

Stock Code: 603609

Stock Abbreviation (English): Wellhope

Bond Code: 113647

Bond Abbreviation (English): Wellhope Convertible Bond

# Wellhope Foods Co., Ltd. 2025 Annual Report



### Important Statements

I. The Board of Directors, all directors and senior management of the Company warrant that the contents of this annual report are true, accurate and complete, and contain no false records, misleading statements or material omissions, and shall bear individual and joint and several legal liability therefor.

II. All directors of the Company attended the Board meeting.

III. RSM China CPA LLP issued a standard auditor's report with an unqualified opinion on the Company's financial statements.

IV. Mr. Jin Weidong, the person in charge of the Company, and Mr. Chen Yu, the person in charge of accounting work and the head of the accounting department, hereby declare and warrant that the financial report contained in this annual report is true, accurate and complete.

V. Profit distribution proposal or proposal for conversion of capital reserve into share capital for the reporting period approved by the Board of Directors

Under the 2025 profit distribution plan approved by resolution of the Board, the Company will not distribute cash dividends, issue bonus shares or convert capital reserve into share capital, and the undistributed profits will be carried forward to the following year. Pursuant to the Rules for Share Repurchases by Listed Companies issued by the China Securities Regulatory Commission, share repurchases by a listed company for cash consideration by way of tender offer or centralized bidding shall be deemed to be cash dividends of the listed company and included in the calculation of the relevant cash dividend payout ratios. During the year, the Company repurchased shares through centralized bidding for cash consideration of RMB 56,466,476.00, accounting for 107.52% of the net profit attributable to shareholders of the Company for the year. Separately, the cash consideration paid for shares repurchased through centralized bidding and subsequently cancelled during the year amounted to RMB 66,391,605.70, representing 126.42% of the net profit attributable to shareholders of the Company for the year.

The proposed profit distribution plan is subject to approval by the Shareholders' Meeting.

VI. Risk statement on forward-looking statements

Forward-looking statements regarding future plans and development strategies in this report do not constitute binding commitments by the Company to investors. Investors are advised to be aware of investment risks.

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

No

VIII. Whether external guarantees were provided in violation of the required decision-making procedures

No

IX. Whether more than half of the directors were unable to warrant the truthfulness, accuracy and completeness of the annual report disclosed by the Company

No

X. Material risk warning

The Company has described in detail the relevant risks it may face in this report. For details, please refer to the subsection headed “Potential Risks” under “Section III Management Discussion and Analysis”.

XI. This annual report is published in both Chinese and English. In the event of any inconsistency or ambiguity between the Chinese and English versions, the Chinese version shall prevail. The Chinese version of the 2025 Annual Report is available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn).

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Documents available for inspection	The financial statements bearing the signatures and seals of the person in charge of the Company, the person in charge of accounting work and the head of the accounting department.
	The original auditor's report bearing the seal of the accounting firm and the signatures and seals of the certified public accountants.
	The originals of all Company documents and announcements publicly disclosed on the websites designated by the China Securities Regulatory Commission during the reporting period.

## 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, 2025-December 31, 2025
The end of the reporting period, period end	refers to	December 31, 2025
Royal De Heus	refers to	Koninklijke De Heus B.V. (Royal De Heus), the largest privately held feed company in the Netherlands, is the parent company of De Heus Mauritius Ltd., which is a corporate shareholder of the Company.
Articles of Association	refers to	Articles of Association of Wellhope Foods Co., Ltd.
Shareholders' Meeting	refers to	Shareholders' Meeting of Wellhope Foods Co., Ltd.
Board of Directors	refers to	Board of Directors of Wellhope Foods Co., Ltd.
Company Law	refers to	Company Law of the People's Republic of China
Securities Law	refers to	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
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 and Contact Information

	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, PRC	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, PRC
Tel	024-88081409	024-88081409
Fax	024-88082333	024-88082333
Email	hf@wellhopefood.com	hf@wellhopefood.com

### III. Basic Information of the Company

Registered address	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, PRC
Changes in the Company's registered address	On December 6, 2016, the Company's registered address was changed from "No. 67, Hunnan Development Zone, Shenyang City" to "No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province". For details, please refer to the Company's 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, PRC
Postal code	110164
Company website	www.wellhope-ag.com
Email	hf@wellhopefood.com

### IV. Information Disclosure and Place where the Annual Report is Available for Inspection

Media name and website for disclosure of the Company's annual report	China Securities Journal, Shanghai Securities News, Securities Times
Website of the stock exchange for disclosure of the Company's annual report	www.sse.com.cn
Place where the Company's annual report is available for inspection	Securities Department of the Company

### V. Stock Information

Stock information			
Stock type	Stock exchange	Stock abbreviation	Stock code
A share	Shanghai Stock Exchange	Wellhope	603609

**VI. Other Information**

Accounting firm (domestic)	Name	RSM CHINA CPA LLP
	Office address	Room 2801, Block B, Enterprise Plaza, No. 125 Qingnian Street, Shenhe District, Shenyang, Liaoning Province, PRC
	Names of signing certified public accountants	Wu Yu, Zhao Songhe, Zhang Yuanyuan
Sponsor performing ongoing supervisory duties during the reporting period	Name	China Galaxy Securities Co., Ltd.
	Office address	Qinghai Finance Building, Building No.1, No. 8 Xiying Street, Fengtai District, Beijing
	Names of signing sponsor representatives	Jin Hongya, Gao Han
	Period of ongoing supervision	From the date of listing of the Company's publicly issued convertible corporate bonds to the end of the following full fiscal year

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

RMB

Item	2025	2024	Year-on-year change (%)	2023
Operating revenue	35,761,520,925.94	32,545,260,037.87	9.88	35,970,261,909.41
Operating revenue after deducting revenue unrelated to the principal activities and revenue without commercial substance	35,683,156,750.85	32,499,057,611.21	9.80	35,924,050,473.57
Total profit	133,761,879.22	393,904,030.08	-66.04	-480,941,429.71
Net profit attributable to shareholders of the Company	52,516,855.05	342,468,141.14	-84.67	-457,037,550.28
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	-75,371,898.28	349,481,351.97	-121.57	-503,050,322.71
Net cash flow from operating activities	681,096,407.91	1,176,900,496.53	-42.13	956,152,750.32
	<b>End of 2025</b>	<b>End of 2024</b>	<b>Change from the end of the previous year (%)</b>	<b>End of 2023</b>
Net assets attributable to shareholders of the Company	6,619,056,056.05	6,695,188,322.87	-1.14	6,659,295,008.79
Total assets	18,179,629,430.21	14,882,522,901.31	22.15	14,937,114,834.54

**2. Key financial performance indicators**

Item	2025	2024	Year-on-year change (%)	2023
Basic earnings per share (RMB)	0.06	0.38	-84.21	-0.50
Diluted earnings per share (RMB)	0.06	0.38	-84.21	-0.50
Basic earnings per share after deducting non-recurring gains and losses (RMB)	-0.08	0.39	-120.51	-0.55
Weighted average return on net assets (%)	0.79	5.06	Decreased by 4.27 percentage points	-6.58
Weighted average return on net assets after deducting non-recurring gains and losses (%)	-1.13	5.17	Decreased by 6.30 percentage points	-7.24

**VIII. Key Financial Data by Quarter in 2025**

Item	RMB			
	Q1	Q2	Q3	Q4
Operating revenue	7,707,503,546.35	9,699,135,241.60	10,665,979,574.19	7,688,902,563.80
Net profit attributable to shareholders of the Company	117,943,058.95	115,126,181.06	-103,953,443.95	-76,598,941.01
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	114,202,200.67	23,573,203.46	-110,961,888.43	-102,185,413.98
Net cash flow from operating activities	-663,158,753.50	151,096,430.23	394,380,477.53	798,778,253.65

**IX. Non-recurring Gains and Losses**

Item	RMB		
	2025	2024	2023
Gains or losses on disposal of non-current assets, including the reversal of previously recognized impairment provisions	-19,071,287.35	-12,802,784.26	17,370,417.70
Government grants recognized in profit or loss for the period, excluding those closely related to the Company's ordinary business, in line with national policies, granted according to defined criteria, and having a continuing impact on the Company's profit or loss	38,265,999.01	40,790,123.39	83,115,983.41
Gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses on disposal of such financial assets and financial liabilities, other than effective hedging activities related to the Company's ordinary business	4,142,203.96	-2,489,576.88	-1,205,993.28
Reversal of impairment provisions for receivables individually tested for impairment	6,399,293.02	1,288,016.75	9,122,730.49
Gains arising where the cost of investments in subsidiaries, associates and joint ventures is less than the Company's share of the fair value of the investees' identifiable net assets at the acquisition date	3,443,489.11		14,299,036.35
Other non-operating income and expenses not listed above	9,254,605.28	-26,982,020.11	-49,135,731.60
Other items that meet the definition of non-recurring gains or losses	114,612,999.75	655,040.54	-10,565,822.12
Less: Income tax effect	24,031,038.65	3,049,188.70	21,574,736.43
Effect on non-controlling interests (net of tax)	5,127,510.80	4,422,821.56	-4,586,887.91
Total	127,888,753.33	-7,013,210.83	46,012,772.43

**X. Table of Revenue Deductions**

Item	RMB 10,000			
	2025	Details of deductions	2024	Details of deductions
Operating revenue	3,576,152.09	/	3,254,526.00	/
Total revenue deductions	7,836.41	/	4,620.24	/
Total revenue deductions as a percentage of revenue (%)	0.22	/	0.14	/
<b>I. Revenue unrelated to the principal activities</b>				
1. Other revenue outside the ordinary course of business, including revenue from leasing fixed assets, intangible assets and packaging materials, sales of materials, non-monetary asset exchanges involving materials, entrusted management services, and other	7,836.41	/	4,620.24	/

revenue included in principal activity revenue but outside the Company's ordinary course of business				
2. Revenue from unlicensed quasi-financial businesses, such as interest income from fund lending; and revenue from quasi-financial businesses newly added in the current or preceding accounting year, including guarantees, commercial factoring, micro-loans, finance leasing and pawn businesses, excluding finance leasing for the sale of principal products				
3. Revenue from trading businesses newly added in the current or preceding accounting year				
4. Revenue from related-party transactions unrelated to the Company's existing ordinary course of business				
5. Revenue of subsidiaries acquired in business combinations under common control from the beginning of the period to the combination date				
6. Revenue from businesses that have not formed, or are unlikely to form, a stable business model				
Subtotal of revenue unrelated to the principal activities	7,836.41	/	4,620.24	/
<b>II. Revenue without commercial substance</b>				
1. Revenue from transactions or events that do not significantly alter the risks, timing or amount of the enterprise's future cash flows				
2. Revenue from transactions lacking genuine business substance, such as fictitious revenue from self-dealing or from transactions structured through internet technologies or other means				
3. Revenue from transactions with manifestly unfair pricing				
4. Revenue from subsidiaries or businesses acquired in business combinations during the current accounting year for manifestly unfair consideration or through non-transaction arrangements				
5. Revenue associated with a non-standard auditor's opinion				
6. Revenue from other transactions or events lacking commercial rationale				
Subtotal of revenue without commercial substance				
<b>III. Other revenue unrelated to the principal activities or without commercial substance</b>				
Operating revenue after deductions	3,568,315.68	/	3,249,905.76	/

**XI. Companies with equity incentive schemes or employee stock ownership plans may elect to disclose net profit excluding the impact of share-based payments**

RMB

Key accounting data	2025	2024	Year-on-year change (%)	2023
Net profit excluding the impact of share-based payments	54,255,188.36	344,438,252.13	-84.25	-457,037,550.28

**XII. Items Measured at Fair Value**

RMB

Item	Opening balance	Closing balance	Changes during the period	Impact on profit for the period
Derivative financial assets	2,441,832.40	6,473,245.85	4,031,413.45	4,276,985.24
Total	2,441,832.40	6,473,245.85	4,031,413.45	4,276,985.24

**XIII. Other**

Not applicable

### Section III Management Discussion and Analysis

#### I. Business of the Company during the Reporting Period

Wellhope is a leading large-scale enterprise in China's agriculture and livestock industry, with principal businesses covering animal feed, integrated broiler operations and swine farming. In 2018, the Company identified the food business as a strategic area for development. Since its establishment, Wellhope has remained committed to its corporate mission of "promoting the development of China's livestock industry, conserving resources, protecting the environment, safeguarding food safety and benefiting society through advanced technology, comprehensive services and high-quality products." With unified efforts across the organization and synergies among its business segments, Wellhope is committed to becoming a world-class enterprise in the agriculture, livestock and food industries.

During the reporting period, there were no material changes in the Company's principal businesses.

Details are set out below:

Principal business	Primary products	Operation model
Feed	Pig feed, poultry feed and ruminant feed	<b>Sales model:</b> Distribution and direct sales <b>Operation model:</b> R&D, procurement, production, sales and services
Integrated broiler operations	Live broilers, broiler parts products	<b>Industrial chain model:</b> covering key business activities including broiler breeder farming, hatching, feed production, commercial broiler farming, broiler slaughtering and processing, and further processing of prepared and cooked products <b>Commercial broiler farming model:</b> the Company together with large-scale contract farms
Swine farming	Finishing pigs, piglets, breeding pigs	<b>Industrial chain model:</b> covering a complete swine breeding system comprising grandparent stock, parent stock, piglets and market hogs <b>Finishing pig farming model:</b> contract farming and a small proportion of company-owned farms

#### 1. Animal feed

The Company produces feed for pig, poultry, ruminants and other animals, with products sold across 32 provincial-level administrative regions in China. It also operates feed mills in Nepal, Indonesia and the Philippines. Guided by its R&D philosophy of "continuously developing new products and never following outdated practices," the Company develops tailored feed products for different growth stages and farming scenarios to meet the nutritional needs of various animals. In addition, the Company provides farmers with integrated services and systematic solutions, including farming guidance, animal disease prevention and control, and operational management, effectively helping customers improve farming efficiency.

The Company's feed business has a complete and independent procurement, production and sales system, enabling it to conduct business operations independently in light of its operational needs and market demand. Adhering to the principle of "centralized management and localized operations," the Company has adopted a refined and real-time production and operating model.

**Procurement Model:**

The Company has established strategic partnerships with a number of leading raw material suppliers in China and overseas. It adopts a three-tier procurement model combining group-level, regional and local procurement, as well as futures and spot purchasing. The procurement team works closely with the technical, production and marketing teams to minimize raw material procurement costs.

**Production Model:**

The Company primarily adopts a sales-driven, order-based production model. Taking into account product characteristics including delivery radius and shelf life, the Company arranges centralized or localized production as appropriate. Its ERP system integrates real-time production, sales and inventory data to support production decision-making and facilitate cross-departmental coordination.

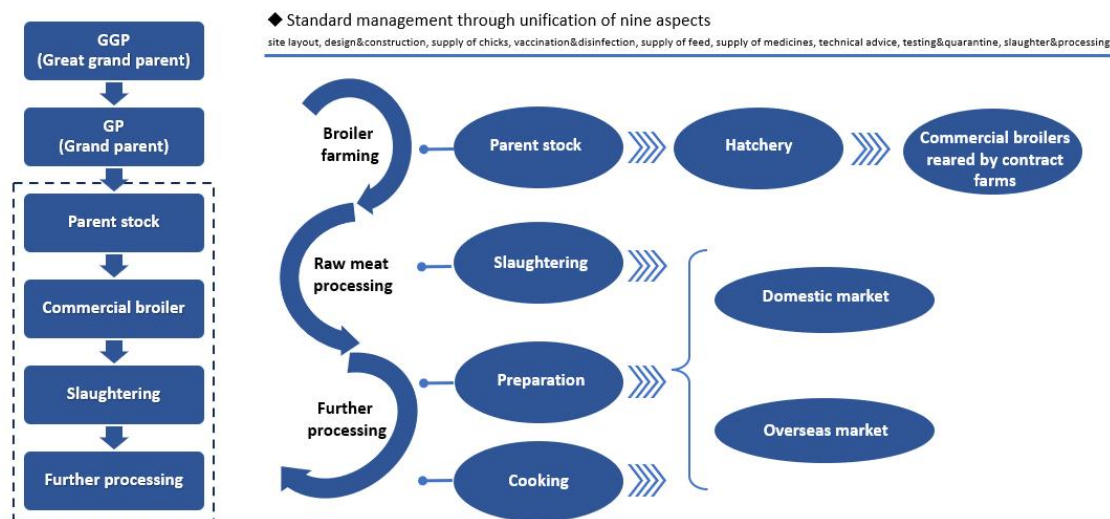
**Sales Model:**

The Company manages its feed sales business through a three-tier management system comprising headquarters, regional centers and subsidiaries. Headquarters formulates overall strategies and targets; regional centers work with subsidiaries to develop implementation measures based on these strategies; and subsidiaries formulate and execute specific action plans. During this process, regional centers provide supervision, inspection and service support, while headquarters continuously strengthens comprehensive back-office support capabilities.

**2. Integrated broiler operations**

The Company's integrated broiler operations are mainly located in the three northeastern provinces of China, namely Liaoning, Jilin and Heilongjiang, as well as in Hebei, Henan and Shandong provinces. The business is structured into farming, processing and further processing divisions, with an integrated value chain covering broiler breeder farming, hatching, feed production, commercial broiler farming, broiler slaughtering and processing, as well as further processing of prepared and cooked products. The integrated operating model ensures a sufficient supply of raw materials at each stage and enables strict control over the entire process from feed production, broiler farming and slaughtering to meat and food processing. Through standardized management and process-based operations, the Company integrates biosecurity, veterinary drug residue control and hygiene safeguards in processing, thereby achieving full food safety traceability. Wellhope's white-feather broiler business has developed rapidly in recent years, with improved alignment between its commercial broiler farming capacity and slaughtering capacity, while its overall scale has continued to grow. The Company has become a leading player in China's white-feather broiler industry.

The layout of Wellhope's broiler industry chain is set out below:



◆ **Farming division:** The Company's farming division covers broiler breeder farming, hatching, commercial broiler farming and feed production. For parent stock, the Company has developed scientifically designed feeding programs, lighting schedules, and comprehensive health management and disease prevention systems, ensuring a stable supply of high-quality hatching eggs for its hatcheries. In the hatching process, the Company has established a sound production management system and introduced intelligent batch incubation equipment, high-efficiency energy-saving hatchers and advanced environmental control systems, ensuring a stable supply of healthy chicks for its commercial broiler farms. For commercial broiler farming, the Company primarily works with large-scale contract farms and applies a standardized "nine-unified" management model. All commercial broilers are raised in three-tier cage systems, with key processes fully automated, including feeding, water supply, temperature and humidity control. The European Production Efficiency Factor (EPEF) of the Company's commercial broiler farming can reach 480–490, demonstrating strong farming performance that is widely recognized by its large-scale partner farms.

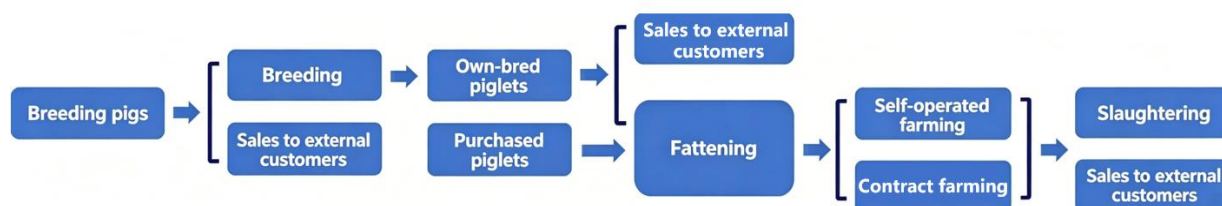
◆ **Processing division:** The Company has equity interests in more than 20 controlled and associated slaughtering entities, with an annual broiler slaughter capacity exceeding 1.1 billion birds. Equipped with automated processing lines, these companies apply strict inspection and quarantine procedures, veterinary drug residue testing and multi-level supervision to establish a comprehensive quality assurance and traceability system. The Company continuously enhances its slaughtering and processing standards through process optimization, systematic training and 6S lean management. Among peers of comparable scale, the Company ranks among the industry leaders in carcass yield and slaughtering efficiency per employee. Its broiler parts products are mainly supplied to customers including Shineway Group, Jinluo Group, Yurun Group, KFC, Yoshinoya, Wallace, Yonghui Superstores, RT-Mart, large regional catering companies, fresh food markets and food processing plants, with sales also extending to countries including Mongolia and Bahrain, and to the Hong Kong and Macao regions of China.

◆ **Further processing division:** Leveraging the advantages of its integrated industrial chain, the Company uses high-quality chicken from own slaughterhouses as raw materials for further processing.

Supported by modern, energy-efficient production equipment, the Company currently offers more than 100 further processed products. In offline channels, the Company's prepared and cooked products are mainly supplied to central kitchens of restaurant chains, corporate and school canteens, supermarkets and convenience stores. As consumer demand continues to evolve, the Company has actively expanded exports of cooked products, which are now sold in Japan and South Korea and have received positive market feedback.

### 3. Swine farming business

The Company began exploring the swine farming business in 2016 and designated it as a strategic business in 2018. Through a combination of self-built facilities, joint ventures and leasing arrangements, the Company has expanded its swine business footprint across Northeast, North, Central and East China. Its swine operations currently cover breeding pig farming and sales, commercial piglet sales, and finishing pig farming mainly through contract farming, with a small proportion conducted on company-owned farms, as well as hog slaughtering. By building comprehensive and stringent biosecurity systems, advanced breeding systems and science-based farming management systems, the Company is committed to developing an integrated swine industrial chain covering breeding, farming, slaughtering and processing.



#### A. High-standard farm construction

The Company develops its pig farms with a focus on appropriate individual farm scale and fit-for-purpose facilities and equipment. Biosecurity considerations are embedded from the outset of farm design, while advanced production practices, husbandry equipment, intelligent feeding systems, climate-control equipment and digital production management tools are applied to improve operational efficiency and create a comfortable, healthy environment for swine growth.

#### B. Comprehensive systematic operations

a. Genetics and breeding: The Company introduces high-quality French, Danish and American breeding stock to meet the needs of different operating regions, enabling it to develop and supply breeding pigs with pure bloodlines and complete, traceable pedigrees. Through scientific selection and mating programs and systematic breeding supported by its platform, the Company continuously optimizes herd structure, strengthens genetic advantages, and enhances competitiveness in swine farming.

b. Feeding management: The Company has established a full-cycle, efficient and dynamic swine feeding management system. Drawing on databases covering feed nutrition and raw materials, feed production and product quality, as well as farming performance, the system integrates dynamic feed formulation, large-scale pig farm management and biosecurity technologies to deliver systematic nutrition and feeding program solutions. Through continuous data collection, analysis and performance tracking, the

Company refines nutrition programs, enhances internal management and strengthens risk early warning, thereby improving overall farming performance.

c. Biosecurity management: The Company has established a multi-dimensional biosecurity system that integrates small-unit rearing, four-zone management, three-tier disinfection, targeted testing, as well as monitoring and early warning. Around each farm, service zones, off-site disinfection zones and other biosecurity checkpoints are established to manage the movement of personnel, vehicles and materials, with professional staff carrying out staged and thorough disinfection before entry. Inside the farms, areas are classified by biosecurity risk level and supported by corresponding isolation and barrier measures. AI recognition and video monitoring are deployed at key biosecurity points to provide real-time visual oversight and ensure effective implementation of biosecurity protocols. Each region is equipped with a specialized African swine fever testing laboratory, where real-time quantitative PCR and other testing technologies are used for accurate detection, rapid screening and targeted risk removal, thereby helping safeguard farm biosecurity.

#### **4. The Company's industry position**

Wellhope has been awarded numerous national-level honors, including designation as a National Key Leading Enterprise in Agricultural Industrialization and a National High-Tech Enterprise. Since its IPO in 2014, the Company 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 for 2022–2023. In 2025, the Company was listed on the Fortune China 500 for the ninth time. Wellhope holds a leading position in Northeast China and maintains strong brand influence in Northwest, North and Central China. In the feed sector, the Company is a Vice President Member of the China Feed Industry Association and has been recognized as one of China's Top 10 Leading Feed Enterprises. Its commercial feed sales rank among the leading companies in China, and in 2025 the Company ranked 15th on the WATT Global Media Top Feed Companies List. In the broiler sector, Wellhope's white-feather broiler business has expanded rapidly in recent years, with improved alignment between its commercial broiler farming capacity and slaughtering capacity and steady expansion in overall scale. The Company has become a leading player in China's white-feather broiler industry. Based on its broiler slaughtering and processing volume, the Company ranked 6th on the 2025 WATT Global Top Broiler Producers List.

## **II. Industry Overview during the Reporting Period**

### **1. Feed industry**

In 2025, China's overall price level stayed subdued, while growth in animal protein supply significantly outpaced demand. Downstream sectors including swine, broiler, layer and dairy farming remained in a downturn. Feed producers faced sustained margin pressure, and industry competition intensified as companies cut prices to defend sales volume and maintain reasonable capacity utilization.

On the supply side, China's industrial feed output reached 342.253 million tons in 2025, representing a year-on-year increase of 8.6%. By product category, pig feed output rose 15.6% to 166.394 million tons, and broiler feed output increased 3.5% to 100.977 million tons. The output of layer feed, ruminant feed

and aquatic feed stood at 32.820 million tons, 14.758 million tons and 23.231 million tons, up 1.4%, 1.8% and 2.7% year-on-year, respectively. By sales model, bulk feed volume increased 18.0% to 170.458 million tons, accounting for 53.4% of total compound feed output, up 4.1 percentage points from the previous year.

On the demand side, the swine farming industry stayed in an expansion cycle, with both hog inventory and slaughter volume rising year-on-year and driving growth in pig feed demand. However, large integrated farming groups expanded capacity far faster than small and medium-sized farms, further intensifying competition in the commercial pig feed market. Broiler and layer inventories remained at historically high levels, with limited year-on-year increases. Excess capacity led to substantial losses for farmers, who therefore placed greater emphasis on the cost-effectiveness of feed products. In the ruminant sector, persistently weak domestic milk prices and operational pressure on local dairy companies continued to weigh on dairy farming, which was still undergoing capacity reduction. In contrast, beef cattle and sheep farming showed recovery momentum; farmers returned to profitability and became more willing to restock, driving rapid growth in ruminant feed demand.

Overall, competition in China's feed industry continued to intensify, magnifying the impact of gaps in core capabilities among companies and accelerating performance divergence. Leading companies continued to gain market share by leveraging their advantages in technology, procurement, branding, management, capital and logistics, while small and medium-sized companies gradually exited the market amid intensifying competition, further increasing industry consolidation.

*Note: The above industry data are sourced from statistical reports released by the China Feed Industry Association and industry analysis reports from Boyar Hexun.*

## **2. Broiler industry**

In 2025, market prices for white-feather broilers in China declined year-on-year, with profitability diverging significantly across the value chain. The broiler breeder segment remained slightly profitable, the slaughtering segment recorded modest losses, and commercial farming suffered heavy losses.

On the supply side, inventories of both grandparent and parent stock remained at high levels, ensuring an ample supply of commercial broiler chicks. Chick prices fell to low levels in the first half of the year. However, weakened breeding performance, coupled with frequent disease outbreaks, tightened chick supply in the second half, driving a rebound in chick prices. In the commercial broiler segment, live broiler supply increased sharply in the first half, with prices rebounding after hitting a trough. Prices weakened again in July and stayed low until late in the fourth quarter, when supply tightened due to disease-related factors, allowing live broiler prices to stabilize and recover. For the whole year, China's broiler slaughter volume increased 8.9% year-on-year, while output of broiler parts products rose by 12.94%. Commercial broiler farming remained under heavy loss pressure.

On the demand side, the overall consumption recovery remained weak, with slow-moving sales in institutional catering, foodservice and other downstream channels. Distributors generally purchased on an as-needed basis and were reluctant to build inventories, putting greater sales pressure on slaughtering companies. Frozen product inventory levels remained high, and companies mainly relied on negotiated

pricing to move inventory. In 2025, the average selling price of broiler parts products continued to decline to RMB 8,870 per ton. In July, prices fell below RMB 8,500 per ton, hitting the lowest level since 2018. As chicken product prices declined less sharply than live broiler prices, the slaughtering segment recorded a slight loss overall, with noticeable divergence in profitability among companies.

Overall, China's white-feather broiler industry saw capacity expand further from a high base in 2025, while demand remained relatively weak. White-feather broiler prices continued to decline, and divergent market conditions across the value chain further widened profitability gaps among companies. As competition intensified, stronger companies became increasingly better positioned, while weaker players exited the market at a faster pace.

*Note: The above industry data are sourced from the industry analysis report of Boyar Hexun.*

### **3. Swine industry**

In 2025, lower feed prices and continued gains in farming efficiency reduced production costs in the swine farming industry. However, hog prices fell faster than costs, causing profit margins to narrow rapidly across the sector. Compared with the farrow-to-finish model, the purchased-piglet finishing model recorded deeper losses in the second half, mainly due to higher piglet restocking costs earlier in the year.

On the supply side, hog supply increased moderately in the first half amid slow growth in the breeding sow herd. At the same time, some farmers delayed sales in anticipation of higher prices, while secondary finishing also absorbed part of the supply. As a result, hog prices fluctuated within a range and did not fall significantly. In the second half, supply pressure intensified as hogs from earlier capacity expansion entered the market. Delayed sales and heavier slaughter weights further shifted supply pressure into later months. Hog prices quickly fell below the industry cost line, hit their lowest level of the year in mid-October, and remained weak through the end of the year. Widespread industry losses further accelerated capacity reduction. For the whole year, China's hog slaughter volume rose 2.4% year-on-year, pork output increased 4.1% year-on-year, and the average hog price stood at RMB 14.44 per kilogram, down 9.2% year-on-year.

On the demand side, growth in total retail sales of consumer goods slowed, while the consumer confidence index remained at low levels. Pork consumption stayed weak, affected by factors such as population decline and more diversified dietary preferences. Seasonal demand from traditional holidays and cured meat production provided less support to pork prices, while prolonged low prices for poultry and other substitutes further squeezed demand for pork. For slaughtering, companies had limited confidence in a pork price recovery and showed little willingness to build inventories. Most companies focused on fresh product sales, bringing frozen pork inventory levels to a multi-year low. Overall, weak pork demand in 2025 intensified supply-demand pressure in the hog market.

Overall, China's hog market saw a significant increase in supply in 2025, while demand failed to keep pace, resulting in a sharp decline in hog prices. With the industry still near the bottom of the cycle, competition among companies increasingly centered on efficiency, cost control and quality, further accelerating industry consolidation and the exit of weaker players.

*Note: The above industry data are sourced from the official websites of the Ministry of Agriculture and Rural Affairs and the National Bureau of Statistics, and the industry analysis report of Boyar Hexun.*

### III. Business Operation Analysis

During the reporting period, the Company recorded operating revenue of RMB 35.762 billion, up 9.88% year-on-year; net profit attributable to shareholders of the Company was RMB 53 million, down 84.67% year-on-year; and net profit attributable to shareholders of the Company after deducting non-recurring gains and losses was RMB -75 million, down 121.57% year-on-year.

#### 1. Feed business

In 2025, domestic demand for animal protein failed to absorb the expansion in livestock and poultry production, leaving most downstream farming segments, including swine, broiler, layer and dairy operations, in a downturn. As upstream suppliers, feed companies continued to face margin pressure, with many feed mills reducing prices to defend sales volume and maintain reasonable capacity utilization. Against the backdrop of a shrinking commercial feed market and increasingly intense competition, the Company accelerated its business transformation. During the reporting period, external feed sales of the Company's consolidated subsidiaries reached 4.64 million tons, up 17% year-on-year. Of this total, premix sales increased by 16% year-on-year, concentrate feed sales decreased by 1%, and compound feed sales increased by 23%.

Feed product	2025 (10,000 tons)	Year-on-year change	Percentage of total
Pig feed	160	13%	34%
Poultry feed	206	21%	44%
Ruminant feed	83	22%	18%
Other feed	15	-12%	3%
Total (external sales)	464	17%	100%

For pig feed, the Company further integrated the resources and capabilities of its farming and feed businesses and strengthened coordination between the two segments. Leveraging farming expertise, the pig feed team worked more closely with farms and gained deeper insight into their procurement, production and biosecurity needs. This enabled the Company to better identify customer pain points and provide more targeted services. At the same time, relying on customer resources from its farming segment, the Company actively developed key-account business, further expanded sales channels to large-scale farm customers, and built a service-oriented marketing system underpinned by its industrial chain advantages, thereby deepening cooperation with large-scale farm customers. During the reporting period, external sales volume of bulk feed increased by 30% year-on-year, demonstrating solid progress in the development of large-scale farms. For poultry feed, as broiler and layer farmers continued to suffer heavy losses, demand for cost-effective feed products became more pressing. In response, the Company further strengthened cost and efficiency management across its poultry feed business while maintaining strict quality control. It continued to refine feed formulation, improve employee productivity, streamline business processes and reduce operating expenses. The Company also closely tracked customers' cash flow conditions and tightened control over accounts receivable risk. For ruminant feed, domestic milk prices remained weak for an extended period, and local dairy companies continued to face

difficult operating conditions. At the same time, China's beef cattle and sheep markets still offered significant growth potential. In response, the Company continued to adjust the product and customer mix of its ruminant feed business. While maintaining existing high-quality dairy cattle customers, the Company stepped up efforts to develop high-quality new customers in the beef cattle and sheep segments. During the reporting period, external sales volume of beef cattle feed increased by 28% year-on-year, sheep feed increased by 26%, and dairy cattle feed decreased by 1%.

## **2. Integrated broiler business**

In recent years, capacity in the broiler industry has expanded rapidly, while the recovery in downstream end-consumer demand has remained below expectations. This has highlighted the imbalance between high capacity and weak demand in the white-feather broiler industry, with continued pressure on profitability across the value chain. According to Boyar Hexun's annual research report, China's white-feather broiler value chain recorded an overall loss in 2025: the breeder segment achieved slight profits, the slaughtering segment incurred modest losses, and the commercial farming segment suffered heavy losses.

Against a weak industry backdrop, the Company completed the acquisition of equity interests in 13 associated companies, further optimizing the ownership structure of its integrated broiler operations. Externally, the Company actively expanded markets and refined marketing strategies; internally, it continued to pursue cost reduction and efficiency improvement while enhancing operational capabilities, enabling the business to navigate the industry downturn with resilience. During the reporting period, the Company's consolidated and associated companies raised and marketed 800 million broilers, with total slaughter volume reaching 990 million. In breeder operations, to address the ongoing decline in domestic breeding stock quality, the Company further strengthened strategic cooperation with high-quality domestic suppliers, continued to introduce superior imported breeds, strengthened quality control over breeding stock, it also brought in specialized talent to enhance team capabilities, and continuously optimized key production indicators to better ensure the quality of commercial chicks. In commercial broiler farming, given ample farming capacity in the market, the Company temporarily suspended the expansion of commercial broiler farming and increased external procurement of live broilers for slaughter, reducing the share of self-supplied live broilers to approximately 80%. Meanwhile, the Company dynamically adjusted feed formulas, feeding programs, market weights and days to market in line with market conditions, and optimized settlement arrangements for contract farming fees to further reduce costs and improve efficiency. In slaughtering operations, the Company focused on developing high-value sales channels. In 2025, the share of such channels, including export channels, quick-service restaurants and supermarkets, rose from 38% in the prior year to 41%.

## **3. Swine farming business**

In 2025, hog prices fluctuated downward. Although farming costs also declined, the decrease did not fully offset the fall in hog prices, causing industry margins to narrow rapidly. Compared with farrow-to-finish operations, purchased-piglet finishing operations incurred deeper losses in the second half, mainly due to elevated piglet procurement costs earlier in the year.

During the reporting period, the Company marketed 2.19 million hogs, including 1.94 million finishing pigs and 250,000 piglets and breeding pigs. The Company maintained a relatively stable herd size. As of the end of 2025, the Company had 50,000 productive sows and 10,000 replacement gilts, bringing total sow inventory to 60,000. In breeding farm management, the Company implemented precision feeding programs and applied differentiated feeding standards based on backfat thickness. Meanwhile, it optimized estrus management and promoted the use of estrus synchronization technology to enhance batch mating efficiency, while strengthening pregnancy diagnosis and targeted gestation management, standardizing farrowing house operations, and improving newborn piglet care. The Company also established health records for replacement gilts, applied strict selection criteria and removed underdeveloped animals. In finishing operations, the Company rolled out a benchmarking system for operational indicators across its contract farms, supported by monthly operating analysis meetings at the group, regional and farm levels. Through a benchmarking-based management model of “learning from external best practices and replicating proven internal practices”, the Company quickly identified the core issues of each farm, established task lists and effectively implemented improvement plans. Under such model, the Company’s hog finishing performance improved notably during the year, with fattening cost per kilogram reduced to an excellent level within the industry. In biosecurity, the Company responded to changes in animal disease by continuously upgrading breeding farm facilities and equipment, carefully selecting regions for contract finishing, and strictly standardizing disease prevention and control procedures, thereby effectively improving the quality and effectiveness of its biosecurity system.

#### **IV. Analysis of Core Competitiveness During the Reporting Period**

The Company’s core competitiveness is primarily reflected in its high-caliber, committed and proactive management team; its business strategy underpinned by rational planning and steady development; its increasingly well-developed industry footprint with advantageous positioning; its systematic, science-based and continuously innovative R&D system; its steadily growing and vertically extending brand influence; and its corporate culture that guides development, fosters cohesion and empowers the organization.

##### **1. A high-caliber, committed and proactive management team**

Talent is Wellhope’s most important resource and one of the key drivers of the Company’s core competitiveness. Anchored by core members with equity participation established over the course of the Company’s development, the management team mainly comprises highly educated professionals with strong expertise, extensive management experience and deep industry knowledge, enabling them to accurately assess industry trends and the operating environment, and to formulate sound development strategies. More importantly, they have a deep understanding of and strong commitment to the Company’s core values and management philosophy. Most of the Company’s middle and senior managers have been selected and developed internally. Core team members are covered by various incentive mechanisms, have their long-term interests closely aligned with those of the Company, and demonstrate a strong sense of ownership. Over the past three decades, the Company’s middle and senior

management team has remained highly stable. Managers at or above the general manager level have rarely resigned voluntarily, apart from adjustments made due to failure to meet performance assessment requirements. Young managers who continue to strengthen the management team have been rigorously selected from the Company's key talent development programs, such as "Seedling" and "Sunflower". With strong commitment to the Company and a proactive mindset, they have become the backbone of the management team. Moreover, the Company attaches great importance to continuous learning and competence enhancement for managers. It has established training programs for middle and senior managers, including EDP and the Leadership Training Camp, and organizes visits to leading companies at home and abroad to help them broaden horizons and continue to improve capabilities. Unstable management and disunity among senior executives are key factors that have caused some domestic companies to encounter development difficulties or even fail. By contrast, Wellhope's high-caliber, committed and proactive management team represents one of the Company's most important core strengths, both now and in the future, and a key reason for the Company's firm confidence in its future development.

## **2. A business strategy underpinned by rational planning and steady development**

Drawing on a thorough understanding of domestic and international political, economic and industry dynamics, the Company places long-term development and risk control at the core of its business planning, while focusing on the operating quality and investment returns of its principal businesses and new projects. Guided by the philosophy of steady growth and sound development, Wellhope allocates resources prudently, advances in a phased manner, and maintains a balanced and resilient industrial structure. Risk prevention and sustainable long-term development remain key objectives for the Company. This is mainly reflected in the following areas:

A. Prudent expansion into new business areas: Wellhope started with feed premixes, and after years of deep cultivation in the feed industry, has become one of China's top 10 commercial feed producers. In 2008, after careful evaluation, the Company entered the broiler business. After 18 years of exploration and dedicated efforts, the broiler processing volume of Wellhope's subsidiaries and associates now ranks sixth globally, with management standards and key technical indicators reaching leading levels in China and internationally. In 2018, to seize development opportunities and mitigate industry risks, the Company strategically entered the swine farming business. Through joint ventures and wholly-owned projects, it has built professional teams, accumulated operational experience, and established core capabilities in this segment. Over the medium to long term, the Company will continue to strengthen its two core strategic businesses, namely animal feed and integrated broiler operations, while promoting high-quality development of two strategic segments under development, namely swine farming and food processing. It will gradually build regional food brands and work toward becoming an enterprise in agriculture, livestock and food industries with leading capabilities in safety, quality, cost control and operational efficiency.

B. An operating model aligned with industry trends: The Company has gradually developed a competitive and risk-resilient integrated value chain spanning feed production, breeding, farming,

animal health products, slaughtering and further food processing. This integrated operating model enables close coordination and mutual support among business segments, reduces intermediate links, lowers transaction risks, helps cushion the impact of market price fluctuations, improves profit potential and safeguards food safety. It represents a key development direction for agricultural and livestock enterprises amid an increasingly complex and volatile economic and industry landscape.

C. Steady and disciplined market expansion: Despite its strong performance in the feed and broiler businesses in Northeast China, the Company has not pursued blind or rapid nationwide expansion. Instead, based on thorough market analysis, it has adopted a steady, step-by-step expansion strategy, gradually extending its presence from Northeast China to Northwest China, North China, Central China, Shandong and East China. In market expansion, the Company strictly controls capital-intensive investment, actively pursues an asset-light model where applicable, and remains focused on operating efficiency and investment returns.

D. Strict financial risk management: The Company attaches great importance to financial risk management and control. Since its listing, it has continuously improved internal risk control system, standardized corporate governance structure, and strengthened risk awareness. In financial management, the Company adopts a vertical management model, with financing and credit, fund management and guarantee activities managed on a centralized basis. Taking into account the macroeconomic environment, industry trends and actual operating conditions, the Company maintains prudent control over leverage levels and effectively reduces financing costs.

### **3. An increasingly well-developed industry footprint with advantageous positioning**

The advantages of the Company's industry footprint are mainly reflected in two aspects: geographical positioning and business structure.

A. Favorable geographical positioning: Headquartered in Shenyang, Liaoning Province, the Company focuses its core businesses in northern China, particularly Northeast China. Recognized under national policies as a region with significant potential for livestock farming, Northeast China features high-quality raw materials, favorable climatic conditions, low farming density and relatively low labor costs, making it suitable for agricultural and livestock businesses. As China's largest grain-producing region, Northeast China has abundant supplies of high-quality corn and rice. Supported by a well-developed grain processing industry, this region provides a wide variety of grain and grain by-products for feed use, with strong cost advantages and convenient logistics. Following the implementation of the targeted rice auction policy, Northeast China has further benefited from distinctive advantages in supply volume and overall cost. The Company's white-feather broiler operations are mainly located in the three northeastern provinces (Liaoning, Jilin and Heilongjiang), Henan, Hebei and Shandong, which together account for more than 75% of China's total white-feather broiler output. As major white-feather broiler production bases in China, these regions have a solid farming foundation and relatively mature sales networks. For integrated operations, the Company concentrates its value-chain resources in regional clusters to leverage core local resources, build scale advantages in key markets, improve operational efficiency and reduce logistics costs. In addition, the

Company is actively expanding into overseas markets and has established production facilities in countries with strong potential for livestock industry development, including the Philippines, Indonesia and Nepal, with favorable prospects for future growth.

B. Continuously optimized business structure: Rooted in agriculture and livestock sectors, the Company adopts a strategy of horizontal diversification and vertical integration. With the continuous optimization of business structure, its overall risk resilience and sustainable profitability have been steadily enhanced.

C. Horizontal diversification and vertical integration: In terms of horizontal diversification, while further strengthening and expanding feed business, the Company has vigorously promoted broiler business, aiming to achieve a leading position in China and globally. It has also steadily consolidated swine business, striving to establish a leading presence in the regions where it operates. In terms of vertical integration and value-chain deepening, the integrated operating model represents an important development direction for agricultural and livestock enterprises in China. Having developed feed, farming and slaughtering businesses over many years, the Company has built a competitive and risk-resilient value chain. Going forward, it will continue to improve coordination among business segments along the chain, further develop food processing, accelerate the development of a complete value chain, and continuously optimize its coordination and collaboration mechanisms to further strengthen business synergies.

#### **4. A systematic, science-based and continuously innovative R&D system**

Guided by its corporate mission of promoting the development of China's livestock industry, conserving resources, protecting the environment, ensuring food safety and benefiting society through advanced technologies, comprehensive services and high-quality products, the Company's R&D system has always remained customer-centered and market-oriented. With the goals of product safety, consistent quality, precision nutrition and customer service, the Company continues to pursue technological innovation and new product development. It has developed a highly competitive model for R&D collaboration and built a diligent and deeply engaged technical team. Leveraging Wellhope Research Institute as the platform, the Company has established a three-tier R&D system and an efficient system for technology application and transfer. It also possesses leading domestic testing capabilities, an efficient and precise dynamic raw material database, a mature and high-quality product portfolio, and continuously improving service capabilities.

A. A diligent and deeply engaged R&D team: Relying on its well-established value chain, the Company has built a multidisciplinary R&D team spanning feed product development, farming technologies, and production and processing technologies across feed, broilers, swine and biological additives. The Company's R&D team comprises several hundred professionals, including master's and doctoral degree holders, professors and senior experts. Senior experts with strong theoretical backgrounds provide high-level guidance on translating advanced technologies into production practices, while experienced technical personnel conduct on-site validation and adapt solutions to actual operating conditions. The Company has been recognized as the National and Local Joint Engineering Research Center for the R&D and Application of New Biological Feed, the Feed Processing Sub-center of the National

Agricultural Product Processing Technology R&D System, a Comprehensive Experimental Station under the National Swine Industry Technology System, the Biotechnology R&D Center of the Liaoning Agricultural Product Deep Processing and Biopharmaceutical Industry Cluster, and the Liaoning Innovation Team for Feed Technology and Safety.

B. Highly competitive R&D collaboration: In 2006, the Company began its partnership with Royal De Heus, a Dutch company with over a century of history. Drawing on De Heus's globally advanced technical resources, leading know-how and mature management practices, the Company has maintained a leading technological position in areas such as safe and high-quality feed, precision nutrition and efficiency, antibiotic-free and eco-friendly feed solutions, as well as raw material substitution. The Company's R&D team has maintained frequent technical exchanges with Royal De Heus, enabling Wellhope to stay informed of the latest global technological developments and R&D achievements. By combining these resources with more than 30 years of its own technical accumulation and the practical conditions in livestock farming, the Company continues to optimize and upgrade its products and services for customers. It also maintains in-depth cooperation with research institutes and universities, including China Agricultural University, Nanjing Agricultural University, Shenyang Agricultural University and Northeast Agricultural University, in areas such as new technologies for feed products and meat products, as well as joint training of professional talent.

C. Leading domestic R&D testing capabilities and databases: The Company's R&D testing center is one of the few CNAS-accredited laboratories among domestic feed enterprises, with testing results recognized in 60 countries and regions worldwide. Equipped with leading testing instruments in China, the center operates three types of laboratories: physical and chemical testing, microbiological testing and precision instrumental analysis. Covering both microscopic and macroscopic testing needs, the center helps ensure product quality and embeds safe production principles throughout the process. Meanwhile, the Company has established a dynamically updated raw-material database and shares data resources with its Dutch partner. It maintains precise databases on net energy systems, amino acids, crude fiber and fatty acids for sows, commercial pigs, breeding cattle and commercial cattle, enabling precision formulation of animal diets based on production performance and feed intake, while continuously optimizing formulation costs and enhancing product cost-effectiveness.

D. Substantial R&D achievements: R&D is an inexhaustible driver of sustainable development, and Wellhope has achieved substantial R&D results over the years. As of the end of the reporting period, the Company held 78 invention patents and had won two National Science and Technology Progress Awards, one National Technology Invention Award, one First Prize of the National Harvest Award for Agriculture, Animal Husbandry and Fisheries, and nearly 20 science and technology awards at the provincial and ministerial levels.

## **5. Steadily growing and vertically extending brand influence**

With more than 30 years of development, Wellhope has successfully established both product and corporate brands in China's agriculture and livestock sectors. Amid the ongoing transformation and upgrading of the livestock farming sector, the influence of the Wellhope brand is expected to become

increasingly evident.

A. Product brand: Over the years, supported by leading technologies, high-quality products and a continuously improving service system, the Wellhope brand has earned broad recognition and trust across the markets it serves, with particularly strong influence in northern China. The Company has received numerous honors, including Liaoning Famous Brand, Liaoning Famous Trademark, China Well-known Trademark, China Top 500 Most Valuable Trademarks, Most Influential Brand in China's Livestock Industry, Trusted Product of China Feed Industry, and the Liaoning Provincial Governor's Quality Award.

B. Corporate brand: The Company has long upheld the core values of integrity, responsibility and win-win cooperation. Many of its businesses operate through long-term joint ventures with partners, with some partnerships spanning more than 10 years or even over 20 years, including two decades of friendly cooperation with Royal De Heus. The Company also maintains stable, long-term strategic partnerships with a number of multinational and domestic suppliers. These successful partnerships demonstrate the recognition and acceptance of the Wellhope corporate brand among its partners. As an employer brand, Wellhope is widely recognized and valued by employees and is regarded by many job seekers as a high-quality career development platform. The Company has been named "Best Employer" three times by Zhaopin Limited and won the "Top 10 Best Employer Brands in China's Livestock and Feed Industry" award in 2022.

C. Brand extension: As the Company continues to expand broiler and swine businesses and advance the strategy of "horizontal diversification and vertical integration," its market share has been gradually increasing in related areas such as animal health, breeding, farming, fresh meat products, prepared foods and cooked products. Its market reputation and brand recognition have also continued to improve. To ensure consistent use of the Wellhope brand and protect its core brand value, the Company does not apply the master brand indiscriminately across all business areas. Instead, based on the development stage of each business, it adopts a differentiated brand architecture and selectively strengthens brand development in mature business segments, further enhancing the industry influence and commercial value of the Wellhope brand.

#### **6. A corporate culture that guides development, fosters cohesion and empowers the organization**

Over more than 30 years of development, the Company has fostered a distinctive culture that guides its development, builds organization-wide alignment, and empowers employees to drive business execution. Its core values of integrity, responsibility and win-win cooperation, together with its management philosophy of innovation, efficiency and self-discipline, have become deeply ingrained in the way Wellhope operates. They guide employees' conduct and are reflected in the Company's talent selection, strategic planning, business decision-making and day-to-day management. Shared values help enhance organizational efficiency, strengthen cohesion and support effective execution. Corporate culture also provides an important foundation for the Company's management practices and long-term development. The Company closely integrates its culture-building efforts with its principal businesses, leveraging culture as a practical management tool to drive quality improvement and efficiency gains across its feed,

broiler and swine operations. In 2025, senior executives visited operating units to conduct culture-sharing and discussions, helping align teams with organizational goals and energize front-line teams. Focusing on cost reduction and efficiency enhancement, headquarters and business segments launched tiered innovation and efficiency improvement competitions. The Company identified key company-wide initiatives and regional priority projects at the beginning of the year, making company-wide innovation more targeted and practical. It also introduced a dedicated AI application program and rolled out systematic employee training to foster the broad adoption of AI tools, injecting new momentum into operational efficiency improvement. In conjunction with its 30th anniversary celebration and various employee activities organized by subsidiaries, the Company further energized front-line teams, strengthened team cohesion and reinforced a high-performance culture. Meanwhile, it continued to promote and apply management concepts including “process performance”, “benchmarking”, “execution”, and “criticism and self-criticism”, providing strong support for the implementation of the Group’s strategies.

Wellhope’s development over the past three decades has demonstrated that corporate culture is an important competitive moat for the Company. Continuously strengthening cultural development remains a long-term and significant priority for Wellhope.

## V. Operations during the Reporting Period

During the reporting period, the Company recorded operating revenue of RMB 35.762 billion, representing a year-on-year increase of 9.88%; net profit attributable to shareholders of the Company was RMB 53 million, representing a year-on-year decrease of 84.67%; and net profit attributable to shareholders of the Company after deducting non-recurring gains and losses was RMB -75 million, representing a year-on-year decrease of 121.57%.

### 1. Analysis of principal business

#### A. Analysis of changes in income statement and cash flow statement items

Item	2025	2024	RMB Change %
Operating revenue	35,761,520,925.94	32,545,260,037.87	9.88
Operating cost	33,692,727,698.13	30,447,129,165.17	10.66
Selling expenses	787,367,067.70	709,944,370.21	10.91
Administrative expenses	750,725,563.66	672,530,023.01	11.63
Financial expenses	214,770,807.60	168,191,270.31	27.69
R&D expenses	28,824,671.65	29,041,137.57	-0.75
Net cash flow from operating activities	681,096,407.91	1,176,900,496.53	-42.13
Net cash flow from investing activities	-1,039,555,043.82	-448,278,145.58	-131.90
Net cash flow from financing activities	300,305,454.76	-877,353,019.52	134.23

Explanation of the above changes:

Operating revenue: mainly due to the increase in sales volumes of feed, broiler and swine businesses during the period.

Operating cost: mainly due to the increase in sales volumes of feed, broiler and swine businesses during the period.

Selling expenses: mainly due to the increase in employee compensation on a consolidated basis following the acquisition of equity interests in associated companies engaged in the broiler business during the period.

Administrative expenses: mainly due to the increase in employee compensation on a consolidated basis following the acquisition of equity interests in associated companies engaged in the broiler business during the period.

Financial expenses: mainly due to the increase in interest expenses on a consolidated basis following the acquisition of equity interests in associated companies engaged in the broiler business during the period.

Net cash flow from operating activities: mainly due to the increase in cash payments to and on behalf of employees on a consolidated basis following the acquisition of equity interests in associated companies engaged in the broiler business during the period.

Net cash flow from investing activities: mainly due to a year-on-year increase in cash paid for investments during the period.

Net cash flow from financing activities: mainly due to a year-on-year increase in bank loans during the period.

**B. Analysis of revenue and cost**

During the reporting period, the Company recorded operating revenue of RMB 35.762 billion, up 9.88% year-on-year. The operating cost amounted to RMB 33.693 billion, up 10.66% year-on-year.

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

RMB

Analyzed by segment						
Segment	Operating revenue	Operating cost	Gross margin %	Revenue change YoY %	Cost change YoY %	Gross margin change YoY %
Feed	13,459,577,751.73	12,137,385,674.07	9.82	7.60	8.58	Decreased by 0.81 percentage points
Broiler integration	16,185,346,810.81	15,870,258,326.29	1.95	42.73	44.01	Decreased by 0.87 percentage points
Swine farming	3,545,237,226.22	3,528,100,442.87	0.48	6.86	20.80	Decreased by 11.49 percentage points
Raw materials trading	1,840,524,517.54	1,528,517,513.73	16.95	-63.19	-69.59	Increased by 17.49 percentage points
Other businesses	652,470,444.55	567,697,449.81	12.99	95.89	114.52	Decreased by 7.56 percentage points
Analyzed by product						
Product	Operating revenue	Operating cost	Gross margin %	Revenue change YoY %	Cost change YoY %	Gross margin change YoY %
Feed	13,459,577,751.73	12,137,385,674.07	9.82	7.60	8.58	Decreased by 0.81 percentage points
Broiler integration	16,185,346,810.81	15,870,258,326.29	1.95	42.73	44.01	Decreased by 0.87 percentage points
Swine farming	3,545,237,226.22	3,528,100,442.87	0.48	6.86	20.80	Decreased by 11.49 percentage points
Raw materials trading	1,840,524,517.54	1,528,517,513.73	16.95	-63.19	-69.59	Increased by 17.49 percentage points
Other businesses	652,470,444.55	567,697,449.81	12.99	95.89	114.52	Decreased by 7.56 percentage points
Analyzed by region						
Region	Operating revenue	Operating cost	Gross margin %	Revenue change YoY %	Cost change YoY %	Gross margin change YoY %
East China	5,554,994,709.73	5,335,926,512.45	3.94	17.16	17.34	Decreased by 0.15 percentage points
North China	5,533,694,138.88	5,218,835,974.58	5.69	26.30	27.81	Decreased by 1.11 percentage points
Northeast China	15,117,273,427.85	14,068,811,979.44	6.94	-4.18	-4.22	Increased by 0.04 percentage

						points
Central and South China	6,715,752,686.37	6,391,293,076.08	4.83	23.48	25.68	Decreased by 1.67 percentage points
Southwest China	1,088,345,231.57	1,045,647,176.94	3.92	80.63	78.63	Increased by 1.08 percentage points
Northwest China	1,101,638,058.85	1,031,753,020.15	6.34	9.31	14.13	Decreased by 3.95 percentage points
Overseas market	571,458,497.60	539,691,667.13	5.56	3.76	4.46	Decreased by 0.63 percentage points
<b>Analyzed by sales channel</b>						
Sales channel	Operating revenue	Operating cost	Gross margin %	Revenue change YoY %	Cost change YoY %	Gross margin change YoY %
Direct sales	16,146,651,875.59	14,974,352,980.45	7.26	-31.71	-32.30	Increased by 0.80 percentage points
Distributor sales	19,536,504,875.26	18,657,606,426.32	4.50	120.66	124.96	Decreased by 1.83 percentage points

### b. Analysis of sales volume

Product	Production volume (10,000 tons)	Sales volume (10,000 tons)	Inventory (10,000 tons)	Production volume change YoY %	Sales volume change YoY %	Inventory change YoY %
Feed products	673.96	464.38	8.32	26.70	17.21	51.27
Broiler parts products	191.11	185.62	3.39	77.51	73.80	35.06

Explanation: The above sales volumes represent external sales and exclude intercompany sales.

### c. Analysis of cost

By Industry	Item	2025	% of total costs	2024	% of total costs	YoY change %
Feed	Raw materials	11,334,967,357.85	95.36	9,934,436,780.88	94.35	14.10
Feed	Labor costs	157,066,373.95	1.32	173,184,097.12	1.64	-9.31
Feed	Depreciation	111,598,599.55	0.94	143,890,233.53	1.37	-22.44
Feed	Energy (electricity, coal, steam)	128,609,521.25	1.08	159,474,147.12	1.51	-19.35
Feed	Other manufacturing expenses (excluding energy and depreciation)	153,736,824.83	1.29	118,427,413.36	1.12	29.82
Feed	Total production cost	11,885,978,677.43	100.00	10,529,412,672.01	100.00	12.88
Broiler	Raw materials	13,201,909,681.35	85.85	9,258,588,070.50	85.02	42.59
Broiler	Labor cost	655,150,085.34	4.26	577,534,915.23	5.30	13.44
Broiler	Depreciation	139,225,184.96	0.91	85,263,486.93	0.78	63.29
Broiler	Energy (electricity, coal, steam)	138,017,608.18	0.90	105,303,466.83	0.97	31.07
Broiler	Other manufacturing expenses (excluding	1,244,092,952.59	8.09	863,002,228.40	7.92	44.16

By Product	Item	2025	% of total costs	2024	% of total costs	YoY change %
Broiler	Total production cost	15,378,395,512.42	100.00	10,889,692,167.89	100.00	41.22
Feed	Raw materials	11,334,967,357.85	95.36	9,934,436,780.88	94.35	14.10
Feed	Labor costs	157,066,373.95	1.32	173,184,097.12	1.64	-9.31
Feed	Depreciation	111,598,599.55	0.94	143,890,233.53	1.37	-22.44
Feed	Energy (electricity, coal, steam)	128,609,521.25	1.08	159,474,147.12	1.51	-19.35
Feed	Other manufacturing expenses (excluding energy and depreciation)	153,736,824.83	1.29	118,427,413.36	1.12	29.82
Feed	Total production cost	11,885,978,677.43	100.00	10,529,412,672.01	100.00	12.88
Broiler	Raw materials	13,201,909,681.35	85.85	9,258,588,070.50	85.02	42.59
Broiler	Labor cost	655,150,085.34	4.26	577,534,915.23	5.30	13.44
Broiler	Depreciation	139,225,184.96	0.91	85,263,486.93	0.78	63.29
Broiler	Energy (electricity, coal, steam)	138,017,608.18	0.90	105,303,466.83	0.97	31.07
Broiler	Other manufacturing expenses (excluding energy and depreciation)	1,244,092,952.59	8.09	863,002,228.40	7.92	44.16
Broiler	Total production cost	15,378,395,512.42	100.00	10,889,692,167.89	100.00	41.22

#### d. Major customers and suppliers

##### d-1: major customers and suppliers

Sales to the top five customers amounted to RMB 1.62 billion, accounting for 4.54% of total annual sales. There were no related-party sales among these customers.

Purchases from the top five suppliers totaled RMB 4.62 billion, accounting for 13.72% of total annual purchases. There were no related-party purchases among these suppliers.

##### d-2: The Company recognized trading revenue during the reporting period

RMB 10,000

Status of trading business	Current period revenue	Prior period revenue	Year-on-year change %
Feed raw materials trading	184,052.45	499,964.61	-63.19

#### C. Expenses

RMB

Item	2025	2024	Year-on-year change %
Selling expenses	787,367,067.70	709,944,370.21	10.91
Administrative expenses	750,725,563.66	672,530,023.01	11.63
R&D expenses	28,824,671.65	29,041,137.57	-0.75
Financial expenses	214,770,807.60	168,191,270.31	27.69

#### D. R&D Investment

##### a. R&D investment

	RMB
Expensed R&D investment	28,824,671.65
Capitalized R&D expenditures	0.00
Total R&D investment	28,824,671.65
% of operating revenue	0.08
Capitalization ratio of R&D investment %	0.00

#### b. Headcount

Number of R&D personnel	138
Percentage of total staff %	1.17
Educational structure	
Item	Headcount
PhD	8
Master's degree	46
Bachelor's degree	65
Junior college	14
High school and below	5
Age structure	
Item	Headcount
30 years old (30 excluded)	41
30-40	50
40-50	41
50-60	6
60 and above	0

#### c. R&D activities

##### (a) Product R&D and farming technology development

###### a-1. Advancing feed R&D through targeted nutrition solutions

For pig feed, the Company completed the transition to a dynamic net energy system, promoted low-protein, amino acid-balanced diets and low-soybean meal formulations, and increased the use of alternative feed ingredients. These initiatives helped reduce costs, improve production efficiency, lower emissions and enhance product quality; for ruminant feed, the Company continued to roll out proven feeding programs for mutton sheep and beef cattle, with ongoing improvements in key performance indicators such as feed conversion ratio and average daily gain. It also provided customized products and integrated solutions to help customers improve farming returns; for layer feed, the Company optimized product programs based on trial farm results, improved data accuracy and enhanced performance in the late laying period.

###### a-2. Improving efficiency and cost competitiveness in broiler operations

The Company continued to enhance farming performance across its integrated broiler operations, with a focus on key indicators such as feed conversion ratio. It continued to reduce feed costs through ingredient substitution and formulation optimization, while promoting a feeding model that combines coarse particles with pellets and the application of antibiotic alternatives, alongside improvements in gut health and reductions in mortality and culling rates. The Company also upgraded its processing and

testing systems to improve feed quality and optimize nutrition programs tailored to different regions. In parallel, it advanced trials of domestic breeds and research on slaughter quality, further improving quality and efficiency across the farming process.

#### a-3. Enhancing swine production through tailored nutrition and digital tools

The swine farming segment established a tiered nutrition system and used digital tools to design differentiated feeding programs for pigs with varying growth potential and health status. The related technology was granted a national invention patent. The Company also applied a range of precision farming technologies, which received recognition both internally and from industry. Through tailored nutrition and intelligent feeding management, the Company continued to accumulate farming data, improve resource efficiency, reduce grain use and enhance feed conversion efficiency.

#### (b) Major projects undertaken, standards drafted, awards and patents

Patents Granted in 2025							
Number of patents granted in 2025	20	including: invention patents	11	Number of granted patents held at period end	208	including: invention patents	78
		utility model patents	9			utility model patents	130
National or Group Standards Developed with the Company's Participation and Scientific Research Projects Undertaken in 2025							
Standards developed with the Company's participation	The Company participated in the development of one national standard, two industry standards and one local standard, and led the development of one local standard: Determination of Acid Detergent Lignin (ADL) in Feeds GB/T 20805-2025 Feed Ingredient — Rice Protein Powder NY/T 4751-2025 Feed Ingredient — Wheat Gluten NY/T 4752-2025 Technical Code of Practice for Mutton Sheep Farming with Reduced Antibiotic Use DB21/T 4125-2025 Technical Code of Practice for Beef Cattle Farming with Reduced Antibiotic Use DB21/T 4124-2025						
Scientific research projects undertaken or led	Sub-project under the National Key R&D Program: Research and Demonstration of Diversified Diet Formulation Technologies with Low Protein and Low Soybean Meal Levels for Broilers and Layers Liaoning Provincial Key R&D Program (Innovation Consortium): Research and Demonstration of Key Technologies for Quality Improvement, Efficiency Enhancement and Smart Production Across the White-Feather Broiler Value Chain Liaoning Provincial Science and Technology Innovation Team Project: Research and Promotion of Precision Feeding, Manure Emission Reduction and Resource Utilization for White-Feather Broilers						
Awards Received for Technology R&D in 2025							
Awards received	First Prize of the Jilin Provincial Science and Technology Progress Award — Innovation and Application of Precision Nutrition Technologies for Chickens Second Prize of the Liaoning Provincial Science and Technology Progress Award — Innovation and Application of Key Technologies for Green Production and Quality Control of White-Feather Broilers Second Prize of the Liaoning Agricultural Science and Technology Contribution Award — Integration of Key Technologies for Green and Healthy Swine Farming and Demonstration and Promotion Across the Industry Chain						

#### E. Cash flow

Item	RMB		
	2025	2024	Year-on-year change %
Net cash flow from operating activities	681,096,407.91	1,176,900,496.53	-42.13
Net cash flow from investing activities	-1,039,555,043.82	-448,278,145.58	-131.90
Net cash flow from financing activities	300,305,454.76	-877,353,019.52	134.23
Net increase in cash and cash equivalents	-59,309,697.21	-146,542,683.04	59.53

## 2. Assets and liabilities

### A. Analysis of assets and liabilities

RMB

Item	December 31, 2025	% of total assets	December 31, 2024	% of total assets	YoY change %	Explanation
Financial assets held for trading			904,884.08	0.01	-100.00	Mainly due to the disposal of shares in listed companies received in debt settlement
Derivative financial assets	6,473,245.85	0.04	2,441,832.40	0.02	165.10	Mainly due to an increase in unrealized gains from hedging activities.
Notes receivable	3,301,161.04	0.02	27,893,377.89	0.19	-88.17	Mainly due to the collection of matured notes receivable
Receivables financing	56,826,264.52	0.31	9,139,184.14	0.06	521.79	Mainly due to an increase in notes received during the period
Prepayments	376,982,640.33	2.07	262,395,498.70	1.76	43.67	
Other receivables	127,508,002.69	0.70	69,263,268.24	0.47	84.09	
Other current assets	193,835,129.93	1.07	144,952,159.05	0.97	33.72	
Investment properties	222,400,414.95	1.22	23,980,919.68	0.16	827.41	
Fixed assets	5,680,220,459.27	31.24	4,307,643,182.96	28.94	31.86	
Construction in progress	284,606,615.03	1.57	189,068,183.70	1.27	50.53	
Intangible assets	562,658,708.42	3.09	393,245,823.31	2.64	43.08	
Goodwill	29,876,858.44	0.16	19,864,604.90	0.13	50.40	
Other non-current assets	1,151,511,996.81	6.33	552,101,624.23	3.71	108.57	Mainly arising from the acquisition of equity interests in associated companies of broiler business
Short-term borrowings	1,860,677,880.49	10.23	567,278,990.41	3.81	228.00	
Financial liabilities held for trading	7,718,239.77	0.04				
Accounts payable	2,197,894,265.86	12.09	1,629,553,678.79	10.95	34.88	
Employee benefits payable	314,143,734.86	1.73	240,573,782.76	1.62	30.58	
Other payables	838,083,095.78	4.61	638,629,689.02	4.29	31.23	
Other current liabilities	10,741,773.29	0.06	8,223,061.85	0.06	30.63	
Long-term loans	2,071,414,535.29	11.39	1,444,154,268.34	9.70	43.43	
Lease liabilities	548,934,023.10	3.02	420,845,598.26	2.83	30.44	
Long-term payables	30,577,766.07	0.17	94,867,723.87	0.64	-67.77	Mainly due to a decrease in finance lease payables
Deferred tax liabilities	5,400,611.24	0.03	1,185,667.86	0.01	355.49	Mainly due to growth in leasing business

**B. Overseas assets**

Overseas assets amounted to RMB 5.266 million, accounting for 0.03% 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 916.15 million. For details, please refer to Note 31 "Assets with restricted ownership or use rights" under VII "Notes to items in the consolidated financial statements" in Section VIII "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 2,068.20 million, representing a decrease of 16.75% from the end of the previous year. Investments in other equity instruments amounted to RMB 0.31 million, representing an increase of 91.22% from the end of the previous year. For details, please refer to Note 17 "Long-term equity investments" and Note 18 "Investments in other equity instruments" under VII "Notes to items in the consolidated financial statements" in Section VIII "Financial Statements".

**(1) Material equity investments**

RMB

Name of investee	Principal business	Whether the investee's main business is investment	Investment method	Investment amount	Shareholding ratio	Whether consolidated	Source of funds	Progress as of the balance sheet date	Impact on current profit or loss	Whether involved in litigation	Disclosure date (if any)	Disclosure reference
Anshan Jiuguhe Food Company and 12 other companies	Feed, farming and slaughtering	No	Acquisition	1,110,079,141.41	70%	Yes	Own and self-raised funds	Completed	22,292,911.18	No	February 26, 2025	Announcement No.: 2025-011
Total	/	/	/	1,110,079,141.41	/	/	/	/	22,292,911.18	/	/	/

#### 4. Major subsidiaries and associated companies

Information on main subsidiaries and associated companies whose impact on the Company's net profit exceeds 10%

RMB 10,000

Company	Company type	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Beijing Sanyuan Wellhope Animal Husbandry Company	Subsidiary	Feed production and sales	1,000.00	28,598.52	22,237.21	58,178.63	2,935.53	2,198.99
Shenyang Wellhope Animal Husbandry Company	Subsidiary	Feed production and sales	8,210.00	33,128.57	29,285.35	88,285.92	3,199.24	2,394.51
Xi'an Wellhope Feed Science and Technology Company	Subsidiary	Feed production and sales	500.00	34,516.09	29,735.67	74,202.35	2,729.68	2,358.55
Anshan Jiuguhe Food Company	Subsidiary	Broiler slaughtering, processing and sales	4,320.00	115,680.00	60,284.84	140,293.21	2,360.57	2,515.96
Dalian Heyuan Animal Husbandry Company	Subsidiary	Feed, broiler breeders, hatching, broiler farming	10,000.00	151,188.72	53,506.39	336,157.39	-15,094.25	-15,231.16
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	Subsidiary	Swine farming	10,000.00	104,810.28	20,862.91	114,398.37	-6,815.98	-6,543.49
Anhui Wellhope Animal Husbandry Company	Subsidiary	Feed production and sales, swine farming	16,000.00	35,337.45	-17,119.43	63,832.21	-4,819.86	-5,055.72
Tai'an Jiuguhe Agriculture Development Company	Subsidiary	Broiler farming, feed	4,370.00	82,234.51	-5,244.87	211,897.91	-2,266.93	-2,320.81
Shenyang Wellhope Ruminant Feed Company	Subsidiary	Feed production and sales	550.00	33,541.95	29,003.29	59,618.61	2,838.32	2,119.14
Linghai Jiuguhe Feed Company	Subsidiary	Broiler farming, feed	2,655.00	25,513.58	7,830.41	86,324.19	-1,050.87	-954.10
Beipiao Hongfa Food Company	Associated company	Feed, broiler breeders, hatching, broiler farming and slaughtering	3,000.00	297,720.95	190,238.80	424,353.62	19,830.88	20,421.05
Dalian Chengsan Food	Associated company	Broiler farming, feed	1,008.61	257,562.44	157,255.49	468,209.92	7,756.08	7,089.32

Group Company								
Golden Harvesta Inc. Philippines	Associated company	Feed production and sales, swine farming	PHP 1.5 billion	65,821.68	45,485.87	49,214.28	10,322.03	10,108.96
Dandong Wellhope Chengsan Animal Husbandry Company	Associated company	Broiler farming, feed	8,000.00	82,490.18	66,259.33	144,499.95	5,651.58	5,637.23
Shenyang Zhongwenjie Biotechnology Company	Associated company	Vaccine production and sales	1,000.00	26,225.36	5,515.36	38,931.02	1,933.09	1,730.13

## Acquisition and disposal of subsidiaries during the reporting period

Company name	Method of acquisition or disposal of subsidiary	Impact on overall operations and results
Hebei Taihang Wellhope Feed Company	Equity acquisition and capital increase	None
Anshan Jiuguhe Food Company and 12 other companies	Equity acquisition	None
Qingdao Shenfeng Animal Husbandry Company	Equity acquisition	None

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

### 1. Industry landscape and trends

For details, please refer to the relevant content under “II. Industry Overview during the Reporting Period” in Section III “Management Discussion and Analysis” of this report.

### 2. Development strategy of the Company

Under a centralized group management model, the Company will remain committed to strengthening its two core strategic businesses, namely animal feed and integrated broiler operations, while pursuing high-quality development in its two strategic businesses under development, namely swine farming and food business. The Company will also gradually develop regional food brands and strive to become an enterprise in agriculture, livestock and food industries that leads in safety, quality, cost and efficiency during 2025–2027.

### 3. Business plan

2026 will mark the first year of China's next five-year planning cycle. It is expected to be a challenging year for the industry, marked by strong supply and relatively weak demand, while the broader economy may begin to stabilize and regain momentum. Against this backdrop, the Company will continue to strengthen its core capabilities and improve operating quality. It will also reinforce cash flow management and risk control, while advancing the transformation and upgrading of its principal businesses.

Feed business:

Competition in the feed industry is expected to intensify further in 2026. Differences in core capabilities among companies are expected to have a more pronounced impact, leading to wider performance divergence and faster industry consolidation. In the feed business, the Company will continue to strengthen product competitiveness, shifting from its traditional strength in concentrate feed toward stronger capabilities in complete feed and premix. It will also enhance its service capabilities, moving from traditional, standalone technical support toward more systematic services supported by coordination across business segments and regional resources. Meanwhile, the Company will further strengthen key account development, with its customer structure shifting from a distributor-led model toward a more balanced model covering distributors, direct sales to large-scale farms, customized solutions and contract manufacturing. In 2026, the Company plans to increase external feed sales volume by 10%–15%.

Broiler business:

The broiler industry is expected to remain in the bottoming phase of the cycle in 2026 as capacity reduction continues. Against this backdrop, while continuing to reduce costs and improve efficiency, the Company will further develop high-value sales channels, improve pricing, broaden revenue sources and maintain strict control over costs and expenses. In breeder operations, the Company will further improve procedures for screening chick quality and strengthen biosecurity systems to better ensure the quality of commercial chicks and reduce chick costs. In farming operations, the Company will prioritize cost reduction while pursuing prudent expansion as market conditions allow. In slaughtering operations, the

Company will improve capacity utilization at existing projects and maintain industry-leading cost and expense control. On this basis, it will continue to develop high-value sales channels and improve product pricing power. In 2026, the Company targets a total slaughter volume of approximately 1.04 billion broilers across its subsidiaries and associated companies.

Swine business:

In 2026, the swine industry is expected to reach a key inflection point, with hog prices potentially bottoming out amid ongoing capacity reduction. Hog prices may fall to historical lows, while purchased-piglet finishing is expected to face relatively limited pressure. If breeding farms incur deep losses, this may accelerate sow culling and help the industry gradually return to a more balanced supply-demand position. On the breeding side, the Company will continue to keep production scale under strict control, retain high-quality farms, strengthen breeding management and improve breeding stock quality. Underutilized farms will be brought up to full capacity as quickly as possible. The Company will also upgrade facilities in response to changing industry conditions and further strengthen its biosecurity system. For finishing operations, it will continue to build on its cost advantage and develop a first-class farming management team. In 2026, the Company targets sales of 2.5–2.7 million hogs.

This business plan does not constitute a performance commitment by the Company to investors. Investors are advised to be fully aware of the related risks.

#### **4. Potential risks**

##### **A. Risks of fluctuations in raw material prices**

Raw material costs represent the largest component of the cost base of the Company's feed business. Changes in factors such as output in major producing regions, import policies, state reserve and subsidy programs, exchange rate movements and logistics costs may all trigger fluctuations in raw material prices, thereby affecting the cost and gross margin of the Company's feed business. In recent years, as agricultural trade has become increasingly internationalized, raw material supply-demand dynamics and transaction prices have been influenced by market movements across multiple dimensions, including domestic and overseas spot and futures markets. As a result, price trends have grown more complex and price volatility has intensified, further complicating the Company's cost management. In addition, geopolitical and other uncertainties have added complexity to raw material procurement.

##### **Mitigation measures**

- a. The Company has established strategic partnerships with a number of leading domestic and international raw material suppliers. Through a three-tier procurement model that combines group-level procurement, regional procurement and local procurement, the Company has clearly defined procurement responsibilities and improved procurement efficiency across different levels.
- b. The Company's professional and experienced raw material procurement team conducts targeted forward-looking market research and real-time market monitoring. By combining futures and spot procurement strategies, the Company seeks to mitigate price volatility and reduce procurement costs.
- c. The Company's procurement, technical, production and marketing teams work in close coordination.

The technical team actively develops lower-cost alternatives that deliver comparable performance to key raw materials. The production team continues to optimize production processes and equipment performance. The marketing team provides rolling sales forecasts, enabling the procurement team to adjust purchasing strategies in a timely manner. Through close collaboration, complementary capabilities and information sharing across departments, the Company seeks to minimize the impact of raw material price fluctuations.

d. The Company has established a raw material information-sharing mechanism with Royal De Heus, enabling the two parties to exchange timely market information on micro-ingredients, additives and other categories. Currently, the two parties have launched joint procurement for raw materials such as vitamins and amino acids. In the future, the scope of joint procurement may be further expanded to enhance overall bargaining power on the procurement side.

### **B. Risks of fluctuations in livestock and poultry prices**

Livestock and poultry farming is inherently cyclical. Due to the time lag in supply adjustments, market prices tend to fluctuate cyclically, which inevitably increases the uncertainty of operating results for industry participants.

#### **Mitigation measures**

##### a. Strategy

The Company closely monitors upstream and downstream price trends, conducts in-depth market research, and improves its capability to forecast industry cycles, enabling timely adjustments to operational strategies. The Company facilitates resource sharing and operational synergies across its three principal businesses. In addition, each business segment advances capacity deployment in a planned and phased manner in accordance with business plans and market dynamics, mitigating livestock and poultry price fluctuation risks from a strategic perspective.

##### b. Business operations

The Company's fully integrated broiler value chain covers broiler breeder farming, hatching, feed production, commercial broiler farming, slaughtering and processing, as well as further processing of prepared and cooked food products. The continuous enhancement of this integrated value chain helps offset price volatility across different stages, substantially smoothing out overall cyclical fluctuations.

##### c. Management

The Company consistently advances standardized production across all stages of operations and optimizes its management systems. By improving operational efficiency and labor productivity, the Company effectively reduces overall operating costs. Such cost advantages cushion adverse impacts during industry downturns and enhance profitability when market conditions improve.

### **C. Risks of major animal disease outbreaks**

Feed and farming are two of the Company's core businesses. Disease outbreaks represent one of the major risks faced by the farming industry. Once an outbreak occurs, it may undermine consumer confidence, leading to weaker demand, lower production volumes, reduced revenue and higher costs. As the feed business primarily serves downstream farming operations, its performance is closely tied to

conditions in the farming sector. Given their sudden and unpredictable nature, major outbreaks could have a material impact on the Company's operations.

**Mitigation measures**

- a. The Company places strong emphasis on the geographic distribution and operating structure of its farming operations, which is the most direct way to reduce exposure to disease-related risks.
- b. The Company emphasizes prevention as the first line of defense against animal diseases. It continues to improve early-warning mechanism for major diseases and has established biosecurity testing centers in all regions where it conducts farming operations. Testing frequency and coverage are adjusted based on seasonal factors, regional characteristics and local disease trends, with the aim of containing potential outbreaks at an early stage.
- c. In the event of a disease outbreak, a rapid response is critical to limiting potential losses. The Company has therefore established an emergency response mechanism for major disease outbreaks to minimize their impact.
- d. The Company continues to review and analyze disease cases, and keeps strengthening prevention capabilities from multiple perspectives, including animal nutrition and veterinary services.
- e. For African Swine Fever, the Company has developed a relatively comprehensive response system covering the full process from R&D through to farming operations.

**D. Risk of industry restructuring driven by environmental policies**

In recent years, the Chinese government has introduced a series of environmental laws, regulations and policy measures, including the revised Environmental Protection Law, the Environmental Protection Tax Law, the Regulations on the Prevention and Control of Pollution from Large-scale Livestock and Poultry Farming, and the Action Plan for Tackling Agricultural and Rural Pollution. These measures reflect the government's continued focus on strengthening environmental regulation in the livestock industry. Increasingly stringent environmental oversight has become an industry trend and an unavoidable reality for companies across the sector.

**Mitigation measures**

Since its founding, the Company has incorporated "saving resources and protecting the environment" into its mission statement and has consistently treated this principle as an important corporate responsibility. The Company also includes legal compliance and the implementation of environmental requirements as key performance assessment criteria for both subsidiaries and managers.

**a. Farming and slaughtering operations**

In response to increasingly stringent environmental requirements, the Company's farms and slaughterhouses have identified potential environmental risks and developed emergency plans for environmental incidents based on their operating conditions and local regulatory requirements, helping ensure stable production and operations. For sites classified as key pollutant dischargers, the Company has put in place self-monitoring plans to promptly identify and address issues and eliminate potential risks. It also continues to increase the allocation of personnel and financial resources to environmental protection work to ensure ongoing compliance with national standards.

b. Feed production

The Company strictly implements national environmental standards and has established comprehensive management measures for air emissions, noise, wastewater, solid waste and other pollutants generated during production. At the same time, the Company uses eco-friendly raw materials and additives in feed formulations, and continues to develop safe and low-emission diets to reduce emissions of heavy metals, nitrogen and phosphorus.

**E. Risks of exchange rate fluctuations**

The Company's international business started relatively early and has expanded rapidly over the years. Its raw material procurement, product exports and overseas investments are significantly exposed to exchange rate fluctuations. Specifically, as global sourcing has become common practice in the feed industry, exchange rate risk is particularly pronounced for raw materials primarily sourced from overseas suppliers. In addition, the Company's growing broiler export business serves customers across multiple countries and regions and involves settlement in multiple currencies, making exchange rate fluctuations unavoidable. Furthermore, given the relatively large scale of the Company's overseas investments and operations, its cross-border fund flows and settlements are also affected by exchange rate movements.

**Mitigation measures**

- a. The Company closely tracks developments in the global foreign exchange market, strengthens risk awareness, and continuously improves its ability to analyze and forecast market trends.
- b. The Company enhances its bargaining power in foreign trade by improving product competitiveness. It also mitigates exchange rate risk through RMB settlement, value-protection clauses and contractual arrangements for sharing exchange rate risk.
- c. The Company uses foreign exchange forwards, swaps, options and option combinations, where appropriate, to hedge foreign exchange exposure.
- d. Based on the specific circumstances of each country, the Company matches foreign-currency inflows with foreign-currency uses where appropriate, and reasonably matches revenues with debt obligations to control exchange rate risk.

**F. Risks of food safety**

In recent years, several food safety incidents have affected consumer confidence in food safety. The government has continued to improve legislation on food safety and food traceability, while imposing stricter penalties for violations. If a food safety incident occurs due to inadequate quality control, it could undermine consumer confidence, significantly weaken downstream demand, and have a material adverse impact on the Company's brand reputation and operating results.

**Mitigation measures**

Since its founding, food safety and product quality have remained a top priority for the Company. Wellhope strictly follows its "Six Nevers" quality policy: never accept unqualified raw materials, never use defective or non-compliant equipment, never allow non-standard operations, never produce substandard products, never ignore dissatisfied customers, and never tolerate inadequate service. At the headquarters level, the Company has established a Food Safety and Quality Management Committee,

with corresponding working groups set up by relevant business segments and subsidiaries. Clear responsibilities are assigned at each stage to ensure a high level of accountability and vigilance throughout the organization.

a. Feed business

The Company operates a three-tier quality management and testing system across its headquarters, regional operations and subsidiaries. Its feed business is managed in accordance with international standards such as ISO 9001, ISO 22000 and ISO/IEC 17025, and applicable quality requirements issued by the Ministry of Agriculture and Rural Affairs, such as the Feed Quality and Safety Management Code and the Veterinary Drug Production Quality Management Code. The Company applies quality control throughout the production process and maintains a product traceability system. To further strengthen testing capabilities, the Company has promoted the use of near-infrared testing technology to improve testing efficiency, enable timely data sharing and support rapid risk alerts, with a focus on testing and monitoring heavy metals, harmful microorganisms and mycotoxins to provide important assurance for feed product safety.

b. Farming and slaughtering business

In production management, the Company maintains strict control over veterinary drug selection and residue management in broiler and swine farming. In slaughtering and processing, it continues to strengthen quality management and strictly implements inspection, quarantine and veterinary drug residue testing. From a business model perspective, the Company's broiler business has built an integrated value chain covering broiler breeder farming, hatching, feed production, commercial broiler farming, broiler slaughtering and processing, and further processing of prepared products and cooked foods. This integrated operating model ensures a stable supply of raw materials at each stage and enables strict control over food safety and product quality from the source and throughout the process. Through standardized management and process-based operations, the Company integrates biosecurity, residue control and processing hygiene, ultimately achieving food safety traceability.

## **Section IV Corporate Governance, Environmental Protection and Social Responsibility**

### **I. Corporate Governance**

The Company strictly complies with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Shanghai Stock Exchange Stock Listing Rules, and other applicable laws, regulations and regulatory documents, while continuing to strengthen corporate governance, standardize operations, and improve its mechanisms for decision-making, execution and supervision. The responsibilities of the Shareholders' Meeting, the Board of Directors and management are clearly defined, with each performing its respective duties. The Company's governance framework provides effective checks and balances while supporting sound coordination among its governance bodies. Independent directors and Board committees draw on their professional expertise, perform their duties with diligence and integrity, and provide objective and independent opinions on matters submitted for review. These arrangements help ensure that the Company operates in compliance with laws and regulations, and in a fair and transparent manner. Directors and senior management play a central role in the Company's governance and bear key responsibilities in this regard. They continue to support improvements in the governance structure, enhance governance transparency, and safeguard the lawful rights and interests of the Company and all shareholders.

During the reporting period, in accordance with applicable laws and regulations, the Company revised several governance documents and internal management rules, including the Articles of Association, the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for Board of Directors. The Company also convened meetings as required, including five Shareholders' Meetings, six Board meetings, three Audit Committee meetings, one Compensation and Appraisal Committee meeting, one Strategy Committee meeting and three special meetings of independent directors. All meetings were duly convened and held, and all voting procedures were conducted in accordance with applicable rules and were lawful and valid. In addition, the Company continued to enhance information disclosure, promote standardized operations and strengthen investor relations management, thereby improving the transparency of corporate information, protecting investors' right to information, and safeguarding the legitimate rights and interests of the Company and all shareholders. Since its listing in 2014, the Company has not been subject to regulatory criticism, public censure or penalties for any violation related to information disclosure.

## II. Directors and Senior Management

### 1. Shareholding changes and compensation of current and outgoing directors and senior management during the reporting period

Name	Position	Gender	Age	Term start date	Term end date	Shares held at beginning of the year	Shares held at end of the year	Changes in shareholding during the year	Reason for change	Pre-tax compensation received from the Company during the reporting period (RMB 10,000)	Whether compensation was received from related parties of the Company
Jin Weidong	Chairman	Male	62	Feb. 3, 2015	Feb. 1, 2027	149,549,498	149,549,498			80.00	No
Qiu Jiahui	Director, President	Male	54	Feb. 1, 2021	Feb. 1, 2027					78.00	No
Jacobus Johannes de Heus	Director	Male	57	Feb. 3, 2015	Feb. 1, 2027						No
Shao Caimei	Director	Female	60	Feb. 3, 2015	Feb. 1, 2027	49,773,878	41,773,878	-8,000,000	Share reduction	74.00	No
Zhao Xin	Director	Female	54	Feb. 3, 2015	Feb. 1, 2027	4,420,160	4,420,160			74.00	No
	Vice President			Feb. 1, 2024	Feb. 1, 2027						
Chen Yu	Director	Male	41	Feb. 1, 2024	Feb. 1, 2027					66.00	No
	Board Secretary			Apr. 2, 2024	Feb. 1, 2027						
	Chief Financial Officer			Aug. 12, 2022	Feb. 1, 2027						
ZUO XIAOLEI	Independent Director	Female	72	Feb. 1, 2021	Feb. 1, 2027					10.00	No
Jiang Yan	Independent Director	Female	52	Feb. 1, 2021	Feb. 1, 2027					10.00	No
Zhang Shuyi	Independent Director	Male	61	Feb. 1, 2021	Feb. 1, 2027					10.00	No

Jin Ge	Vice President	Male	36	Feb. 1, 2024	Feb. 1, 2027					73.00	No
Total	/	/	/	/	/	203,743,536	195,743,536	-8,000,000	/	475.00	/

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 professor-level senior agronomist, a doctoral supervisor, and one of the first principal investigators of projects funded by the National Natural Science Foundation of China. Mr. Jin is the core founder of Wellhope and has served as Chairman of the Company since its founding in 1995. After completing his postgraduate studies, he taught at the university for two years. In 1991, he began his business career. He previously served as Northeast China Regional Sales Manager, National Sales Manager, and Assistant to the Asia Regional President at Continental Grain Company. He currently serves as President of Liaoning General Chamber of Entrepreneurs, President of Liaoning Feed Association, and President of Haicheng Chamber of Commerce under Shenyang General Chamber of Commerce. Over the years, he has served as an MBA admissions interviewer and class advisor for MBA programs at Peking University and Tsinghua University, and as a visiting professor at Renmin University of China, Ocean University of China, Northeast Agricultural University and other higher education institutions. He has received numerous honors, including Outstanding Private Science and Technology Entrepreneur of China, National Outstanding Builder of the Cause of Socialism with Chinese Characteristics, Top 10 Economic Figures in China's Feed Industry over 30 Years of Reform and Opening-up, Shenyang May Day Labor Medal, Liaoning Province Model Worker, National Model Worker, CCTV Top 10 Models for Entrepreneurship and Prosperity in Agriculture, Rural Areas and Farmers, Outstanding Entrepreneur of Liaoning Province, Science and Technology Innovation and Entrepreneurship Talent (Ministry of Science and Technology), and Leading Talent in Technological Entrepreneurship under the fourth batch of the National Ten Thousand Talents Program.
Qiu Jiahui	Male, born in 1972, Chinese nationality. He holds a bachelor's degree in Veterinary Medicine from Shenyang Agricultural University and is an associate senior agronomist. After graduation, he worked at Dalian Broiler Breeder Farm, a key state-owned breeding enterprise, where he was engaged in technical work and on-site management. He joined Wellhope in 2000 as a sales representative and was rapidly promoted due to his outstanding capabilities. He has successively served as General Manager of Haicheng Wellhope and Haicheng Xinzhongxin, Vice President of the former Huakang Group, Marketing Director of Wellhope, President of the Company's broiler business segment, and Vice President of Wellhope. He currently serves as Director and President of the Company. He also holds several social positions, including Vice Chairman of the China Feed Industry Association, Vice Chairman of the China Animal Agriculture Association, President of Liaoning Animal Husbandry Association, Business Environment Supervisor of Liaoning Province, Vice Chairman of Liaoning Chinese and Foreign Entrepreneurs Club, member of the 9th Liaoning Provincial Agricultural Committee, President of Liaoning White-feather Broiler Association, member of the 9th Council of Shenyang Red Cross Society, and visiting professor at the College of Animal Science and Technology and the College of Veterinary Medicine of Shenyang Agricultural University. His honors include the First Prize of the National Harvest Award for Agriculture, Animal Husbandry and Fisheries (Principal Contributor), the May Day Labor Medal of Shenbei New District, and the title of Shenyang Outstanding Expert (Eighth Batch). Mr. Qiu pioneered Wellhope's broiler business and, over more than a decade, has led the team to achieve rapid growth and a leading market position.
Jacobus Johannes de Heus	Male, born in 1969, Dutch national. He holds a master's degree in Economics from the University of Groningen, the Netherlands. He has been with Royal De Heus of the Netherlands since 1992 and currently serves as Chairman of the Board of Royal De Heus and 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 professor-level senior agronomist. She is one of the co-founders of Wellhope. She previously worked as a technician at China Huamu Poultry Breeding Center under the Ministry of Agriculture and Rural Affairs, and as Technical Formulation Manager at Conti (Beijing) Feed Additive Company under Continental Grain Company. Since the founding of Wellhope, she has long served as the Company's principal technical leader, and has successively served as Director and Vice President. She currently serves as Director and Chief Technology Officer of the Company. She also holds several professional and academic positions, including Standing Council Member of the Animal Nutrition Branch of the Chinese Association of Animal Science and Veterinary Medicine, member of the National Technical Committee for Feed Industry Standardization, and Head of the Comprehensive Experiment Station for the Swine Industry under the National Modern Agricultural Industry Technology System. She has also served as an industry-based master's supervisor in animal nutrition at China Agricultural University, a master's supervisor in animal nutrition and feed processing at Shenyang Agricultural University, and a visiting professor

	at Ocean University of China, Shenyang Agricultural University and Nanjing Agricultural University. She has received multiple first and second prizes for provincial- and ministerial-level scientific and technological progress awards, and has obtained nearly 40 national invention patents. In 2022, she was listed in the Forbes China Top 50 Women in Tech, and in 2023, she was awarded the title of Shenyang Outstanding Expert (Eighth Batch).
Zhao Xin	Female, born in 1972, Chinese nationality. She holds a bachelor's degree in Economics from Shenyang Agricultural University. She joined Wellhope immediately after graduating from university in 1995, and has successively served as Administrative Assistant, Head of the Marketing Department, Head of the Human Resources Department, Human Resources Manager, Human Resources Director, Assistant to the Chairman, and Board Secretary. She currently serves as Director, Vice President and Chief Human Resources Officer of the Company. She also serves as Vice President of the Liaoning New Social Strata Association. Ms. Zhao has over 30 years of experience in human resources and corporate management, and is one of the key contributors to the development of Wellhope's human resources management system. She was honored as Outstanding Board Secretary in the China Listed Companies Value Selection in 2020 and 2021, and was awarded the Golden Bull Board Secretary Award by China Securities Journal in 2021, 2022 and 2023.
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 successively served as Auditor and Audit 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 of Anhui Hetian Hospital Management Co., Ltd. He currently serves as Director, Board Secretary and Chief Financial Officer of the Company.
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 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 China Galaxy Securities, Independent Director of Tongfang Co., Ltd., Independent Director of Hubei Bank, Special Research Fellow at the Counsellors' Office of the State Council, and Research Fellow at the Financial Research Center of the Counsellors' Office of the State Council. She currently serves as Independent Director of Wellhope. Ms. Zuo is one of China's most influential economists. She has published numerous papers and articles in econometrics, international finance and securities markets, and is the author of Xiaolei's Perspective: My View on China's Economy.
Jiang Yan	Female, born in 1973, Chinese nationality. She holds a PhD in Management from the Research Institute for Fiscal Science, Ministry of Finance, and is a Certified Public Accountant and Certified Asset Appraiser. From 2002 to 2016, she worked in the Department of Public Offering Supervision of the China Securities Regulatory Commission. She currently serves as Independent Director of Weichai Power Co., Ltd. and Independent Director of Wellhope.
Zhang Shuyi	Male, born in 1964, Chinese nationality. He holds a PhD in Ecology from Pierre and Marie Curie University, France, and is a grade II professor and doctoral supervisor. He previously served as Research Fellow 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 currently serves as professor at the College of Animal Science and Veterinary Medicine, Shenyang Agricultural University, and Independent Director of Wellhope. Beyond academic and scientific work, he has also served as Director of the Investment and Project Selection Division of China High-Tech Investment Corporation, Vice President of Tiansanqi Group Co., Ltd. (Beijing), and legal representative of Zhejiang Zhongke Marine Biotechnology Company. Mr. Zhang has achieved outstanding accomplishments in scientific research. He has been awarded the National Science Fund for Distinguished Young Scholars and supported by the Changjiang Scholars Team Program of the Ministry of Education. He has been selected for the First and Second Levels of the National Hundred, Thousand and Ten Thousand Talents Project, the Hundred Talents Program of the Chinese Academy of Sciences, and the Climbing Scholar Program of Liaoning Provincial Higher Education Institutions. He has received the Special Government Allowance of the State Council, the Second Prize of the National Science and Technology Progress Award, and the First Prize of the Shanghai Natural Science Award.
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, UK. He joined Wellhope upon graduation in 2014 and has successively served as Project Manager, General Manager, Director and Assistant President in the Company's international business and broiler integration segment. In recognition of his outstanding performance, he was promoted to Vice President of the Company in February 2024, responsible for the ruminant feed and premix businesses, which are strategic businesses under the feed segment. He also holds multiple social positions, including Deputy to the Shenyang Municipal People's Congress, Vice Chairman 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 General Chamber of Entrepreneurs. He was awarded Model Worker of Shenbei New District in 2022, the Shenyang May Fourth Youth Medal in 2024, and the Shenyang May Day Labor Medal in 2025.

## 2. Positions held by current and outgoing directors and senior management during the reporting period

### -Position held in other entities

Name	Name of other entity	Position	Term start date	Term end date
Zhang Shuyi	Shenyang Agricultural University	Professor at the College of Animal Science and Veterinary Medicine	2016	
Zhang Shuyi	Wuxi Kezhiqian Technology Company	Executive director	2012	
Zhang Shuyi	Liaoning Petmate Biotechnology Company	Director	2016	
Jiang Yan	Weichai Power Co., Ltd.	Independent director	2020	
Jacobus Johannes de Heus	Royal De Heus Company of the Netherlands	Chairman of the Board	2025	
Jin Weidong	Changzhou Sangdichuan Agricultural Development Company	Executive director	2021	
Jin Weidong	Liaoning Guowei Industrial Group Company	Director	2021	

## 3. Compensation of directors and senior management

Decision-making procedure for compensation	Directors' compensation is reviewed and determined by the Shareholders' Meeting, while the compensation of senior management is reviewed and determined by the Board of Directors.
Whether directors abstain from voting when their own compensation is discussed by the Board	Yes
Specific recommendations by the Compensation and Appraisal Committee or special meeting of independent directors on compensation of directors and senior management	The Compensation and Appraisal Committee convened a meeting to review the determination of compensation for directors and senior management for 2025 and the compensation plan for 2026, and submitted the matter to the Board of Directors.
Basis for determining compensation of directors and senior management	Compensation is determined with reference to industry compensation levels, the Company's operating performance and position-specific responsibilities, as well as qualitative and quantitative indicators such as the work plan formulated at the beginning of the year and individual performance against that plan.
Actual payment of compensation to directors and senior management	Compensation is reasonably paid based on a comprehensive assessment of the Company's annual performance, the fulfillment of duties by managers, management capabilities and other relevant factors.
Total compensation actually received by all directors and senior management at the end of the reporting period	As of the end of the reporting period, the total compensation actually received by all directors and senior management was RMB 4.75 million.
Performance assessment for compensation paid to directors and	After the end of each accounting year, the Board of Directors conducts annual performance assessments of directors and senior

senior management	management. As of the end of the reporting period, these assessments had been carried out in accordance with the Company's relevant performance assessment rules. The independent director allowance is not subject to such assessment rules.
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#### 4. Changes in directors and senior management

Not applicable

### III. Directors' Performance of Duties

#### 1. Attendance of directors at board meetings and shareholders' meetings

Name	Independent director (yes or no)	Attendance as Board Meetings						Shareholders' Meeting
		Meetings required to attend during the year	Attended in person	Attended remotely	By proxy	Absent	Whether absent from two consecutive meetings in person	Number of Shareholders' Meetings attended
Jin Weidong	No	6	6	5			No	5
Qiu Jiahui	No	6	6	3			No	5
Jacobus Johannes de Heus	No	6	6	6			No	0
Shao Caimei	No	6	6	5			No	5
Zhao Xin	No	6	6	2			No	5
Chen Yu	No	6	6	2			No	5
ZUO XIAOLEI	Yes	6	6	6			No	5
Jiang Yan	Yes	6	6	6			No	5
Zhang Shuyi	Yes	6	6	6			No	5

Number of board meetings held during the year	6
Including: On-site meeting	0
Meetings held by remote communication means	2
Meetings held on-site and by remote communication means	4

### IV. Committees under the Board of Directors

#### 1. Composition of specialized committees

Committee	Member
Audit Committee	Jiang Yan(Chairperson), ZUO XIAOLEI, Shao Caimei
Nomination Committee	ZUO XIAOLEI(Chairperson), Zhang Shuyi, Shao Caimei
Compensation 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 Strategy Committee held one meeting during the reporting period

Date	Proposal	Important comments and suggestions	Other circumstances
February 24, 2025	Deliberating proposal on acquiring part of the equity interest in associated companies in the broiler business and obtaining control over these companies	The proposal was approved and submitted to the Board of Directors	None

**3. The Compensation and Appraisal Committee held one meeting during the reporting period**

Date	Proposal	Important comments and suggestions	Other circumstances
April 21, 2025	Deliberating proposal on the Company's 2024 compensation plan for directors and senior management	The proposal was approved and submitted to the Board of Directors	None

**4. The Audit Committee held three meetings during the reporting period**

Date	Proposal	Important comments and suggestions	Other circumstances
April 21, 2025	Deliberating 2024 annual report, 2025 first quarter report, the reappointment of the audit firm, and 2024 internal control evaluation report	These proposals were approved and submitted to the Board of Directors	None
August 13, 2025	Deliberating 2025 interim report	The proposal was approved and submitted to the Board of Directors	None
October 27, 2025	Deliberating 2025 third quarter report	The proposal was approved and submitted to the Board of Directors	None

**V. Employees of the Parent Company and Major Subsidiaries****1. Headcount**

Employees of parent company	299
Employees of major subsidiaries	11,459
Total number of employees	11,758
Number of retired employees whose expenses are borne by the parent company and major subsidiaries	26
<b>Functions</b>	
Line	Employees
Production	6,388
Sales	2,744
Technical	777
Finance	558
Administration	1,291
Total	11,758
<b>Educational backgrounds</b>	
Category	Employees
Master's degree and above	458
Bachelor's degree	2,863
Junior college	2,866
Below junior college	5,571
Total	11,758

**2. Compensation policy**

Wellhope adheres to a human resources philosophy that rewards performance, promotes merit-based

advancement, and upholds fairness and impartiality. Guided by this philosophy, the Company has developed a comprehensive compensation and performance management system covering compensation policies, appointment and promotion management, incentive mechanisms, employee benefits, as well as training and development. Designed to be fair, motivating and competitive, the system closely links employee compensation with both organizational results and individual performance. The Company determines compensation levels based on its operating results and individual performance evaluations, helping to sustain employee motivation and align employees' personal growth with the Company's long-term development.

In 2025, while continuing to advance comprehensive performance management, Wellhope further strengthened performance tracking and process management. By continuing to hold three-tier meetings, the Company used performance rankings at different levels to support both positive and negative incentives, rewarding high performers and addressing underperformance, while identifying and promoting benchmark practices across business segments. In the feed business, the Company continued to apply a compensation pool model, enabling higher-output business units to receive greater incentives, while piloting additional rewards for strategic businesses such as ruminant feed when they exceeded targets. In the broiler business, the Company implemented targeted incentive schemes for key roles. In the swine farming business, it explored cost-saving incentives by linking performance indicators more closely to individual accountability. At the same time, the Company made incentive mechanisms for managers more flexible, with adjustments based on value creation outcomes. In addition, the Company continued to refine its Appointment Management Measures, creating development opportunities for outstanding managers through a more structured appointment process and targeted incentive tools, while strengthening measures for underperforming managers, including demotion, salary reduction, warning interviews and coaching. The Company also continued to carry out special commendations for strategic businesses and, through team-building activities and on-site award ceremonies, promoted talent exchange across regions and business segments, enhanced employees' sense of honor, 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, the Company makes statutory social insurance and housing provident fund contributions for employees. It also offers supplementary benefits such as commercial insurance and annual health check-ups, with certain benefits extended to employees' family members. In addition, the Company has continued to enrich its employee welfare system through various initiatives, including the "Wings of Love" Foundation, to promote the sharing of internal resources and enhance overall employee satisfaction.

### **3. Training plan**

During the reporting period, the Company promoted its training programs in line with overall strategy and human resources development objectives. The programs focused on supporting business operations and developing key talent, helping employees build the capabilities required for business execution and career growth. By aligning training more closely with business priorities, the Company strengthened the

connection between talent development and operational performance.

A. Using targeted training to support business execution: The Company continued to strengthen the role of training in supporting day-to-day operations and business execution. Training programs were designed around practical business needs, helping teams build capabilities, share experience and improve execution. In the contract manufacturing business, the Company organized knowledge-sharing sessions, performance benchmarking activities and video briefings to accelerate the establishment of contract manufacturing organizational structures across regions, strengthen employees' awareness of production capacity, and align efforts around business development. The Company also supported the rollout of large-scale farm operations, with focused research and follow-up on key products. During the year, the Company delivered more than 80 specialized training programs covering contract manufacturing, large-scale farm operations, production operations, farming operations, mid-level and front-line management, and support functions. These programs enhanced employees' job-specific capabilities and helped improve organizational effectiveness and productivity.

B. Turning best practices into organization-wide capability: The Company focused its training resources on strategic priorities and practical business challenges. It identified best-practice cases in contract manufacturing, large-scale farm development, contract farming operations and legal affairs, distilled replicable experience from these cases, and shared it across the organization through targeted training programs. These efforts helped employees apply proven experience in their daily work and turn training outcomes into practical capabilities. The Company also responded proactively to advances in AI. It expanded training on AI fundamentals and practical tool applications, encouraging employees to use AI more effectively in daily work to improve efficiency. During the year, the Company's training programs recorded more than 15,000 participant attendances, covering all core positions and providing focused support to key personnel.

C. Developing critical talent to support long-term growth: The Company continued to refine its talent development system, providing more targeted training and development support for employees at different career stages. For new employees, it introduced targeted onboarding programs and milestone-based tracking to help them become ready for their roles more quickly and build a solid foundation for continued growth. For critical talent groups, including newly appointed general managers, newly promoted managers and high-potential management talent, the Company developed tailored training programs that combined capability building with practical assignments. These initiatives helped strengthen the Company's management pipeline and provide reliable talent support for its long-term, healthy development.

## **VI. Profit Distribution or Proposed Conversion of Capital Reserve into Share Capital**

### **1. Formulation, implementation and adjustment of the cash dividend policy**

The Company takes into account its long-term and sustainable development when formulating profit distribution policy. Based on a comprehensive assessment of actual operating conditions, shareholders' expectations, prevailing funding costs, and the external financing environment, the Company also considers factors such as current and expected future profitability, cash flow position, stage of

development, funding requirements for project investments, and conditions for securities issuance, as well as bank credit and debt financing. Accordingly, the Company has put in place a dividend policy designed to provide sustainable and stable returns to investors, while ensuring the continuity and stability in profit distribution. During the reporting period, there was no change in the Company's profit distribution policy.

As audited by RSM China, the undistributed profit of the parent company as of December 31, 2025 was RMB 2,870,791,597.13, and the net profit attributable to shareholders of the Company for 2025 was RMB 52,516,855.05. In accordance with the Company Law and the Articles of Association, where the accumulated statutory reserve has reached 50% or more of the registered capital, no further appropriation is required. As of the end of 2025, the Company's statutory reserve represented 52.02% of its registered capital; therefore, no appropriation to the statutory surplus reserve will be made for the year.

Under the 2025 profit distribution plan approved by resolution of the Board, the Company will not distribute cash dividends, issue bonus shares or convert capital reserve into share capital, and the undistributed profits will be carried forward to the following year. Pursuant to the Rules for Share Repurchases by Listed Companies issued by the China Securities Regulatory Commission, share repurchases by a listed company for cash consideration by way of tender offer or centralized bidding shall be deemed to be cash dividends of the listed company and included in the calculation of the relevant cash dividend payout ratios. During the year, the Company repurchased shares through centralized bidding for cash consideration of RMB 56,466,476.00, accounting for 107.52% of the net profit attributable to shareholders of the Company for the year. Separately, the cash consideration paid for shares repurchased through centralized bidding and subsequently cancelled during the year amounted to RMB 66,391,605.70, representing 126.42% of the net profit attributable to shareholders of the Company for the year.

The proposed profit distribution plan is subject to approval by the Shareholders' Meeting.

## 2. Special statement on the cash dividend policy

Whether it complies with the Articles of Association or the requirements of resolutions of Shareholders' Meeting	Yes
Whether the dividend standards and payout ratios are clear and specific	Yes
Whether the relevant decision-making procedures and mechanisms are sound	Yes
Whether the independent directors have duly performed their duties and played their due role	Yes
Whether minority shareholders have been given sufficient opportunities to express their views and concerns, and whether their legitimate rights and interests have been fully protected	Yes

## 3. Reasons for not proposing a cash dividend plan despite profitability during the reporting period and positive parent-company distributable profit

Reasons for not proposing a cash dividend plan despite profitability during the reporting period and positive parent-company distributable profit	Use and plan for undistributed profit
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Pursuant to the Rules for Share Repurchases by Listed Companies issued by the China Securities Regulatory Commission, share repurchases by a listed company for cash consideration by way of tender offer or centralized bidding shall be deemed to be cash dividends of the listed company and included in the calculation of the relevant cash dividend payout ratios. During the year, the Company repurchased shares through centralized bidding for cash consideration of RMB 56,466,476.00, and the cash consideration paid for shares repurchased and subsequently cancelled during the year amounted to RMB 66,391,605.70.	The undistributed profit will be retained to support the development of the Company's principal businesses.
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#### 4. Cash dividend distribution over the last three fiscal years

	RMB
Cumulative cash dividends for the most recent three fiscal years (tax inclusive) (1)	50,215,141.46
Cumulative amount of shares repurchased and cancelled for the most recent three fiscal years (2)	66,391,605.70
Cumulative amount of cash dividends and shares repurchased and cancelled for the most recent three fiscal years (3)=(1)+(2)	116,606,747.16
Average annual net profit for the most recent three fiscal years (4)	-20,684,184.70
Cash dividend payout ratio for the most recent three fiscal years (%) (5)=(3)/(4)	N/A
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the most recent fiscal year	52,516,855.05
Undistributed profit in the parent company's financial statement at the end of the most recent fiscal year	2,870,791,597.13

## VII. Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures and Their Impact

### 1. Employee stock ownership plan

On May 7, 2024, the Company convened the 4th meeting of the 8th Board of Directors, and on May 23, 2024, it convened the second extraordinary Shareholders' Meeting of 2024. At these meetings, relevant proposals were approved, including the Proposal on the Company's 2024 Employee Stock Ownership Plan (Draft) and Its Summary and the Proposal on the Administrative Measures for the Company's 2024 Employee Stock Ownership Plan. For details, please refer to the relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on May 8 and May 24, 2024. A total of 426 employees participated in the subscription under the 2024 Employee Stock Ownership Plan, contributing RMB 72.10 million to subscribe for 14.00 million shares held in the Company's dedicated securities account for share repurchases.

On August 22, 2024, the Company received the Confirmation of Transfer Registration issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The 14.00 million shares held in the Company's dedicated securities account for share repurchases were transferred to the securities account of the Company's 2024 Employee Stock Ownership Plan by way of non-trading

transfer on August 21, 2024, at a transfer price of RMB 5.15 per share.

On October 28, 2025, the Company convened the 14th meeting of the 8th Board of Directors, at which the Proposal on the Repurchase and Cancellation of Certain Shares under the 2024 Employee Stock Ownership Plan was approved. The Board approved the repurchase and cancellation of 4.20 million shares that did not satisfy the unlocking conditions for the first unlocking period under the Employee Stock Ownership Plan. For details, please refer to the announcement disclosed by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on October 30, 2025. On November 14, 2025, the Company convened the fourth extraordinary Shareholders' Meeting of 2025, at which the above proposal was approved.

## **2. Evaluation of senior management and incentive arrangements during the reporting period**

During the reporting period, the Company evaluated its senior management primarily based on the Company's overall operating performance and the performance of the businesses or regions under their respective responsibilities. Their compensation was determined with reference to industry conditions, regional income levels, the Company's actual operating results and their individual performance.

## **VIII. Development and Implementation of the Internal Control System during the Reporting Period**

The Company disclosed its Internal Control Evaluation Report concurrently with the disclosure of its 2025 Annual Report. For details, please refer to the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

## **IX. Management and Control over Subsidiaries during the Reporting Period**

During the reporting period, the Company exercised internal control and management over its subsidiaries in strict compliance with the Company Law, the Securities Law, the Listing Rules of the Shanghai Stock Exchange, other applicable laws, regulations and regulatory documents, as well as the Articles of Association. The Company strengthened risk management over its subsidiaries through measures covering standardized operations, personnel management, financial management, internal audit, information disclosure, investment and financing management, and operating performance evaluation. Each subsidiary implemented the Company's rules and policies on a unified basis, and formulated their own business plans and risk management procedures in line with the Company's overall development strategy and annual operating plan. Meanwhile, each subsidiary strictly complied with the reporting and approval procedures for material matters, promptly reporting significant business and financial matters to the responsible Company executives and, where required under the relevant authorization provisions, submitting such matters to the Board of Directors or the Shareholders' Meeting for consideration. During the reporting period, the Company identified no material deficiencies in the management of its subsidiaries. Internal control over subsidiaries was effectively implemented and operated properly in practice.

## **X. Explanation of Audit Report for Internal Control**

RSM China, the Company's internal control auditor, issued the Internal Control Audit Report, stating that, as of December 31, 2025, 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 regulations. For details, please refer to the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

Whether an internal control audit report was disclosed: Yes

Type of opinion on the internal control audit report: Standard unqualified opinion

## XI. Environmental Information

Number of enterprises subject to environmental information disclosure required by law		17
No.	Company name	Access link to the environmental information disclosure report required by law
1	Dalian Zhongjia Food Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
2	Dalian Huakang Xinxin Food Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
3	Shenyang Huakang Broiler Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
4	Anshan Jiuguhe Food Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
5	Anshan Fengsheng Food Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
6	Huludao Jiuguhe Food Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
7	Jinzhou Xinfeng Food Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
8	Jinzhou Jiufeng Food Company	<a href="https://qyxxpl.ywzh.lnsthj.cn:8802/home/index">https://qyxxpl.ywzh.lnsthj.cn:8802/home/index</a>
9	Changchun Wellhope Food Company	<a href="http://36.135.7.198:9015/index">http://36.135.7.198:9015/index</a>
10	Pingyuan Wellhope Food Processing Company	<a href="http://121.29.48.71:8080/#/index">http://121.29.48.71:8080/#/index</a>
11	Hebei Taihang Wellhope Food Company	<a href="http://121.29.48.71:8080/#/index">http://121.29.48.71:8080/#/index</a>
12	Shandong Heyuan Food Company	<a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>
13	Shandong Fengkang Food Company	<a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>
14	Anhui Wellhope Food Company	<a href="https://39.145.37.16:8081/zhhb/yfplpub_html#/home">https://39.145.37.16:8081/zhhb/yfplpub_html#/home</a>
15	Chifeng Wellhope Fuxinyuan Food Company	<a href="http://111.56.142.62:40010/cas/login?pagePublishTicket=888f4e8f2c91403aaf2149d2d9322e91">http://111.56.142.62:40010/cas/login?pagePublishTicket=888f4e8f2c91403aaf2149d2d9322e91</a>
16	Puyang Wellhope Food Company	<a href="http://222.143.24.250:8247/home/home">http://222.143.24.250:8247/home/home</a>
17	Kaifeng Wellhope Meat Food Company	<a href="http://222.143.24.250:8247/home/home">http://222.143.24.250:8247/home/home</a>

## XII. Overview of Corporate Social Responsibility (CSR) Initiatives

### 1. CSR implementation overview

External Donations & Public Welfare Projects	Amount	Explanation
Total investment (RMB 10,000)	528.58	Donations for education support, public welfare, and poverty alleviation
Of which: cash (RMB 10,000)	528.58	

Detailed description:

As an important link between crop production and agri-food processing, Wellhope has integrated social

responsibility into its development strategy since its establishment in 1995. At its inception, the Company articulated the core principles of its social responsibility through the Wellhope Declaration and the Wellhope Mission. In 2018, it further established integrity, responsibility and win-win cooperation as its core values. Over the years, the Company has continued to embed these principles into all aspects of its operations and management, promoting the coordinated development of corporate growth and social value creation.

## **1. Fulfilling the corporate mission and creating shared value for the industry**

### **A. Safeguarding grain security and advancing green development**

The Company has continued to diversify raw material sources and improve feed efficiency through ongoing formulation innovation, reducing reliance on feed grains and supporting the sustainable development of the livestock sector. Over the years, it has developed a diversified formulation technology system, promoted diet solutions based on multiple grains and protein sources, improved the utilization of alternative protein meals and other raw materials, and developed alternative ingredients such as wheat-based ingredients and brown rice. These efforts have effectively reduced dependence on corn and soybean meal. In environmental protection, the Company strictly complies with relevant national standards and develops eco-friendly feed products with lower heavy metal content and reduced nitrogen and phosphorus emissions, contributing to emissions reduction at the source. Its subsidiaries also conduct regular environmental risk inspections and follow-up rectifications, supporting the coordinated development of the industry and ecological protection.

### **B. Upholding quality standards and ensuring food safety**

Guided by its vision of becoming a world-class enterprise in agriculture, livestock and food sectors, the Company is committed to building a quality management system spanning the entire value chain, from raw materials to table. In feed production, it operates a three-tier quality control system covering headquarters, regions and subsidiaries. The Company strictly implements standards such as the Feed Quality and Safety Management Code, supported by advanced testing equipment and raw material traceability systems, enabling closed-loop control from raw material procurement to finished product delivery. Before China introduced its national ban on antibiotics in feed, a number of the Company's feed products had already become antibiotic-free, allowing it to provide safe, high-quality nutritional solutions for farming customers. In farming operations, the Company applies standardized process controls, unified production standards and precision feeding programs. In slaughtering and processing, it has established rigorous quarantine, inspection and veterinary drug residue testing procedures, supported by intelligent monitoring equipment, to ensure that its products meet national food safety standards and effectively safeguard food safety.

### **C. Advancing public welfare and giving back to society**

With "serving society" as a core part of its corporate culture, the Company has developed a diversified range of public welfare initiatives covering disaster relief, education support and other areas, and continues to fulfill its responsibilities as a corporate citizen. Since its establishment, the Company and its subsidiaries have provided sustained support to disaster-affected areas, disability assistance programs

and educational institutions through direct donations and partnerships with public welfare organizations such as the Red Cross. Meanwhile, the Company places strong emphasis on education and talent development. It has funded the construction of six Hope primary and secondary schools and established the Wellhope Education Fund, which now covers nearly 30 local universities and supports the development of innovative talent in the agriculture, livestock and food sectors. In addition, the Company actively organizes internships, practical training and university-enterprise exchange programs, helping university students connect academic learning with practical experience.

#### **D. Supporting employment and strengthening the talent foundation**

The Company regards talent as its most important resource. In response to changes in the macro environment, it continues to fulfill social responsibilities with a focus on stabilizing employment, strengthening training and supporting employee growth. Based on business development needs, the Company regularly recruits both experienced professionals and campus graduates, creating employment opportunities for society while supporting its own development. Moreover, the Company has built a structured talent management system covering selection, development, deployment and retention. New employees receive tailored training to help them build job-specific competencies and become ready for their roles more quickly. Through internal promotion channels and diverse career paths, employees are able to pursue professional growth while contributing to the Company's long-term objectives.

## **2. Upholding compliant operations and sharing the benefits of growth**

### **For shareholders**

#### **A. Improving corporate governance and strengthening information disclosure**

The Company has continued to strengthen its governance framework, which comprises the Shareholders' Meeting, the Board of Directors and the management, with clearly defined roles and responsibilities. Independent directors and the Board's committees performed their oversight duties in accordance with applicable laws and regulations, supporting open and transparent decision-making. During the reporting period, the Company revised internal governance policies, including the Rules of Procedure for the Shareholders' Meeting and the Rules of Procedure for the Board of Directors, to improve governance efficiency and keep the Company's governance practices aligned with regulatory requirements and industry developments. The Company also maintained a standardized information disclosure system guided by the principles of fairness, timeliness, accuracy and completeness. The system covers annual, semi-annual and quarterly reports, interim announcements on material matters and operating updates, as well as investor communications. In 2025, the Company held several performance briefings to present its operating results, respond to investor concerns and ensure equal access to information for all types of investors.

#### **B. Innovating shareholders return mechanisms and reinforcing confidence in the Company's development**

Against the backdrop of cyclical industry fluctuations and market pressure, the Company remained focused on protecting shareholder interests. While maintaining sound operations, it continued to refine its approach to shareholder returns to align corporate value creation with shareholder interests. During

2024 and 2025, the Company actively responded to downward pressure in the industry by implementing two rounds of share repurchase plans. It repurchased a total of 47.0625 million shares for an aggregate consideration of RMB 344 million, which helped optimize the Company's share capital structure, stabilize market expectations and demonstrate management's firm confidence in the Company's long-term value. Looking ahead, the Company will develop shareholder return strategies appropriate to its operating performance and capital market conditions, with a continued focus on rewarding shareholders and safeguarding sustainable development.

### **For employees**

#### **A. Optimizing the compensation system and strengthening long-term incentives**

Guided by a human resources policy that emphasizes fairness, impartiality and performance orientation, the Company has developed a compensation system covering fixed pay, performance-based bonuses and employee benefits. To maintain both internal fairness and market competitiveness, the Company regularly benchmarks its compensation practices against leading industry peers. In 2024, the Company launched an employee stock ownership plan to enhance its ability to attract and retain core talent. Under the plan, 426 participants, including management team members, technical specialists and employees in key positions, acquired shares repurchased by the Company by way of non-trading transfer. By establishing an incentive mechanism based on shared benefits and shared risks, the plan further motivates the management team and core employees to create value and provides internal momentum for the Company's sustainable development.

#### **B. Building a tiered development system and broadening career pathways**

The Company has continued to refine its training management system to better support its strategy and the needs of each business segment. Employees are provided with courses and learning resources tailored to job requirements to strengthen their job-specific skills and support personal development. The Company also launched the Management Training Camp, which focuses on improving organizational effectiveness, leadership capabilities and strategic perspective among middle and senior managers. Employees are also encouraged to participate in industry summits and cross-sector study programs to broaden their industry perspective. To support long-term career development, the Company has established a dual-track career system covering both management and technical pathways. Employees may choose a management track or a technical specialist track based on their strengths, with the flexibility to move between tracks as their careers evolve. This approach helps make better use of talent across the organization while enabling employees to advance alongside the Company.

#### **C. Enhancing employee well-being through diversified care initiatives**

The Company provides employees with a range of supplementary benefits, including commercial insurance, annual health check-ups and holiday benefits. Through the Wings of Love Foundation, an internal public welfare organization, the Company provides ongoing care and support to employees and their families. For 19 consecutive years, Wings of Love has awarded scholarships to employees' children who were admitted to universities, supporting talent development for the country and society. The Foundation also provides financial assistance to families of employees facing sudden illness, natural

disasters or other hardships, helping them through difficult times. In addition, the Company regularly organizes various corporate culture activities to enrich employees' work and personal lives. These activities help strengthen team cohesion and enhance employees' sense of belonging and well-being.

#### **For customers**

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

Guided by a market-oriented and customer-centric R&D philosophy, the Company manages R&D through an end-to-end process that begins with identifying customer needs and continues through product development and performance validation. Its R&D team closely monitors market changes and practical challenges in farming operations, developing nutrition solutions and feeding programs tailored to specific production needs. The Company also refines its products in response to real farming scenarios. For example, it develops new products and adjusts feeding programs for pigs in secondary finishing and for broiler farms seeking to improve livability. The Company has also established an iterative product development model that combines continuous improvement of existing products with the development of new products. With a consistent focus on improving farming efficiency and reducing farming costs, the Company continues to refine its product portfolio and develop new solutions to meet the specific needs of different customers.

##### **B. Innovating technical services to achieve mutual success**

The Company has continued to build an integrated service model that brings together technical services, management support and resource coordination, providing customers with practical support throughout the farming process. The technical service team, composed of livestock specialists, veterinarians and nutritionists, works directly with farms to identify production challenges and provide tailored one-on-one solutions, ranging from farming process design to disease prevention and control. This hands-on approach helps customers address practical issues in daily production and improve overall farming performance. To make technical support more accessible, the Company has also developed a farming service platform that shares farming techniques and market analysis through short videos and livestreamed courses, enabling farmers to obtain real-time technical support. For large-scale farms, the Company provides full-cycle management solutions covering feed nutrition design, farming data monitoring and precise cost analysis. By combining technical expertise, management tools and resource support, the Company helps customers reduce costs, improve efficiency and build mutually beneficial partnerships.

Looking ahead, the Company will continue to adopt a global perspective, further improve the efficiency of grain resource utilization, support the stable supply of essential livelihood products, and contribute to the high-quality development of the industry. In pursuing sustainable development, Wellhope will continue to fulfill its responsibilities as a corporate citizen and contribute to building a sustainable ecosystem for the agriculture, livestock and food sectors.

### **XIII. Efforts to Consolidate Poverty Alleviation Achievements and Advance Rural Revitalization**

Poverty alleviation and rural revitalization projects	Amount	Explanation
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Total investment (RMB 10,000)	652.83	See details below
Of which: cash (RMB 10,000)	652.83	/
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 industries	/

## Detailed description:

Although China has achieved a decisive victory in poverty alleviation, consolidating and expanding these achievements and effectively linking them with rural revitalization remains a challenging long-term task. The 2025 Government Work Report called for continued efforts to advance work related to agriculture, rural areas and farmers, and to further promote comprehensive rural revitalization. As a key leading enterprise in agricultural industrialization, the Company actively participates in poverty alleviation through industrial development, contributing to the national efforts to advance rural revitalization and accelerate the development of China into a strong agricultural country.

During the reporting period, the Company fully leveraged its role as a leading enterprise to support rural development, improve agricultural efficiency and increase farmers' income. Its subsidiaries, including Dalian Heyuan Animal Husbandry Company, Wafangdian Huinong Poultry Company, Daqing Wellhope Food Company and Hebei Taihang Wellhope Food Company, worked with local governments on poverty alleviation projects through industrial development to support rural revitalization in assisted areas. These projects created employment opportunities for impoverished households, supported their participation in the Company's broiler farming operations, and helped farmers increase income through project dividend-sharing arrangements. In 2025, dividend payments under these projects amounted to RMB 6.5283 million.

## Section V Important Disclosures

### I. Fulfillment of Commitments

Commitments made by the Company's actual controller, shareholders, related parties, acquirers, the Company and other relevant committing parties during or continuing into the reporting period

Background of commitment	Type of commitment	Committing party	Content of commitment	Date of commitment	Whether there is a deadline for fulfillment	Commitment period	Timely and strict fulfillment
IPO-related commitments	Avoidance of horizontal competition	Natural-person shareholders holding more than 5% of share	I warrant and undertake that I will not, directly or indirectly, develop, operate, assist in operating, participate in or engage in any business that competes with Wellhope. If Wellhope expands its business scope after the date of this commitment, I undertake not to engage in such business.	March 2, 2011	Yes	Long-term valid	Yes
	Regulation of related-party transactions	Corporate shareholder holding more than 5% of shares-Heli Investment	The company warrants and undertakes that it will not, directly or indirectly, develop, operate, assist in operating, participate in or engage in any business that competes with Wellhope. If Wellhope expands its business scope after the date of this commitment, the company undertakes not to engage in such 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, namely Shao Caimei, Wang Fengjiu, Wang Zhongtao and Ding Yunfeng, undertake that the prospectus and its summary contain no false records, misleading statements or material omissions, and assume individual and joint legal liability for their truthfulness, accuracy and completeness. If they breach the above commitment, they will publicly explain the reasons for non-fulfillment at the Company's Shareholders' Meeting and in newspapers designated by the CSRC, and apologize to the Company's shareholders and public investors. They will repurchase, in accordance with law, any original restricted shares they have transferred. Within 10 trading days after the securities regulatory authority makes a determination on the above facts or issues a penalty decision in accordance with law, they will prepare a repurchase plan and submit to the Company to announce it. They will also request the Company to repurchase all new shares issued in the IPO in accordance with law. Where any investor sustains losses in securities trading due to any false records, misleading statements or material omissions contained in the prospectus, above-mentioned persons shall compensate such investors in accordance with applicable laws.	March 2, 2011	Yes	Long-term valid	Yes

IPO-related commitments	Other	Wellhope	<p>The Company undertakes that the prospectus and its summary contain no false records, misleading statements or material omissions, and assumes individual and joint legal liability for their truthfulness, accuracy and completeness. If the Company breaches the above commitment, it will publicly explain the reasons for non-fulfillment at the Shareholders' Meeting and in newspapers designated by the CSRC, and apologize to shareholders and public investors. The Company will repurchase all new shares issued in the IPO at the higher of the prevailing secondary market price at the time of repurchase and the IPO issue price. Within 10 trading days after the securities regulatory authority makes a determination on the above facts or issues a penalty decision in accordance with law, the Board shall prepare and announce a repurchase plan and submit it to the Shareholders' Meeting for approval. Where any investor sustains losses in securities trading due to any false records, misleading statements or material omissions contained in the prospectus, the Company shall compensate such investors in accordance with applicable laws.</p>	March 2, 2011	Yes	Long-term valid	Yes
Refinancing-related commitments	Other	Wellhope	<p>To protect the lawful rights and interests of investors and mitigate the potential dilution of immediate returns from this issuance, the Company will take measures to ensure the effective use of raised funds and reduce the risk of dilution of immediate returns. The specific measures are as follows:</p> <ol style="list-style-type: none"> <li>1. The Company will actively and prudently advance the construction of investment projects funded with raised funds, improve operating efficiency and profitability, and reduce the risk of dilution of immediate returns after the issuance. The implementation of these projects will strengthen the Company's capital base, enhance its ability to withstand market competition risks and improve its overall competitiveness.</li> <li>2. The Company will strengthen the management of raised funds and ensure their compliant and effective use. After the raised funds from this issuance are received, the Company will deposit and use such funds through dedicated accounts in strict compliance with the Securities Law, the Stock Listing Rules of Shanghai Stock Exchange, the Regulatory Guidelines for Listed Companies No. 2 — Regulatory Requirements for the Management and Use of Raised Funds by Listed Companies, other relevant provisions, and the Company's Measures for the Management of Raised Funds. The Company will ensure that the raised funds are fully and effectively used for their intended purposes and will prevent risks associated with their use.</li> <li>3. The Company will strengthen operations management and internal control, improve daily operating efficiency, reduce operating costs, comprehensively control operational and management risks, and</li> </ol>	July 2, 2021	Yes	Long-term valid	Yes

			<p>enhance overall operating efficiency.</p> <p>4. The Company will continue to improve its profit distribution policy. With a focus on long-term and sustainable development, the Company has established a sustained, stable and sound return plan and mechanism for investors by taking into account factors such as its actual conditions, development goals, shareholder requirements and expectations, social funding costs and external financing environment, so as to ensure the continuity and stability of its dividend distribution policy. Going forward, the Company will strictly implement its dividend policy, strengthen the investor return mechanism, and protect the interests of shareholders, especially minority shareholders. Future operating results are subject to various macro and micro factors and involve uncertainties. The Company's measures to mitigate the dilution of immediate returns do not constitute a guarantee of future profits.</p> <p>5. The Company will strengthen talent team building, establish a talent structure aligned with its development needs, continue to strengthen R&amp;D and sales teams, and introduce outstanding management talent. The Company will put in place more effective incentive and competition mechanisms, as well as scientific, reasonable and practical talent introduction and training systems, and build a market-oriented talent operation model to provide reliable talent support for its sustainable development.</p>				
Refinancing-related commitments	Other	Controlling shareholder and actual controller	<p>To ensure the effective implementation of the Company's measures to mitigate the dilution of immediate returns, the Company's controlling shareholder and actual controller undertakes as follows:</p> <p>1. He will not interfere in the Company's operation or management beyond his authority, nor will he harm the Company's interests.</p> <p>2. As a responsible party for such measures, if he breaches or refuses to fulfill the above commitments, he agrees to assume corresponding legal liability in accordance with relevant rules issued by the CSRC, the Shanghai Stock Exchange and other securities regulators.</p> <p>3. From the date of this commitment until completion of the Company's public offering of convertible corporate bonds, if the CSRC issues additional provisions or imposes other requirements regarding such measures and related commitments, and the above commitments fail to satisfy such requirements, he will issue supplementary commitments in accordance with the CSRC's requirements.</p>	July 2, 2021	Yes	Long-term valid	Yes
Refinancing-related commitments	Other	All directors and senior management	<p>To ensure the effective implementation of the Company's measures to mitigate the dilution of immediate returns, all directors and senior management of the Company undertake as follows:</p> <p>1. I will not transfer benefits to any other entity or individual without consideration or on unfair terms, nor will I otherwise harm the</p>	July 2, 2021,	Yes	Long-term valid	Yes

			<p>Company's interests.</p> <p>2. I will exercise restraint over duty-related expenses.</p> <p>3. I will not use the Company's assets for investment or consumption activities unrelated to the performance of my duties.</p> <p>4. I will support linking the compensation system formulated by the Board of Directors or the Compensation Committee to the implementation of the Company's measures to mitigate the dilution of immediate returns.</p> <p>5. I will support linking the exercise conditions of any proposed equity incentive plan to the implementation of the Company's measures to mitigate the dilution of immediate returns.</p> <p>6. From the date of this commitment until completion of this public offering of convertible corporate bonds, if the CSRC issues additional provisions or imposes other requirements regarding such measures and related commitments, and the above commitments fail to satisfy such requirements, I will issue supplementary commitments in accordance with the CSRC's requirements.</p> <p>7. I will effectively implement the relevant measures formulated by the Company to mitigate the dilution of immediate returns and fulfill any related commitments made by me. If I breach such commitments and cause losses to the Company or investors, I will assume compensation liability in accordance with law.</p> <p>8. As a responsible party for such measures, if I breach or refuse to fulfill the above commitments, I agree that the CSRC, the Shanghai Stock Exchange and other securities regulators may impose penalties or take regulatory measures against me in accordance with applicable rules.</p>				
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## II. Analysis of Accounting Policy and Estimate Changes, and Corrections of Material Accounting Errors

### 1. Analysis of changes in major accounting policies

Changes in accounting policies	Financial statement items materially affected	Amount affected
The Notice on Strictly Implementing the Accounting Standards for Business Enterprises and Properly Preparing the 2025 Annual Reports of Enterprises, jointly issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council, the National Administration of Financial Regulation and the China Securities Regulatory Commission, as well as the Q&A on Accounting for Standard Warehouse Receipt Transactions issued by the Accounting Department of the Ministry of Finance on July 8, 2025, specify the accounting treatment for certain standard warehouse receipt transactions. Where an enterprise frequently enters into purchase and sale contracts for standard warehouse receipts on futures trading venues to profit from price spreads without taking delivery of the underlying physical commodities, such contracts shall be classified as financial instruments and accounted for in accordance with the accounting standard on the recognition and measurement of financial instruments. Unsold standard warehouse receipts held at the end of a reporting period shall be presented as other current assets. For standard warehouse receipts acquired under such contracts, if measuring them at fair value through profit or loss would eliminate or significantly reduce an accounting mismatch, the enterprise may elect, at initial recognition, to measure them on that basis and shall apply the election consistently to all eligible standard warehouse receipts. The Company has applied the relevant provisions of the Notice and the Q&A from January 1, 2025.	The implementation of this requirement had no material impact on the Company's financial statements for the reporting period.	N/A

### III. Appointment and Change of Accounting Firm

RMB 10,000

	Current Auditor
Name of domestic accounting firm	RSM CHINA CPA LLP
Audit fees	161.40
Years of audit service to the Company	2 years
Certified public accountants	Wu Yu, Zhao Songhe, Zhang Yuanyuan
Cumulative years of audit service to the Company by the certified public accountants	Wu Yu: 1 year Zhao Songhe: 2 years Zhang Yuanyuan: 2 years

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

### IV. Major Litigation and Arbitration Matters

None

**V. Credit Status of the Company, its Controlling Shareholder and Actual Controller during the Reporting Period**

During the reporting period, there was no failure by the Company, its controlling shareholder or its actual controller to comply with any court judgment that had come into effect, nor was there any material debt that was due and unpaid.

**VI. Material Related Party Transactions**

**1. Related party transactions in the ordinary course of business**

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 broilers	Comparable uncontrolled price	17.27	Bank transfer
Dalian Chengsan Food Group Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	6,938.18	Bank transfer
Linghai Jiuguhe Feed Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	1,469.99	Bank transfer
Tai'an Jiuguhe Agriculture Development Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	2,834.61	Bank transfer
Dalian Sida Food Company	Associated company	Selling product	Live broilers	Comparable uncontrolled price	690.70	Bank transfer
Harbin Weierhao Trading Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	10,038.58	Bank transfer
Jilin Hengfeng Animal Health Products Company	Associated company	Selling product	Other	Comparable uncontrolled price	0.09	Bank transfer
Huludao Jiuguhe Food Company	Associated company	Selling product	Other	Comparable uncontrolled price	87.89	Bank transfer
Jinzhou Jiufeng Food Company	Associated company	Selling product	Other	Comparable uncontrolled price	1.48	Bank transfer
Hebei Taihang Wellhope Animal Husbandry Company	Associated company	Selling product	Live broilers	Comparable uncontrolled price	1,643.96	Bank transfer
Beipiao Hongfa Food Company	Associated company	Selling product	Feed raw materials	Comparable uncontrolled price	2,948.50	Bank transfer
Anshan Jiuguhe Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	5.90	Bank transfer
Dalian Chengsan Food Group Company	Associated company	Purchasing product	Live broilers	Comparable uncontrolled price	9,506.15	Bank transfer
Gongzhuling Wellhope Corn Procurement and Storage Company	Associated company	Purchasing product	Feed raw materials	Comparable uncontrolled price	683.64	Bank transfer
Jinzhou Jiufeng Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	403.58	Bank transfer
Shenyang Zhongwenjie Biotechnology Company	Associated company	Purchasing product	Veterinary drugs and vaccines	Comparable uncontrolled price	15,233.65	Bank transfer
Tai'an Jiuguhe Agriculture Development Company	Associated company	Purchasing product	Feed products	Comparable uncontrolled price	764.42	Bank transfer
Jilin Hengfeng Animal Health Products	Associated	Purchasing	Veterinary drugs and	Comparable uncontrolled price	9.48	Bank transfer

Company	company	product	vaccines			
Harbin Weierhao Trading Company	Associated company	Purchasing product	Feed raw materials	Comparable uncontrolled price	1,577.97	Bank transfer
Beipiao Hongfa Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	1,848.12	Bank transfer
Anshan Fengsheng Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	17.88	Bank transfer
Hebei Taihang Wellhope Animal Husbandry Company	Associated company	Purchasing product	Live broilers	Comparable uncontrolled price	20,693.60	Bank transfer
Huludao Jiuguhe Food Company	Associated company	Purchasing product	Broiler parts products	Comparable uncontrolled price	16.01	Bank transfer
Liaoning Petmate Biotechnology Company	Associated company	Receiving services	Other	Comparable uncontrolled price	132.82	Bank transfer
Total				/	77,564.47	/
Details of significant sales returns				None		
Explanation of related-party transactions				<p>The Company has maintained long-term cooperation with its associated companies. As both sides are familiar with each other's operations and product standards, these relationships help reduce transaction costs, improve transaction efficiency and lower the risk of commercial disputes. Purchasing production materials from related parties also helps the Company obtain raw materials with more stable and reliable quality. By participating in the management of these companies and exercising appropriate influence, the Company is better able to secure the quality and long-term stable supply of raw materials. At the same time, these arrangements help the associated companies focus more on production by reducing their sales pressure. The related-party transactions entered into by the Company are required for its ordinary business operations. Purchase and sale prices are determined with reference to prevailing market prices for comparable products. These transactions comply with applicable laws and regulations, the Articles of Association and the Company's Related-Party Transaction Management Policy, and do not prejudice the interests of any shareholder.</p>		

**2. Guarantees**

RMB 10,000

Guarantees provided to external parties (excluding subsidiaries)	
Total amount of guarantees provided during the reporting period (excluding guarantees provided to subsidiaries)	37,394.15
Outstanding balance of guarantees at the period end (A) (excluding guarantees provided to subsidiaries)	17,998.77
Guarantees provided by the Company and its subsidiaries to other subsidiaries	
Total amount of guarantees provided to subsidiaries during the reporting period	559,678.88
Outstanding balance of guarantees provided to subsidiaries at the period end (B)	204,897.10
Total guarantees provided by the Company (including guarantees provided to subsidiaries)	
Total guarantees (A+B)	222,895.87
Total guarantees as a percentage of the Company's net assets (%)	33.67
Including:	
Amount of guarantees provided to shareholders, the actual controller and their related parties (C)	
Amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio above 70% (D)	91,766.26
Amount of total guarantees exceeding 50% of the Company's net assets (E)	
Total amount of the above three categories of guarantees (C+D+E)	91,766.26

## VII. Progress in the Use of Raised Funds

### 1. Use of raised funds

RMB 10,000

Source of raised funds	Date of funds receipt	Total raised funds	Net proceeds (1)	Committed investment amount stated in the prospectus (2)	Cumulative investment as of period end (3)	Cumulative investment progress as of period end (%) (4)=(3)/(1)	Amount invested during the year (5)	Percentage invested during the year (%) (6)=(5)/(1)	Total amount of raised funds with changed use
Issuance of convertible bonds	April 28, 2022	150,000.00	148,988.35	148,988.35	89,992.88	60.40	14,000.00	9.40	72,995.47
Total	/	150,000.00	148,988.35	148,988.35	89,992.88	/	14,000.00	/	72,995.47

### 2. Investment projects funded with raised funds

RMB 10,000

Source of raised funds	Projects invested by the raised funds	Project nature	Whether it is the project stated in the prospectus	Whether the investment has changed	Planned investment amount of raised funds (1)	Amount invested during the year	Cumulative investment as of period end (2)	Cumulative investment progress as of period end (%) (3)=(2)/(1)	Date when the project reaches intended usable condition	Whether the project has been completed	Whether the investment progress is in line with the planned schedule	Specific reasons for investment progress falling behind schedule	Profit realized during the year	Whether the project feasibility has changed materially	Unused balance
Issuance of convertible bonds	Shenyang Nongda Wellhope Feed Company--complete feed mill with annual capacity of 300,000 tons	Production construction	Yes	No	7,988.44		7,988.44	100.00	Dec. 2023	Yes	Yes		-542.48	No	411.56
Issuance of convertible bonds	Anhui Wellhope Animal Husbandry Company--pig feed project with annual capacity of 300,000 tons, ruminant feed project with annual capacity of 150,000 tons	Production construction	Yes	Yes, the project was cancelled or terminated	-		-	Terminated	N/A	No	No	Terminated	N/A	Yes	11,400.00
Issuance of convertible bonds	Heilongjiang Wellhope Animal Husbandry Company--creep feed and nursery feed project with annual capacity of 100,000 tons	Production construction	Yes	Yes, the project was cancelled or terminated	262.40		262.40	Terminated	N/A	No	No	Terminated	N/A	Yes	3,637.60
Issuance of	Fuxin Wellhope	Production	Yes	No	12,818.20		12,818.20	100.00	Dec. 2023	Yes	Yes		-1,649.46	No	4,581.80

convertible bonds	Agriculture and Animal Husbandry Company--pig breeding integration project, producing 150,000 piglets per year	construction													
Issuance of convertible bonds	Lingyuan Wellhope Agriculture and Animal Husbandry Company--breeding farm with annual production of 10,000 breeding pigs	Production construction	Yes	Yes, the project was cancelled or terminated	17.52		17.52	Terminated	N/A	No	No	Terminated	N/A	Yes	24,670.83
Issuance of convertible bonds	Anhui Wellhope Food Company-- integrated pig project with annual slaughtering capacity of 1 million pigs, further processing capacity of 120,000 tons of pork, and supporting cold-chain logistics	Production construction	Yes	Yes, the project was cancelled or terminated	9,200.87		9,200.87	Partially terminated	Slaughter project completed in 2023	No	No	Partially terminated	-1,574.33	Yes	5,199.13
Issuance of convertible bonds	Pingyuan Wellhope Food Processing Company--further processing project with annual capacity of 30,000 tons of prepared and cooked food(broiler)	Production construction	Yes	Yes, the project was cancelled or terminated	705.45		705.45	Terminated	N/A	No	No	Terminated	N/A	Yes	23,094.55
Issuance of convertible bonds	Supplementation of working capital	Supplementing working capital and repaying loans	Yes	No	45,000.00		45,000.00	100.00	N/A	Yes	Yes		N/A	No	
Issuance of convertible bonds	Siping Wellhope Food Company- phase I integration project with 80 million broilers	Production construction	No	Yes, it is a new project	10,000.00	10,000.00	10,000.00	100.00	Dec. 2025	Yes	Yes		N/A	No	
Issuance of convertible bonds	Siping Wellhope Farming Company- farming project with annual production of 14.4 million broilers	Production construction	No	Yes, it is a new project	5,000.00	4,000.00	4,000.00	80.00	Dec. 2025	Yes	Yes		N/A	No	
Issuance of convertible bonds	Raised funds not yet allocated	N/A	N/A	N/A	57,995.47				N/A	N/A	N/A		N/A	No	
/	Total	/	/	/	148,988.35	14,000.00	89,992.88	/	/	/	/	/	-3,766.27	/	72,995.47

Note 1: To ensure the smooth implementation of the investment projects funded with raised funds, the Company provided loans to the implementing entities of the newly added investment projects. The loan amount did not exceed the total amount of raised funds planned to be invested. As of December 31, 2025, the Company had provided a loan of RMB 100 million to Siping

Wellhope Food Company, and a loan of RMB 40 million to Siping Wellhope Farming Company, both of which had been fully used for project expenditures.

Note 2: The complete feed production project of Shenyang Nongda Wellhope Feed Company with an annual capacity of 300,000 tons did not achieve the expected benefits, mainly due to the downward cycle in the swine farming industry, intensified industry competition and a shrinking commercial feed market. The project's actual production and sales volume fell short of its designed capacity, resulting in relatively high fixed costs per unit. The integrated piglet breeding project of Fuxin Wellhope Agriculture and Animal Husbandry Company with an annual capacity of 150,000 piglets also failed to achieve the expected benefits, mainly due to the downward cycle in the swine farming industry and persistently weak hog prices. Although swine farming costs declined, the decrease was not sufficient to offset the decline in hog prices.

### 3. Changes in the investment projects during the reporting period

RMB 10,000

Original project	Date of change (date of announcement)	Type of change	Total raised funds committed before change/termination	Raised funds actually invested before change/termination	Project name after change	Reason for change/termination	Raised funds used to supplement working capital after change/termination	Procedures and disclosure
Anhui Wellhope Animal Husbandry Company--pig feed project with annual capacity of 300,000 tons, ruminant feed project with annual capacity of 150,000 tons	Aug. 19, 2025	Cancellation	11,400.00	0.00	N/A	Disease prevention and control challenges, combined with sharp fluctuations in the swine farming market, have led to the exit of a large number of backyard farms. As the share of output from integrated large-scale farms has increased, the market space for commercial feed has contracted, intensifying competition in the existing market. The existing feed production capacity in the regions where the Company's investment projects funded with raised funds are located is already sufficient to meet local demand. To avoid duplicate construction and overcapacity risks, and to improve the efficiency of the use of raised funds, the Company has decided to terminate the two feed projects.	0.00	The Company held the 12th meeting of the 8th Board of Directors on August 15, 2025 and the 3rd extraordinary Shareholders' Meeting of 2025 on September 4, 2025, at which the proposal on the completion and termination of certain investment projects funded with raised funds under the 2022 public offering of convertible corporate bonds and the use of part of the remaining raised funds for new investment projects funded with raised funds was approved. For details, please
Heilongjiang Wellhope Animal Husbandry Company--creep feed and nursery feed project with annual capacity of 100,000 tons	Aug. 19, 2025	Cancellation	3,900.00	262.40	N/A		0.00	
Lingyuan Wellhope Agriculture and Animal Husbandry Company--breeding farm with annual production of 10,000 breeding pigs	Aug. 19, 2025	Cancellation	24,688.35	17.52	N/A		0.00	

						external piglet purchases and contract fattening based on piglet market prices. In addition, the Implementation Plan for Regulating Hog Production Capacity issued in 2024 lowered the normal inventory target for breeding sows from 41 million to 39 million head, guiding enterprises to phase out low-productivity sows, reduce secondary finishing, and avoid irrational expansion and vicious competition. To adapt to market changes and control investment risks, the Company has decided to terminate this project.		refer to the relevant announcement disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on August 16, 2025 (Announcement No.: 2025-074).
Anhui Wellhope Food Company--integrated pig project with annual slaughtering capacity of 1 million pigs, further processing capacity of 120,000 tons of pork, and supporting cold-chain logistics	Aug. 19, 2025	Partial cancellation	14,400.00	9,200.87	N/A	Further processing of pork involves complex requirements such as industrial chain extension and market channel development, and would require substantial capital and resources. To reduce the operational risks associated with a new business area, the Company has strategically decided to defer entry into pork further processing and prioritize the development of its principal businesses. Accordingly, the Company has decided to terminate the 120,000-ton pork further processing and cold-chain logistics project.	0.00	
Pingyuan Wellhope Food Processing Company--further processing project with annual capacity of 30,000 tons of prepared and cooked food(broiler)	Aug. 19, 2025	Cancellation	23,800.00	705.45	N/A	Affected by external macro factors, consumer demand for meat products has remained weak. Other similar food projects previously invested in by the Company have not yet reached full capacity as expected, creating significant uncertainty over the return on investment of this project. To adapt to changes in market demand and control investment risks, the Company has decided to terminate this project.	0.00	

#### 4. Other use of raised funds during the reporting period

##### A. Prior investment and replacement with raised funds

On May 24, 2022, the Company held the 11th meeting of the 7th Board of Directors, at which the proposal on using raised funds from the convertible corporate bonds to replace self-raised funds previously invested in relevant projects was approved. The Board approved the use of RMB 240.2023 million of raised funds to replace self-raised funds previously invested in relevant projects and used to pay issuance expenses. The Company's independent directors and sponsor, China

Galaxy Securities, expressed their consent on this matter. Sua Jincheng Certified Public Accountants LLP conducted a special verification of the Company's prior investment in relevant projects using self-raised funds as of May 24, 2022, and issued a special assurance report (Sua Verification [2022] No. 29).

**B. Use of idle raised funds to temporarily supplement working capital**

On April 24, 2025, the Company held the 11th meeting of the 8th Board of Directors, at which the proposal on using part of idle raised funds to temporarily supplement working capital was approved. To maximize shareholder interests and improve the efficiency of idle raised funds, while ensuring that project construction and the use of raised funds would not be affected, the Company proposed to use no more than RMB 730 million of idle raised funds to temporarily supplement working capital for a period of no more than 12 months from the date of Board approval. The Company actually used RMB 700 million of idle raised funds to temporarily supplement working capital. Of this amount, RMB 150 million was returned in advance to the dedicated account for raised funds on September 8, 2025, and the remaining RMB 550 million was returned to the special account upon maturity on April 23, 2026.

**5. Conclusive opinions of the sponsor and accounting firm on the special verification and assurance of the deposit and use of raised funds**

Upon verification, the sponsor, China Galaxy Securities Co., Ltd., concluded that the deposit and use of raised funds by Wellhope Foods Co., Ltd. in 2025 complied with the Rules for the Regulation of Raised Funds by Listed Companies, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 — Standardized Operation and other applicable laws, regulations and regulatory documents. The Company deposited the raised funds in dedicated accounts, used them for designated purposes, and fulfilled its relevant information disclosure obligations in a timely manner. The actual use of raised funds was consistent with the Company's disclosures. There was no disguised change in the use of raised funds, no harm to shareholders' interests, and no non-compliant use of raised funds.

In its assurance opinion, RSM China concluded that the Special Report of Wellhope Foods Co., Ltd. on the Deposit and Actual Use of Raised Funds in 2025 was prepared, in all material respects, in accordance with the aforesaid Rules for the Regulation of Raised Funds by Listed Companies and the relevant rules of the stock exchange, and fairly reflected the Company's actual deposit and use of raised funds in 2025.

## Section VI Changes in Shares and Shareholders

### I. Changes in Shares

#### 1. Table of changes in shares

	Before changing		Increase or decrease in the year		After changing	
	Shares	Percentage %	Other	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	919,434,448	100.00	-6,943,315	-6,943,315	912,491,133	100.00
A. RMB ordinary shares	919,434,448	100.00	-6,943,315	-6,943,315	912,491,133	100.00
B. Foreign shares listed domestically						
C. Foreign shares listed overseas						
3. Total shares	919,434,448	100.00	-6,943,315	-6,943,315	912,491,133	100.00

#### 2. Explanation of changes in shares

On April 22, 2022, the Company publicly issued RMB 1.5 billion convertible corporate bonds named “Wellhope Convertible Bond” (bond code: 113647). From January 1, 2025 to December 31, 2025, RMB 134,000 of Wellhope Convertible Bonds were converted into the Company’s shares, resulting in 13,264 new shares.

On February 25, 2025, the Company held the 9th meeting of the 8th Board of Directors, and on March 13, 2025, it held the first extraordinary Shareholders’ Meeting of 2025, at which the proposal on changing the purpose of part of the repurchased shares and cancelling them was approved. On April 29, 2025, the Company cancelled 6,956,579 shares held in its dedicated securities account for share repurchases and reduced its registered capital accordingly.

As a result, the total number of shares of the Company decreased from 919,434,448 shares to 912,491,133 shares.

### II. Issuance and listing of securities

#### 1. Changes in the Company’s total number of shares and shareholding structure, and changes in asset and liability structure

During the reporting period, due to the cancellation of shares and the conversion of convertible bonds into shares, the Company’s total share capital changed from 919,434,448 shares to 912,491,133 shares. The Company’s control remained unchanged. At the beginning of the reporting period, the Company’s total assets were RMB 14.883 billion, total liabilities were RMB 7.305 billion, and the asset-liability ratio was 49.09%. At the end of the reporting period, the Company’s total assets were RMB 18.180 billion, total liabilities were RMB 10.231 billion, and the asset-liability ratio was 56.28%.

### III. Shareholder and Actual Controller

#### 1. Total shareholders

Number of shareholders at the end of the reporting period (accounts)	23,850
Number of shareholders at the end of the month preceding the disclosure date of the annual report (accounts)	23,938

#### 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 the year	Total shares held at the period end	%	Restricted shares held	Pledged or Frozen		Nature of shareholder
					Status	Shares	
Jin Weidong		149,549,498	16.39		-		Domestic natural person
DE HEUS MAURITIUS		82,303,939	9.02		-		Overseas legal entity
Ding Yunfeng	-1,594,500	80,335,058	8.80		-		Domestic natural person
Changzhou Heli Venture Capital Partnership (Limited Partnership)		48,360,000	5.30		-		Other
Wellhope Foods Co., Ltd. dedicated securities account for share repurchase	118,221	47,062,532	5.16		-		Other
Zhang Tiesheng	-3,598,100	44,761,900	4.91		-		Domestic natural person
Shao Caimei	-8,000,000	41,773,878	4.58		-		Domestic natural person
Wang Fengjiu	-11,990,000	35,974,602	3.94		-		Domestic natural person
Wang Zhongtao	-11,656,000	34,969,229	3.83		-		Domestic natural person
Wellhope Foods Co., Ltd. – 2024 Employee Stock Ownership Plan		14,000,000	1.53		-		Other
Top ten shareholders holding unrestricted shares							
Name of shareholder	Unrestricted shares held	Shares and 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	80,335,058	RMB common stock	80,335,058				
Changzhou Heli Venture Capital Partnership (Limited Partnership)	48,360,000	RMB common stock	48,360,000				
Wellhope Foods Co., Ltd. dedicated securities account for share repurchase	47,062,532	RMB common stock	47,062,532				
Zhang Tiesheng	44,761,900	RMB common stock	44,761,900				
Shao Caimei	41,773,878	RMB common stock	41,773,878				
Wang Fengjiu	35,974,602	RMB common stock	35,974,602				
Wang Zhongtao	34,969,229	RMB common stock	34,969,229				
Wellhope Foods Co., Ltd. – 2024 Employee Stock Ownership Plan	14,000,000	RMB common stock	14,000,000				
Description of the dedicated repurchase account	First share repurchases in 2024: The repurchase was completed on						

	<p>September 23, 2024. The Company repurchased 29,759,468 shares by way of centralized bidding, representing 3.26% of the Company's total share capital as at the end of 2025. The total amount paid was RMB 198.3949 million, excluding transaction costs.</p> <p>Second share repurchases in 2024: The repurchase was completed on October 27, 2025. The Company repurchased 17,303,064 shares by way of centralized bidding, representing 1.90% of the Company's total share capital as at the end of 2025. The total amount paid was RMB 145.4592 million, excluding transaction costs.</p>
Explanation of voting rights entrusted, received or waived 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 not exercise voting rights at Shareholders' Meetings during the term of the plan.
Explanation of related-party relationships or acting-in-concert arrangements among the above shareholders	<p>1. Jin Weidong, Wang Fengjiu and Shao Caimei are parties acting in concert.</p> <p>2. Jin Weidong is the actual controller of Changzhou Heli Venture Capital Partnership (Limited Partnership).</p> <p>3. No related-party relationship or acting-in-concert arrangement was identified among the remaining shareholders.</p>

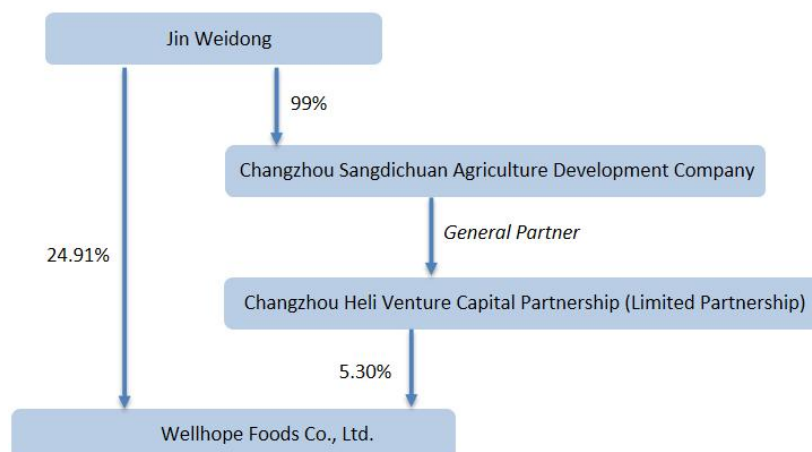
#### IV. Controlling Shareholder and Actual Controller

##### 1. Controlling shareholder

###### A. Natural person

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 the ownership and control relationship between the Company and its controlling shareholder

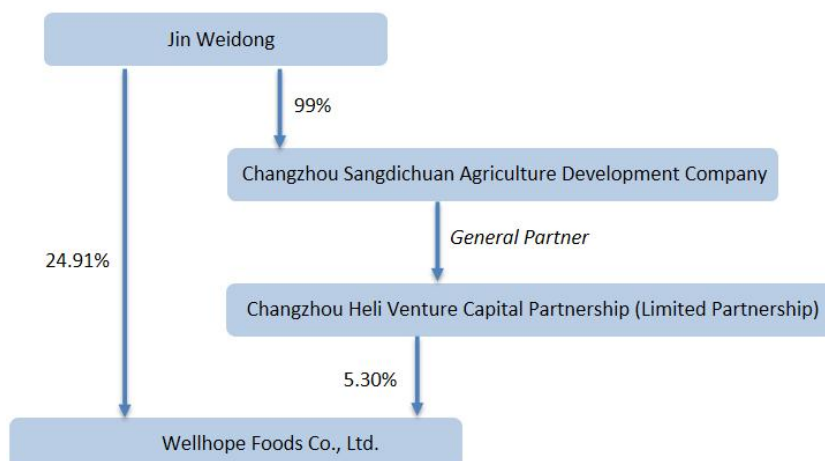


As of December 31, 2025, Jin Weidong directly held 149,549,498 shares of the Company, representing 16.39% of the total share capital. He indirectly controlled 5.30% of the Company's voting rights through his control over Changzhou Heli. In addition, pursuant to the Letter of Confirmation and Undertaking of Concerted Action, he jointly controlled 8.52% of the Company's voting rights together with Wang Fengjiu, who held 3.94%, and Shao Caimei, who held 4.58%. In total, Jin Weidong controlled 30.21% of the Company's voting rights, he is the controlling shareholder of the Company.

##### 2. Actual controller

**A. Natural person**

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 actual controller**

As of December 31, 2025, Jin Weidong directly held 149,549,498 shares of the Company, representing 16.39% of the total share capital. He indirectly controlled 5.30% 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 8.52% of the Company's voting rights together with Wang Fengjiu, who held 3.94%, and Shao Caimei, who held 4.58%. In total, Jin Weidong controlled 30.21% of the Company's voting rights, he is the actual controller of the Company.

**V. Implementation of Share Repurchase during the Reporting Period**

Name of share repurchase plan	2024 second share repurchase plan by way of centralized bidding
Disclosure date of the repurchase plan	October 30, 2024
Proposed number of shares to be repurchased and percentage of total share capital	9,174,311–18,348,623 shares; 1.00% – 2.00%
Proposed repurchase amount	RMB 100 million-200 million
Planned repurchase period	No more than 12 months from the date of approval by the Board of Directors
Purpose of repurchase	For conversion of the Company's convertible bonds
Number of shares repurchased	17,303,064 shares
Percentage of repurchased shares in the underlying shares under the equity incentive plan, if applicable (%)	N/A
Progress of the Company's sale of repurchased shares by way of centralized bidding	N/A

**VI. Situation Related to Preferred Shares**

Not applicable

## Section VII Corporate Bond

### I. Corporate 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. Convertible bondholders and guarantors during the reporting period

Name of convertible bonds	Wellhope convertible bond	
Number of convertible bondholders at the end of the period	4,787	
Guarantors of the Company's convertible bonds	Not applicable	
The top ten convertible bondholders are set out below:		
Name of bondholders	Bonds held at period end (RMB)	Percentage %
China Merchants Bank Co., Ltd. – Bosera CSI Convertible Bond and Exchangeable Bond ETF	98,527,000	6.72
Agricultural Bank of China Limited – China Post & Capital Ruixin Enhanced Bond Securities Investment Fund	63,020,000	4.30
China Minsheng Banking Corp., Ltd. – Invesco Great Wall Jingtai Pure Bond Securities Investment Fund	62,560,000	4.26
Bank of Beijing Co., Ltd. – Invesco Great Wall Jingyi Fengli Bond Securities Investment Fund	60,402,000	4.12
Industrial and Commercial Bank of China Limited – Zhongou Convertible Bond Securities Investment Fund	38,011,000	2.59
CITIC Securities Co., Ltd. – HFT SSE Investment Grade Convertible Bond and Exchangeable Bond ETF	36,645,000	2.50
China Asset Management Yannianshou No. 9 Fixed Income Pension Product – China Merchants Bank Co., Ltd.	32,230,000	2.20
Basic Pension Insurance Fund Portfolio 107	29,624,000	2.02
CITIC Securities Asset Management – China CITIC Bank – CITIC Securities Asset Management Convertible Bond Profit Enhancement No. 1 Collective Asset Management Plan	26,228,000	1.79
Bank of Communications Co., Ltd. – China Post & Capital Stable Income Bond Securities Investment Fund	25,253,000	1.72

#### 3. Changes in convertible bonds during the reporting period

Bond name	Before change	Change (increase or decrease)			After change
		Conversion into shares	Redemption	Putback	
Wellhope convertible bond	1,467,000,000	134,000		4,000	1,466,862,000

RMB

#### Cumulative conversion of convertible bonds during the reporting period

Name of convertible bond	Wellhope convertible bond
Conversion amount during the reporting period (RMB)	134,000
Number of shares converted during the reporting	13,264

period	
Cumulative number of shares converted	3,229,516
Cumulative converted shares as a percentage of total issued shares before conversion (%)	0.35
Outstanding unconverted amount (RMB)	1,466,862,000
Unconverted bonds as a percentage of total convertible bonds issued (%)	97.79

#### 4. Adjustments of the conversion price

RMB

Name of convertible bonds		Wellhope convertible bond		
Conversion price adjustment date	Conversion price after adjustment	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 Company's 2022 annual cash dividend distribution
June 10, 2025	10.09	June 4, 2025	Securities Journal, Shanghai Securities News, Securities Times and SSE website (www.sse.com.cn)	Due to the implementation of the Company's 2024 annual cash dividend distribution
Latest conversion price at the end of the reporting period		10.09		

#### 5. The Company's liabilities, credit rating changes, and cash arrangements for debt repayment in future years

##### A. Liabilities

As of the end of the reporting period, the Company's total liabilities amounted to RMB 10.231 billion, including RMB 6.105 billion in current liabilities and RMB 4.126 billion in non-current liabilities. The asset-liability ratio was 56.28%.

##### B. Credit rating changes

During the reporting period, United Credit Ratings Co., Ltd. issued the 2024 Follow-up Credit Rating Report on the Public Issuance of Convertible Corporate Bonds by Wellhope Foods Co., Ltd. on June 25, 2025. According to the report, the Company's credit rating was AA, and the credit rating of "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 operating activities. The Company maintained a sound debt repayment record and had no overdue bank loan repayments.

## Section VIII Financial Statements

### I. Audit Report

#### Audit Report

RSM China Audit Report No. [2026]110Z0188

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

#### I. 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 of December 31, 2025, and the consolidated and parent company income statements, cash flow statements, and statements of changes in owners' equity for the year then ended, together with 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, and present fairly the consolidated and parent company financial position of the Company as of December 31, 2025, and the consolidated and parent company results of operations and cash flows for the year then ended.

#### II. Basis for Opinion

We conducted our audit in accordance with the Chinese Standards on Auditing. Our responsibilities under those standards are further described in the section "Auditor's Responsibilities for the Audit of the Financial Statements" of this report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants and the Independence Standards for Chinese Certified Public Accountants, including the independence requirements applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### III. 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 in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these matters.

##### A. Revenue recognition

###### 1. Description of the matter

In 2025, the Company recorded operating revenue of RMB 35.762 billion, representing an increase of 9.88% over the prior year. Revenue from the feed business increased by 7.60%, revenue from the broiler business increased by 42.73%, revenue from the swine business increased by 6.86%, while revenue from the raw material trading business decreased by 63.19% over the prior year. As operating revenue is one of the Company's key performance indicators, we identified revenue recognition as a key audit matter. See Note VII. 61 to the financial statements.

## 2. How the matter was addressed in the audit

Our audit procedures mainly included the following:

- (1) Understanding and evaluating the design of internal controls over the Company's sales process, and testing the operating effectiveness of key controls, including those related to revenue recognition;
- (2) Inspecting sales contracts on a sample basis to identify the contractual rights and obligations, evaluating when the performance obligations were satisfied, and assessing whether the judgment on transfer of control in relation to revenue recognition complied with the Company's accounting policies and the Accounting Standards for Business Enterprises;
- (3) Performing analytical procedures to identify any significant or unusual fluctuations, investigate the reasons for such fluctuations, and assess the reasonableness of changes in operating revenue and gross profit;
- (4) Performing the following procedures on operating revenue on a sample basis, primarily to test its occurrence and cut-off assertions:
  - (a) Inspecting supporting documents related to revenue recognition, including sales contracts, sales orders, invoices and customer pick-up notes;
  - (b) Performing confirmation procedures to confirm accounts receivable balances and operating revenue amounts;
  - (c) Performing cut-off testing on operating revenue recognized before and after the balance sheet date to evaluate whether revenue was recognized in the appropriate period.

Based on the procedures performed, we noted no exceptions in the recognition of operating revenue.

## B. Investment income from long-term equity investments accounted for using the equity method

### 1. Description of the matter

In the current period, the Company recognized income of RMB 64.5980 million from long-term equity investments accounted for using the equity method, representing a decrease of RMB 65.2592 million from the prior year. As investment income recognized under the equity method had a significant impact on the Company's financial statements, we identified this matter as a key audit matter. See Note VII. 68 to the financial statements.

## 2. How the matter was addressed in the audit

Our audit procedures mainly included the following:

- (1) Understanding and evaluating the design and implementation of the Company's internal controls related to the recognition of investment income under the equity method;
- (2) Obtaining the articles of association, investment agreements and other relevant documents of the investees to assess whether the Company had significant influence over them and whether the accounting method adopted was appropriate;
- (3) Inquiring of management about the reasons for significant or unusual fluctuations in investment income, and assessing the reasonableness of such explanations;
- (4) Obtaining the financial statements of the investees, and reviewing the accuracy of adjustments for unrealized profits from related-party transactions, the calculation of investment income, and the

Company's share of changes in net assets;

(5) Performing analytical procedures on the operating revenue, costs and inventories of investees that contributed significant investment income in the current period, and obtaining and inspecting detailed schedules and related supporting documents provided by the investees.

Based on the procedures performed, we noted no exceptions in the recognition of investment income from long-term equity investments.

#### **IV. Other Information**

The management of Wellhope Foods Co., Ltd. (hereinafter referred to as "management") is responsible for the other information. The other information comprises the information included in the Company's 2025 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 the other information is materially inconsistent with the financial statements or the knowledge we obtained during 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 nothing to report in this regard.

#### **V. Responsibilities of Management and Those Charged with Governance for Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, 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 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.

#### **VI. 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 audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In conducting an audit in accordance with auditing standards, we exercise professional judgment and

maintain professional skepticism throughout the audit. We also perform the following procedures:

- (1) 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 audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design appropriate audit procedures.
- (3) Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern assumption. Based on the audit evidence obtained, we also conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on Wellhope Foods Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw users' attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to issue a modified opinion. Our conclusions are based on the information available up to the date of our auditor's report. However, future events or conditions may cause Wellhope Foods Co., Ltd. to be unable to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements fairly present the underlying transactions and events.
- (6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Wellhope Foods Co., Ltd. to express an audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit, and remain solely responsible for our audit opinion.

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

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 constitute key audit matters. We describe these matters in our auditor's report unless laws or regulations prohibit public disclosure of such matters, or, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM CHINA CPA LLP

Certified Public Accountant (China): Wu Yu  
(Engagement Partner)

Certified Public Accountant (China): Zhao Songhe

Certified Public Accountant (China): Zhang Yuanyuan

Beijing, China

April 28, 2026

## II. Financial Statements

## Consolidated Balance Sheet

December 31, 2025

RMB

Item	Dec. 31, 2025	Dec. 31, 2024
<b>Current assets:</b>		
Cash and bank balances	1,720,159,136.73	1,794,235,141.02
Financial assets held for trading		904,884.08
Derivative financial assets	6,473,245.85	2,441,832.40
Notes receivable	3,301,161.04	27,893,377.89
Accounts receivable	990,779,360.73	893,154,885.76
Receivables financing	56,826,264.52	9,139,184.14
Prepayments	376,982,640.33	262,395,498.70
Other receivables	127,508,002.69	69,263,268.24
Inventories	3,616,985,768.42	2,809,039,422.59
Contract assets	339,080.00	628,713.20
Other current assets	193,835,129.93	144,952,159.05
Total current assets	7,093,189,790.24	6,014,048,367.07
<b>Non-current assets:</b>		
Long-term equity investment	2,068,196,281.02	2,484,323,621.63
Investments in other equity instruments	313,077.21	163,722.78
Investment properties	222,400,414.95	23,980,919.68
Fixed assets	5,680,220,459.27	4,307,643,182.96
Construction in progress	284,606,615.03	189,068,183.70
Productive biological assets	246,509,413.75	216,354,910.60
Right-of-use assets	706,103,835.02	547,493,899.54
Intangible assets	562,658,708.42	393,245,823.31
Goodwill	29,876,858.44	19,864,604.90
Long-term deferred expenses	84,139,658.92	65,401,006.07
Deferred tax assets	49,902,321.13	68,833,034.84
Other non-current assets	1,151,511,996.81	552,101,624.23
Total non-current assets	11,086,439,639.97	8,868,474,534.24
Total assets	18,179,629,430.21	14,882,522,901.31
<b>Current liabilities:</b>		
Short-term borrowings	1,860,677,880.49	567,278,990.41
Financial liabilities held for trading	7,718,239.77	
Accounts payable	2,197,894,265.86	1,629,553,678.79
Contract liabilities	330,822,123.20	281,430,591.89
Employee compensation payable	314,143,734.86	240,573,782.76
Taxes payable	68,496,355.86	56,466,910.36
Other payables	838,083,095.78	638,629,689.02
Including: Interest payable	15,562,476.40	10,369,863.01
Current portion of non-current liabilities	476,613,275.31	497,542,789.55
Other current liabilities	10,741,773.29	8,223,061.85
Total current liabilities	6,105,190,744.42	3,919,699,494.63
<b>Non-current liabilities:</b>		
Long-term loans	2,071,414,535.29	1,444,154,268.34
Bonds payable	1,386,717,739.62	1,349,079,789.00
Lease liabilities	548,934,023.10	420,845,598.26
Long-term payables	30,577,766.07	94,867,723.87
Deferred income	83,194,661.21	75,291,554.80
Deferred tax liabilities	5,400,611.24	1,185,667.86
Total non-current liabilities	4,126,239,336.53	3,385,424,602.13

Total Liabilities	10,231,430,080.95	7,305,124,096.76
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	912,491,133.00	919,434,448.00
Other equity instruments	233,649,597.78	233,670,941.96
Capital reserves	747,109,091.65	808,038,213.37
Less: Treasury shares	415,954,186.93	425,931,323.30
Other comprehensive income	-60,167,190.97	-39,649,855.09
Surplus reserves	474,685,527.73	474,685,527.73
Undistributed profits	4,727,242,083.79	4,724,940,370.20
Equity attributable to owners of the parent company	6,619,056,056.05	6,695,188,322.87
Non-controlling interests	1,329,143,293.21	882,210,481.68
Total owners' equity (or shareholders' equity)	7,948,199,349.26	7,577,398,804.55
Total liabilities and owners' equity (or shareholders' equity)	18,179,629,430.21	14,882,522,901.31

## Parent Company Balance Sheet

December 31, 2025

RMB

Item	Dec. 31, 2025	Dec. 31, 2024
<b>Current assets:</b>		
Cash and bank balances	1,434,292,270.32	1,670,844,671.81
Derivative financial assets	4,509,370.00	
Accounts receivable	33,067,857.83	65,913,288.04
Prepayments	48,367.07	732,811.68
Other receivables	2,748,722,670.77	2,235,085,491.40
Including: Interest receivable		
Dividends receivable	16,541,119.77	19,052,119.77
Inventories	52,427,633.03	66,261,344.18
Total current assets	4,273,068,169.02	4,038,837,607.11
<b>Non-current assets:</b>		
Long-term equity investments	7,390,438,814.92	6,485,005,782.44
Investments in other equity instruments	824,093.95	717,064.49
Fixed assets	109,470,614.50	118,662,128.54
Construction in progress		5,484,692.80
Intangible assets	24,133,245.04	19,967,998.28
Long-term deferred expenses	759,914.84	1,465,672.77
Deferred tax assets	8,951,503.99	12,569,724.20
Other non-current assets	996,000.00	990,000.00
Total non-current assets	7,535,574,187.24	6,644,863,063.52
Total assets	11,808,642,356.26	10,683,700,670.63
<b>Current liabilities:</b>		
Short-term borrowings	736,235,150.53	270,173,790.32
Financial liabilities held for trading	7,718,239.77	
Accounts payable	27,396,344.76	31,540,843.42
Advances from customers		5,188.00
Contract liabilities	3,317,957.63	2,989,164.65
Employee compensation payable	11,531,582.00	13,118,898.87
Taxes payable	1,115,700.55	3,620,439.89
Other payables	3,235,191,572.17	2,869,019,473.66
Including: Interest payable	15,562,476.40	10,369,863.01
Current portion of non-current liabilities	236,523,473.28	288,300,000.00
Total current liabilities	4,259,030,020.69	3,478,767,798.81
<b>Non-current liabilities:</b>		
Long-term loans	1,343,370,652.78	1,034,598,752.69
Bonds payable	1,386,717,739.62	1,349,079,789.00
Deferred income	30,079,693.33	34,577,340.00
Total non-current liabilities	2,760,168,085.73	2,418,255,881.69
Total liabilities	7,019,198,106.42	5,897,023,680.50
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	912,491,133.00	919,434,448.00
Other equity instruments	233,649,597.78	233,670,941.96
Capital reserves	764,729,619.78	821,935,606.00
Less: Treasury shares	415,954,186.93	425,931,323.30
Other comprehensive income	-50,949,038.65	-30,252,649.01
Surplus reserves	474,685,527.73	474,685,527.73
Undistributed profits	2,870,791,597.13	2,793,134,438.75
Total owners' equity (or shareholders' equity)	4,789,444,249.84	4,786,676,990.13
Total liabilities and owners' equity	11,808,642,356.26	10,683,700,670.63

**Consolidated Income Statement**  
**January-December 2025**

RMB

Item	2025	2024
<b>1. Total operating revenue</b>	35,761,520,925.94	32,545,260,037.87
Including: Operating revenue	35,761,520,925.94	32,545,260,037.87
<b>2. Total operating costs</b>	35,552,633,766.60	32,083,825,709.63
Including: Operating costs	33,692,727,698.13	30,447,129,165.17
Taxes and surcharges	78,217,957.86	56,989,743.36
Selling expenses	787,367,067.70	709,944,370.21
Administrative expenses	750,725,563.66	672,530,023.01
R&D expenses	28,824,671.65	29,041,137.57
Financial expenses	214,770,807.60	168,191,270.31
Including: Interest expense	213,400,859.71	181,050,699.18
Interest income	6,113,431.52	12,294,655.57
Add: Other income	32,361,957.15	38,455,461.52
Investment income	182,033,495.58	137,700,522.64
Including: Investment income from associates and joint ventures	64,598,021.61	129,857,217.55
Gains or losses from changes in fair value	1,160,721.24	-147,128.24
Credit impairment losses	-59,717,545.66	-141,911,879.37
Asset impairment losses	-225,484,767.78	-53,274,841.91
Gains or losses from disposal of assets	1,637,903.85	1,358,138.02
<b>3. Operating profit</b>	140,878,923.72	443,614,600.90
Add: Non-operating income	33,712,109.30	26,553,761.91
Less: Non-operating expenses	40,829,153.80	76,264,332.73
<b>4. Pretax profit</b>	133,761,879.22	393,904,030.08
Less: Income tax expense	137,079,133.32	83,607,979.72
<b>5. Net profit</b>	-3,317,254.10	310,296,050.36
A. Classified by continuity of operations		
1. Net profit from continuing operations	-3,317,254.10	310,296,050.36
B. Classified by ownership attribution		
1. Net profit attributable to owners of the parent company	52,516,855.05	342,468,141.14
2. Profit or loss attributable to non-controlling interests	-55,834,109.15	-32,172,090.78
<b>6. Other comprehensive income, net of tax</b>	-20,587,890.14	-14,423,278.24
A. Other comprehensive income attributable to owners of the parent company, net of tax	-20,517,335.88	-15,772,791.06
1. Other comprehensive income that will not be reclassified to profit or loss	335,754.43	-14,642,433.23
(1) Changes arising from remeasurement of		

defined benefit plans		
(2) Other comprehensive income under the equity method that will not be reclassified to profit or loss		
(3) Changes in fair value of investments in other equity instruments	335,754.43	-14,642,433.23
(4) Changes in fair value attributable to the entity's own credit risk		
2. Other comprehensive income that will be reclassified to profit or loss	-20,853,090.31	-1,130,357.83
(1) Other comprehensive income under the equity method that can be reclassified to profit or loss	-20,766,432.53	-2,832,988.68
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified to other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Exchange differences on translation of foreign currency financial statements	-86,657.78	1,702,630.85
B. Other comprehensive income attributable to non-controlling interests, net of tax	-70,554.26	1,349,512.82
<b>7. Total comprehensive income</b>	<b>-23,905,144.24</b>	<b>295,872,772.12</b>
Attributable to owners of the parent company	31,999,519.17	326,695,350.08
Attributable to non-controlling interests	-55,904,663.41	-30,822,577.96
<b>8. Earnings per share</b>		
(1) Basic earnings per share (RMB per share)	0.06	0.38
(2) Diluted earnings per share (RMB per share)	0.06	0.38

**Parent Company Income Statement**  
**January-December 2025**

Item	2025	2024
RMB		
<b>1. Operating revenue</b>	711,187,600.05	682,050,134.44
Less: Operating costs	532,575,952.09	509,845,631.64
Taxes and surcharges	2,476,013.23	2,101,403.14
Selling expenses	15,066,516.44	16,337,920.76
Administrative expenses	68,428,944.79	67,520,705.89
R&D expenses	22,800,182.30	22,135,865.78
Financial expenses	67,744,252.72	52,649,924.21
Including: Interest expense	114,457,863.20	115,157,179.78
Interest income	49,506,300.68	62,747,413.27
Add: Other income	7,131,598.65	8,884,658.25
Investment income	183,692,421.84	167,225,085.53
Including: Investment income from associates and joint ventures	57,092,087.90	117,945,879.18
Gains or losses from changes in fair value	317,218.30	
Credit impairment losses	-54,134,023.90	56,957.96
Gains or losses from disposal of assets	34,097.28	-221,245.41
<b>2. Operating profit</b>	139,137,050.65	187,404,139.35
Add: Non-operating income	1,374,741.00	848,736.59
Less: Non-operating expenses	4,640,588.10	5,211,244.12
<b>3. Pretax profit</b>	135,871,203.55	183,041,631.82
Less: Income tax expense	7,998,903.71	6,413,164.23
<b>4. Net profit</b>	127,872,299.84	176,628,467.59
Net profit from continuing operations	127,872,299.84	176,628,467.59
<b>5. Other comprehensive income, net of tax</b>	-20,696,389.64	-6,903,949.78
A. Other comprehensive income that will not be reclassified to profit or loss	107,029.46	-4,096,952.57
(1) Changes arising from remeasurement of defined benefit plans		
(2) Other comprehensive income under the equity method that will not be reclassified to profit or loss		
(3) Changes in fair value of investments in other equity instruments	107,029.46	-4,096,952.57
(4) Changes in fair value attributable to the entity's own credit risk		
B. Other comprehensive income that will be reclassified into profit or loss	-20,803,419.10	-2,806,997.21
(1) Other comprehensive income under the equity method that can be reclassified to profit or loss	-20,803,419.10	-2,806,997.21
<b>6. Total comprehensive income</b>	107,175,910.20	169,724,517.81

**Consolidated Cash Flow Statement**  
**January-December 2025**

Item	2025	2024
RMB		
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	41,784,940,439.42	34,340,820,896.67
Tax refunds received	43,540,646.31	39,211,390.72
Other cash received relating to operating activities	416,763,289.25	393,298,565.50
Subtotal of cash inflows from operating activities	42,245,244,374.98	34,773,330,852.89
Cash paid for purchase of goods and receipt of services	38,058,518,445.54	30,793,203,529.15
Cash paid to and on behalf of employees	2,191,460,601.57	1,669,334,296.14
Cash paid for taxes and surcharges	225,334,200.04	199,057,582.61
Other cash payments relating to operating activities	1,088,834,719.92	934,834,948.46
Subtotal of cash outflows from operating activities	41,564,147,967.07	33,596,430,356.36
Net cash flows from operating activities	681,096,407.91	1,176,900,496.53
<b>2. Cash flows from investing activities:</b>		
Cash received from recovery of investments	39,910,156.53	13,000,000.00
Cash received from investment income	33,523,284.91	16,941,434.70
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	24,106,437.78	10,336,063.55
Other cash received relating to investing activities	39,213,618.09	2,409,207.07
Subtotal of cash inflows from investing activities	136,753,497.31	42,686,705.32
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	652,916,291.69	393,119,573.96
Cash paid for investments	98,211,545.53	81,986,951.00
Net cash paid for acquisition of subsidiaries and other business units	418,435,731.37	234,461.47
Other cash payments relating to investing activities	6,744,972.54	15,623,864.47
Subtotal of cash outflows from investing activities	1,176,308,541.13	490,964,850.90
Net cash flows from investing activities	-1,039,555,043.82	-448,278,145.58
<b>3. Cash flows from financing activities:</b>		
Cash received from capital contributions	97,469,000.00	110,268,965.00
Including: Cash received by subsidiaries from capital contributions by non-controlling interests	97,469,000.00	38,170,000.00
Cash received from borrowings	3,251,069,987.68	1,903,088,118.55
Other cash received relating to financing activities	27,931,905.09	17,306,056.53
Subtotal of cash inflows from financing activities	3,376,470,892.77	2,030,663,140.08
Cash paid for repayment of debts	2,524,056,614.62	2,318,304,866.68
Cash paid for distribution of dividends or profits, or payment of interest	205,224,036.41	120,402,126.46
Including: Dividends or profits paid by subsidiaries to non-controlling interests	27,001,111.08	23,455,436.28
Other cash payments relating to financing activities	346,884,786.98	469,309,166.46
Subtotal of cash outflows from financing activities	3,076,165,438.01	2,908,016,159.60
Net cash flows from financing activities	300,305,454.76	-877,353,019.52
<b>4. Effect of changes in foreign exchange rates on cash and cash equivalents</b>	-1,156,516.06	2,187,985.53

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<b>5. Net increase in cash and cash equivalents</b>	-59,309,697.21	-146,542,683.04
Add: Opening balance of cash and cash equivalents	1,748,491,877.60	1,895,034,560.64
<b>6. Closing balance of cash and cash equivalents</b>	1,689,182,180.39	1,748,491,877.60

**Parent Company Cash Flow Statement**  
**January-December 2025**

RMB

Item	2025	2024
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	746,496,357.55	646,385,106.67
Tax refunds received		
Other cash received relating to operating activities	5,781,719.11	24,648,667.48
Subtotal of cash inflows from operating activities	752,278,076.66	671,033,774.15
Cash paid for purchase of goods and receipt of services	514,371,985.05	503,976,806.39
Cash paid to and on behalf of employees	68,225,494.46	62,823,017.91
Cash paid for taxes and surcharges	10,918,490.90	17,650,510.92
Other cash payments relating to operating activities	42,652,160.06	46,024,888.98
Subtotal of cash outflows from operating activities	636,168,130.47	630,475,224.20
Net cash flows from operating activities	116,109,946.19	40,558,549.95
<b>2. Cash flows from investing activities:</b>		
Cash received from recovery of investments	42,240,536.03	39,518,868.83
Cash received from investment income	152,644,003.74	82,353,110.06
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,100.00	80,680.00
Other cash received relating to investing activities	4,350,000.00	502,266,851.90
Subtotal of cash inflows from investing activities	199,238,639.77	624,219,510.79
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	2,921,876.98	3,013,759.80
Cash paid for investments	876,377,907.85	183,161,464.03
Other cash payments relating to investing activities	219,791,856.95	
Subtotal of cash outflows from investing activities	1,099,091,641.78	186,175,223.83
Net cash flows from investing activities	-899,853,002.01	438,044,286.96
<b>3. Cash flows from financing activities:</b>		
Cash received from capital contributions		72,098,965.00
Cash received from borrowings	1,268,590,000.00	1,170,000,000.00
Other cash received relating to financing activities	14,481,905.09	1,591,861.08
Subtotal of cash inflows from financing activities	1,283,071,905.09	1,243,690,826.08
Cash paid for repayment of debts	545,894,568.67	1,386,600,000.00
Cash paid for distribution of dividends or profits, or payment of interest	121,120,269.61	67,010,349.19
Other cash payments relating to financing activities	50,000,000.00	310,000,000.00
Subtotal of cash outflows from financing activities	717,014,838.28	1,763,610,349.19
Net cash flows from financing activities	566,057,066.81	-519,919,523.11
<b>4. Effect of changes in foreign exchange rates on cash and cash equivalents</b>	26.85	160.65
<b>5. Net increase in cash and cash equivalents</b>	-217,685,962.16	-41,316,525.55
Add: Opening balance of cash and cash equivalents	1,641,026,300.69	1,682,342,826.24
<b>6. Closing balance of cash and cash equivalents</b>	1,423,340,338.53	1,641,026,300.69

**Consolidated Statement of Changes in Owners' Equity**  
**January-December, 2025**

RMB

Item	2025									
	Equity attributable to owners of the parent company								Non-controlling interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments Other	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	Undistributed profits	Subtotal		
1. Closing balance of prior 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
Add: Changes in accounting policies										
Correction of prior-period errors										
Other										
2. Opening 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
3. Changes during the period	-6,943,315.00	-21,344.18	-60,929,121.72	-9,977,136.37	-20,517,335.88		2,301,713.59	-76,132,266.82	446,932,811.53	370,800,544.71
A. Total comprehensive income					-20,517,335.88		52,516,855.05	31,999,519.17	-55,904,663.41	-23,905,144.24
B. Capital contributions and reductions by owners	-6,943,315.00	-21,344.18	-60,929,121.72	-9,977,136.37				-57,916,644.53	532,778,586.02	474,861,941.49
a. Ordinary shares contributed by owners	-6,956,579.00		-59,487,033.37	-9,977,136.37				-56,466,476.00	533,536,807.51	477,070,331.51
b. Capital contributed by holders of other equity instruments	13,264.00	-21,344.18	149,400.12					141,319.94		141,319.94
c. Amount of share-based payments recognized in owners' equity			1,573,617.48					1,573,617.48	158,608.11	1,732,225.59

d. Other			-3,165,105.95					-3,165,105.95	-916,829.60	-4,081,935.55
C. Profit distribution							-50,215,141.46	-50,215,141.46	-29,941,111.08	-80,156,252.54
a. Appropriation to surplus reserves										
b. Appropriation to general risk reserves										
c. Distributions to owners (or shareholders)							-50,215,141.46	-50,215,141.46	-29,941,111.08	-80,156,252.54
d. Other										
D. Internal transfer within owners' equity										
a. Other comprehensive income transferred to retained earnings										
4. Closing balance of current period	912,491,133.00	233,649,597.78	747,109,091.65	415,954,186.93	-60,167,190.97	474,685,527.73	4,727,242,083.79	6,619,056,056.05	1,329,143,293.21	7,948,199,349.26

Item	2024									
	Equity attributable to owners of the parent company								Non-controlling interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments Other	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	Undistributed profits	Subtotal		
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. Changes during the 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					-15,772,791.05		342,468,141.14	326,695,350.09	-30,822,577.96	295,872,772.13

income										
B. Capital contributions and reductions 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. Ordinary shares contributed by owners			-66,617,313.16	225,927,710.93				-292,545,024.09	-12,750,079.48	-305,295,103.57
b. Capital contributed by holders of other equity instruments	785.00	-1,274.28	7,817.67					7,328.39		7,328.39
c. Amount of share-based payments recognized in owners' equity										
d. Other			1,735,659.69					1,735,659.69	-8,399,138.20	-6,663,478.51
C. Profit distribution						17,662,846.76	-17,662,846.76		-21,948,402.91	-21,948,402.91
a. Appropriation to surplus reserves						17,662,846.76	-17,662,846.76			
b. Appropriation to general risk reserves										
c. Distributions to owners (or shareholders)									-21,948,402.91	-21,948,402.91
d. Other										
D. Internal transfer within owners' equity										
a. Other comprehensive income transferred to retained earnings										
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

**Parent Company Statement of Changes in Owners' Equity**  
**January-December, 2025**

RMB

Item	2025							
	Paid-in capital (or share capital)	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	Undistributed profits	Total owners' equity
		Other						
1. Closing balance of prior period	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
Add: Changes in accounting policies								
Other								
2. Opening balance of current period	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
3. Changes during the period	-6,943,315.00	-21,344.18	-57,205,986.22	-9,977,136.37	-20,696,389.64		77,657,158.38	2,767,259.71
A. Total comprehensive income					-20,696,389.64		127,872,299.84	107,175,910.20
B. Capital contributions and reductions by owners	-6,943,315.00	-21,344.18	-57,205,986.22	-9,977,136.37				-54,193,509.03
a. Ordinary shares contributed by owners	-6,956,579.00		-59,487,033.37	-9,977,136.37				-56,466,476.00
b. Capital contributed by holders of other equity instruments	13,264.00	-21,344.18	149,400.12					141,319.94
c. Amount of share-based payments recognized in owners' equity			1,738,333.31					1,738,333.31
d. Other			393,313.72					393,313.72
C. Profit distribution							-50,215,141.46	-50,215,141.46
a. Appropriation to surplus reserves								
b. Distributions to owners (or shareholders)							-50,215,141.46	-50,215,141.46
c. Other								
4. Closing balance of current period	912,491,133.00	233,649,597.78	764,729,619.78	415,954,186.93	-50,949,038.65	474,685,527.73	2,870,791,597.13	4,789,444,249.84

Item	2024							
	Paid-in capital (or share capital)	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Surplus reserves	Undistributed profits	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. Changes during the 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 contributions and reductions by owners	785.00	-1,274.28	-56,893,103.67	225,927,710.93				-282,821,303.88
a. Ordinary shares contributed by owners			-61,496,032.42	225,927,710.93				-287,423,743.35
b. Capital contributed by holders of other equity instruments	785.00	-1,274.28	7,817.67					7,328.39
c. Amount of share-based payments recognized in owners' 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. Appropriation to surplus reserves						17,662,846.76	-17,662,846.76	
b. Distributions to owners (or shareholders)								
c. Other								
4. Closing balance of current period	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

### III. Basic Information of the Company

#### 1. Company Profile

Wellhope Foods Co., Ltd. (formerly known as Liaoning Wellhope Agri-Tech Co., Ltd., hereinafter referred to as the “Company”) is a joint stock limited 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 registered capital of RMB 53.00 million, of which Jin Weidong contributed RMB 12.19 million, representing 23.00% of the share capital; Ding Yunfeng contributed RMB 7.685 million, representing 14.50% of the share capital; Wang Fengjiu, Zhang Tiesheng, Shao Caimei and Wang Zhongtao each contributed RMB 4.505 million, each representing 8.50% of the share capital; and the other 17 shareholders contributed RMB 15.105 million in total, representing 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) by way of private placement on August 22, 2006. The Company was converted into a foreign-invested joint stock company, and its total share capital was changed to 58.888889 million shares. With the approval of the Liaoning Department of Foreign Trade and Economic Cooperation, the Company issued 3.464052 million shares to De Heus (China) by way of private placement on November 15, 2007. After the capital increase, the Company’s total share capital was 62.352941 million shares.

The Company’s second extraordinary general meeting in 2010 approved the capitalization 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 capitalization, the Company’s total share capital increased to 374.117646 million shares. The Company’s third extraordinary general meeting in 2010 approved the capitalization of capital reserves into share capital by issuing 100 million shares. After the capitalization, the Company’s total share capital increased to 474.117646 million shares.

With the approval of the China Securities Regulatory Commission, the Company issued 80 million new shares at RMB 5.88 per share on August 4, 2014. After the initial public offering, the Company’s total share capital was 554.1176 million shares.

The Company’s second extraordinary general meeting in 2015 approved the capitalization of capital reserves into share capital by issuing 5 shares for every 10 shares, based on the total share capital as of June 30, 2015. After the capitalization, the Company’s total share capital increased to 831.1765 million shares.

The Company’s second extraordinary general meeting in 2018 approved the issuance of 14.575 million restricted shares to 372 natural persons at RMB 4.85 per share on December 29, 2018. After the change, the Company’s total share capital was 845.7515 million shares.

With the approval of the China Securities Regulatory Commission, the Company made a non-public issuance of 76.5529 million domestically listed RMB-denominated 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 whose lock-up restrictions had not yet been lifted. After the change, the total share capital was 922.0599 million shares.

On March 24, 2021, the Company changed its name to Wellhope Foods Co., Ltd.

On May 19, 2021, the Company repurchased and cancelled 99,700 restricted shares that had been granted but whose lock-up restrictions had not yet been lifted. After the change, the total share capital was 921.9602 million shares.

On June 22, 2022, the Company repurchased and cancelled 5.7420 million restricted shares that had been granted but whose lock-up restrictions had not yet been lifted. 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, the Company publicly issued RMB 1.5 billion of convertible corporate bonds, abbreviated as “Wellhope Convertible Bond”, with a term of six years. The bonds became convertible into shares from October 28, 2022.

On April 29, 2025, the Company cancelled 6.956579 million repurchased shares held in its dedicated securities account for repurchased shares. After the change, the total share capital was 912.4779 million shares.

As of December 31, 2025, the Company’s shares had increased by 3.2295 million cumulatively as a result of the conversion of convertible bonds into shares, and the total share capital after the change was 912.4911 million shares.

The principal activities of the Company and its subsidiaries include the production and sale of feed and feed additives, trading of feed raw materials, poultry farming, slaughtering and processing, livestock farming, processing, packaging, refrigerated storage and sale of quick-frozen food, and processing of agricultural and sideline products and local specialty products.

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

The legal representative is Jin Weidong, Chairman of the Board.

Date of approval of the financial statements: The financial statements were approved for issuance by resolution of the Company’s Board of Directors on April 28, 2026.

#### **IV. Basis of Preparing Financial Statements**

##### **1. Basis of preparation**

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. Significant Accounting Policies and Accounting Estimates

Note on specific accounting policies and accounting estimates:

The following significant accounting policies and accounting estimates of the Company have been formulated in accordance with the Accounting Standards for Business Enterprises. Matters not specifically mentioned are accounted for in accordance with the relevant accounting policies under the Accounting Standards for Business Enterprises.

### 1. Statement of 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 position, 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 Company's normal operating cycle is one year.

### 4. Functional currency

The Company's functional currency is Renminbi. The functional currency of overseas branches and subsidiaries is determined based on the currency of the primary economic environment in which they operate.

### 5. Method for determining materiality criteria and basis for selection

Item	Criteria for materiality
Material receivables for which bad debt provisions are recognized individually	RMB 1 million
Material write-offs of receivables	RMB 1 million
Material construction in progress	RMB 10 million
Material dividends receivable	RMB 10 million

### 6. Accounting treatment of business combinations under common control 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, on the combination date, at the book value of the acquiree's assets and liabilities in the consolidated financial statements of the ultimate controlling party. Where the acquiree adopts accounting policies or accounting periods different from those of the Company before the business combination, the accounting policies and accounting periods shall be aligned based on the principle of materiality, and the book value of the acquiree's assets and liabilities shall be adjusted in accordance with the Company's accounting policies and accounting periods. If there is any difference between the book value of the net assets acquired by the Company in the business combination and the book value of the consideration paid, capital reserve, including capital premium or share premium, shall be adjusted first. If the balance of capital reserve, including capital premium or share premium, is insufficient for offsetting, the surplus reserve and undistributed profit shall be offset in sequence.

For the accounting treatment of business combinations under common control achieved in stages through multiple transactions, please refer to Note V.7(5).

(2) Business combination not under common control

The identifiable assets and liabilities of the acquiree obtained by the Company in a business combination are measured at fair value on the acquisition date. Where the acquiree adopts accounting policies or accounting periods different from those of the Company before the business combination, the accounting policies and accounting periods shall be aligned based on the principle of materiality, and the book value of the acquiree's assets and liabilities shall be adjusted in accordance with the Company's accounting policies and accounting periods. If the Company's combination cost on the acquisition date exceeds the net fair value of the identifiable assets and liabilities of the acquiree obtained in the business combination, the difference shall be recognized as goodwill. If the combination cost is less than the net fair value of the identifiable assets and liabilities of the acquiree obtained in the business combination, the combination cost and the fair value of the acquiree's identifiable assets and liabilities obtained in the business combination shall first be reviewed. If, after such review, the combination cost remains less than the net fair value of the identifiable assets and liabilities of the acquiree obtained, the difference shall be recognized in profit or loss for the current period.

For the accounting treatment of business combinations not under common control achieved in stages through multiple transactions, please refer to Note V.7(5).

(3) Treatment of transaction costs in a business combination

Audit fees, legal service fees, valuation and consulting fees and other intermediary fees, as well as other related administrative expenses incurred for a business combination, shall be recognized in profit or loss for the current period when incurred. Transaction costs of equity securities or debt securities issued as consideration for the business combination shall be included in the initial recognition amount of the equity securities or debt securities.

## **7. Judgment criteria for control and method of preparing consolidated financial statements**

(1) Judgment criteria for control and determination of consolidation scope

Control means that the Company has power over the investee, has rights to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of those returns. The definition of control includes three key elements: 1) The investor has power over the investee. 2) The investor has rights to 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 enterprises, 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).

(2) Method of preparing consolidated financial statements

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

In preparing consolidated financial statements, the Company treats the entire enterprise group as an accounting entity, and in accordance with the requirements for recognition, 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 flows of the enterprise group.

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

② Eliminate 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 Eliminate the effects of internal transactions between the parent company and its subsidiaries, as well as between subsidiaries. If any relevant assets are impaired as a result of internal transactions, 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 Addition of a 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 had existed since the point when the ultimate controlling party first obtained control.

(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 had existed since the point when the ultimate controlling party first obtained control.

(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 had existed since the point when the ultimate controlling party first obtained control.

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 a 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 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 eliminated against the corresponding share of owners’ equity of the relevant 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 are also different from retained earnings and undistributed profits, shall be restored based on the portion attributable to owners of the parent company after offsetting long-term equity investments against the owners’ equity in subsidiaries

③ If offsetting unrealized gains or losses on internal sales 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 gains or losses on internal transactions arising from the sale of assets by the parent company to subsidiaries shall be fully eliminated against “Net profit attributable to owners of the parent company” in the consolidated income statement. Unrealized gains or losses on internal transactions arising from the sale of assets by subsidiaries to the parent company shall be allocated and eliminated between “Net profit attributable to owners of the parent company” and “non-controlling interests’ share of profit or loss” according to the parent company’s shareholding percentage in the subsidiary.

Unrealized gains or losses on internal transactions arising from the sale of assets between subsidiaries shall be allocated and eliminated between “Net profit attributable to owners of the parent company” and “non-controlling interests’ share of profit or loss” based on the parent company’s shareholding percentage in the selling subsidiary.

⑤ If losses for the current period attributable to non-controlling interests exceed their share of the subsidiary’s equity at the beginning of the period, the excess shall still be deducted from non-controlling interests.

(5) Accounting for special transactions

① Purchase of equity interests held by non-controlling shareholders

When the Company purchases equity interests in a subsidiary held by non-controlling shareholders, the investment cost of the new long-term equity investment acquired from the purchase of non-controlling interests 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 non-controlling interests and the share of the subsidiary’s net assets as continuously calculated by the Group from the acquisition date or combination date corresponding to the new shareholding ratio shall be adjusted to capital reserves, including capital premium or share premium. If capital reserves are insufficient, surplus reserves and undistributed profits shall be offset in sequence.

② Obtaining control over a subsidiary in stages through multiple transactions

A. Business combination under common control achieved in stages through multiple transactions

On the combination 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 book value of the subsidiary’s net assets in the consolidated financial statements of the ultimate controlling party that the Company should enjoy after the combination. The difference between the initial investment cost and the sum of the book value of the long-term equity investment before the combination and the book value of the consideration newly paid for the additional shares obtained on the combination date shall be adjusted to capital reserves, including capital premium or share premium. If capital reserves are insufficient, surplus reserves and undistributed profits shall be offset in sequence.

In the consolidated financial statements, the assets and liabilities of the acquiree obtained by the combining party in the combination shall be measured at their book value in the consolidated financial statements of the ultimate controlling party on the combination date, except for adjustments made due to differences in accounting policies and accounting periods. The difference between the sum of the book value of the pre-combination investment and the book value of the consideration newly paid on the combination date, and the book value of the net assets acquired in the combination, shall be adjusted to capital reserves, including share premium or capital premium. If capital reserves are insufficient, retained earnings shall be adjusted.

For equity investments held by the combining party before obtaining control over the acquiree, the

related profit or loss, other comprehensive income and other changes in owners' equity recognized from the later of the date of acquisition of the original equity interests and the date on which the combining party and the acquiree came under the common control of the same ultimate controlling party to the combination date shall be offset against the opening retained earnings of the comparative financial statements or profit or loss for the current period, respectively.

**B. Business combination not under common control achieved in stages through multiple transactions**

On the acquisition 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 long-term equity investment and the new investment cost on the acquisition date.

In the consolidated financial statements, for the equity interests held in the acquiree before the acquisition date, they shall be remeasured at fair value on the acquisition date. If the equity interests held before the acquisition date are designated as financial assets measured at fair value with changes recognized in other comprehensive income, the difference between the fair value and their book value shall be recognized in retained earnings, and the cumulative fair value changes previously recognized in other comprehensive income shall be transferred to retained earnings. If the equity interests held before the acquisition date are classified as financial assets measured at fair value through profit or loss, or as long-term equity investments accounted for using the equity method, the difference between the fair value and their book value shall be recognized as investment income for the current period. If the equity interests held before the acquisition date involve other comprehensive income under the equity method, as well as other changes in owners' equity under the equity method other than net profit or loss, other comprehensive income and profit distribution, the related other comprehensive income shall be accounted for on the same basis as the direct disposal of related assets or liabilities by the investee, and other changes in owners' equity related thereto shall be reclassified to investment income in the period in which the acquisition date falls.

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

When the parent company disposes of part of its long-term equity investment in a subsidiary without losing control, in the consolidated financial statements, the difference between the disposal consideration and the share of the subsidiary's net assets continuously calculated from the acquisition date or combination date corresponding to the disposed long-term equity investment shall be adjusted to capital reserves, including capital premium or share premium. If capital reserves are insufficient, retained earnings shall be adjusted.

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

**A. Disposal in a single transaction**

If the parent company loses control over the investee due to the disposal of part of its equity investment or other reasons, in preparing the consolidated financial statements, the remaining equity shall be remeasured at its fair value on the date of loss of control. The difference between the sum of the consideration received from the disposal of the equity interests and the fair value of the remaining equity, less the sum of the share of the former subsidiary's net assets continuously calculated from the

acquisition date or combination date based on the original shareholding ratio and goodwill, shall be recognized as investment income in the period in which control is lost.

Other comprehensive income related to the equity investment in the former subsidiary shall be accounted for on the same basis as the direct disposal of the related assets or liabilities by the former subsidiary upon loss of control. Other changes in owners' equity under the equity method related to the former subsidiary shall be transferred to profit or loss for the current period upon loss of control.

#### B. Disposal in stages through multiple transactions

In the consolidated financial statements, it shall first be determined whether the transactions effected in stages constitute a single arrangement.

If the transactions effected in stages do not constitute a single arrangement, in the individual financial statements, for each transaction before losing control of the subsidiary, the book value of the long-term equity investment corresponding to the disposed equity shall be derecognized, and the difference between the consideration received and the book value of the disposed long-term equity investment shall be recognized in investment income for the current period. 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 transactions effected in stages constitute a single arrangement, 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 consideration of each transaction before losing control and the book value of the long-term equity investment corresponding to the disposed equity shall first be recognized in other comprehensive income, and shall be transferred to profit or loss in the period in which control is lost. In the consolidated financial statements, for each transaction before losing control, the difference between the disposal consideration and the share of the subsidiary's net assets corresponding to the disposed investment shall be recognized as other comprehensive income, and shall be transferred to profit or loss in the period in which control is lost.

Multiple transactions are generally treated as a single arrangement if the terms, conditions and economic effects of the transactions meet one or more of the following circumstances:

- (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 economical when considered separately, but becomes economical when considered together with other transactions.

⑤ Dilution of the parent company's ownership interest in a subsidiary due to capital increase by non-controlling shareholders

When non-controlling shareholders of a subsidiary increase capital in the subsidiary, thereby diluting the parent company's equity interest in the subsidiary, in the consolidated financial statements, the difference between the parent company's share of the subsidiary's book net assets before the capital increase calculated based on its shareholding ratio before the capital increase and its share of the

subsidiary's book net assets after the capital increase calculated based on its shareholding ratio after the capital increase shall be adjusted to capital reserves, including capital premium or share premium. If capital reserves are insufficient, retained earnings shall be adjusted.

### **8. Classification of joint arrangements and accounting treatment of joint operations**

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

#### (1) Joint operations

A joint operation refers to a joint arrangement under which the Company has rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items related to its interests in a joint operation and accounts for them in accordance with the relevant Accounting Standards for Business Enterprises:

- ① assets held separately, and jointly held assets according to its share;
- ② liabilities assumed separately, and jointly assumed liabilities according to its share;
- ③ revenue from the sale of its share of the output of the joint operation;
- ④ revenue from the sale of the output of the joint operation according to its share;
- ⑤ expenses incurred separately, and expenses incurred by the joint operation according to its share.

#### (2) Joint ventures

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

The Company accounts for its investments in joint ventures in accordance with the provisions on equity method accounting for long-term equity investments.

### **9. Criteria for determining cash and cash equivalents**

Cash refers to the Company's cash on hand and deposits that are readily available for payment. Cash equivalents refer to short-term, highly liquid investments that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value, generally with maturities of three months or less from the date of acquisition.

### **10. Foreign currency transactions and translation of foreign currency financial statements**

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

At initial recognition of foreign currency transactions, the Company translates such transactions into its functional currency using the spot exchange rate on the transaction date or an exchange rate determined by a systematic and reasonable method that approximates the spot exchange rate on the transaction date, hereinafter referred to as the approximate spot exchange rate.

#### (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 differences between the spot exchange rate at the balance sheet date and the spot exchange rate at initial recognition or at the previous balance sheet date are recognized in profit or loss for the current period. Foreign currency non-monetary items

measured at historical cost continue to be translated using the spot exchange rate on the transaction date. For inventories measured at the lower of cost and net realizable value, where the inventories are purchased in a foreign currency and their net realizable value at the balance sheet date is denominated in a foreign currency, the net realizable value is first translated into the functional currency using the spot exchange rate at the balance sheet date, and then compared with the cost of the inventories denominated in the functional currency to determine the period-end carrying amount of such inventories. Foreign currency non-monetary items measured at fair value are translated using the spot exchange rate on the date when the fair value is determined. 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 profit or loss for the current period. For investments in non-trading equity instruments 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 foreign operations, the accounting periods and accounting policies of the foreign operations are adjusted to align with those of the Company. Financial statements in the relevant foreign currency are then prepared based on the adjusted accounting policies and accounting periods. The financial statements of foreign operations are translated as follows:

- ① Asset and liability items in the balance sheet are translated using the spot exchange rate at the balance sheet date. Except for “undistributed profits”, owners’ equity items are translated using the spot exchange rate at the time of occurrence.
- ② Income and expense items in the income statement are translated using the spot exchange rate on the transaction date or the approximate spot exchange rate.
- ③ Foreign currency cash flows and cash flows of overseas subsidiaries are translated using the spot exchange rate on the date of the cash flows or the approximate spot exchange rate. The effect of exchange rate changes on cash is presented separately in the cash flow statement as a reconciling item.
- ④ Translation differences arising from the translation of foreign currency financial statements are presented under “Other comprehensive income” within owners’ equity in the consolidated balance sheet when preparing consolidated financial statements.

When disposing of a foreign operation and losing control, the foreign currency translation differences related to the foreign operation and presented under owners’ equity in the balance sheet are transferred, in full or in proportion to the disposal of the foreign operation, to 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 shall 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 as described below.

A financial liability, or part of a financial liability, is derecognized when its present obligation has been discharged. If the Company, as borrower, enters into an agreement with the lender to replace an original financial liability with a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the original financial liability, the original financial liability is derecognized and the new financial liability is recognized simultaneously. If the Company makes substantial modifications to the contractual terms of an original financial liability, or part of it, the original financial liability shall be derecognized, and a new financial liability shall be recognized based on the modified terms.

Regular way purchases and sales of financial assets are recognized and derecognized on the transaction date. Regular way purchases and sales of financial assets refer to purchases or sales of financial assets under contracts whose terms require delivery of the assets within the timeframe established by regulation or market convention. The transaction date is the date on which the Company commits itself to purchase or sell a financial asset.

## (2) Classification and measurement of financial assets

Upon initial recognition, the Company classifies financial assets based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets into financial assets measured at amortized cost, financial assets measured at fair value through profit or loss, and financial assets measured at fair value through other comprehensive income. Financial assets shall not be reclassified after initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets shall be reclassified on the first day of the first reporting period after the change in the business model.

Financial assets are initially measured at fair value. For financial assets measured at fair value through profit or loss, related transaction costs are recognized directly in profit or loss for the current period. For other categories of financial assets, related transaction costs are included in the initial recognition amount. Notes receivable and accounts receivable arising from the sale of goods or rendering of services that do not contain, or for which the Company does not consider, a significant financing component are initially measured at the transaction price as defined in the revenue standard.

The subsequent measurement of financial assets depends on their classification:

### ① Financial assets measured at amortized cost

A financial asset is classified as measured at amortized cost if both of the following conditions are met: the Company's business model for managing the financial asset is to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely

payments of principal and interest on the principal amount outstanding. Such financial assets are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition, amortization using the effective interest method, or impairment are recognized in profit or loss for the current period.

② Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive income if both of the following conditions are met: the Company's business model for managing the financial asset is both to collect contractual cash flows and to sell financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are subsequently measured at fair value. Except for impairment losses or gains and foreign exchange gains or losses, which are recognized in profit or loss for the current period, changes in fair value of such financial assets are recognized in other comprehensive income until the financial asset is derecognized, at which time the accumulated gains or losses are transferred to profit or loss for the current period. However, interest income calculated using the effective interest method is recognized in profit or loss for the current period.

The Company irrevocably elects to designate certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. Only the related dividend income is recognized in profit or loss for the current period, while changes in fair value are recognized in other comprehensive income. Upon derecognition of such financial assets, the accumulated gains or losses are transferred to retained earnings.

③ Financial assets measured at fair value through profit or loss

Financial assets other than those classified as financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss. Such financial assets are subsequently measured at fair value, with all changes in fair value recognized in profit or loss for the current period.

(3) Classification and measurement of financial liabilities

The Company classifies financial liabilities into financial liabilities measured at fair value through profit or loss, loan commitments to provide loans 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 through profit or loss

This category of financial liabilities includes financial liabilities held for trading, including derivatives that are financial liabilities, and financial liabilities designated as measured at fair value through profit or loss. After initial recognition, such financial liabilities are subsequently measured at fair value. Except for those related to hedge accounting, gains or losses, including interest expense, are recognized in profit or loss for the current period. However, for financial liabilities designated as measured at fair value through profit or loss, the amount of changes in fair value attributable to changes in the Company's own

credit risk is recognized in other comprehensive income. When the financial liability is derecognized, the accumulated gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

② Loan commitments and financial guarantee contract liabilities

A loan commitment is a commitment made by the Company to provide a loan to a customer under specified contractual terms within the commitment period. The Company recognizes impairment provisions for loan commitments under the expected credit loss model.

A financial guarantee contract refers to a contract that requires the Company to compensate the contract holder for a specified amount of loss when a specified debtor fails to repay the debt when due in accordance with the original or modified terms of the debt instrument. Financial guarantee contract liabilities are subsequently measured at the higher of the amount of loss provision determined in accordance with the impairment principles for financial instruments and the balance of the initial recognition amount less accumulated amortization determined in accordance with the revenue recognition principles.

③ Financial liabilities measured at amortized cost

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest 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 contractual obligation by delivering cash or other financial assets, the contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly contain terms and conditions requiring the delivery of cash or other financial assets, a contractual obligation may still be indirectly established through other terms and conditions.

② If a financial instrument is or may be settled in 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 are intended to enable the holder of the instrument to enjoy residual interests in the issuer's assets after deducting all liabilities. If the former applies, the instrument is a financial liability of the issuer; if the latter applies, the instrument is an equity instrument of the issuer. In certain circumstances, a financial instrument contract requires or may require the Company to settle the financial instrument using its own equity instruments, and the amount of the contractual right or obligation equals the number of own equity instruments to be received or delivered multiplied by their fair value at settlement. Regardless of whether the amount of the contractual right or obligation is fixed, or varies wholly or partly based on variables other than the market price of the Company's own equity instruments, such as interest rates, commodity prices or prices of financial instruments, the contract is classified as a financial liability.

(4) Derivative financial instruments and embedded derivatives

Derivative financial instruments are initially measured at fair value on the date when the derivative contract is entered into and are subsequently measured at fair value. A derivative financial instrument with a positive fair value is recognized as an asset, while one with a negative fair value is recognized as a liability.

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

For hybrid instruments containing embedded derivatives, if the host contract is a financial asset, the hybrid instrument as a whole is subject to the relevant provisions on classification of financial assets. If the host contract is not a financial asset, and the hybrid instrument is not measured at fair value through profit or loss, and the embedded derivative is not closely related to the host contract in terms of economic characteristics and risks, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, the embedded derivative is separated from the hybrid instrument and accounted for as a separate derivative financial instrument. If the fair value of the embedded derivative cannot be measured separately on the date of acquisition 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 through profit or loss.

#### (5) Impairment of financial instruments

The Company recognizes provisions for expected credit losses for financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and financial guarantee contracts.

##### ① Measurement of expected credit losses

Expected credit losses refer to the weighted average of credit losses on financial instruments weighted by the risks of default. Credit loss refers to the difference between all contractual cash flows receivable by the Company under the contract and all cash flows expected to be received, discounted at the original effective interest rate, namely the present value of all cash shortfalls. For purchased or originated credit-impaired financial assets, the Company discounts them using the credit-adjusted effective interest rate of such financial assets.

Lifetime expected credit losses refer to expected credit losses resulting from all possible default events over the expected life of a financial instrument.

12-month expected credit losses refer to expected credit losses resulting from default events on a financial instrument that are possible within 12 months after the balance sheet date, or within the expected life if the expected life of the financial instrument is less than 12 months, and represent a portion of lifetime expected credit losses.

At each balance sheet date, the Company measures expected credit losses of financial instruments at different stages separately. If the credit risk of a financial instrument has not increased significantly since initial recognition, it is classified in Stage 1, and the Company measures the loss provision based on

12-month expected credit losses. If the credit risk of a financial instrument has increased significantly since initial recognition but the financial instrument has not become credit-impaired, it is classified in Stage 2, and the Company measures the loss provision based on lifetime expected credit losses. If the financial instrument has become credit-impaired since initial recognition, it is classified in Stage 3, and the Company measures the loss provision based on lifetime expected credit losses.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition and measures the loss provision based on 12-month expected credit losses.

For financial instruments in Stage 1 and Stage 2, as well as those with low credit risk, the Company calculates interest income based on their book balance before deduction of impairment provisions and the effective interest rate. For financial instruments in Stage 3, the Company calculates interest income based on their amortized cost after deduction of impairment provisions and the effective interest rate.

For notes receivable, accounts receivable, receivables financing and contract assets, the Company measures the loss provision based on lifetime expected credit losses, regardless of whether a significant financing component exists.

#### A. Receivables / contract assets

For notes receivable, accounts receivable, other receivables, receivables financing, contract assets and long-term receivables for which objective evidence of impairment exists, as well as other items applicable to individual assessment, the Company performs individual impairment tests, recognizes expected credit losses and makes individual impairment provisions. For notes receivable, accounts receivable, other receivables, receivables financing, contract assets and long-term receivables for which no objective evidence of impairment exists, or where information on expected credit losses of an individual financial asset cannot be assessed at reasonable cost, the Company classifies such items into portfolios based on credit risk characteristics, calculates expected credit losses on a portfolio basis, and determines the portfolios as follows:

The basis for determining portfolios of notes receivable is as follows:

Notes receivable portfolio 1: commercial acceptance bills

Notes receivable portfolio 2: bank acceptance bills

For notes receivable classified into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions, through exposure at default and lifetime expected credit loss rates.

The basis for determining portfolios of accounts receivable is as follows:

Accounts receivable portfolio 1: aging portfolio

Accounts receivable portfolio 2: receivables from related parties within the consolidation scope

For accounts receivable classified into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and by preparing a comparison table of the aging of accounts receivable and lifetime expected credit loss rates.

The basis for determining portfolios of other receivables is as follows:

Other receivables portfolio 1: interest receivable

Other receivables portfolio 2: dividends receivable

Other receivables portfolio 3: other receivables

Other receivables portfolio 4: receivables from related parties within the consolidation scope

For other receivables classified into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions, through exposure at default and 12-month or lifetime expected credit loss rates.

The basis for determining portfolios of receivables financing is as follows:

Receivables financing portfolio 1: notes receivable

Receivables financing portfolio 2: accounts receivable

For receivables financing classified into portfolios, the Company calculates expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions, through exposure at default and lifetime expected credit loss rates.

#### 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 investments and different types of counterparties and risk exposures, through exposure at default and 12-month or lifetime expected credit loss rates.

##### 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 adverse changes in economic conditions and the operating environment over a longer period would not necessarily reduce the borrower's ability to fulfill its contractual cash flow obligations, the financial instrument is considered to have low credit risk.

##### ③ Significant increase in credit risk

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the probability of default over the expected life of the financial instrument determined at the balance sheet date with the probability of default over the expected life determined at initial recognition, so as to determine the relative change in the probability of default over the expected life of the financial instrument.

In determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including forward-looking information. The information considered by the Company includes:

- A. Whether internal pricing indicators resulting from changes in credit risk have changed significantly;
- B. Whether adverse changes in business, financial or economic conditions that are expected to significantly affect the debtor's ability to meet its debt obligations have occurred;
- C. Whether the actual or expected operating results of the debtor have changed significantly; and whether the regulatory, economic or technological environment in which the debtor operates has undergone significant adverse changes;

D. Whether there have been significant changes in the value of collateral for the debt, or in the quality of guarantees or credit enhancements provided by third parties. Such changes are expected to reduce the debtor's economic incentive to make repayments within the contractual period or affect the probability of default;

E. Whether there has been a significant change in the economic incentive expected to reduce the debtor's willingness to make repayments within the contractual period;

F. Expected changes to the loan contract, including whether expected breaches of contract may lead to exemption from or modification of contractual obligations, the granting of an interest-free period, an interest rate step-up, requirements 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 contractual payments are 30 days or more past due.

Based on the nature of the financial instrument, the Company assesses whether credit risk has increased significantly on an individual financial instrument basis or on a portfolio basis. When the assessment is performed on a portfolio basis, the Company may classify financial instruments based on common credit risk characteristics, such as past-due information and credit risk ratings.

Generally, if contractual payments are 30 days or more past due, the Company determines that the credit risk of the financial instrument has increased significantly, unless the Company can obtain reasonable and supportable information without undue cost or effort demonstrating that, although the contractual payments are 30 days or more past due, the credit risk has not increased significantly since initial recognition.

#### ④ Credit-impaired financial assets

At the balance sheet date, the Company assesses whether financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income are credit-impaired. When one or more events that have an adverse effect on the estimated future cash flows of a financial asset occur, the financial asset becomes credit-impaired. Evidence that a financial asset is credit-impaired includes the following observable information:

The issuer or debtor is experiencing significant financial difficulty; the debtor breaches the contract, such as default or delinquency in interest or principal payments; for economic or contractual reasons relating to the debtor's financial difficulty, the creditor grants concessions to the debtor that would not otherwise be considered; it is probable that the debtor will enter bankruptcy or undergo other financial restructuring; the financial difficulty of the issuer or debtor results in the disappearance of an active market for the financial asset; or a financial asset is purchased or originated at a deep discount that reflects the fact that a credit loss has occurred.

#### ⑤ Presentation of provisions for expected credit losses

To reflect changes in the credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses at each balance sheet date. The resulting increase or reversal of loss provisions shall be recognized as impairment losses or gains in profit or loss for the current period. For

financial assets measured at amortized cost, the loss provision reduces the book value of the financial asset presented in the balance sheet. For debt investments measured at fair value through other comprehensive income, the Company recognizes the loss provision in other comprehensive income and does not reduce the book value 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 recovered in whole or in part, it directly writes down the book balance of the financial asset. Such write-down constitutes derecognition of the relevant financial asset. This usually occurs when the Company determines that the debtor has no assets or sources of income that could generate sufficient cash flows to repay the amount to be written off.

If a financial asset previously written off is subsequently recovered, the recovery is recognized as a reversal of impairment loss in profit or loss for the current period in which it is recovered.

#### (6) Transfer of financial assets

Transfer of financial assets refers to either of the following circumstances:

- A. The contractual right to receive the cash flows of a financial asset is transferred to another party;
- B. A financial asset is transferred in whole or in part to another party, while the contractual right to receive the cash flows of the financial asset is retained and a contractual obligation is assumed to pay the cash flows received to one or more recipients.

#### ① Derecognition of transferred financial assets

If the Company has transferred substantially all the risks and rewards of ownership of a financial asset to the transferee, or has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has relinquished control of the financial asset, the financial asset is derecognized.

In determining whether control over the transferred financial asset has been relinquished, the Company considers the transferee's practical ability to sell the financial asset. If the transferee is able to sell the transferred financial asset in its entirety unilaterally to an unrelated third party without additional restrictions on such sale, the Company has relinquished control over the financial asset.

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

If the transfer of a financial asset in its entirety meets the derecognition conditions, the difference between the following two amounts is recognized in profit or loss for the current period:

- A. The book value of the transferred financial asset;
- B. The sum of the consideration received for the transfer and the amount of the accumulated fair value changes previously recognized directly in other comprehensive income that corresponds to the derecognized portion, where the transferred financial asset is classified as a financial asset measured at fair value through other comprehensive income in accordance with Article 18 of Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments.

If the partial transfer of a financial asset meets the derecognition conditions, the book value of the

financial asset transferred in its entirety is allocated between the derecognized portion and the portion not derecognized, in which case the retained servicing asset is treated as part of the financial asset that continues to be recognized, based on their respective relative fair values at the transfer date. The difference between the following two amounts is recognized in profit or loss for the current period:

- A. The book value of the derecognized portion on the derecognition date;
- B. The sum of the consideration received for the derecognized portion and the amount of the accumulated fair value changes previously recognized in other comprehensive income that corresponds to the derecognized portion, where the transferred financial asset is classified as a financial asset measured at fair value through other comprehensive income in accordance with Article 18 of Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments.

#### ② Continuing involvement in transferred financial assets

If the Company has neither transferred nor retained substantially all the risks and rewards of ownership of a financial asset, and has not relinquished control of the financial asset, it recognizes the relevant financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes the related liability accordingly.

The extent of continuing involvement in a transferred financial asset refers to the extent to which the Company assumes risks or rewards from changes in the value of the transferred financial asset.

#### ③ Continuing recognition of transferred financial assets

If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, it continues to recognize the transferred financial asset in its entirety and recognizes the consideration received as a financial liability.

The financial asset and the related financial liability recognized shall not be offset against each other. In subsequent accounting periods, the Company continues to recognize income or gains arising from the financial asset and expenses or losses arising from the financial liability.

#### (7) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset against each other. However, when the following conditions are met simultaneously, they shall be presented in the balance sheet at the net amount after offsetting:

The Company has a currently enforceable legal right to offset the recognized amounts;

The Company intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

For transfers of financial assets that do not meet the derecognition conditions, the transferor shall not offset the transferred financial assets against the related liabilities.

#### (8) Determination of fair value of financial instruments

The methods for determining the fair value of financial assets and financial liabilities are set out in Note V.42(2).

### 12. Notes receivable

Please refer to Note V.11 “Financial instruments”.

**13. Accounts receivable**

Please refer to Note V.11 “Financial instruments”.

**14. Receivables financing**

Please refer to Note V.11 “Financial instruments”.

**15. Other receivables**

Please refer to Note V.11 “Financial instruments”.

**16. Inventory****(1) Classification of inventories**

Inventories refer to finished goods or merchandise held by the Company for sale in the ordinary course of business, work in progress in the process of production, and materials and supplies consumed in the production process or in the rendering of services, including raw materials, turnover materials, including packaging materials and low-value consumables, work in progress, goods in stock (finished goods), goods dispatched, consumable biological assets, and costs of construction work. Consumable biological assets include broilers, piglets and finishing pigs.

**(2) Costing method for inventories issued**

The Company measures inventories issued using the weighted average method.

**(3) Inventory system**

The Company adopts a perpetual inventory system. Inventories are counted at least once a year, and any inventory gains or losses are recognized in profit or loss for the current year.

**(4) Amortization method for turnover materials**

① Amortization method for low-value consumables: the Company uses the 50-50 amortization method for ring moulds and wooden pallets, and the one-time write-off method for other low-value consumables.

② Amortization method for packaging materials: the one-time write-off method is adopted upon issuance.

**Recognition criteria and provision method for inventory write-downs**

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventories is higher than their net realizable value, a provision for decline in value of inventories is recognized in profit or loss for the current period.

In determining the net realizable value of inventories, the Company relies on reliable evidence obtained and considers factors such as the purpose of holding the inventories and the impact of events after the balance sheet date.

① For inventories held for direct sale, such as finished goods, merchandise and materials for sale, net realizable value is determined in the ordinary course of business based on the estimated selling price less estimated selling expenses and relevant taxes and charges. For inventories held for the performance of sales contracts or service contracts, the contract price is used as the basis for determining net realizable value. If the quantity of inventories held exceeds the quantity ordered under sales contracts, the net

realizable value of the excess portion is determined based on the general selling price. For materials held for sale, net realizable value is determined based on the market price.

② For materials that need to be processed, net realizable value is determined in the ordinary course of business based on the estimated selling price of the finished goods produced less the estimated costs to be incurred to completion, estimated selling expenses and relevant taxes and charges. If the net realizable value of the finished goods produced from such materials is higher than cost, the materials are measured at cost. If a decline in material prices indicates that the net realizable value of the finished goods is lower than cost, the materials are measured at net realizable value, and a provision for decline in value of inventories is recognized for the difference.

③ The Company generally makes provisions for decline in value of inventories on an individual inventory item basis. For inventories with large quantities and low unit prices, provisions are made by inventory category.

④ At the balance sheet date, if the factors causing a previous write-down of inventory value no longer exist, the write-down is reversed within the amount of the provision for decline in value of inventories previously made, and the amount reversed is recognized in profit or loss for the current period.

#### **17. Contract assets**

Recognition method and criteria for contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the satisfaction of performance obligations and customer payments. The Company's right to consideration for goods transferred or services provided to customers, where such right depends on factors other than the passage of time, is presented as a contract asset. The Company's obligation to transfer goods or provide services to customers for consideration received or receivable from customers is presented as a contract liability.

Contract assets and contract liabilities are presented separately in the balance sheet. Contract assets and contract liabilities arising from the same contract are presented on a net basis. If the net amount is a debit balance, it is presented under "contract assets" or "other non-current assets" depending on its liquidity; if the net amount is a credit balance, it is presented under "contract liabilities" or "other non-current liabilities" depending on its liquidity. Contract assets and contract liabilities arising from different contracts shall not be offset against each other.

For the method for determining expected credit losses on contract assets and the related accounting treatment, please refer to Note V.11.

#### **18. Non-current assets or disposal groups held for sale**

Not applicable.

#### **19. Long-term equity investment**

The Company's long-term equity investments include equity investments in investees over which the Company has control or significant influence, as well as equity investments in joint ventures. An investee over which the Company is able to exercise significant influence is an associate of the

Company.

(1) Basis for determining joint control and significant influence over an investee

Joint control refers to the contractually agreed sharing of control over an arrangement, where decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. In determining whether joint control exists, the Company first assesses whether all parties, or a group of parties, collectively control the arrangement. If all parties, or a group of parties, must act together to direct the relevant activities of an arrangement, they are deemed to collectively control the arrangement. The Company then assesses whether decisions about the relevant activities of the arrangement require the unanimous consent of the parties that collectively control the arrangement. If two or more groups of parties are able to collectively control an arrangement, joint control does not exist. Protective rights are not considered in determining whether joint control exists.

Significant influence refers to the investor's power to participate in the decision-making on the financial and operating policies of the investee, but not to control or jointly control the formulation of those policies. In determining whether the Company is able to exercise significant influence over an investee, the Company considers the effect of voting shares in the investee held directly or indirectly by the investor, as well as currently exercisable potential voting rights held by the investor and other parties, assuming conversion into equity interests in the investee, including the effect of currently convertible warrants, share options and convertible corporate bonds issued by the investee.

When the Company directly, or indirectly through its subsidiaries, holds 20% or more but less than 50% of the voting shares of an investee, it is generally considered to have significant influence over the investee, unless there is clear evidence that the Company cannot participate in the investee's production and operating decisions under such circumstances and therefore does not have significant influence.

(2) Determination of initial investment cost

① For long-term equity investments formed through business combinations, the investment cost is determined as follows:

A. For a business combination under common control, where the combining party pays cash, transfers non-cash assets or assumes liabilities as consideration for the combination, the initial investment cost of the long-term equity investment is the share of the book value of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the initial investment cost of the long-term equity investment and the book value of the cash paid, non-cash assets transferred and liabilities assumed shall be adjusted against capital reserves. If capital reserves are insufficient for offsetting, retained earnings shall be adjusted.

B. For a business combination under common control, where the combining party issues equity securities as consideration for the combination, the initial investment cost of the long-term equity investment is the share of the book value of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party on the combination date. The aggregate nominal value of the shares issued is recorded as share capital. The difference between the initial investment cost of the long-term equity investment and the aggregate nominal value of the shares issued shall be

adjusted against capital reserves. If capital reserves are insufficient for offsetting, retained earnings shall be adjusted.

C. For a business combination not under common control, the fair value, on the acquisition date, of the assets transferred, liabilities incurred or assumed, and equity securities issued to obtain control over the acquiree is determined as the cost of the business combination and recognized as the initial investment cost of the long-term equity investment. Intermediary fees such as audit, legal service, valuation and consulting fees, as well as other related administrative expenses incurred by the acquirer for the business combination, are recognized in profit or loss for the current period when incurred.

② For long-term equity investments acquired by means other than business combinations, the investment cost is determined as follows:

A. For long-term equity investments acquired by cash payment, the actual purchase price paid is taken as the investment cost. The initial investment cost includes expenses, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment.

B. For long-term equity investments acquired by issuing equity securities, the fair value of the equity securities issued is taken as the initial investment cost.

C. For long-term equity investments acquired through exchange of non-monetary assets, if the exchange has commercial substance and the fair value of the asset received or the asset surrendered can be measured reliably, the initial investment cost is determined based on the fair value of the asset surrendered and relevant taxes and charges. The difference between the fair value and the book value of the asset surrendered is recognized in profit or loss for the current period. If the exchange of non-monetary assets does not meet both of the above conditions, the initial investment cost is determined based on the book value of the asset surrendered and relevant taxes and charges.

D. For long-term equity investments acquired through debt restructuring, the initial recognition amount is determined based on the fair value of the debt claim surrendered and other costs, such as taxes, directly attributable to the asset. The difference between the fair value and the book value of the debt claim surrendered is recognized in profit or loss for the current period.

(3) Subsequent measurement and method for recognizing profit or loss

Long-term equity investments in investees over which the Company has control are accounted for using the cost method. Long-term equity investments in associates and joint ventures are accounted for using the equity method.

① Cost method

For long-term equity investments accounted for using the cost method, the cost of the long-term equity investment is adjusted when additional investment is made or investment is recovered. Cash dividends or profits declared and distributed by the investee are recognized as investment income for the current period.

② Equity method

The general accounting treatment for long-term equity investments accounted for using the equity

method is as follows:

If the investment cost of a long-term equity investment is greater than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost of the long-term equity investment is not adjusted. If the initial investment cost of a long-term equity investment is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognized in profit or loss for the current period and the cost of the long-term equity investment is adjusted accordingly.

The Company recognizes investment income and other comprehensive income respectively based on its share of the net profit or loss and other comprehensive income realized by the investee, and adjusts the book value of the long-term equity investment accordingly. The Company reduces the book value of the long-term equity investment based on its share of profits or cash dividends declared and distributed by the investee. For other changes in the investee's owners' equity other than net profit or loss, other comprehensive income and profit distributions, the Company adjusts the book value of the long-term equity investment and recognizes the corresponding amount in owners' equity. In recognizing its share of the investee's net profit or loss, the Company adjusts the investee's net profit based on the fair value of the investee's identifiable net assets at the time the investment was acquired. If the accounting policies or accounting periods adopted by the investee are inconsistent with those of the Company, the investee's financial statements are adjusted in accordance with the Company's accounting policies and accounting periods, and investment income, other comprehensive income and other relevant amounts are recognized accordingly. Unrealized gains or losses on internal transactions between the Company and its associates or joint ventures are eliminated to the extent attributable to the Company based on its share, and investment gains or losses are recognized on that basis. If unrealized losses on internal transactions between the Company and the investee are asset impairment losses, they are recognized in full.

Where the Company is able to exercise significant influence over, or exercise joint control of, an investee due to additional investment or other reasons but does not control the investee, the initial investment cost under the equity method is the sum of the fair value of the original equity investment and the cost of the additional investment. If the original equity investment is classified as an investment in other equity instruments, the difference between its fair value and book value, together with the accumulated gains or losses previously recognized in other comprehensive income, shall be transferred from other comprehensive income to retained earnings in the period in which the investment is changed to equity method accounting.

Where the Company loses joint control of, or significant influence over, an investee due to disposal of part of its equity investment or other reasons, the remaining equity interest after disposal is measured at fair value. The difference between its fair value and book value on the date when joint control or significant influence is lost is recognized in profit or loss for the current period. Other comprehensive income previously recognized in respect of the original equity investment accounted for using the equity method is accounted for on the same basis as would be required if the investee had directly disposed of the related assets or liabilities when the equity method ceases to be applied.

**(4) Equity investments held for sale**

For remaining equity investments that are not classified as assets held for sale, the equity method is applied.

Where an equity investment in an associate or joint venture previously classified as held for sale no longer meets the classification criteria for assets held for sale, retrospective adjustment is made using the equity method from the date on which it was classified as held for sale. The financial statements for the period during which it was classified as held for sale are adjusted accordingly.

**(5) Impairment testing method and method for making impairment provisions**

For the method of making asset impairment provisions for investments in subsidiaries, associates and joint ventures, please refer to Note V.27.

**20. Investment properties****(1) Where the cost model is adopted:**

Classification of investment properties

Investment properties refer to real estate held to earn rentals or for capital appreciation, or both. They mainly include:

- ① land use rights leased out;
- ② land use rights held and intended to be transferred after appreciation;
- ③ buildings leased out.

Measurement model for investment properties

The Company adopts the cost model for subsequent measurement of investment properties. For the method of making asset impairment provisions, please refer to Note V.27.

The Company depreciates or amortizes investment properties using the straight-line method after deducting accumulated impairment losses and net residual value from the cost of investment properties. The depreciation period and annual depreciation rate are determined based on the category, estimated useful life and estimated net residual value rate of the investment properties, as follows:

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings, structures and others	10-40	3	2.43-9.70
Land use rights	Based on the term stated in the land use right certificate	0	-

**21. Fixed assets**

Fixed assets refer to tangible assets with relatively high unit value that are held for the production of goods, rendering of services, leasing or operation and management, and have a useful life of more than one year.

**(1) Recognition conditions**

Fixed assets are recognized at actual cost when acquired if both of the following conditions are met:

- ① The economic benefits related to the fixed assets are likely to flow into the Company;
- ② The cost of the fixed assets can be measured reliably.

Subsequent expenditures incurred for fixed assets are included in the cost of fixed assets if they meet the recognition criteria for fixed assets; otherwise, they are recognized in profit or loss for the current period when incurred.

(2) Depreciation method

Depreciation is provided for fixed assets using the straight-line method from the month after they are ready for intended use. The depreciation period and annual depreciation rate are determined based on the category, estimated useful life and estimated net residual value rate of the fixed assets, as follows:

Category	Method of depreciation	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line depreciation	10-40	3	2.43-9.70
Machinery and 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

For fixed assets for which impairment provisions have been made, the impairment provisions already made are deducted when depreciation is provided.

At the end of each year, the Company reviews useful lives, estimated net residual values and depreciation methods of fixed assets. If the estimated useful life differs from the original estimate, the useful life of the fixed asset is adjusted.

## 22. Construction in progress

(1) Construction in progress is classified and accounted for on a project-by-project basis.

(2) Criteria and timing for transferring construction in progress to fixed assets

For construction in progress, all expenditures incurred before the constructed asset reaches its intended usable condition are recognized as the recorded value of the fixed asset. Such expenditures include construction costs, the original cost of machinery and equipment, other necessary expenditures incurred to bring the construction in progress to its intended usable condition, borrowing costs incurred on specific borrowings for the project before the asset reaches its intended usable condition, and borrowing costs incurred on general borrowings used for the project. The Company transfers construction in progress to fixed assets when the installation or construction is completed and the asset reaches its intended usable condition. For constructed fixed assets that have reached their intended usable condition but for which final accounts for completed construction have not yet been finalized, the Company transfers them to fixed assets at an estimated value based on the project budget, project cost or actual construction cost from the date on which they reach their intended usable condition, and provides depreciation in accordance with the Company's fixed asset depreciation policy. After the final accounts for completed construction are completed, the original estimated value is adjusted based on the actual cost, but the depreciation already provided is not adjusted.

## 23. Borrowing costs

(1) Recognition principles and capitalization period of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets when all of the following conditions are satisfied:

- ① Asset expenditures have been incurred;
- ② Borrowing costs have been incurred;
- ③ Activities necessary to prepare the asset for its intended usable condition have commenced.

All other borrowing costs, including interest, discounts, premiums and exchange differences, are recognized in profit or loss for the current period in which they are incurred.

Capitalization of borrowing costs is suspended if the acquisition, construction or production of a qualifying asset is abnormally interrupted for a continuous period of more than three months.

Capitalization ceases when the qualifying asset is ready for its intended use or sale. Any subsequent borrowing costs are expensed in the period in which they are incurred.

#### (2) Capitalization rate and calculation of capitalized amount

For specific borrowings obtained for the acquisition, construction or production of qualifying assets, the amount of interest capitalized is the actual interest expense incurred during the period, less any interest income on unused borrowings deposited in banks or investment income from temporary investments.

Where general borrowings are used for the acquisition, construction or production of qualifying assets, the amount of interest to be capitalized is calculated by multiplying the weighted average of accumulated asset expenditures exceeding the specific borrowings by the capitalization rate of the general borrowings. The capitalization rate is determined based on the weighted average interest rate of the general borrowings.

## **24. Biological assets**

### (1) Recognition criteria for biological assets

Biological assets are assets that consist of living animals and plants.

A biological asset is recognized only when all of the following conditions are satisfied:

- ① The Company owns or controls the biological asset as a result of past transactions or events;
- ② It is probable that the economic benefits or service potential associated with the biological asset will flow to the Company;
- ③ The cost of the biological asset can be measured reliably.

### (2) Classification of biological assets

The Company's biological assets include consumable biological assets, productive biological assets and biological assets for public welfare.

Biological assets are subsequently measured at cost.

#### ① Consumable biological assets

Consumable biological assets are those held for sale or for harvest as agricultural produce in the future, including growing field crops, vegetables, timber forests and livestock held for sale.

They are initially measured at cost. The cost of self-cultivated, self-established, self-propagated or

self-bred consumable biological assets includes necessary expenditures directly attributable to the assets up to the point of sale, including borrowing costs eligible for capitalization.

Subsequent costs such as management and feeding expenses incurred after harvest are recognized in profit or loss for the current period.

When consumable biological assets are harvested or sold, their cost is carried forward at book value using the weighted average method.

### ② Productive biological assets

Productive biological assets are those held for the production of agricultural produce, provision of services or leasing, including economic forests, fuelwood forests, breeding livestock and draught animals.

They are initially measured at cost. The cost of self-established or self-propagated productive biological assets includes necessary expenditures directly attributable to the assets up to the point when they reach their intended production and operating purpose, including borrowing costs eligible for capitalization.

Management, maintenance and feeding expenses incurred after canopy closure or after the assets reach their intended production and operating purpose are recognized in profit or loss for the current period.

Gains or losses on the disposal of productive biological assets due to sale, inventory loss, death or damage are recognized in profit or loss for the current period as the difference between disposal proceeds and book value and relevant taxes and charges.

### ③ Biological assets for public welfare

Biological assets for public welfare are those held primarily for protection and environmental conservation purposes, including windbreak and sand-fixation forests, soil and water conservation forests and water conservation forests.

They are initially measured at cost. The cost of self-established biological assets for public welfare includes necessary expenditures directly attributable to the assets up to the point of canopy closure, including borrowing costs eligible for capitalization.

Subsequent costs such as management and maintenance expenses incurred after canopy closure are recognized in profit or loss for the current period.

Biological assets for public welfare are subsequently measured at cost. No impairment provisions are made for such assets.

Gains or losses on the disposal of biological assets for public welfare due to sale, inventory loss, death or damage are recognized in profit or loss for the current period as the difference between disposal proceeds and book value and relevant taxes and charges.

### (3) Useful lives and depreciation methods 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 useful life and estimated net residual value rate of each type of biological asset as follows:

Type of productive biological asset	Useful life	Estimated residual value	Depreciation method
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Breeding pig	36 months	20.00%	Straight-line method
Broiler breeder	30 weeks	RMB 22.50 per bird	Units-of-production method
Laying duck	10 months	RMB 30.00 per duck	Straight-line method
Layer	14 months	RMB 21.00 per layer	Straight-line method
Breeding cattle	6 years	30%	Straight-line method

The Company reviews the useful lives, estimated net residual values and depreciation methods of productive biological assets at least at the end of each year. Any changes are accounted for as changes in accounting estimates.

## 25. Oil and gas assets

Not applicable

## 26. Intangible assets

(1) Useful lives, determination basis, estimates, amortization methods and review procedures

(1) Valuation of intangible assets

Intangible assets are recorded at actual cost when acquired.

(2) Useful lives and amortization of intangible assets

① Estimates of useful lives of intangible assets with finite useful lives:

Item	Estimated useful life	Basis
Land use rights	Based on the term stated in the land use right certificate	Legal term of use
Computer software and others	5-10 years	Determined by reference to the period over which they are expected to bring economic benefits to the Company

At the end of each year, the Company reviews the useful lives and amortization methods of intangible assets with finite useful lives. Based on its review, there are no changes from previous estimates.

② Intangible assets for which the period over which economic benefits are expected to be generated for the Company cannot be estimated reliably are regarded as intangible assets with indefinite useful lives. The Company reviews the useful lives of such intangible assets at the end of each year. If their useful lives are still determined to be indefinite upon review, the assets are tested for impairment at the balance sheet date.

③ Amortization of intangible assets

For intangible assets with finite useful lives, the Company determines their useful lives upon acquisition and amortizes them systematically and reasonably using the straight-line method over their estimated useful lives. Amortization charges are recognized in profit or loss for the current period or included in the cost of related assets based on the nature of the benefited items. The amortizable amount is the cost less estimated residual value and any accumulated impairment provisions. The residual value of intangible assets with finite useful lives is generally deemed to be zero, unless a third party commits to purchase the intangible asset at the end of its useful life, or residual value information is available from an active market and such market is likely to exist at the end of the useful life.

Intangible assets with indefinite useful lives are not amortized. Their useful lives are reviewed at the end

of each year. If evidence indicates that the useful life of an intangible asset is finite, the useful life is estimated and amortization is provided systematically and reasonably over the estimated useful life.

## (II) Scope of accumulation of R&D expenditures and related accounting treatment

### (1) Scope of R&D expenditures

The Company includes all expenses directly related to R&D activities in R&D expenditures, including employee compensation of R&D personnel, direct input costs, depreciation expenses and long-term deferred expenses.

### (2) Classification between the research phase and the development phase

① The research phase includes data collection and related preparatory activities for further development.

Expenditures incurred during the research phase of intangible assets are recognized in profit or loss for the current period when incurred.

② Development activities carried out after the Company has completed the research phase are regarded as the development phase.

### (3) Conditions for capitalization of development expenditures

Development expenditures are recognized as intangible assets only when all of the following conditions are met:

- A. It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- B. The Company has the intention to complete and use or sell the intangible asset;
- C. The manner in which the intangible asset will generate economic benefits can be demonstrated, including evidence that there is a market for the products produced using the intangible asset or for the intangible asset itself; if the intangible asset is to be used internally, its usefulness can be demonstrated;
- D. The Company has sufficient technical, financial and other resources to complete the development of the intangible asset, and has the ability to use or sell the intangible asset;
- E. The expenditures attributable to the development phase of the intangible asset can be measured reliably.

## **27. Impairment of long-term assets**

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties subsequently measured using the cost model, fixed assets, construction in progress, productive biological assets measured using the cost model, right-of-use assets, intangible assets, goodwill, interests in proved oil and natural gas properties, and wells and related facilities, excluding inventories, investment properties measured using the fair value model, deferred tax assets and financial assets, is determined as follows:

At the balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the asset and performs an impairment test. Goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets not yet ready for use are tested for impairment annually, regardless of whether any indication of impairment exists.

The recoverable amount is determined as the higher of the fair value of the asset less costs of disposal

and the present value of the estimated future cash flows of the asset. The Company estimates the recoverable amount on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is identified based on whether the main cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its book value, the Company writes down the book value to the recoverable amount. The amount written down is recognized in profit or loss for the current period, and the corresponding provision for asset impairment is made.

For the purpose of impairment testing of goodwill, the book value of goodwill arising from a business combination is allocated, from the acquisition date, to the relevant asset groups using a reasonable method. If it is difficult to allocate the goodwill to the relevant asset groups, it is allocated to the relevant combinations of asset groups. The relevant asset groups or combinations of asset groups are those expected to benefit from the synergies of the business combination and are not larger than the reporting segment determined by the Company.

When performing impairment testing, if there is any indication of impairment in an asset group or combination of asset groups related to goodwill, the asset group or combination of asset groups excluding goodwill is tested for impairment first, and the recoverable amount is calculated to recognize the corresponding impairment loss. The asset group or combination of asset groups including goodwill is then tested for impairment by comparing its book value with its recoverable amount. If the recoverable amount is lower than the book value, an impairment loss on goodwill is recognized.

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

## **28. Long-term deferred expenses**

Long-term deferred expenses represent expenses already incurred by the Company that should be borne by the current and subsequent periods and have an amortization period of more than one year.

The Company amortizes long-term deferred expenses evenly over their benefit periods.

## **29. Contract liabilities**

For the recognition method of contract liabilities, please refer to Note V.17.

## **30. Employee benefits**

Employee benefits refer to all forms of consideration or compensation provided by the Company in exchange for services rendered by employees or for the termination of employment relationships. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by the Company to employees' spouses, children, dependants, family members of deceased employees and other beneficiaries also constitute employee benefits.

Based on liquidity, employee benefits are presented in the balance sheet under "Employee benefits payable" and "Long-term employee benefits payable", respectively.

### **(1) Accounting treatment of short-term employee benefits**

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

During the accounting period in which employees render services to the Company, the Company recognizes the short-term employee compensation actually incurred as a liability and recognizes it in profit or loss for the current period, except where other accounting standards require or permit it to be included in the cost of assets.

② Employee welfare expenses

Employee welfare expenses incurred by the Company are recognized, based on the actual amount incurred, in profit or loss for the current period or included in the cost of related assets when incurred. Non-monetary employee welfare benefits are measured at fair value.

③ Medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums and other social insurance contributions, housing provident fund, trade union funds and employee education funds

During the accounting period in which employees render services to the Company, medical insurance premiums, work-related injury insurance premiums, maternity insurance premiums and other social insurance contributions, housing provident fund, trade union funds and employee education funds paid or provided by the Company for employees are calculated based on the prescribed bases and rates. The corresponding amount of employee compensation is recognized as a liability and is recognized in profit or loss for the current period or included in the cost of related assets.

④ Short-term paid absences

When employees render services that increase their entitlement to future paid absences, the Company recognizes employee compensation related to accumulating paid absences and measures it at the expected additional payment arising from the accumulated unused entitlement. The Company recognizes employee compensation related to non-accumulating paid absences during the accounting period in which the absences actually occur.

⑤ Short-term profit-sharing plans

If a profit-sharing plan meets both of the following conditions, the Company recognizes the related employee compensation payable:

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

**(2) Accounting treatment of post-employment benefits**

① Defined contribution plans

During the accounting period in which employees render services to the Company, the Company recognizes the contributions payable under defined contribution plans as a liability and recognizes them in profit or loss for the current period or includes them in the cost of related assets.

Under a defined contribution plan, where all contributions payable are not expected to be paid within 12 months after the end of the annual reporting period in which employees render the related services, the

Company measures employee compensation payable at the discounted amount of all contributions payable by reference to the corresponding discount rate, which is determined based on the market yields of treasury bonds or high-quality corporate bonds in an active market at the balance sheet date that match the term and currency of the defined contribution plan obligation.

## ② Defined benefit plans

### A. Determining the present value of defined benefit plan obligations and current service cost

Using the projected unit credit method, the Company measures the obligations arising from defined benefit plans and determines the period to which the related obligations are attributed based on unbiased and mutually consistent actuarial assumptions for demographic and financial variables. The Company discounts the obligations arising from defined benefit plans by reference to the corresponding discount rate, which is determined based on the market yields of treasury bonds or high-quality corporate bonds in an active market at the balance sheet date that match the term and currency of the defined benefit plan obligations, to determine the present value of defined benefit plan obligations and current service cost.

### B. Recognizing the net liability or net asset of defined benefit plans

Where a defined benefit plan has assets, the Company recognizes the deficit or surplus formed by deducting the fair value of defined benefit plan assets from the present value of defined benefit plan obligations as a net liability or net asset of the defined benefit plan.

Where a defined benefit plan has a surplus, the Company measures the net asset of the defined benefit plan at the lower of the surplus of the defined benefit plan and the asset ceiling.

### C. Determining the amount to be included in the cost of assets or profit or loss for the current period

Service cost includes current service cost, past service cost and settlement gains or losses. Except for current service cost that other accounting standards require or permit to be included in the cost of assets, all other service costs are recognized in profit or loss for the current period.

Net interest on the net liability or net asset of a defined benefit plan, including interest income on plan assets, interest expense on defined benefit plan obligations and interest on the effect of the asset ceiling, is recognized in profit or loss for the current period.

### D. Determining the amount to be included in other comprehensive income

Changes arising from the remeasurement of the net liability or net asset of a defined benefit plan include:

(a) Actuarial gains or losses, being increases or decreases in the present value of previously measured defined benefit plan obligations resulting from changes in actuarial assumptions and experience adjustments;

(b) Return on plan assets, excluding amounts included in net interest on the net liability or net asset of the defined benefit plan;

(c) Changes in the effect of the asset ceiling, excluding amounts included in net interest on the net liability or net asset of the defined benefit plan.

The above changes arising from the remeasurement of the net liability or net asset of a defined benefit plan are recognized directly in other comprehensive income and are not reclassified to profit or loss in

subsequent accounting periods. Upon termination of the original defined benefit plan, the Company transfers all amounts previously recognized in other comprehensive income to undistributed profits within equity.

### **(3) Accounting treatment of termination benefits**

Where the Company provides termination benefits to employees, it recognizes the employee compensation liability arising from termination benefits and recognizes it in profit or loss for the current period at the earlier of the following dates:

- ① When the Company can no longer unilaterally withdraw the termination benefits provided under a plan to terminate employment relationships or a redundancy proposal;
- ② When the Company recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

Where termination benefits are not expected to be fully paid within 12 months after the end of the annual reporting period, the Company discounts the amount of termination benefits by reference to the corresponding discount rate, which is determined based on the market yields of treasury bonds or high-quality corporate bonds in an active market at the balance sheet date that match the term and currency of the defined benefit plan obligations, and measures employee compensation payable at the discounted amount.

### **(4) Accounting treatment of other long-term employee benefits**

- ① Where the conditions for defined contribution plans are met

For other long-term employee benefits provided by the Company that meet the conditions for defined contribution plans, the Company measures employee compensation payable at the discounted amount of all contributions payable.

- ② Where the conditions for defined benefit plans are met

At the end of the reporting period, the Company recognizes employee benefit costs arising from other long-term employee benefits as the following components:

- A. Service cost;
- B. Net interest on the net liability or net asset of other long-term employee benefits;
- C. Changes arising from the remeasurement of the net liability or net asset of other long-term employee benefits.

To simplify the related accounting treatment, the total net amount of the above items is recognized in profit or loss for the current period or included in the cost of related assets.

## **31. Provisions**

### **(1) Recognition criteria for provisions**

If an obligation related to a contingency meets all of the following conditions, the Company recognizes it as a provision:

- ① The obligation is a present obligation of the Company;
- ② It is probable that the settlement of the obligation will result in an outflow of economic benefits from

the Company;

③ The amount of the obligation can be measured reliably.

(2) Measurement of provisions

Provisions are initially measured at the best estimate of the expenditure required to settle the present obligation, taking into account the risks, uncertainties and time value of money related to the contingency.

The book value of provisions is reviewed at each balance sheet date.

If there is conclusive evidence that the book value does not reflect the current best estimate, the book value is adjusted to the current best estimate.

### **32. Share-based payment**

(1) Types of share-based payments

The Company's share-based payments consist of cash-settled share-based payments and equity-settled share-based payments.

(2) Fair value determination of equity instruments

① For shares granted to employees, fair value is measured based on the market price of the Company's shares, adjusted for the relevant grant terms and conditions, excluding vesting conditions other than market conditions.

② Market prices are generally unavailable for share options granted to employees. In the absence of traded options with similar terms and conditions, the Company applies an appropriate option pricing model to estimate the fair value of the options granted.

(3) Basis for the best estimate of equity instruments expected to vest

At each balance sheet date during the vesting period, the Company updates its best estimate based on the latest available information, including changes in the number of employees expected to satisfy vesting conditions, and revises the estimated number of equity instruments expected to vest accordingly.

(4) Accounting treatment of share-based payment plans

Cash-settled share-based payments

① For cash-settled share-based payments that vest immediately upon grant, the fair value of the liability incurred by the Company is recognized in relevant costs or expenses on the grant date, with a corresponding increase in liabilities. The liability is remeasured at fair value at each balance sheet date prior to settlement and at the settlement date, with all changes recognized in profit or loss for the current period.

② For cash-settled share-based payments that vest only after the completion of services during the vesting period or the satisfaction of specified performance conditions, at each balance sheet date during the vesting period, the Company recognizes the services received in the current period in costs or expenses and recognizes corresponding liabilities at the fair value of the liability, based on the best estimate of the satisfaction of vesting conditions.

Equity-settled share-based payments

① For equity-settled share-based payments granted in exchange for employee services that vest immediately upon grant, the fair value of the equity instruments is recognized in relevant costs or expenses on the grant date, with a corresponding increase in capital reserves.

② For equity-settled share-based payments granted in exchange for employee services that vest only after the completion of services during the vesting period or the satisfaction of specified performance conditions, at each balance sheet date during the vesting period, the Company recognizes the services received in the current period in costs or expenses and capital reserves at the grant-date fair value of the equity instruments, based on the best estimate of the number of equity instruments expected to vest.

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

Where a modification increases the fair value of the equity instruments granted, the increase in fair value is recognized as an increase in the services received. Where a modification increases the quantity of equity instruments granted, the fair value of the additional equity instruments is recognized as an increase in the services received. The increase in fair value refers to the difference between the fair value of the equity instruments immediately before and after the modification on the modification date.

If a modification reduces the total fair value of the share-based payment or otherwise revises the terms and conditions of the share-based payment plan in a manner unfavorable to employees, the Company continues to account for the services received as if the modification had not occurred, unless part or all of the equity instruments granted are cancelled.

#### (6) Accounting treatment of termination of share-based payment plans

If the equity instruments granted are cancelled or settled during the vesting period, excluding cancellations due to failure to satisfy vesting conditions, the Company:

① Accounts for the cancellation or settlement as accelerated vesting and immediately recognizes the amount that would otherwise have been recognized over the remaining vesting period;

② Treats all payments made to employees upon cancellation or settlement as repurchases of equity. The excess of the repurchase payment over the fair value of the equity instruments on the repurchase date is recognized as an expense for the current period.

Where the Company repurchases vested equity instruments held by employees, owners' equity is reduced. The excess of the repurchase consideration over the fair value of the equity instruments on the repurchase date is recognized in profit or loss for the current period.

### **33. Other financial instruments such as preferred shares and perpetual bonds**

Not applicable

### **34. Revenue**

(I) Accounting policies for revenue recognition and measurement disclosed by business type

#### (1) General principles

Revenue is the total inflow of economic benefits arising from the Company's ordinary activities, which increases shareholders' equity and is not contributed by shareholders as capital.

The Company recognizes revenue when it satisfies a performance obligation in a contract by transferring

control of the promised goods or services to a customer. Transfer of control means the customer has the ability to direct the use of the goods and obtain substantially all of the economic benefits from them.

For contracts containing multiple performance obligations, the Company allocates the transaction price to each distinct performance obligation at contract inception based on the relative stand-alone selling prices of the promised goods or services, and recognizes revenue for each performance obligation based on the allocated amount.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to customers, excluding amounts collected on behalf of third parties. In determining the transaction price, variable consideration is estimated using either the expected value method or the most likely amount method. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. For contracts containing a significant financing component, the transaction price is measured at the amount that the customer would have paid in cash at the date control of the goods is transferred. The difference between this cash price and the contract consideration is amortized over the contract term using the effective interest method. The Company does not account for a significant financing component if the period between the transfer of control and customer payment is one year or less.

A performance obligation is satisfied over time if any one of the following criteria is met; otherwise, it is satisfied at a point in time:

- ① The customer simultaneously receives and consumes the economic benefits provided by the Company's performance;
- ② The customer controls the asset as it is created or enhanced by the Company;
- ③ The Company's performance creates an asset with no alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date throughout the contract term.

For performance obligations satisfied over time, revenue is recognized over time based on the measure of progress towards complete satisfaction of the obligation, unless progress cannot be reasonably determined. The Company measures progress using either the input method or the output method. If progress cannot be reasonably determined but the costs incurred to date are expected to be recoverable, revenue is recognized to the extent of costs incurred until progress can be reasonably determined.

For performance obligations satisfied at a point in time, revenue is recognized when the customer obtains control of the goods or services.

In assessing the transfer of control, the Company considers the following indicators:

- ① The Company has a present right to payment for the goods or services;
- ② The Company has transferred legal title of the goods to the customer;
- ③ The Company has transferred physical possession of the goods to the customer;

- ④ The Company has transferred the significant risks and rewards of ownership of the goods to the customer;
- ⑤ The customer has accepted the goods.

#### Sales with right of return

For sales transactions that include a right of return, the Company recognizes revenue for the consideration to which it is entitled upon the customer obtaining control of the goods, and recognizes a refund liability for the expected amount of refunds. Simultaneously, the Company recognizes an asset for the right to recover returned goods measured at the book value of the goods expected to be returned, less expected recovery costs, including any potential impairment of returned goods. Cost of sales is recognized as the book value of the transferred goods less the book value of the asset for the right to recover returned goods. At each balance sheet date, the Company re-estimates expected sales returns and remeasures the refund liability and the asset for the right to recover returned goods accordingly.

#### Warranty obligations

The Company provides warranties for sold goods and construction projects in accordance with contractual terms and legal requirements. Assurance-type warranties that guarantee compliance with agreed-upon specifications are accounted for in accordance with Accounting Standards for Business Enterprises No. 13 – Contingencies. Service-type warranties that provide a distinct service in addition to product assurance are treated as a separate performance obligation. A portion of the transaction price is allocated to the service-type warranty based on relative stand-alone selling prices, and revenue is recognized when control of the warranty service is transferred to the customer. In evaluating whether a warranty is a service-type warranty, the Company considers whether the warranty is statutorily required, the length of the warranty period, and the nature of the tasks the Company promises to perform.

#### Principal versus agent considerations

The Company determines whether it is a principal or an agent based on whether it controls the promised goods or services before transferring them to the customer. If the Company controls the goods or services before transfer, it acts as a principal and recognizes revenue at the gross amount of consideration received or receivable. If not, the Company acts as an agent and recognizes revenue at the net amount of expected commission or fees, calculated as the gross consideration less amounts payable to other parties, or at the fixed commission amount or rate.

#### Consideration payable to customers

Consideration payable to a customer is recorded as a reduction of the transaction price, unless the payment is in exchange for a distinct good or service received from the customer. The reduction of revenue is recognized at the later of when the related revenue is recognized and when the Company pays or commits to pay the consideration.

#### Customers' unexercised contractual rights

Amounts received in advance from customers for goods or services are initially recognized as a liability and recognized as revenue when the relevant performance obligations are satisfied. Where such advance amounts are not refundable and customers may forfeit all or part of their contractual rights, the Company

recognizes the relevant proportion of such amounts as revenue based on the pattern in which customers exercise their contractual rights if it expects to be entitled to the amounts related to the forfeited contractual rights. Otherwise, the Company recognizes the relevant balance of the aforementioned liability as revenue only when the likelihood that customers will require the remaining performance obligations to be fulfilled becomes remote.

#### Contract modifications

For modifications to construction contracts with customers:

- ① If the modification adds distinct construction services and additional consideration that reflects the stand-alone selling price of the additional services, the modification is accounted for as a separate contract.
- ② If the modification does not meet the criteria in ①, and the services already transferred are distinct from those yet to be transferred at the modification date, the modification is accounted for as a termination of the original contract and the creation of a new contract covering the remaining performance obligations and the modification.
- ③ If the modification does not meet the criteria in ①, and the services already transferred are not distinct from those yet to be transferred at the modification date, the modification is treated as part of the original contract. The cumulative effect of the modification on revenue already recognized is adjusted against revenue for the current period at the modification date.

#### (2) Specific methods

The Company's specific revenue recognition policies are as follows:

The Company's sales revenue primarily comprises sales of feed products, feed raw materials, broiler products, commercial hogs and other goods. Revenue is recognized when either cash payment or advance payment has been received, or collectibility is reasonably assured for credit sales, and goods are delivered to customers in accordance with the contract terms and customers obtain control of the related goods.

### **35. Contract costs**

Contract costs are classified into costs to fulfil a contract and costs to obtain a contract.

Costs incurred by the Company to fulfil a contract are recognized as an asset if all of the following conditions are met:

- ① The costs are directly related to a current contract or a contract expected to be obtained, including direct labor, direct materials, manufacturing overheads or similar costs, costs explicitly borne by the customer, and other costs incurred solely as a result of the contract;
- ② The costs enhance the Company's resources that will be used to satisfy performance obligations in the future;
- ③ The costs are expected to be recoverable.

Incremental costs incurred by the Company to obtain a contract are recognized as an asset if they are expected to be recoverable.

Assets recognized in relation to contract costs are amortized on the same basis as revenue is recognized for the related goods or services. However, if the amortization period of costs to obtain a contract does not exceed one year, the Company recognizes such costs in profit or loss for the current period when incurred.

If the book value of an asset related to contract costs exceeds the difference between the following two amounts, the Company recognizes an impairment provision for the excess amount and recognizes it as an asset impairment loss, and further considers whether a provision related to an onerous contract shall be recognized:

- ① The remaining consideration expected to be received from the transfer of the goods or services related to the asset;
- ② The estimated costs to be incurred for transferring the related goods or services.

If the above impairment provision is subsequently reversed, the book value of the asset after reversal shall not exceed the book value that would have been determined at the reversal date had no impairment provision been made.

Costs to fulfil a contract recognized as assets are presented under “inventories” if the amortization period at initial recognition does not exceed one year or one normal operating cycle, and under “other non-current assets” if the amortization period at initial recognition exceeds one year or one normal operating cycle.

Costs to obtain a contract recognized as assets are presented under “other current assets” if the amortization period at initial recognition does not exceed one year or one normal operating cycle, and under “other non-current assets” if the amortization period at initial recognition exceeds one year or one normal operating cycle.

### **36. Government grant**

#### (1) Recognition of government grants

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

- ① The Company is able to comply with the conditions attached to the government grants;
- ② The Company is able to receive the government grants.

#### (2) Measurement of government grants

Government grants in the form of monetary assets are measured at the amount received or receivable. Government grants in the form of non-monetary assets are measured at fair value. If fair value cannot be reliably measured, such grants are measured at the nominal amount of RMB 1.

#### (3) Accounting treatment of government grants

##### ① Government grants related to assets

Government grants received by the Company for the purpose of acquiring, constructing or otherwise forming long-term assets are classified as government grants related to assets. Such grants are recognized as deferred income and are systematically recognized in profit or loss over the useful lives of the related assets. Government grants measured at the nominal amount are recognized directly in profit

or loss for the current period. If the related asset is sold, transferred, scrapped or damaged before the end of its useful life, the remaining unamortized balance of deferred income is transferred to profit or loss for the period in which the asset is disposed of.

#### ② Government grants related to income

Government grants other than those related to assets are classified as government grants related to income and are accounted for as follows:

Grants intended to compensate the Company for related costs, expenses or losses in future periods are recognized as deferred income and recognized in profit or loss for the current period in which the related costs, expenses or losses are recognized;

Grants intended to compensate the Company for related costs, expenses or losses already incurred are recognized directly in profit or loss for the current period.

For government grants containing both asset-related and income-related components, the Company accounts for the components separately. If differentiation is impracticable, the entire grant is classified as a government grant related to income.

Government grants related to the Company's ordinary activities are recognized in other income according to the substance of the underlying economic transactions. Government grants not related to the Company's ordinary activities are recognized in non-operating income or expenses.

#### ③ Interest subsidies for policy-based preferential loans

Where the fiscal authority allocates interest subsidy funds to lending banks, which then provide loans to the Company at policy-based preferential interest rates, the borrowing is initially measured at the amount actually received, and the related borrowing costs are calculated based on the principal of the borrowings and the policy-based preferential interest rate.

Where the fiscal authority directly allocates interest subsidy funds to the Company, the corresponding interest subsidies are offset against the related borrowing costs.

#### ④ Return of government grants

When a recognized government grant needs to be returned, if the book value of the related asset was reduced upon initial recognition, the book value of the asset is adjusted accordingly; if there is a balance of related deferred income, the book balance of the related deferred income is reduced, and any excess is recognized in profit or loss for the current period; in all other cases, the amount is recognized directly in profit or loss for the current period.

### **37. Deferred income tax assets or deferred tax liabilities**

The Company recognizes and measures the income tax effects of taxable temporary differences and deductible temporary differences as deferred tax liabilities or deferred tax assets using the balance sheet liability method, based on the temporary differences between the book value of assets and liabilities at the balance sheet date and their respective tax bases. Deferred tax assets and deferred tax liabilities are not discounted.

#### (1) Recognition of deferred tax assets

For deductible temporary differences, unused tax losses available for carryforward to future years, and unused tax credits, the related income tax effect is calculated using the tax rates that are expected to apply in the periods when the differences reverse, and is recognized as a deferred tax asset to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

The income tax effect of deductible temporary differences arising from the initial recognition of assets or liabilities in a transaction or event is not recognized as a deferred tax asset if the transaction or event has both of the following characteristics:

- A. The transaction is not a business combination;
- B. At the time of the transaction, the transaction effects neither accounting profit nor taxable income or unused tax losses.

However, this exemption does not apply to a single transaction that meets both conditions above and results in equal taxable and deductible temporary differences on initial recognition of assets and liabilities. For such transactions, the Company recognizes the corresponding deferred tax liabilities and deferred tax assets separately at the transaction date.

For deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the related income tax effect is recognized as a deferred tax asset only when both of the following conditions are met:

- A. It is probable that the temporary differences will reverse in the foreseeable future;
- B. It is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

At the balance sheet date, deferred tax assets not recognized in prior periods are recognized if there is conclusive evidence that sufficient taxable income will be available in future periods to utilize the deductible temporary differences.

At the balance sheet date, the Company reviews the book value of deferred tax assets. If it is no longer probable that sufficient taxable income will be available to utilize the related tax benefits, the book value of deferred tax assets is written down. If it subsequently becomes probable that sufficient taxable income will be available, the write-down is reversed.

## (2) Recognition of deferred tax liabilities

The Company measures the income tax effect of all taxable temporary differences using the tax rates expected to apply in the periods of reversal and recognizes the effect as deferred tax liabilities, except in the following circumstances:

① The income tax effect of taxable temporary differences arising from the following transactions or events is not recognized as a deferred tax liability:

- A. Initial recognition of goodwill;
- B. Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable income or unused tax losses at the time of the transaction.

② For taxable temporary differences associated with investments in subsidiaries, joint ventures and

associates, the related income tax effect is generally recognized as a deferred tax liability, unless both of the following conditions are met:

- A. The Company is able to control the timing of the reversal of the temporary differences;
- B. It is probable that the temporary differences will not reverse in the foreseeable future.

(3) Recognition of deferred tax assets or liabilities arising from specific transactions or events

① Deferred tax assets or liabilities related to business combinations

For taxable or deductible temporary differences arising from business combinations not under common control, when deferred tax liabilities or deferred tax assets are recognized, the related deferred tax expense or income generally adjusts the goodwill recognized in the business combination.

② Items recognized directly in equity

Current tax and deferred tax related to transactions or events recognized directly in equity are recognized in equity. Transactions or events where the income tax effect of temporary differences is recognized in equity include: other comprehensive income from changes in fair value of other debt investments; adjustments to opening retained earnings from retrospective application of changes in accounting policies or retrospective restatement of prior-period material errors; and initial recognition in equity of hybrid financial instruments containing both liability and equity components.

③ Unused tax losses and tax credits

A. Unused tax losses and tax credits from the Company's own operations

Unused tax losses are losses calculated in accordance with tax laws that may be offset against future taxable income. Unused tax losses and tax credits available for carryforward to future years are treated as deductible temporary differences. When it is probable that sufficient taxable income will be available in future periods to utilize such losses or credits, the corresponding deferred tax asset is recognized to the extent of the taxable income expected to be available, with a corresponding reduction in income tax expense in the income statement for the current period.

B. Unused tax losses of the acquiree arising from a business combination

In a business combination, deductible temporary differences of the acquiree that do not meet the recognition criteria for deferred tax assets at the acquisition date are not recognized. If, within 12 months after the acquisition date, new or further information indicates that the conditions existing at the acquisition date justify recognition and that the related tax benefits are expected to be realized, the corresponding deferred tax assets are recognized with a corresponding reduction of goodwill. If goodwill is insufficient to absorb the adjustment, the excess is recognized in profit or loss for the current period. In all other cases, deferred tax assets related to business combinations are recognized in profit or loss for the current period.

④ Temporary differences arising from consolidation eliminations

In preparing consolidated financial statements, the elimination of unrealized gains or losses on internal sales may result in temporary differences between the book value of assets and liabilities in the consolidated balance sheet and their tax bases in the respective taxable entities. The Company

recognizes deferred tax assets or deferred tax liabilities in the consolidated balance sheet and adjusts income tax expense in the consolidated income statement, except for deferred tax relating to transactions or events recognized directly in equity and those relating to business combinations.

⑤ Equity-settled share-based payments

If tax laws permit share-based payment expenses to be tax-deductible, during the period in which costs and expenses are recognized under accounting standards, the Company estimates the tax-deductible amount based on information available at the end of the accounting period, determines the tax base and resulting temporary differences, and recognizes related deferred tax if the recognition criteria are met. Where the expected future tax-deductible amount exceeds the share-based payment costs recognized under accounting standards, the income tax effect of the excess is recognized directly in equity.

⑥ Dividends relating to financial instruments classified as equity instruments

For financial instruments issued by the Company and classified as equity instruments, if related dividend payments are tax-deductible under applicable tax regulations, the Company recognizes the income tax effect of dividends when dividends payable are recognized. If the distributed profits are derived from prior transactions or events that affected profit or loss, the income tax effect is recognized in profit or loss for the current period. If the distributed profits are derived from prior transactions or events recognized directly in equity, the income tax effect is recognized in equity.

(4) Basis for offsetting deferred tax assets and deferred tax liabilities

The Company offsets deferred tax assets and deferred tax liabilities and presents them on a net basis only when both of the following conditions are satisfied:

- ① The Company has a legally enforceable right to set off current tax assets against current tax liabilities on a net basis;
- ② The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, and the Company intends, in each future period in which significant deferred tax amounts are expected to reverse, to settle current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

**38. Lease**

(1) Identification of leases

At the contract inception date, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if one party conveys 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 conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use 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 accounts for 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 the use of the asset either on its own or together with other resources that are readily available; ② the asset is neither highly dependent on, nor highly interrelated with, other assets in the contract.

### (3) Accounting treatment of lease modifications

#### ① Lease modifications accounted for as a separate lease

The Company accounts for a lease modification 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 underlying assets; B. the consideration for the increased lease scope is commensurate with the stand-alone price for the increase in scope, adjusted for the circumstances of the contract.

#### ② Lease modifications not accounted for as a separate lease

##### A. The Company as lessee

At 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. In 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 that rate cannot be determined, the incremental borrowing rate at the effective date of the lease modification is used.

The effect 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 book value of the right-of-use asset is reduced, and the gain or loss related to the partial or full termination of the lease is recognized in profit or loss for the current period;
- For other lease modifications, the book value of the right-of-use asset is adjusted accordingly.

##### B. The Company as lessor

For modifications to operating leases, the Company accounts for the modified arrangement as a new lease from the effective date of the modification, and treats any lease receipts received in advance or receivable relating to the lease before modification as lease 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 had been effective at the lease commencement date and the lease would have been classified as an operating lease, the Company accounts for it as a new lease from the effective date of the lease modification, with the net investment in the lease before the effective date of the lease modification recognized as the book value of the leased asset; if the modification had been effective at the lease commencement date and the lease would have been classified as a finance lease, the Company accounts for the modification in accordance with the provisions on contract modifications or renegotiations.

### (4) Sale and leaseback

The Company assesses whether the transfer of an asset in a sale and leaseback transaction constitutes a sale in accordance with Note V.34.

① The Company as seller-lessee

If the transfer of an asset in a sale and leaseback transaction does not constitute 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 transfer of the asset constitutes a sale, the Company measures the right-of-use asset arising from the leaseback based on the portion of the original asset's book value that relates to the right of use retained, and recognizes the related gain or loss only to the extent of the rights transferred to the lessor.

② The Company as buyer-lessor

If the transfer of an asset in a sale and leaseback transaction does not constitute a sale, the Company does not recognize the transferred asset, but recognizes a financial asset equal to the transfer proceeds and accounts for the financial asset in accordance with Note V.11. If the transfer of the asset constitutes a sale, the Company accounts for the purchase of the asset in accordance with other applicable Accounting Standards for Business Enterprises and accounts for the lease of the asset as lessor.

Basis for judgments and accounting treatment for simplified treatment of short-term leases and leases of low-value assets as lessee

At lease commencement date, the Company identifies a lease with a lease term of not more than 12 months and without a purchase option as a short-term lease. A lease for which the underlying leased asset is of low value when new is identified as a lease of a low-value asset. If the Company subleases, or expects to sublease, a leased asset, the head lease is not identified as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, the Company recognizes lease payments in the cost of related assets or in profit or loss for the current period on a straight-line basis over each period of the lease term.

Except for the above short-term leases and leases of low-value assets accounted for using the simplified treatment, the Company recognizes right-of-use assets and lease liabilities for leases at the lease commencement date.

① Right-of-use assets

A right-of-use asset refers to the lessee's right to use a leased asset during the lease term.

At the lease commencement date, a right-of-use asset is initially measured at cost. Such cost comprises:

- 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 in dismantling and removing the leased asset, restoring the site on which the leased asset is located, or restoring the leased asset to the condition required by the lease terms. The Company recognizes and measures such costs in accordance with the recognition criteria and measurement method for provisions, as set out in Note V.31. If the above costs are incurred for the production of inventories, they are included in the cost of inventories.

Depreciation of right-of-use assets is provided by category using the straight-line method. If it is

reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the depreciation rate is determined based on the category of the right-of-use asset and the estimated net residual value rate over the estimated remaining useful life of the leased asset. If it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, the depreciation rate is determined based on the category of the right-of-use asset over the shorter of the lease term and the remaining useful life of the leased asset.

The depreciation methods, depreciation periods, residual value rates and annual depreciation rates for each category of right-of-use assets are as follows:

Category	Depreciation method	Depreciation period (years)	Residual value rate (%)	Annual depreciation rates (%)
Buildings and structures	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

## ② Lease liabilities

Lease liabilities are initially measured at the present value of unpaid lease payments at the lease commencement date. Lease payments comprise the following five items:

- Fixed payments and in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate;
- The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
- Payments for exercising a termination option, if the lease term reflects that the lessee will exercise the termination option;
- Amounts expected to be payable under residual value guarantees provided by the lessee.

When calculating the present value of lease payments, the interest rate implicit in the lease is used as the discount rate. If the interest rate implicit in the lease cannot be determined, the Company's incremental borrowing rate is used as the discount rate. The difference between the lease payments and their present value is treated as unrecognized finance charges, and interest expense is recognized over each period of the lease term using the discount rate applied in recognizing the present value of the lease payments and is recognized in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss for the current period when incurred.

After the lease commencement date, if there is a change in in-substance fixed payments, a change in the amounts expected to be payable under residual value guarantees, a change in the index or rate used to determine lease payments, or a change in the assessment or actual exercise of a purchase option, extension option or termination option, the Company remeasures the lease liability at the present value of the revised lease payments and adjusts the book value of the right-of-use asset accordingly.

Classification criteria and accounting treatment for leases as lessor

At the lease commencement date, the Company classifies a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset as a finance lease, and classifies all other leases

as operating leases.

① Operating leases

The Company recognizes lease receipts as rental income on a straight-line basis over each period of the lease term. Initial direct costs incurred are capitalized and allocated on the same basis as rental income recognition, and recognized in profit or loss for the current period by installments. Variable lease payments obtained by the Company in connection with operating leases that are not included in lease receipts are recognized in profit or loss for the current period when incurred.

② Finance leases

At the lease commencement date, the Company recognizes finance lease receivables based on the net investment in the lease, being the sum of the unguaranteed residual value and the present value of lease receipts not yet received at the lease commencement date discounted at the interest rate implicit in the lease, and derecognizes the underlying asset. During each period of the lease term, the Company calculates and recognizes interest income using the interest rate implicit in the lease.

Variable lease payments obtained by the Company that are not included in the measurement of the net investment in the lease are recognized in profit or loss for the current period when incurred.

**39. Other significant accounting policies and accounting estimates**

(1) Hedge accounting

① Classification of hedges

The Company classifies hedges into fair value hedges, cash flow hedges and hedges of net investments in foreign operations.

A. A fair value hedge is a hedge of the exposure to changes in the fair value of a recognized asset or liability, an unrecognized firm commitment, or a component of any such item. Such fair value changes are attributable to a particular risk and could affect profit or loss or other comprehensive income.

B. A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, a highly probable forecast transaction, or a component of any such item, and could affect profit or loss.

C. A hedge of a net investment in a foreign operation is a hedge of foreign exchange risk exposure arising from a net investment in a foreign operation. The hedged risk is the translation difference between the functional currency of the foreign operation and that of the parent company.

② Hedging instruments and hedged items

A hedging instrument is a financial instrument designated by the Company whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item. Hedging instruments include:

A. Derivative instruments measured at fair value through profit or loss, except written options. A written option may be designated as a hedging instrument only when hedging a purchased option, including a purchased option embedded in a hybrid contract. An embedded derivative that is not separated from a hybrid contract cannot be designated as a separate hedging instrument.

B. Non-derivative financial assets or non-derivative financial liabilities measured at fair value through profit or loss, excluding financial liabilities designated as measured at fair value through profit or loss for which changes in fair value attributable to changes in the entity's own credit risk are recognized in other comprehensive income.

The Company's own equity instruments are neither financial assets nor financial liabilities and cannot be designated as hedging instruments.

A hedged item is a reliably measurable item that exposes the Company to fair value or cash flow variability and is designated as being hedged. The Company may designate the following individual items, groups of items or components thereof as hedged items:

A. Recognized assets or liabilities;

B. Unrecognized firm commitments. A firm commitment is a legally binding agreement to exchange a specified quantity of resources at an agreed price on a specified future date or during a specified future period;

C. Highly probable forecast transactions. A forecast transaction is an uncommitted but anticipated future transaction;

D. Net investments in foreign operations.

A component of an item refers to a part that is smaller than the entire change in the fair value or cash flows of the item. The Company may designate the following components of items, or combinations thereof, as hedged items:

A. Changes in fair value or cash flows of an item that are attributable only to one or more specific risks, namely risk components. Based on an assessment under specific market conditions, the risk component must be separately identifiable and reliably measurable. Risk components also include portions of changes in the fair value or cash flows of a hedged item that are only above or only below a specified price or other variable;

B. One or more selected contractual cash flows;

C. Components of the nominal amount of an item, namely specified portions of the total amount or quantity of the item, which may be a proportion of the entire item or a layer component of the entire item. If a layer component includes a prepayment option and the fair value of that prepayment option is affected by changes in the hedged risk, that layer cannot be designated as a hedged item in a fair value hedge, unless the effect of the prepayment option is included in measuring the fair value of the hedged item.

### ③ Assessment of hedging relationships

At the inception of a hedging relationship, the Company formally designates the hedging relationship and prepares formal written documentation of the hedging relationship, risk management objective and risk management strategy. The documentation identifies the hedging instrument, the hedged item, the nature of the hedged risk, and the method used by the Company to assess hedge effectiveness. Hedge effectiveness refers to the extent 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 assessed on an ongoing basis at the date of initial designation and in subsequent periods to ensure that they meet the hedge effectiveness requirements.

The Company discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised, except where an extension or replacement forms part of the hedging strategy and is therefore not treated as an expiration or termination; if changes in the risk management objective result in the hedging relationship no longer meeting the risk management objective; if the economic relationship between the hedged item and the hedging instrument no longer exists; if the effect of credit risk begins to dominate the value changes arising from the economic relationship between the hedged item and the hedging instrument; or if the hedge no longer meets other qualifying criteria for hedge accounting.

If a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective for the designated hedging relationship remains unchanged, the Company rebalances the hedging relationship.

#### ④ Recognition and measurement

Where the qualifying criteria for hedge accounting are met, the Company accounts for hedges as follows:

##### A. Fair value hedges

Gains or losses arising from the hedging instrument are recognized in profit or loss for the current period. If the hedge is of a non-trading equity instrument investment, or a component thereof, designated as measured at fair value through other comprehensive income, gains or losses arising from the hedging instrument are recognized in other comprehensive income. Gains or losses on the hedged item attributable to the hedged risk are recognized in profit or loss for the current period, and the book value of the recognized hedged item not measured at fair value is adjusted accordingly. If the hedged item is a non-trading equity instrument investment, or a component thereof, designated as measured at fair value through other comprehensive income, gains or losses attributable to the hedged risk are recognized in other comprehensive income, and no adjustment is made to its book value because it is already measured at fair value.

For a fair value hedge of a financial instrument, or a component thereof, measured at amortized cost, the adjustment to the book value of the hedged item is amortized to profit or loss for the current period using the effective interest rate recalculated from the date on which amortization begins. Amortization may begin from the adjustment date and shall begin no later than the date on which the hedged item ceases to be adjusted for hedging gains or losses. If the hedged item is a financial asset, or a component thereof, measured at fair value through other comprehensive income, the accumulated hedging gains or losses recognized are amortized in the same manner and recognized in profit or loss for the current period, but the book value of the financial asset, or component thereof, is not adjusted.

If the hedged item is an unrecognized firm commitment, or a component thereof, the cumulative change in fair value attributable to the hedged risk after designation of the hedging relationship is recognized as an asset or liability, and the related gains or losses are recognized in profit or loss for the current period.

When the firm commitment is fulfilled and an asset is acquired or a liability is assumed, the initial

recognition amount of the asset or liability is adjusted to include the cumulative change in fair value of the hedged item that has been recognized.

#### B. Cash flow hedges

The effective portion of gains or losses on the hedging instrument is recognized in other comprehensive income as a cash flow hedge reserve, while the ineffective portion, namely the remaining gains or losses after deducting the amount recognized in other comprehensive income, is recognized in profit or loss for the current period. The amount of the cash flow hedge reserve is determined as the lower of the following two amounts in absolute terms: a. the cumulative gains or losses on the hedging instrument from inception of the hedge; b. the cumulative change in the present value of the expected future cash flows of the hedged item from inception of the hedge.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or if a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment to which fair value hedge accounting is applied, the amount of the cash flow hedge reserve previously recognized in other comprehensive income is reclassified and included in the initial recognition amount of the asset or liability. For other cash flow hedges, the cash flow hedge reserve previously recognized in other comprehensive income is reclassified to profit or loss for the current period in the same period or periods during which the hedged forecast cash flows affect profit or loss, such as when forecast sales occur.

#### C. Hedges of net investments in foreign operations

For hedges of net investments in foreign operations, the effective portion of gains or losses on the hedging instrument is recognized directly in other comprehensive income, while the ineffective portion is recognized in profit or loss for the current period. On disposal of the foreign operation, the above gains or losses on the hedging instrument previously recognized in other comprehensive income are reclassified to profit or loss for the current period.

#### (2) Fair value measurement

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 the relevant asset or liability based on the price in the principal market. If there is no principal market, the Company measures the fair value of the relevant asset or liability based on the price in the most advantageous market. The Company uses assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The principal market is the market with the greatest volume and level of activity for the relevant asset or liability. The most advantageous market is the market that maximizes the amount that would be received to sell the relevant asset or minimizes the amount that would be paid to transfer the relevant liability, after taking into account transaction costs and transport costs.

For financial assets or financial liabilities with an active market, the Company determines their fair value based on quoted prices in the active market. If a financial instrument does not have an active market, the

Company determines its fair value using valuation techniques.

For non-financial assets measured at fair value, the Company considers the ability of market participants to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

#### ① Valuation techniques

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient available data and other information exist. The valuation techniques used mainly include the market approach, income approach and cost approach. The Company measures fair value using methods consistent with one or more of these valuation techniques. If multiple valuation techniques are used to measure fair value, the Company considers the reasonableness of the valuation results and selects the amount that is most representative of fair value under the current circumstances as the fair value.

In applying valuation techniques, the Company gives priority to relevant observable inputs and uses unobservable inputs only when relevant observable inputs are unavailable or impracticable to obtain. Observable inputs are inputs that can be obtained from market data and reflect the assumptions that market participants would use when pricing the relevant asset or liability. Unobservable inputs are inputs that cannot be obtained from market data and are developed using the best information available about the assumptions that market participants would use when pricing the relevant asset or liability.

#### ② Fair value hierarchy

The Company categorizes inputs used in fair value measurement into three levels and gives first priority to Level 1 inputs, second priority to Level 2 inputs and last priority to Level 3 inputs. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date. Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the relevant asset or liability. Level 3 inputs are unobservable inputs for the relevant asset or liability.

#### (3) Repurchase of the Company's shares

① Where the Company reduces capital by repurchasing its own shares upon approval in accordance with statutory procedures, share capital is reduced by the aggregate par value of the shares cancelled. The difference between the consideration paid to repurchase the shares, including transaction costs, and the aggregate par value of the shares is adjusted against owners' equity. If the consideration paid exceeds the aggregate par value, the excess is charged against capital reserves (share premium), surplus reserves and undistributed profits in sequence. If the consideration paid is lower than the aggregate par value, the difference is credited to capital reserves (share premium).

② Before the shares repurchased by the Company are cancelled or transferred, they are managed as treasury shares, and the total expenditure on repurchasing the shares is transferred to the cost of treasury shares.

③ When treasury shares are transferred, the portion of the transfer proceeds that exceeds the cost of treasury shares is credited to capital reserves (share premium). If the transfer proceeds are lower than the

cost of treasury shares, the shortfall is charged against capital reserves (share premium), surplus reserves and undistributed profits in sequence.

#### (4) Restricted shares

Under an equity incentive plan, where the Company grants restricted shares to incentive recipients, the recipients first subscribe for the shares, and if the unlocking conditions stipulated in the equity incentive plan are not subsequently met, the Company repurchases the shares at the pre-agreed price. For restricted shares issued to employees for which capital increase procedures, such as registration, have been completed in accordance with relevant regulations, on the grant date the Company recognizes share capital and capital reserves (share premium), based on the subscription payments received from employees; at the same time, the Company recognizes treasury shares and other payables in respect of the repurchase obligation.

#### 40. Changes in significant accounting policies and accounting estimates

Please refer to “Analysis and explanation by the Company on the reasons for and effects of changes in accounting policies and accounting estimates, or correction of material accounting errors” under “Important Disclosures”.

#### 41. Adjustments to the opening financial statements of the year of initial application arising from the first implementation of new accounting standards or interpretations from 2025

Not applicable

#### 42. Others

Not applicable

## VI. Tax

### 1. Categories of taxes and tax rate

Tax type	Taxation basis	Tax rate
Value-added tax	Output VAT-deductible input VAT	3%, 9%, 13% (output VAT)
Urban maintenance and construction tax	Turnover taxes	1%, 5%, 7%
Enterprise income tax	Taxable income	15%, 17%, 25%
Education surcharge	Turnover taxes	3%
Local education surcharge	Turnover taxes	2%

Taxable entities subject to different enterprise income tax rates and applicable tax rates

Taxpayer	Income tax rate%
Wellhope Foods Company; Xi'an Wellhope Feed Technology Company; Gansu Wellhope Animal Husbandry Company; Guangzhou Xiangshun Livestock Equipment Company; Shenyang Fengmei Biotechnology Company; Yangling Wellhope Agriculture and Animal Husbandry Company; Yunnan Wellhope Feed Company; Dazhou Wellhope Biotechnology 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 Farming Company; Puyang Wellhope Animal Husbandry Company; Changchun Wellhope Food Company; Dehui Wellhope Animal	Income from preliminary processing of agricultural products and livestock and poultry farming businesses is exempt

<p>Husbandry Company; Tongliao Wellhope Tianyi Grass Industry Company; Kaifeng Wellhope Agriculture and Animal Husbandry Technology Company; Shenyang Huakang Poultry Company; Tangshan Hejia Agriculture and Animal Husbandry 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 Wellhope Animal Husbandry Company; Daqing Bifeng Animal Husbandry Company; Hebei Deheng Farming Company; Dalian Hongtu Animal Husbandry Company; Liaoning Wellhope Agriculture and Animal Husbandry Development Company; Luoyang Wellhope Agriculture and Animal Husbandry Company; Gongzhuling Wellhope Swine Farming Company; Lishu Wellhope Ecological Farming 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 Propagation Company; Dunhua Fengda Agriculture and Animal Husbandry Development Company; Shenyang Xiaohe Agriculture and Animal Husbandry Company; Shenyang Wellhope Swine Farming Company; Fuyang Wellhope Agriculture and Animal Husbandry Technology Company; Lanxi Fengyuan Agriculture and Animal Husbandry Company; Henan Herun Jiufeng Agriculture and Animal Husbandry Company; Anhui Wellhope Food Company; Lixin Rongfeng Agriculture and Animal Husbandry Company; Fuxin Wellhope Agriculture and Animal Husbandry Technology 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 Xintaihang Wellhope Animal Husbandry Company; Hunan Wellhope Agriculture and Animal Husbandry Company; Shandong Fengkang Food Company; Dalian Wellhope Swine Farming Company; Xingcheng Wellhope Swine Farming 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 Daisenlin Food Company; Tieling Wellhope Food Company; Lingyuan Wellhope Animal Husbandry Company; Ying County Jingu Agriculture and Animal Husbandry Company; Kaifeng Jingu Agriculture and Animal Husbandry Company; Jingzhou Jingu Agriculture and Animal Husbandry Company; Hengshui Jingu Agriculture and Animal Husbandry Company; Siping Wellhope Food Company; Anshan Jiuguhe Food Company; Anshan Fengsheng Food Company; Tai'an County Jiuguhe Agricultural Development Company; Fushun Juxin Animal Husbandry Company; Shenyang Fengjiu Animal Husbandry Company; Huludao Jiuguhe Animal Husbandry Company; Fushun Fengjiu Animal Husbandry Company; Fushun Xinhe Animal Husbandry Company; Linghai Jiuguhe Feed Company; Huludao Jiuguhe Food Company; Jinzhou Xinfeng Food Company; Jinzhou Fengjiu</p>	<p>from enterprise income tax</p>
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Animal Husbandry Company; Tai'an Fengjiu Animal Husbandry Company; Jinzhou Jiufeng Food Company; Siping Wellhope Farming Company; Shandong Wellhope Agriculture and Animal Husbandry Company	
Singapore Golden Harvesta Trade Company	17
Other companies	25

## 2. Tax preference

### (1) Value-added tax ("VAT")

Pursuant to the Notice on Exemption of Value-added Tax on Feed Products ([2001] No. 121) and other relevant regulations, the Company and its relevant subsidiaries are exempt from VAT on sales of feed products.

In accordance with the Announcement on VAT Reduction and Exemption Policies for Small-scale VAT Payers (Announcement [2023] No. 19 of the Ministry of Finance and the State Taxation Administration), small-scale VAT payers with monthly sales of RMB 100,000 or less, inclusive, are exempt from VAT. Taxable sales revenue of small-scale VAT payers subject to a 3% levy rate is subject to VAT at a reduced levy rate of 1%; prepaid VAT items subject to a 3% prepayment rate are prepaid at a reduced prepayment rate of 1%. This policy remains effective until December 31, 2027.

### (2) Enterprise income tax

Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on Issuing the Scope of Preliminary Processing of Agricultural Products Eligible for Enterprise Income Tax Exemption (for Trial Implementation) ([2008] No. 149), the Enterprise Income Tax Law of the People's Republic of China and the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China, income derived by the Company and its subsidiaries from preliminary processing of agricultural products, and from livestock and poultry farming businesses, that is eligible for enterprise income tax exemption is exempt from enterprise income tax. The entities eligible for enterprise income tax exemption are set out in Note VI.1 "Major taxes and tax rates: Taxable entities subject to different enterprise income tax rates and applicable tax rates".

Guangzhou Xiangshun Livestock Equipment Company, a subsidiary of the Company, was jointly recognized as a high-tech enterprise by the Department of Science and Technology of Guangdong Province, the Department of Finance of Guangdong Province and the Guangdong Provincial Tax Service of the State Taxation Administration (Certificate No. GR202344006108). It is subject to an enterprise income tax rate of 15%, valid from December 2023 to December 2026. During the reporting period, Guangzhou Xiangshun Livestock Equipment Company was subject to an enterprise income tax rate of 15%.

Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Extending the Enterprise Income Tax Policy for the Western Development Strategy (Announcement [2020] No. 23 of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission), 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

Biotechnology Company are entitled to a preferential enterprise income tax rate of 15%.

On December 8, 2025, Shenyang Fengmei Biotechnology Company, a subsidiary of the Company, was jointly recognized as a high-tech enterprise by the Department of Science and Technology of Liaoning Province, the Department of Finance of Liaoning Province and the Liaoning Provincial Tax Service of the State Taxation Administration (Certificate No. GR202521000001). It is subject to an enterprise income tax rate of 15%, valid for three years.

The Company was jointly recognized as a high-tech enterprise by the Department of Science and Technology of Liaoning Province, the Department of Finance of Liaoning Province and the Liaoning Provincial Tax Service of the State Taxation Administration (Certificate No. GR202321001872). It is subject to an enterprise income tax rate of 15%, valid from 2023 to 2025.

Pursuant to the Announcement on Further Implementing Preferential Enterprise Income Tax Policies for Small and Micro Enterprises (Announcement [2022] No. 13 of the Ministry of Finance and the State Taxation Administration), for small low-profit enterprises, the portion of annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million is included in taxable income at 25% of the amount and is subject to enterprise income tax at a rate of 20%. Pursuant to the Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households through Tax and Fee Policies (Announcement [2023] No. 12 of the Ministry of Finance and the State Taxation Administration), for small low-profit enterprises, annual taxable income not exceeding RMB 3 million is included in taxable income at 25% of the amount and is subject to enterprise income tax at a rate of 20%. This policy remains effective until December 31, 2027.

Pursuant to the Announcement on Further Improving the Policy for Additional Pre-tax Deduction of Research and Development Expenses (Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration), for R&D expenses actually incurred by enterprises in R&D activities, if such expenses do not form intangible assets and are recognized in profit or loss for the current period, an additional 100% of the actual amount incurred may be deducted before corporate income tax in addition to the actual deduction allowed under relevant regulations, effective from January 1, 2023. If such expenses form intangible assets, they may be amortized before corporate income tax at 200% of the cost of the intangible assets from January 1, 2023.

## VII. Notes to the Items of Consolidated Financial Statements

### 1. Cash and bank balances

Item	RMB	
	Closing balance	Opening balance
Cash on hand	34,234.73	339,635.02
Bank deposits	1,692,562,723.09	1,748,152,242.58
Other monetary funds	27,562,178.91	45,743,263.42
Total	1,720,159,136.73	1,794,235,141.02
Including: Total amount deposited overseas	3,983,694.07	2,252,445.03

Other explanation:

At the end of the period, other monetary funds included RMB 7.18 of deposits for letters of credit, RMB 27,561,467.35 of futures margin deposits, and RMB 704.38 of funds in securities accounts. Bank deposits included RMB 2,976,936.79 frozen by court order and RMB 437,840.64 subject to restrictions on receipts and payments due to the failure to update business registration information in a timely manner. Apart from the above, there were no amounts in cash and bank balances that were pledged, frozen or otherwise restricted in use, or subject to potential recoverability risks.

### 2. Trading financial assets

Item	RMB	
	Closing balance	Opening balance
Financial assets measured at fair value and the changes recorded in current profit and loss		904,884.08
Including		
Others		904,884.08
Total		904,884.08

### 3. Derivative financial assets

Item	RMB	
	Closing balance	Opening balance
Futures	6,473,245.85	2,441,832.40
Total	6,473,245.85	2,441,832.40

### 4. Notes receivable

#### (1) Classification

Item	RMB	
	Closing balance	Opening balance
Bank acceptance bills	3,301,161.04	1,369,195.29
Commercial acceptance bills		26,524,182.60
Total	3,301,161.04	27,893,377.89

#### (2) Notes receivable endorsed or discounted but not yet due at the balance sheet date

Item	RMB	
	Derecognized at period end	Not derecognized at period end
Bank acceptance bills		1,039,236.95
Total		1,039,236.95

**(3) 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	3,368,531.68	100.00	67,370.64	2.00	3,301,161.04	28,462,630.50	100.00	569,252.61	2.00	27,893,377.89
Including:										
Commercial acceptance bills						27,065,492.45	95.09	541,309.85	2.00	26,524,182.60
Bank acceptance bills	3,368,531.68	100.00	67,370.64	2.00	3,301,161.04	1,397,138.05	4.91	27,942.76	2.00	1,369,195.29
Total	3,368,531.68	/	67,370.64	/	3,301,161.04	28,462,630.50	/	569,252.61	/	27,893,377.89

Provision for bad debts on a collective basis:

Portfolio item: Bank acceptance bills

RMB

Item	Closing balance		
	Book balance	Bad debt provision	Provision rate %
Bank acceptance bills	3,368,531.68	67,370.64	2.00
Total	3,368,531.68	67,370.64	2.00

#### (4) Bad debt provision

RMB

Category	Opening balance	Changes in 2025				Closing balance
		Provision	Reversal	Written off	Other fluctuations	
Commercial acceptance bills	541,309.85		541,309.85			
Bank acceptance bills	27,942.76	39,427.88				67,370.64
Total	569,252.61	39,427.88	541,309.85			67,370.64

### 5. Accounts receivable

#### (1) Classified by aging

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	931,879,159.30	841,743,338.66
1-2 years	123,600,332.31	124,582,704.37
2-3 years	53,395,632.38	47,670,563.50
Over 3 years	116,435,528.33	118,938,308.96
Total	1,225,310,652.32	1,132,934,915.49

**(2) Classified 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	111,854,672.02	9.13	85,973,502.99	76.86	25,881,169.03	92,664,981.83	8.18	92,664,981.83	100.00	
Provision for bad debts on a collective basis	1,113,455,980.30	90.87	148,557,788.60	13.34	964,898,191.70	1,040,269,933.66	91.82	147,115,047.90	14.14	893,154,885.76
Including:										
Aging portfolio	1,113,455,980.30	90.87	148,557,788.60	13.34	964,898,191.70	1,040,269,933.66	91.82	147,115,047.90	14.14	893,154,885.76
Total	1,225,310,652.32	/	234,531,291.59	/	990,779,360.73	1,132,934,915.49	/	239,780,029.73	/	893,154,885.76

Provision for bad debts on an individual basis:

RMB

Name	Closing balance			
	Book balance	Bad debt provision	Provision rate %	Reason
Customer 1	44,841,848.45	22,420,924.22	50.00	Uncollectible
Customer 2	14,768,684.40	14,768,684.40	100.00	Uncollectible
Customer 3	8,461,300.00	8,461,300.00	100.00	Uncollectible
Customer 4	4,734,285.00	4,734,285.00	100.00	Uncollectible
Other customers	39,048,554.17	35,588,309.37	91.14	Uncollectible
Total	111,854,672.02	85,973,502.99	76.86	/

Provision for bad debts on a collective basis: Aging portfolio

RMB

Aging	Closing balance		
	Book balance	Bad debt provision	Provision rate %
Within 1 year	931,879,159.30	36,265,971.04	3.89
1-2 years	60,456,821.21	9,068,523.18	15.00
2-3 years	35,793,410.82	17,896,705.41	50.00
Over 3 years	85,326,588.97	85,326,588.97	100.00
Total	1,113,455,980.30	148,557,788.60	13.34

**(3) Bad debt provision**

RMB

Category	Opening balance	Changes in 2025				Closing balance
		Provision	Recovery or reversal	Write-off	Other changes	
Provision for bad debts on an individual basis	92,664,981.83	31,662,969.39	15,417.56	39,799,524.67	1,460,494.00	85,973,502.99
Provision for bad debts on a collective basis	147,115,047.90	19,809,892.28		35,254,480.99	16,887,329.41	148,557,788.60
Total	239,780,029.73	51,472,861.67	15,417.56	75,054,005.66	18,347,823.41	234,531,291.59

**(4) Accounts receivable written off in the current period**

RMB

Item	Amount written off
Accounts receivable actually written off during the year	75,054,005.66

Including significant write-offs of accounts receivable:

RMB

Name	Nature	Written off amount	Reason	Whether generated by related party transactions
Customer 5	Payment for products	25,112,815.51	Uncollectible	No
Customer 6	Payment for products	19,350,023.78	Uncollectible	No
Customer 7	Payment for products	7,350,077.71	Uncollectible	No
Customer 8	Payment for products	3,654,879.73	Uncollectible	No
Customer 9	Payment for products	3,343,700.00	Uncollectible	No
Total	/	58,811,496.73	/	/

**(5) Top 5 accounts receivable and contract assets by closing balance, grouped by debtor**

RMB

Debtor	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	As a percentage of the total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
1	49,147,441.06		49,147,441.06	4.01	983,244.82
2	44,841,848.45		44,841,848.45	3.66	22,420,924.23
3	39,112,030.57		39,112,030.57	3.19	782,240.61
4	38,312,823.44		38,312,823.44	3.13	806,378.03
5	28,552,891.99		28,552,891.99	2.33	2,855,289.20
Total	199,967,035.51		199,967,035.51	16.32	27,848,076.89

**6. Contract assets****(1) Information of contract 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	346,000.00	6,920.00	339,080.00	641,840.00	13,126.80	628,713.20
Total	346,000.00	6,920.00	339,080.00	641,840.00	13,126.80	628,713.20

**(2) Classified 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	346,000.00	100.00	6,920.00	2.00	339,080.00	641,840.00	100.00	13,126.80	2.00	628,713.20
Including:										
Aging portfolio	346,000.00	100.00	6,920.00	2.00	339,080.00	641,840.00	100.00	13,126.80	2.00	628,713.20
Total	346,000.00	/	6,920.00	/	339,080.00	641,840.00	/	13,126.80	/	628,713.20

Provision for bad debts on a collective basis: Aging portfolio

RMB

Item	Closing balance		
	Book balance	Bad debt provision	Provision rate %
Retention money not yet due	346,000.00	6,920.00	2.00
Total	346,000.00	6,920.00	2.00

**(4) 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	13,126.80	-6,206.80	6,920.00	/
Total	13,126.80	-6,206.80	6,920.00	/

**7. Receivables financing****(1) Classification**

RMB

Item	Closing balance	Opening balance
Notes receivable	46,869,206.20	9,139,184.14
Accounts receivable	9,957,058.32	
Total	56,826,264.52	9,139,184.14

**(2) Receivables financing endorsed or discounted but not yet due at the balance sheet date**

RMB

Item	Derecognized at period end	Not derecognized at period end
Bank acceptance bills	7,435,224.37	
Total	7,435,224.37	

**8. Prepayments****(1) Classified by aging**

RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage %	Amount	Percentage %
Within 1 year	370,896,783.21	98.39	259,488,864.09	98.89
Over 1 year	6,085,857.12	1.61	2,906,634.61	1.11
Total	376,982,640.33	100.00	262,395,498.70	100.00

There were no significant prepayments aged over one year in the closing balance.

**(2) Top 5 prepayments by closing balance, grouped by prepayment recipient**

RMB

Company	Closing balance	As a percentage of the closing balance of prepayments %
1	30,237,025.58	8.02
2	19,073,400.00	5.06
3	15,345,052.30	4.07
4	11,680,403.64	3.10
5	9,823,249.51	2.61
Total	86,159,131.03	22.86

**9. Other receivables**

RMB

Item	Closing balance	Opening balance
Other receivables	127,508,002.69	69,263,268.24
Total	127,508,002.69	69,263,268.24

**(1) Classified by aging**

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	69,529,881.69	53,446,126.87
1-2 years	98,996,476.35	37,383,595.16
2-3 years	28,767,031.63	6,235,298.82
Over 3 years	60,464,307.68	17,283,478.23
Total	257,757,697.35	114,348,499.08

**(2) Classified by nature**

RMB

Nature	Closing book balance	Opening book balance
General operating receivables	126,217,354.80	53,681,551.93
Deposits and margins	23,570,996.55	18,871,947.15
Receivables from disposal of investments	11,645,000.00	37,445,000.00
Other current loans	96,324,346.00	4,350,000.00
Total	257,757,697.35	114,348,499.08

**(3) Bad debt provision**

RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit loss	Lifetime expected credit losses (not credit-impaired)	Lifetime expected credit losses (credit-impaired)	
Balance on January 1, 2025	9,468,579.73		35,616,651.11	45,085,230.84
-Transfer to stage 2				
- Transfer to stage 3	-2,966,244.95		2,966,244.95	
-Transfer back to stage 2				
- Transfer back to stage 1				
Provision made during the reporting period	-33,650,231.53		50,096,830.75	16,446,599.22
Reversal during the reporting period			6,383,875.46	6,383,875.46
Charged off during the reporting period				
Amount written off during the period	1,792,087.72		2,271,561.55	4,063,649.27
Other changes	49,536,500.75		29,628,888.58	79,165,389.33
Closing balance on December 31, 2025	20,596,516.28		109,653,178.38	130,249,694.66

Basis for stage classification and bad debt provision rates

a. As of December 31, 2025, 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	103,173,598.87	20,596,516.28	82,577,082.59
Stage 2			
Stage 3	154,584,098.48	109,653,178.38	44,930,920.10
Total	257,757,697.35	130,249,694.66	127,508,002.69

b. 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

#### (4) Bad debt provision

RMB						
Category	Opening balance	Changes in 2025				Closing balance
		Provision	Reversal	Write-off	Other changes	
Other receivables	45,085,230.84	16,446,599.22	6,383,875.46	4,063,649.27	79,165,389.33	130,249,694.66
Total	45,085,230.84	16,446,599.22	6,383,875.46	4,063,649.27	79,165,389.33	130,249,694.66

#### (5) Write-off of other receivables during the period

RMB	
Item	Amount written off
Other receivables actually written off	4,063,649.27

Including significant write-offs of other receivables:

RMB				
Name	Nature	Amount written off	Reason	Whether generated by related party transactions
1	General operating receivables	1,795,426.11	Uncollectible	No
2	General operating receivables	1,000,000.00	Uncollectible	No
Total	/	2,795,426.11	/	/

#### (6) Top 5 other receivables by closing balance, grouped by debtor

RMB					
Company	Closing balance	As a percentage of closing balance of other receivables %	Nature	Aging	Closing balance of bad debt provision
Tai'an Huijun Biomass Energy Company	82,463,346.00	31.99	Other loans	1-2 years, within 2 years, over 3 years	40,347,846.00

Liaoning Mubang Livestock Equipment Manufacturing Company	13,761,000.00	5.34	Other loans	1-2 years	1,714,150.00
Li Yu	12,691,209.91	4.92	General operating receivables	Within 1 year	1,269,120.99
Liaoning Hehe Rongdou Technology Company	10,468,000.00	4.06	General operating receivables	Over 3 years	10,468,000.00
Zhang Dechao	9,910,154.65	3.84	General operating receivables	Within 1 year	991,015.47
Total	129,293,710.56	50.15	/	/	54,790,132.46

### (7) Presented under other receivables due to centralized fund management

Other explanation:

During the current period, the Company acquired part of the equity interests in several associated companies, including Anshan Jiuguhe Food Company. Before the acquisition of these equity interests, the target companies had provided financial assistance to Tai'an Huijun Biomass Energy Company and Liaoning Mubang Livestock Equipment Manufacturing Company.

## 10. Inventories

### (1) Category of inventories

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	1,150,881,116.08	916,965.67	1,149,964,150.41	1,030,538,644.88	2,747,387.50	1,027,791,257.38
Low-value consumables	71,899,122.53		71,899,122.53	37,970,752.28		37,970,752.28
Packaging materials	48,413,789.96	22,191.88	48,391,598.08	20,146,801.19		20,146,801.19
Work in progress	49,323,402.99	2,403,966.00	46,919,436.99	64,061,979.28	4,851,516.02	59,210,463.26
Consumable biological assets	1,381,675,233.82	28,974,457.78	1,352,700,776.04	912,612,731.35	17,300,534.64	895,312,196.71
Finished goods	997,270,708.68	50,160,024.31	947,110,684.37	794,286,722.53	25,678,770.76	768,607,951.77
Total	3,699,463,374.06	82,477,605.64	3,616,985,768.42	2,859,617,631.51	50,578,208.92	2,809,039,422.59

### (2) Provision for inventory write-down/impairment of contract performance costs

RMB

Item	Opening balance	Increase during the period		Decrease during the period	Closing balance
		Provision	Other	Reversal or write-off	

Raw materials	2,747,387.50	456,844.17	479,358.12	2,766,624.12	916,965.67
Work in progress	4,851,516.02			2,447,550.02	2,403,966.00
Packaging materials			43,901.04	21,709.16	22,191.88
Consumable biological assets	17,300,534.64	107,165,131.24	14,349,081.20	109,840,289.30	28,974,457.78
Finished goods	25,678,770.76	81,223,976.60	38,830,730.96	95,573,454.01	50,160,024.31
Total	50,578,208.92	188,845,952.01	53,703,071.32	210,649,626.61	82,477,605.64

**11. Assets held for sale**

Not applicable

**12. Non-current assets due within one year**

Not applicable

**13. Other current assets**

	RMB	
Item	Closing balance	Opening balance
Reclassification of VAT debit balance	191,512,963.20	143,400,061.96
Other	2,322,166.73	1,552,097.09
Total	193,835,129.93	144,952,159.05

**14. Debt investments**

Not applicable

**15. Other debt investments**

Not applicable

**16. Long-term receivables**

Not applicable

## 17. Long-term equity investment

RMB

Investee	Opening balance	Changes 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									0.00	17,900,000.00
Subtotal	11,669,191.54								11,669,191.54	17,900,000.00
2. Associated Company										
Huludao Jiuguhe Animal Husbandry Company				-8,100,583.43				8,100,583.43	0.00	
Huludao Jiuguhe Feed Company	2,454,549.28			-97,979.47	-17,906.14			-2,338,663.67	0.00	
Shenyang Wellhope Huahu Food Technology Company	112,803.65			-17,185.25				-95,618.40	0.00	
Anshan Antai Plastic Products Company	4,808,070.62			-186,094.41				-4,621,976.21	0.00	
Anshan Jiuguhe Paper Packaging Company	8,311,081.66			394,748.78				-8,705,830.44	0.00	
Liaoning Yufeng Biotechnology Company	9,544,660.02			-27,674,590.83				18,129,930.81	0.00	
Jinzhou Xinfeng Food Company	11,880,867.42			-14,644,774.91				2,763,907.49	0.00	
Tai'an Jiuguhe Agriculture Development Company	17,041,588.33			-29,230,797.66				12,189,209.33	0.00	
Linghai Jiuguhe Feed Company	37,633,111.09			-4,332,710.26	-17,906.14			-33,282,494.69	0.00	
Anshan Fengsheng Food Company	49,842,935.09			-2,795,139.74				-47,047,795.35	0.00	
Tai'an Fengjiu Animal Husbandry Company	85,128,552.40			-6,359,009.93	2,696,448.20			-81,465,990.67	0.00	
Jinzhou Jiufeng Food Company	108,666,473.24			3,103,119.53				-111,769,592.77	0.00	
Huludao Jiuguhe Food Company	26,802,757.86			2,739,799.60				-29,542,557.46	0.00	
Anshan Jiuguhe Food Company	246,435,815.15			-3,023,223.21	-3,013,664.21			-240,398,927.73	0.00	
Tai'an Huijun Biomass Energy Company									0.00	
Shenyang Wellhope Jibachuan Agricultural Trading Company		350,000.00		-350,000.00					0.00	
Hebei Taihang Wellhope Feed Company	724,524.46			-193,085.12				-531,439.34	0.00	
Daqing Supply and Marketing	3,605,088.10			-340,390.31				-3,264,697.79	0.00	

Wellhope Animal Husbandry Company									
Wudalianchi Shengda Pasture Specialized Cooperative								0.00	
Liaoning Petmate Biotechnology Company	5,576,610.97			-756,549.71				4,820,061.26	
Jilin Jinfeng Animal Husbandry Company	17,699,749.61		9,000,000.00	1,186,089.32			5,188,500.00	4,697,338.93	
Chongqing Dahong Agriculture and Animal Husbandry Machinery Company	11,007,021.63			1,147,431.77				12,154,453.40	
Dalian Wellhope Fishmeal Company	24,006,512.39			2,103,298.96				26,109,811.35	
Shenyang Wanlitian Agriculture and Animal Husbandry Company	8,923,155.58			1,283,544.88				10,206,700.46	
Liaoning Xinjuntong Logistics Technology Company	1,359,145.08			342,310.80				1,701,455.88	
Haicheng Fengjiu Weaving Bag Company		2,730,853.83		128,741.44				2,859,595.27	
Shihaipu (Beijing) Science and Trade Company	2,401,334.11			6,452.84				2,407,786.95	
Hebei Taihang Wellhope Animal Husbandry Company	33,423,224.96		8,100,000.00	1,272,685.05				26,595,910.01	
Dunhua Fengda Breeding Broiler Company	7,937,157.40			-237,593.51				7,699,563.89	
Shulan Fengtai Organic Fertilizer Company	1,526,679.56			-137,109.43				1,389,570.13	
Qingdao Shenfeng Animal Husbandry Company	12,357,893.73			-20,002.00			-12,337,891.73	0.00	
Suizhong Renhe Fishery Company	4,846,964.80		600,000.00	925,982.33				5,172,947.13	
Dalian Zhongyi Hefeng Trading Company		2,775,075.06		686,747.99				3,461,823.05	
Jiyuan Sunshine Rabbit Industry Technology Company	9,956,201.37			-1,356,397.04				8,599,804.33	
Luoyang Fenglong Agriculture and Animal Husbandry Technology Company		600,000.00		-37,216.66				562,783.34	
Shandong Mingxiang Biotechnology Company		3,500,000.00		-18,141.81				3,481,858.19	
Hainan State Farm Wenfeng Wenchang Chicken Industry (Group) Company	917,203.60			-34,386.37				882,817.23	
Fuyu Fengyuan Layer Company	1,258,259.96			-422,433.12				835,826.84	
Dandong Wellhope Chengsan Animal Husbandry Company	121,244,199.91			11,274,453.34				132,518,653.25	
Shandong Herui Fengkang Food Technology Company		4,900,000.00						4,900,000.00	
Xinjiang Wellhope Food		4,800,000.00		-3,338,113.90				1,461,886.10	

Processing Company									
Shandong Qunxiang Food Company		17,500,000.00		-271,554.39				17,228,445.61	
Dalian Sida Food Company	46,291,290.32			1,097,026.26				47,388,316.58	
Xinhe Jinfeng (Shenyang) Supply Chain Management Company		800,000.00		206,037.31				1,006,037.31	
Liaoning Mubang Livestock Equipment Manufacturing Company	12,791,031.69	8,045,916.31		461,259.53				21,298,207.53	
Weifang Wellhope Xinhesheng Feed Company	6,347,698.48			-307,317.82				6,040,380.66	
PT Sekar Golden Harvesta Indonesia	32,396,435.64			937,006.05	-2,026,465.82			31,306,975.87	
Wudalianchi Zhongwang Dairy Cow Breeding Farmers Specialized Cooperative	764,945.13			-305,956.35				458,988.78	
Shenyang Yihe Enterprise Management Partnership (Limited Partnership)	1,854,830.41							1,854,830.41	
Liaoning Anjiu Animal Nutrition Food Company		29,995,946.61		4,601.60				30,000,548.21	
Shenyang Zhongwenjie Biotechnology Company	15,210,899.22			6,920,532.48				22,131,431.70	
Beijing Dahong Hengfeng Animal Husbandry Technology Company	24,141,705.81			531,691.06				24,673,396.87	
Gongzhuling Wellhope Corn Procurement and Storage Company	53,855,712.82			2,580,140.86				56,435,853.68	
Dandong Wellhope Chengsan Food Company	109,839,361.33			4,429,235.81				114,268,597.14	
Hebei Guanghe Animal Health Products Trading Company		1,750,000.00		681,020.73				2,431,020.73	
Indonesia Godaji International Trading Company	2,839,134.35			451,713.46	-226,245.39	-44,239.88	361,418.00	2,658,944.54	
Jilin Hengfeng Animal Health Products Company	9,447,771.05			2,709,056.52			1,785,000.00	10,371,827.57	
PT. Mulia Harvest Agritech in Indonesia	64,972,169.87			-1,686,586.31	-4,272,602.09		2,681,110.00	56,331,871.47	
Liaoning New Yufeng Biotechnology Company				164,075.10				164,075.10	
Harbin Weierhao Trading Company	24,229,585.43			835,466.47			5,508,000.00	19,557,051.90	
Indonesia Max Animal Husbandry Technology Company	1,492,373.76			-195,062.83	-160,350.59			1,136,960.34	
Dalian Chengsan Food Group Company	370,337,585.91			10,164,235.93			7,000,000.00	373,501,821.84	
Lankao Skyland Duck Industry Company	36,356,524.49			-199,811.77				36,156,712.72	

Chongqing Kuizhou Rabbit Industry Company	11,595,243.41	3,500,000.00		843,951.89					15,939,195.30	
Beipiao Hongfa Food Company	604,371,761.63			72,244,037.29			10,780,000.00		665,835,798.92	
Hetian Wellhope Animal Husbandry Company		14,400,000.00		1,667,749.73					16,067,749.73	
Dalian Minglu Agriculture Development Company	21,755,472.06	9,300,000.00		-2,598,546.22					28,456,925.84	
Golden Harvesta Inc. Philippines	144,328,704.25	20,297,945.53		40,435,835.54	-14,151,322.90	393,313.72			191,304,476.14	
Subtotal	2,472,654,430.09	125,245,737.34	17,700,000.00	64,691,736.48	-21,190,015.08	349,073.84	33,304,028.00	-534,219,845.19	2,056,527,089.48	
Total	2,484,323,621.63	125,245,737.34	17,700,000.00	64,691,736.48	-21,190,015.08	349,073.84	33,304,028.00	-534,219,845.19	2,068,196,281.02	17,900,000.00

Note 1: In view of the particular market and regulatory environments in the countries where Unphung Joint Venture Company, Nepal Wellhope Agri-tech Pvt. Ltd. and Nexus Well-Hope Agritech International Limited operate, as well as the limited extent of influence that the Company is able to exercise over them, the Company's investments in the above three entities are accounted for using the cost method.

Note 2: Tai'an Huijun Biomass Energy Company had closing net assets of RMB -25,962,352.38. The book value of the long-term equity investment was reduced to zero, and the unrecognized investment loss at the end of the period was RMB -6,041,439.40.

Note 3: Shenyang Wellhope Jibaichuan Agricultural Trading Company had closing net assets of RMB -85,225.52. The book value of the long-term equity investment was reduced to zero, and the unrecognized investment loss at the end of the period was RMB -19,661.92.

Note 4: Wudalianchi Shengda Pasture Specialized Cooperative had closing net assets of RMB -15,536,129.83. The book value of the long-term equity investment was reduced to zero, and the unrecognized investment loss at the end of the period was RMB -6,737,941.83.

**18. Other equity instruments investment**

Item	Opening balance	Changes in the current period			Closing balance	RMB
		Additional investments	Reduction of investment	Loss recognized in other comprehensive income during the period		Cumulative loss recognized in other comprehensive income
Xi'an Micro Monkey E-commerce Company						-340,000.00
Dalian Chengsan Xuelong Wagyu Food Processing Company						-15,000,000.00
Henan Shanghui Feed Development Company	163,722.78		163,722.78			-336,277.22
Mudanjiang Wanding Dairy Company						-9,022,830.49
Xinhe Jinfeng Biotechnology (Shenyang) Company		313,600.00		-522.79	313,077.21	-522.79
Total	163,722.78	313,600.00	163,722.78	-522.79	313,077.21	-24,699,630.50

**19. Other non-current financial assets**

Not applicable

**20. Investment properties**

Investment properties accounted for using cost model

Item	RMB		
	Buildings and structures	Land use rights	Total
A. Original value			
1. Opening balance	26,701,973.69	12,899,279.82	39,601,253.51
2. Increased amount during the reporting period	215,245,495.83	35,670,737.69	250,916,233.52
(1) Purchased			
(2) Transfer from fixed assets/intangible assets	209,664,973.19	35,670,737.69	245,335,710.88
(3) Other	5,580,522.64		5,580,522.64
3. Decreased amount during the reporting period			
4. Closing balance	241,947,469.52	48,570,017.51	290,517,487.03
B. Accumulated depreciation/amortization			
1. Opening balance	12,305,995.33	3,314,338.50	15,620,333.83
2. Increased amount during the reporting period	47,481,611.35	5,015,126.90	52,496,738.25
(1) Transfer from fixed assets/intangible assets	45,778,329.94	4,749,940.68	50,528,270.62
(2) Provision or amortization	1,703,281.41	265,186.22	1,968,467.63
3. Decreased amount during the reporting period			
4. Closing balance	59,787,606.68	8,329,465.40	68,117,072.08
C. Impairment provision			
1. Opening balance			
2. Increased amount during the reporting period			
(1) Provision			
3. Decreased amount during the reporting period			
(1) Disposed or retired			

4. Closing balance			
D. Book value			
1. Closing book value	182,159,862.84	40,240,552.11	222,400,414.95
2. Opening book value	14,395,978.36	9,584,941.32	23,980,919.68

**21. Fixed assets**

RMB

Item	Closing balance	Opening balance
Fixed assets	5,680,197,948.63	4,307,643,182.96
Disposal of fixed assets	22,510.64	
Total	5,680,220,459.27	4,307,643,182.96

**(1) Condition of fixed assets**

RMB

Item	Buildings and structures	Machinery and equipment	Transportation vehicle	Other equipment	Total
A. Original value					
1. Opening 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. Increased amount	1,415,452,646.22	1,189,076,446.17	23,980,542.81	16,643,055.38	2,645,152,690.58
(1) Purchased	129,975,950.06	108,702,753.86	10,797,803.60	4,288,744.72	253,765,252.24
(2) Transferred from construction in progress	316,138,441.80	197,014,926.96	1,066,300.00	4,890,368.76	519,110,037.52
(3) Increased by business combination	969,338,254.36	883,358,765.35	12,116,439.21	7,463,941.90	1,872,277,400.82
3. Decreased amount	220,470,151.80	42,933,871.01	11,133,633.98	12,638,689.64	287,176,346.43
(1) Disposal or retirement	10,805,178.61	42,933,871.01	11,133,633.98	12,638,689.64	77,511,373.24
(2) Disposal of subsidiaries					
(3) Converted to investment property	209,664,973.19				209,664,973.19
4. Closing balance	5,113,835,979.24	3,851,175,693.76	143,783,964.94	158,614,404.64	9,267,410,042.58
B. Accumulated depreciation					
1. Opening balance	1,019,748,010.70	1,304,314,607.60	107,260,662.88	100,315,603.05	2,531,638,884.23
2. Increased amount	438,217,853.64	552,867,719.87	45,461,478.75	20,999,296.24	1,057,546,348.50
(1) Provision	221,035,672.22	269,750,776.08	36,127,817.26	15,817,338.15	542,731,603.71
(2) Increased by business combination	217,182,181.42	283,116,943.79	9,333,661.49	5,181,958.09	514,814,744.79
3. Decreased amount	49,288,112.62	28,539,932.48	9,990,593.51	9,481,112.08	97,299,750.69
(1) Disposal or retirement	3,509,782.68	28,539,932.48	9,990,593.51	9,481,112.08	51,521,420.75
(2) Disposal of subsidiaries					
(3) Converted to investment property	45,778,329.94				45,778,329.94
4. Closing balance	1,408,677,751.72	1,828,642,394.99	142,731,548.12	111,833,787.21	3,491,885,482.04
C. Impairment provision					
1. Opening balance	40,138,647.92	29,310,503.15	106,559.44	595,920.73	70,151,631.24
2. Increased amount		27,076,644.30			27,076,644.30
(1) Provision		126,467.38			126,467.38
(2) Increased by business combination		26,950,176.92			26,950,176.92
3. Decreased amount	351,976.17	1,477,331.84	19,710.28	52,645.34	1,901,663.63
(1) Disposal or retirement	351,976.17	1,477,331.84	19,710.28	52,645.34	1,901,663.63
4. Closing balance	39,786,671.75	54,909,815.61	86,849.16	543,275.39	95,326,611.91

D. Book value					
1. Closing book value	3,665,371,555.77	1,967,623,483.16	965,567.66	46,237,342.04	5,680,197,948.63
2. Opening 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

**(2) Status of fixed assets pending ownership certification**

RMB

Item	Book value	Reason for not obtaining ownership certificate
Operation center and raw material warehouse	14,912,670.10	Obtained in January 2026
Jiuguhe Food — ancillary building for the cooked products area	4,654,257.14	In process
Fengsheng — ancillary building for the cooked products area	43,900,677.09	In process
Fengsheng — feather meal workshop	2,057,196.33	In process
Agriculture Development — production and ancillary buildings	27,618,936.26	In process
Antai Plastics — production and ancillary buildings	4,912,889.82	In process
Xinfeng — dormitory, office building and slaughtering workshop	128,590,071.78	In process
Jiuguhe Paper — plant building	2,192,269.27	In process
Total	228,838,967.79	/

**22. Construction in progress**

RMB

Item	Closing balance	Opening balance
Construction in progress	284,606,615.03	189,068,183.70
Total	284,606,615.03	189,068,183.70

**(1) Details of construction in progress**

RMB

Item	Closing balance			Opening balance	
	Book balance	Impairment provision	Book value	Book balance	Book value
Dalian Zhongjia — broiler processing and slaughtering project, phase II	8,527,389.25		8,527,389.25	8,489,311.95	8,489,311.95
Hainan Wellhope — 200,000-ton feed production line project				1,331,909.70	1,331,909.70
Heilongjiang Wellhope — creep feed and nursery feed workshop				4,557,981.00	4,557,981.00
Shandong Heyuan — reservoir renovation	9,798,025.36	2,023,625.36	7,774,400.00	9,798,025.36	9,798,025.36
Pingyuan Wellhope — cold storage project				1,526,890.49	1,526,890.49
Tieling Wellhope Food — renovation project for annual slaughtering capacity of 50 million broilers	67,681,005.94	4,039,800.00	63,641,205.94	65,808,853.00	65,808,853.00
Siping Wellhope Food — integration project of 80 million broilers, phase I				14,319,093.77	14,319,093.77

Liaoning Qingyuan — fifth pelleting line and bulk grain storage system project				6,387,071.04	6,387,071.04
Dasenlin Food — workshop expansion	3,259,580.08		3,259,580.08	4,427,782.48	4,427,782.48
Shenyang Wellhope Agriculture and Animal Husbandry Technology — beef cattle breeding innovation capacity enhancement project				21,166,842.80	21,166,842.80
Dazhou Wellhope — bio-food processing project, phase II				17,063,531.33	17,063,531.33
Anshan Jiuguhe — cooked food project with annual processing capacity of 40,000 tons	171,039,750.50		171,039,750.50		
Anshan Fengsheng — raw meat project, phase II	1,516,356.40		1,516,356.40		
Zhangjiakou Wellhope — project renovation	10,724,159.96		10,724,159.96		
Dalian Heyuan — bulk feed project				3,269,000.00	3,269,000.00
Other miscellaneous construction projects	18,123,772.90		18,123,772.90	30,921,890.78	30,921,890.78
Total	290,670,040.39	6,063,425.36	284,606,615.03	189,068,183.70	189,068,183.70

**(2) 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	Including: interest capitalized during the period	Interest capitalization rate during the period %	Source of funds
Dalian Zhongjia — broiler processing and slaughtering project, phase II	250,000,000.00	8,489,311.95	58,077.30	20,000.00	8,527,389.25	20.00	14.00				Self-funded
Hainan Wellhope — 200,000-ton production line project for pet food and other specialty feeds	72,000,000.00	1,331,909.70		1,331,909.70		98.00	100.00				Self-funded
Shandong Heyuan — 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	100,000,000.00	1,526,890.49		1,526,890.49		100.00	100.00				Self-funded
Tieling Wellhope Food — renovation project for annual slaughtering capacity of 50 million broilers	139,825,800.00	65,808,853.00	1,872,152.94		67,681,005.94	48.39	44.19				Self-funded
Siping Wellhope Food — integration project of 80 million broilers, phase I	198,800,000.00	14,319,093.77	163,476,597.97	177,795,691.74		89.43	100.00				Self-funded, public financing
Liaoning Qingyuan — fifth pelleting line and bulk grain storage system project	13,000,000.00	6,387,071.04	2,980,233.15	9,367,304.19		72.06	100.00				Self-funded
Dasenlin Food — workshop expansion	10,500,000.00	4,427,782.48		1,168,202.40	3,259,580.08	42.17	42.17				Self-funded
Shenyang Wellhope Agriculture and Animal Husbandry Technology — beef cattle breeding innovation capacity enhancement project	34,050,769.88	21,166,842.80	12,883,927.08	34,050,769.88		100.00	100.00				Self-funded
Dazhou Wellhope — bio-food processing project, phase II	61,214,100.00	17,063,531.33	33,358,696.78	50,422,228.11		82.37	100.00				Self-funded
Anshan Jiuguhe — cooked food project with annual processing capacity of 40,000 tons	200,000,000.00		171,039,750.50		171,039,750.50	85.52	95.00	17,994,405.96	3,682,351.03	3.67	Self-funded

Anshan Fengsheng — raw meat project, phase II	150,000,000.00		1,516,356.40		1,516,356.40	1.01					Self-funded
Zhangjiakou Wellhope — project renovation	15,954,400.00	61,730.00	10,662,429.96		10,724,159.96	67.22	65.00				Self-funded
Hebei Taihang Wellhope Feed — broiler feed project with annual capacity of 500,000 tons	120,000,000.00		95,314,539.32	95,314,539.32		97.00	100.00				Self-funded
Dalian Heyuan — bulk feed project	11,000,000.00	3,269,000.00	5,980,000.00	9,249,000.00		84.08	100.00				Self-funded
Siping Wellhope Farming - broiler farming project with annual production of 14.40 million	56,800,000.00		50,778,071.74	50,778,071.74		89.40	100.00				Self-funded, public financing
Shenyang Huakang Broiler —cold storage project	22,000,000.00		13,360,349.13	13,360,349.13		60.73	100.00				Self-funded
Total	1,470,145,069.88	153,650,041.92	563,281,182.27	444,384,956.70	272,546,267.49	/	/	17,994,405.96	3,682,351.03	/	/

### (3) Impairment provision for construction in progress

Item	RMB			
	Opening balance	Increased amount	Decreased amount	Closing balance
Shandong Heyuan - reservoir renovation		2,023,625.36		2,023,625.36
Tieling Wellhope Food — renovation project for annual slaughtering capacity of 50 million broilers		4,039,800.00		4,039,800.00
Total		6,063,425.36		6,063,425.36

**23. Productive biological asset****(1) Productive biological assets measured at cost**

RMB

Item	Livestock industry				Total
	Broiler breeder	Breeding pig	Layer	Breeding cow	
<b>A. Original value</b>					
1. Opening balance	102,912,747.10	145,178,060.19	15,954,521.45	4,333,540.02	268,378,868.76
2. Increased amount	339,085,369.27	248,136,490.50	4,498,091.90	3,728,181.42	595,448,133.09
(1) Externally purchased	100,423,852.98	94,258,729.29			194,682,582.27
(2) Breeding by own farm	145,561,444.91	153,877,761.21	4,498,091.90	3,728,181.42	307,665,479.44
(3) Increased by business combination	93,100,071.38				93,100,071.38
3. Decreased amount	283,221,025.00	241,542,646.26	17,465,766.75	2,421,761.55	544,651,199.56
(1) Disposed	283,221,025.00	182,706,331.49	17,465,766.75	2,290,235.03	485,683,358.27
(2) Transfer to consumable biological assets		58,836,314.77		131,526.52	58,967,841.29
4. Closing balance	158,777,091.37	151,771,904.43	2,986,846.60	5,639,959.89	319,175,802.29
<b>B. Accumulated depreciation</b>					
1. Opening balance	22,976,765.69	25,072,830.27	3,570,265.26	404,096.94	52,023,958.16
2. Increased amount	137,238,714.93	42,967,963.03	6,366,489.27	421,354.38	186,994,521.61
(1) Provision	117,855,133.15	42,967,963.03	6,366,489.27	421,354.38	167,610,939.83
(2) Increased by business combination	19,383,581.78				19,383,581.78
3. Decreased amount	136,942,931.24	40,648,469.65	9,195,031.12	51,880.89	186,838,312.90
(1) Disposed	136,942,931.24	28,269,262.10	9,195,031.12	51,880.89	174,459,105.35
(2) Other		12,379,207.55			12,379,207.55
4. Closing balance	23,272,549.38	27,392,323.65	741,723.41	773,570.43	52,180,166.87
<b>C. Impairment provision</b>					
1. Opening balance					
2. Increased amount	31,169,290.30				31,169,290.30
(1) Provision	7,430,069.81				7,430,069.81
(2) Increased by business combination	23,739,220.49				23,739,220.49
3. Decreased amount	10,683,068.63				10,683,068.63
(1) Disposed	10,683,068.63				10,683,068.63
(2) Other					
4. Closing balance	20,486,221.67				20,486,221.67
<b>D. Book value</b>					
1. Closing book value	115,018,320.32	124,379,580.78	2,245,123.19	4,866,389.46	246,509,413.75
2. Opening book value	79,935,981.41	120,105,229.92	12,384,256.19	3,929,443.08	216,354,910.60

**24. Oil and gas assets**

Not applicable

**25. Right-of-use asset**

RMB

Item	Buildings and structures	Machinery equipment	Land	Total
<b>A. Original value</b>				
1. Opening balance	546,540,843.10	87,092,028.32	88,489,876.94	722,122,748.36

2. Increased amount	145,175,687.71	115,807,857.60	80,011,396.89	340,994,942.20
(1) New lease	126,486,979.99	78,926,803.29	17,428,403.12	222,842,186.40
(2) Increased by business combination	18,688,707.72	36,881,054.31	62,582,993.77	118,152,755.80
3. Decreased amount	71,441,339.58	31,858,125.81	3,874,587.41	107,174,052.80
(1) Lease expiration	71,441,339.58	31,858,125.81	3,874,587.41	107,174,052.80
4. Closing balance	620,275,191.23	171,041,760.11	164,626,686.42	955,943,637.76
B. Accumulated amortization				
1. Opening balance	120,876,496.85	17,564,598.07	36,187,753.90	174,628,848.82
2. Increased amount	60,822,184.96	30,174,942.23	22,998,582.61	113,995,709.80
(1) Provision	57,200,099.99	20,182,460.99	17,934,558.88	95,317,119.86
(2) Increased by business combination	3,622,084.97	9,992,481.24	5,064,023.73	18,678,589.94
3. Decreased amount	35,224,589.88	2,108,066.00	1,452,100.00	38,784,755.88
(1) Disposed	35,224,589.88	2,108,066.00	1,452,100.00	38,784,755.88
4. Closing balance	146,474,091.93	45,631,474.30	57,734,236.51	249,839,802.74
C. Impairment provision				
D. Book value				
1. Closing book value	473,801,099.30	125,410,285.81	106,892,449.91	706,103,835.02
2. Opening book value	425,664,346.25	69,527,430.25	52,302,123.04	547,493,899.54

## 26. Intangible assets

RMB

Item	Land use rights	Computer software and other	Total
A. Original value			
1. Opening balance	465,610,247.06	30,858,258.93	496,468,505.99
2. Increased amount	223,713,516.41	18,207,658.19	241,921,174.60
(1) Purchased	35,179,938.28	12,190,447.31	47,370,385.59
(2) Increased by business combination	188,533,578.13	6,017,210.88	194,550,789.01
3. Decreased amount	43,155,056.91	132,785.13	43,287,842.04
(1) Disposed	7,484,319.22	132,785.13	7,617,104.35
(2) Transferred to investment property	35,670,737.69		35,670,737.69
4. Closing balance	646,168,706.56	48,933,131.99	695,101,838.55
B. Accumulated amortization			
1. Opening balance	89,417,305.07	13,805,377.61	103,222,682.68
2. Increased amount	28,514,812.08	6,616,419.88	35,131,231.96
(1) Provision	14,092,262.95	3,554,427.81	17,646,690.76
(2) Increased by business combination	14,422,549.13	3,061,992.07	17,484,541.20
3. Decreased amount	5,785,464.10	125,320.41	5,910,784.51
(1) Disposed	1,035,523.42	125,320.41	1,160,843.83
(2) Transferred to investment property	4,749,940.68		4,749,940.68
4. Closing balance	112,146,653.05	20,296,477.08	132,443,130.13
C. Impairment provision			
D. Book value			
1. Closing book value	534,022,053.51	28,636,654.91	562,658,708.42
2. Opening book value	376,192,941.99	17,052,881.32	393,245,823.31

**27. Goodwill****(1) Original value of goodwill**

RMB

Name of investee or matter giving rise to goodwill	Opening balance	Increased amount	Closing balance
		Resulting from business combination	
Dalian Zhongjia Food Company	290,425.67		290,425.67
Shandong Fengkang Food Company	17,594,587.49		17,594,587.49
Dazhou Wellhope Biotechnology Company	1,979,591.74		1,979,591.74
Anshan Jiuguhe Food Company and 12 other companies		27,168,397.13	27,168,397.13
Hebei Taihang Wellhope Feed Company		810,833.46	810,833.46
Total	19,864,604.90	27,979,230.59	47,843,835.49

**(2) Impairment provision for goodwill**

RMB

Invested entity or matters forming goodwill	Opening balance	Increased amount	Decreased amount	Closing balance
		Provision	Disposal	
Anshan Jiuguhe Food Company and 12 other companies		372,389.56		372,389.56
Shandong Fengkang Food Company		17,594,587.49		17,594,587.49
Total		17,966,977.05		17,966,977.05

**(3) Other explanations:**

Note: The above goodwill mainly arose from business combinations not under common control. The goodwill was recognized for the amount by which the combination cost paid by the Company exceeded the Company's share of the fair value of the acquiree's identifiable net assets.

The Company determines the recoverable amount of the relevant asset group using the present value of estimated future cash flows. Cash flow projections for the next five years are based on financial budgets approved by management, with an estimated cash flow growth rate of 0.00% applied for subsequent years (previous period: 0.00%). The above financial budgets are prepared by management based on past performance and its expectations of market development. Based on the results of the impairment test, the balance of provision for impairment of goodwill at the end of the reporting period amounted to RMB 17,966,977.05.

**28. Long-term deferred expenses**

RMB

Item	Opening balance	Increased amount	Amortized amount	Closing balance
Land preparation costs	4,865,366.46	2,935,759.44	3,446,846.71	4,354,279.19
Improvements to fixed assets	41,508,378.59	34,942,208.76	17,486,926.30	58,963,661.05
Other	19,027,261.02	14,413,992.94	12,619,535.28	20,821,718.68
Total	65,401,006.07	52,291,961.14	33,553,308.29	84,139,658.92

**29. Deferred tax assets /deferred tax liabilities****(1) Deferred tax assets before offsetting**

RMB

Item	Closing balance		Opening balance	
	Deductible temporary	Deferred tax assets	Deductible temporary	Deferred tax assets

	difference		difference	
Provision for the impairment of assets	41,257,756.83	8,525,564.86	41,909,351.47	8,682,373.14
Provision for credit impairment	155,715,998.81	34,273,480.19	239,715,227.47	50,322,619.56
Unrealized profit from internal transactions	12,793,034.05	3,000,584.52	13,781,926.78	3,415,687.36
Deferred income	31,745,360.01	4,928,370.67	36,998,506.68	5,791,892.67
Changes in fair value	222,471.70	33,370.76	202,400.00	50,600.00
Lease liabilities	197,655,020.26	49,064,073.85	212,942,519.06	52,889,803.34
Share-based payment	250,425.81	47,746.22	373,420.49	60,676.61
Deductible losses	2,799,177.51	699,794.38		
Total	442,439,244.98	100,572,985.45	545,923,351.95	121,213,652.68

**(2) Deferred tax liabilities before offsetting**

RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Book value of assets exceeds tax base	233,762,868.94	56,071,275.56	217,702,263.91	53,566,285.70
Total	233,762,868.94	56,071,275.56	217,702,263.91	53,566,285.70

**(3) Deferred tax assets or liabilities presented on a net basis after offsetting**

Item	Amount offset between deferred tax assets and deferred tax liabilities as of December 31, 2025	Balance of deferred tax assets or liabilities after offsetting as of December 31, 2025	Amount offset between deferred tax assets and deferred tax liabilities as of December 31, 2024	Balance of deferred tax assets or liabilities after offsetting as of December 31, 2024
Deferred tax assets	50,670,664.32	49,902,321.13	52,380,617.84	68,833,034.84
Deferred tax liabilities	50,670,664.32	5,400,611.24	52,380,617.84	1,185,667.86

**(4) Details of unrecognized deferred tax assets**

RMB

Item	Closing balance	Opening balance
Deductible temporary difference	194,768,733.56	85,745,387.98
Deductible losses	554,926,154.01	512,408,736.36
Total	749,694,887.57	598,154,124.34

**(5) Deductible tax losses with no deferred tax assets recognized will expire in the following years**

RMB

Year	Closing balance	Opening balance
2026	120,395,492.91	55,180,100.74
2027	95,834,971.61	83,463,503.82
2028	101,934,860.29	110,931,053.08
2029	161,631,408.28	255,180,815.70
2030	67,552,811.43	76,653.53
2031	4,294,631.45	4,294,631.45
2032	3,281,978.04	3,281,978.04
Total	554,926,154.01	512,408,736.36

**30. Other non-current assets**

RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepayments for long-term assets	58,356,051.31		58,356,051.31	52,743,172.87		52,743,172.87
Prepayments for farming fees to contract farms	1,150,690,468.97	57,534,523.47	1,093,155,945.50	525,602,282.30	26,243,830.94	499,358,451.36
Total	1,209,046,520.28	57,534,523.47	1,151,511,996.81	578,345,455.17	26,243,830.94	552,101,624.23

**31. Assets subject to restrictions on ownership or right of use**

RMB

Item	Closing balance			Opening balance		
	Book balance	Book value	Type of restriction	Book balance	Book value	Type of restriction
Bank deposits	3,414,777.43	3,414,777.43	Frozen by court order and delayed update of business registration information			
Other monetary funds	27,562,178.91	27,562,178.91		45,743,263.42	45,743,263.42	
Including: Futures margin deposits	27,561,467.35	27,561,467.35	Deposited as margin	19,700,245.12	19,700,245.12	Deposited as margin
Letter of credit margin deposits	7.18	7.18	Deposited as margin	5,106,257.99	5,106,257.99	Deposited as margin
Funds in securities accounts	704.38	704.38	Deposited as margin	20,936,760.31	20,936,760.31	Deposited as margin
Fixed assets	632,907,136.04	632,907,136.04	Mortgaged	192,584,707.96	192,584,707.96	Mortgaged
Intangible assets	81,228,213.25	81,228,213.25	Mortgaged	24,850,032.42	24,850,032.42	Mortgaged
Construction in process	171,039,750.50	171,039,750.50	Mortgaged			
Total	916,152,056.13	916,152,056.13	/	263,178,003.80	263,178,003.80	/

Explanation:

During the current period, the Company pledged to Bank of China the following equity interests in its subsidiaries as collateral for the Company's long-term borrowings from Bank of China: 28.45% equity interest in Anshan Jiuguhe Food Company, 25.56% equity interest in Anshan Fengsheng Food Company, 28.45% equity interest in Tai'an Jiuguhe Agriculture Development Company, 32.00% equity interest in Tai'an Fengjiu Animal Husbandry Company, 32.00% equity interest in Huludao Jiuguhe Food Company, 32.00% equity interest in Huludao Jiuguhe Feed Company, 32.00% equity interest in Huludao Jiuguhe Animal Husbandry Company, 32.00% equity interest in Jinzhou Jiufeng Food Company, 32.00% equity interest in Jinzhou Xinfeng Food Company, 32.00% equity interest in Linghai Jiuguhe Feed Company, 32.00% equity interest in Liaoning Yufeng Biotechnology Company, 39.60% equity interest in Anshan Antai Plastic Products Company, and 39.60% equity interest in Anshan Jiuguhe Paper Packaging Company.

**32. Short-term borrowings**

RMB

Item	Closing balance	Opening balance
Mortgage borrowings	105,500,000.00	66,500,000.00

Guaranteed borrowings	959,777,750.46	169,094,236.21
Unsecured borrowings	793,757,058.32	330,124,132.88
Interest payable	1,643,071.71	1,560,621.32
Total	1,860,677,880.49	567,278,990.41

Explanation:

The guaranteed borrowings at the end of the period represented bank borrowings guaranteed by the Company for its subsidiaries, namely Huludao Jiuguhe Food Company, Jinzhou Xinfeng Food Company, Liaoning Expert Trading Company, Baicheng Wellhope Animal Husbandry Company, Shenyang Huakang Xinxin Food Company, Linghai Jiuguhe Feed Company, Jinzhou Jiufeng Food Company, Daqing Wellhope Food Company, Hainan Wellhope Animal Husbandry Company, Lixin Xiangfeng Agriculture and Animal Husbandry Company, Lingyuan Wellhope Animal Husbandry Company, Anshan Jiuguhe Food Company, Anshan Fengsheng Food Company, Tai'an Jiuguhe Agriculture Development Company and Tai'an Fengjiu Animal Husbandry Company.

The mortgage borrowings at the end of the period represented borrowings of RMB 105.50 million secured by equipment, factory buildings, land and other assets of the Company's subsidiaries, namely Dazhou Wellhope Biotechnology Company, Shandong Fengkang Food Company and Anshan Fengsheng Food Company.

### 33. Financial liabilities held for trading

Item	Closing balance	Opening balance
Financial liabilities designated as at fair value through profit or loss	7,718,239.77	
Total	7,718,239.77	

The change during the current period arose from the contingent consideration agreed between the Company and the seller for the acquisition of the broiler business in a business combination not under common control, resulting in the recognition of financial liabilities held for trading.

### 34. Derivative financial liabilities

Not applicable

### 35. Notes payable

Not applicable

### 36. Accounts payable

Item	Closing balance	Opening balance
Accounts payable related to purchases of goods and expenses	2,047,252,009.33	1,556,969,201.55
Accounts payable related to long-term assets	150,642,256.53	72,584,477.24
Total	2,197,894,265.86	1,629,553,678.79

### 37. Prepayment

Not applicable

### 38. Contract liabilities

Item	Closing balance	Opening balance
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Advance receipts for goods	330,822,123.20	281,430,591.89
Total	330,822,123.20	281,430,591.89

**39. Employee benefits payable****(1) Employee benefits**

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
1. Short-term employee benefits	239,446,384.79	2,213,181,086.56	2,139,313,634.05	313,313,837.30
2. Post-employment benefits-defined contribution plans	1,041,397.97	135,472,315.65	135,753,816.06	759,897.56
3. Termination benefits	86,000.00	1,593,638.89	1,609,638.89	70,000.00
Total	240,573,782.76	2,350,247,041.10	2,276,677,089.00	314,143,734.86

**(2) Short-term employee benefits**

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
1. Salaries, bonuses, allowances and subsidies	236,906,009.72	2,012,726,162.32	1,938,340,649.21	311,291,522.83
2. Employee welfare expenses	457,669.11	87,839,165.09	87,970,363.73	326,470.47
3. Social insurance contributions	590,474.16	75,227,461.22	75,502,942.62	314,992.76
Including: Medical insurance contributions	522,491.63	66,214,015.45	66,463,343.97	273,163.11
Work-related injury insurance contributions	47,229.91	6,943,433.34	6,954,992.44	35,670.81
Maternity insurance contributions	20,752.62	2,070,012.43	2,084,606.21	6,158.84
4. Housing provident fund contributions	110,694.00	25,772,280.18	25,785,620.34	97,353.84
5. Trade union funds and employee education funds	1,381,537.80	11,616,017.75	11,714,058.15	1,283,497.40
Total	239,446,384.79	2,213,181,086.56	2,139,313,634.05	313,313,837.30

**(3) Defined contribution plans**

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
Basic pension insurance contributions	1,010,112.54	130,906,730.77	131,180,032.20	736,811.11
Unemployment insurance contributions	31,285.43	4,565,584.88	4,573,783.86	23,086.45
Total	1,041,397.97	135,472,315.65	135,753,816.06	759,897.56

**40. Tax payable**

RMB

Item	Closing balance	Opening balance
Value-added tax	4,523,047.00	6,752,457.25
Corporate income tax	47,482,632.23	35,959,307.30
Individual income tax	3,220,298.38	3,859,929.41
Urban maintenance and construction tax	141,620.48	129,737.82
Education surcharge	114,850.93	102,235.47
Real estate tax	2,779,759.80	2,130,688.60
Urban land use tax	2,226,400.53	1,749,911.58
Stamp tax	6,486,676.35	4,899,112.15
Other	1,521,070.16	883,530.78
Total	68,496,355.86	56,466,910.36

**41. Other payables****(1) Items presented**

RMB		
Item	Closing balance	Opening balance
Interest payable	15,562,476.40	10,369,863.01
Other payables	822,520,619.38	628,259,826.01
Total	838,083,095.78	638,629,689.02

**(2) Interest payable**

RMB		
Item	Closing balance	Opening balance
Interest payable on convertible bonds	15,562,476.40	10,369,863.01
Total	15,562,476.40	10,369,863.01

**(3) Other payables**

RMB		
Item	Closing balance	Opening balance
Operating payables related to expenses and current account balances	647,606,760.01	483,961,450.75
Payables related to investments	25,065,000.00	14,022,500.00
Employee stock ownership plan	72,100,000.00	72,100,000.00
Balances with external parties	77,748,859.37	58,175,875.26
Total	822,520,619.38	628,259,826.01

**42. Liabilities held for sale**

Not applicable

**43. Current portion of non-current liabilities**

RMB		
Item	Closing balance	Opening balance
Current portion of long-term borrowings	372,023,099.00	453,606,051.58
Current portion of long-term payables	38,476,032.41	15,250,875.29
Current portion of lease liabilities	66,114,143.90	28,685,862.68
Total	476,613,275.31	497,542,789.55

**44. Other current liabilities**

RMB		
Item	Closing balance	Opening balance
Output VAT to be transferred	10,741,773.29	8,223,061.85
Total	10,741,773.29	8,223,061.85

**45. Long-term borrowings**

RMB		
Item	Closing balance	Opening balance
Borrowings secured by mortgages	429,084,895.52	99,264,210.00
Guaranteed borrowings	353,514,871.47	389,750,606.09
Borrowings secured by pledges	151,285,406.33	
Unsecured borrowings	1,506,914,025.00	1,407,340,000.00
Interest payable	2,638,435.97	1,405,503.83
Subtotal	2,443,437,634.29	1,897,760,319.92
Less: Current portion of long-term borrowings	372,023,099.00	453,606,051.58
Total	2,071,414,535.29	1,444,154,268.34

The guaranteed borrowings at the end of the period represented bank borrowings guaranteed by the Company for its subsidiaries, namely Tai'an Jiuguhe Agriculture Development Company, Hebei Taihang Wellhope Food Company, Haicheng Wellhope Animal Husbandry and Feed Company, Daqing Wellhope Food Company, Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company and Anhui

Wellhope Food Company.

The borrowings secured by mortgages represented borrowings of RMB 429.0849 million secured by mortgages over office buildings, dormitory buildings, factory buildings, equipment and land of the Company's subsidiaries, namely Anshan Jiuguhe Food Company, Anshan Fengsheng Food Company, Liaoning Yufeng Biotechnology Company, Hebei Taihang Wellhope Feed Company, Pingyuan Wellhope Food Processing Company, Hebei Taihang Wellhope Food Company and Jinzhou Xinfeng Food Company.

The borrowings secured by pledges represented borrowings of RMB 151.2854 million from Bank of China, for which the Company pledged to Bank of China the equity interests in its subsidiaries, namely Anshan Jiuguhe Food Company, Anshan Fengsheng Food Company, Tai'an County 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 Biotechnology Company, Anshan Antai Plastic Products Company and Anshan Jiuguhe Paper Packaging Company. The interest rates on bank borrowings ranged from 1.95% to 3.99%, and the interest rates on government borrowings ranged from 3.00% to 10.80%.

#### 46. Bonds payable

##### (1) Bonds payable

	RMB	
Item	Closing balance	Opening balance
Wellhope convertible bond	1,386,717,739.62	1,349,079,789.00
Total	1,386,717,739.62	1,349,079,789.00

**(2) 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	Repayment during the period	Conversion into shares during the period	Closing balance	Whether in default (Yes/No)
Wellhope convertible bond	100.00	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	1,349,079,789.00	15,562,476.40	22,213,474.22	4,000.00	134,000.00	1,386,717,739.62	No
Total	/	/	/	/	1,500,000,000.00	1,349,079,789.00	15,562,476.40	22,213,474.22	4,000.00	134,000.00	1,386,717,739.62	/

**(3) 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 of convertible corporate bonds and basis for judgment

As approved by the China Securities Regulatory Commission in the Approval for the Public Issuance of Convertible Corporate Bonds, the Company publicly issued 15 million convertible corporate bonds on April 22, 2022, at an issue price of RMB 100.00 per bond, with an aggregate issue amount of RMB 1.5 billion and a term of six years. With the consent of the Shanghai Stock Exchange, the Company's convertible corporate bonds were listed and traded on the Shanghai Stock Exchange from May 18, 2022, under the bond abbreviation "Wellhope Convertible Bond" and bond code "113647".

The coupon rates of the convertible corporate bonds issued by the Company are 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 once a year. Upon maturity, the principal of all convertible bonds that have not been converted into shares, together with the interest for the final year, will be repaid. The bonds have a term of six years from the date of issuance, namely from April 22, 2022 (T day) to April 21, 2028. Interest accrues from the first day of issuance of the convertible bonds, namely April 22, 2022 (T day). Each annual interest payment date falls on the anniversary of the first day of issuance of the convertible bonds. If such date falls on a statutory holiday or non-trading day, it will be postponed to the next trading day, and no additional interest will accrue during the postponement period.

The initial conversion price of the convertible corporate bonds was RMB 10.22 per share. On June 20, 2022, the Company repurchased and cancelled 5,742,000 restricted shares at a repurchase price of RMB 4.23 per share. Accordingly, the Company made a corresponding adjustment to the conversion price of "Wellhope Convertible Bonds", and the conversion price was adjusted to RMB 10.26 per share from June 23, 2022. On May 22, 2023, due to the implementation of the Company's 2022 dividend distribution, the conversion price of "Wellhope Convertible Bonds" was adjusted to RMB 10.14 per share from May 26, 2023. On June 4, 2025, due to the implementation of the Company's 2024 dividend distribution, the conversion price was adjusted to RMB 10.09 per share from June 10, 2025.

Pursuant to the relevant provisions of Accounting Standards for Business Enterprises No. 37 — Presentation of Financial Instruments, where convertible bonds issued by an enterprise are non-derivative financial instruments containing both a financial liability component and an equity instrument component, the financial liability component and the equity instrument component shall be measured separately at initial recognition. Accordingly, after deducting the allocated issuance expenses, the fair value of the financial liability component of the convertible corporate bonds issued by the Company was RMB 1,250,956,156.48, which was recorded under bonds payable; after deducting the allocated issuance expenses, the fair value of the equity instrument component was RMB 238,927,343.52, which was recorded under other equity instruments.

**47. Lease liabilities**

RMB

Item	Closing balance	Opening balance
Total lease payments	841,451,146.11	626,129,851.01
Less: Unrecognized financing expenses	226,402,979.11	176,598,390.07
Subtotal	615,048,167.00	449,531,460.94
Less: Current portion of lease liabilities	66,114,143.90	28,685,862.68
Total	548,934,023.10	420,845,598.26

**48. Long-term payables**

RMB

Item	Closing balance	Opening balance
Long-term payables	69,053,798.48	110,118,599.16
Less: Current portion of long-term payables	38,476,032.41	15,250,875.29
Total	30,577,766.07	94,867,723.87

**(1) Long-term payables presented by nature**

RMB

Item	Closing balance	Opening balance
Finance lease payables	75,259,852.87	120,762,008.91
Unrecognized financing expenses	-6,206,054.39	-10,643,409.75
Subtotal	69,053,798.48	110,118,599.16
Less: Current portion of long-term payables	38,476,032.41	15,250,875.29
Total	30,577,766.07	94,867,723.87

**49. Long-term employee benefits payable**

Not applicable

**50. Provisions**

Not applicable

**51. Deferred income**

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
Government grant	75,291,554.80	17,688,781.90	9,785,675.49	83,194,661.21
Total	75,291,554.80	17,688,781.90	9,785,675.49	83,194,661.21

**52. Other non-current liabilities**

No applicable

**53. Share capital**

RMB

	Opening balance	Changes (increase or decrease)		Closing balance
		Others	Subtotal	
Total shares	919,434,448.00	-6,943,315.00	-6,943,315.00	912,491,133.00

Other explanations: In 2025, a total of RMB 134,000.00 of Wellhope convertible bond were converted into shares of the Company, and the number of shares resulting from the conversion was 13,264 shares. The Company has repurchased and disposed of 6,956,579 shares of employee equity incentives that have not been utilized.

**54. Other equity instruments****(1) Basic information on preference shares, perpetual bonds and other financial instruments outstanding at the end of the reporting 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".

**(2) Changes in preferred shares, perpetual bonds and other financial instruments outstanding at the end of the period**

RMB

Outstanding financial instruments	Opening balance		Decrease during the period		Closing balance	
	Number	Book value	Number	Book value	Number	Book value
Wellhope convertible bond	14,670,000.00	233,670,941.96	1,380.00	21,344.18	14,668,620.00	233,649,597.78
Total	14,670,000.00	233,670,941.96	1,380.00	21,344.18	14,668,620.00	233,649,597.78

**55. Capital reserves**

RMB

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance
Capital premium(Share premium)	802,830,071.13	149,400.12	63,001,213.17	739,978,258.08
Other capital reserves	5,208,142.24	1,922,691.33		7,130,833.57
Total	808,038,213.37	2,072,091.45	63,001,213.17	747,109,091.65

Other information, including changes during the period and reasons for such changes:

The changes in capital premium for the year were attributable to an increase of RMB 149,400.12 arising from the conversion of the Company's convertible corporate bonds into shares, a decrease of RMB 3,514,179.82 due to changes in the Company's share of equity in subsidiaries, and a decrease of RMB 59,487,033.37 in share premium resulting from the cancellation of 6,956,579 repurchased shares.

The changes in other capital reserves for the year were attributable to share-based payment expenses of RMB 1,573,617.48 recognized in connection with the implementation of the employee stock ownership plan, and an increase of RMB 349,073.85 arising from equity-accounted investees.

**56. Treasury shares**

RMB

Item	Opening balance	Increased amount	Decreased amount	Closing balance
Treasury shares	425,931,323.30	56,466,476.00	66,443,612.37	415,954,186.93
Total	425,931,323.30	56,466,476.00	66,443,612.37	415,954,186.93

Other information, including changes during the period and reasons for such changes:

The decrease in treasury shares for the year was attributable to the cancellation of 6,956,579 repurchased but unused shares under the employee equity incentive plan. As of December 31, 2025, the Company

held 47,062,532 treasury shares. For information on share-based payments, please refer to Note 15 “Share-based Payments”.

The increase in treasury shares for the year was attributable to the Company’s repurchase of 0.78% of its shares through centralized bidding transactions.

### 57. Other comprehensive income

Item	Opening balance	2025			Closing balance
		Pre-tax	After-tax, attributable to parent company	After-tax, attributable to non-controlling interest	
1. Other comprehensive income that will not be reclassified to profit or loss	-30,373,020.38	335,754.43	335,754.43		-30,037,265.95
Changes in fair value of investments in other equity instruments	-30,373,020.38	335,754.43	335,754.43		-30,037,265.95
2. Other comprehensive income that will be reclassified to profit or loss	-9,276,834.71	-20,923,644.57	-20,853,090.31	-70,554.26	-30,129,925.02
Including: Other comprehensive income that can be transferred in profit or loss under the equity method	-9,283,389.69	-20,836,986.79	-20,766,432.53	-70,554.26	-30,049,822.22
Exchange differences on translation of foreign currency financial statements	6,554.98	-86,657.78	-86,657.78		-80,102.80
Total other comprehensive income	-39,649,855.09	-20,587,890.14	-20,517,335.88	-70,554.26	-60,167,190.97

### 58. Special reserves

Not applicable

### 59. Surplus reserves

Item	Opening balance	Increased amount	Decreased amount	RMB
				Closing balance
Statutory surplus reserves	474,685,527.73			474,685,527.73
Total	474,685,527.73			474,685,527.73

### 60. Undistributed profits

Item	RMB	
	2025	2024
Undistributed profits at the end of prior period before adjustment	4,724,940,370.20	4,400,135,075.82
Undistributed profits at the beginning of current period after adjustment	4,724,940,370.20	4,400,135,075.82
Add: Net profit attributable to the owners of the parent company in the period	52,516,855.05	342,468,141.14
Less: Appropriation to statutory surplus reserve		17,662,846.76
Dividends payable on common shares	50,215,141.46	
Undistributed profits at the end of current period	4,727,242,083.79	4,724,940,370.20

**61. Operating revenue and cost****(1) Information of revenue and cost**

RMB

Item	2025		2024	
	Revenue	Cost	Revenue	Cost
Principal businesses	35,683,156,750.85	33,631,959,406.77	32,499,057,611.21	30,410,710,308.70
Other businesses	78,364,175.09	60,768,291.36	46,202,426.66	36,418,856.47
Total	35,761,520,925.94	33,692,727,698.13	32,545,260,037.87	30,447,129,165.17

**(2) Breakdown information on revenues and costs**

RMB

Contract classification	Total	
	Revenue	Cost
By type of goods		
Feed products	13,459,577,751.73	12,137,385,674.07
Broiler integration	16,185,346,810.81	15,870,258,326.29
Feed raw materials	1,840,524,517.54	1,528,517,513.73
Swine farming	3,545,237,226.22	3,528,100,442.87
Other businesses	730,834,619.64	628,465,741.17
By timing of transfer of goods		
Revenue recognized at a point in time	35,749,225,350.78	33,682,590,289.23
Revenue recognized over time	12,295,575.16	10,137,408.90
Total	35,761,520,925.94	33,692,727,698.13

Explanation:

The Company sells goods such as feed products, broiler products, feed raw materials and hogs. Under the relevant sales contracts, the related performance obligations are satisfied at a point in time. For performance obligations satisfied at a point in time, revenue is recognized when the customer obtains control of the goods.

The Company's asset leasing business involves performance obligations satisfied over time under the relevant lease contracts. For performance obligations satisfied over time, revenue is recognized over the relevant period based on the progress towards satisfaction of those performance obligations.

**62. Taxes and surcharges**

RMB

Item	2025	2024
Urban maintenance and construction tax	1,895,338.17	1,058,540.77
Education surcharge	1,576,548.86	827,319.94
Real estate tax	21,125,648.27	14,258,729.65
Urban land use tax	18,456,443.58	14,462,394.77
Stamp tax	28,051,686.36	20,755,474.73
Other	7,112,292.62	5,627,283.50
Total	78,217,957.86	56,989,743.36

**63. Selling expenses**

RMB

Item	2025	2024
Employee compensation	485,961,552.33	417,792,737.12
Travel expenses	126,100,685.49	123,453,441.73
Transportation, loading and vehicle expenses	14,371,809.68	12,058,594.69
Labor service fees	15,176,127.70	18,894,539.11

Business entertainment expenses	29,749,346.96	32,813,938.44
Business promotion expenses	10,557,989.56	7,821,937.19
Lease expenses	8,301,898.46	7,520,918.96
Conference expenses	6,494,597.74	9,413,004.93
Sales service expenses	29,587,495.92	33,262,454.04
Office and communication expenses	12,462,250.67	8,912,339.22
Others	48,603,313.19	38,000,464.78
Total	787,367,067.70	709,944,370.21

**64. Administration expenses**

RMB

Item	2025	2024
Employee compensation	402,582,074.01	361,675,503.74
Depreciation	82,720,446.77	66,057,168.08
Office and communication expenses	35,588,451.05	31,100,000.92
Business entertainment expenses	27,251,675.82	23,532,396.68
Labor service fees	25,859,029.52	27,430,054.91
Travel expenses	24,663,269.74	22,862,655.36
Amortization of intangible assets	16,142,080.47	12,114,506.16
Depreciation of right-of-use assets	13,028,518.06	16,439,194.37
Professional service fees	12,258,660.68	10,023,670.10
Utilities expenses	11,173,581.68	10,698,659.11
Vehicle expenses	10,792,070.93	10,348,633.54
Lease expenses	10,411,932.64	9,968,636.31
Heating expenses	8,472,727.74	7,745,511.30
Amortization of long-term deferred expenses	7,982,928.14	17,299,181.87
Repair and maintenance expenses	7,524,584.32	17,366,525.08
Equity incentive expenses	1,158,251.19	1,294,411.92
Board expenses	307,000.00	458,699.92
Others	52,808,280.90	26,114,613.64
Total	750,725,563.66	672,530,023.01

**65. R&D expenses**

RMB

Item	2025	2024
Employee compensation	15,160,026.94	18,021,292.08
Design and testing expenses	8,460,110.49	4,417,180.70
Materials and supplies	1,305,968.62	1,594,640.40
Travel expenses	594,756.10	1,718,007.59
Depreciation and amortization expense	2,375,528.15	2,622,875.09
Equity incentive expenses	77,678.65	26,877.94
Others	850,602.70	640,263.77
Total	28,824,671.65	29,041,137.57

**66. Financial expenses**

RMB

Item	2025	2024
Interest expenses	213,400,859.71	181,050,699.18
Including: Interest expense on lease liabilities	35,579,281.00	28,340,505.60
Less: Interest income	6,113,431.52	12,294,655.57
Net foreign exchange losses	-892,860.95	-4,964,099.02
Bank charges	8,376,240.36	4,399,325.72
Total	214,770,807.60	168,191,270.31

**67. Other income**

RMB

Item	2025	2024
Government grants	31,764,241.09	37,800,420.98
Service fees for withholding and remitting individual income tax	440,346.01	328,257.81
Others	157,370.05	326,782.73
Total	32,361,957.15	38,455,461.52

**68. Investment income**

RMB

Item	2025	2024
Income from long-term equity investments accounted for using the equity method	64,598,021.61	129,857,217.55
Investment income from disposal of long-term equity investments	388,707.56	-184,193.74
Investment income from disposal of derivative financial instruments and others	2,981,482.72	-2,342,448.64
Dividend income from investments in other equity instruments during the holding period	50,000.00	
Gain arising from remeasurement of the remaining equity interest at fair value after loss of control		933,259.23
Other changes in owners' equity of the previously held equity interest accounted for using the equity method before the acquisition date		2,625,000.00
Gain or loss arising from remeasurement of the previously held equity interest at fair value before the acquisition date	114,015,283.69	6,811,688.24
Total	182,033,495.58	137,700,522.64

**69. Gains on net exposure hedges**

Not applicable

**70. Gains or losses from changes in fair value**

RMB

Source of gains or losses from changes in fair value	2025	2024
Financial assets held for trading	1,160,721.24	-147,128.24
Including: Gains or losses from changes in fair value of derivative financial instruments	1,160,721.24	-147,128.24
Total	1,160,721.24	-147,128.24

**71. Credit impairment losses**

RMB

Item	2025	2024
Bad debt losses on notes receivable	501,881.97	-569,252.61
Bad debt losses on accounts receivable	-51,457,605.87	-90,097,976.51
Bad debt losses on other receivables	-10,062,723.76	-25,000,819.31
Bad debt losses on other non-current assets	1,300,902.00	-26,243,830.94
Total	-59,717,545.66	-141,911,879.37

**72. Asset impairment losses**

RMB

Item	2025	2024
Impairment losses on contract assets	6,206.80	36,520.55
Inventory write-downs and impairment losses on contract fulfilment costs	-186,419,547.88	-51,658,722.45
Impairment losses on long-term equity investment		-571,733.76
Impairment losses on investment properties		

Impairment losses on fixed assets	-126,467.38	-1,080,906.25
Impairment losses on construction materials		
Impairment losses on construction in progress	-6,856,506.99	
Impairment losses on productive biological assets	-14,121,475.28	
Impairment losses on oil and gas assets		
Impairment losses on intangible assets		
Impairment losses on goodwill	-17,966,977.05	
Others		
Total	-225,484,767.78	-53,274,841.91

**73. Gains or losses from disposal of assets**

Item	2025	2024
Gains or losses on disposal of fixed assets, construction in progress, productive biological assets and intangible assets not classified as held for sale	1,637,903.85	1,358,138.02
Including: Fixed assets	210,355.16	-2,604,366.95
Intangible assets		877,084.57
Productive biological assets	-2,251,448.86	2,162,371.33
Right-of-use assets	3,678,997.55	923,049.07
Total	1,637,903.85	1,358,138.02

**74. Non-operating income**

Item	2025	2024	Amount included in non-recurring profit or loss for the period
Income from penalties and liquidated damages	15,737,528.98	16,260,608.98	15,737,528.98
Government grants unrelated to the Company's ordinary activities	1,332,759.90	1,628,125.30	1,332,759.90
Gains on damage and retirement of non-current assets	306,229.65	605,344.55	306,229.65
Gains from business combinations not under common control	3,443,489.11		3,443,489.11
Others	12,892,101.66	8,059,683.08	12,892,101.66
Total	33,712,109.30	26,553,761.91	33,712,109.30

**75. Non-operating expenses**

Item	2025	2024	Amount included in non-recurring profit or loss for the period
Donation expenses	5,285,790.71	6,101,548.00	5,285,790.71
Extraordinary losses	6,075,337.02	9,516,356.91	6,075,337.02
Losses on damage and retirement of non-current assets	21,454,128.41	24,962,020.56	21,454,128.41
Indemnity payments, liquidated damages and fines	5,211,376.39	27,447,447.40	5,211,376.39
Others	2,802,521.27	8,236,959.86	2,802,521.27
Total	40,829,153.80	76,264,332.73	40,829,153.80

**76. Income tax expenses****(1) Table of income tax expenses**

Item	2025	2024
Current income tax expenses	117,729,661.81	102,349,023.79

Deferred income tax expenses	19,349,471.51	-18,741,044.07
Total	137,079,133.32	83,607,979.72

**(2) Reconciliation of accounting profit and income tax expense**

RMB

Item	2025
Profit before tax	133,761,879.22
Income tax expense calculated at the statutory/applicable tax rate	20,064,281.88
Effect of different tax rates applicable to subsidiaries	120,586,885.76
Effect of adjustments to income tax for prior periods	1,303,790.42
Effects of non-taxable income	-29,973,222.54
Effect of non-deductible costs, expenses and losses	34,672,458.75
Effect of utilization of previously unrecognized deductible tax losses	-28,658,659.49
Effect of deductible temporary differences or deductible tax losses for which no deferred tax assets were recognized in the current period	26,735,589.67
Additional tax deduction for R&D expenses	-4,187,000.42
Other	-3,464,990.71
Income tax expense	137,079,133.32

**77. Other comprehensive income**

Details of each item of other comprehensive income, including its income tax effects, reclassification to profit or loss, and related reconciliations, are set out in Note VII.57 “Other Comprehensive Income”.

**78. Items in cash flow statement****(1) Cash related to operating activities**

a. Other cash received relating to operating activities

RMB

Item	2025	2024
Government grants	40,345,815.71	43,704,939.11
Interest income	6,113,431.52	12,294,655.57
Current account transactions and others	370,304,042.02	337,298,970.82
Total	416,763,289.25	393,298,565.50

b. Other cash payments relating to operating activities

RMB

Item	2025	2024
Travel expenses	135,476,535.38	129,842,486.09
Transportation and loading expenses	74,740,017.11	59,441,109.58
R&D expenditure	2,672,447.05	7,319,370.90
Business entertainment expenses	43,036,110.41	40,872,751.34
Office and communication expenses	37,238,505.70	33,793,881.52
Labor service fees	34,399,852.54	68,733,237.47
Payments for other operating current account transactions and expenses	761,271,251.73	594,832,111.56
Total	1,088,834,719.92	934,834,948.46

**(2) Cash related to investing activities**

a. Other cash received relating to investing activities

RMB

Item	2025	2024
Recovery of loans extended to external parties	36,799,642.00	

Net cash received from acquisition of subsidiaries	2,413,976.09	2,409,207.07
Total	39,213,618.09	2,409,207.07

## b. Other cash payments relating to investing activities

RMB

Item	2025	2024
Increase in margin deposits for futures trading	6,744,972.54	15,187,238.45
Net cash paid for disposal of subsidiaries		436,626.02
Total	6,744,972.54	15,623,864.47

**(3) Cash related to financing activities**

## a. Other cash received relating to financing activities

RMB

Item	2025	2024
Proceeds from borrowings from external parties	13,450,000.00	2,960,597.00
Cash received from the share repurchase account	14,481,905.09	1,591,861.08
Cash received from partial disposal of equity interests in subsidiaries		12,753,598.45
Total	27,931,905.09	17,306,056.53

## b. Other cash payments relating to financing activities

RMB

Item	2025	2024
Payments for share repurchases	50,000,000.00	310,000,000.00
Cash paid to acquire non-controlling interests in subsidiaries	20,324,962.32	32,688,105.14
Payments to minority shareholders upon company deregistration	5,410,067.98	3,586,630.89
Repayment of borrowings from external parties	153,907,398.41	43,768,878.34
Lease-related payments	117,242,358.27	79,265,552.09
Total	346,884,786.98	469,309,166.46

## c. Changes in liabilities arising from financing activities

RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	567,278,990.41	2,666,351,788.78	707,454,316.02	1,975,653,783.32	107,914,025.00	1,860,677,880.49
Long-term loans	1,444,154,268.34	584,718,198.90	513,898,438.58	128,385,201.68	342,971,168.85	2,071,414,535.29
Long-term payables	94,867,723.87		14,693,503.78	40,188,452.94	38,795,008.64	30,577,766.07
Lease liabilities	420,845,598.26		299,834,595.86	77,053,905.33	94,692,265.69	548,934,023.10
Interest payable	10,369,863.01		57,646,641.25	14,670,757.10	37,783,270.76	15,562,476.40
Current portion of non-current liabilities	497,542,789.55		476,613,275.31	497,542,789.55		476,613,275.31
Dividends payable			27,001,111.08	27,001,111.08		
Other payables – amounts due to external parties	58,175,875.26	13,450,000.00	163,586,611.62	154,770,170.43	2,693,457.08	77,748,859.37
Total	3,093,235,108.70	3,264,519,987.68	2,260,728,493.50	2,915,266,171.43	624,849,196.02	5,081,528,816.03

**79. Supplementary information of cash flow statement****(1) Supplementary information**

RMB

Further information	2025	2024
1. Reconciliation of net profit to net cash flows from operating activities		
Net profit	-3,317,254.10	310,296,050.36
Add: Assets impairment provision	225,484,767.78	53,274,841.91
Credit impairment losses	59,717,545.66	141,911,879.37
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	712,311,011.17	525,039,339.02
Amortization of right-of-use assets	95,317,119.86	72,500,103.76
Amortization of intangible assets	17,646,690.76	16,307,671.42
Amortization of long-term deferred expenses	33,553,308.29	41,842,291.04
Losses on disposal of fixed assets, intangible assets, and other long-term assets	-1,637,903.85	-1,358,138.02
Losses on retirement of fixed assets	21,147,898.76	24,356,676.01
Losses on changes in fair value	-1,160,721.24	147,128.24
Financial expenses	213,400,859.71	181,050,699.18
Investment losses	-182,033,495.58	-137,700,522.64
Decrease in deferred income tax assets	18,930,713.71	-18,847,709.34
Increase in deferred tax liabilities	4,214,943.38	106,665.27
Decrease in inventories	-139,993,020.99	-96,166,046.05
Decrease in operating receivables	-153,771,071.38	321,180,792.72
Increase in operating payables	-246,618,090.44	-258,913,206.47
Others	7,903,106.41	1,871,980.75
Net cash flow from operating activities	681,096,407.91	1,176,900,496.53
2. Net change in cash and cash equivalents		
Closing balance of cash	1,689,182,180.39	1,748,491,877.60
Less: Opening balance of cash	1,748,491,877.60	1,895,034,560.64
Add: Closing balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase in cash and cash equivalents	-59,309,697.21	-146,542,683.04

**(2) Net cash paid for acquisition of subsidiaries during the period**

	RMB Amount
Cash or cash equivalents paid for business combinations occurring in current period	547,640,000.00
Including: Hebei Taihang Wellhope Feed Company	75,900,000.00
Anshan Jiuguhe Food Company and 12 other companies	471,740,000.00
Qingdao Shenfeng Animal Husbandry Company	
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	131,618,244.72
Including: Hebei Taihang Wellhope Feed Company	30,458,363.04
Anshan Jiuguhe Food Company and 12 other companies	98,745,905.59
Qingdao Shenfeng Animal Husbandry Company	2,413,976.09
Add: Cash or cash equivalents paid in the current period for business combinations occurring in prior periods	
Net cash paid for acquisition of subsidiaries	416,021,755.28

**(3) Net cash received from disposal of subsidiaries during current period**

	RMB Amount
Cash or cash equivalents received in the current period for the disposal of subsidiaries in the reporting period	
Less: Cash and cash equivalents held by subsidiaries at the date of loss of control	

Add: Cash or cash equivalents received in the current period from the disposal of subsidiaries in prior periods	19,377,540.00
Net cash received from disposal of subsidiaries	19,377,540.00

**(4) Composition of cash and cash equivalents**

RMB

Item	Closing balance	Opening balance
A. Cash	1,689,182,180.39	1,748,491,877.60
Including: Cash on hand	34,234.73	339,635.02
Bank deposits readily available for payment	1,689,147,945.66	1,748,152,242.58
B. Cash equivalent		
C. Closing balance of cash and cash equivalents	1,689,182,180.39	1,748,491,877.60
Including: Cash and cash equivalents restricted from use by the parent company or subsidiaries		

**80. Notes to items in the statement of changes in owners' equity**

Details of any "Other" item that adjusted the balance at the end of the prior year, including the item name and adjustment amount:

The Company had no "Other" item adjusting the balance at the end of the prior year.

**81. Foreign currency monetary items****(1) Foreign currency monetary items**

RMB

Item	Closing balance of foreign currency	Translating exchange rate	Closing balance translated into RMB
Cash and bank balances	-	-	116,933,495.80
Including: US Dollar	11,358,436.34	7.0288	79,836,177.35
Euro	82.82	8.2355	682.06
Hong Kong Dollar	41,071,540.04	0.90322	37,096,636.39
Accounts receivable	-	-	55,240,240.34
Including: US Dollar	4,853,589.15	7.0288	34,114,907.42
Hong Kong Dollar	23,388,911.80	0.90322	21,125,332.92
Accounts payable	-	-	696,683.90
Including: US Dollar	99,118.47	7.0288	696,683.90
Other payables	-	-	367,195.32
Including: US Dollar	1,700.00	7.0288	11,948.96
Hong Kong Dollar	393,311.00	0.90322	355,246.36
Short-term borrowings	-	-	30,834,714.84
Including: US Dollar	4,386,910.26	7.0288	30,834,714.84

**(2) Explanation of foreign operation**

Name of foreign operation	Principal place of business overseas	Functional currency	Basis for determining the functional currency
Singapore Golden Harvesta Trading Company	Singapore	US Dollar	Primary currency of operations

**82. Leases****(1) As lessee**

Lease expenses for short-term leases or leases of low-value assets accounted for using the simplified approach:

RMB 18,516,916.20

Total cash outflows related to leases:

RMB 102,855,052.00

(2) As lessor

Operating leases as lessor:

Item	Lease income	RMB
		Including: Income relating to variable lease payments not included in lease receipts
Lease income	12,295,575.16	
Total	12,295,575.16	

Undiscounted lease receivables for the next five years:

Item	Undiscounted annual lease receivables		RMB
	Closing balance	Opening balance	
First year	24,201,262.05	7,679,022.68	
Second year	24,379,183.72	8,019,022.75	
Third year	20,194,161.52	8,019,022.75	
Fourth year	18,555,323.60	8,019,022.75	
Fifth year	17,392,338.02	5,288,170.15	
The total amount of undiscounted lease receivables after five years	94,082,419.45	19,949,290.65	

**83. Data resources**

Not applicable

**84. Others**

Not applicable

**VIII. R&D expenditure****1. By nature of expenses**

Item	RMB	
	2025	2024
Employee compensation	15,160,026.94	18,021,292.08
Design and testing expenses	8,460,110.49	4,417,180.70
Materials and supplies	1,305,968.62	1,594,640.40
Travel expenses	594,756.10	1,718,007.59
Depreciation and amortization	2,375,528.15	2,622,875.09
Equity incentive expenses	77,678.65	26,877.94
Others	850,602.70	640,263.77
Total	28,824,671.65	29,041,137.57
Including: Expensed R&D expenditure	28,824,671.65	29,041,137.57
Capitalized R&D expenditure		

**IX. Changes in the scope of consolidation****1. Business combinations not under common control****(1) Business combinations not under common control in the reporting period**

Name of acquiree	Date of equity	Cost of equity acquisition	Percentage of equity	Method of equity	Acquisition date	Basis for determining	RMB		
							Revenue of the acquiree from	Net profit of the acquiree	Cash flows of the acquiree

	acquisition		acquired %	acquisition		the acquisition date	acquisition date to period end	from acquisition date to period end	from acquisition date to period end
Hebei Taihang Wellhope Feed Company	May 31, 2025	76,431,439.34	96.00	Purchase of equity and capital increase	May 31, 2025	Transfer of control	154,198,576.48	-3,043,566.23	9,052,868.61
Anshan Jiuguhe Food Company and 12 other companies	April 1, 2025	1,110,079,141.41	70.00	Purchase of equity	April 1, 2025	Transfer of control	9,686,935,487.85	-87,355,759.65	133,799,094.16
Qingdao Shenfeng Animal Husbandry Company	November 30, 2025	22,500,000.00	63.00	Purchase of equity	November 30, 2025	Transfer of control	9,158,014.77	-3,652,096.13	717,738.98

**(2) Cost of combination and goodwill**

	RMB		
Consideration transferred	Hebei Taihang Wellhope Feed Company	Anshan Jiuguhe Food Company and 12 other companies	Qingdao Shenfeng Animal Husbandry Company
--Cash	75,900,000.00	471,740,000.00	9,000,000.00
--Fair value of non-cash assets			
--Fair value of liabilities incurred or assumed			
--Fair value of equity securities issued			
--Fair value of contingent consideration		7,495,768.07	
--Fair value of previously held equity interest at the acquisition date	531,439.34	630,843,373.34	13,500,000.00
Total cost of combination	76,431,439.34	1,110,079,141.41	22,500,000.00
Less: Share of fair value of identifiable net assets acquired	75,620,605.88	1,082,910,744.28	25,943,489.11
Goodwill/amount by which the cost of combination is less than the share of fair value of identifiable net assets acquired	810,833.46	27,168,397.13	-3,443,489.11

**(3) Identifiable assets and liabilities of the acquiree on the acquisition date**

	RMB					
	Hebei Taihang Wellhope Feed Company		Anshan Jiuguhe Food Company and 12 other companies		Qingdao Shenfeng Animal Husbandry Company	
	Fair value at acquisition date	Book value at acquisition date	Fair value at acquisition date	Book value at acquisition date	Fair value at acquisition date	Book value at acquisition date
Assets:	126,446,614.35	126,446,614.35	5,393,442,519.06	5,174,565,988.44	66,939,111.39	51,890,480.98
Cash and bank balances	30,458,363.04	30,458,363.04	100,854,450.59	100,854,450.59	2,413,976.09	2,413,976.09
Accounts receivable			393,315,494.28	393,315,494.28	12,561,119.35	12,560,759.34
Prepayments	8,206,000.00	8,206,000.00	79,826,874.58	79,826,874.58	246,214.62	246,214.62
Other receivables	10,000.00	10,000.00	1,458,114,361.30	1,458,114,361.30	536,636.48	536,622.02
Inventories			844,843,833.23	839,258,155.26	15,114,717.46	29,463,798.66
Other current assets			78,443,154.64	78,443,154.64		
Long-term receivables			500,000.00	500,000.00		
Long-term equity investments			25,114,681.78	25,114,681.78		
Investments in other equity instruments			20,378,570.70	20,378,570.70		
Fixed assets	691,317.27	691,317.27	1,316,385,754.22	1,134,798,244.64	13,435,407.62	5,233,696.93
Construction in progress	58,704,357.45	58,704,357.45	138,687,164.35	138,687,164.35		
Productive biological assets			49,977,269.11	49,977,269.11		
Right-of-use assets			99,474,165.86	99,474,165.86		
Intangible assets	27,887,850.44	27,887,850.44	131,235,265.61	99,531,922.54	17,943,131.76	384,472.70
Long-term deferred expenses	488,726.15	488,726.15	18,993,595.18	18,993,595.18	660,311.68	660,311.68

Deferred tax assets			120,439.06	120,439.06	4,027,596.33	390,628.94
Other non-current assets			637,177,444.57	637,177,444.57		
Liabilities:	47,675,149.89	47,675,149.89	3,846,427,170.09	3,878,931,360.20	25,429,528.81	18,989,436.37
Short-term borrowings			704,755,189.36	704,755,189.36		
Accounts payable			846,388,687.40	846,388,687.40	10,199,208.18	10,199,208.18
Advances from customers					382,593.31	382,593.31
Contract liabilities			63,931,794.91	63,931,794.91		
Employee compensation payable	182,338.28	182,338.28	55,453,474.48	55,453,474.48	1,740,937.91	1,740,937.91
Taxes payable	2,055.87	2,055.87	3,764,616.27	3,764,616.27	163,117.33	163,117.33
Other payables	27,936,155.74	27,936,155.74	1,717,071,606.24	1,717,071,606.24	6,444,020.20	6,444,020.20
Current portion of non-current liabilities			36,916,837.72	36,916,837.72		
Other current liabilities			1,744,232.63	1,744,232.63		
Long-term loans	19,554,600.00	19,554,600.00	335,376,842.71	335,376,842.71		
Lease liabilities			78,690,295.93	78,690,295.93		
Long-term payables			1,390,229.00	1,390,229.00		
Deferred income				33,447,553.55		
Deferred tax liabilities			943,363.44		6,499,651.88	59,559.44
Net assets	78,771,464.46	78,771,464.46	1,547,015,348.97	1,295,634,628.24	41,509,582.58	32,901,044.61
Less: Non-controlling interests						
Net assets acquired	78,771,464.46	78,771,464.46	1,547,015,348.97	1,295,634,628.24	41,509,582.58	32,901,044.61

**(4) Gains or losses arising from remeasurement of equity interests held before the acquisition date at fair value**

RMB

Acquiree	Date of acquisition of the previously held equity interest before the acquisition date	Percentage of the previously held equity interest before the acquisition date (%)	Cost of acquisition of the previously held equity interest before the acquisition date	Method of acquisition of the previously held equity interest before the acquisition date	Book value of the previously held equity interest at the acquisition date	Fair value of the previously held equity interest at the acquisition date	Gain or loss arising from remeasurement of the previously held equity interest at fair value	Method and key assumptions used to determine the fair value of the previously held equity interest at the acquisition date	Amount of other comprehensive income related to the previously held equity interest reclassified to investment income or retained earnings
Hebei Taihang Wellhope Feed Company	April 1, 2024	30	900,000.00	Corporate division	531,439.34	531,439.34		Based on book value	
Anshan Jiuguhe Food Company and 12 other companies	2009 - 2023	38-44.44	221,643,137.88	Establishment by investment and others	517,990,197.93	630,843,373.34	112,853,175.42	Based on transaction price	-353,028.29
Qingdao Shenfeng Animal Husbandry Company	July 25, 2005	37.5	3,750,000.00	Establishment by investment	12,337,891.73	13,500,000.00	1,162,108.27	Based on transaction price	

**2. Business combinations under common control**

Not applicable

**3. Reverse acquisitions**

Not applicable

**4. Disposal of subsidiaries**

Not applicable

## 5. Changes in the scope of consolidation for other reasons

### (1) New subsidiaries included in the scope of consolidation during the period

Company name	Reason for inclusion in the scope of consolidation
Tai'an Jiuguhe Agriculture Development Company	Business combination not under common control
Anshan Jiuguhe Food Company	Business combination not under common control
Huludao Jiuguhe Animal Husbandry Company	Business combination not under common control
Anshan Fengsheng Food Company	Business combination not under common control
Linghai Jiuguhe Feed Company	Business combination not under common control
Jinzhou Jiufeng Food Company	Business combination not under common control
Huludao Jiuguhe Feed Company	Business combination not under common control
Huludao Jiuguhe Food Company	Business combination not under common control
Jinzhou Xinfeng Food Company	Business combination not under common control
Liaoning Yufeng Biotechnology Company	Business combination not under common control
Tai'an Fengjiu Animal Husbandry Company	Business combination not under common control
Hebei Taihang Wellhope Feed Company	Business combination not under common control
Anshan Jiuguhe Paper Packaging Company	Business combination not under common control
Anshan Antai Plastic Products Company	Business combination not under common control
Shenyang Fengjiu Animal Husbandry Company	Business combination not under common control
Fushun Fengjiu Animal Husbandry Company	Business combination not under common control
Fushun Xinhe Animal Husbandry Company	Business combination not under common control
Jinzhou Fengjiu Animal Husbandry Company	Business combination not under common control
Fushun Juxin Animal Husbandry Company	Business combination not under common control
Qingdao Shenfeng Animal Husbandry Company	Business combination not under common control
Shandong Wellhope Agriculture and Animal Husbandry Company	Investment
Siping Wellhope Breeding Company	Investment
Changchun Hexin Agriculture and Animal Husbandry Company	Investment
Shenyang Wellhope Biotechnology Company	Investment
Hengshui Jingu Agriculture and Animal Husbandry Company	Investment
Kaifeng Jingu Agriculture and Animal Husbandry Company	Investment
Yingxian Jingu Agriculture and Animal Husbandry Company	Investment
Chicheng Jingu Agriculture and Animal Husbandry Company	Investment
Nangong Wellhope Animal Husbandry Company	Investment

(2) Subsidiaries no longer included in the scope of consolidation in the current period due to deregistration

Company name	Reason for exclusion from the scope of consolidation
Zhejiang Pinghu Wellhope Animal Husbandry Company	Deregistration
Chongqing Wellhope Animal Husbandry Company	Deregistration
Shenyang Xiangmai E-commerce Company	Deregistration
Lingyuan Wellhope Agriculture and Animal Husbandry Company	Deregistration
Qiqihar Wellhope Animal Husbandry Company	Deregistration
Fuyu Wellhope Layer Company	Deregistration

## X. Equity in other Entities

### 1. Equity in subsidiaries

#### (1) Composition of the Company

Subsidiary	Principal place of business	Registered capital	Place of registration	Nature of business	Shareholding %		Method 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 Science 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 Agriculture 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 Trading 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 Trading Company	Shenyang City	1,000.00	Shenyang City	Trade	82.00		Investment
Liaoning Skyland Breeding 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 Jiahe Tianfeng Trading Company	Shenyang City	1,000.00	Shenyang City	Trade	100.00		Investment
Liaoning Wellhope Food Company	Beipiao City	5,000.00	Beipiao City	Production	100.00		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 City	500.00	Beijing City	Trade	100.00		Investment
Beijing Sanyuan Wellhope Animal Husbandry Company	Beijing City	1,000.00	Beijing City	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 Agricultural	Daqing City	4,000.00	Daqing City	Production	90.00		Investment

Science and Technology Company							
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	95.00		Investment
Cangzhou Helai Technology Company	Cangzhou City	500.00	Cangzhou City	Production	70.00		Investment
Xi'an Wellhope Feed Science and 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 Trading Company	Shanghai City	2,400.00	Shanghai City	Trade		70.00	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 Livestock 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 Forage Industry Company	Tongliao City	2,000.00	Tongliao City	Production	51.00		Investment
Liaoning Wellhope Procurement and Trading 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 Trading Company	Shenyang City	8,000.00	Shenyang City	Trade	100.00		Business combination under common control
Shenyang Fengmei Biotechnology Company	Shenyang City	5,000.00	Shenyang City	Production	100.00		Business combination under common control
Shenyang Pufeng Trading Company	Shenyang City	700.00	Shenyang City	Trade	100.00		Business combination under common control
Shenyang Huawei Pharmaceutical Company	Shenyang City	1,000.00	Shenyang City	Production		51.00	Business combination under common control
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	Shenyang City	10,000.00	Shenyang City	Production	100.00		Business combination not under common control
Puyang Wellhope Food Company	Puyang City	3,500.00	Puyang City	Production	60.00		Business combination 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 combination not under common control

Wellhope Food (Shenyang) Company	Shenyang City	500.00	Shenyang City	Production	100.00		Investment
Changchun Wellhope Food Company	Changchun City	1,000.00	Changchun City	Production	85.00		Investment
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 Zhuolong Animal Health Products Trading 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 combination 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 Broiler Company	Shenyang City	6,200.00	Shenyang City	Production	95.00		Investment
Kaifeng Wellhope Agriculture and Animal Husbandry Technology Company	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 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
Shulan Wellhope Animal Husbandry Company	Shulan City	8,000.00	Shulan City	Production	80.00	20.00	Investment
Daqing Bifeng Animal Husbandry Company	Daqing City	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 City	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 Trading Company	Guangzhou City	1,500.00	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 combination not under common control
Yangling Wellhope Agriculture and Animal Husbandry Company	Xianyang City	4,200.00	Xianyang City	Production		100.00	Business combination not under common control
Dunhua Wellhope Zhongda Animal Husbandry Company	Dunhua City	1,000.00	Dunhua City	Production	51.00	10.00	Business combination not under common control
Dunhua Fengda Agriculture and Animal Husbandry Development Company	Dunhua City	1,000.00	Dunhua City	Production	51.00	10.00	Business combination 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
Chifeng Wellhope Fuxinyuan Food Company	Chifeng City	17,000.00	Chifeng City	Production	70.00		Investment
Hainan Expert Trading Company	Chengmai County	1,000.00	Chengmai County	Trade		60.00	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 Agriculture Development Company	Zhumadian City	3,191.00	Zhumadian City	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 City	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 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
Henan Herun Jiufeng Agriculture and Animal Husbandry Company	Kaifeng City	5,319.00	Kaifeng City	Production	100.00		Investment
Tianjin Expert Trading Company	Tianjin City	2,500.00	Tianjin City	Trade		86.00	Investment
Liaoning Wellhope Egg Industry Company	Anshan City	18,000.00	Anshan City	Production		85.15	Investment
Shenyang Wellhope Agriculture and Animal Husbandry Technology Company	Shenyang City	2,000.00	Shenyang City	Production		100.00	Investment
Shenyang Wellhope Pig Breeding Company	Shenyang City	3,000.00	Shenyang City	Production		83.74	Investment
Shenyang Xiaohe Agriculture and Animal Husbandry Company	Shenyang City	1,000.00	Shenyang City	Production		78.04	Investment
Qingdao Haifeng Animal Husbandry Company	Qingdao City	500.00	Qingdao City	Production		100.00	Business combination not under common control
Xi'an Linfeng Shengyi Trading Company	Xi'an City	600.00	Xi'an City	Trade		100.00	Business combination not under common control
Beijing Linfeng Shengyi Trading Company	Beijing City	500.00	Beijing City	Trade		60.00	Investment
Fengmei (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
Harbin Linfeng Shengyi Trading 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 Agricultural and Animal Husbandry Technology Company	Fuxin City	50.00	Fuxin City	Production		100.00	Investment
Hebei Linfeng Shengyi Trading 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
Lankao Skyland Feed Company	Lankao County	4,000.00	Lankao County	Production	100.00		Business combination 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 Wellhope Animal Husbandry Company	Baotou City	6,000.00	Baotou City	Production	100.00		Investment
Haicheng New Hongzunda Animal Husbandry Company	Haicheng City	4,400.00	Haicheng City	Production	51.00		Business combination not under common control
Chifeng Wellhope Animal Husbandry	Chifeng City	2,000.00	Chifeng City	Production	96.87		Investment

Company							
Neihuang County Wellhope Animal Husbandry Company	Anyang City	8,000.00	Anyang City	Production	75.00	20.00	Investment
Tailai County Wellhope Agriculture and Animal Husbandry Company	Tailai County	20,000.00	Tailai County	Production	70.00		Business combination not under common control
Inner Mongolia Xinhaoji Agriculture and Animal Husbandry Development Company	Xing'an League	5,000.00	Xing'an League	Production		82.63	Business combination not under common control
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	Zhangjiakou City	7,692.00	Zhangjiakou City	Production	100.00		Business combination not under common control
Tangshan Fengnan District Heyou Agriculture and Animal Husbandry Company	Tangshan City	3,000.00	Tangshan City	Production		100.00	Business combination not under common control
Hengshui Hechen Agriculture and Animal Husbandry Company	Hengshui City	1,700.00	Hengshui City	Production		100.00	Business combination not under common control
Hengshui Heyou Agriculture and Animal Husbandry Company	Hengshui City	1,000.00	Hengshui City	Production	16.00	73.00	Business combination not under common control
Shenze County Hezhi Agriculture and Animal Husbandry Company	Shenze County	2,000.00	Shenze County	Production	15.00	80.10	Business combination not under common control
Xinji Heyou Agriculture and Animal Husbandry Company	Xinji City	1,200.00	Xinji City	Production	15.00	85.00	Business combination not under common control
Hengshui Wellhope Feed Company	Hengshui City	2,000.00	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 Trading Company	Singapore	USD1,000.00	Singapore	Trade		100.00	Investment
Tangshan Yuekai Livestock 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 Hefengyuan 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 combination not under common control
Heilongjiang Wellhope Dasenlin Food Company	Qitaihe City	2,000.00	Qitaihe City	Production	51.00		Investment
Heilongjiang Wellhope Dasenlin Animal Husbandry Company	Qitaihe City	2,000.00	Qitaihe City	Production	51.00		Investment
Tianjin Weierhao Trading 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 Biotechnology 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	8,000.00	Changsha City	Production	100.00		Investment
Shandong Fengkang Food Company	Yantai City	15,000.00	Yantai City	Production		60.00	Business combination not under common control
Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company	Weifang City	6,800.00	Weifang City	Production	40.00		Investment
Dazhou Wellhope Biotechnology Company	Dazhou City	5,000.00	Dazhou City	Production	40.00		Business combination 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 County Fengyuan Agriculture and Animal Husbandry Company	Suihua City	500.00	Suihua City	Production	51.00		Investment
Dalian Wellhope Pig Breeding Company	Dalian City	1,000.00	Dalian City	Production		80.74	Investment
Xingcheng Wellhope Pig Breeding Company	Xingcheng City	1,000.00	Xingcheng City	Production		78.84	Investment
Fushun Hexin Animal Husbandry Company	Fushun City	3,400.00	Fushun City	Production		100.00	Investment
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 Jinggu Agriculture and Animal Husbandry Company	Jingzhou City	800.00	Jingzhou City	Production		100.00	Investment
Tai'an Jiuguhe Agricultural Development Company	Tai'an County	4,730.00	Tai'an County	Production	70.00		Business combination not under common control
Anshan Jiuguhe Food Company	Tai'an County	4,320.00	Tai'an County	Production	70.00		Business combination not under common control
Huludao Jiuguhe Animal Husbandry Company	Huludao City	885.00	Huludao City	Production	70.00		Business combination not under common control
Anshan Fengsheng Food Company	Tai'an County	5,000.00	Tai'an County	Production	70.00		Business combination not under common control
Linghai Jiuguhe Feed Company	Jinzhou City	2,655.00	Jinzhou City	Production	70.00		Business combination not under common control
Jinzhou Jiufeng Food Company	Jinzhou City	8,845.00	Jinzhou City	Production	70.00		Business combination not under common control
Huludao Jiuguhe Feed Company	Huludao City	200.00	Huludao City	Production	70.00		Business combination not under common control
Huludao Jiuguhe Food Company	Huludao City	7,370.00	Huludao City	Production	70.00		Business combination not under common control
Jinzhou Xinfeng Food Company	Jinzhou City	15,000.00	Jinzhou City	Production	70.00		Business combination not under common control
Liaoning Yufeng Biotechnology Company	Tai'an County	10,519.00	Tai'an County	Production	70.00		Business combination not under common control
Tai'an Fengjiu Animal Husbandry Company	Tai'an County	2,606.00	Tai'an County	Production	70.00		Business combination not under common control
Hebei Taihang Wellhope Feed Company	Baoding City	8,000.00	Baoding City	Production	96.00		Business combination not under common control
Anshan Jiuguhe Paper Packaging Company	Tai'an County	1,000.00	Tai'an County	Production	70.00		Business combination not under common control
Anshan Antai Plastic Products Company	Tai'an County	600.00	Tai'an County	Production	70.00		Business combination not under common control
Shenyang Fengjiu Animal Husbandry Company	Shenyang City	500.00	Shenyang City	Production		100.00	Business combination not under common control
Fushun Fengjiu Animal Husbandry Company	Fushun City	1,000.00	Fushun City	Production		100.00	Business combination not under common control
Fushun Xinhe Animal Husbandry Company	Fushun City	1,000.00	Fushun City	Production		100.00	Business combination not under common control
Jinzhou Fengjiu Animal Husbandry Company	Jinzhou City	1,000.00	Jinzhou City	Production		100.00	Business combination not under common control
Fushun Juxin Animal Husbandry Company	Fushun City	1,000.00	Fushun City	Production		100.00	Business combination not under common control
Qingdao Shenfeng Animal Husbandry Company	Qingdao City	1,000.00	Qingdao City	Production		100.00	Business combination not under common control
Shandong Wellhope Agriculture and Animal Husbandry Company	Jinan City	2,000.00	Jinan City	Production	100.00		Investment
Siping Wellhope Breeding Company	Siping City	2,450.00	Siping City	Production	51.02		Investment
Changchun Hexin Agriculture and Animal Husbandry Company	Changchun City	500.00	Changchun City	Production		51.00	Investment
Shenyang Wellhope Biotechnology Company	Shenyang City	500.00	Shenyang City	Trade		70.00	Investment
Hengshui Jingu Agriculture and Animal Husbandry Company	Hengshui City	100.00	Hengshui City	Production		80.00	Investment
Kaifeng Jingu Agriculture and Animal Husbandry Company	Kaifeng City	500.00	Kaifeng City	Production		100.00	Investment
Yingxian Jingu Agriculture and Animal Husbandry Company	Shuozhou City	200.00	Shuozhou City	Production		100.00	Investment
Chicheng Jingu Agriculture and Animal Husbandry Company	Zhangjiakou City	500.00	Zhangjiakou City	Production		80.00	Investment
Nangong Wellhope Animal Husbandry Company	Nangong City	5,000.00	Nangong City	Production	70.00		Investment

Basis for controlling an investee despite holding 50% or less of its voting rights, and for not controlling an investee despite holding more than 50% of its voting rights:

The Company holds a 40% equity interest in Dazhou Wellhope Biotechnology Company and is its single largest shareholder. In addition, the Company has entered into an acting-in-concert agreement with Pu Guisheng, a minority shareholder holding a 26.85% equity interest in the company. As parties acting in concert, the Company has actual control over Dazhou Wellhope Biotechnology Company.

The Company holds a 40% equity interest in Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company and is its single largest shareholder. In addition, the Company has entered into an

acting-in-concert agreement with Weifang Xingefeng Agricultural Science and Technology Company, a minority shareholder holding a 30% equity interest in the company. As parties acting in concert, the Company has actual control over Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company.

**(2) Significant non-wholly owned subsidiary**

RMB

Subsidiary	Shareholding of non-controlling interests %	Profit or loss attributable to non-controlling interests during the period	Dividends declared to non-controlling interests for the period	Closing balance of non-controlling interests
Dalian Heyuan Animal Husbandry Company	43.00	-65,493,999.78		237,486,138.31
Xi'an Wellhope Feed Science and Technology Company	20.00	4,717,098.34		59,471,346.67
Beijing Sanyuan Wellhope Animal Husbandry Company	30.00	6,596,968.99	6,000,000.00	66,711,623.22
Jingzhou Wellhope Agriculture Technology Company	14.00	344,770.68		7,751,651.06

**(3) Material non-wholly owned subsidiaries**

Subsidiary name	Closing balance						Opening balance						RMB
	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	476,536,662.11	1,035,350,558.29	1,511,887,220.40	903,539,009.15	73,284,297.91	976,823,307.06	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	
Xi'an Wellhope Feed Science and Technology Company	258,831,270.80	86,329,623.24	345,160,894.04	47,149,072.40	655,088.30	47,804,160.70	247,122,456.14	84,846,567.59	331,969,023.73	57,553,936.61	669,920.49	58,223,857.10	
Beijing Sanyuan Wellhope Animal Husbandry Company	256,373,348.48	29,611,838.93	285,985,187.41	48,364,522.21	15,248,587.81	63,613,110.02	257,950,390.94	36,774,478.40	294,724,869.34	51,665,597.14	22,713,017.01	74,378,614.15	
Jingzhou Wellhope Agriculture Technology Company	55,189,203.05	61,262,311.92	116,451,514.97	56,809,326.90	606,000.00	57,415,326.90	53,433,679.48	58,949,756.86	112,383,436.34	58,775,114.55	707,000.00	59,482,114.55	

Subsidiary name	2025				2024			
	Operating 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	3,361,573,915.25	-152,311,627.39	-152,311,627.39	139,669,698.54	2,536,818,974.20	-31,226,347.39	-31,226,347.39	244,443,045.38
Xi'an Wellhope Feed Science and Technology Company	742,023,464.62	23,585,491.71	23,585,491.71	43,312,773.09	914,619,622.23	25,763,389.89	25,763,389.89	26,788,045.33
Beijing Sanyuan Wellhope Animal Husbandry Company	581,786,339.24	21,989,896.64	21,989,896.64	-22,899,764.91	578,509,350.57	31,098,989.32	31,098,989.32	15,140,326.25
Jingzhou Wellhope Agriculture Technology Company	403,553,982.92	6,129,899.61	6,129,899.61	-4,554,853.08	361,691,247.47	7,978,203.27	7,978,203.27	5,751,736.78

## 2. Transactions resulting in changes in ownership interests in subsidiaries without loss of control

### (1) Description of changes in ownership interests in subsidiaries

During the period, the Company transferred equity interests in several subsidiaries, including a 16.26% equity interest in Shenyang Wellhope Pig Breeding Company, a 21.96% equity interest in Shenyang Xiaohe Agriculture and Animal Husbandry Company, a 19.26% equity interest in Dalian Wellhope Pig Breeding Company, and a 21.16% equity interest in Xingcheng Wellhope Pig Breeding Company.

During the period, the Company acquired additional equity interests in several subsidiaries, including a 53.23% equity interest in Baotou Wellhope Animal Husbandry Company, an 8.67% equity interest in Chifeng Wellhope Animal Husbandry Company, and a 5% equity interest in Tangshan Wellhope Feed Company.

### (2) Effect of the transactions on non-controlling interests and equity attributable to owners of the parent

RMB

	Shenyang Wellhope Pig Breeding Company	Shenyang Xiaohe Agriculture and Animal Husbandry Company	Dalian Wellhope Pig Breeding Company	Xingcheng Wellhope Pig Breeding Company
Purchase cost / disposal consideration				
-Cash	4,878,000.00	2,196,000.00	1,926,000.00	2,116,000.00
-Fair value of non-cash assets				
Total purchase cost / disposal consideration	4,878,000.00	2,196,000.00	1,926,000.00	2,116,000.00
Less: Share of net assets of the subsidiary calculated based on the proportion of equity interests acquired / disposed of	4,878,000.00	2,196,000.00	1,926,000.00	2,116,000.00
Difference				
Including: Adjustment to capital reserve				
Adjustment to surplus reserve				
Adjustment to undistributed profits				

	Baotou Wellhope Animal Husbandry Company	Chifeng Wellhope Animal Husbandry Company	Tangshan Wellhope Feed Company
Purchase cost / disposal consideration			
-Cash	16,210,064.83	555,681.00	3,559,216.49
-Fair value of non-cash assets			
Total purchase cost / disposal consideration	16,210,064.83	555,681.00	3,559,216.49
Less: Share of net assets of the subsidiary calculated based on the proportion of equity interests acquired / disposed of	14,926,690.84	566,793.71	3,559,201.72
Difference	1,283,373.99	-11,112.71	14.77
Including: Adjustment to capital reserve	-1,283,373.99	11,112.71	-14.77
Adjustment to surplus reserve			
Adjustment to undistributed profits			

**3. Equity in joint ventures or associated companies****(1) Important joint ventures or associated companies**

Company	Principal place of business	Place of registration	Nature of business	Shareholding %		Accounting treatment
				Direct	Indirect	
Beipiao Hongfa Food Company	Beipiao city	Beipiao city	Production	35.00		Equity method
Dalian Chengsan Food Group Company	Dalian city	Dalian city	Production	20.00		Equity method

**(2) Financial information of significant joint ventures or associated companies**

RMB

	Closing balance / Amount for the current period		Opening balance / Amount for the prior period			
	Beipiao Hongfa Food 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	1,356,113,387.79	1,907,127,406.19	1,469,130,876.16	805,767,132.08	663,459,640.85	1,745,445,351.68
Non-current assets	1,621,096,158.72	668,496,962.94	1,663,280,904.74	261,131,707.09	128,749,797.45	664,759,590.15
Total assets	2,977,209,546.51	2,575,624,369.13	3,132,411,780.90	1,066,898,839.17	792,209,438.30	2,410,204,941.83
Current liabilities	767,740,799.12	964,981,275.01	1,130,806,995.72	395,301,799.94	738,114,901.96	777,856,537.96
Non-current liabilities	307,080,750.48	38,088,220.79	274,828,323.33	78,488,218.15		93,489,376.79
Total liabilities	1,074,821,549.60	1,003,069,495.80	1,405,635,319.05	473,790,018.09	738,114,901.96	871,345,914.75
Non-controlling interests		287,891,322.24				270,016,655.60
Equity attributable to shareholders of parent company	1,902,387,996.91	1,284,663,551.09	1,726,776,461.85	593,108,821.08	54,094,536.34	1,268,842,371.48
Share of net assets calculated by shareholdings	665,835,798.92	256,932,710.22	604,371,761.65	246,436,715.16	22,476,279.85	253,768,474.30
Adjustment		116,569,111.62		-900.00	-5,434,691.52	116,569,111.62
--Goodwill		116,569,111.62				116,569,111.62
--Unrealized profit from internal transactions					-17,297.08	
--Others				-900.00	-5,417,394.44	
Book value of equity investment in associates	665,835,798.92	373,501,821.84	604,371,761.65	246,435,815.15	17,041,588.33	370,337,585.91
Operating revenue	4,243,536,224.92	4,682,099,177.54	3,938,341,881.82	1,874,643,211.60	2,580,371,133.61	5,050,838,357.48
Net profit	204,210,500.19	70,893,171.83	97,108,329.66	41,436,500.70	-49,430,017.94	231,743,304.61
Total comprehensive income	204,210,500.19	70,893,171.83	97,108,329.66	41,436,500.70	-49,430,017.94	231,743,304.61
Dividends received from associates during the period	10,780,000.00	7,000,000.00	5,390,000.00			5,000,000.00

**(3) Summarized financial information for immaterial joint ventures and associates**

RMB

	Closing balance / Amount for the current period	Opening balance / Amount for the prior period
Joint ventures:		
Book value of investment	11,669,191.54	11,669,191.54
Aggregate amounts calculated based on the shareholding percentage for the following items:		
--Net profit	7,227,355.05	5,271,581.47
--Other comprehensive income	-3,301,230.00	2,024,129.06
--Total comprehensive income	3,926,125.05	7,295,710.53
Associates:		
Book value of investment	1,017,189,468.72	2,473,226,163.87
Aggregate amounts calculated based on the shareholding percentage for the following items:		
--Net profit	-17,716,536.73	61,214,934.13
--Other comprehensive income	-21,190,015.08	-2,827,128.67
--Total comprehensive income	-38,906,551.81	58,387,805.46

Other explanation: 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 related to government grants**

RMB

Financial statement item	Opening balance	Amount of new grants during the period	Amount transferred to other income during the period	Closing balance	Related to assets/income
Deferred income	75,291,554.80	17,688,781.90	9,785,675.49	83,194,661.21	Assets
Total	75,291,554.80	17,688,781.90	9,785,675.49	83,194,661.21	/

**2. Government grants recognized in profit or loss for the reporting period**

RMB

Type	2025	2024
Asset-related	9,785,675.49	8,603,571.54
Income-related	28,480,323.52	40,790,123.39
Total	38,265,999.01	49,393,694.93

**XII. Risks Relating to Financial Instruments****1. Risks arising from financial instruments**

The risks associated with the Company's financial instruments arise from various financial assets and financial liabilities recognized in the course of its operations, including credit risk, liquidity risk and market risk.

The Company's management is responsible for establishing the objectives and policies for managing risks associated with financial instruments. The operating management is responsible for day-to-day risk management through functional departments. For example, the Company's Credit Management Department reviews each credit sale transaction on a case-by-case basis. The Company's Internal Audit Department monitors the implementation of the Company's risk management policies and procedures on an ongoing basis and reports relevant findings to the Audit Committee in a timely manner.

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 adaptability.

### **1. Credit risk**

Credit risk refers to the risk that one party to a financial instrument fails to discharge its obligations, causing financial loss to the other party. The Company's credit risk mainly arises from cash and bank balances, notes receivable, accounts receivable, receivables financing, other receivables, contract assets, debt investments and long-term receivables. The credit risk of these financial assets arises from counterparty default, and the maximum exposure to credit risk is equal to the book value of these instruments.

The Company's cash and bank balances are mainly deposited with financial institutions such as commercial banks. The Company believes that these commercial banks have sound credit standing and asset quality and therefore the related credit risk is low.

For notes receivable, accounts receivable, receivables financing, other receivables, contract assets, debt investments and long-term receivables, the Company has established policies to control its exposure to credit risk. The Company assesses customers' creditworthiness based on their financial condition, the availability of guarantees from third parties, credit history and other factors, such as prevailing market conditions, and grants appropriate credit terms accordingly. The Company regularly monitors customers' credit records. For customers with poor credit records, the Company adopts measures such as written collection notices, shortening credit terms or withdrawing credit terms, so as to ensure that its overall credit risk remains within a controllable range.

#### **(1) Criteria for determining a significant increase in credit risk**

At each balance sheet date, the Company assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analyses based on the Company's historical data, external credit risk ratings and forward-looking information. The Company determines changes in the risk of default over the expected life of a financial instrument by comparing the risk of default at the balance sheet date with the risk of default at initial recognition, either for individual financial instruments or for portfolios of financial instruments with similar credit risk characteristics.

The Company considers that the credit risk of a financial instrument has increased significantly when one or more quantitative or qualitative criteria are triggered. The quantitative criterion mainly refers to the probability of default over the remaining life at the reporting date increasing by more than a specified percentage compared with that at initial recognition. The qualitative criteria include, among others, significant adverse changes in the operating or financial condition of the principal debtor and inclusion of the customer on the early-warning customer list.

#### **(2) Definition of credit-impaired assets**

In determining whether credit impairment has occurred, the criteria adopted by the Company are

consistent with its internal credit risk management objectives for the relevant financial instruments, taking into account both quantitative and qualitative indicators.

When assessing whether a debtor is credit-impaired, the Company mainly considers the following factors: significant financial difficulty of the issuer or debtor; a breach of contract by the debtor, such as default or delinquency in interest or principal payments; the creditor granting concessions to the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, that would not otherwise be granted; the debtor being likely to enter bankruptcy or other financial restructuring; the disappearance of an active market for the financial asset as a result of financial difficulties of the issuer or debtor; and the purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Credit impairment of a financial asset may be caused by the combined effect of multiple events and may not necessarily be attributable to a separately identifiable event.

### (3) Parameters for measuring expected credit losses

Depending on whether credit risk has increased significantly and whether credit impairment has occurred, the Company measures impairment allowances for different assets based on either 12-month expected credit losses or lifetime expected credit losses. The key parameters for measuring expected credit losses include probability of default, loss given default and exposure at default. The Company develops models for probability of default, loss given default and exposure at default by taking into account quantitative analyses of historical data, such as counterparty ratings, types of guarantees, types of collateral and pledges and repayment methods, as well as forward-looking information.

The relevant definitions are as follows:

Probability of default refers to the likelihood that a debtor will be unable to meet its payment obligations over the next 12 months or over the remaining lifetime.

Loss given default refers to the Company's expectation of the extent of loss arising from exposure to default. Loss given default varies depending on the type of counterparty, the method and priority of recovery, and the type of collateral. It represents the percentage of exposure that is lost when default occurs and is calculated on a 12-month or lifetime basis.

Exposure at default refers to the amount to which the Company is entitled in the event of default over the next 12 months or over the remaining lifetime. Both the assessment of significant increases in credit risk and the calculation of expected credit losses involve forward-looking information. Through analysis of historical data, the Company identifies key economic indicators that affect the credit risk and expected credit losses of each business type.

The Company's maximum exposure to credit risk is the book value of each financial asset presented 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, accounts receivable from the top five customers accounted for 14.82% of the Company's total accounts receivable. Among the Company's other receivables, other receivables from the top five companies by outstanding balance accounted for 50.15% of the Company's total other receivables.

## 2. Liquidity risk

Liquidity risk refers to the risk that an enterprise may encounter a shortage of funds in meeting obligations that are settled by delivering cash or other financial assets. The Company centrally manages the cash of its subsidiaries, including short-term investment of surplus cash and arranging borrowings to meet projected cash requirements. The Company's policy is to regularly monitor its short-term and long-term liquidity requirements and compliance with loan agreements, so as to ensure that sufficient cash reserves and readily realizable marketable securities are maintained.

As of December 31, 2025, the maturity profile of the Company's financial liabilities is as follows:

RMB

Item	December 31, 2025			
	Within 1 year	1-2 years	2-3 years	Over 3 years
Short-term borrowings	1,860,677,880.49			
Accounts payable	2,197,894,265.86			
Other payables	822,520,619.38			
Current portion of non-current liabilities	476,613,275.31			
Long-term loans		1,000,600,471.51	433,378,288.48	637,435,775.30
Bonds payable			1,386,717,739.62	
Lease liabilities		76,787,819.95	55,353,387.44	416,792,815.71
Long-term payables		20,384,008.33	8,530,055.57	1,663,702.17
Total	5,357,706,041.04	1,097,772,299.79	1,883,979,471.11	1,055,892,293.18

## 3. Market risk

### (1) Foreign exchange risk

The Company's foreign exchange risk mainly arises from foreign currency-denominated assets and liabilities held by the Company and its subsidiaries that are not denominated in their respective functional currencies. The Company is mainly exposed to foreign exchange risk in relation to amounts denominated in Hong Kong dollars and US dollars. Except for the Company's subsidiary in Singapore, which denominates and settles transactions in US dollars, RMB or Singapore dollars, the Company's other principal operations are denominated and settled in RMB.

The Company closely monitors the impact of exchange rate movements on its exposure to foreign exchange risk. Although the Company has not currently taken any measures to hedge such risk, management monitors the exposure on an ongoing basis and will consider hedging significant foreign exchange exposures when necessary.

### (2) Interest rate risk

The Company's interest rate risk mainly arises from long-term interest-bearing debts, such as long-term bank loans and bonds payable. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the relative proportion of fixed-rate and floating-rate contracts based on prevailing market conditions.

The finance department at the Company's headquarters continuously monitors the Group's interest rate levels. An increase in interest rates would increase the cost of new interest-bearing debts and the interest expense on the Company's outstanding floating-rate interest-bearing debts, which could have a material adverse impact on the Company's financial performance. Management will make adjustments in a

timely manner based on 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
Recurring fair value measurements				
A. Derivative financial assets	6,473,245.85			6,473,245.85
B. Investments in other equity instruments			313,077.21	313,077.21
Total assets measured at fair value on a recurring basis	6,473,245.85		313,077.21	6,786,323.06
C. Financial assets held for trading			7,718,239.77	7,718,239.77
I. Financial liabilities measured at fair value, with changes recognized in profit or loss			7,718,239.77	7,718,239.77
Including: Trading bonds issued				
Other			7,718,239.77	7,718,239.77
Total liabilities measured at fair value on a recurring basis			7,718,239.77	7,718,239.77

#### 2. Basis for determining market prices for recurring and non-recurring level 1 fair value measurements

For financial instruments traded in active markets, the Company measures them based on unadjusted quoted prices in active markets for identical assets or liabilities as at the balance sheet date.

#### 3. Valuation techniques and qualitative and quantitative information on significant inputs used for recurring and non-recurring level 3 fair value measurements

The Company's investments in other equity instruments are equity investments over which the Company has no control, joint control or significant influence and for which no quoted prices are available in an active market. The Company measures these investments based on the investment cost and reasonable estimates made with reference to the operating conditions of the investees.

#### 4. Others

For financial instruments traded in active markets, the Company determines their fair value by reference to quoted prices in such active markets. For financial instruments not traded in active markets, the Company determines their fair value using valuation techniques. The valuation models used mainly include the discounted cash flow model and the comparable company model. The inputs to the valuation techniques mainly include risk-free interest rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums and discounts for lack of liquidity.

### XIV. Related Parties and Transactions

#### 1. Information about the Company's subsidiaries

Details of the Company's subsidiaries are set out in Note 10 – 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 10-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
PT. Sekar Golden Harvesta Indonesia	Associate
Anshan Antai Plastic Products Company[Note 1]	Associate
Anshan Fengsheng Food Company[Note 1]	Associate
Anshan Jiuguhe Paper Packaging Company[Note 1]	Associate
Anshan Jiuguhe Food Company[Note 1]	Associate
Beijing Dahong Hengfeng Animal Husbandry Technology Company	Associate
Beipiao Hongfa Food Company	Associate
Unphung Joint Venture Company	Joint venture
Dazhou Wellhope Biotechnology Company[Note 4]	Associate
Dalian Chengsan Food Group Company	Associate
Dalian Wellhope Fishmeal Company	Associate
Dalian Minglu Agriculture Development Company	Associate
Dalian Sida Food Company	Associate
Dalian Zhongyi Hefeng Trading Company	Associate
Dunhua Fengda Broiler Breeding Company	Associate
Golden Harvesta Inc. Philippines	Associate
Fuyu Fengyuan Layer Company	Associate
Fushun Fengjiu Animal Husbandry Company[Note 1]	Associate
Fushun Xinhe Animal Husbandry Company[Note 1]	Associate
Gongzhuling Wellhope Corn Procurement and Storage Company	Associate
Harbin Weierhao Trading Company	Associate
Haicheng Fengjiu Woven Bag Company	Associate
Hetian Wellhope Animal Husbandry Company	Associate
Hebei Guanghe Animal Health Products Trading Company	Associate
Hebei Taihang Wellhope Animal Husbandry Company	Associate
Hebei Taihang Wellhope Feed Company[Note 2]	Associate
Huludao Jiuguhe Animal Husbandry Company[Note 1]	Associate
Huludao Jiuguhe Food Company[Note 1]	Associate
Huludao Jiuguhe Feed Company[Note 1]	Associate
Jilin Jinfeng Animal Husbandry Company	Associate
Jilin Hengfeng Animal Health Products Company	Associate
Jiyuan Sunshine Rabbit Industry Technology Company	Associate
Jinzhou Jiufeng Food Company[Note 1]	Associate
Jinzhou Xinfeng Food Company[Note 1]	Associate
Lankao Skyland Duck Industry Company	Associate
Liaoning Anjiu Animal Nutrition Food Company	Associate
Liaoning Mubang Livestock Equipment Manufacturing Company	Associate
Liaoning Petmate Biotechnology Company	Associate
Liaoning Xinjuntong Logistics Technology Company	Associate
Liaoning New Yufeng Biotechnology Company	Associate
Liaoning Yufeng Biotechnology Company [Note 1]	Associate
Linghai Jiuguhe Feed Company [Note 1]	Associate
Nepal Wellhope Agri-tech Pvt. Ltd.	Joint venture
Qingdao Shenfeng Animal Husbandry Company [Note 3]	Associate
Shandong Fengkang Food Company [Note 5]	Associate
Shandong Herui Fengkang Food Technology Company	Associate
Shenyang Wellhope Huahu Food Technology Company	Associate
Shenyang Wellhope Jibaichuan Agricultural Trading Company	Associate
Shenyang Fengjiu Animal Husbandry Company [Note 1]	Associate
Shenyang Wanlitian Agriculture and Animal Husbandry Company	Associate
Shenyang Zhongwenjie Biotechnology Company	Associate
Shihaiipu (Beijing) Science and Trade Company	Associate
Suizhong Renhe Fishery Company	Associate

Tai'an Fengjiu Animal Husbandry Company [Note 1]	Associate
Tai'an Huijun Biomass Energy Company	Associate
Tai'an Jiuguhe Agriculture Development Company [Note 1]	Associate
Wudalianchi Shengda Pasture Specialized Cooperative	Associate
Xinhe Jinfeng (Shenyang) Supply Chain Management Company	Associate
Indonesia Godaji International Trading Company	Associate
PT. Mulia Harvest Agritech Indonesia	Associate
Chongqing Dahong Agriculture and Animal Husbandry Machinery Company	Associate
Chongqing Kuizhou Rabbit Industry Company	Associate

Other information:

[Note 1] In April 2025, the Company acquired certain equity interests in certain broiler integration companies, including Anshan Jiuguhe Food Company, Anshan Fengsheng Food Company, Tai'an Jiuguhe Agriculture 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 Biotechnology Company, Anshan Jiuguhe Paper Packaging Company and Anshan Antai Plastic Products Company. These companies changed from associates to subsidiaries included in the scope of consolidation.

[Note 2] In May 2025, the Company acquired certain equity interests in Hebei Taihang Wellhope Feed Company, which changed from an associate to a subsidiary included in the scope of consolidation.

[Note 3] In November 2025, the Company acquired certain equity interests in Qingdao Shenfeng Animal Husbandry Company, which changed from an associate to a subsidiary included in the scope of consolidation.

[Note 4] In September 2024, the Company acquired certain equity interests in Dazhou Wellhope Biotechnology Company, which changed from an associate to a subsidiary included in the scope of consolidation.

[Note 5] In November 2024, the Company acquired certain equity interests in Shandong Fengkang Food Company, which changed from an associate to a subsidiary included in the scope of consolidation.

### 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, senior management, and their relatives
Changzhou Heli Venture Capital Partnership (Limited Partnership)	Shareholder of the Company holds more than 5% shares

### 4. Related party transactions

#### (1) Related party transactions involving the purchase and sale of goods, and the provision and receipt of services

Details of purchases of goods and receipt of services

Related party	Transaction	RMB	
		2025	2024
Anshan Antai Plastic Products Company	Others	10,329.02	747,330.60
Anshan Fengsheng Food Company	Feed ingredients	178,848.79	2,747,502.34

Anshan Jiuguhe Paper Packaging Company	Others	338,491.37	3,185,811.81
Anshan Jiuguhe Food Company	Broiler products	58,954.13	10,797,153.93
Beipiao Hongfa Food Company	Broiler products	18,481,202.63	11,305,158.67
Dazhou Wellhope Biotechnology Company	Feed products		4,948,436.44
Dalian Chengsan Food Group Company	Live broilers	95,061,540.89	152,794,701.21
Dalian Wellhope Fishmeal Company	Feed ingredients	45,134,644.15	67,875,835.50
Dalian Zhongyi Hefeng Trading Company	Feed ingredients	21,411,016.06	
Dunhua Fengda Broiler Breeding Company	Chicks		2,281,796.50
Gongzhuling Wellhope Corn Procurement and Storage Company	Feed ingredients	6,836,434.43	13,056,253.87
Harbin Weierhao Trading Company	Feed ingredients	15,779,723.44	18,671,525.19
Haicheng Fengjiu Weaving Bag Company	Others	24,618,760.46	
Hebei Guanghe Animal Health Products Trading Company	Feed ingredients	58,232.76	
Hebei Taihang Wellhope Animal Husbandry Company	Live broilers	206,935,961.36	201,097,277.52
Huludao Jiuguhe Animal Husbandry Company	Live broilers	5,059,496.80	41,159,188.40
Huludao Jiuguhe Food Company	Broiler Products	160,091.74	426,646.84
Jilin Jinfeng Animal Husbandry Company	Breeding pigs		911,062.00
Jilin Hengfeng Animal Health Products Company	Veterinary drugs and vaccines	94,837.60	197,400.00
Jinzhou Jiufeng Food Company	Broiler products	4,035,779.38	18,432,250.73
Jinzhou Xinfeng Food Company	Broiler products	27,412.84	
Liaoning Mubang Livestock Equipment Manufacturing Company	Others	1,356,894.69	635,600.00
Liaoning Xinjuntong Logistics Technology Company	Others	1,491,062.75	
Liaoning New Yufeng Biotechnology Company	Feed ingredients	536,453.54	
Liaoning Yufeng Biotechnology Company	Feed ingredients	6,581,993.35	56,469,023.33
Linghai Jiuguhe Feed Company	Feed products, live broilers		724,376.08
Shandong Fengkang Food Company	Broiler products		6,049,339.11
Shenyang Wanlitian Agriculture and Animal Husbandry Company	Veterinary drugs and vaccines	19,402,857.27	7,217,770.00
Shenyang Zhongwenjie Biotechnology Company	Veterinary drugs and vaccines	152,336,498.95	62,603,004.19
Shihaipu (Beijing) Science and Trade Company	Others	497,119.71	980,933.58
Suizhong Renhe Fishery Company	Feed ingredients	26,445,532.30	12,824,731.10
Tai'an Fengjiu Animal Husbandry Company	Chicks	8,284,243.24	37,533,159.08
Tai'an Jiuguhe Agriculture Development Company	Feed products, live broilers	7,644,236.37	32,524,555.34
Xinhe Jinfeng (Shenyang) Supply Chain Management Company	Feed ingredients	4,283,694.64	
Chongqing Dahong Agriculture and Animal Husbandry Machinery Company	Others	56,643.54	
Liaoning Petmate Biotechnology Company	Others	1,328,190.00	
Total	/	674,527,178.20	768,197,823.36

Details of sales of goods and provision of services

Related party	Transaction	RMB	
		2025	2024
PT. Sekar Golden Harvesta Indonesia	Feed ingredients	544,660.61	1,210,503.36
Anshan Fengsheng Food Company	Live broilers	172,653.51	2,082,589.11
Anshan Jiuguhe Food Company	Live broilers		10,550,860.27
Beipiao Hongfa Food Company	Feed ingredients	29,484,967.50	29,944,358.23

Dazhou Wellhope Biotechnology Company	Feed ingredients, feed products		17,203,634.96
Dalian Chengsan Food Group Company	Feed ingredients, veterinary drugs	69,381,814.48	39,828,818.38
Dalian Wellhope Fishmeal Company	Feed ingredients	20,100,794.78	265,486.72
Dalian Minglu Agriculture Development Company	Broiler products	3,190.33	
Dalian Sida Food Company	Live broilers	6,906,955.21	189,452,312.92
Dalian Zhongyi Hefeng Trading Company	Feed ingredients	2,345,160.70	
Dunhua Fengda Broiler Breeding Company	Feed products	122,660.55	378,811.47
Golden Harvesta Inc. Philippines	Feed ingredients	3,771,150.05	
Fuyu Fengyuan Layer Company	Pullets, feed products	25,104,430.12	4,034,088.47
Fushun Fengjiu Animal Husbandry Company	Feed products	3,681,373.50	
Fushun Xinhe Animal Husbandry Company	Feed products	9,888,118.00	
Harbin Weierhao Trading Company	Feed ingredients	100,385,763.05	72,337,773.19
Hetian Wellhope Animal Husbandry Company	Feed ingredients	542,585.67	
Hebei Guanghe Animal Health Products Trading Company	Feed ingredients	3,003,464.61	
Hebei Taihang Wellhope Animal Husbandry Company	Feed products	16,439,645.94	
Hebei Taihang Wellhope Feed Company	Feed ingredients	6,507,036.74	
Huludao Jiuguhe Animal Husbandry Company	Feed products	9,978.76	906,116.80
Huludao Jiuguhe Food Company	Broiler products	878,924.26	3,315,876.77
Huludao Jiuguhe Feed Company	Feed ingredients, feed products	14,651,756.23	57,420,833.27
Jilin Jinfeng Animal Husbandry Company	Piglets, feed products	258,399,848.46	122,067,879.00
Jilin Hengfeng Animal Health Products Company	Feed ingredients	884.96	
Jiyuan Sunshine Rabbit Industry Technology Company	Other products	19,482,283.82	256,079.61
Jinzhou Jiufeng Food Company	Other products	14,753.99	
Lankao Skyland Duck Industry Company	Other products	229,396.46	13,805.31
Liaoning Anjiu Animal Nutrition Food Company	Feed ingredients	6,985,394.79	
Liaoning Mubang Livestock Equipment Manufacturing Company	Other products	288,676.22	
Liaoning Petmate Biotechnology Company	Other products	115,619.45	150,098.37
Liaoning Xinjuntong Logistics Technology Company	Other products	17,954.49	
Liaoning New Yufeng Biotechnology Company	Feed ingredients	22,293,128.92	
Liaoning Yufeng Biotechnology Company	Broiler products, feed ingredients	4,560,746.71	35,491,651.90
Linghai Jiuguhe Feed Company	Feed ingredients, feed products	14,699,937.21	56,204,142.63
Nepal Wellhope Agri-tech Pvt. Ltd.	Feed products	6,843,356.64	6,420,472.15
Qingdao Shenfeng Animal Husbandry Company	Feed ingredients, feed products	27,144,361.97	14,310,315.16
Shandong Fengkang Food Company	Live broilers		612,196,573.91
Shandong Herui Fengkang Food Technology Company	Broiler products	554,424.79	
Shenyang Wellhope Jibaichuan Agricultural Trading Company	Feed products	3,574,531.95	
Shenyang Fengjiu Animal Husbandry Company	Feed products	726,039.65	
Shenyang Wanlitian Agriculture and Animal Husbandry Company	Feed ingredients	457,074.03	12,355,408.75

Shihaipu (Beijing) Science and Trade Company	Other products	960,191.86	1,013,732.37
Suizhong Renhe Fishery Company	Feed ingredients	54,867.26	
Tai'an Fengjiu Animal Husbandry Company	Other products	2,388,798.61	7,087,799.36
Tai'an Huijun Biomass Energy Company	Feed ingredients	46,728.41	
Tai'an Jiuguhe Agriculture Development Company	Feed ingredients, feed products	28,346,082.17	125,126,068.14
Wudalianchi Shengda Pasture Specialized Cooperative	Feed products	799,767.97	8,411,628.70
Indonesia Godaji International Trading Company	Feed ingredients	3,613,151.13	484,553.66
PT. Mulia Harvest Agritech Indonesia	Feed ingredients	6,211,535.45	3,759,473.04
Chongqing Dahong Agriculture and Animal Husbandry Machinery Company	Broiler products	9,366.37	
Chongqing Kuizhou Rabbit Industry Company	Feed products	204,966.37	
Total	/	722,950,954.71	1,434,281,745.98

Description of related party transactions involving purchases and sales of goods and the provision and receipt of services

Note 1: The Company's related party transactions were conducted for its normal business needs. Purchase and sale prices were determined using the comparable uncontrolled price method, with reference to the market prices of similar products.

Note 2: The amounts of related party transactions with Beipiao Hongfa Food Company, Hebei Taihang Wellhope Animal Husbandry Company, Shenyang Zhongwenjie Biotechnology Company, Jiyuan Sunshine Rabbit Industry Technology Company, Dalian Wellhope Fishmeal Company and Dalian Chengsan Food Group Company include the amounts attributable to their respective subsidiaries.

## (2) Related party guarantees

The Company acted as the guarantor

Guaranteed party	Amount of guarantee	Guarantee commencement date	Guarantee expiry date	RMB
				Whether the guarantee has been fully performed
Lingyuan Wellhope Animal Husbandry Company	40,000,000.00	September 24, 2025	December 11, 2029	No
Lixin Xiangfeng Agriculture and Animal Husbandry Company	25,000,000.00	November 14, 2025	November 13, 2029	No
Lixin Xiangfeng Agriculture and Animal Husbandry Company	10,000,000.00	March 14, 2025	March 14, 2029	No
Tai'an Fengjiu Animal Husbandry Company	30,000,000.00	July 18, 2025	July 18, 2029	No
Hebei Taihang Wellhope Food Company	146,000,000.00	May 31, 2023	April 26, 2036	No
Tai'an Jiuguhe Agriculture Development Company	96,000,000.00	June 30, 2025	June 30, 2038	No
Anshan Jiuguhe Food Company	148,500,000.00	March 13, 2025	March 12, 2029	No
Anshan Jiuguhe Food Company	132,000,000.00	September 15, 2025	September 14, 2029	No
Anshan Jiuguhe Food Company	30,000,000.00	January 22, 2025	January 21, 2029	No
Anshan Jiuguhe Food Company	100,000,000.00	October 21, 2025	December 17, 2029	No

Anshan Jiuguhe Food Company	30,000,000.00	December 25, 2025	December 25, 2029	No
Anshan Jiuguhe Food Company	100,000,000.00	September 2, 2025	December 17, 2029	No
Anshan Fengsheng Food Company	150,000,000.00	January 13, 2023	January 12, 2035	No
Liaoning Yufeng Biotechnology Company	120,000,000.00	October 31, 2023	October 30, 2037	No
Hebei Taihang Wellhope Feed Company	60,000,000.00	April 22, 2025	April 22, 2036	No
Tai'an Jiuguhe Agriculture Development Company, Anshan Jiuguhe Food Company, Anshan Fengsheng Food Company, Huludao Jiuguhe Food Company, Jinzhou Xinfeng Food Company	500,000,000.00	April 10, 2025	June 12, 2026	No
Jinzhou Xinfeng Food Company	150,000,000.00	November 6, 2023	December 13, 2033	No
Liaoning Expert Trading Company	300,000,000.00	September 23, 2025	June 13, 2029	No
Liaoning Expert Trading Company	252,000,000.00	February 25, 2025	February 24, 2029	No
Liaoning Expert Trading Company	300,000,000.00	December 9, 2025	November 12, 2029	No
Baicheng Wellhope Animal Husbandry Company	10,000,000.00	September 15, 2025	September 25, 2029	No
Baicheng Wellhope Animal Husbandry Company	10,000,000.00	June 4, 2025	June 8, 2029	No
Shenyang Huakang Xinxin Food Company	60,000,000.00	November 13, 2025	December 30, 2029	No
Linghai Jiuguhe Feed Company	15,000,000.00	September 25, 2025	September 25, 2029	No
Linghai Jiuguhe Feed Company	15,000,000.00	September 11, 2025	September 10, 2033	No
Jinzhou Jiufeng Food Company	43,700,000.00	September 26, 2025	September 25, 2029	No
Jinzhou Jiufeng Food Company	85,000,000.00	October 27, 2025	October 26, 2033	No
Daqing Wellhope Food Company	7,300,000.00	September 15, 2025	September 11, 2026	No
Daqing Wellhope Food Company	21,920,000.00	July 27, 2022	July 26, 2027	No
Daqing Wellhope Food Company	17,900,000.00	April 22, 2023	April 21, 2027	No
Haicheng Wellhope Animal Husbandry Feed Company	51,000,000.00	November 20, 2023	October 25, 2036	No
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	40,800,000.00	August 15, 2023	August 14, 2027	No
Daqing Wellhope Animal Husbandry Company	10,000,000.00	December 5, 2025	December 4, 2029	No
Hainan Wellhope Animal Husbandry Company	10,000,000.00	December 8, 2025	November 28, 2029	No
Anhui Wellhope Food Company	100,000,000.00	March 6, 2021	March 5, 2029	No
Shandong Fengkang Food Company, Dalian Zhongjia Food Company	64,471,548.64	June 11, 2024	June 30, 2031	No

Shandong Heyuan Food Company, Dalian Zhongjia Food Company	30,366,229.40	June 7, 2024	June 30, 2032	No
Tai'an Fengjiu Animal Husbandry Company	11,201,700.00	August 8, 2023	July 18, 2029	No
Liaoning Expert Trading Company	500,000,000.00	November 18, 2025	November 17, 2026	No

**(3) Fund lending and borrowing with related parties**

RMB

Related party	Amount of funds borrowed	Commencement date	Maturity date	Note
Funds borrowed				
Liaoning Mubang Livestock Equipment Manufacturing Company	16,200,000.00			

Related party	Amount of funds lent	Commencement date	Maturity date	Note
Funds lent				
Liaoning Mubang Livestock Equipment Manufacturing Company	13,761,000.00			
Tai'an Huijun Biomass Energy Company	82,463,346.00			

**(4) Key management compensation**

RMB10,000

Item	2025	2024
Key management compensation	475.00	851.30

**(5) Other related party transactions**

RMB

Related party	Contents	2025	2024
Tai'an Huijun Biomass Energy Company	Interest income	840,549.07	
Golden Harvesta Inc. Philippines	Interest income	763,830.19	
Liaoning Mubang Livestock Equipment Manufacturing Company	Interest expense	300,889.48	

**5. Outstanding balances of receivables from and payables to related parties****(1) Receivables**

RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	PT. Sekar Golden Harvesta Indonesia			145,041.00	2,900.82
Accounts receivable	Anshan Jiuguhe Food Company			20,000,000.00	400,000.00
Accounts receivable	Beipiao Hongfa Food Company	462,044.79	9,240.90	181,141.50	3,622.83
Accounts receivable	Dalian Chengsan Food Group Company	1,296,950.00	46,211.00	1,722,190.25	37,979.81
Accounts receivable	Golden Harvesta Inc. Philippines	216,040.00	21,604.00		
Accounts receivable	Fuyu Fengyuan Layer Company	7,577,085.62	151,541.71	2,993,340.97	59,866.82
Accounts	Hetian Wellhope Animal Husbandry	256,575.00	7,531.50		

receivable	Company				
Accounts receivable	Huludao Jiuguhe Feed Company			14,071,620.00	287,221.30
Accounts receivable	Jilin Jinfeng Animal Husbandry Company	49,147,441.06	983,244.82	11,866,680.00	245,332.80
Accounts receivable	Lankao Skyland Duck Industry Company	34,240.00	3,424.00		
Accounts receivable	Liaoning Anjiu Animal Nutrition Food Company	2,026,756.15	202,675.62		
Accounts receivable	Liaoning New Yufeng Biotechnology Company	10,804,584.69	222,351.49		
Accounts receivable	Liaoning Yufeng Biotechnology Company			4,265,242.55	85,304.85
Accounts receivable	Linghai Jiuguhe Feed Company			16,558,276.00	982,549.24
Accounts receivable	Nepal Wellhope Agri-tech Pvt. Ltd.	66,963.40	6,696.34	1,982,680.13	39,653.60
Accounts receivable	Qingdao Shenfeng Animal Husbandry Company			5,400.00	540.00
Accounts receivable	Shandong Herui Fengkang Food Technology Company	626,500.00	12,530.00		
Accounts receivable	Shenyang Wellhope Jibaichuan Agricultural Trading Company	630,885.85	19,988.25		
Accounts receivable	Tai'an Fengjiu Animal Husbandry Company			29,400.00	588.00
Accounts receivable	Tai'an Jiuguhe Agricultural Development Company			26,900,000.00	538,000.00
Accounts receivable	Wudalianchi Shengda Pasture Specialized Cooperative	15,942,581.40	15,942,581.40	15,877,651.40	14,790,863.74
Prepayments	Dalian Wellhope Fishmeal Company	2,986,600.00		1,926,759.00	
Prepayments	Dalian Chengsan Food Group Company	8,990.00			
Prepayments	Liaoning New Yufeng Biotechnology Company	2,747,808.00			
Prepayments	Shenyang Zhongwenjie Biotechnology Company	42,040.00			
Prepayments	Liaoning Yufeng Biotechnology Company			221,508.00	
Prepayments	Suizhong Renhe Fishery Company	6,700,000.00			
Other receivables	Jilin Jinfeng Animal Husbandry Company	9,000,000.00	900,000.00		
Other receivables	Lankao Skyland Duck Industry Company			30,000.00	3,000.00
Other receivables	Liaoning Mubang Livestock Equipment Manufacturing Company	13,761,000.00	1,714,150.00		
Other receivables	Liaoning New Yufeng Biotechnology Company	59,096.88	1,181.94		
Other receivables	Tai'an Huijun Biomass Energy Company	82,463,346.00	40,347,846.00		
Other receivables	Wudalianchi Shengda Pasture Specialized Cooperative			4,350,000.00	4,350,000.00

**(2) Payables**

Item	Related party	RMB	
		Closing book balance	Opening book balance

Accounts payable	Anshan Antai Plastic Products Company		134,527.97
Accounts payable	Anshan Jiuguhe Paper Packaging Company		314,510.87
Accounts payable	Anshan Jiuguhe Food Company		3,000,000.00
Accounts payable	Beipiao Hongfa Food Company		375,247.71
Accounts payable	Dalian Chengsan Food Group Company	1,268,065.56	1,573,344.50
Accounts payable	Dalian Wellhope Fishmeal Company		818,950.50
Accounts payable	Harbin Weierhao Trading Company	121,448.00	102,220.00
Accounts payable	Haicheng Fengjiu Woven Bag Company	7,299,149.89	
Accounts payable	Hebei Taihang Wellhope Animal Husbandry Company		2,705,960.48
Accounts payable	Huludao Jiuguhe Animal Husbandry Company		261,721.60
Accounts payable	Jilin Hengfeng Animal Health Products Company	10,400.00	10,400.00
Accounts payable	Jinzhou Jiufeng Food Company		3,000,000.00
Accounts payable	Liaoning Mubang Livestock Equipment Manufacturing Company	4,650.00	584,659.26
Accounts payable	Liaoning Xijuntong Logistics Technology Company	629,084.58	
Accounts payable	Liaoning Yufeng Biotechnology Company		22,347.00
Accounts payable	Qingdao Shenfeng Animal Husbandry Company		1,200,000.00
Accounts payable	Shenyang Wanlitan Agriculture and Animal Husbandry Company	1,403,750.00	2,205,120.00
Accounts payable	Shenyang Zhongwenjie Biotechnology Company	115,459,243.35	29,497,670.90
Accounts payable	Shihaipu (Beijing) Science and Trade Company		17,600.00
Accounts payable	Suizhong Renhe Fishery Company	5,300.00	5,300.00
Accounts payable	Tai'an Fengjiu Animal Husbandry Company		1,773,102.85
Accounts payable	Tai'an Huijun Biomass Energy Company	233,000.00	
Accounts payable	Tai'an Jiuguhe Agricultural Development Company		3,932,445.00
Accounts payable	Xinhe Jinfeng (Shenyang) Supply Chain Management Company	189,590.10	
Contract liabilities	Dalian Chengsan Food Group Company	0.91	
Contract liabilities	Harbin Weierhao Trading Company	3,689,926.81	1,481,023.88
Contract liabilities	Huludao Jiuguhe Feed Company		399,300.00
Contract liabilities	Jilin Jinfeng Animal Husbandry Company	11,315,422.86	
Contract liabilities	Liaoning Anjiu Animal Nutrition Food Company	91,806.83	
Contract liabilities	Liaoning Xijuntong Logistics Technology Company	38,226.30	
Contract liabilities	Liaoning New Yufeng Biotechnology Company	43,220.02	
Contract liabilities	Liaoning Yufeng Biotechnology Company		6.50
Contract liabilities	Linghai Jiuguhe Feed Company		141,250.00
Contract liabilities	Nepal Wellhope Agri-tech Pvt. Ltd.	38,700.00	38,700.00
Contract liabilities	Shenyang Wellhope Huahu Food Technology Company		15,947.96
Contract liabilities	Shenyang Wellhope Jibaichuan Agricultural Trading Company	172,230.50	
Contract liabilities	Golden Harvesta Inc. Philippines	1,356,558.40	
Contract liabilities	Hebei Taihang Wellhope Animal Husbandry Company	7,922.20	
Other payables	Beijing Dahong Hengfeng Animal Husbandry Technology Company	9,960.00	9,960.00
Other payables	Unphung Joint Venture Company	71,682.43	71,682.43
Other payables	Dalian Chengsan Food Group Company	100,000.00	
Other payables	Hebei Taihang Wellhope Animal Husbandry Company	17,647.05	
Other payables	Liaoning Mubang Livestock Equipment Manufacturing Company	18,518,416.50	118,732.00
Other payables	Liaoning Xijuntong Logistics Technology Company	45,024.07	
Other payables	Nepal Wellhope Agri-tech Pvt. Ltd.	2,999.41	2,999.41
Other payables	Shenyang Wellhope Jibaichuan Agricultural Trading Company	36,000.00	
Other payables	Xinhe Jinfeng (Shenyang) Supply Chain Management	168,363.40	

	Company		
Other payables	Chongqing Dahong Agriculture and Animal Husbandry Machinery Company	44,490.00	28,906.80

## XV. Share-based payment

### 1. Equity instruments

#### (1) Details

Category of grantees	Lapsed during the period	
	Quantity (Shares)	Amount(RMB)
Directors (excluding independent directors), senior management, middle management, and core technical and business personnel	4,200,000.00	21,630,000.00
Total	4,200,000.00	21,630,000.00

#### (2) Outstanding stock options or other equity instruments at the end of the period

Category of grantees	Outstanding other equity instruments at the period end	
	Exercise price	Remaining contractual term
Directors (excluding independent directors), senior management, middle management, and core technical and business personnel		
Total	RMB 5.15 per share	20 months

### 2. Equity-settled share-based payment

RMB

Method for determining the fair value of equity instruments at the grant date	Closing price on the grant date
Significant inputs used in determining the fair value of equity instruments at the grant date	Closing price on the grant date and the grant price under the incentive plan
Basis for determining the number exercisable equity instruments	The exercise conditions are expected to be satisfied, and all grantees are expected to be able to exercise their rights
Reason for any significant difference between current-period estimates and prior-period estimates	None
Cumulative amount of equity-settled share-based payments recognized in capital reserve	3,306,254.04

### 3. Share-based payment expenses

RMB

Category of grantees	Equity-settled share-based payment expenses
Directors (excluding independent directors), senior management, middle management, and core technical and business personnel	1,573,617.48
Total	1,573,617.48

## XVI. Commitments and Contingencies

### 1. Significant commitments

Major external commitments existing at the balance sheet date, including their nature and amounts

As at December 31, 2025, the Company had no significant commitments required to be disclosed.

## 2. Contingencies

Significant contingencies existing at the balance sheet date

As at December 31, 2025, the Company provided joint and several liability guarantees for debts incurred by its subsidiaries, including Dalian Heyuan Animal Husbandry Company, Beijing Sanyuan Wellhope Animal Husbandry Company and other subsidiaries, in connection with their purchases of feed ingredients from suppliers including Jiusan Group Changchun Soybean Technology Company and Yihai Kerry (Shanghai) International Trading Company. The aggregate maximum amount of claims secured by the guarantees was RMB 1,705.2085 million.

In April 2025, the Company acquired partial equity interests in several associated companies, including Anshan Jiuguhe Food Company and other companies. Prior to the acquisition, the target companies had provided guarantees for bank borrowings of Tai'an Huijun Biomass Energy Company, Liaoning Mubang Livestock Equipment Manufacturing Company and individual farmers. As at December 31, 2025, the outstanding balance of guarantees provided by the Company for associated companies and individual farmers was RMB 179.9877 million.

## XVII. Events After the Balance Sheet Date

Not applicable

## XVIII. Notes to Major Items of the Parent Company's Financial Statements

### 1. Accounts receivable

#### (1) Classified by aging

Aging	RMB	
	Closing book balance	Opening book balance
Within 1 year	30,546,607.20	61,335,910.08
1-2 years	2,581,437.50	6,594,477.00
2-3 years	1,095,853.00	450,962.50
Over 3 years	9,291,092.53	18,690,222.87
Total	43,514,990.23	87,071,572.45

**(2) Classified 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	686,300.00	1.58	686,300.00	100.00		686,300.00	0.79	686,300.00	100.00	
Provision for bad debts on a collective basis	42,828,690.23	98.42	9,760,832.40	22.79	33,067,857.83	86,385,272.45	99.21	20,471,984.41	23.70	65,913,288.04
Including:										
Aging portfolio	17,216,690.23	39.56	9,760,832.40	56.69	7,455,857.83	85,643,499.12	98.36	20,471,984.41	23.90	65,171,514.71
Other portfolios	25,612,000.00	58.86			25,612,000.00	741,773.33	0.85			741,773.33
Total	43,514,990.23	/	10,447,132.40	/	33,067,857.83	87,071,572.45	/	21,158,284.41	/	65,913,288.04

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: Aging portfolio

RMB

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Provision rate %
Within 1 year	30,546,607.20	220,897.74	0.72
1 -2 years	2,581,437.50	387,215.63	15.00
2-3 years	1,095,853.00	547,926.50	50.00
Over 3 years	8,604,792.53	8,604,792.53	100.00
Total	42,828,690.23	9,760,832.40	22.79

**(3) Bad debt provision**

RMB

Category	Opening balance	Changes in current period		Closing balance
		Provision	Write-off	
Provision for bad debts on an individual basis	686,300.00			686,300.00
Provision for bad debts on a collective basis	20,471,984.41	-1,985,924.17	8,725,227.84	9,760,832.40
Total	21,158,284.41	-1,985,924.17	8,725,227.84	10,447,132.40

**(4) Accounts receivable written off in the current period**

RMB

Item	Amount
Accounts receivable actually written off	8,725,227.84

**(5) Top 5 accounts receivable and contract assets by closing balance, grouped by debtor**

RMB

Name	Closing balance of accounts receivable	Closing balance of accounts receivable and contract assets	As a percentage of total closing balance of accounts receivable and contract assets(%)	Closing balance of bad debt provision
1	10,588,680.00	10,588,680.00	24.33	
2	6,641,120.00	6,641,120.00	15.26	
3	5,770,200.00	5,770,200.00	13.26	
4	5,386,131.50	5,386,131.50	12.38	4,468,669.75
5	2,789,312.50	2,789,312.50	6.41	2,675,897.50
Total	31,175,444.00	31,175,444.00	71.64	7,144,567.25

**2. Other receivables**

RMB

Item	Closing balance	Opening balance
Dividends receivable	16,541,119.77	19,052,119.77
Other receivables	2,732,181,551.00	2,216,033,371.63
Total	2,748,722,670.77	2,235,085,491.40

**A. Dividends receivable****(1) Dividends receivable**

Item	RMB	
	Closing balance	Opening balance
Dividend income from long-term equity investments accounted for using the cost method	16,541,119.77	19,052,119.77
Total	16,541,119.77	19,052,119.77

**(2) Significant dividends receivable aged over one year**

Item(investee)	Closing balance	Aging	Reasons for non-recovery	RMB
				Whether impairment has occurred and the basis for its determination
Daqing Wellhope Bayi Agricultural Science and Technology Company	16,541,119.77	2-3 years: RMB 10,428,632.53; Over 3 years: RMB 6,112,487.24	Not paid	No
Total	16,541,119.77		/	/

**B. Other receivables****(1) Classified by aging**

Aging	RMB	
	Closing book balance	Opening book balance
Within 1 year	2,732,995,799.29	2,187,598,080.47
1-2 years	158,000.00	33,463,143.00
2-3 years	9,526.00	
Over 3 years	457,900.00	4,807,900.00
Total	2,733,621,225.29	2,225,869,123.47

**(2) Classified by nature**

Nature	RMB	
	Closing book balance	Opening book balance
General operating receivables	2,724,193,325.29	2,187,736,223.47
Deposits and margins	427,900.00	382,900.00
Receivables from disposal of investments	9,000,000.00	33,400,000.00
Other current loans		4,350,000.00
Total	2,733,621,225.29	2,225,869,123.47

**(3) Bad debt provision**

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, 2025	5,027,851.84		4,807,900.00	9,835,751.84
-Transfer to stage 2				
- Transfer to stage 3	-58,000.00		58,000.00	

-Transfer back to stage 2				
- Transfer back to stage 1				
Provision made during the reporting period	-3,992,460.55		64,462,408.62	60,469,948.07
Reversal during the reporting period			4,350,000.00	4,350,000.00
Charged off during the reporting period				
Amount written off during the period	53,617.00		64,462,408.62	64,516,025.62
Balance on December 31, 2025	923,774.29		515,900.00	1,439,674.29

Basis for stage classification and bad debt provision rates

a. As of December 31, 2025, 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	2,733,105,325.29	923,774.29	2,732,181,551.00
Stage 2			
Stage 3	515,900.00	515,900.00	
Total	2,733,621,225.29	1,439,674.29	2,732,181,551.00

b. 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	2,221,061,223.47	5,027,851.84	2,216,033,371.63
Stage 2			
Stage 3	4,807,900.00	4,807,900.00	
Total	2,225,869,123.47	9,835,751.84	2,216,033,371.63

#### (4) Bad debt provision

RMB

Category	Opening balance	Changes in the current period			Closing balance
		Provision	Reversal	Write-off	
Other receivables	9,835,751.84	60,469,948.07	4,350,000.00	64,516,025.62	1,439,674.29
Total	9,835,751.84	60,469,948.07	4,350,000.00	64,516,025.62	1,439,674.29

#### (5) Write-off of other receivables during the period

RMB

Item	Amount
Other receivables written off	64,516,025.62

**(6) Top 5 other receivables by closing balance, grouped by debtor**

Company	Closing balance	As a percentage of closing balance of other receivables %	Nature	Aging	RMB
					Closing balance of bad debt provision
Dalian Heyuan Animal Husbandry Company	464,327,508.37	16.99	General operating receivables	Within 1 year	
Fushun Wellhope Agriculture and Animal Husbandry Company	286,536,655.79	10.48	General operating receivables	Within 1 year	
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	137,147,323.25	5.02	General operating receivables	Within 1 year	
Fuxin Wellhope Agriculture and Animal Husbandry Company	125,648,538.70	4.60	General operating receivables	Within 1 year	
Anhui Wellhope Animal Husbandry Company	125,375,738.17	4.59	General operating receivables	Within 1 year	
Total	1,139,035,764.28	41.68	/	/	

**3. Long-term equity investment**

Item	Closing balance			Opening balance			RMB
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value	
Investment in subsidiaries	5,536,744,258.81		5,536,744,258.81	4,167,552,015.38		4,167,552,015.38	
Investment in associates and joint ventures	1,871,594,556.11	17,900,000.00	1,853,694,556.11	2,335,353,767.06	17,900,000.00	2,317,453,767.06	
Total	7,408,338,814.92	17,900,000.00	7,390,438,814.92	6,502,905,782.44	17,900,000.00	6,485,005,782.44	

**(1) Investment in subsidiaries**

Investee	Opening balance (book value)	Changes in 2025		Closing balance (book value)	RMB
		Additional investment	Disposals / Reductions		
Zhejiang Pinghu Wellhope Animal Husbandry Company	1,026,750.75		1,026,750.75		
Changsha Wellhope Animal Husbandry Company	8,300,703.61	620.83		8,301,324.44	
Tangshan Wellhope Feed Company	47,113,384.31	3,560,458.16		50,673,842.47	
Shulan Wellhope Animal Husbandry Company	63,395,948.38	1,241.67		63,397,190.05	
Daqing Wellhope Food Company	7,651,407.22	1,241.67		7,652,648.89	
Harbin Wellhope Agriculture and Animal Husbandry Development Company	1,407.22	1,241.67		2,648.89	
Nanchang Wellhope Animal Husbandry Company	6,501,407.22	1,241.67		6,502,648.89	
Haicheng Wellhope Animal Husbandry Feed Company	12,616,197.07	1,241.67		12,617,438.74	
Fuyu Wellhope Taolaizhao Poultry Breeding Company	25,758,958.82	1,241.67		25,760,200.49	
Jiyuan Helai Feed Company	23,002,110.83	-2,110.83		23,000,000.00	
Wan'an Wellhope Feed Company	7,802,110.83	1,862.50		7,803,973.33	
Lixin Xiangfeng Agriculture and Animal Husbandry Company	2,110.83	1,862.50		3,973.33	
Lixin Rongfeng Agriculture and Animal Husbandry Company	2,110.83	1,862.50		3,973.33	

Dalian Wellhope Pig Breeding Company	2,110.83	8,741.33	10,852.16
Datong Hejia Agriculture and Animal Husbandry Company	2,110.83	13,000,000.00	13,002,110.83
Shenyang Wellhope Poultry Company	63,380.06	2,483.34	65,863.40
Shanxi Wellhope Animal Husbandry Company	48,044,897.95	2,483.34	48,047,381.29
Shenyang Expert Trading Company	8,213,462.72	2,483.34	8,215,946.06
Heilongjiang Sanjiang Wellhope Animal Husbandry Company	13,025,225.20	2,483.34	13,027,708.54
Heilongjiang Wellhope Dasenlin Food Company	10,202,814.44	2,483.34	10,205,297.78
Shenyang Jiahe Tianfeng Trading Company	10,146,428.74	2,483.34	10,148,912.08
Gansu Wellhope Animal Husbandry Company	40,111,505.20	2,483.34	40,113,988.54
Daqing Wellhope Animal Husbandry Company	2,814.44	5,118,376.67	5,121,191.11
Fuzhou Wellhope Xingyuan Animal Husbandry Development Company	72,803,518.06	3,104.16	72,806,622.22
Baotou Wellhope Animal Husbandry Company	15,753,518.06	42,538,168.99	58,291,687.05
Cangzhou Helai Technology Company	3,535,132.52	3,104.16	3,538,236.68
Zhengzhou Wellhope Animal Husbandry Company	12,901,523.88	3,104.16	12,904,628.04
Dunhua Fengda Agriculture and Animal Husbandry Development Company	13,099,316.30	3,725.00	13,103,041.30
Jinan Xinweita Science and Trade Company	161,979.65	3,725.00	165,704.65
Shenyang Wellhope Extruded Feed Company	33,046,305.18	3,725.00	33,050,030.18
Hengshui Wellhope Feed Company	6,404,221.67	9,603,725.00	16,007,946.67
Baicheng Wellhope Animal Husbandry Company	5,104,221.67	3,725.00	5,107,946.67
Guangzhou Dashang Trading Company	4,221.67	3,725.00	7,946.67
Shenyang Pufeng Trading Company	7,504,010.39	3,725.00	7,507,735.39
Anyang Wellhope Agriculture and Animal Husbandry Company	55,004,221.67	3,725.00	55,007,946.67
Jinzhou Wellhope Animal Husbandry Company	17,265,139.45	3,725.00	17,268,864.45
Tianjin Weierhao Trading Company	4,221.66	3,725.00	7,946.66
Yunnan Wellhope Feed Company	25,587,420.05	4,345.83	25,591,765.88
Haicheng Xinzhongxin Feed Company	6,007,240.98	4,345.83	6,011,586.81
Shijiazhuang Hejia Agriculture and Animal Husbandry Company	13,005,488.17	869.16	13,006,357.33
Jingzhou Wellhope Agricultural Technology Company	43,306,461.47	4,966.67	43,311,428.14
Jilin Wellhope Swine Breeding Company	15,005,628.89	-331.11	15,005,297.78
Huai'an Wellhope Feed Company	30,236,333.51	4,966.67	30,241,300.18
Zhumadian Wellhope Animal Husbandry Company	9,058,584.93	7,615.55	9,066,200.48
Jiaozuo Wellhope Feed Company	50,710,937.42	9,560.83	50,720,498.25
Hainan Expert Trading Company	15,625.03	5,711.67	21,336.70
Anhui Wellhope Food Company	6,895.39	6,084.17	12,979.56
Tangshan Hejia Agriculture and Animal Husbandry Company	19,641,562.63		19,641,562.63
Hainan Wellhope Animal Husbandry Company	68,162,768.45	6,208.33	68,168,976.78
Tangshan Wellhope Technology Company	21,040,702.92	6,208.33	21,046,911.25
Changchun Wellhope Food Company	8,675,370.15	6,208.33	8,681,578.48
Qingdao Wellhope Animal Husbandry Company	28,894,204.41	6,208.33	28,900,412.74
Kaifeng Wellhope Agriculture and Animal Husbandry Technology Company	47,384.32	6,208.33	53,592.65
Dehui Wellhope Animal Husbandry Company	52,460.32	6,208.33	58,668.65
Puyang Wellhope Animal Husbandry Company	52,460.32	6,208.33	58,668.65
Shandong Heyuan Animal Husbandry Company	7,036.11	6,208.33	13,244.44
Lingyuan Wellhope Animal Husbandry Company	16,918,854.50	7,003.00	16,925,857.50
Puyang Wellhope Food Company	20,218,720.17	7,325.83	20,226,046.00
Chifeng Wellhope Animal Husbandry Company	6,808,443.33	12,443,131.00	19,251,574.33
Dunhua Wellhope Zhongda Animal Husbandry Company	7,661,238.30	-8,443.33	7,652,794.97
Liaoning Wellhope Procurement and Trading Company	30,286,787.81	7,450.00	30,294,237.81
Liaoning Wellhope Egg Industry Company	8,443.33	7,450.00	15,893.33
Beijing Wellhope Animal Husbandry Technology Company	5,080,845.66	7,822.50	5,088,668.16
Luoyang Wellhope Agriculture and Animal Husbandry	75,008,865.50	7,822.50	75,016,688.00

Company			
Liaoning Wellhope Food Company	30,050,956.12	8,070.84	30,059,026.96
Linyi Helai Animal Husbandry Company	33,048,613.53	8,691.66	33,057,305.19
Beijing Zhuolong Animal Health Products Trading Company	214,935.95	8,691.66	223,627.61
Shanghai Hehong Trading Company	213,305.40	8,691.66	221,997.06
Tailai Wellhope Agriculture and Animal Husbandry Company	144,188,889.81	4,718.33	144,193,608.14
Hebei Taihang Wellhope Food Company	308,527,172.72	9,064.17	308,536,236.89
Henan Wellhope Animal Husbandry Company	33,082,408.81	6,663.61	33,089,072.42
Chifeng Wellhope Fuxinyuan Food Company	119,011,257.78	9,933.33	119,021,191.11
Guangzhou Xiangshun Livestock Equipment Company	3,011,757.99	9,933.33	3,021,691.32
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	97,616,576.24	16,232.73	97,632,808.97
Shenyang Wellhope Aquatic Feed Company	15,298,129.27	10,554.17	15,308,683.44
Gongzhuling Wellhope Ruminant Feed Company	5,096,832.03	11,175.00	5,108,007.03
Linyi Wellhope Animal Husbandry Company	15,012,665.00	11,175.00	15,023,840.00
Daqing Wellhope Bayi Agricultural Science and Technology Company	39,234,364.21	11,423.34	39,245,787.55
Dalian Wellhope Feed Company	42,399,255.04	5,006,779.50	47,406,034.54
Lankao Skyland Feed Company	46,083,167.51	11,795.83	46,094,963.34
Pingyuan Wellhope Food Processing Company	210,216,677.21	25,164.45	210,241,841.66
Jilin Dalong Wellhope Animal Husbandry Company	4,144,072.22	-3,476.66	4,140,595.56
Haicheng New Hongzunda Animal Husbandry Company	34,256,913.35	1,821.11	34,258,734.46
Nanyang Wellhope Feed Company	17,940,100.30	13,037.50	17,953,137.80
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	154,899,997.60	25,081.66	154,925,079.26
Xingcheng Wellhope Feed Company	82,810,767.65	14,279.16	82,825,046.81
Changchun Hengfeng Agriculture and Animal Husbandry Company	255,368.77	17,383.33	272,752.10
Changchun Wellhope Feed Company	84,618,102.62	17,929.67	84,636,032.29
Shanghai Wellhope Feed Company	2,321,666.21	22,970.83	2,344,637.04
Henan Herun Jiufeng Agriculture and Animal Husbandry Company	42,026,189.41	27,080.75	42,053,270.16
Shenyang Huakang Xinxin Food Company	1,996,916.03	37,581.11	2,034,497.14
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	114,723,043.65	24,833.34	114,747,876.99
Beijing Sanyuan Wellhope Animal Husbandry Company	8,748,077.21	35,925.56	8,784,002.77
Xi'an Wellhope Feed Science and Technology Company	4,718,401.10	26,075.00	4,744,476.10
Shenyang Wellhope Pig Breeding Company	30,677.44	19,030.61	49,708.05
Pingyuan Wellhope Animal Husbandry Company	295,498.80	27,565.00	323,063.80
Shenyang Huakang Broiler Company	68,592,234.45	8,393.67	68,600,628.12
Wellhope Food (Shenyang) Company	5,195,372.23	31,041.66	5,226,413.89
Shenyang Nongda Wellhope Feed Company	44,598,196.91	31,588.00	44,629,784.91
Dalian Heyuan Animal Husbandry Company	103,927,486.41	33,028.33	103,960,514.74
Shenyang Wellhope Animal Husbandry Company	83,027,758.78	34,779.09	83,062,537.87
Dalian Huakang Xinxin Food Company	11,705,436.47	-9,155.22	11,696,281.25
Shenyang Wellhope Ruminant Feed Company	6,082,558.95	47,406.83	6,129,965.78
Shenyang Fengmei Biotechnology Company	20,538,649.99	39,124.92	20,577,774.91
Gongzhuling Wellhope Animal Husbandry Company	35,559,713.86	39,534.66	35,599,248.52
Lankao Wellhope Animal Husbandry Company	43,134,123.42	33,483.61	43,167,607.03
Liaoning Expert Trading Company	73,832,607.22	54,049.75	73,886,656.97
Liaoning Godaji E-commerce Company	20,572,086.72	66,801.66	20,638,888.38
Heilongjiang Wellhope Animal Husbandry Company	120,933,039.51	74,624.16	121,007,663.67
Dalian Zhongjia Food Company	337,890.69	-166,437.97	171,452.72
Hunan Wellhope Agriculture and Animal Husbandry Company	49,000,000.00	31,000,000.00	80,000,000.00
Dazhou Wellhope Biotechnology Company	17,642,857.21		17,642,857.21

Siping Wellhope Food Company	14,000,000.00	47,000,000.00		61,000,000.00
Hebei New Taihang Wellhope Animal Husbandry Company	20,000,000.00			20,000,000.00
Shandong Jiayixiang Agriculture and Animal Husbandry Technology Company	8,000,000.00	19,200,000.00		27,200,000.00
Huaibei Wellhope Animal Husbandry Company	6,250,000.00			6,250,000.00
Mianyang Wellhope Biotechnology Company	5,200,000.00			5,200,000.00
Wellhope E-commerce (Liaoning) Company	1,500,000.00	8,500,000.00		10,000,000.00
Zhumadian Wellhope Agriculture Development Company	30,000,001.00			30,000,001.00
Jilin Wellhope Animal Husbandry Company	16,241,715.94			16,241,715.94
Dalian Hefengyuan Animal Husbandry Company	36,400,000.00	13,244.44		36,413,244.44
Fuyu Wellhope Layer Company	5,200,000.00		5,200,000.00	0.00
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	0.00
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	112,154,616.17			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	0.00
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 Skyland 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
Chongqing Wellhope Animal Husbandry Company	2,230,000.00		2,230,000.00	0.00
Qingdao Shenfeng Animal Husbandry Company		37,402,891.73		37,402,891.73
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
Fengmei (Shenyang) Biological High-tech Industry Research Institute Company	5,000,000.00			5,000,000.00
Anshan Jiuguhe Food Company and 12 other companies		1,046,590,664.99		1,046,590,664.99
Anhui Wellhope Haoxiang Agricultural Development Company		4,966.67		4,966.67
Gongzhuling Wellhope Pig Breeding Company		5,297.78		5,297.78
Hebei Taihang Wellhope Feed Company		76,449,186.90		76,449,186.90
Siping Wellhope Breeding Company		12,500,000.00		12,500,000.00
Shandong Wellhope Agriculture and Animal Husbandry Company		20,000,000.00		20,000,000.00
Total	4,167,552,015.38	1,390,948,994.18	21,756,750.75	5,536,744,258.81

**(2) Investment in associates and joint ventures**

Investee	Opening balance (book value)	Changes in 2025							RMB	
		Additional investment	Reduction in investment	Investment gains or losses recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Cash dividends or profits declared	Other	Closing balance (book value)	Impairment provision at period end
<b>1. Joint Ventures</b>										
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									0.00	17,900,000.00
Subtotal	11,669,191.54								11,669,191.54	17,900,000.00
<b>2. Associated Companies</b>										
Huludao Jiuguhe Animal Husbandry Company	0.00			-8,100,583.43				8,100,583.43	0.00	
Huludao Jiuguhe Feed Company	2,454,549.28			-97,979.47	-17,906.14			-2,338,663.67	0.00	
Anshan Antai Plastic Products Company	4,808,070.62			-186,094.41				-4,621,976.21	0.00	
Anshan Jiuguhe Paper Packaging Company	8,311,081.66			394,748.78				-8,705,830.44	0.00	
Liaoning Yufeng Biotechnology Company	9,544,660.02			-27,674,590.83				18,129,930.81	0.00	
Jinzhou Xinfeng Food Company	11,880,867.42			-14,644,774.91				2,763,907.49	0.00	
Tai'an Jiuguhe Agriculture Development Company	17,041,588.33			-29,230,797.66				12,189,209.33	0.00	
Linghai Jiuguhe Feed Company	37,633,111.09			-4,332,710.26	-17,906.14			-33,282,494.69	0.00	
Anshan Fengsheng Food Company	49,842,935.09			-2,795,139.74				-47,047,795.35	0.00	
Tai'an Fengjiu Animal	85,128,552.40			-6,359,009.93	2,696,448.20			-81,465,990.67	0.00	

Husbandry Company									
Jinzhou Jiufeng Food Company	108,666,473.24			3,103,119.53				-111,769,592.77	0.00
Huludao Jiuguhe Food Company	26,802,757.86			2,739,799.60				-29,542,557.46	0.00
Anshan Jiuguhe Food Company	246,435,815.15			-3,023,223.21	-3,013,664.21			-240,398,927.73	0.00
Shenyang Wellhope Jibaichuan Agricultural Trading Company		350,000.00		-350,000.00					0.00
Hebei Taihang Wellhope Feed Company	724,524.46			-193,085.12				-531,439.34	0.00
Wudalianchi Shengda Pasture Specialized Cooperative									0.00
Jilin Jinfeng Animal Husbandry Company	17,699,749.61		9,000,000.00	1,186,089.31			5,188,500.00		4,697,338.92
Chongqing Dahong Agriculture and Animal Husbandry Machinery Company	10,372,373.64	8,820,000.00		603,414.14					19,795,787.78
Liaoning Xinjuntong Logistics Technology Company	1,359,145.08			342,310.80					1,701,455.88
Shihaipu (Beijing) Science and Trade Company	2,401,334.11			6,452.84					2,407,786.95
Hebei Taihang Wellhope Animal Husbandry Company	33,363,055.72		8,100,000.00	1,272,685.05					26,535,740.77
Dunhua Fengda Broiler Breeding Company	7,937,157.40			-237,593.51					7,699,563.89
Shulan Fengtai Organic Fertilizer Company	1,526,679.56			-137,109.43					1,389,570.13
Qingdao Shenfeng Animal Husbandry Company	12,357,893.73			-20,002.00				-12,337,891.73	0.00
Jiyuan Sunshine Rabbit Industry Technology Company	9,956,201.37			-1,356,397.04					8,599,804.33

Shandong Mingxiang Biotechnology Company		3,500,000.00		-18,141.81				3,481,858.19	
Hainan State Farm Wenfeng Wenchang Chicken Industry (Group) Company	917,203.60			-34,386.37				882,817.23	
Dandong Wellhope Chengsan Animal Husbandry Company	121,244,199.91			11,274,453.34				132,518,653.25	
Xinjiang Wellhope Food Processing Company		4,800,000.00		-3,338,113.90				1,461,886.10	
Shandong Qunxiang Food Company		17,500,000.00		-271,554.39				17,228,445.61	
Liaoning Mubang Livestock Equipment Manufacturing Company	12,791,031.69			315,557.57				13,106,589.26	
Weifang Wellhope Xinhesheng Feed Company	5,527,320.21			-307,317.82				5,220,002.39	
PT. Sekar Golden Harvesta Indonesia	32,396,435.64			937,006.05	-2,026,465.82			31,306,975.87	
Wudalianchi Zhongwang Dairy Cow Breeding Farmers Specialized Cooperative	764,945.13			-305,956.35				458,988.78	
Shenyang Zhongwenjie Biotechnology Company	15,210,899.22			6,920,532.48				22,131,431.70	
Beijing Dahong Hengfeng Animal Husbandry Technology Company	24,141,705.81			531,691.06				24,673,396.87	
Gongzhuling Wellhope Corn Procurement and Storage Company	41,964,028.85			2,580,140.86				44,544,169.71	
Dandong Wellhope Chengsan Food Company	109,839,361.33			4,429,235.81				114,268,597.14	
PT. Mulia Harvest Agritech in Indonesia	64,972,169.87			-1,686,586.31	-4,272,602.09		2,681,110.00	56,331,871.47	
Dalian Chengsan Food Group Company	370,337,585.91			10,164,235.92			7,000,000.00	373,501,821.83	

Lankao Skyland Duck Industry Company	39,133,402.20			-199,811.77					38,933,590.43	
Chongqing Kuizhou Rabbit Industry Company	11,595,243.41	3,500,000.00		843,951.89					15,939,195.30	
Beipiao Hongfa Food Company	604,371,761.65			72,244,037.27			10,780,000.00		665,835,798.92	
Hetian Wellhope Animal Husbandry Company		14,400,000.00		1,667,749.73					16,067,749.73	
Golden Harvesta Inc. Philippines	144,328,704.25	20,297,945.53		40,435,835.54	-14,151,322.90	393,313.72			191,304,476.14	
Subtotal	2,305,784,575.52	73,167,945.53	17,100,000.00	57,092,087.90	-20,803,419.10	393,313.72	25,649,610.00	-530,859,529.00	1,842,025,364.57	
Total	2,317,453,767.06	73,167,945.53	17,100,000.00	57,092,087.90	-20,803,419.10	393,313.72	25,649,610.00	-530,859,529.00	1,853,694,556.11	17,900,000.00

#### 4. Operating revenue and cost

##### (1) Information of revenue and cost

RMB

Item	2025		2024	
	Revenue	Cost	Revenue	Cost
Revenue from principal businesses	707,794,199.31	530,857,125.76	675,678,445.71	506,895,695.24
Revenue from other businesses	3,393,400.74	1,718,826.33	6,371,688.73	2,949,936.40
Total	711,187,600.05	532,575,952.09	682,050,134.44	509,845,631.64

##### (2) Split of revenue and cost

RMB

Contract classification	Total	
	Operating revenue	Operating cost
Type of goods		
Feed products	707,794,199.31	530,857,125.76
Other products	3,393,400.74	1,718,826.33
Classified by timing of transfer of goods		
Revenue recognized at a point in time	710,330,457.21	532,575,952.09
Revenue recognized over time	857,142.84	
Total	711,187,600.05	532,575,952.09

Explanation:

The Company's sales of feed products are performance obligations satisfied at a point in time under the sales contracts. Revenue from such performance obligations is recognized when the customer obtains control of the related goods. The Company's asset leasing business involves performance obligations satisfied over time under the lease contracts. Revenue from such performance obligations is recognized over time by reference to the progress toward complete satisfaction of the performance obligations.

#### 5. Investment income

RMB

Item	2025	2024
Income from long-term equity investments accounted for using the cost method	123,633,086.95	60,863,493.36
Income from long-term equity investments accounted for using the equity method	57,092,087.90	117,945,879.18
Investment income from disposal of long-term equity investments	-3,083,447.94	-11,591,131.17
Investment income from disposal of derivative financial instruments and others	6,050,694.93	6,844.16
Total	183,692,421.84	167,225,085.53

### XIX. Supplementary Information

#### 1. Extraordinary items in 2025

RMB

Item	Amount	Note
Gains or losses on disposal of non-current assets, including the reversal of previously recognized impairment provisions	-19,071,287.35	
Government grants recognized in profit or loss for the period, excluding those closely related to the Company's ordinary business, in line with national policies, granted according to defined criteria, and having a continuing impact on the Company's profit or loss	38,265,999.01	

Gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and gains or losses on disposal of such financial assets and financial liabilities, other than effective hedging activities related to the Company's ordinary business	4,142,203.96	
Reversal of impairment provisions for receivables individually tested for impairment	6,399,293.02	
Gains arising where the cost of investments in subsidiaries, associates and joint ventures is less than the Company's share of the fair value of the investees' identifiable net assets at the acquisition date	3,443,489.11	
Other non-operating income and expenses not listed above	9,254,605.28	
Other items that meet the definition of non-recurring gains or losses	114,612,999.75	
Less: Income tax effects	24,031,038.65	
Effect on non-controlling interests (net of tax)	5,127,510.80	
Total	127,888,753.33	

## 2. Return on equity and earnings per share

Profit in 2025	Weighted average ROE %	Earnings per share	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	0.79	0.06	0.06
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	-1.13	-0.08	-0.08

Chairman of the Board of Directors: Jin Weidong

Date of Board approval for submission: April 30, 2026