723.27
Shenyang Huaweida Animal Health Products Company	36,032.42		36,032.42	
Chongqing Wellhope Animal Husbandry Company	2,230,000.00			2,230,000.00
Zhangwu Wellhope Agricultural Development Company	1,800,000.00			1,800,000.00
Suihua Wellhope Animal Husbandry Company	27,889,500.00			27,889,500.00
Shenyang Xiangmai E-commerce Company	650,000.00			650,000.00

Lanxi Fengyuan Agriculture and Animal Husbandry Company	2,550,000.00			2,550,000.00
Fame (Shenyang) Biological High-tech Industry Research Institute Company	10,000,000.00		5,000,000.00	5,000,000.00
Total	3,999,638,880.61	233,049,167.19	65,136,032.42	4,167,552,015.38

B. Investment in associates and joint ventures

RMB										
		Fluctuations in 2024								
Company	Opening balance	Additional investment	Reducing investment	Gains or losses on investments recognized under equity method	Adjustment of other comprehensive income	Other changes in equity	Declaring of paying dividend or profit	Other	Closing balance	Closing balance of impairment provision
1.Joint Venture										
Unphung Joint Venture Company	7,501,575.10								7,501,575.10	
Nepal Wellhope Agri-tech Pvt. Ltd.	4,167,616.44								4,167,616.44	
Nexus Well-Hope Agritech International Limited	17,900,000.00								17,900,000.00	17,900,000.00
Subtotal	29,569,191.54								29,569,191.54	17,900,000.00
2. Associated Company										
Dalian Chengsan Food Group Company	335,590,076.13			39,747,509.77			5,000,000.00		370,337,585.90	
Beipiao Hongfa Food Company	577,420,717.85			32,341,043.80			5,390,000.00		604,371,761.65	
GOLDEN HARVESTA INC.	118,725,880.04			27,135,877.85	-1,533,053.64				144,328,704.25	
Anshan Jiuguhe Food Company	229,218,949.11			17,216,866.04					246,435,815.15	
Tai'an Fengjiu Animal Husbandry Company	61,361,547.74	9,500,000.00		15,027,004.66			760,000.00		85,128,552.40	
Jinzhou Jiufeng Food Company	98,214,303.40			10,452,169.84					108,666,473.24	
Dandong Wellhope Chengsan Animal Husbandry Company	110,101,992.66			11,142,207.25					121,244,199.91	
Dandong Wellhope Chengsan Food Company	101,348,309.00			8,491,052.33					109,839,361.33	
Jilin Jinfeng Animal	4,496,784.48	9,000,000.00		4,202,965.13					17,699,749.61	

Husbandry Company										
Huludao Jiuguhe Food Company	34,887,946.48			-8,085,188.62					26,802,757.86	
Lankao Tiandi Duck Industry Company	33,044,157.08			6,089,245.12					39,133,402.20	
Shenyang Zhongwenjie Bio-tech Company	10,358,475.96			4,852,423.26					15,210,899.22	
PT Mulia Harvest Agri-tech in Indonesia	61,235,381.67			4,473,546.46	-736,758.26				64,972,169.87	
Dunhua Fengda Broiler Breeding Company	5,643,687.46			2,293,469.94					7,937,157.40	
Hebei Taihang Wellhope Animal Husbandry Company	32,966,905.71		900,000.00	1,296,150.01					33,363,055.72	
Gongzhuling Wellhope Corn Purchasing and Storage Company	40,970,396.63			993,632.22					41,964,028.85	
Anshan Jiuguhe Paper Packaging Company	5,636,125.21	1,824,000.00		850,956.45					8,311,081.66	
Huludao Jiuguhe Feed Company	1,617,085.05			837,464.23					2,454,549.28	
Jinzhou Xinfeng Food Company	11,164,938.36			715,929.06					11,880,867.42	
Liaoning Mubang Livestock Equipment Manufacturing Company	12,230,028.52			561,003.17					12,791,031.69	
Anshan Antai Plastic Products Company	4,256,064.48			552,006.14					4,808,070.62	
Chongqing Kuizhou Rabbit Industry Company	7,544,722.25	3,500,000.00		550,521.16					11,595,243.41	
Beijing Dahong Hengfeng Animal Husbandry Company	23,768,257.00			373,448.81					24,141,705.81	
Liaoning Xinjuntong Logistics Technology Company		1,140,000.00		219,145.08					1,359,145.08	
Shihaipu (Beijing)	2,195,480.34			205,853.77					2,401,334.11	

Commerce & Trade Company										
Weifang Wellhope Xinhesheng Feed Company	5,440,416.56			86,903.65					5,527,320.21	
Tai'an Jiufeng Animal Husbandry Company										
Qingdao Shenfeng Animal Husbandry Company	12,368,636.02			-10,742.29					12,357,893.73	
Hainan Wengfeng Wenchang Chicken Industry (Group) Company	1,089,591.10			-172,387.50					917,203.60	
Shenyang Wenjie Bio-tech Company	13,934,675.24		12,000,000.00	-96,285.04			1,838,390.20			
Shulan Fengtai Organic Fertilizer Company	1,661,310.19			-134,630.63					1,526,679.56	
Hebei Taihang Wellhope Feed Company		900,000.00		-175,475.54					724,524.46	
Tai'an Huijun Biomass Energy Company	509,726.28			-509,726.28						
Chongqing Dahong Agriculture and Animal Husbandry Machinery Company	11,501,138.07			-1,128,764.43					10,372,373.64	
PT Sekar Golden Harvesta Indonesia	34,125,322.42			-1,191,701.47	-537,185.31				32,396,435.64	
Dazhou Wellhope Bio-tech Company	14,143,883.56			-1,626,026.35		2,625,000.00		-15,142,857.21		
Huludao Jiuguhe Animal Husbandry Company	2,456,236.03			-2,456,236.03						
Jiyuan Sunshine Rabbit Industry Technology Company	12,509,492.01			-2,553,290.64					9,956,201.37	
Linghai Jiuguhe Feed Company	40,891,596.35	3,420,000.00		-6,678,485.26					37,633,111.09	
Anshan Fengsheng Food Company	55,295,625.46			-5,452,690.37					49,842,935.09	
Liaoning Yufeng Bio-tech	16,280,236.96			-6,735,576.94					9,544,660.02	

Company										
Bei'an Agricultural Reclamation Shengda Pasture Professional Cooperative	11,134,388.17			-11,134,388.17						
Tai'an Jiuguhe Agricultural Development Company	27,765,602.31	15,249,951.00		-25,973,964.98					17,041,588.33	
Heilongjiang Bei'an Agriculture Reclamation Zhongwang Dairy Cattle Breeding Professional Cooperative	764,945.13								764,945.13	
Subtotal	2,185,871,034.47	44,533,951.00	12,900,000.00	116,592,834.67	-2,806,997.21	2,625,000.00	12,988,390.20	-15,142,857.21	2,305,784,575.52	
Total	2,215,440,226.01	44,533,951.00	12,900,000.00	116,592,834.67	-2,806,997.21	2,625,000.00	12,988,390.20	-15,142,857.21	2,335,353,767.06	17,900,000.00

4.Revenue and cost**A.Information of revenue and cost**

RMB

Item	2024		2023	
	Revenue	Cost	Revenue	Cost
Revenue from primary businesses	675,678,445.71	506,895,695.24	712,023,965.19	538,367,572.22
Revenue from other businesses	6,371,688.73	2,949,936.40	4,103,206.07	308,708.86
Total	682,050,134.44	509,845,631.64	716,127,171.26	538,676,281.08

B.Split of revenue and cost

RMB

Contract classification	Total	
	Revenue	Cost
Type of goods		
Feed products	675,678,445.71	506,895,695.24
Other businesses	6,371,688.73	2,949,936.40
Classified by timing of transfer of goods		
Revenue recognized at a point in time	680,039,649.50	509,636,034.28
Revenue recognized over time	2,010,484.94	209,597.36
Classified by sales channel		
Direct sales	6,371,688.73	2,949,936.40
Distribution sales	675,678,445.71	506,895,695.24
Total	682,050,134.44	509,845,631.64

Explanation:

The Company sells feed products, feed raw materials, broiler products, commercial pigs, and other goods. In accordance with the terms of the sales contracts, these transactions are considered performance obligations satisfied at a point in time. For such obligations, revenue is recognized when control of the goods is transferred to the customer. The Company's asset leasing business is deemed to satisfy performance obligations over time, as stipulated in the lease contracts. For these obligations, revenue is recognized over time based on the progress of performance during the lease period.

5.Income from investment

RMB

Item	2024	2023
Income from long-term equity investments under cost method	60,863,493.36	155,233,214.54
Income from long-term equity investments under equity method	117,945,879.18	-118,923,656.51
Investment income from disposal of long-term equity investments	-11,591,131.17	-17,936,406.61
Investment income from disposal of derivative financial instruments, etc.	6,844.16	-1,455,012.74
Investment income from financial assets held for trading		100,273.97
Total	167,225,085.53	17,018,412.65

XIX. Supplementary Information**1. Extraordinary items in 2024**

RMB

Item	Amount	Note
Gains or losses from the disposal of non-current assets, including the reversal of impairment provisions previously recognized	-12,802,784.26	
Government grants recognized in profit or loss for the period, excluding those closely related to the Company's ordinary business, granted in accordance with national policies, based on established criteria, and having a sustained impact on the Company's profit or loss	40,790,123.39	
Gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and from the disposal of such assets and liabilities, excluding effective hedging activities related to the Company's ordinary business	-2,489,576.88	
Reversal of impairment losses on individually assessed receivables	1,288,016.75	
Other non-operating income and expenses not included in the items listed above	-26,982,020.11	
Other items that meet the definition of non-recurring gains or losses in accordance with applicable accounting standards	655,040.54	
Less: Income tax effects	3,049,188.70	
Non-controlling interests effects(net of tax)	4,422,821.56	
Total	-7,013,210.83	

2. Return on equity and earnings per share

Profit in 2024	Weighted average ROE %	Earnings per share	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	5.06	0.38	0.38
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	5.17	0.39	0.38

Chairman: Jin Weidong

Date of Board approval for submission: April 26, 2025