The following is the text of a report set out on pages I-[1] to I-[128], received from the Company's reporting accountants, 畢馬威華振會計師事務所（特殊普通合夥）*(KPMG Huazhen LLP), for the purpose of incorporation in this document.*

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 新希望乳業股份有限公司 (NEW HOPE DAIRY CO., LTD.) AND J.P. MORGAN SECURITIES (FAR EAST) LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of 新希望乳業股份有限公司 (New Hope Dairy Co., Ltd.) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[3] to I-[128], which comprises the consolidated and company balance sheets as at 31 December 2023, 2024 and 2025, the consolidated and company income statements, the consolidated and company cash flow statements and the consolidated and company statements of changes in shareholders' equity for each of the years ended 31 December 2023, 2024 and 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[3] to I-[128] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Documents") in connection with the **[REDACTED]** of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note I to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note I to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's and the Company's financial position as at 31 December 2023, 2024 and 2025 and of the Group's and the Company's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note I to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note IV.46 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG Huazhen LLP
8th Floor, KPMG Tower
Oriental Plaza
1 East Chang An Avenue
Beijing China
[●]

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by 畢馬威華振會計師事務所(特殊普通合夥) (KPMG Huazhen LLP) under separate terms of engagement with the Company in accordance with China Standards on Auditing for Certified Public Accountants (the "Underlying Financial Statements").

CONSOLIDATED BALANCE SHEET

(Expressed in Renminbi Yuan)

		As at 31 December		
Assets	*Note*	**2023**	**2024**	**2025**
Current assets				
Cash at bank and on hand	*IV.1*	439,542,789.48	396,478,357.70	354,912,813.83
Financial assets held for trading	*IV.2*	52,000,000.00	147,606,201.15	213,140,297.69
Bills receivable	*IV.3*	5,817,905.46	1,713,837.32	3,064,099.53
Accounts receivable	*IV.4*	604,080,607.52	608,107,413.71	647,759,781.00
Receivables under financing	*IV.5*	–	6,554,094.78	2,269,283.74
Prepayments	*IV.6*	82,258,824.91	45,996,685.06	35,848,274.06
Other receivables	*IV.7*	101,267,305.15	32,915,786.12	74,352,942.52
Inventories	*IV.8*	711,504,732.21	741,643,657.05	717,252,072.45
Non-current assets due within one year	*IV.9*	–	3,807,976.69	3,956,487.80
Other current assets	*IV.10*	5,873,559.62	13,301,614.89	4,004,690.60
Total current assets		2,002,345,724.35	1,998,125,624.47	2,056,560,743.22
Non-current assets				
Long-term receivables	*IV.11*	–	12,338,390.24	8,381,902.44
Long-term equity investments	*IV.12*	538,266,567.68	515,348,142.95	505,983,071.20
Investments in other equity instruments	*IV.13*	480,431,815.11	570,292,615.28	988,721,813.92
Investment properties	*IV.14*	19,632,122.26	18,479,882.53	27,584,963.45
Fixed assets	*IV.15*	2,882,601,083.01	2,912,826,512.14	2,794,449,156.61
Construction in progress	*IV.16*	89,480,442.05	35,470,192.47	19,414,535.03
Productive biological assets	*IV.17*	981,431,697.81	968,044,121.07	993,230,379.65
Right-of-use assets	*IV.18*	121,663,210.65	120,330,586.30	108,452,819.61
Intangible assets	*IV.19*	681,148,568.40	661,920,264.15	570,360,330.87
Goodwill	*IV.20*	1,002,795,602.59	1,002,795,602.59	992,463,433.59
Long-term deferred expenses	*IV.21*	10,307,419.12	13,421,884.19	13,709,723.61
Deferred tax assets	*IV.22*	30,486,563.03	21,573,546.94	29,801,073.42
Other non-current assets	*IV.23*	97,418,867.84	27,699,505.61	25,784,195.64
Total non-current assets		6,935,663,959.55	6,880,541,246.46	7,078,337,399.04
Total assets		8,938,009,683.90	8,878,666,870.93	9,134,898,142.26

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED BALANCE SHEET (CONTINUED)

(Expressed in Renminbi Yuan)

		As at 31 December		
	Note	**2023**	**2024**	**2025**
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans	*IV.25*	915,574,402.81	371,076,044.47	444,277,222.65
Bills payable	*IV.26*	100,000.00	–	8,454,016.24
Accounts payable	*IV.27*	925,284,186.00	990,643,181.89	923,457,685.11
Contract liabilities	*IV.28*	419,639,712.37	409,276,651.45	437,689,301.58
Employee benefits payable	*IV.29*	217,039,065.52	250,678,819.79	258,061,398.16
Taxes payable	*IV.30*	48,945,476.48	62,432,483.25	71,757,923.68
Other payables	*IV.31*	748,543,104.85	737,927,654.78	862,803,038.86
Non-current liabilities due within one year	*IV.32*	697,022,629.54	864,053,310.25	1,367,457,630.17
Other current liabilities	*IV.33*	46,034,476.40	44,611,155.01	47,019,572.69
Total current liabilities		4,018,183,053.97	3,730,699,300.89	4,420,977,789.14
Non-current liabilities				
Long-term loans	*IV.34*	1,366,676,849.20	1,077,260,000.00	563,900,000.00
Debentures payable	*IV.35*	698,910,945.02	725,270,462.40	–
Lease liabilities	*IV.36*	71,177,919.54	68,608,818.91	60,693,332.83
Long-term payables	*IV.37*	11,000,000.00	11,000,000.00	–
Provisions	*IV.38*	51,630.00	239,080.59	–
Deferred income	*IV.39*	117,261,712.64	109,775,574.05	105,122,073.40
Deferred tax liabilities	*IV.22*	15,349,401.21	13,406,517.79	11,872,896.45
Total non-current liabilities		2,280,428,457.61	2,005,560,453.74	741,588,302.68
Total liabilities		6,298,611,511.58	5,736,259,754.63	5,162,566,091.82
Shareholders' equity				
Share capital	*IV.40*	865,812,256.00	860,673,916.00	860,677,197.00
Other equity instruments	*IV.41*	96,402,738.93	96,398,657.09	96,390,641.10
Capital reserve	*IV.42*	566,041,942.74	523,033,766.82	519,568,201.01
Less: Treasury shares	*IV.43*	48,059,000.00	–	–
Other comprehensive income	*IV.44*	(712,762,978.00)	(622,902,177.83)	(204,472,979.19)
Surplus reserve	*IV.45*	68,617,446.90	150,955,152.93	226,745,607.53
Retained earnings	*IV.46*	1,720,967,731.87	2,047,220,045.75	2,397,036,299.08
Total equity attributable to shareholders of the Company		2,557,020,138.44	3,055,379,360.76	3,895,944,966.53
Non-controlling interests		82,378,033.88	87,027,755.54	76,387,083.91
Total shareholders' equity		2,639,398,172.32	3,142,407,116.30	3,972,332,050.44
Total liabilities and shareholders' equity		8,938,009,683.90	8,878,666,870.93	9,134,898,142.26

COMPANY BALANCE SHEET

(Expressed in Renminbi Yuan)

		As at 31 December		
Assets	*Note*	**2023**	**2024**	**2025**
Current assets				
Cash at bank and on hand		367,844,777.43	346,299,389.57	208,955,755.91
Financial assets held for trading		52,000,000.00	44,600,500.00	209,099,722.22
Accounts receivable	*XV.1*	5,970,355.11	1,180,248.18	954,610.12
Prepayments		117,850.00	863,200.00	125,000.00
Other receivables	*XV.2*	79,424,005.25	520,966.25	498,014.18
Inventories		4,593,359.96	2,413,651.44	1,088,004.54
Other current assets		609,259.92	235,784.53	–
Total current assets		510,559,607.67	396,113,739.97	420,721,106.97
Non-current assets				
Long-term receivables		2,963,009,223.08	3,214,243,536.03	3,019,859,361.96
Long-term equity investments	*XV.3*	4,438,317,316.21	4,445,698,013.96	4,428,766,258.82
Investments in other equity instruments		1,741,500.00	–	–
Fixed assets		8,188,262.66	14,987,502.87	12,195,093.03
Construction in progress		3,800,527.06	365,291.90	722,329.64
Right-of-use assets		70,342.95	609,638.93	152,409.73
Intangible assets		16,415,084.90	15,563,166.20	8,888,021.88
Long-term deferred expenses		78,242.19	762,353.07	467,284.95
Other non-current assets		2,512,670.00	16,460.00	–
Total non-current assets		7,434,133,169.05	7,692,245,962.96	7,471,050,760.01
Total assets		7,944,692,776.72	8,088,359,702.93	7,891,771,866.98

The accompanying notes form part of the Historical Financial Information.

COMPANY BALANCE SHEET (CONTINUED)

(Expressed in Renminbi Yuan)

		As at 31 December		
	Note	2023	2024	2025
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans		250,193,138.93	–	–
Accounts payable		892,386.14	1,358,720.00	1,897,212.23
Contract liabilities		192,335.41	–	–
Employee benefits payable		24,567,905.56	23,073,030.34	23,905,309.62
Taxes payable		244,197.26	308,806.73	1,033,768.48
Other payables		3,075,494,868.44	2,814,941,328.47	2,830,324,600.90
Non-current liabilities due within one year		667,486,399.85	841,513,149.38	1,327,072,733.77
Total current liabilities		4,019,071,231.59	3,681,195,034.92	4,184,233,625.00
Non-current liabilities				
Long-term loans		1,233,600,000.00	995,500,000.00	563,900,000.00
Debentures payable		698,910,945.02	725,270,462.40	–
Lease liabilities		–	117,688.01	–
Deferred income		3,449,577.17	4,050,631.06	3,198,081.62
Total non-current liabilities		1,935,960,522.19	1,724,938,781.47	567,098,081.62
Total liabilities		5,955,031,753.78	5,406,133,816.39	4,751,331,706.62
Shareholders' equity				
Share capital		865,812,256.00	860,673,916.00	860,677,197.00
Other equity instruments		96,402,738.93	96,398,657.09	96,390,641.10
Capital reserve		754,642,243.38	711,755,888.72	717,610,557.88
Less: Treasury shares		48,059,000.00	–	–
Other comprehensive income		(8,258,500.00)	(10,000,000.00)	(10,000,000.00)
Surplus reserve		68,617,446.90	150,955,152.93	226,745,607.53
Retained earnings		260,503,837.73	872,442,271.80	1,249,016,156.85
Total shareholders' equity		1,989,661,022.94	2,682,225,886.54	3,140,440,160.36
Total liabilities and shareholders' equity		7,944,692,776.72	8,088,359,702.93	7,891,771,866.98

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The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED INCOME STATEMENT

(Expressed in Renminbi Yuan)

	Note	Year ended 31 December		
		2023	2024	2025
I. Revenue	IV.47	10,987,294,041.63	10,665,423,457.85	11,233,457,712.85
Less: Operating costs	IV.47	8,034,708,960.33	7,640,696,965.77	7,955,457,852.49
Taxes and surcharges	IV.48	51,738,922.25	53,053,284.93	59,506,712.56
Selling and distribution expenses	IV.49	1,678,497,179.37	1,659,289,818.17	1,809,515,621.06
General and administrative expenses	IV.50	469,880,957.17	380,815,923.15	356,813,792.72
Research and development expenses	IV.51	47,385,485.19	49,103,297.40	50,366,021.24
Financial expenses	IV.52	161,976,356.99	100,962,863.85	77,773,929.26
Including:				
Interest expenses		148,667,877.49	106,268,121.65	79,249,516.05
Interest income		9,075,733.31	7,658,243.73	4,547,490.13
Add: Other income	IV.53	64,183,306.74	53,883,758.84	53,836,748.22
Investment income/(losses)	IV.54	6,048,430.41	(2,606,841.00)	27,819,372.87
Including:				
Income/(losses) from investment in associates and joint ventures		12,076,077.28	(8,753,377.83)	19,851,935.29
Gains from changes in fair value	IV.55	23,237,945.52	23,553,180.50	4,690,429.87
Credit (losses)/reversal	IV.56	(9,038,921.19)	8,567,480.16	1,955,919.34
Impairment losses	IV.57	(17,011,554.71)	(97,653,333.97)	(62,823,618.99)
Losses from asset disposals	IV.58	(102,628,067.84)	(87,237,912.06)	(96,952,150.55)
II. Operating profit		507,897,319.26	680,007,637.05	852,550,484.28
Add: Non-operating income	IV.59	8,880,521.62	10,846,880.62	10,856,317.83
Less: Non-operating expenses	IV.59	7,951,120.71	47,392,754.56	13,292,908.86
III. Profit before income tax		508,826,720.17	643,461,763.11	850,113,893.25
Less: Income tax expenses	IV.60	71,166,321.16	93,997,048.67	95,646,426.07
IV. Net profit		437,660,399.01	549,464,714.44	754,467,467.18

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED INCOME STATEMENT (CONTINUED)

(Expressed in Renminbi Yuan)

	Note	Year ended 31 December 2023	2024	2025
IV. Net profit		437,660,399.01	549,464,714.44	754,467,467.18
(1) Net profit classified by business continuity:				
1. Net profit from continuing operations		437,660,399.01	549,464,714.44	754,467,467.18
2. Net profit from discontinued operations		–	–	–
(2) Net profit classified by ownership:				
1. Net profit attributable to shareholders of the Company		430,826,458.90	537,690,940.06	731,146,914.29
2. Net profit attributable to non-controlling interests		6,833,940.11	11,773,774.38	23,320,552.89
V. Other comprehensive income, net of tax	*IV.44*	(291,366,467.91)	89,860,800.17	418,429,198.64
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company		(291,366,467.91)	89,860,800.17	418,429,198.64
1. Items that will not be reclassified to profit or loss		(280,744,673.43)	89,860,800.17	418,429,198.64
a. Changes in fair value of investments in other equity instruments		(280,744,673.43)	89,860,800.17	418,429,198.64
2. Items that may be reclassified to profit or loss		(10,621,794.48)	–	–
a. Translation differences arising from translation of foreign currency financial statements		(10,621,794.48)	–	–
VI. Total comprehensive income		146,293,931.10	639,325,514.61	1,172,896,665.82
(1) Attributable to shareholders of the Company		139,459,990.99	627,551,740.23	1,149,576,112.93
(2) Attributable to non-controlling interests		6,833,940.11	11,773,774.38	23,320,552.89
VII. Earnings per share:				
(1) Basic earnings per share	*IV.61*	0.50	0.62	0.85
(2) Diluted earnings per share	*IV.61*	0.50	0.62	0.85

The accompanying notes form part of the Historical Financial Information.

COMPANY INCOME STATEMENT

(Expressed in Renminbi Yuan)

		Year ended 31 December		
	Note	**2023**	**2024**	**2025**
I. Revenue	*XV.4*	51,996,374.04	46,751,499.78	46,998,255.86
Less: Operating costs	*XV.4*	1,286,107.89	1,300,650.63	2,062,704.14
Taxes and surcharges		86,935.68	233,682.18	57,258.05
Selling and distribution expenses		12,457,577.69	10,471,995.28	10,311,150.95
General and administrative expenses		60,182,715.80	63,348,338.24	67,073,386.43
Research and development expenses		10,868,598.88	9,191,829.70	9,723,578.70
Financial expenses		28,480,943.18	34,115,482.66	43,576,967.61
Including:				
Interest expenses		111,703,736.11	102,392,885.77	85,087,317.73
Interest income		83,826,529.51	68,371,598.26	41,600,650.00
Add: Other income		3,112,586.01	1,561,895.85	1,589,697.25
Investment income	*XV.5*	186,364,907.72	871,683,298.91	868,898,189.15
Including:				
Income/(losses) from investment in associates and joint ventures		8,604,926.79	(7,754,255.35)	19,798,751.90
Gains from changes in fair value		32,193,863.89	22,600,500.00	3,655,555.55
Credit (losses)/reversal		(3,730,269.61)	(28,995.13)	3,313.26
Impairment losses		(33,000,000.00)	–	(30,454,502.02)
Losses from asset disposals		(713.24)	(2,636.15)	(337.52)
II. Operating profit		123,573,869.69	823,903,584.57	757,885,125.65
Add: Non-operating income		19,416.55	72,002.11	23,010.78
Less: Non-operating expenses		23,023.70	598,526.43	3,590.42
III. Profit before income tax		123,570,262.54	823,377,060.25	757,904,546.01
Less: Income tax expenses		–	–	–
IV. Net profit		123,570,262.54	823,377,060.25	757,904,546.01
(1) Net profit from continuing operations		123,570,262.54	823,377,060.25	757,904,546.01
(2) Net profit from discontinued operations		–	–	–
V. Other comprehensive income, net of tax		(8,258,500.00)	(1,741,500.00)	–
(1) Items that will not be reclassified to profit or loss		(8,258,500.00)	(1,741,500.00)	–
1. Changes in fair value of investments in other equity instruments		(8,258,500.00)	(1,741,500.00)	–
VI. Total comprehensive income		115,311,762.54	821,635,560.25	757,904,546.01

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED CASH FLOW STATEMENT

(Expressed in Renminbi Yuan)

	Note	Year ended 31 December 2023	2024	2025
I. Cash flows from operating activities				
Proceeds from sale of goods and rendering of services		12,207,649,122.87	11,843,916,752.90	12,486,262,200.01
Proceeds from other operating activities	*IV.62(1)*	78,360,698.49	69,140,675.44	75,997,690.23
Subtotal of cash inflows		12,286,009,821.36	11,913,057,428.34	12,562,259,890.24
Payment for goods and services		(9,235,741,709.80)	(8,969,033,192.29)	(9,496,491,720.25)
Payment to and for employees		(1,028,092,392.83)	(974,864,462.77)	(982,957,330.45)
Payment of various taxes		(386,907,739.18)	(385,922,946.36)	(449,157,920.79)
Payment for other operating activities	*IV.62(1)*	(78,154,635.86)	(91,988,317.02)	(123,545,319.80)
Subtotal of cash outflows		(10,728,896,477.67)	(10,421,808,918.44)	(11,052,152,291.29)
Net cash inflow from operating activities	*IV.63(1)*	1,557,113,343.69	1,491,248,509.90	1,510,107,598.95
II. Cash flows from investing activities				
Proceeds from disposal of investments	*IV.62(2)*	84,997,249.85	450,000,000.00	350,000,000.00
Investment returns received		23,431,001.95	18,065,720.25	43,119,568.40
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		131,738,990.89	87,342,334.45	139,724,275.02
Net proceeds from disposal of subsidiaries	*IV.62(2)*	65,391,005.21	74,250,000.00	–
Net proceeds from other investing activities	*IV.62(2)*	–	–	44,600,500.00
Subtotal of cash inflows		305,558,247.90	629,658,054.70	577,444,343.42
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(775,602,816.54)	(665,821,629.88)	(604,950,879.04)
Payment for acquisition of investments	*IV.62(2)*	(116,997,249.85)	(520,000,000.00)	(455,444,166.67)
Net payment for acquisition of subsidiaries	*IV.63(2)*	–	(12,003,933.09)	(2,314,586.56)
Subtotal of cash outflows		(892,600,066.39)	(1,197,825,562.97)	(1,062,709,632.27)
Net cash outflow from investing activities		(587,041,818.49)	(568,167,508.27)	(485,265,288.85)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(Expressed in Renminbi Yuan)

	Note	Year ended 31 December		
		2023	2024	2025
III. Cash flows from financing activities				
Proceeds from investors		2,625,000.00	–	–
Including:				
Proceeds from non-controlling shareholders of subsidiaries		2,625,000.00	–	–
Proceeds from borrowings		2,575,633,359.02	1,832,063,084.16	1,169,119,556.97
Proceeds from other financing activities	*IV.62(3)*	114,794,320.47	61,204,871.77	5,000,015.36
Subtotal of cash inflows		2,693,052,679.49	1,893,267,955.93	1,174,119,572.33
Repayments of borrowings		(3,260,371,620.59)	(2,498,530,000.00)	(1,867,640,000.00)
Payment for dividends, profit distributions or interest		(216,189,095.81)	(230,195,394.22)	(335,447,064.37)
Including:				
Dividends and profits paid to non-controlling shareholders of subsidiaries		(7,550,062.48)	(6,206,692.35)	(21,747,069.21)
Payment for other financing activities	*IV.62(3)*	(162,538,442.56)	(135,088,187.71)	(61,205,382.91)
Subtotal of cash outflows		(3,639,099,158.96)	(2,863,813,581.93)	(2,264,292,447.28)
Net cash outflow from financing activities		(946,046,479.47)	(970,545,626.00)	(1,090,172,874.95)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(9,151,397.81)	207,256.80	(393,565.01)
V. Net increase/(decrease) in cash and cash equivalents	*IV.63(1)*	14,873,647.92	(47,257,367.57)	(65,724,129.86)
Add: Cash and cash equivalents at the beginning of the year		423,991,019.75	438,864,667.67	391,607,300.10
VI. Cash and cash equivalents at the end of the year	*IV.63(3)*	438,864,667.67	391,607,300.10	325,883,170.24

The accompanying notes form part of the Historical Financial Information.

COMPANY CASH FLOW STATEMENT

(Expressed in Renminbi Yuan)

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	Year ended 31 December		
	2023	**2024**	**2025**
I. Cash flows from operating activities			
Proceeds from sale of goods and rendering of services	51,357,358.84	54,198,441.01	50,434,200.93
Proceeds from other operating activities	10,497,474.79	6,715,661.13	3,721,614.04
Subtotal of cash inflows	61,854,833.63	60,914,102.14	54,155,814.97
Payment for goods and services	(19,847,246.18)	(15,481,096.69)	(11,825,928.35)
Payment to and for employees	(57,883,532.44)	(55,350,435.82)	(51,845,149.26)
Payment of various taxes	(100,806.48)	(215,802.29)	(1,621,252.42)
Payment for other operating activities	(14,183,010.67)	(15,161,372.89)	(12,967,489.69)
Subtotal of cash outflows	(92,014,595.77)	(86,208,707.69)	(78,259,819.72)
Net cash outflow from operating activities	(30,159,762.14)	(25,294,605.55)	(24,104,004.75)
II. Cash flows from investing activities			
Proceeds from disposal of investments	161,573,249.85	524,250,000.00	250,000,000.00
Investment returns received	204,658,301.44	901,385,409.77	893,961,873.16
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	145,490.83	29,400.69	21,450.94
Repayment of borrowings and other transactions to subsidiaries	529,787,605.64	433,528,785.46	553,387,196.80
Net proceeds from other investing activities	–	–	44,600,500.00
Subtotal of cash inflows	896,164,647.76	1,859,193,595.92	1,741,971,020.90
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(10,247,790.07)	(7,113,604.42)	(1,372,388.74)
Payment for investments	(197,852,921.65)	(461,303,933.09)	(480,096,128.23)
Payment for borrowings and other transactions to subsidiaries	(1,636,360,261.38)	(395,906,248.56)	(301,911,523.32)
Subtotal of cash outflows	(1,844,460,973.10)	(864,323,786.07)	(783,380,040.29)
Net cash (outflow)/inflow from investing activities	(948,296,325.34)	994,869,809.85	958,590,980.61

The accompanying notes form part of the Historical Financial Information.

COMPANY CASH FLOW STATEMENT (CONTINUED)

(Expressed in Renminbi Yuan)

	Year ended 31 December		
	2023	**2024**	**2025**
III. Cash flows from financing activities			
Proceeds from borrowings	1,171,010,000.00	1,050,000,000.00	625,000,000.00
Proceeds from borrowings and other transactions from subsidiaries	1,888,504,091.23	1,125,747,929.63	1,380,025,401.53
Proceeds from other financing activities	21,675,418.92	–	–
Subtotal of cash inflows	3,081,189,510.15	2,175,747,929.63	2,005,025,401.53
Repayments of borrowings	(1,335,510,000.00)	(1,364,900,000.00)	(1,320,700,000.00)
Payment for dividends or interest	(153,272,113.77)	(208,048,993.16)	(305,675,591.97)
Repayment of borrowings and other transactions from subsidiaries	(536,094,159.02)	(1,547,522,239.86)	(1,450,246,664.79)
Payment for other financing activities	(9,497,017.80)	(46,397,630.25)	(500,159.40)
Subtotal of cash outflows	(2,034,373,290.59)	(3,166,868,863.27)	(3,077,122,416.16)
Net cash inflow/(outflow) from financing activities	1,046,816,219.56	(991,120,933.64)	(1,072,097,014.63)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	321,616.82	341.48	(8.56)
V. Net increase/(decrease) in cash and cash equivalents	68,681,748.90	(21,545,387.86)	(137,610,047.33)
Add: Cash and cash equivalents at the beginning of the year	299,163,028.53	367,844,777.43	346,299,389.57
VI. Cash and cash equivalents at the end of the year	367,844,777.43	346,299,389.57	208,689,342.24

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Renminbi Yuan)

		Attributable to shareholders of the Company									
	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total
I. As at 1 January 2023		866,582,827.00	96,403,799.67	628,634,133.22	82,910,770.00	(421,396,510.09)	56,260,420.65	1,374,910,127.54	2,518,484,027.99	146,902,146.87	2,665,386,174.86
II. Changes in equity during the year											
1. Total comprehensive income		–	–	–	–	(291,366,467.91)	–	430,826,458.90	139,459,990.99	6,833,940.11	146,293,931.10
2. Shareholders' contributions and decrease of capital											
(1) Contribution by ordinary shareholders		–	–	–	–	–	–	–	–	2,625,000.00	2,625,000.00
(2) Equity-settled share-based payments		(771,000.00)	–	(25,629,533.08)	(35,597,070.00)	–	–	–	9,196,536.92	–	9,196,536.92
(3) Acquisition of non-controlling interests		–	–	(36,506,414.13)	–	–	–	–	(36,506,414.13)	(36,065,442.18)	(72,571,856.31)
(4) Conversion of convertible bonds		429.00	(1,060.74)	8,090.34	–	–	–	–	7,458.60	–	7,458.60
(5) Disposal of subsidiaries		–	–	–	–	–	–	–	–	(31,851,589.84)	(31,851,589.84)
(6) Disposal partial equity interests in a subsidiary		–	–	(464,333.61)	–	–	–	–	(464,333.61)	2,790,333.61	2,326,000.00
3. Appropriation of profits	*IV.46*										
(1) Appropriation for surplus reserve		–	–	–	–	–	12,357,026.25	(12,357,026.25)	–	–	–
(2) Distributions to shareholders		–	–	–	–	–	–	(73,157,128.32)	(73,157,128.32)	(8,856,354.69)	(82,013,483.01)
(3) Others		–	–	–	745,300.00	–	–	745,300.00	–	–	–
III. As at 31 December 2023		865,812,256.00	96,402,738.93	566,041,942.74	48,059,000.00	(712,762,978.00)	68,617,446.90	1,720,967,731.87	2,557,020,138.44	82,378,033.88	2,639,398,172.32

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

(Expressed in Renminbi Yuan)

		Attributable to shareholders of the Company									
	Note	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total
I. As at 1 January 2024		865,812,256.00	96,402,738.93	566,041,942.74	48,059,000.00	(712,762,978.00)	68,617,446.90	1,720,967,731.87	2,557,020,138.44	82,378,033.88	2,639,398,172.32
II. Changes in equity during the year											
1. Total comprehensive income		–	–	–	–	89,860,800.17	–	537,690,940.06	627,551,740.23	11,773,774.38	639,325,514.61
2. Shareholders' contributions and decrease of capital											
(1) Equity-settled share-based payments		(5,140,000.00)	–	(42,919,000.00)	(48,059,000.00)	–	–	–	–	–	–
(2) Conversion of convertible bonds		1,660.00	(4,081.84)	32,645.34	–	–	–	–	30,223.50	–	30,223.50
(3) Acquisition of non-controlling interests		–	–	(121,821.26)	–	–	–	–	(121,821.26)	(134,879.34)	(256,700.60)
3. Appropriation of profits	*IV.46*										
(1) Appropriation for surplus reserve		–	–	–	–	–	82,337,706.03	(82,337,706.03)	–	–	–
(2) Distributions to shareholders		–	–	–	–	–	–	(129,100,920.15)	(129,100,920.15)	(6,989,173.38)	(136,090,093.53)
III. As at 31 December 2024		860,673,916.00	96,398,657.09	523,033,766.82	–	(622,902,177.83)	150,955,152.93	2,047,220,045.75	3,055,379,360.76	87,027,755.54	3,142,407,116.30

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

(Expressed in Renminbi Yuan)

		Attributable to shareholders of the Company								
	Note	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total
I. As at 1 January 2025		860,673,916.00	96,398,657.09	523,033,766.82	(622,902,177.83)	150,955,152.93	2,047,220,045.75	3,055,379,360.76	87,027,755.54	3,142,407,116.30
II. Changes in equity during the year										
1. Total comprehensive income		–	–	–	418,429,198.64	–	731,146,914.29	1,149,576,112.93	23,320,552.89	1,172,896,665.82
2. Shareholders' contributions and decrease of capital										
(1) Acquisition of non-controlling interests		–	–	(9,320,234.97)	–	–	–	(9,320,234.97)	(13,017,140.03)	(22,337,375.00)
(2) Conversion of convertible bonds		3,281.00	(8,015.99)	65,880.10	–	–	–	61,145.11	–	61,145.11
3. Appropriation of profits	*IV.46*									
(1) Appropriation for surplus reserve		–	–	–	–	75,790,454.60	(75,790,454.60)	–	–	–
(2) Distributions to shareholders		–	–	–	–	–	(305,540,206.36)	(305,540,206.36)	(20,944,084.49)	(326,484,290.85)
4. Others		–	–	5,788,789.06	–	–	–	5,788,789.06	–	5,788,789.06
III. As at 31 December 2025		860,677,197.00	96,390,641.10	519,568,201.01	(204,472,979.19)	226,745,607.53	2,397,036,299.08	3,895,944,966.53	76,387,083.91	3,972,332,050.44

The accompanying notes form part of the Historical Financial Information.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Renminbi Yuan)

	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. As at 1 January 2023	866,582,827.00	96,403,799.67	780,263,686.12	82,910,770.00	–	56,260,420.65	223,161,771.12	1,939,761,734.56
II. Changes in equity during the year								
1. Total comprehensive income	–	–	–	–	(8,258,500.00)	–	123,570,262.54	115,311,762.54
2. Shareholders' contributions and decrease of capital								
(1) Equity-settled share-based payments	(771,000.00)	–	(25,629,533.08)	(35,597,070.00)	–	–	–	9,196,536.92
(2) Conversion of convertible bonds	429.00	(1,060.74)	8,090.34	–	–	–	–	7,458.60
3. Appropriation of profits								
(1) Appropriation for surplus reserve	–	–	–	–	–	12,357,026.25	(12,357,026.25)	–
(2) Distributions to shareholders	–	–	–	–	–	–	(73,157,128.32)	(73,157,128.32)
(3) Others	–	–	–	745,300.00	–	–	745,300.00	–
4. Others	–	–	–	–	–	–	(1,459,341.36)	(1,459,341.36)
III. As at 31 December 2023	865,812,256.00	96,402,738.93	754,642,243.38	48,059,000.00	(8,258,500.00)	68,617,446.90	260,503,837.73	1,989,661,022.94

The accompanying notes form part of the Historical Financial Information.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
(Expressed in Renminbi Yuan)

	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. As at 1 January 2024	865,812,256.00	96,402,738.93	754,642,243.38	48,059,000.00	(8,258,500.00)	68,617,446.90	260,503,837.73	1,989,661,022.94
II. Changes in equity during the year								
1. Total comprehensive income	–	–	–	–	(1,741,500.00)	–	823,377,060.25	821,635,560.25
2. Shareholders' contributions and decrease of capital								
(1) Equity-settled share-based payments	(5,140,000.00)	–	(42,919,000.00)	(48,059,000.00)	–	–	–	–
(2) Conversion of convertible bonds	1,660.00	(4,081.84)	32,645.34	–	–	–	–	30,223.50
3. Appropriation of profits								
(1) Appropriation for surplus reserve	–	–	–	–	–	82,337,706.03	(82,337,706.03)	–
(2) Distributions to shareholders	–	–	–	–	–	–	(129,100,920.15)	(129,100,920.15)
III. As at 31 December 2024	860,673,916.00	96,398,657.09	711,755,888.72	–	(10,000,000.00)	150,955,152.93	872,442,271.80	2,682,225,886.54

The accompanying notes form part of the Historical Financial Information.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
(Expressed in Renminbi Yuan)

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. As at 1 January 2025	860,673,916.00	96,398,657.09	711,755,888.72	(10,000,000.00)	150,955,152.93	872,442,271.80	2,682,225,886.54
II. Changes in equity during the year							
1. Total comprehensive income	–	–	–	–	–	757,904,546.01	757,904,546.01
2. Shareholders' contributions and decrease of capital							
(1) Conversion of convertible bonds	3,281.00	(8,015.99)	65,880.10	–	–	–	61,145.11
3. Appropriation of profits							
(1) Appropriation for surplus reserve	–	–	–	–	75,790,454.60	(75,790,454.60)	–
(2) Distributions to shareholders	–	–	–	–	–	(305,540,206.36)	(305,540,206.36)
4. Others	–	–	5,788,789.06	–	–	–	5,788,789.06
III. As at 31 December 2025	860,677,197.00	96,390,641.10	717,610,557.88	(10,000,000.00)	226,745,607.53	1,249,016,156.85	3,140,440,160.36

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi ("RMB") yuan unless otherwise indicated)

I BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

新希望乳業股份有限公司 (New Hope Dairy Co., Ltd.) (the "Company") was established in Chengdu City, Sichuan Province, the People's Republic of China (the "PRC") on 5 July 2006 as a limited liability company under the PRC Company Law, with its head office located at Chengdu City, Sichuan Province. The Company was previously known as 新希望乳業控股有限公司 (New Hope Dairy Holdings Co., Ltd.) before it was converted into a joint stock limited liability company on 23 December 2016. On 25 January 2019, the Company's A Shares were listed on Shenzhen Stock Exchange.

The Company and its subsidiaries (the "Group") are principally engaged in the production and sales of dairy products, as well as dairy farming. Please refer to Note VI.1 for relevant information of principal subsidiaries of the Group.

The Company's statutory financial statements for the years ended 31 December 2023, 2024 and 2025 were audited by 畢馬威華振會計師事務所(特殊普通合夥) (KPMG Huazhen LLP).

Notwithstanding the net current liabilities as at 31 December 2025, the Historical Financial Information has been prepared on a going concern basis, because the directors of the Company are of the opinion that based on a cash flow forecast of the Group prepared by the management, the Group would have adequate funds to meet its liabilities as and when they fall due for at least twelve months from 31 December 2025. Meanwhile, the Group has maintained long-term strong business relationship with its major banks and financial institutions to get their continuing support. As at 31 December 2025, the Group has unused bank facilities amounting to RMB4,846 million. Accordingly, the directors of the Company consider it appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with the requirements of all applicable China Accounting Standards for Business Enterprises ("CASBEs"), which are also referred to as China Accounting Standards, issued by the Ministry of Finance ("MOF") of the PRC. Further details of the material accounting policy information are set out in Note II.

MOF has issued a number of new and revised CASBEs. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised CASBEs to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning 1 January 2025.

The Historical Financial Information also complies with the disclosure requirements of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission ("CSRC") in 2023 and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in RMB yuan except when otherwise indicated.

II. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES

1 Accounting period

The accounting period of the Group is from 1 January to 31 December.

2 Operating cycle

The operating cycle of the Group is usually less than 12 months and 12 months is used to classify the liquidity of assets and liabilities.

3 Functional currency

The Company's functional currency is RMB, and its financial statements are presented in RMB. The functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

4 Method used to determine the materiality threshold and the basis for selection

Item	Materiality threshold
Material receivables for which provisions for bad and doubtful debts are individually assessed	Amount ≥ RMB10 million
Material credit losses recovered or reversed of receivables	Amount ≥ RMB10 million
Material receivables written off	Amount ≥ RMB10 million
Material construction in progress	Amount ≥ RMB10 million
Material prepayments, accounts payable, contract liabilities and other payables with ageing over one year	Amount ≥ RMB10 million
Material associates	The amount of initial investment ≥ 5% of the consolidated net assets of the Company
Material non-wholly-owned subsidiaries	The net asset of the subsidiary is greater than 10% of the consolidated net assets of the Company and the percentage of non-controlling interests is greater than 10%

5 Accounting treatments for business combinations involving entities under common control and not under common control

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving entities under common control or business combinations not involving entities under common control.

For a transaction not involving entities under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the share of carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously-held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill after taking into account deferred tax impact. If (1) is less than (2), the difference is recognised in profit or loss for the current period. Acquisition-related costs are expensed when incurred. The acquiree's identifiable assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair values. The acquisition date is the date on which the acquirer obtains control of the acquiree.

6 Criteria of control and preparation of consolidated financial statements

(1) General principles

The scope of consolidated financial statements is based on control, and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to affect those returns through its power over the investee. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in full in the financial statements.

(2) Subsidiaries acquired through a business combination

Where a subsidiary is acquired during the reporting period through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary is acquired during the reporting period through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair values of those identifiable assets and liabilities at the acquisition date.

(3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period. The remaining equity investment is re-measured at its fair value at the date when control is lost, and any resulting gains or losses are also recognised as investment income or loss for the current period.

(4) Changes in non-controlling interests

Where the Company acquires more interest in a subsidiary from the subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without losing control, the difference between the portion of the interest in the subsidiary's net assets being acquired or disposed of and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess deducted from surplus reserve and retained earnings sequentially.

7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

8 Foreign currency transactions and translation of foreign currency financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate at the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying asset. Non-monetary items that are measured at historical cost in foreign currencies are translated to RMB using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of equity investments at fair value through other comprehensive income, which are recognised in other comprehensive income.

9 Financial instruments

Financial instruments include cash at bank and on hand, investments in debt and equity securities other than those classified as long-term equity investments, receivables, payables, loans and borrowings, debentures payable and share capital.

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities measured at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model under which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held under a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis, and the instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Subsequent measurement of financial assets

– Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

– Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and that is not part of a hedging relationship should be recognised in profit or loss when the financial asset is derecognised, amortised under the effective interest method or when an impairment gain or loss is recognised.

– Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

– Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or as financial liabilities measured at amortised cost.

– *Financial liabilities at FVTPL*

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liabilities) or if it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value; and net gains and losses, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

– *Financial liabilities at amortised cost*

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

(4) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

– The Group currently has a legally enforceable right to set off the recognised amounts;

– The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(5) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when one of the following conditions is met:

– the Group's contractual rights to the cash flows from the financial asset expire;

– the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or

– the financial asset has been transferred; and although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

– the carrying amount of the financial asset transferred measured at the date of derecognition;

– the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the financial asset derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(6) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

– financial assets measured at amortised cost; and

– debt investments measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for bills receivable and accounts receivable arising from ordinary business activities such as sale of goods and provision of services are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for bills receivable and accounts receivable, the Group measures loss allowances at an amount equal to 12-month ECLs for the following financial instruments, and at an amount equal to lifetime ECLs for all other financial instruments:

– Financial instruments that have been determined to have low credit risk at the balance sheet date;

– Financial instruments for which credit risk has not increased significantly since initial recognition.

Provisions for bad and doubtful debts arising from receivables

(a) Categories of groups for collective assessment based on credit risk characteristics and basis for determination

Bills receivable	Based on the different credit risk characteristics of acceptors, the Group classifies bills receivable into two groups: bank acceptance bills and commercial acceptance bills.
Accounts receivable	Historically, there is no significant difference in terms of occurrence of losses among different customer types for the Group. Therefore, the Group makes provisions for bad and doubtful debts arising from accounts receivable on the basis of all customers being one group without further segmentation by different customer types.
Other receivables	The Group's other receivables mainly include pledges and deposits receivable, lease payments receivables from related parties, petty cash receivables due from employees, etc. Historically, there is no significant difference in terms of occurrence of losses among different counterparties. Therefore, the Group classifies other receivables as one group.

(b) Criteria for individual assessment

Bills receivable, accounts receivable and other receivables are usually assessed collectively as a group based on credit risk characteristics to make provisions. When a counterparty is significantly different from other counterparties in a group in terms of credit risk characteristics, or if there has been a significant change in its credit risk characteristics, the individual approach is adopted for receivables due from this counterparty. For example, when a counterparty is in serious financial difficulties and the expected credit loss ratio of receivables due from this counterparty is significantly higher than the average expected credit loss ratio of the relevant ageing range, it should be individually assessed for provisioning purposes.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractual due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties of the issuer or debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the debtor's financial difficulties, the Group having granted to the debtor a concession that it would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and not deducted from the carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This generally occurs when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(7) Equity instruments

The issuance of equity instruments is recognised at the actual issue price in shareholders' equity, relevant transaction costs are deducted from shareholders' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. The entire repurchase expenditure is recorded as the cost of the treasury shares in the reference register. Treasury shares are excluded from profit distributions and are presented as a deduction from shareholders' equity on the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognised in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

(8) Convertible instruments

– *Convertible instruments containing an equity component*

Convertible instruments issued by the Group that can be converted to equity instruments of the Group, where a fixed number of equity instruments is issued in exchange for a fixed amount of consideration at the time of conversion, are accounted for as compound financial instruments containing both liability and equity components.

The initial carrying amount of a compound financial instrument is allocated to its equity and liability components. The Group first determines the fair value of the liability component which includes the fair value of any embedded derivatives other than the equity component. The amount allocated to the equity component is the residual amount after deducting the fair value of the liability component from the fair value of the entire compound instrument. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method, unless it is designated upon recognition as measured at fair value through profit or loss. The equity component is not re-measured.

If the convertible instrument is converted, the liability component is transferred to equity and the equity component remains as equity, both of which are transferred to the relevant captions in equity. If the convertible instrument is redeemed, the consideration paid for the redemption and the transaction costs that relate to the redemption are allocated to the liability and equity components. The method used to allocate the consideration and transaction costs is consistent with that used for the issue of the convertible instrument. After allocating the consideration and transaction costs, the relevant difference between the allocated amount and carrying amount of the liability component is recognised in profit and loss, and the relevant difference between the allocated amount and carrying amount of the equity component is directly recognised in equity.

– *Other convertible instruments not containing an equity component*

For other convertible instruments issued by the Group which do not contain an equity component, at initial recognition, the derivative component is measured at fair value, and the remainder of proceeds is recognised as the host liability component. The derivative component is subsequently measured at fair value through profit or loss. The host liability component is subsequently carried at amortised cost using the effective interest method.

Upon conversion, the carrying amounts of the derivative and host liability components are transferred to the relevant captions in equity. If the instrument is redeemed, any difference between the redemption amount paid and the carrying amounts of both components is recognised in profit or loss.

10 Inventories

(1) Categories

Inventories include raw materials, work in progress, finished goods and consumable biological assets. Inventories are measured initially at cost except for consumable biological assets. In addition to the purchase cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads based on normal capacity.

(2) Measurement method of cost of inventories

Cost of inventories recognised is calculated using the weighted average method.

Consumables including low-value consumables and packaging materials are amortised when they are used. The amortisation charge is included in the cost of the related assets or recognised in profit or loss for the current period.

(3) Criteria and method for provision for obsolete inventories

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

The net realisable value of materials held for use in production is measured based on the net realisable value of the finished goods in which they will be incorporated. The net realisable value of inventory held to satisfy sales or service contracts is measured based on the contract price. If the quantities of inventories held by the Group exceed the quantities specified in sales contracts, the net realisable value of the excess portion of inventories is based on general selling prices.

Any excess of the cost over the net realisable value of each category of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss.

11 Long-term equity investments

(1) Investment cost of long-term equity investments

(a) Long-term equity investments acquired through a business combination

– The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially.

– For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

(b) Long-term equity investments acquired other than through a business combination

– A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement, unless the investment is classified as held for sale. The Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

(b) Investment in associates

An associate is an entity over which the Group has significant influence.

An investment in an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

After acquiring the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), are recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses resulting from transactions between the Group and its associates are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in full in the financial statements.

The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

(3) Criteria for determining the existence of significant influence over an investee

Significant influence is the power to participate in the financial and operating policy decisions of an investee but is not control or joint control of those policies.

12 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for using the cost model. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of investment properties are as follows:

	Estimated useful life (years)	Residual value rate	Depreciation rate
Plant and buildings	16-30	3%-5%	3.17%-6.06%
Land use rights	45-50	0%	2.00%-2.22%

13 Fixed assets

(1) Recognition of fixed assets

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note II.14.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

(2) Depreciation of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

	Estimated useful life (years)	Residual value rate	Depreciation rate
Plant and buildings	10-40	3%-5%	2.38%-9.70%
Machinery and equipment	8-12	3%-5%	7.92%-12.13%
Motor vehicles	4-5	3%-5%	19.00%-24.25%
Others	3-5	3%-5%	19.00%-32.33%

Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

14 Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs, and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed assets when it is ready for its intended use. No depreciation is recorded against construction in progress.

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 - Revenue and CAS 1 - Inventories respectively, and recognised in profit or loss for the current period.

15 Borrowing costs

Borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as financial expenses when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

– Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before they are used on the asset.

– To the extent that the Group borrows funds generally and uses them for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditure on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period, to the initially recognised amount of the borrowings.

16 Biological assets

Biological assets of the Group include consumable biological assets and productive biological assets. Consumable biological assets are biological assets held for sale or to be harvested as agricultural produce in the future (e.g. male calves). Productive biological assets are biological assets, for example, held for the production of agricultural produce, provision of services or rental, including immature productive biological assets and mature productive biological assets.

(1) Consumable biological assets

A consumable biological asset is initially measured at cost. The cost of a consumable biological asset bred or cultivated by the Group comprises the costs necessarily incurred before sold and attributable to the asset.

At the balance sheet date, a consumable biological asset is measured at the lower of cost and net realisable value, and a provision for consumables biological assets is recognised using the method consistent with inventories. If the circumstances that previously led to a provision for write-down of a consumable biological asset no longer exist, the original provision for write-down is reversed in profit or loss for the current period. The reversal is limited to the amount originally recognised.

(2) Productive biological assets

Productive biological assets are initially measured at cost. The cost of purchased productive biological assets comprises purchase price, relevant taxes, transportation costs, insurance costs, and other expenditures directly attributable to the purchase of the assets. The cost of self-breeding productive biological assets comprises those costs necessarily incurred and directly attributable to the asset before the asset becomes available for intended production and operating purpose, including feed costs, labour costs, an appropriate allocation of the depreciation cost of fixed assets and mature productive biological assets and an appropriate allocation of other indirect costs.

The Group accrues depreciation of productive biological assets using straight-line method, with a corresponding increase in the costs of the related assets or expenses. The Group determines the useful life and estimated net residual value of a productive biological asset and the depreciation method on a reasonable basis according to the asset's nature, usage and the pattern in which the associated economic benefits are expected to be realised. The useful life, expected net residual value and depreciation method of the mature productive biological assets of the Group are as follows

	Estimated useful life (years)	Estimated net residual value rate	Depreciation rate
Cows	4-5	20%-35%	13%-20%

The Group carries out an examination on productive biological assets at least at each financial year-end. If there is clear evidence that the recoverable amount of a productive biological asset is lower than its carrying amount, impairment losses in respect of that biological asset shall be recognised and charged to profit or loss for the current period. Once an impairment loss is provided for a productive biological asset, it should not be reversed in a subsequent period.

17 Intangible assets

(1) Useful life and amortisation methods

For an intangible asset with a finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised over its estimated useful life, unless the intangible asset is classified as held for sale.

The estimated useful lives, basis for determination and amortisation methods of intangible assets are as follows:

	Estimated useful life (years)	Basis for determination	Amortisation method
Land use rights	30-50	Term of property right registration	Straight-line method
Trademark	10/uncertain service life	Expected economic benefit period	Straight-line method
Software and others	5-10	Expected economic benefit period	Straight-line method

Useful lives and amortisation methods of intangible assets with finite useful lives are reviewed at least at each year-end.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

At the balance sheet date, the intangible assets with indefinite useful lives of the Group are trademarks.

18 Goodwill

The initial cost of goodwill represents the excess of the cost of the acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses.

19 Long-term deferred expenses

Expenditures incurred with a beneficial period of over one year are recognised as long-term deferred expenses.

Long-term deferred expenses are amortised using the straight-line method within the benefit period.

20 Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

– long-term equity investments

– investment properties measured using a cost model

– fixed assets

– construction in progress

– productive biological assets

– right-of-use assets

– intangible assets

– goodwill

– long-term deferred expenses

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually and the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. For the purposes of impairment testing, goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the business combination.

The recoverable amount of an asset (or asset group or set of asset groups) is the higher of its fair value less costs of disposal and the present value of its expected future cash flows.

An asset group is composed of assets related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of an asset's expected future cash flows is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly to reduce the carrying amount to the recoverable amount. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocations would not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal (if measurable), the present value of its expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it should not be reversed in a subsequent period.

21 Contract liability

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for consideration received or receivable from the customer. If the customer has paid the contract consideration or the Group has obtained an unconditional right to consideration before the Group transfers the goods to the customer, the Group shall present the received or receivable amount as contract liabilities at the earlier of the date when the customer actually makes the payment and the date when the payment becomes due. Contract assets and contract liabilities under the same contract are presented on a net basis. Contract assets and contract liabilities from different contracts shall not be offset against each other.

22 Provisions

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined as follows:

– Where the contingency involves a single item, the best estimate is the most likely outcome.

– Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amounts of provisions at the balance sheet date and adjusts their carrying amounts to the current best estimates.

23 Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, and social security contributions such as medical insurance and work injury insurance, and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Post-employment benefits - defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable is recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(3) Termination benefits

When the Group terminates an employee's employment before the employment contract expires, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

– When the Group cannot unilaterally withdraw the offer of termination benefits provided in an employee termination plan or a curtailment proposal;

– When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

24 Share-based payments

(1) Classification of share-based payments

Share-based payment transactions in the Group are equity-settled share-based payments.

(2) Equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from employees, the payment is measured at the fair value of the equity instruments granted to employees at the grant date. If the equity instruments granted to employees vest immediately, the fair value of the equity instruments granted is fully recognised as costs or expenses on the grant date, with a corresponding increase in capital reserve. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to newly obtained subsequent information regarding changes in the number of employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

25 Revenue recognition

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increases in shareholders' equity, other than increases relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in a contract by transferring control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the performance obligation is satisfied at a point in time:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

– the customer can control the asset created or enhanced during the Group's performance; or

– the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is a description of accounting policies regarding revenue from the Group's principal activities:

The Group's revenue is mainly from the sales of dairy products and related products. The Group is generally responsible for delivering goods to the designated location and revenue is recognised at the point in time when control of assets is transferred to the customer, generally on delivery and acceptance of the products.

For the transfer of products with a right of return, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for the amount expected to be returned, which is estimated based on historical data. The Group recognises a refund liability based on the amount expected to be returned. An asset is initially measured by reference to the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of returned products). At each balance sheet date, the Group updates the measurement of the refund liability for changes in expectations about the amount of returns. The above assets and liabilities are adjusted accordingly.

For sales with conditions of discounts and rebates, the Group uses an expected value approach to estimate variable consideration.

26 Contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

– the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;

– the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

– the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the ″assets related to contract costs″) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period. The Group has elected to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

– the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less

– the estimated costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

27 Government grants

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value of the non-monetary asset.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Otherwise, the grant is included in other income or non-operating income.

The Group recognises the interest subsidy for policy-related preferential loans as following:

– Where the government appropriates an interest subsidy to the lending bank, allowing the latter to provide loans to the Group at a preferential interest rate, the Group recognises the loan amount received as the book-entry value of such loans, and calculating the relevant loan expenses according to the loan principal and the preferential interest rate;

– Where the government directly appropriates an interest subsidy to the Group, the Group shall use the interest subsidy to offset relevant loan expenses.

28 Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the reporting period, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination, affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. Deferred tax is also not recognised for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted at the balance sheet date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reductions are reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

– the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets;

– they relate to income taxes levied by the same tax authority on either: (i) the same taxable entity; or (ii) different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

29 Leases

(1) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to obtain the ownership of the lease asset by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated over the shorter of the lease term or the remaining useful life of the lease asset.

The estimated useful lives of each class of right of use assets are as follows:

	Estimated useful life (years)
Plant and buildings	10-40
Land	5-30
Machinery and equipment	8-12
Office and other equipment	3-5

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability are charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the lease commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

– there is a change in the amounts expected to be payable under a residual value guarantee;

– there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;

– there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or the Group has exercised the extension or termination option in a different manner from the original assessment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (A leased asset is of low value individually when it is new). The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the asset under finance lease.

The Group recognises finance income over the lease term with a constant periodic rate of return. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases are recognised as income using the straight-line method over the lease term. Variable lease payments not included in lease receipts are recognised as income as they are earned.

30 Dividends distributions

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

31 Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related-party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of the Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

32 Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are the same or similar in respect of the nature of products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the consolidated financial statements.

33 Material accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as the underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Material accounting estimates

In addition to the accounting estimates relating to assumptions and risk factor of fair value measurements of financial instruments (see Notes IX), other significant accounting estimates are as follows:

– Impairment of assets other than inventories and financial assets

At the balance sheet date, the Group assesses whether there is any indication that assets other than inventories and financial assets may be impaired. For other non-current assets other than financial assets, impairment testing will be carried out if any indication exists that their carrying amount is not recoverable. The Group tests annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment, in accordance with the accounting policy stated in Note II. 20

When the carrying amount of the assets or assets group is higher than the recoverable amount, ie, the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset, it indicates that the impairment has occurred.

Fair value less costs to sell, is determined with reference to sales contract price of the similar assets in an arm's length transaction or observable market price, less the incremental cost directly attributable to the disposal of the assets.

When estimating the present value of the future cash flows, the Group needs to make a major judgment on the output, selling price, related operating costs of the assets (or assets group) and the discount rate used in calculating the present value. When estimating the recoverable amount, the Group will use all available relevant information, including the prediction of production, selling price and related operating costs based on reasonable and supportable assumptions.

– Depreciation of fixed assets

Fixed assets are depreciated on a straight line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation expenses to be recorded during the Track Record Period. The useful lives and residual values are based on the Group's technological experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted if there are significant changes from previous estimations.

– Provision of ECL for accounts receivables

The Group uses provision matrix to calculate ECL for accounts receivable. The provision rates are based on the number of overdue days of accounts receivable as groupings of receivables that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, accounts receivable with significant balances and credit impaired are assessed for ECL individually. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts receivable are disclosed in Note IV.4.

III. TAXATION

1 Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate during the track record period
Value-added tax ("VAT")	The output tax is calculated based on the income from sales of goods and taxable services calculated according to tax laws. After deducting the input tax allowed for deduction in the current period, the difference is the VAT paid.	13%, 9%, 6%, 5%, 3%, 1%
Urban maintenance and construction tax	Based on VAT paid	7%, 5%, 1%
Enterprise income tax	Based on taxable profits	5%-25%

Entities in the Group that apply different enterprise income tax rates are disclosed as below:

Entity Name	Income tax rate
GGG Holdings Limited	8.25%/16.5%

GGG Holdings Limited ("GGG"), a subsidiary of the Company incorporated in Hong Kong, is subject to a tax rate of 8.25% on the portion of assessable profits up to HKD2 million, and 16.5% on the portion of assessable profits over HKD2 million.

2 Preferential tax treatments

(1) VAT

In accordance with Article 24 of the Law of the PRC on VAT and Article 26 of the Regulations for the Implementation of the Law of the PRC on VAT, self-produced agricultural products sold by agricultural producers are exempted from VAT. During the Track Record Period, certain subsidiaries of the Company are exempted from VAT on self-produced agricultural products sold.

According to the Announcement on the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers (Announcement No.19) of 2023 issued and implemented by the MOF and the State Taxation Administration ("STA"), the VAT is exempted for small-scale VAT taxpayers with monthly sales of no more than RMB100,000 (inclusive). The taxable sales income applicable to small-scale VAT taxpayers at a rate of 3%, the VAT shall be levied at a reduced rate of 1%.

(2) Income tax

Pursuant to Article 27(1) of the Enterprise Income Tax Law of the PRC, income derived by enterprises from agricultural, forestry, animal husbandry, and fishery projects is exempted from or reduced for enterprise income tax. According to the abovementioned tax law, the income derived by following subsidiaries of the Company from animal husbandry activities are be exempt from enterprise income tax during the Track Record Period:

English Name	Chinese Name	English Abbreviation
Shandong Weipin Animal Husbandry Co., Ltd.	山東唯品牧業有限公司	Shandong Husbandry
Shandong Lvyuan Weipin Agricultural High tech Co., Ltd.	山東綠源唯品農業高新技術有限公司	Shandong Agricultural
Fujian Xin'ao Animal Husbandry Co., Ltd.	福建新澳牧業有限公司	Xin'ao Husbandry
Sichuan New Hope Dairy Farming Co., Ltd.	四川新希望奶牛養殖有限公司	Dairy Farming
Sichuan New Hope Huaxi Animal Husbandry Co., Ltd.	四川新希望華西牧業有限公司	Huaxi Husbandry
Yunnan New Hope Xuelan Animal Husbandry Technology Co., Ltd.	雲南新希望雪蘭牧業科技有限公司	Xuelan Husbandry
Guangde New Hope Shuangfeng Ecological Animal Husbandry Co., Ltd.	廣德新希望雙峰生態牧業有限公司	Guangde Shuangfeng
Jiande New Hope Animal Husbandry Co., Ltd.	建德新希望牧業有限公司	Jiande Husbandry
Luliang New Hope Xuelan Cow Breeding Co., Ltd.	陸良新希望雪蘭奶牛養殖有限公司	Luliang Breeding
Yunnan New Hope Diequan Animal Husbandry Co., Ltd.	雲南新希望蝶泉牧業有限公司	Diequan Husbandry
Shilin New Hope Xuelan Animal Husbandry Co., Ltd.	石林新希望雪蘭牧業有限公司	Shilin Husbandry
Wuzhong New Hope Animal Husbandry Co., Ltd.	吳忠新希望牧業有限公司	Wuzhong Husbandry
Jingyuan New Hope Animal Husbandry Co., Ltd.	靖遠新希望牧業有限公司	Jingyuan Husbandry
Yongchang New Hope Agriculture and Animal Husbandry Co., Ltd.	永昌新希望農牧業有限公司	Yongchang Husbandry
Haiyuan County New Hope Animal Husbandry Co., Ltd.	海原縣新希望牧業有限公司	Haiyuan Husbandry
Ningxia New Hope Saishang Animal Husbandry Co., Ltd.	寧夏新希望塞上牧業有限公司	Saishang Husbandry
Rizhao New Hope Animal Husbandry Development Co., Ltd.	日照新希望牧業發展有限公司	Rizhao Husbandry
Ningxia New Hope Helanshan Animal Husbandry Co., Ltd.	寧夏新希望賀蘭山牧業有限公司	Helanshan Husbandry

The Company's subsidiaries, Sichuan Xinhuaxi Dairy Co., Ltd. (四川新華西乳業有限公司) ("Xinhuaxi"), Kunming Xuelan Milk Co., Ltd. (昆明雪蘭牛奶有限責任公司) ("Kunming Xuelan"), Yunnan New Hope Dengchuan Diequan Dairy Co., Ltd. (雲南新希望鄧川蝶泉乳業有限公司) ("Yunnan Diequan"), Sichuan New Hope Dairy Co., Ltd. (四川新希望乳業有限公司) ("Sichuan Dairy"), Ningxia Xiajin Dairy Group Co., Ltd. (寧夏夏進乳業集團股份有限公司) ("Xiajin Dairy"), Xichang New Hope Sanmu Dairy Co., Ltd. (西昌新希望三牧乳業有限公司) ("Xichang Sanmu"), Chongqing One Sour Cow Food Chain Co., Ltd. (重慶一隻酸奶牛食品連鎖有限公司), Chengdu One Sour Cow Food Chain Co., Ltd. (成都一隻酸奶牛食品連鎖有限公司) and Shanxi Xinniu Food Co., Ltd. (陝西新牛食品有限公司) meet the conditions stipulated in the Announcement on Continuing the Enterprise Income Tax Policy for the Western Development issued by the MOF, the STA and the National Development and Reform Commission of the PRC, and are subject to a reduced enterprise income tax rate of 15% during the Track Record Period.

Hebei New Hope Tianxiang Dairy Co., Ltd. (河北新希望天香乳業有限公司) ("Hebei Tianxiang"), a subsidiary of the Company, obtained the high and new tech enterprise certification and was subject to a preferential tax rate of 15% during the Track Record Period.

In accordance with the Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (Announcement No. 12) in 2023 issued by the MOF and the STA, for small and micro enterprises with an annual taxable income of no more than RMB3 million, 25% of the amount is included in the taxable income, and the applicable enterprise income tax rate is 20%. During the Track Record Period, the Company's subsidiaries, Qicaiyun Dairy Co., Ltd.(七彩雲乳業有限公司)("Qicaiyun"), Kunming Haizi Dairy Industry Co., Ltd.(昆明市海子乳業有限公司)("Kunming Haizi"), Sichuan New Hope Nutrition Beverage Co., Ltd.(四川新希望營養飲品有限公司)("Nutrition Beverage"), New Hope Dairy (Guangdong) Co., Ltd.(新希望乳業(廣東)有限公司)("Guangdong Dairy"), Chengdu Jiaman Fresh Trading Co., Ltd.(成都家滿新鮮貿易有限公司)("Chengdu Jiaman"), Chengdu Molecular Power Biotechnology Co., Ltd.(成都分子力量生物科技有限公司)("Molecular Power"), Chengdu Chuangyuan Zhizhi Technology Co., Ltd.(成都創元致知科技有限公司)("Chuangyuan Zhizhi"), Chengdu New Hope Fresh Supermarket Chain Co., Ltd.(成都新希望新鮮超市連鎖有限公司)("Chengdu Fresh"), Kunming New Hope Fresh Chain Co., Ltd.(昆明新希望新鮮連鎖有限公司)("Kunming Fresh"), Hebei New Hope Tianxiang Commercial Chain Co., Ltd.(河北新希望天香商業連鎖有限公司)("Tianxiang Chain"), Hunan Caixian Dairy Trading Co., Ltd.(湖南采鮮乳品商貿有限公司)("Hunan Caixian"), Sichuan New Hope Xianjian Nutrition Technology Co., Ltd.(四川新希望鮮鑒營養科技有限公司)("Sichuan Xianjian"), Ningxia Xiajin Hao'er Dairy Co., Ltd.(寧夏夏進昊爾乳品有限公司)("Hao'er Dairy"), Chongqing Xinniu Brand Management Co., Ltd.(重慶新牛品牌管理有限公司), Chengdu Xinniu Brand Management Co., Ltd.(成都新牛品牌管理有限公司), Henan Xinniu Food Co., Ltd.(河南新牛食品有限公司), Yunnan Xinniu Food Co., Ltd.(雲南新牛食品有限公司), Guizhou Xinniu Food Co., Ltd.(貴州新牛食品有限公司), Haikou One Sour Cow Food Co., Ltd.(海口一隻酸奶牛食品有限公司), Shenzhen One Sour Cow Food Co., Ltd.(深圳一隻酸奶牛食品有限公司), Hunan Wangniu Food Co., Ltd.(湖南望牛食品有限公司), Hangzhou Wangniu Food Co., Ltd.(杭州望牛食品有限公司), Shenyang Xinniu Food Co., Ltd.(瀋陽新牛食品有限公司), Chongqing Xinniu Hanhong Industrial Co., Ltd.(重慶新牛瀚虹實業有限公司)("Chongqing Hanhong"), New Hope Dairui Trading (Chengdu) Co., Ltd.(新希望戴瑞貿易(成都)有限公司)("Dairui Trading") (only applicable for the year ended 31 December 2024), Haiyuan Country New Hope Biotechnology Co., Ltd.(海原縣新希望生物科技有限公司)("Haiyuan Biotechnology") and Yunnan Diequan Dairy Sales Co., Ltd.(雲南蝶泉乳業銷售有限公司)("Diequan Sales"), benefited from these preferential policies.

IV. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Cash at bank and on hand

	As at 31 December		
Item	**2023**	**2024**	**2025**
Cash on hand	196.06	209.36	219.70
Deposits with banks	438,864,471.61	395,799,507.80	343,389,883.04
Other monetary funds	678,121.81	678,640.54	11,522,711.09
Total	439,542,789.48	396,478,357.70	354,912,813.83
Including:			
Total overseas deposits	10,552,369.94	14,718,500.29	22,038,909.93

The other monetary funds of the Group mainly included guaranteed deposits for bills.

2 Financial assets held for trading

	As at 31 December		
Item	**2023**	**2024**	**2025**
Financial assets at FVTPL	52,000,000.00	147,606,201.15	213,140,297.69
Including:			
Debt investments	30,000,000.00	100,000,000.00	209,099,722.22
Compensation receivables *(Note)*	22,000,000.00	44,600,500.00	–
Equity securities	–	3,005,701.15	4,040,575.47
Total	52,000,000.00	147,606,201.15	213,140,297.69

Note: Chongqing Hanhong, a former subsidiary of the Company and an associate of the Company since 28 December 2023, failed to achieve its performance commitment, and certain third parties were required to pay compensations to the Company. The total compensations amounted to RMB44,600,500.00 were received during the year ended 31 December 2025.

3 Bills receivable

(1) Classification of bills receivable

Item	As at 31 December 2023	2024	2025
Bank acceptance bills	5,817,905.46	1,713,837.32	3,064,099.53

All of the above bills are due within one year. There were no pledged bills of the Group at the end of each reporting period.

(2) Outstanding endorsed or discounted bills that have not matured at the end of each reporting period

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
Item	Amount derecognised at year end	Amount not derecognised at year end	Amount derecognised at year end	Amount not derecognised at year end	Amount derecognised at year end	Amount not derecognised at year end
Bank acceptance bills	–	–	–	909,933.36	–	2,588,679.17

4 Accounts receivable

(1) The ageing analysis of accounts receivable is as follows:

	As at 31 December 2023	2024	2025
Within 1 year (inclusive)	629,850,532.18	623,527,304.01	652,703,025.78
Over 1 year but within 2 years (inclusive)	31,097,621.28	5,465,588.56	4,868,700.62
Over 2 years but within 3 years (inclusive)	1,454,826.64	9,728,040.92	2,584,807.62
Over 3 years	1,786,429.77	2,667,135.94	10,729,794.13
Subtotal	664,189,409.87	641,388,069.43	670,886,328.15
Less: Provision for bad and doubtful debts	60,108,802.35	33,280,655.72	23,126,547.15
Total	604,080,607.52	608,107,413.71	647,759,781.00

The ageing is counted starting from the date when accounts receivable is recognised.

(2) Accounts receivable by provision method

	As at 31 December 2023				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	*Percentage*	*Amount*	*Percentage*	
Individual assessment	19,577,221.27	2.95%	19,577,221.27	100.00%	–
Collective assessment	644,612,188.60	97.05%	40,531,581.08	6.29%	604,080,607.52
Total	664,189,409.87	100.00%	60,108,802.35		604,080,607.52

	As at 31 December 2024				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	*Percentage*	*Amount*	*Percentage*	
Individual assessment	9,902,421.15	1.54%	9,902,421.15	100.00%	–
Collective assessment	631,485,648.28	98.46%	23,378,234.57	3.70%	608,107,413.71
Total	641,388,069.43	100.00%	33,280,655.72		608,107,413.71

	As at 31 December 2025				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	*Percentage*	*Amount*	*Percentage*	
Individual assessment	9,902,421.15	1.48%	9,902,421.15	100.00%	–
Collective assessment	660,983,907.00	98.52%	13,224,126.00	2.00%	647,759,781.00
Total	670,886,328.15	100.00%	23,126,547.15		647,759,781.00

Basis for significant individual assessments:

	As at 31 December 2023			
	Book value	**Provision for bad and doubtful debts**	**Percentage**	**Basis for provision**
Customer A	19,577,221.27	19,577,221.27	100.00%	The receivables have been overdue as the customer experiences significant operational risks and the likelihood of collection is low

	As at 31 December 2024			
	Book value	**Provision for bad and doubtful debts**	**Percentage**	**Basis for provision**
Customer A	9,902,421.15	9,902,421.15	100.00%	The receivables have been overdue as the customer experiences significant operational risks and the likelihood of collection is low

	As at 31 December 2025			
	Book value	**Provision for bad and doubtful debts**	**Percentage**	**Basis for provision**
Customer A	9,902,421.15	9,902,421.15	100.00%	The receivables have been overdue as the customer experiences significant operational risks and the likelihood of collection is low

Collective assessment and assessment of ECL:

At all times, the Group measures impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of overdue days and the expected credit loss rate. According to the historical experience of the Group, there are no significant differences in the losses of different customer groups. Therefore, different customer groups are not further disaggregated when calculating impairment loss based on overdue information.

	As at 31 December 2023		
	Book value	**Expected credit loss rate**	**Provision for bad and doubtful debts**
Current	572,426,581.86	0.67%	3,835,234.72
1-30 days past due	26,131,781.41	9.84%	2,571,367.29
31-60 days past due	11,432,116.15	27.76%	3,173,555.44
61-90 days past due	2,745,819.09	46.77%	1,284,219.59
91-120 days past due	949,748.04	57.79%	548,859.39
121-150 days past due	6,477,619.22	75.24%	4,873,760.70
151-180 days past due	2,466,008.25	91.73%	2,262,069.37
Over 181 days past due	21,982,514.58	100.00%	21,982,514.58
Total	644,612,188.60		40,531,581.08

	As at 31 December 2024		
	Book value	Expected credit loss rate	Provision for bad and doubtful debts
Current	580,094,753.72	0.25%	1,450,238.38
1-30 days past due	25,050,658.05	4.50%	1,127,279.61
31-60 days past due	4,853,218.05	13.71%	665,376.19
61-90 days past due	1,000,884.94	22.95%	229,703.09
91-120 days past due	570,714.02	42.57%	242,952.96
121-150 days past due	1,337,247.68	85.87%	1,148,294.58
151-180 days past due	848,165.63	92.48%	784,383.57
Over 181 days past due	17,730,006.19	100.00%	17,730,006.19
Total	631,485,648.28		23,378,234.57

	As at 31 December 2025		
	Book value	Expected credit loss rate	Provision for bad and doubtful debts
Current	622,086,649.56	0.12%	746,504.38
1-30 days past due	24,242,548.21	2.76%	669,094.33
31-60 days past due	2,444,654.63	11.75%	287,246.92
61-90 days past due	525,436.93	29.39%	154,425.91
91-120 days past due	501,569.76	47.87%	240,101.44
121-150 days past due	164,148.59	75.51%	123,948.60
151-180 days past due	138,510.30	88.38%	122,415.40
Over 181 days past due	10,880,389.02	100.00%	10,880,389.02
Total	660,983,907.00		13,224,126.00

The expected credit loss rate is measured based on actual credit loss experience in the past 12 months, and is adjusted for differences in economic conditions during the historical period, current economic conditions and anticipated economic conditions during the expected lifetime.

(3) Movements of provisions for bad and doubtful debts

	Year ended 31 December 2023		
	Individual assessment	Collective assessment	Total
As at 1 January	12,262,764.58	46,337,835.36	58,600,599.94
Additions	7,314,456.69	26,772,961.13	34,087,417.82
Recoveries or reversals	–	(31,276,608.63)	(31,276,608.63)
Written-off	–	(506,718.24)	(506,718.24)
Disposal of subsidiaries	–	(795,888.54)	(795,888.54)
As at 31 December	19,577,221.27	40,531,581.08	60,108,802.35

	Year ended 31 December 2024		
	Individual assessment	Collective assessment	Total
As at 1 January	19,577,221.27	40,531,581.08	60,108,802.35
Additions	–	15,244,888.32	15,244,888.32
Recoveries or reversals	–	(24,073,861.58)	(24,073,861.58)
Written-off	(9,674,800.12)	(8,324,373.25)	(17,999,173.37)
As at 31 December	9,902,421.15	23,378,234.57	33,280,655.72

	Year ended 31 December 2025		
	Individual assessment	Collective assessment	Total
As at 1 January	9,902,421.15	23,378,234.57	33,280,655.72
Additions	–	4,967,720.33	4,967,720.33
Recoveries or reversals	–	(10,355,060.13)	(10,355,060.13)
Written-off	–	(4,766,768.77)	(4,766,768.77)
As at 31 December	9,902,421.15	13,224,126.00	23,126,547.15

(4) Five largest debtors by accounts receivable at the end of each reporting period

	As at 31 December 2023		
	Book value	**Percentage of the total balance**	**Provision for bad and doubtful debts**
First	75,996,385.01	11.44%	836,078.34
Second	37,396,666.23	5.63%	329,709.46
Third	30,358,876.15	4.57%	205,604.38
Fourth	26,206,227.43	3.95%	190,349.19
Fifth	22,747,209.54	3.42%	215,308.62
Total	192,705,364.36	29.01%	1,777,049.99

	As at 31 December 2024		
	Book value	**Percentage of the total balance**	**Provision for bad and doubtful debts**
First	70,420,834.64	10.98%	240,858.61
Second	54,363,874.99	8.48%	167,399.36
Third	21,677,748.82	3.38%	137,201.73
Fourth	20,397,235.14	3.18%	50,993.08
Fifth	15,626,243.09	2.44%	39,065.61
Total	182,485,936.68	28.46%	635,518.39

	As at 31 December 2025		
	Book value	**Percentage of the total balance**	**Provision for bad and doubtful debts**
First	106,288,994.09	15.84%	356,706.44
Second	100,716,612.81	15.01%	145,034.74
Third	19,061,084.25	2.84%	41,016.97
Fourth	16,672,337.48	2.49%	20,006.80
Fifth	15,724,122.24	2.34%	18,868.94
Total	258,463,150.87	38.52%	581,633.89

5 Receivables under financing

(1) Classification of bills receivable

	As at 31 December		
Item	**2023**	**2024**	**2025**
Bank acceptance bills	–	6,554,094.78	2,269,283.74

(2) Outstanding endorsed or discounted receivables under financing that have not matured at the end of each reporting period

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
Item	**Amount derecognised at year end**	**Amount not derecognised at year end**	**Amount derecognised at year end**	**Amount not derecognised at year end**	**Amount derecognised at year end**	**Amount not derecognised at year end**
Bank acceptance bills	–	–	47,476,206.13	–	37,223,311.63	–

6 Prepayments

(1) The ageing analysis of prepayments is as follows

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Within 1 year (inclusive)	81,809,354.10	99.45%	45,048,725.89	97.94%	35,442,245.79	98.87%
Over 1 year but within 2 years (inclusive)	48,992.46	0.06%	935,708.72	2.03%	256,028.27	0.71%
Over 2 years but within 3 years (inclusive)	87,521.85	0.11%	12,250.45	0.03%	150,000.00	0.42%
Over 3 years	312,956.50	0.38%	–	–	–	–
Total	82,258,824.91	100.00%	45,996,685.06	100.00%	35,848,274.06	100.00%

The ageing is counted starting from the date when prepayments are recognised.

(2) Five largest debtors by prepayments at the end of each reporting period

	As at 31 December 2023	
	Amount	Percentage
First	26,517,979.42	32.24%
Second	6,554,480.00	7.97%
Third	6,292,935.41	7.65%
Fourth	4,907,657.27	5.97%
Fifth	3,289,152.00	4.00%
Total	47,562,204.10	57.83%

	As at 31 December 2024	
	Amount	Percentage
First	12,180,977.50	26.48%
Second	2,236,863.35	4.86%
Third	1,855,313.92	4.03%
Fourth	1,838,567.28	4.00%
Fifth	1,835,510.56	3.99%
Total	19,947,232.61	43.36%

	As at 31 December 2025	
	Amount	Percentage
First	3,987,354.95	11.12%
Second	3,713,598.02	10.36%
Third	3,000,000.00	8.37%
Fourth	1,772,527.74	4.94%
Fifth	1,769,580.31	4.94%
Total	14,243,061.02	39.73%

7 Other receivables

		As at 31 December		
	Note	2023	2024	2025
Others	*(1)*	101,267,305.15	32,915,786.12	74,352,942.52
Total		101,267,305.15	32,915,786.12	74,352,942.52

(1) Others

(a) Others categorised by nature

	As at 31 December		
	2023	**2024**	**2025**
Deposits from related parties	145,141.70	118,368.00	90,368.00
Consideration receivables *(Note)*	74,250,000.00	–	–
Security deposits	17,798,402.98	16,126,694.54	20,176,533.02
Employee loans and petty cash	9,460,348.64	7,699,355.32	12,321,295.42
Land transfer receivables	–	–	42,633,572.00
Others	10,593,828.55	14,405,938.43	7,701,458.03
Subtotal	112,247,721.87	38,350,356.29	82,923,226.47
Less: Provision for bad and doubtful debts	10,980,416.72	5,434,570.17	8,570,283.95
Total	101,267,305.15	32,915,786.12	74,352,942.52

Note: At 31 December 2023, the consideration receivables represent the receivables from disposal of 45% equity interests in Chongqing Hanhong as detailed in Note V.1(1).

(b) The ageing analysis is as follows:

	As at 31 December		
	2023	**2024**	**2025**
Within 1 year (inclusive)	101,395,389.46	27,287,001.13	71,778,118.10
Over 1 year but within 2 years (inclusive)	4,108,263.73	6,038,981.81	4,326,815.30
Over 2 years but within 3 years (inclusive)	3,295,529.52	2,241,482.06	3,085,947.64
Over 3 years	3,448,539.16	2,782,891.29	3,732,345.43
Subtotal	112,247,721.87	38,350,356.29	82,923,226.47
Less: Provision for bad and doubtful debts	10,980,416.72	5,434,570.17	8,570,283.95
Total	101,267,305.15	32,915,786.12	74,352,942.52

The ageing is counted starting from the date when other receivables are recognised.

(c) Others by provision method

	As at 31 December 2023				
	Book value		**Provision for bad and doubtful debts**		**Carrying amount**
	Amount	*Percentage*	*Amount*	*Percentage*	
Individual assessment	1,300,000.00	1.16%	1,300,000.00	100.00%	–
Collective assessment	110,947,721.87	98.84%	9,680,416.72	8.73%	101,267,305.15
Total	112,247,721.87	100.00%	10,980,416.72		101,267,305.15

	As at 31 December 2024				
	Book value		**Provision for bad and doubtful debts**		**Carrying amount**
	Amount	*Percentage*	*Amount*	*Percentage*	
Individual assessment	–	–	–	–	–
Collective assessment	38,350,356.29	100.00%	5,434,570.17	14.17%	32,915,786.12
Total	38,350,356.29	100.00%	5,434,570.17		32,915,786.12

	As at 31 December 2025				
	Book value		**Provision for bad and doubtful debts**		**Carrying amount**
	Amount	*Percentage*	*Amount*	*Percentage*	
Individual assessment	–	–	–	–	–
Collective assessment	82,923,226.47	100.00%	8,570,283.95	10.34%	74,352,942.52
Total	82,923,226.47	100.00%	8,570,283.95		74,352,942.52

(d) *Movements of provisions for bad and doubtful debts*

	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL—Not credit impaired**	**Lifetime ECL—Credit impaired**	**Total**
As at 1 January 2023	4,485,840.11	–	2,354,621.35	6,840,461.46
Transfer to stage 3	(542,529.69)	–	542,529.69	–
Additions	6,235,860.16	–	1,842,529.69	8,078,389.85
Recoveries or reversals	(1,144,388.91)	–	(705,888.94)	(1,850,277.85)
Written-off	(67,969.34)	–	(108,714.23)	(176,683.57)
Disposal of subsidiaries	(1,911,473.17)	–	–	(1,911,473.17)
As at 31 December 2023	7,055,339.16	–	3,925,077.56	10,980,416.72
Transfer to stage 3	(173,256.07)	–	173,256.07	–
Additions	2,153,274.15	–	3,936,308.07	6,089,582.22
Recoveries or reversals	(5,129,010.56)	–	(699,078.56)	(5,828,089.12)
Written-off	(280,136.33)	–	(5,527,203.32)	(5,807,339.65)
As at 31 December 2024	3,626,210.35	–	1,808,359.82	5,434,570.17
Transfer to stage 3	(286,880.44)	–	286,880.44	–
Additions	4,642,816.62	–	286,880.44	4,929,697.06
Recoveries or reversals	(1,356,544.33)	–	(141,732.27)	(1,498,276.60)
Written-off	(99,200.77)	–	(196,505.91)	(295,706.68)
As at 31 December 2025	6,526,401.43	–	2,043,882.52	8,570,283.95

Other receivables with impairment indicators or risks that are expected to incur credit impairment within the next 12 months are classified as Stage 2, with a provision ratio of 50%. Other receivables with credit impairment already incurred are classified as Stage 3, with a provision ratio of 100%.

The allowance for doubtful debts for the remaining other receivables are recognised with reference to the aging of other receivables, with provision ratios of 5% for within 1 year, 15% for 1-2 years, 30% for 2-3 years and 50% for 3-4 years.

(e) *Five largest debtors by other receivables at the end of each reporting period*

	As at 31 December 2023				
	Nature of the receivable	**Book value**	**Ageing**	**Percentage of ending balance of other receivables**	**Provision for bad and doubtful debts**
First	Consideration receivables	74,250,000.00	Within 1 year	66.15%	3,712,500.00
Second	Receivables for goods	1,300,000.00	Over 2 years but within 3 years	1.16%	1,300,000.00
Third	Security deposits	1,262,351.50	Within 1 year, over 1 year but within 2 years, over 2 years but within 3 years	1.12%	308,621.33
Fourth	Security deposits	1,000,000.00	Within 1 year	0.89%	50,000.00
Fifth	Security deposits	897,500.00	Over 4 years	0.80%	897,500.00
Total		78,709,851.50		70.12%	6,268,621.33

	As at 31 December 2024				
	Nature of the receivable	Book value	Ageing	Percentage of ending balance of other receivables	Provision for bad and doubtful debts
First	Receivables for goods	6,445,141.58	Within 1 year	16.81%	322,257.08
Second	Insurance receivables	2,583,900.00	Within 1 year	6.74%	129,195.00
Third	Security deposits	897,500.00	Over 5 years	2.34%	897,500.00
Fourth	Security deposits	820,056.24	Within 1 year, over 1 year but within 2 years, over 2 years but within 3 years, over 3 years but within 4 years	2.14%	141,008.44
Fifth	Security deposits	645,067.04	Within 1 year, over 1 year but within 2 years, over 2 years but within 3 years, over 3 years but within 4 years, over 4 years but within 5 years	1.68%	94,114.64
Total		11,391,664.86		29.71%	1,584,075.16

	As at 31 December 2025				
	Nature of the receivable	Book value	Ageing	Percentage of ending balance of other receivables	Provision for bad and doubtful debts
First	Land transfer receivables	42,633,572.00	Within 1 year	51.41%	2,131,678.60
Second	Employee loans and petty cash	1,446,008.00	Within 1 year	1.74%	72,300.40
Third	Employee loans and petty cash	1,058,318.46	Within 1 year	1.28%	52,915.92
Fourth	Security deposits	897,500.00	Over 5 years	1.08%	897,500.00
Fifth	Security deposits	834,741.80	Within 1 year, over 1 year but within 2 years, over 2 years but within 3 years, over 3 years but within 4 years	1.01%	183,351.80
Total		46,870,140.26		56.52%	3,337,746.72

8 Inventories

(1) Inventories by category

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Book value	**Provision for impairment of inventories**	**Carrying amount**	**Book value**	**Provision for impairment of inventories**	**Carrying amount**	**Book value**	**Provision for impairment of inventories**	**Carrying amount**
Raw materials	545,703,772.00	(27,489.15)	545,676,282.85	552,146,285.73	(2,099.40)	552,144,186.33	537,172,384.99	–	537,172,384.99
Finished goods	148,615,111.78	–	148,615,111.78	179,098,468.08	–	179,098,468.08	167,642,279.60	–	167,642,279.60
Consumable biological assets	5,256,083.79	–	5,256,083.79	970,825.45	–	970,825.45	924,953.43	–	924,953.43
Others	11,957,253.79	–	11,957,253.79	9,430,177.19	–	9,430,177.19	11,512,454.43	–	11,512,454.43
Total	711,532,221.36	(27,489.15)	711,504,732.21	741,645,756.45	(2,099.40)	741,643,657.05	717,252,072.45	–	717,252,072.45

(2) Provision for impairment of inventories

	As at 1 January 2023	**Additions**	**Reversals or transfers out**	**As at 31 December 2023**	**Additions**	**Reversals or transfers out**	**As at 31 December 2024**	**Additions**	**Reversals or transfers out**	**As at 31 December 2025**
Raw materials	377,550.98	12,231.46	(362,293.29)	27,489.15	–	(25,389.75)	2,099.40	–	(2,099.40)	–

9 Non-current assets due within one year

Item	As at 31 December 2023	2024	2025
Long-term receivables due within one year	–	3,807,976.69	3,956,487.80

10 Other current assets

Item	As at 31 December 2023	2024	2025
Deductible input VAT and urban construction and maintenance tax	5,873,559.62	13,196,614.89	3,875,700.71
Prepaid enterprise income tax	–	105,000.00	128,989.89
Total	5,873,559.62	13,301,614.89	4,004,690.60

11 Long-term receivables

Item	As at 31 December 2023	2024	2025
Others	–	16,146,366.93	12,338,390.24
Less: Due within one year	–	3,807,976.69	3,956,487.80
Total	–	12,338,390.24	8,381,902.44

Note: In 2024, a subsidiary of the Company disposed some machinery and equipment to a third party with a total consideration of RMB21,490,000.00, which will be received in the following five years from the year ended 31 December 2024.

12 Long-term equity investments

(1) Long-term equity investments by category:

Item	As at 31 December 2023	2024	2025
Investments in associates	538,266,567.68	515,348,142.95	505,983,071.20
Less: Provision for impairment	–	–	–
Total	538,266,567.68	515,348,142.95	505,983,071.20

(2) Movements of long-term equity investments during the Track Record Period are as follows:

	Year ended 31 December 2023								
Associates	**As at 1 January**	**Increase in investment**	**Investment income/(losses) recognised under the equity method**	**Other equity movements**	**Declared distribution of cash dividends or profits**	**Provision for impairment**	**Others**	**As at 31 December**	**Balance of provision for impairment as at 31 December**
New Blue Ocean Dairy (Beijing) Co., Ltd. (新藍海乳業(北京)有限公司) ("New Blue Ocean")	618,938.25	–	298,413.78	–	–	–	–	917,352.03	–
Chongqing Tianyou Dairy Co., Ltd. (重慶市天友乳業股份有限公司) ("Chongqing Tianyou")	481,437,753.86	–	12,544,190.26	–	(14,165,046.90)	–	–	479,816,897.22	–
Gansu Xincaowang Pastoral Industry Co., Ltd. (甘肅新草王牧業有限公司) ("Gansu Xincaowang")	2,798,845.19	–	(377,342.62)	–	–	–	–	2,421,502.57	–
Sichuan Grass Green Food Technology Co., Ltd. (四川草根食代科技有限責任公司) ("Grass Green Food")	4,000,000.00	–	(203,420.24)	–	–	–	–	3,796,579.76	–
Sichuan Xinwangda Supply Chain Management Co., Ltd. (四川新望達供應鏈管理有限公司) ("Xinwangda")	–	2,000,000.00	(185,763.90)	–	–	–	–	1,814,236.10	–
Chongqing Hanhong *(Note V.1(1))*	–	–	–	–	–	–	49,500,000.00	49,500,000.00	–
Total	488,855,537.30	2,000,000.00	12,076,077.28	–	(14,165,046.90)	–	49,500,000.00	538,266,567.68	–

	Year ended 31 December 2024								
Associates	**As at 1 January**	**Increase in investment**	**Investment income/(losses) recognised under the equity method**	**Other equity movements**	**Declared distribution of cash dividends or profits**	**Provision for impairment**	**Others**	**As at 31 December**	**Balance of provision for impairment as at 31 December**
New Blue Ocean	917,352.03	–	2,933,329.84	–	–	–	–	3,850,681.87	–
Chongqing Tianyou	479,816,897.22	–	(8,816,381.96)	–	(14,165,046.90)	–	–	456,835,468.36	–
Gansu Xincaowang	2,421,502.57	–	(999,122.48)	–	–	–	–	1,422,380.09	–
Grass Green Food	3,796,579.76	–	47,365.11	–	–	–	–	3,843,944.87	–
Xinwangda	1,814,236.10	–	(635,669.61)	–	–	–	–	1,178,566.49	–
Chongqing Hanhong	49,500,000.00	–	(1,282,898.73)	–	–	–	–	48,217,101.27	–
Total	538,266,567.68	–	(8,753,377.83)	–	(14,165,046.90)	–	–	515,348,142.95	–

	Year ended 31 December 2025								
Associates	As at 1 January	Increase in investment	Investment income/(losses) recognised under the equity method	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment	Others	As at 31 December	Balance of provision for impairment as at 31 December
New Blue Ocean	3,850,681.87	–	2,813,060.32	–	(1,954,020.00)	–	–	4,709,722.19	–
Chongqing Tianyou	456,835,468.36	–	18,558,718.42	5,788,789.06	(33,051,776.10)	–	–	448,131,199.74	–
Gansu Xincaowang	1,422,380.09	–	53,183.39	–	–	–	–	1,475,563.48	–
Grass Green Food	3,843,944.87	–	14,641.32	–	–	–	–	3,858,586.19	–
Xinwangda	1,178,566.49	–	(830,023.50)	–	–	–	–	348,542.99	–
Chongqing Hanhong	48,217,101.27	–	(757,644.66)	–	–	–	–	47,459,456.61	–
Total	515,348,142.95	–	19,851,935.29	5,788,789.06	(35,005,796.10)	–	–	505,983,071.20	–

13 Investments in other equity instruments

	Year ended 31 December 2023						
	As at 1 January	Losses included in other comprehensive income during the year	Others	As at 31 December	Dividend income recognised during the year	Accumulated losses included in other comprehensive income	Reason for designation
China Modern Dairy Holdings Ltd. ("Modern Dairy") *(Note (i))*	562,041,219.63	(147,471,036.72)	11,494,464.73	426,064,647.64	9,076,008.77	(330,127,103.19)	Planned for long-term holding for strategic purposes
AustAsia Group Ltd. ("AusAsia Group") *(Note (ii))*	176,965,237.06	(125,015,136.71)	173,099.12	52,123,199.47	–	(356,144,931.49)	Planned for long-term holding for strategic purposes
Yifanzhi (Shanghai) Biotechnology Co., Ltd. ("Yifanzhi") *(Note (iii))*	10,000,000.00	(8,258,500.00)	–	1,741,500.00	–	(8,258,500.00)	Planned for long-term holding for strategic purposes
Others	502,468.00	–	–	502,468.00	3,546.40	–	Planned for long-term holding for strategic purposes
Total	749,508,924.69	(280,744,673.43)	11,667,563.85	480,431,815.11	9,079,555.17	(694,530,534.68)	

Year ended 31 December 2024

	As at 1 January	Gains/(losses) included in other comprehensive income during the year	Others	As at 31 December	Dividend income recognised during the year	Accumulated losses included in other comprehensive income	Reason for designation
Modern Dairy	426,064,647.64	115,222,495.50	–	541,287,143.14	2,864,544.81	(214,904,607.69)	Planned for long-term holding for strategic purposes
AusAsia Group	52,123,199.47	(23,620,195.33)	–	28,503,004.14	–	(379,765,126.82)	Planned for long-term holding for strategic purposes
Yifanzhi	1,741,500.00	(1,741,500.00)	–	–	–	(10,000,000.00)	Planned for long-term holding for strategic purposes
Others	502,468.00	–	–	502,468.00	3,934.00	–	Planned for long-term holding for strategic purposes
Total	480,431,815.11	89,860,800.17	–	570,292,615.28	2,868,478.81	(604,669,734.51)	

Year ended 31 December 2025

	As at 1 January	Gains/(losses) included in other comprehensive income during the year	Others	As at 31 December	Dividend income recognised during the year	Accumulated gains/(losses) included in other comprehensive income	Reason for designation
Modern Dairy	541,287,143.14	388,361,196.95	–	929,648,340.09	7,706,067.46	173,456,589.26	Planned for long-term holding for strategic purposes
AusAsia Group	28,503,004.14	30,468,001.69	–	58,971,005.83	–	(349,297,125.13)	Planned for long-term holding for strategic purposes
Yifanzhi	–	–	–	–	–	(10,000,000.00)	Planned for long-term holding for strategic purposes
Others	502,468.00	(400,000.00)	–	102,468.00	–	(400,000.00)	Planned for long-term holding for strategic purposes
Total	570,292,615.28	418,429,198.64	–	988,721,813.92	7,706,067.46	(186,240,535.87)	

Notes:

(i) In 2019, the Group subscribed for and purchased 594,925,763 shares of Modern Dairy at a consideration of RMB709,151,509.00, accounting for 9.2846% of the total issued shares of Modern Dairy after its new share issuance. In 2020, the Group further purchased 40,420,000 shares of Modern Dairy at a consideration of HKD67,500,000.00, representing 0.63% of the existing issued shares of Modern Dairy. The investment was held for the strategic purpose of security of a stable milk supply to support the expansion of the Group's business scale. Since the Group did not appoint any director to Modern Dairy, this investment was designated as equity investments at FVOCI.

(ii) On 7 September 2021, the Group entered into an agreement with Japfa Ltd. ("Japfa"), agreeing to purchase 16,805,598 ordinary shares of AustAsia Group held by Japfa at a consideration of USD58,400,000.00, which accounted for 5% of the shares of AustAsia Group. On 30 December 2022, AustAsia Group listed on the Main Board of the Hong Kong Stock Exchange. Pursuant to the share subdivision agreement prior to listing, the number of ordinary shares of AustAsia Group held by the Group increased from 16,805,598 to 31,090,356. This investment was held for the strategic purpose of security of a stable milk supply to support the expansion of the Group's business scale. Since the Group did not appoint any director to AustAsia Group, this investment was designated as equity investments at FVOCI.

(iii) On 20 March 2022, the Group entered into an agreement with Yifanzhi. Pursuant to the agreement, the Group acquired 15% of equity interest in Yifanzhi with a consideration of RMB10,000,000.00. The investment was held for the strategic purpose of the Group's industrial chain support and empowerment initiative. Since the Group did not appoint any director to Yifanzhi, this investment was designated as equity investments at FVOCI.

14 Investment properties

	Plant and buildings	Land use rights	Total
Cost			
As at 1 January 2023	25,846,546.54	13,526,686.00	39,373,232.54
Additions			
– Transfers from intangible assets	–	4,683,424.00	4,683,424.00
As at 31 December 2023 and 2024	25,846,546.54	18,210,110.00	44,056,656.54
Additions			
– Transfers from fixed assets	19,426,315.82	–	19,426,315.82
As at 31 December 2025	45,272,862.36	18,210,110.00	63,482,972.36
Accumulated depreciation			
As at 1 January 2023	(16,971,622.79)	(6,011,860.63)	(22,983,483.42)
Additions			
– Charge for the year	(757,978.21)	(339,621.55)	(1,097,599.76)
– Transfers from intangible assets	–	(343,451.10)	(343,451.10)
As at 31 December 2023	(17,729,601.00)	(6,694,933.28)	(24,424,534.28)
Additions			
– Charge for the year	(757,978.24)	(394,261.49)	(1,152,239.73)
As at 31 December 2024	(18,487,579.24)	(7,089,194.77)	(25,576,774.01)
Additions			
– Charge for the year	(283,057.12)	(394,261.49)	(677,318.61)
– Transfers from fixed assets	(7,612,737.16)	–	(7,612,737.16)
As at 31 December 2025	(26,383,373.52)	(7,483,456.26)	(33,866,829.78)
Provision for impairment			
As at 1 January 2023 and 31 December 2023 and 2024	–	–	–
Additions			
– Charge for the year	(1,944,804.21)	–	(1,944,804.21)
– Transfers from fixed assets	(86,374.92)	–	(86,374.92)
As at 31 December 2025	(2,031,179.13)	–	(2,031,179.13)
Carrying amount			
As at 31 December 2023	8,116,945.54	11,515,176.72	19,632,122.26
As at 31 December 2024	7,358,967.30	11,120,915.23	18,479,882.53
As at 31 December 2025	16,858,309.71	10,726,653.74	27,584,963.45

15 Fixed assets

(1) Fixed assets

	Plant and buildings	Machinery and equipment	Motor vehicles	Others	Total
Cost					
As at 1 January 2023	1,939,753,897.37	2,314,342,999.15	55,504,822.08	526,770,558.89	4,836,372,277.49
Additions					
– Purchases	42,306,836.53	57,158,917.33	2,151,162.87	95,777,432.96	197,394,349.69
– Transfers from construction in progress	138,774,814.64	33,333,732.48	–	40,120,106.92	212,228,654.04
Decreases					
– Disposals or written-off	(1,531,365.37)	(20,346,004.78)	(9,374,088.10)	(23,829,848.11)	(55,081,306.36)
– Transfers out to construction in progress	–	(8,145,299.70)	–	–	(8,145,299.70)
– Reclassification	–	(5,475,030.76)	(8,863,049.89)	14,338,080.65	–
– Disposal of subsidiaries	–	(957,378.62)	(8,414,775.40)	(4,840,568.14)	(14,212,722.16)
As at 31 December 2023	2,119,304,183.17	2,369,911,935.10	31,004,071.56	648,335,763.17	5,168,555,953.00
Additions					
– Purchases	50,062,703.11	79,949,260.33	1,893,095.67	68,847,135.27	200,752,194.38
– Transfers from construction in progress	56,928,311.47	81,684,166.28	–	41,630,386.98	180,242,864.73
Decreases					
– Disposals or written-off	(41,468,987.58)	(117,301,160.06)	(5,876,929.89)	(199,063,056.15)	(363,710,133.68)
– Transfers out to construction in progress	–	(3,255,163.32)	–	(671,042.65)	(3,926,205.97)
As at 31 December 2024	2,184,826,210.17	2,410,989,038.33	27,020,237.34	559,079,186.62	5,181,914,672.46
Additions					
– Purchases	51,471,602.30	46,049,787.93	3,208,631.75	83,845,938.94	184,575,960.92
– Transfers from construction in progress	22,823,498.96	31,623,271.16	–	13,998,833.17	68,445,603.29
Decreases					
– Disposals or written-off	(17,028,907.29)	(67,220,163.32)	(6,259,189.66)	(85,083,266.54)	(175,591,526.81)
– Transfers out to construction in progress	–	(26,471,639.27)	–	–	(26,471,639.27)
– Transfers out to investment properties	(19,426,315.82)	–	–	–	(19,426,315.82)
As at 31 December 2025	2,222,666,088.32	2,394,970,294.83	23,969,679.43	571,840,692.19	5,213,446,754.77
Accumulated depreciation					
As at 1 January 2023	(400,760,986.11)	(1,123,447,377.90)	(37,502,792.80)	(400,848,744.59)	(1,962,559,901.40)
Additions					
– Charge for the year	(61,962,957.57)	(157,945,435.96)	(3,035,368.77)	(92,689,958.99)	(315,633,721.29)
Decreases					
– Disposals or written-off	636,933.61	18,328,432.09	6,395,746.46	21,586,055.16	46,947,167.32
– Transfers out to construction in progress	–	7,156,094.09	–	–	7,156,094.09
– Reclassification	–	893,311.63	7,848,770.53	(8,742,082.16)	–
– Disposal of subsidiaries	–	501,490.88	5,368,948.08	834,308.03	6,704,746.99
As at 31 December 2023	(462,087,010.07)	(1,254,513,485.17)	(20,924,696.50)	(479,860,422.55)	(2,217,385,614.29)
Additions					
– Charge for the year	(68,956,735.40)	(146,334,114.24)	(2,272,335.01)	(88,960,814.29)	(306,523,998.94)
Decreases					
– Disposals or written-off	9,854,388.17	83,188,668.65	4,924,240.31	186,842,394.60	284,809,691.73
– Transfers out to construction in progress	–	2,780,942.06	–	638,118.12	3,419,060.18
As at 31 December 2024	(521,189,357.30)	(1,314,877,988.70)	(18,272,791.20)	(381,340,724.12)	(2,235,680,861.32)
Additions					
– Charge for the year	(70,648,586.57)	(163,124,426.31)	(3,056,573.37)	(66,641,355.76)	(303,470,942.01)
Decreases					
– Disposals or written-off	6,095,098.75	60,043,512.53	5,874,003.04	75,085,109.56	147,097,723.88
– Transfers out to construction in progress	–	22,281,924.64	–	–	22,281,924.64
– Transfers out to investment properties	7,612,737.16	–	–	–	7,612,737.16
As at 31 December 2025	(578,130,107.96)	(1,395,676,977.84)	(15,455,361.53)	(372,896,970.32)	(2,362,159,417.65)

	Plant and buildings	Machinery and equipment	Motor vehicles	Others	Total
Provision for impairment					
As at 1 January 2023	(57,562,685.98)	(9,103,663.61)	(1,863.79)	(138,372.22)	(66,806,585.60)
Additions					
– Charge for the year	(1,014,080.33)	(1,242,699.27)	–	–	(2,256,779.60)
Decreases					
– Disposals or written-off	–	443,936.32	–	50,173.18	494,109.50
As at 31 December 2023	(58,576,766.31)	(9,902,426.56)	(1,863.79)	(88,199.04)	(68,569,255.70)
Additions					
– Charge for the year	–	(240,059.97)	(356,844.29)	(2,435,114.91)	(3,032,019.17)
Decreases					
– Disposals or written-off	30,460,538.63	6,873,527.47	289,807.20	570,102.57	38,193,975.87
As at 31 December 2024	(28,116,227.68)	(3,268,959.06)	(68,900.88)	(1,953,211.38)	(33,407,299.00)
Additions					
– Charge for the year	(18,873,677.96)	(9,154,331.36)	–	(487,259.98)	(28,515,269.30)
Decreases					
– Disposals or written-off	2,274,397.76	1,846,447.99	1,695.88	633,712.16	4,756,253.79
– Transfers out to construction in progress	–	241,759.08	–	–	241,759.08
– Transfers out to investment properties	86,374.92	–	–	–	86,374.92
As at 31 December 2025	(44,629,132.96)	(10,335,083.35)	(67,205.00)	(1,806,759.20)	(56,838,180.51)
Carrying amount					
As at 31 December 2023	1,598,640,406.79	1,105,496,023.37	10,077,511.27	168,387,141.58	2,882,601,083.01
As at 31 December 2024	1,635,520,625.19	1,092,842,090.57	8,678,545.26	175,785,251.12	2,912,826,512.14
As at 31 December 2025	1,599,906,847.40	988,958,233.64	8,447,112.90	197,136,962.67	2,794,449,156.61

(2) Temporarily idle fixed assets

	As at 31 December 2023			
	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Plant and buildings	8,363,308.90	(3,915,348.16)	(4,438,872.98)	9,087.76
Machinery and equipment	31,522,303.27	(24,484,100.80)	(3,012,358.51)	4,025,843.96
Others	411,492.28	(314,048.37)	(17,695.88)	79,748.03
Total	40,297,104.45	(28,713,497.33)	(7,468,927.37)	4,114,679.75

	As at 31 December 2024			
	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment	5,712,507.61	(4,107,599.18)	(1,364,273.16)	240,635.27
Others	197,373.31	(185,808.79)	(1,695.88)	9,868.64
Total	5,909,880.92	(4,293,407.97)	(1,365,969.04)	250,503.91

	As at 31 December 2025			
	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Plant and buildings	5,845,259.82	(2,960,621.74)	(2,728,815.88)	155,822.20
Machinery and equipment	25,368,546.59	(17,640,233.64)	(6,631,265.26)	1,097,047.69
Others	697,367.02	(661,780.22)	–	35,586.80
Total	31,911,173.43	(21,262,635.60)	(9,360,081.14)	1,288,456.69

(3) Fixed assets leased out under operating leases

	As at 31 December		
	2023	2024	2025
Plant and buildings	4,077,452.51	1,544,038.39	964,228.78
Motor vehicles	136,574.63	–	1,177,145.54
Others	–	116,196.92	88,621.72
Total	4,214,027.14	1,660,235.31	2,229,996.04

(4) Fixed assets pending certificates of ownership

	As at 31 December			Reason why certificates of ownership are pending
	2023	**2024**	**2025**	
Plant and buildings	444,861,029.93	472,761,238.48	472,318,473.87	These plant and buildings mainly erected on leased land, and thus no certificates of ownership have been obtained.

(5) Provision for fixed assets

As at the end of each reporting period, the Group assessed indicators of impairment for fixed assets by considering factors such as the operating performance for the CGU which they belonged to. If any such indication exists (i.e. the actual operating performance is significantly worse than the expected operating performance determined by the Group), then the Group will perform the impairment test on respective CGUs with recoverable amounts based on value-in-use of the CGUs. As at 31 December 2025, the Group conducted an impairment test on the CGU of Qicaiyun and recognised impairment losses on the fixed assets amounted to RMB10,350,000.00.

	Year ended 31 December 2025						
	Carrying amount	**Recoverable amount**	**Impairment amount**	**Length of forecast period**	**Key parameters for the forecast period**	**Key parameters for the stable period**	**Basis for determining the key parameters for the Stable period**
Qicaiyun fixed assets	25,352,603.70	15,002,603.70	10,350,000.00	5 years	Revenue growth rate: 0.00%-13.91% Gross Profit margin: 19.27% Discount rate: 11.41%	Revenue growth rate: 0.00% Gross Profit margin: 19.43% Discount rate: 11.41%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period

16 Construction in progress

	As at 31 December		
	2023	**2024**	**2025**
Construction in progress	89,480,442.05	35,470,192.47	19,414,535.03

(1) Construction in progress

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Fuzhou Aoniu project	20,798,662.76	–	20,798,662.76	–	–	–	–	–	–
Helanshan Husbandry project	16,395,579.17	–	16,395,579.17	–	–	–	–	–	–
Kunming Xuelan project	9,102,632.27	–	9,102,632.27	10,316,056.43	–	10,316,056.43	–	–	–
Others	43,183,567.85	–	43,183,567.85	25,154,136.04	–	25,154,136.04	19,414,535.03	–	19,414,535.03
Total	89,480,442.05	–	89,480,442.05	35,470,192.47	–	35,470,192.47	19,414,535.03	–	19,414,535.03

(2) Movements of major construction projects in progress during the Track Record Period

Year ended 31 December 2023

Project	Budget	As at 1 January	Additions	Transfers to fixed assets	As at 31 December	Percentage of actual cost to budget	Project progress	Accumulated capitalised interest	Including: Interest capitalised in 2023	Capitalisation rate of interests in 2023	Sources of funding
Saishang Husbandry project	200,000,000.00	40,441,837.40	80,615,480.81	(121,057,318.21)	–	60.53%	100.00%	5,564,152.12	4,375,587.93	4.35%	Others
Fuzhou Aoniu project	87,400,000.00	410,233.76	20,388,429.00	–	20,798,662.76	23.80%	23.80%	45,769.04	45,769.04	1.80%	Others
Helanshan Husbandry project	23,000,000.00	2,461,940.60	13,933,638.57	–	16,395,579.17	71.29%	100.00%	–	–	–	Others
Xiajin Dairy project	14,000,000.00	13,303,291.51	82,500.00	(13,385,791.51)	–	95.61%	100.00%	–	–	–	Others
Total	324,400,000.00	56,617,303.27	115,020,048.38	(134,443,109.72)	37,194,241.93			5,609,921.16	4,421,356.97		

Year ended 31 December 2024

Project	Budget	As at 1 January	Additions	Transfers to fixed assets	As at 31 December	Percentage of actual cost to budget	Project progress	Accumulated capitalised interest	Including: Interest capitalised in 2024	Capitalisation rate of interests in 2024	Sources of funding
Fuzhou Aoniu project	87,400,000.00	20,798,662.76	51,608,056.55	(72,406,719.31)	–	82.85%	100.00%	620,306.21	574,537.17	1.74%	Others
Kunming Xuelan project	373,250,000.00	9,102,632.27	1,213,424.16	–	10,316,056.43	2.76%	2.76%	489,549.75	223,713.71	3.35%	Others
Total	460,650,000.00	29,901,295.03	52,821,480.71	(72,406,719.31)	10,316,056.43			1,109,855.96	798,250.88		

Year ended 31 December 2025

Project	Budget	As at 1 January	Additions	Other decreases	As at 31 December	Percentage of actual cost to budget	Project progress	Accumulated capitalised interest	Including: Interest capitalised in 2025	Capitalisation rate of interests in 2025	Sources of funding
Kunming Xuelan project	373,250,000.00	10,316,056.43	1,060,311.01	(11,376,367.44)	–	–	–	489,549.75	–	–	Others
Total	373,250,000.00	10,316,056.43	1,060,311.01	(11,376,367.44)	–			489,549.75	–		

17 Productive biological assets

	Year ended 31 December			
	Calves	**Heifers**	**Milkable cows**	**Total**
Cost				
As at 1 January 2023	35,080,778.51	378,500,353.51	719,298,216.42	1,132,879,348.44
Additions				
– Purchases	–	8,572,480.00	–	8,572,480.00
– Self-breeding	107,362,925.01	292,435,713.06	–	399,798,638.07
– Transfer-in	–	101,039,634.06	379,441,228.09	480,480,862.15
Decreases				
– Transfer-out	(101,039,634.06)	(379,441,228.09)	–	(480,480,862.15)
– Disposals	(5,423,944.90)	(34,919,092.60)	(289,972,390.82)	(330,315,428.32)
– Disposal of a subsidiary	(230,945.18)	(3,940,385.79)	(13,990,948.08)	(18,162,279.05)
As at 31 December 2023	35,749,179.38	362,247,474.15	794,776,105.61	1,192,772,759.14
Additions				
– Self-breeding	106,422,343.18	276,286,357.34	–	382,708,700.52
– Transfer-in	–	101,396,817.94	360,840,323.00	462,237,140.94
Decreases				
– Transfer-out	(101,396,817.94)	(360,840,323.00)	–	(462,237,140.94)
– Disposals	(5,041,715.63)	(17,764,453.58)	(224,741,650.73)	(247,547,819.94)
As at 31 December 2024	35,732,988.99	361,325,872.85	930,874,777.88	1,327,933,639.72
Additions				
– Self-breeding	107,706,214.92	255,083,117.89	–	362,789,332.81
– Transfer-in	–	102,616,655.35	350,203,550.43	452,820,205.78
Decreases				
– Transfer-out	(102,616,655.35)	(350,203,550.43)	–	(452,820,205.78)
– Disposals	(3,972,882.71)	(29,405,670.80)	(297,245,048.61)	(330,623,602.12)
As at 31 December 2025	36,849,665.85	339,416,424.86	983,833,279.70	1,360,099,370.41
Accumulated depreciation				
As at 1 January 2023	–	–	(190,411,553.16)	(190,411,553.16)
Additions				
– Charge for the year	–	–	(129,747,940.33)	(129,747,940.33)
Decreases				
– Disposals	–	–	104,733,359.56	104,733,359.56
– Disposal of a subsidiary	–	–	4,085,072.60	4,085,072.60
As at 31 December 2023	–	–	(211,341,061.33)	(211,341,061.33)
Additions				
– Charge for the year	–	–	(144,199,734.36)	(144,199,734.36)
Decreases				
– Disposals	–	–	90,272,591.84	90,272,591.84
As at 31 December 2024	–	–	(265,268,203.85)	(265,268,203.85)
Additions				
– Charge for the year	–	–	(146,920,667.07)	(146,920,667.07)
Decreases				
– Disposals	–	–	121,822,133.87	121,822,133.87
As at 31 December 2025	–	–	(290,366,737.05)	(290,366,737.05)
Provision for impairment				
As at 1 January 2023 and 31 December 2023	–	–	–	–
Additions				
– Charge for the year	(672,409.42)	(49,312,648.21)	(44,636,257.17)	(94,621,314.80)

	Year ended 31 December			
	Calves	Heifers	Milkable cows	Total
As at 31 December 2024	(672,409.42)	(49,312,648.21)	(44,636,257.17)	(94,621,314.80)
Additions				
– Transfer-in	–	(645,881.80)	(40,990,768.45)	(41,636,650.25)
Decreases				
– Disposals	26,527.62	2,218,313.28	15,874,220.19	18,119,061.09
– Transfer-out	645,881.80	40,990,768.45	–	41,636,650.25
As at 31 December 2025	–	(6,749,448.28)	(69,752,805.43)	(76,502,253.71)
Carrying amounts				
As at 31 December 2023	35,749,179.38	362,247,474.15	583,435,044.28	981,431,697.81
As at 31 December 2024	35,060,579.57	312,013,224.64	620,970,316.86	968,044,121.07
As at 31 December 2025	36,849,665.85	332,666,976.58	623,713,737.22	993,230,379.65

(1) Provision for impairment of productive biological assets

As at December 31 2023, 2024 and 2025, the Group assessed indicators of impairment for productive biological assets by considering factors such as the market operating environment and the operational status of its farms. For productive biological assets presenting such indicators, impairment tests were performed.

The recoverable amount is determined based on to its fair value less costs of disposal:

	Year ended 31 December 2024					
	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and costs to disposal	Key parameters	Determination basis of key parameter
Calves and heifers	165,038,275.15	117,222,179.85	47,816,095.30	Based on a comprehensive assessment of market factors, including cattle sale prices	Market factors, such as cattle sale prices	Recent market price for market price for 14-month old heifers

The recoverable amount is determined based on to the present value of expected future cash flows:

	Year ended 31 December 2024						
	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the stable period
Calves, heifers and milkable cows	380,583,891.62	333,778,672.12	46,805,219.50	The estimated productive lifespan of milkable cows	Forecast revenue, forecast cost, discount rate	/	/

18 Right-of-use assets

(1) As a lessee

	Plant and buildings	Land use rights	Machinery and equipment	Office and other equipment	Total
Cost					
As at 1 January 2023	106,749,312.52	94,494,879.45	962,660.45	524,290.79	202,731,143.21
Additions	75,845,602.22	4,673,318.56	–	163,927.77	80,682,848.55
Decreases	(49,919,527.54)	–	(962,660.45)	(399,369.00)	(51,281,556.99)
Disposal of subsidiaries	(69,598,916.22)	–	–	–	(69,598,916.22)
As at 31 December 2023	63,076,470.98	99,168,198.01	–	288,849.56	162,533,518.55
Additions	9,216,282.78	1,084,731.60	9,986,809.71	592,566.36	20,880,390.45
Decreases	(3,224,218.47)	(952,437.87)	–	–	(4,176,656.34)
As at 31 December 2024	69,068,535.29	99,300,491.74	9,986,809.71	881,415.92	179,237,252.66
Additions	8,564,085.06	–	3,380,859.49	–	11,944,944.55
Decreases	(7,117,299.49)	–	–	–	(7,117,299.49)
As at 31 December 2025	70,515,320.86	99,300,491.74	13,367,669.20	881,415.92	184,064,897.72
Accumulated depreciation					
As at 1 January 2023	(39,927,717.39)	(10,978,139.16)	(347,367.15)	(191,333.26)	(51,444,556.96)
Charge for the year	(44,885,265.47)	(8,654,698.44)	(170,422.05)	(277,079.43)	(53,987,465.39)
Decreases	32,170,214.92	–	517,789.20	236,819.76	32,924,823.88
Disposal of subsidiaries	31,636,890.57	–	–	–	31,636,890.57
As at 31 December 2023	(21,005,877.37)	(19,632,837.60)	–	(231,592.93)	(40,870,307.90)
Charge for the year	(13,183,860.14)	(7,138,408.70)	(1,080,609.08)	(239,867.26)	(21,642,745.18)
Decreases	2,887,218.15	719,168.57	–	–	3,606,386.72
As at 31 December 2024	(31,302,519.36)	(26,052,077.73)	(1,080,609.08)	(471,460.19)	(58,906,666.36)
Charge for the year	(13,271,636.10)	(7,090,527.88)	(2,436,336.09)	(298,849.55)	(23,097,349.62)
Decreases	6,391,937.87	–	–	–	6,391,937.87
As at 31 December 2025	(38,182,217.59)	(33,142,605.61)	(3,516,945.17)	(770,309.74)	(75,612,078.11)
Carrying amounts					
As at 31 December 2023	42,070,593.61	79,535,360.41	–	57,256.63	121,663,210.65
As at 31 December 2024	37,766,015.93	73,248,414.01	8,906,200.63	409,955.73	120,330,586.30
As at 31 December 2025	32,333,103.27	66,157,886.13	9,850,724.03	111,106.18	108,452,819.61

19 Intangible assets

(1) Intangible assets

	Land use rights	Trademark	Software and others	Total
Cost				
As at 1 January 2023	288,277,536.84	432,714,736.47	206,381,285.39	927,373,558.70
Additions				
– Purchases	–	–	2,794,904.94	2,794,904.94
– Transfers from construction in progress	–	–	12,411,299.65	12,411,299.65
Decreases				
– Disposals	–	–	(5,541,898.06)	(5,541,898.06)
– Transfers out to investment properties	(4,683,424.00)	–	–	(4,683,424.00)
– Disposal of subsidiaries	–	(95,777,687.75)	–	(95,777,687.75)
As at 31 December 2023	283,594,112.84	336,937,048.72	216,045,591.92	836,576,753.48
Additions				
– Purchases	–	–	2,101,228.78	2,101,228.78
– Transfers from construction in progress	–	–	19,982,287.61	19,982,287.61
Decreases				
– Disposals	–	–	(21,317,002.92)	(21,317,002.92)
As at 31 December 2024	283,594,112.84	336,937,048.72	216,812,105.39	837,343,266.95
Additions				
– Purchases	–	–	584,400.33	584,400.33
– Transfers from construction in progress	–	–	6,110,333.34	6,110,333.34
Decreases				
– Disposals	(64,863,039.84)	(2,000.00)	(2,650,125.66)	(67,515,165.50)
As at 31 December 2025	218,731,073.00	336,935,048.72	220,856,713.40	776,522,835.12
Accumulated amortisation				
As at 1 January 2023	(44,137,521.21)	(20,713,621.94)	(86,345,177.54)	(151,196,320.69)
Additions				
– Charge for the year	(6,578,508.40)	(9,945,064.04)	(20,767,850.55)	(37,291,422.99)
Decreases				
– Disposals	–	–	4,138,103.08	4,138,103.08
– Transfers out to investment properties	343,451.10	–	–	343,451.10
– Disposal of subsidiaries	–	28,578,004.42	–	28,578,004.42
As at 31 December 2023	(50,372,578.51)	(2,080,681.56)	(102,974,925.01)	(155,428,185.08)
Additions				
– Charge for the year	(6,522,999.33)	(58,930.10)	(20,933,023.37)	(27,514,952.80)
Decreases				
– Disposals	–	–	7,520,135.08	7,520,135.08
As at 31 December 2024	(56,895,577.84)	(2,139,611.66)	(116,387,813.30)	(175,423,002.80)
Additions				
– Charge for the year	(6,411,878.23)	(58,913.43)	(19,790,430.22)	(26,261,221.88)
Decreases				
– Disposals	4,572,344.28	1,816.67	1,602,568.52	6,176,729.47
As at 31 December 2025	(58,735,111.79)	(2,196,708.42)	(134,575,675.00)	(195,507,495.21)

	Land use rights	Trademark	Software and others	Total
Provision for impairment				
As at 1 January 2023, 31 December 2023 and 2024	–	–	–	–
Additions				
– Charge for the year	–	–	(10,655,009.04)	(10,655,009.04)
As at 31 December 2025	–	–	(10,655,009.04)	(10,655,009.04)
Carrying amount				
As at 31 December 2023	233,221,534.33	334,856,367.16	113,070,666.91	681,148,568.40
As at 31 December 2024	226,698,535.00	334,797,437.06	100,424,292.09	661,920,264.15
As at 31 December 2025	159,995,961.21	334,738,340.30	75,626,029.36	570,360,330.87

(2) Provision for impairment of intangible assets

As at 31 December 2023, 2024 and 2025, the carrying amount of the Group's trademark with indefinite useful lives was RMB336,000,000.00, which are held by Ningxia Huanmei Dairy Development Co., Ltd. (寧夏寰美乳業發展有限公司, "Huanmei Dairy") ("Huanmei Dairy Trademark") and Fujian New Hope Auscow Dairy Industry Co., Ltd. (福建新希望澳牛乳業有限公司, "Fujian Auscow") ("Auscow Trademark"). As at 31 December 2023, 2024 and 2025, the Group performed impairment tests on trademark with indefinite useful lives. The recoverable amount was determined by reference to the present value of expected future cash flows as follows:

	Year ended 31 December 2023						
	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the forecast period
Huanmei Dairy Trademark	279,000,000.00	598,100,000.00	–	5 years	Revenue growth rate: 2.00%-4.00% Trademark royalty rate: 5.49% Discount rate: 20.96%	Revenue growth rate: 0% Trademark royalty rate: 5.49% Discount rate: 20.96%	The key parameters for the stable period are consistent with the assumption for the last year of the forecast period
Auscow Trademark	57,000,000.00	95,210,000.00	–	5 years	Revenue growth rate: 4.00%-20.00% Trademark royalty rate: 5.85% Discount rate: 20.00%	Revenue growth rate: 2.00% Trademark royalty rate: 5.85% Discount rate: 20.00%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Total	336,000,000.00	693,310,000.00	–				

	Year ended 31 December 2024						
	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the forecast period
Huanmei Dairy Trademark	279,000,000.00	406,720,000.00	–	5 years	Revenue growth rate: 0.03%-0.27% Trademark royalty rate: 5.09% Discount rate: 22.45%	Revenue growth rate: 0% Trademark royalty rate: 5.09% Discount rate: 22.45%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Auscow Trademark	57,000,000.00	75,880,000.00	–	5 years	Revenue growth rate: 2.00%-16.00% Trademark royalty rate: 5.75% Discount rate: 21.49%	Revenue growth rate: 2.00% Trademark royalty rate: 5.75% Discount rate: 21.49%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Total	336,000,000.00	482,600,000.00	–				

	Year ended 31 December 2025						
	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the forecast period
Huanmei Dairy Trademark	279,000,000.00	549,410,000.00	–	5 Years	Revenue growth rate: -4.19%-1.98% Trademark royalty rate: 6.11% Discount rate:20.03%	Revenue growth rate: 0% Trademark royalty rate: 6.11% Discount rate: 20.03%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period.
Auscow Trademark	57,000,000.00	67,030,000.00	–	5 Years	Revenue growth rate: 11.93%-14.94% Trademark royalty rate: 3.91% Discount rate: 19.07%	Revenue growth rate: 2.05% Trademark royalty rate: 3.91% Discount rate: 19.07%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Total	336,000,000.00	616,440,000.00	–				

20 Goodwill

(1) Changes in goodwill

	Year ended 31 December 2023			
Name of investee from which goodwill arose	**As at 1 January**	**Additions during the year**	**Disposals during the year**	**As at 31 December**
Hangzhou New Hope Shuangfeng Dairy Co., Ltd. (杭州新希望雙峰乳業有限公司) ("Hangzhou Shuangfeng")	3,268,371.00	–	–	3,268,371.00
Sichuan Dairy	174,738.00	–	–	174,738.00
Qicaiyun	10,332,169.00	–	–	10,332,169.00
Jiande Husbandry	149,606.61	–	–	149,606.61
New Hope Shuangxi Dairy (Suzhou) Co., Ltd. (新希望雙喜乳業(蘇州)有限公司) ("Suzhou Shuangxi")	38,866,247.00	–	–	38,866,247.00
Hunan New Hope Nanshan Liquid Dairy Co., Ltd. (湖南新希望南山液態乳業有限公司) ("Hunan Nanshan")	36,413,679.00	–	–	36,413,679.00
Xichang Sanmu	29,486,775.00	–	–	29,486,775.00
Shandong Lvyuan Weipin Dairy Co., Ltd. (山東綠源唯品乳業有限公司) ("Shandong Weipin")	1,696,661.00	–	–	1,696,661.00
Huanmei Dairy	756,955,484.72	–	–	756,955,484.72
Helanshan Husbandry	74,403,326.48	–	–	74,403,326.48
Fujian Auscow and Xin'ao Husbandry	75,289,601.00	–	(17,041,056.22)	58,248,544.78
Chongqing Hanhong	170,181,569.07	–	(170,181,569.07)	–
Total	1,197,218,227.88	–	(187,222,625.29)	1,009,995,602.59

	Year ended 31 December 2024			
Name of investee from which goodwill arose	**As at 1 January**	**Additions during the year**	**Disposals during the year**	**As at 31 December**
Hangzhou Shuangfeng	3,268,371.00	–	–	3,268,371.00
Sichuan Dairy	174,738.00	–	–	174,738.00
Qicaiyun	10,332,169.00	–	–	10,332,169.00
Jiande Husbandry	149,606.61	–	–	149,606.61
Suzhou Shuangxi	38,866,247.00	–	–	38,866,247.00
Hunan Nanshan	36,413,679.00	–	–	36,413,679.00
Xichang Sanmu	29,486,775.00	–	–	29,486,775.00
Shandong Weipin	1,696,661.00	–	–	1,696,661.00
Huanmei Dairy	756,955,484.72	–	–	756,955,484.72
Helanshan Husbandry	74,403,326.48	–	–	74,403,326.48
Fujian Auscow	58,248,544.78	–	–	58,248,544.78
Total	1,009,995,602.59	–	–	1,009,995,602.59

Name of investee from which goodwill arose	Year ended 31 December 2025			
	As at 1 January	Additions during the year	Disposals during the year	As at 31 December
Hangzhou Shuangfeng	3,268,371.00	–	–	3,268,371.00
Sichuan Dairy	174,738.00	–	–	174,738.00
Qicaiyun	10,332,169.00	–	–	10,332,169.00
Jiande Husbandry	149,606.61	–	–	149,606.61
Suzhou Shuangxi	38,866,247.00	–	–	38,866,247.00
Hunan Nanshan	36,413,679.00	–	–	36,413,679.00
Xichang Sanmu	29,486,775.00	–	–	29,486,775.00
Shandong Weipin	1,696,661.00	–	–	1,696,661.00
Huanmei Dairy	756,955,484.72	–	–	756,955,484.72
Helanshan Husbandry	74,403,326.48	–	–	74,403,326.48
Fujian Auscow	58,248,544.78	–	–	58,248,544.78
Total	1,009,995,602.59	–	–	1,009,995,602.59

(2) Provision for impairment of goodwill

Name of investee from which goodwill arose	As at 31 December		
	2023	2024	2025
Qicaiyun	–	–	10,332,169.00
Hunan Nanshan	7,200,000.00	7,200,000.00	7,200,000.00
Total	7,200,000.00	7,200,000.00	17,532,169.00

(3) Information about an asset group or a set of asset groups to which goodwill is allocated

In determining the asset group, the Group takes into account factors such as the manner in which management manages or monitors production and operation activities, and the approach to decision-making on the continuous use or disposal of assets, with reference to the smallest group of assets that can independently generate cash inflows. The scope of the asset group is not larger than the operation segment.

Item	Components of the asset group or set of asset groups	Operating segment	Whether this is consistent during the Track Record Period
Hangzhou Shuangfeng	Hangzhou Shuangfeng CGU	Dairy products segment	Yes
Sichuan Dairy	Sichuan Dairy CGU	Dairy products segment	Yes
Qicaiyun	Qicaiyun CGU	Dairy products segment	Yes
Jiande Husbandry	Jiande Husbandry CGU	Dairy farming segment	Yes
Suzhou Shuangxi	Suzhou Shuangxi CGU	Dairy products segment	Yes
Hunan Nanshan	Hunan Nanshan CGU	Dairy products segment	Yes
Xichang Sanmu	Xichang Sanmu CGU	Dairy products segment	Yes
Shandong Weipin	Shandong Weipin CGU	Dairy products segment	Yes
Huanmei Dairy	Huanmei Dairy CGU	Dairy products segment	Yes
Helanshan Husbandry	Helanshan Husbandry CGU	Dairy farming segment	Yes
Fujian Auscow	Fujian Auscow CGU	Dairy products segment	Yes
Chongqing Hanhong	Chongqing Hanhong CGU	Dairy products segment	Yes

(4) Method used to determine the recoverable amount

The recoverable amount was determined by reference to the present value of expected future cash flows.

	Year ended 31 December 2023						
Item	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the stable period
Hangzhou Shuangfeng	163,899,289.18	457,689,712.65	–	5 Years	Revenue growth rate: 3.00%-5.00% Average gross profit margin: 27.00% Pre-tax discount rate: 12.72%	Revenue growth rate 2.00% Gross profit margin: 27.00% Pre-tax discount rate: 12.72%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Sichuan Dairy	779,367,902.09	1,793,605,905.99	–	5 Years	Revenue growth rate: 1.00%-5.00% Average gross profit margin: 32.00% Pre-tax discount rate: 12.46%	Revenue growth rate 1.00% Gross profit margin 32.00% Pre-tax discount rate 12.46%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Qicaiyun	46,500,033.23	52,438,032.08	–	5 Years	Revenue growth rate: 2.00% Average gross profit margin: 23.00% Pre-tax discount rate: 12.28%	Revenue growth rate: 1.00% Gross profit margin: 23.00% Pre-tax discount rate: 12.28%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Jiande Husbandry	2,455,973.78	34,213,592.13	–	5 Years	Revenue growth rate: 0.10%-0.50% Average gross profit margin: 3.00% Pre-tax discount rate: 12.00%	Revenue growth rate: 0.50% Gross profit margin: 3.00% Pre-tax discount rate: 12.00%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Suzhou Shuangxi	136,263,973.62	225,633,046.33	–	5 Years	Revenue growth rate: 3.00%-4.00% Average gross profit margin: 29.00% Pre-tax discount rate: 12.60%	Revenue growth rate: 1.00% Gross profit margin: 29.00% Pre-tax discount rate: 12.60%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Hunan Nanshan	320,972,758.79	505,464,491.81	–	5 Years	Revenue growth rate: 3.00%-4.00% Average gross profit margin: 26.00% Pre-tax discount rate: 13.56%	Revenue growth rate 2.00% Gross profit margin: 26.00% Pre-tax discount rate: 13.56%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Xichang Sanmu	102,200,925.07	188,426,023.34	–	5 Years	Revenue growth rate: 3.00%-5.00% Average gross profit margin: 36.00% Pre-tax discount rate: 13.71%	Revenue growth rate: 2.00% Gross profit margin: 36.00% Pre-tax discount rate: 13.71%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Shandong Weipin	170,294,143.74	497,668,792.47	–	5 Years	Revenue growth rate: 3.00% Average gross profit margin: 28.00% Pre-tax discount rate: 15.33%	Revenue growth rate: 2.00% Gross profit margin: 28.00% Pre-tax discount rate: 15.33%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business

	Year ended 31 December 2023						
Item	**Carrying amount**	**Recoverable amount**	**Impairment amount**	**Length of forecast period**	**Key parameters for the forecast period**	**Key parameters for the stable period**	**Basis for determining the key parameters for the stable period**
Huanmei Dairy	1,286,708,584.28	1,901,000,000.00	–	5 Years	Revenue growth rate: 2.00%-4.00% Average gross profit margin: 22.00% Pre-tax discount rate: 10.87%	Revenue growth rate: 0.00% Gross profit margin: 23.00% Pre-tax discount rate: 10.87%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Helanshan Husbandry	231,617,510.56	291,000,000.00	–	5 Years	Revenue growth rate: 0.00%-3.00% Average gross profit margin: 7.00% Pre-tax discount rate: 10.71%	Revenue growth rate: 0.00% Gross profit margin: 7.00% Pre-tax discount rate10.71%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Fujian Auscow	190,090,716.20	218,488,644.09	–	5 Years	Revenue growth rate: 4.00%-20.00% Average gross profit margin: 22.00% Pre-tax discount rate: 12.41%	Revenue growth rate: 2.00% Gross profit margin: 22.00% Pre-tax discount rate: 12.41%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Total	3,430,371,810.54	6,165,628,240.89	–				

	Year ended 31 December 2024						
Item	**Carrying amount**	**Recoverable amount**	**Impairment amount**	**Length of forecast period**	**Key parameters for the forecast period**	**Key parameters for the stable period**	**Basis for determining the key parameters for the Stable period**
Hangzhou Shuangfeng	152,123,097.83	545,367,192.85	–	5 Years	Revenue growth rate: 1.00%-2.00% Average gross profit margin: 27.00% Pre-tax discount rate: 13.05%	Revenue growth rate: 2.00% Gross profit margin: 27.00% Pre-tax discount rate: 13.05%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Sichuan Dairy	896,918,077.27	1,083,240,508.50	–	5 Years	Revenue growth rate: 0.14%~2.00% Average gross profit margin: 30.00% Pre-tax discount rate: 12.17%	Revenue growth rate: 0.00% Gross profit margin: 30.00% Pre-tax discount rate: 12.17%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Qicaiyun	49,033,037.00	54,617,615.88	–	5 Years	Revenue growth rate: 1.00%-3.00% Average gross profit margin: 25.00% Pre-tax discount rate: 12.22%	Revenue growth rate: 1.00% Gross profit margin: 25.00% Pre-tax discount rate: 12.22%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Jiande Husbandry	350,514.97	23,985,846.50	–	5 Years	Revenue growth rate: -0.86%-0.00% Average gross profit margin: 12.00% Pre-tax discount rate: 10.99%	Revenue growth rate: 0.00% Gross profit margin: 14.00% Pre-tax discount rate: 10.99%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period

	Year ended 31 December 2024						
Item	**Carrying amount**	**Recoverable amount**	**Impairment amount**	**Length of forecast period**	**Key parameters for the forecast period**	**Key parameters for the stable period**	**Basis for determining the key parameters for the Stable period**
Suzhou Shuangxi	163,575,446.17	289,684,129.82	–	5 Years	Revenue growth rate: 0.47%-4.00% Average gross profit margin: 29.00% Pre-tax discount rate: 12.80%	Revenue growth rate: 1.00% Gross profit margin: 29.00% Pre-tax discount rate: 12.80%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Hunan Nanshan	346,859,812.56	490,021,258.11	–	5 Years	Revenue growth rate: 1.00%-3.00% Average gross profit margin: 26.00% Pre-tax discount rate: 14.50%	Revenue growth rate: 1.00% Gross profit margin: 26.00% Pre-tax discount rate: 14.50%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Xichang Sanmu	98,735,862.99	188,723,736.82	–	5 Years	Revenue growth rate: 0.44%-4.00% Average gross profit margin: 37.00% Pre-tax discount rate: 13.30%	Revenue growth rate: 2.00% Gross profit margin: 37.00% Pre-tax discount rate: 13.30%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Shandong Weipin	139,398,223.85	502,507,012.66	–	5 Years	Revenue growth rate: 1.00%-3.00% Average gross profit margin: 30.00% Pre-tax discount rate: 15.80%	Revenue growth rate: 1.00% Gross profit margin: 30.00% Pre-tax discount rate: 15.80%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Huanmei Dairy	1,387,408,075.86	1,462,000,000.00	–	5 Years	Revenue growth rate: 0.03%-0.27% Average gross profit margin: 23.00% Pre-tax discount rate: 10.86%	Revenue growth rate: 0.00% Gross profit margin: 23.00% Pre-tax discount rate: 10.86%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Helanshan Husbandry	446,169,257.45	499,000,000.00	–	5 Years	Revenue growth rate: -7.00%~4.00% Average gross profit margin: 16.00% Pre-tax discount rate: 10.40%	Revenue growth rate: 0.00% Gross profit margin: 15.00% Pre-tax discount rate: 10.40%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Fujian Auscow	200,727,194.46	242,796,720.70	–	5 Years	Revenue growth rate: 2.00%~16.00% Average gross profit margin: 26.00% Pre-tax discount rate: 12.29%	Revenue growth rate: 2.00% Gross profit margin: 26.00% Pre-tax discount rate: 12.29%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Total	3,881,298,600.41	5,381,944,021.84	–				

	Year ended 31 December 2025						
Item	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the Stable period
Hangzhou Shuangfeng	37,183,910.26	548,428,576.52	–	5 Years	Revenue growth rate: 0.38%~0.80% Average gross profit margin: 27.30% Pre-tax discount rate: 12.99%	Revenue growth rate: 0.59% Gross profit margin: 27.30% Pre-tax discount rate: 12.99%	The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Sichuan Dairy	98,818,100.20	1,684,794,910.62	–	5 Years	Revenue growth rate: 0.00%~1.23% Average gross profit margin: 30.78% Pre-tax discount rate: 12.57%	Revenue growth rate: 0.00% Gross profit margin: 30.82% Pre-tax discount rate: 12.57%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period.
Qicaiyun	39,932,169.00	29,600,000.00	10,332,169.00	5 Years	Revenue growth rate: 0.00%~13.91% Average gross profit margin: 19.27% Pre-tax discount rate: 11.41%	Revenue growth rate: 0.00% Gross profit ,margin: 19.43% Pre-tax discount rate: 11.41%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Jiande Husbandry	28,699,036.04	75,344,857.04	–	5 Years	Revenue growth rate: 0.00%~0.07% Average gross profit margin: 23.60% Pre-tax discount rate: 10.99%	Revenue growth rate: 0.00% Gross profit margin: 23.63% Pre-tax discount rate: 10.99%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Suzhou Shuangxi	115,370,161.61	273,218,552.86	–	5 Years	Revenue growth rate: 0.46%~2.08% Average gross profit margin: 26.90% Pre-tax discount rate: 13.33%	Revenue growth rate: 1.20% Gross profit margin: 26.93% Pre-tax discount rate: 13.33%	Revenue The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Hunan Nanshan	72,797,056.11	483,900,002.38	–	5 Years	Revenue growth rate: 1.36%~1.83% Average gross profit margin: 25.13% Pre-tax discount rate: 14.05%	Revenue growth rate: 1.41% Gross profit margin: 24.59% Pre-tax discount rate: 14.05%	Revenue The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Xichang Sanmu	56,795,077.11	220,935,181.51	–	5 Years	Revenue growth rate: 2.33%~3.83% Average gross profit margin: 36.33% Pre-tax discount rate: 13.52%	Revenue growth rate: 1.94% Gross profit margin: 36.33% Pre-tax discount rate: 13.52%	Revenue The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business

Item	Year ended 31 December 2025						
	Carrying amount	Recoverable amount	Impairment amount	Length of forecast period	Key parameters for the forecast period	Key parameters for the stable period	Basis for determining the key parameters for the Stable period
Shandong Weipin	44,034,302.31	747,456,866.36	–	5 Years	Revenue growth rate: 0.21%~0.26% Average gross profit margin: 29.66% Pre-tax discount rate: 15.56%	Revenue growth rate: 0.19% Gross profit margin: 29.67% Pre-tax discount rate: 15.56%	Revenue The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity'ss business
Huanmei Dairy	1,414,386,753.19	1,577,000,000.00	–	5 Years	Revenue growth rate: -4.19%-1.98% Average gross profit margin: 22.53% Pre-tax discount rate: 9.88%	Revenue growth rate: 0.00% Gross profit margin: 22.73% Pre-tax discount rate: 9.88%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Helanshan Husbandry	338,171,544.59	445,000,000.00	–	5 Years	Revenue growth rate: -3.45%~1.27% Average gross profit margin: 15.59% Pre-tax discount rate: 9.25%	Revenue growth rate: 0.00% Gross profit margin: 14.97% Pre-tax discount rate: 9.25%	The key parameters of stable period remain consistent with the predictions for the last year of the forecast period
Fujian Auscow	200,641,637.84	237,897,836.91	–	5 Years	Revenue growth rate: 11.93%~14.94% Average gross profit margin: 23.07% Pre-tax discount rate: 12.78%	Revenue growth rate: 2.05% Gross profit margin: 23.49% Pre-tax discount rate: 12.78%	Revenue The stable period related revenue growth rate is determined based on the last year forecast of the reference forecast period and considering the appropriate growth rate of the entity's business
Total	2,446,829,748.26	6,323,576,784.20	10,332,169.00				

21 Long-term deferred expenses

	Year ended 31 December 2023				
	As at 1 January	Additions	Amortisation for the year	Other decreases	As at 31 December
Leasehold improvements	14,184,989.76	12,973,906.56	(10,383,681.08)	(11,467,717.01)	5,307,498.23
Others	6,385,570.82	555,988.55	(1,900,323.07)	(41,315.41)	4,999,920.89
Total	20,570,560.58	13,529,895.11	(12,284,004.15)	(11,509,032.42)	10,307,419.12

	Year ended 31 December 2024				
	As at 1 January	Additions	Amortisation for the year	Other decreases	As at 31 December
Leasehold improvements	5,307,498.23	4,534,998.91	(3,065,494.82)	–	6,777,002.32
Others	4,999,920.89	3,526,704.40	(1,881,743.42)	–	6,644,881.87
Total	10,307,419.12	8,061,703.31	(4,947,238.24)	–	13,421,884.19

	Year ended 31 December 2025				
	As at 1 January	Additions	Amortisation for the year	Other decreases	As at 31 December
Leasehold improvements	6,777,002.32	3,564,259.23	(3,931,534.98)	(26,068.48)	6,383,658.09
Others	6,644,881.87	2,944,423.91	(2,263,240.26)	–	7,326,065.52
Total	13,421,884.19	6,508,683.14	(6,194,775.24)	(26,068.48)	13,709,723.61

22 Deferred tax assets and liabilities

(1) Deferred tax assets before offsetting

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	125,644,404.33	20,370,271.15	90,804,798.56	14,240,004.35	86,353,778.28	13,095,322.81
Deductible tax losses	41,703,711.36	10,425,927.84	33,422,431.80	8,165,931.63	79,933,807.81	17,214,985.31
Lease liabilities	32,572,792.35	7,185,854.91	34,489,425.41	7,897,573.44	32,491,295.36	7,091,540.59
Total	199,920,908.04	37,982,053.90	158,716,655.77	30,303,509.42	198,778,881.45	37,401,848.71

(2) Deferred tax liabilities before offsetting

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Revaluation due to business combinations involving entities not under common control	92,741,487.28	15,306,633.43	81,497,809.43	13,158,064.33	72,945,255.14	11,833,019.42
Right-of-use assets	34,726,892.99	7,538,258.65	39,624,128.19	8,978,415.94	35,530,329.83	7,640,652.32
Total	127,468,380.27	22,844,892.08	121,121,937.62	22,136,480.27	108,475,584.97	19,473,671.74

(3) Deferred tax assets or liabilities that are presented at the net amount after offsetting

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	offsetting amount for deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offsetting	offsetting amount for deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offsetting	offsetting amount for deferred tax assets and liabilities	Closing balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	(7,495,490.87)	30,486,563.03	(8,729,962.48)	21,573,546.94	(7,600,775.29)	29,801,073.42
Deferred tax liabilities	(7,495,490.87)	15,349,401.21	(8,729,962.48)	13,406,517.79	(7,600,775.29)	11,872,896.45

(4) Details of unrecognised deferred tax assets:

	As at 31 December		
	2023	2024	2025
Deductible temporary differences	95,188,245.38	77,542,308.40	85,661,521.73
Deductible tax losses	667,972,439.92	793,148,781.86	681,453,959.63
Total	763,160,685.30	870,691,090.26	767,115,481.36

(5) Deductible tax losses for unrecognised deferred tax assets will expire in the following years:

	As at 31 December		
	2023	2024	2025
2024	50,421,034.16	–	–
2025	106,601,296.55	106,601,296.55	–
2026	147,808,802.28	152,549,636.61	121,735,807.29
2027	167,472,485.37	167,159,793.47	131,006,596.66
2028	195,668,821.56	198,848,455.34	159,028,967.81
2029	–	167,989,599.89	174,125,268.20
2030	–	–	95,557,319.67
Total	667,972,439.92	793,148,781.86	681,453,959.63

23 Other non-current assets

	As at 31 December		
	2023	**2024**	**2025**
Prepayments for construction and equipment	80,526,234.87	20,192,640.64	19,574,484.21
Prepayments to certain dairy farms *(Note)*	16,892,632.97	7,506,864.97	–
Deductible input VAT	–	–	6,209,711.43
Total	97,418,867.84	27,699,505.61	25,784,195.64

Note: The prepayments to certain dairy farms were funds provided by subsidiaries of the Company to their certain long-term cooperative dairy farms for operation support. Upon expiration of the cooperation period, these subsidiaries are entitled to require the dairy farms to repay in cash or with cows of equivalent value. As at 31 December 2025, all the prepayments had been received.

24 Assets with restrictive ownership titles or right of use

	As at 31 December 2023			
	Gross carrying amount	**Carrying amount**	**Type of restriction**	**Status of restriction**
Cash at bank and on hand	678,121.81	678,121.81	Restricted right of use	Special-purpose fund account
Construction in progress	20,798,662.76	20,798,662.76	Pledged	Pledged for long-term loans
Right-of-use assets	15,501,500.00	15,088,126.67	Pledged	Pledged for long-term loans
Total	36,978,284.57	36,564,911.24		

	As at 31 December 2024			
	Gross carrying amount	**Carrying amount**	**Type of restriction**	**Status of restriction**
Cash at bank and on hand	4,871,057.60	4,871,057.60	Restricted right of use	Special-purpose fund account or restricted use
Fixed assets	47,814,926.05	47,506,983.34	Pledged	Pledged for long-term loans
Right-of-use assets	15,501,500.00	14,778,096.67	Pledged	Pledged for long-term loans
Total	68,187,483.65	67,156,137.61		

	As at 31 December 2025			
	Gross carrying amount	**Carrying amount**	**Type of restriction**	**Status of restriction**
Cash at bank and on hand	29,029,643.59	29,029,643.59	Restricted right of use	Special-purpose fund account or restricted use
Total	29,029,643.59	29,029,643.59		

25 Short-term loans

(1) Short-term loans by category:

	As at 31 December		
	2023	**2024**	**2025**
Unsecured and guaranteed loans	80,000,000.00	–	–
Unsecured and unguaranteed loans	835,000,000.00	370,909,933.36	444,119,556.97
Interest payable	574,402.81	166,111.11	157,665.68
Total	915,574,402.81	371,076,044.47	444,277,222.65

As at 31 December 2023, the short-term loans obtained by a subsidiary and guaranteed by the Company was RMB80,000,000.00.

Certain of the Company's subsidiaries received bills issued by other entities within the Group in respect of certain intra-group transactions. The receiving entities in the Group discounted such bills to banks to obtain financing. As at 31 December 2023, 2024 and 2025, the short-term loans from discounted bills amounted to RMB150 million, RMB171 million and RMB212 million, respectively.

As at 31 December 2023, 2024 and 2025, the range of interest rates of short-term loans was 2.20%-3.40%, 1.00%-2.60% and 0.78%-2.20%, respectively.

26 Bills payable

	As at 31 December		
	2023	**2024**	**2025**
Bank acceptance bills	–	–	8,444,016.24
Commercial acceptance bills	100,000.00	–	10,000.00
Total	100,000.00	–	8,454,016.24

27 Accounts payable

	As at 31 December		
	2023	**2024**	**2025**
Payables for goods	765,131,801.50	849,574,548.53	799,374,159.36
Payables for advertising expenses	3,159,224.38	1,839,007.07	3,566,101.44
Payables for transportation expenses	36,046,167.39	55,949,648.53	60,244,286.93
Payables for construction and equipment	70,859,883.32	38,533,550.59	25,069,624.15
Others	50,087,109.41	44,746,427.17	35,203,513.23
Total	925,284,186.00	990,643,181.89	923,457,685.11

As at 31 December 2023, the significant accounts payable with ageing of more than one year was RMB10,657,135.88, which mainly consisted of payables for construction and equipment as the contractual payment conditions had not yet been met. As at 31 December 2024 and 2025, there were no significant accounts payable with ageing of more than one year.

28 Contract liabilities

	As at 31 December		
	2023	**2024**	**2025**
Receipts in advance	419,639,712.37	409,276,651.45	437,689,301.58

(1) The ageing analysis of contract liabilities is as follows:

	As at 31 December		
	2023	**2024**	**2025**
Within 1 year (inclusive)	404,611,026.13	395,555,210.64	432,996,220.36
Over 1 year	15,028,686.24	13,721,440.81	4,693,081.22
Total	419,639,712.37	409,276,651.45	437,689,301.58

Note:

(i) As at 31 December 2023, 2024 and 2025, the total contract liabilities of the top five largest creditors of the Group were RMB41,638,915.53, RMB29,940,728.39 and RMB38,188,376.89, respectively, representing 9.92%, 7.32% and 8.72% of the total contract liabilities, respectively.

29 Employee benefits payable

(1) Employee benefits payable:

		Year ended 31 December 2023			
	Note	As at 1 January	Additions	Decreases	As at 31 December
Short-term employee benefits	*IV.29(2)*	202,426,409.70	988,470,309.43	(974,113,685.63)	216,783,033.50
Post-employment benefits – defined contribution plans	*IV.29(3)*	886,718.31	85,067,914.26	(85,698,600.55)	256,032.02
Total		203,313,128.01	1,073,538,223.69	(1,059,812,286.18)	217,039,065.52

		Year ended 31 December 2024			
	Note	As at 1 January	Additions	Decreases	As at 31 December
Short-term employee benefits	*IV.29(2)*	216,783,033.50	968,586,106.84	(935,031,618.93)	250,337,521.41
Post-employment benefits – defined contribution plans	*IV.29(3)*	256,032.02	85,310,133.89	(85,224,867.53)	341,298.38
Total		217,039,065.52	1,053,896,240.73	(1,020,256,486.46)	250,678,819.79

		Year ended 31 December 2025			
	Note	As at 1 January	Additions	Decreases	As at 31 December
Short-term employee benefits	*IV.29(2)*	250,337,521.41	945,739,690.24	(939,236,805.84)	256,840,405.81
Post-employment benefits – defined contribution plans	*IV.29(3)*	341,298.38	84,987,572.20	(84,934,257.23)	394,613.35
Termination benefits		-	4,203,791.94	(3,377,412.94)	826,379.00
Total		250,678,819.79	1,034,931,054.38	(1,027,548,476.01)	258,061,398.16

(2) Short-term employee benefits

	Year ended 31 December 2023			
	As at 1 January	Additions	Decreases	As at 31 December
Salaries, bonuses and allowances	146,393,976.71	834,482,435.99	(824,437,436.53)	156,438,976.17
Staff welfare	–	49,149,120.23	(49,149,120.23)	–
Social insurance allowances	158,437.90	46,400,170.91	(46,385,677.05)	172,931.76
– Medical insurance	125,574.01	39,042,691.18	(39,015,624.60)	152,640.59
– Work-related injury insurance	30,012.79	2,995,013.50	(3,017,166.35)	7,859.94
– Birth insurance	2,851.10	4,362,466.23	(4,352,886.10)	12,431.23
Housing allowances	296,745.63	22,426,755.07	(22,426,306.37)	297,194.33
Labour union fund and staff and workers' education fund	55,577,249.46	29,794,604.26	(26,209,172.48)	59,162,681.24
Others	–	6,217,222.97	(5,505,972.97)	711,250.00
Total	202,426,409.70	988,470,309.43	(974,113,685.63)	216,783,033.50

	Year ended 31 December 2024			
	As at 1 January	Additions	Decreases	As at 31 December
Salaries, bonuses and allowances	156,438,976.17	819,554,018.42	(788,789,495.79)	187,203,498.80
Staff welfare	–	47,269,024.81	(47,269,024.81)	–
Social insurance allowances	172,931.76	46,184,448.50	(46,136,296.45)	221,083.81
– Medical insurance	152,640.59	38,254,499.68	(38,218,603.47)	188,536.80
– Work-related injury insurance	7,859.94	3,577,611.81	(3,569,379.44)	16,092.31
– Birth insurance	12,431.23	4,352,337.01	(4,348,313.54)	16,454.70
Housing allowances	297,194.33	22,130,370.70	(22,131,375.70)	296,189.33
Labour union fund and staff and workers' education fund	59,162,681.24	28,146,166.71	(24,692,098.48)	62,616,749.47
Others	711,250.00	5,302,077.70	(6,013,327.70)	–
Total	216,783,033.50	968,586,106.84	(935,031,618.93)	250,337,521.41

	Year ended 31 December 2025			
	As at 1 January	Additions	Decreases	As at 31 December
Salaries, bonuses and allowances	187,203,498.80	796,429,900.85	(792,767,348.34)	190,866,051.31
Staff welfare	–	48,855,696.41	(48,855,696.41)	–
Social insurance allowances	221,083.81	46,969,498.24	(46,950,027.99)	240,554.06
– Medical insurance	188,536.80	38,745,932.70	(38,727,064.37)	207,405.13
– Work-related injury insurance	16,092.31	3,812,140.64	(3,812,935.64)	15,297.31
– Birth insurance	16,454.70	4,411,424.90	(4,410,027.98)	17,851.62
Housing allowances	296,189.33	22,954,413.77	(22,953,884.77)	296,718.33
Labour union fund and staff and workers' education fund	62,616,749.47	28,036,247.52	(25,215,914.88)	65,437,082.11
Others	–	2,493,933.45	(2,493,933.45)	–
Total	250,337,521.41	945,739,690.24	(939,236,805.84)	256,840,405.81

(3) Post-employment benefits - defined contribution plans

	Year ended 31 December 2023			
	As at 1 January	Additions	Decreases	As at 31 December
Basic pension insurance	860,512.14	82,136,273.19	(82,749,355.75)	247,429.58
Unemployment insurance	26,206.17	2,931,641.07	(2,949,244.80)	8,602.44
Total	886,718.31	85,067,914.26	(85,698,600.55)	256,032.02

	Year ended 31 December 2024			
	As at 1 January	Additions	Decreases	As at 31 December
Basic pension insurance	247,429.58	82,302,403.69	(82,219,423.04)	330,410.23
Unemployment insurance	8,602.44	3,007,730.20	(3,005,444.49)	10,888.15
Total	256,032.02	85,310,133.89	(85,224,867.53)	341,298.38

	Year ended 31 December 2025			
	As at 1 January	Additions	Decreases	As at 31 December
Basic pension insurance	330,410.23	81,997,399.74	(81,945,154.61)	382,655.36
Unemployment insurance	10,888.15	2,990,172.46	(2,989,102.62)	11,957.99
Total	341,298.38	84,987,572.20	(84,934,257.23)	394,613.35

30 Taxes payable

	As at 31 December		
	2023	2024	2025
VAT	11,186,329.66	16,590,189.37	15,438,233.17
Enterprise income tax	29,576,219.62	37,158,334.45	46,602,596.73
Individual income tax	1,022,823.06	1,075,979.00	1,590,185.97
Urban construction and maintenance tax	753,555.43	954,929.92	988,868.12
Land use tax	1,307,366.49	1,543,471.59	1,549,724.71
Real estate tax	1,726,859.74	1,773,749.49	1,962,519.09
Stamp duty	1,856,832.57	1,968,701.92	1,989,061.13
Educational surcharges	577,565.20	797,298.87	760,083.01
Others	937,924.71	569,828.64	876,651.75
Total	48,945,476.48	62,432,483.25	71,757,923.68

31 Other payables

		As at 31 December		
	Note	2023	2024	2025
Dividends payable	*IV.31(1)*	3,097,767.25	3,815,668.54	63,274,577.92
Other payables	*IV.31(2)*	745,445,337.60	734,111,986.24	799,528,460.94
Total		748,543,104.85	737,927,654.78	862,803,038.86

(1) Dividends payable

	As at 31 December		
	2023	2024	2025
Dividends payable	3,097,767.25	3,815,668.54	63,274,577.92

(2) Other payables

	As at 31 December		
	2023	2024	2025
Deposits payable to related parties	941,655.13	1,121,215.13	2,737,845.35
Accrued expenses	442,128,869.16	486,882,638.88	565,201,272.29
Deposits payable to third parties	53,484,224.33	57,089,415.81	54,650,688.00
Payables for acquisition considerations *(Note (i))*	14,318,519.65	2,314,586.56	–
Restricted shares repurchase obligation	49,228,704.00	–	–
Payables for other expenses and guarantee securities	135,945,798.20	123,627,841.99	119,994,225.95
Others	49,397,567.13	63,076,287.87	56,944,429.35
Total	745,445,337.60	734,111,986.24	799,528,460.94

Notes:

(i) As at 31 December 2023 and 2024, the payables for acquisition considerations of RMB14,318,519.65 and RMB2,314,586.56 were arising from acquisition of Fujian Auscow and Xin'ao Husbandry during the year ended 31 December 2020.

(ii) As at 31 December 2023, 2024 and 2025, apart from the payables for acquisition considerations, there were no significant other payables with ageing of more than 1 year.

32 Non-current liabilities due within one year

Non-current liabilities due within one year by category are as follows:

	As at 31 December		
	2023	2024	2025
Long-term loans due within one year	665,000,000.00	845,040,000.00	585,760,000.00
Debentures payable due within one year	413,078.92	495,673.71	751,364,007.41
Long-term payables due within one year	13,000,000.00	–	11,000,000.00
Lease liabilities due within one year	16,300,216.35	16,007,972.07	17,698,766.12
Interest payable due within one year	2,309,334.27	2,509,664.47	1,634,856.64
Total	697,022,629.54	864,053,310.25	1,367,457,630.17

33 Other current liabilities

	As at 31 December		
	2023	2024	2025
Output VAT to be paid	46,034,476.40	44,611,155.01	47,019,572.69

34 Long-term loans

		As at 31 December		
	Note	2023	2024	2025
Secured and guaranteed loans	*(i)*	33,276,849.20	74,000,000.00	–
Unsecured and unguaranteed loans	*(ii)*	1,998,400,000.00	1,848,300,000.00	1,149,660,000.00
Subtotal		2,031,676,849.20	1,922,300,000.00	1,149,660,000.00
Less: Long-term loans due within one year		665,000,000.00	845,040,000.00	585,760,000.00
Total		1,366,676,849.20	1,077,260,000.00	563,900,000.00

Notes:

(i) As at 31 December 2023 and 2024, the secured and guaranteed loans were secured by construction in progress, fixed assets and intangible assets of a subsidiary of the Company and guaranteed by the Company, with the interest rate of 5-year Loan Prime Rate minus 0.30%.

(ii) As at 31 December 2023, 2024 and 2025, the range of interest rates of unsecured and unguaranteed loans was 2.60%-3.55%, 2.40%-3.35% and 2.34%-2.75%, respectively.

35 Debentures payable

(1) Debentures payable

	As at 31 December		
	2023	**2024**	**2025**
Convertible bonds	698,910,945.02	725,270,462.40	–

(2) Details of debentures payable

During the Track Record Period, basic information of debentures payable of the Group is as follows:

Debenture	**Face value as at 31 December 2025**	**Nominal interest rate**	**Issuance date**	**Issuance amount**	**Maturity period**
New Hope Dairy Convertible Bonds	717,880,400.00	See Note IV.35 (3)	18 December 2020	718,000,000.00	6 years

The movements of debentures payable of the Group during the Track Record Period are as follows:

	Year ended 31 December 2023								
Debenture	**As at 1 January**	**Interest expense**	**Amortisation of discounts or premium**	**Interested paid during the year**	**Conversion during the year**	**Interest payable due within one year as at 1 January**	**Interest payable due within one year as at 31 December**	**As at 31 December**	**Default (Y/N)**
New Hope Dairy Convertible Bonds	670,617,411.96	7,317,394.94	28,301,005.55	(7,179,705.00)	(7,472.49)	275,388.98	(413,078.92)	698,910,945.02	N

	Year ended 31 December 2024								
Debenture	**As at 1 January**	**Interest expense**	**Amortisation of discounts or premium**	**Interested paid during the year**	**Conversion during the year**	**Interest payable due within one year as at 1 January**	**Interest payable due within one year as at 31 December**	**As at 31 December**	**Default (Y/N)**
New Hope Dairy Convertible Bonds	698,910,945.02	10,851,696.29	26,389,824.80	(10,769,101.50)	(30,307.42)	413,078.92	(495,673.71)	725,270,462.40	N

	Year ended 31 December 2025								
Debenture	**As at 1 January**	**Interest expense**	**Amortisation of discounts or premium**	**Interested paid during the year**	**Conversion during the year**	**Interest payable due within one year as at 1 January**	**Debentures payable and interest payable due within one year as at 31 December**	**As at 31 December**	**Default (Y/N)**
New Hope Dairy Convertible Bonds	725,270,462.40	12,976,970.10	25,604,052.64	(12,921,937.20)	(61,214.24)	495,673.71	(751,364,007.41)	–	N

(3) Description of convertible bonds

Pursuant to the Approval Document No. [2020] 2614 issued by the CSRC, the Company publicly issued convertible bonds amounted to RMB718,000,000.00 on 18 December 2020, with maturity period of six years from 18 December 2020 to 17 December 2026. The nominal interest rates are 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, respectively.

The convertible bonds' holders are entitled to exercise the right to convert the convertible bonds into the Company's shares at certain conversion price during the conversion period, between the first trading day upon the expiration of six months from the date of issuance and the end of maturity date. The Company shall redeem all unconverted convertible bonds at 110% of their face value including the final unpaid interest within five trading days after the maturity of the convertible bonds.

As at 31 December 2025, the convertible bonds amounted to RMB119,600.00 had been converted to the Company's A shares, with the cumulative number of converted shares of 6,531, accounting for 0.02% of the total issued shares of the Company.

	Liability component	Equity component	Total
As at 1 January 2023	670,617,411.96	96,403,799.67	767,021,211.63
Interest payable due within one year as at 1 January 2023	275,388.98	–	275,388.98
Interest at face value	7,317,394.94	–	7,317,394.94
Amortisation of discounts or premium	28,301,005.55	–	28,301,005.55
Conversion during the year	(7,472.49)	(1,060.74)	(8,533.23)
Interest paid during the year	(7,179,705.00)	–	(7,179,705.00)
Interest payable due within one year as at 31 December 2023	(413,078.92)	–	(413,078.92)
As at 31 December 2023 and 1 January 2024	698,910,945.02	96,402,738.93	795,313,683.95
Interest payable due within one year as at 1 January 2024	413,078.92	–	413,078.92
Interest at face value	10,851,696.29	–	10,851,696.29
Amortisation of discounts or premium	26,389,824.80	–	26,389,824.80
Conversion during the year	(30,307.42)	(4,081.84)	(34,389.26)
Interest paid during the year	(10,769,101.50)	–	(10,769,101.50)
Interest payable due within one year as at 31 December 2024	(495,673.71)	–	(495,673.71)
As at 31 December 2024 and 1 January 2025	725,270,462.40	96,398,657.09	821,669,119.49
Interest payable due within one year as at 1 January 2025	495,673.71	–	495,673.71
Interest at face value	12,976,970.10	–	12,976,970.10
Amortisation of discounts or premium	25,604,052.64	–	25,604,052.64
Conversion during the year	(61,214.24)	(8,015.99)	(69,230.23)
Interest paid during the year	(12,921,937.20)	–	(12,921,937.20)
Debentures payable due within one year as at 31 December 2025	(751,364,007.41)	–	(751,364,007.41)
As at 31 December 2025	–	96,390,641.10	96,390,641.10

36 Lease liabilities

	Note	As at 31 December		
		2023	2024	2025
Long-term lease liabilities		87,478,135.89	84,616,790.98	78,392,098.95
Less: Lease liabilities due within one year	*IV.32*	16,300,216.35	16,007,972.07	17,698,766.12
Total		71,177,919.54	68,608,818.91	60,693,332.83

37 Long-term payables

	Note	As at 31 December 2023	2024	2025
Borrowings from China Development Bank Development Fund Co., Ltd. ("CDB Fund")		24,000,000.00	11,000,000.00	11,000,000.00
Less: Long-term payables due within one year	*IV.32*	13,000,000.00	–	11,000,000.00
Total		11,000,000.00	11,000,000.00	–

On 16 March 2016, CDB Fund made a capital contribution of RMB57,000,000.00 to Xinhuaxi, a subsidiary of the Company, representing 36.31% of its registered capital, with an investment term of ten years. Pursuant to the investment agreement and articles of association of Xinhuaxi, CDB Fund neither appoints any directors, supervisors or senior management personnel to Xinhuaxi, nor is entitled to profit distribution. During the investment, CDB Fund is entitled to an annual investment return rate of 1.2% and may require New Hope Group Co., Ltd. (新希望集團有限公司), which is under common control of ultimate controlling party of the Company, to redeem the investment in accordance with the agreed term. This investment from CDB Fund is secured by Chengdu Small and Medium-sized Enterprise Financing Guarantee Co., Ltd.

This investment is in substance a loan obtained by the Group from CDB Fund which is accounted as long-term payables.

38 Provisions

	Year ended 31 December 2023	2024	2025
Outstanding litigation	51,630.00	239,080.59	–

39 Deferred income

Year ended 31 December 2023	As at 1 January	Additions	Decreases	As at 31 December
Government grant	124,397,505.68	16,169,348.76	(23,305,141.80)	117,261,712.64
Total	124,397,505.68	16,169,348.76	(23,305,141.80)	117,261,712.64

Year ended 31 December 2024	As at 1 January	Additions	Decreases	As at 31 December
Government grant	117,261,712.64	14,813,700.00	(22,299,838.59)	109,775,574.05
Total	117,261,712.64	14,813,700.00	(22,299,838.59)	109,775,574.05

Year ended 31 December 2025	As at 1 January	Additions	Decreases	As at 31 December
Government grant	109,775,574.05	22,343,561.10	(26,997,061.75)	105,122,073.40
Total	109,775,574.05	22,343,561.10	(26,997,061.75)	105,122,073.40

(1) Liabilities relating to government grants

Item	Year ended 31 December 2023 As at 1 January	Additions during the year	Amounts recognised in other income during the year	As at 31 December	Related to assets/income
New plant construction grants	12,929,377.77	–	(1,913,116.56)	11,016,261.21	Related to assets
Financial assistance funds for the operation of new infrastructure projects	49,701,308.89	1,140,000.00	(9,165,210.05)	41,676,098.84	Related to assets
Infrastructure construction of standardised dairy farming	16,611,974.63	4,290,000.00	(4,587,223.24)	16,314,751.39	Related to assets
Transformation of production lines	30,036,396.62	3,601,768.76	(4,001,998.93)	29,636,166.45	Related to assets
Agricultural machinery grants	1,308,019.81	262,680.00	(318,506.99)	1,252,192.82	Related to assets
Agricultural industrialisation grants	1,917,005.40	–	(796,158.82)	1,120,846.58	Related to income
R&D project and technological transformation support funds	4,461,215.94	6,594,900.00	(2,001,783.43)	9,054,332.51	Related to income
Industrial and IT development support funds	6,374,661.21	230,000.00	(206,239.86)	6,398,421.35	Related to income
Other government grants	1,057,545.41	50,000.00	(314,903.92)	792,641.49	Related to income
Total	124,397,505.68	16,169,348.76	(23,305,141.80)	117,261,712.64	

Item	Year ended 31 December 2024 As at 1 January	Additions during the year	Amounts recognised in other income during the year	As at 31 December	Related to assets/income
New plant construction grants	11,016,261.21	–	(1,913,116.56)	9,103,144.65	Related to assets
Financial assistance funds for the operation of new infrastructure projects	41,676,098.84	–	(8,205,951.98)	33,470,146.86	Related to assets
Infrastructure construction of standardised dairy farming	16,314,751.39	5,230,000.00	(3,999,039.69)	17,545,711.70	Related to assets
Transformation of production lines	29,636,166.45	4,868,000.00	(4,427,246.05)	30,076,920.40	Related to assets
Agricultural machinery grants	1,252,192.82	115,700.00	(378,250.19)	989,642.63	Related to assets
Agricultural industrialisation grants	1,120,846.58	60,000.00	(741,014.11)	439,832.47	Related to income
R&D project and technological transformation support funds	9,054,332.51	4,540,000.00	(2,377,982.27)	11,216,350.24	Related to income
Industrial and IT development support funds	6,398,421.35	–	(20,437.56)	6,377,983.79	Related to income
Other government grants	792,641.49	–	(236,800.18)	555,841.31	Related to income
Total	117,261,712.64	14,813,700.00	(22,299,838.59)	109,775,574.05	

Item	Year ended 31 December 2025 As at 1 January	Additions during the year	Amounts recognised in other income during the year	As at 31 December	Related to assets/income
New plant construction grants	9,103,144.65	–	(1,913,116.56)	7,190,028.09	Related to assets
Financial assistance funds for the operation of new infrastructure projects	33,470,146.86	957,164.27	(7,271,377.04)	27,155,934.09	Related to assets
Infrastructure construction of standardized dairy farming	17,545,711.70	9,303,332.83	(4,257,846.10)	22,591,198.43	Related to assets
Transformation of production lines	30,076,920.40	5,338,700.00	(4,984,442.90)	30,431,177.50	Related to assets
Agricultural machinery grants	989,642.63	395,900.00	(385,838.18)	999,704.45	Related to assets
Agricultural industrialisation grants	439,832.47	–	(311,472.71)	128,359.76	Related to income
R&D project and technological transformation support funds	11,216,350.24	2,972,400.00	(6,010,621.91)	8,178,128.33	Related to income
Industrial and IT development support funds	6,377,983.79	1,581,700.00	(1,485,824.92)	6,473,858.87	Related to income
Other government grants	555,841.31	1,794,364.00	(376,521.43)	1,973,683.88	Related to income
Total	109,775,574.05	22,343,561.10	(26,997,061.75)	105,122,073.40	

40 Share capital

	Year ended 31 December		
	2023	2024	2025
As at 1 January	866,582,827.00	865,812,256.00	860,673,916.00
Others	(770,571.00)	(5,138,340.00)	3,281.00
As at 31 December	865,812,256.00	860,673,916.00	860,677,197.00

Notes:

(i) During the year ended 31 December 2023, changes in the Company's share capital included a decrease of RMB771,000.00 resulting from the cancellation of restricted shares under the share incentive scheme and an increase of RMB429.00 due to the conversion of convertible bonds.

(ii) During the year ended 31 December 2024, changes in the Company's share capital included decreases of RMB100,000.00 and RMB5,040,000.00 resulting from the repurchase and cancellation of restricted shares under the share incentive scheme, respectively, and an increase of RMB1,660.00 due to the conversion of convertible bonds.

(iii) During the year ended 31 December 2025, changes in the Company's share capital included an increase of RMB3,281.00 due to the conversion of convertible bonds.

41 Other equity instruments

(1) Movement of other equity instruments during the Track Record Period:

Outstanding financial instruments	As at 1 January 2023	Additions	Decreases	As at 31 December 2023
Convertible bonds	96,403,799.67	–	(1,060.74)	96,402,738.93

Outstanding financial instruments	As at 1 January 2024	Additions	Decreases	As at 31 December 2024
Convertible bonds	96,402,738.93	–	(4,081.84)	96,398,657.09

Outstanding financial instruments	As at 1 January 2025	Additions	Decreases	As at 31 December 2025
Convertible bonds	96,398,657.09	–	(8,015.99)	96,390,641.10

42 Capital reserve

	Note	Share premium	Other capital reserves	Total
As at 1 January 2023		544,761,343.39	83,872,789.83	628,634,133.22
Additions	*(i)*	63,761,690.34	–	63,761,690.34
Decreases	*(i)*	(43,408,597.74)	(82,945,283.08)	(126,353,880.82)
As at 31 December 2023 and 1 January 2024		565,114,435.99	927,506.75	566,041,942.74
Additions	*(ii)*	32,645.34	–	32,645.34
Decreases	*(ii)*	(43,040,821.26)	–	(43,040,821.26)
As at 31 December 2024 and 1 January 2025		522,106,260.07	927,506.75	523,033,766.82
Additions	*(iii)*	65,880.10	5,788,789.06	5,854,669.16
Decreases	*(iii)*	(9,320,234.97)	–	(9,320,234.97)
As at 31 December 2025		512,851,905.20	6,716,295.81	519,568,201.01

Notes:

(i) For the year ended 31 December 2023, the increase in share premium was attributable to the transfer from other capital reserves to share premium upon the unlocking of restricted shares of RMB63,753,600.00, and the conversion of convertible bonds of RMB8,090.34. The decrease in share premium was due to the cancellation of restricted shares under the share incentive scheme of RMB6,437,850.00, the acquisition of non-controlling interests of RMB36,506,414.13 and the disposal of non-controlling interests of RMB464,333.61, respectively.

For the year ended 31 December 2023, the decrease in other capital reserves was mainly was due to the transfer from other capital reserves to share premium upon the unlocking of restricted shares amounted to RMB63,753,600.00 and the reversal of share-based payment expenses due to failure to meet unlocking conditions amounted to RMB19,191,683.08, respectively.

(ii) For the year ended 31 December 2024, the increase in share premium was attributable to the conversion of convertible bonds of RMB32,645.34. The decrease in share premium was due to the repurchase and cancellation of restricted shares under the share incentive scheme of RMB42,919,000.00, and the acquisition of non-controlling interests of RMB121,821.26, respectively.

(iii) For the year ended 31 December 2025, the increase in share premium was attributable to the conversion of convertible bonds of RMB65,880.10. The decrease in share premium was due to the acquisition of non-controlling interests of RMB9,320,234.97.

For the year ended 31 December 2025, the increase in other capital reserves was mainly due to the increase in capital reserve of Chongqing Tianyou, an associate of the Company.

43 Treasury shares

	Restricted shares under share incentive scheme
As at 1 January 2023	82,910,770.00
Decreases	(34,851,770.00)
As at 31 December 2023 and 1 January 2024	48,059,000.00
Decreases	(48,059,000.00)
As at 31 December 2024, 1 January 2025 and 31 December 2025	–

44 Other comprehensive income

	Year ended 31 December 2023						
	As at 1 January	Current year before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	As at 31 December
Items that will not be reclassified to profit or loss							
Including:							
Changes in fair value of investments in other equity instruments	(413,785,861.25)	(280,744,673.43)	–	–	(280,744,673.43)	–	(694,530,534.68)
Items that may be reclassified to profit or loss							
Including:							
Translation differences arising from translation of foreign currency financial statements	(7,610,648.84)	(10,621,794.48)	–	–	(10,621,794.48)	–	(18,232,443.32)
Total	(421,396,510.09)	(291,366,467.91)	–	–	(291,366,467.91)	–	(712,762,978.00)

	Year ended 31 December 2024						
	As at 1 January	Current year before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	As at 31 December
Items that will not be reclassified to profit or loss							
Including:							
Changes in fair value of investments in other equity instruments	(694,530,534.68)	89,860,800.17	–	–	89,860,800.17	–	(604,669,734.51)
Items that may be reclassified to profit or loss							
Including:							
Translation differences arising from translation of foreign currency financial statements	(18,232,443.32)	–	–	–	–	–	(18,232,443.32)
Total	(712,762,978.00)	89,860,800.17	–	–	89,860,800.17	–	(622,902,177.83)

	Year ended 31 December 2025						
	As at 1 January	Current year before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	As at 31 December
Items that will not be reclassified to profit or loss							
Including:							
Changes in fair value of investments in other equity instruments	(604,669,734.51)	418,429,198.64	–	–	418,429,198.64	–	(186,240,535.87)
Items that may be reclassified to profit or loss							
Including:							
Translation differences arising from translation of foreign currency financial statements	(18,232,443.32)	–	–	–	–	–	(18,232,443.32)
Total	(622,902,177.83)	418,429,198.64	–	–	418,429,198.64	–	(204,472,979.19)

45 Surplus reserve

	Year ended 31 December		
	2023	2024	2025
As at 1 January	56,260,420.65	68,617,446.90	150,955,152.93
Additions	12,357,026.25	82,337,706.03	75,790,454.60
As at 31 December	68,617,446.90	150,955,152.93	226,745,607.53

46 Retained earnings

	Year ended 31 December		
	2023	2024	2025
As at 1 January	1,374,910,127.54	1,720,967,731.87	2,047,220,045.75
Add: Net profit for the year attributable to shareholders of the Company	430,826,458.90	537,690,940.06	731,146,914.29
Others	745,300.00	–	–
Less: Appropriation for statutory surplus reserve	(12,357,026.25)	(82,337,706.03)	(75,790,454.60)
Dividends to ordinary shares	(73,157,128.32)	(129,100,920.15)	(305,540,206.36)
As at 31 December	1,720,967,731.87	2,047,220,045.75	2,397,036,299.08

(1) Dividends payable to equity shareholders of the Company attributable to the Track Record Period

	Notes	*Year ended 31 December* 2023	2024	2025
Interim dividends declared (RMB0.035 per share and RMB0.07 per share in respect of the six months ended 30 June 2024 and 2025, respectively)	*(i)*	–	30,123,586.57	60,247,403.79
Final dividends declared/ proposed after the end of the year (RMB0.15 per share, RMB0.25 per share and RMB0.38 per share for the years ended 31 December 2023, 2024 and 2025, respectively)	*(ii)*	129,856,920.15	215,168,479.00	327,057,334.86
Total		129,856,920.15	245,292,065.57	387,304,738.65

Notes:

(i) Pursuant to the approval of Extraordinary General Meeting on 20 January 2025 and 25 December 2025, the Company declared interim dividends of RMB0.035 per share and 0.07 per share in respect of the six months ended 30 June 2024 and 2025, which have been paid in April 2025 and March 2026, respectively.

(ii) Pursuant to the approval of Board of Directors on 23 March 2026, the Company proposed final dividends of RMB0.38 per share in respect of the year ended 31 December 2025, which was subject to the approval on Annual General Meeting.

(2) Dividends payable to equity shareholders of the Company approved during the Track Record Period

	Year ended 31 December 2023	2024	2025
Interim dividends in respect of the previous period, approved and paid during the year	–	–	30,123,586.57
Interim dividends approved in respect of the current period, paid after the end of the reporting period	–	–	60,247,403.79
Final dividend in respect of the previous year, approved and paid during the year	73,157,128.32	129,100,920.15	215,169,216.00
Total	73,157,128.22	129,100,920.15	305,540,206.36

47 Revenue and operating costs

(1) Revenue and operating costs

	Note	Year ended 31 December 2023		Year ended 31 December 2024		Year ended 31 December 2025	
		Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs
Principal activities		9,834,061,602.09	7,003,292,170.71	9,907,394,535.84	6,944,003,712.86	10,581,656,654.20	7,342,313,788.58
Other operating activities		1,153,232,439.54	1,031,416,789.62	758,028,922.01	696,693,252.91	651,801,058.65	613,144,063.91
Total		10,987,294,041.63	8,034,708,960.33	10,665,423,457.85	7,640,696,965.77	11,233,457,712.85	7,955,457,852.49
Including:							
Revenue from contracts with customers	*IV.47(2)*	10,982,600,917.14	8,032,997,380.57	10,661,431,814.41	7,639,175,774.78	11,228,984,542.42	7,954,517,282.69
Revenue from other sources		4,693,124.49	1,711,579.76	3,991,643.44	1,521,190.99	4,473,170.43	940,569.80

(2) Disaggregation of revenue from contracts with customers and operating costs

	Year ended 31 December 2023							
	Dairy farming segment		Dairy products segment		Headquarter and others		Total	
	Revenue	Operating cost	Revenue	Operating cost	Revenue	Operating cost	Revenue	Operating cost
By type of business								
– Sales of goods	27,170,561.37	4,774,730.27	10,943,714,330.93	8,017,014,957.90	–	–	10,970,884,892.30	8,021,789,688.17
– Provide services	–	–	10,155,599.43	10,317,286.82	1,560,425.41	890,405.58	11,716,024.84	11,207,692.40
Total	27,170,561.37	4,774,730.27	10,953,869,930.36	8,027,332,244.72	1,560,425.41	890,405.58	10,982,600,917.14	8,032,997,380.57
By timing of transfer of goods or services								
– Revenue recognised at a point in time	27,170,561.37	4,774,730.27	10,943,714,330.93	8,017,014,957.90	–	–	10,970,884,892.30	8,021,789,688.17
– Revenue recognised over time	–	–	10,155,599.43	10,317,286.82	1,560,425.41	890,405.58	11,716,024.84	11,207,692.40
Total	27,170,561.37	4,774,730.27	10,953,869,930.36	8,027,332,244.72	1,560,425.41	890,405.58	10,982,600,917.14	8,032,997,380.57

	Year ended 31 December 2024							
	Dairy farming segment		Dairy products segment		Headquarter and others		Total	
	Revenue	Operating cost	Revenue	Operating cost	Revenue	Operating cost	Revenue	Operating cost
By type of business								
– Sales of goods	16,610,761.23	14,619,973.86	10,628,449,551.05	7,613,866,866.96	265.49	–	10,645,060,577.77	7,628,486,840.82
– Provide services	3,990.57	–	15,505,533.92	9,783,985.64	861,712.15	904,948.32	16,371,236.64	10,688,933.96
Total	16,614,751.80	14,619,973.86	10,643,955,084.97	7,623,650,852.60	861,977.64	904,948.32	10,661,431,814.41	7,639,175,774.78
By timing of transfer of goods or services								
– Revenue recognised at a point in time	16,610,761.23	14,619,973.86	10,628,449,551.05	7,613,866,866.96	265.49	–	10,645,060,577.77	7,628,486,840.82
– Revenue recognised over time	3,990.57	–	15,505,533.92	9,783,985.64	861,712.15	904,948.32	16,371,236.64	10,688,933.96
Total	16,614,751.80	14,619,973.86	10,643,955,084.97	7,623,650,852.60	861,977.64	904,948.32	10,661,431,814.41	7,639,175,774.78

	Year ended 31 December 2025							
	Dairy farming segment		Dairy products segment		Headquarter and others		Total	
	Revenue	Operating cost	Revenue	Operating cost	Revenue	Operating cost	Revenue	Operating cost
By type of business								
– Sales of goods	29,147,045.65	13,841,394.66	11,185,916,423.25	7,934,671,923.31	197.35	–	11,215,063,666.25	7,948,513,317.97
– Provide services	678,074.28	490,956.05	12,770,336.34	5,486,112.73	472,465.55	26,895.94	13,920,876.17	6,003,964.72
Total	29,825,119.93	14,332,350.71	11,198,686,759.59	7,940,158,036.04	472,662.90	26,895.94	11,228,984,542.42	7,954,517,282.69
By timing of transfer of goods or services								
– Revenue recognised at a point in time	29,147,045.65	13,841,394.66	11,185,916,423.25	7,934,671,923.31	197.35	–	11,215,063,666.25	7,948,513,317.97
– Revenue recognised over time	678,074.28	490,956.05	12,770,336.34	5,486,112.73	472,465.55	26,895.94	13,920,876.17	6,003,964.72
Total	29,825,119.93	14,332,350.71	11,198,686,759.59	7,940,158,036.04	472,662.90	26,895.94	11,228,984,542.42	7,954,517,282.69

(3) Information related to the transaction price allocated to remaining performance obligations

As at 31 December 2023, 2024 and 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was RMB419,639,712.37, RMB409,276,651.45 and RMB437,689,301.58, respectively. It will be recognised as revenue as the Group satisfies the performance obligations by transferring control over relevant goods or services to the customers, which is expected to occur during the years ended 31 December 2024, 2025 and 2026, respectively.

48 Taxes and surcharges

	Year ended 31 December		
	2023	**2024**	**2025**
Urban construction and maintenance tax	15,675,453.14	15,657,387.62	18,290,033.06
Education surcharges	7,301,588.89	7,261,490.12	8,521,562.82
Resource tax	106,021.83	43,397.37	215,008.76
Real estate tax	9,235,957.29	10,139,922.44	10,480,945.15
Land use tax	3,827,643.75	4,695,555.13	4,937,821.12
Vehicle and vessel usage tax	65,518.78	55,221.94	46,380.36
Stamp duty	7,518,565.71	7,995,515.24	7,999,999.90
Education surcharges	4,867,729.11	4,840,993.36	5,681,041.86
Others	3,140,443.75	2,363,801.71	3,333,919.53
Total	51,738,922.25	53,053,284.93	59,506,712.56

49 Selling and distribution expenses

	Year ended 31 December		
	2023	**2024**	**2025**
Advertising and marketing expenses	1,044,070,938.69	1,118,667,287.39	1,263,408,220.85
Employee remuneration	414,619,153.11	365,239,776.09	357,264,985.74
Depreciation expenses	27,139,755.59	20,911,579.91	19,422,547.69
Others	192,667,331.98	154,471,174.78	169,419,866.78
Total	1,678,497,179.37	1,659,289,818.17	1,809,515,621.06

50 General and administrative expenses

	Year ended 31 December		
	2023	**2024**	**2025**
Employee remuneration	201,714,875.10	221,303,738.37	206,988,647.30
Travel and business development expenses	14,924,221.78	14,551,251.71	13,755,427.66
Depreciation and amortisation expenses	47,372,503.73	37,904,836.94	36,470,956.81
Environmental protection expenses	11,092,400.08	11,800,782.44	12,837,476.54
Others	194,776,956.48	95,255,313.69	86,761,284.41
Total	469,880,957.17	380,815,923.15	356,813,792.72

51 Research and development expenses

	Year ended 31 December		
	2023	**2024**	**2025**
Employee remuneration	23,797,468.16	22,616,283.47	21,505,995.15
R&D material consumption expenses	17,032,703.02	16,253,750.02	17,124,887.78
Advisory service fee	2,843,190.44	2,369,835.12	1,278,796.44
Others	3,712,123.57	7,863,428.79	10,456,341.87
Total	47,385,485.19	49,103,297.40	50,366,021.24

52 Financial expenses

	Year ended 31 December		
	2023	**2024**	**2025**
Interest expenses on loans and debentures	169,925,335.69	120,095,799.53	94,222,905.57
Interest expenses on lease liabilities	5,612,533.16	4,056,855.19	3,619,744.53
Less: capitalized interest expense	21,869,991.36	14,060,333.07	8,372,606.50
Less: Interest expenses on policy-related preferential loans	5,000,000.00	3,824,200.00	10,220,527.55
Less: Interest income	9,075,733.31	7,658,243.73	4,547,490.13
Net exchange losses/(gains)	12,019,617.40	(206,744.17)	393,565.01
Others	10,364,595.41	2,559,730.10	2,678,338.33
Total	161,976,356.99	100,962,863.85	77,773,929.26

For the year ended 31 December 2023, 2024 and 2025, the interest rates per annum at which borrowing costs were capitalised by the Group were 1.80%-4.35%, 1.20%-4.35% and 2.00%, respectively.

53 Other income

	Year ended 31 December		
	2023	2024	2025
Grants related to assets			
New plant construction grants	1,913,116.56	1,913,116.56	1,913,116.56
Financial assistance funds for the operation of new infrastructure projects	9,165,210.05	8,205,951.98	7,271,377.04
Infrastructure construction of standardised dairy farming	4,587,223.24	3,999,039.69	4,257,846.10
Transformation of production lines	4,001,998.93	4,427,246.05	4,984,442.90
Agricultural machinery grants	318,506.99	378,250.19	385,838.18
Grants related to income			
Government incentives for contributions to local economic development	462,400.00	727,500.00	400,000.00
Agricultural industrialisation grants	3,684,468.82	2,501,714.51	2,712,074.37
R&D project and technological transformation support funds	8,391,505.67	6,312,963.20	6,572,071.91
Industrial and IT development support funds	5,295,079.86	1,110,937.56	4,697,824.92
Energy conservation and environmental protection grants	26,238.00	830,652.38	856,300.04
Other government grants	26,337,558.62	23,476,386.72	19,785,856.20
Total	64,183,306.74	53,883,758.84	53,836,748.22

54 Investment income/(losses)

	Year ended 31 December		
	2023	2024	2025
Investment income/(losses) from long-term equity investments accounted for using the equity method	12,076,077.28	(8,753,377.83)	19,851,935.29
Investment losses from disposal of subsidiaries *(Note V.1(1))*	(15,293,601.92)	–	–
Investment income from disposal of financial assets held for trading	186,399.88	1,032,194.54	157,123.29
Dividend income from investments in other equity instruments	9,079,555.17	2,868,478.81	7,706,067.46
Investment income from debt restructuring	–	2,245,863.48	104,246.83
Total	6,048,430.41	(2,606,841.00)	27,819,372.87

55 Gains from changes in fair value

	Year ended 31 December		
	2023	2024	2025
Changes in fair value of equity securities	–	952,680.50	1,034,874.32
Losses from changes in fair value of derivative financial assets	(12,518,735.26)	–	–
Fair value changes in compensation receivables	22,000,000.00	22,600,500.00	–
Fair value changes in consideration payables	7,356,250.00	–	–
Fair value changes in loans of foreign subsidiaries	6,400,430.78	–	–
Fair value changes from debt investments	–	–	3,655,555.55
Total	23,237,945.52	23,553,180.50	4,690,429.87

56 Credit (losses)/reversals

	Year ended 31 December		
	2023	2024	2025
Accounts receivable	(2,810,809.19)	8,828,973.26	5,387,339.80
Other receivables	(6,228,112.00)	(261,493.10)	(3,431,420.46)
Total	(9,038,921.19)	8,567,480.16	1,955,919.34

57 Impairment losses

	Year ended 31 December		
	2023	2024	2025
Inventories	(12,231.46)	–	–
Fixed assets	(2,256,779.60)	(3,032,019.17)	(28,515,269.30)
Construction in progress	(2,142,543.65)	–	(11,376,367.44)
Productive biological assets	–	(94,621,314.80)	–
Intangible assets	–	–	(10,655,009.04)
Investment properties	–	–	(1,944,804.21)
Goodwill	(12,600,000.00)	–	(10,332,169.00)
Total	(17,011,554.71)	(97,653,333.97)	(62,823,618.99)

58 Losses from asset disposals

	Year ended 31 December		
	2023	2024	2025
Gains/(losses) from disposal of fixed assets	1,135,804.17	(2,658,232.38)	246,263.94
Losses from disposal of productive biological assets	(102,226,108.44)	(84,730,399.95)	(87,299,032.39)
(Losses)/gains from disposal of right-of-use assets	(1,537,763.57)	150,720.27	32,622.73
Losses from disposal of intangible assets	–	–	(9,932,004.83)
Total	(102,628,067.84)	(87,237,912.06)	(96,952,150.55)

59 Non-operating income and non-operating expenses

(1) Non-operating income

	Year ended 31 December					
	2023		2024		2025	
	Amount	Amount recognised in extraordinary gain and loss	Amount	Amount recognised in extraordinary gain and loss	Amount	Amount recognised in extraordinary gain and loss
Penalty and forfeiture income	3,021,471.36	3,021,471.36	3,704,997.48	3,704,997.48	3,785,851.85	3,785,851.85
Others	5,859,050.26	5,859,050.26	7,141,883.14	7,141,883.14	7,070,465.98	7,070,465.98
Total	8,880,521.62	8,880,521.62	10,846,880.62	10,846,880.62	10,856,317.83	10,856,317.83

(2) Non-operating expenses

	Year ended 31 December					
	2023		2024		2025	
	Amount	Amount recognised in extraordinary gain and loss	Amount	Amount recognised in extraordinary gain and loss	Amount	Amount recognised in extraordinary gain and loss
Penalty and forfeiture expense	–	–	524,726.86	524,726.86	837,595.00	837,595.00
Losses from damage or scrapping of non-current assets	5,428,444.58	5,428,444.58	27,432,629.87	27,432,629.87	8,838,636.01	8,838,636.01
Donations	717,336.54	717,336.54	1,062,604.02	1,062,604.02	966,026.83	966,026.83
Others	1,805,339.59	1,805,339.59	18,372,793.81	18,372,793.81	2,650,651.02	2,650,651.02
Total	7,951,120.71	7,951,120.71	47,392,754.56	47,392,754.56	13,292,908.86	13,292,908.86

60 Income tax expenses

	Note	Year ended 31 December		
		2023	**2024**	**2025**
Current tax expense for the year based on tax law and regulations		81,336,630.52	86,976,862.30	107,227,900.67
Changes in deferred tax assets/liabilities		(10,574,684.59)	6,970,132.67	(9,761,147.82)
Tax filing differences		404,375.23	50,053.70	(1,820,326.78)
Total	*(1)*	71,166,321.16	93,997,048.67	95,646,426.07

(1) Reconciliation between income tax expense and accounting profit

	Year ended 31 December		
	2023	**2024**	**2025**
Profit before taxation	508,826,720.17	643,461,763.11	850,113,893.25
Expected income tax expenses at a tax rate of 25%	127,206,680.04	160,865,440.78	212,528,473.31
Effect of different tax rates applied by subsidiaries	16,509,466.78	(33,341,335.07)	(57,313,652.85)
Effect of adjustment on income tax of previous years	404,375.23	50,053.70	(1,820,326.78)
Effect of non-taxable income	(132,506,039.12)	(112,577,888.00)	(106,828,684.92)
Effect of non-deductible items	12,135,179.17	38,107,760.83	28,504,526.63
Effect of using deductible losses for which no deferred tax assets were recognised in previous years	(8,490,773.53)	(110,948.83)	(380,058.75)
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognised in the current year	58,926,451.91	37,585,915.73	25,919,133.25
Tax effects of investment income from associates	(3,019,019.32)	2,188,344.46	(4,962,983.82)
Effect of reversal of deductible losses for which deferred tax assets were recognised in previous years	–	1,229,705.07	–
Income tax expenses	71,166,321.16	93,997,048.67	95,646,426.07

61 Basic earnings per share and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	Note	Year ended 31 December		
		2023	**2024**	**2025**
Consolidated net profit attributable to ordinary shareholders of the Company	*(a)*	430,826,458.90	537,690,940.06	731,146,914.29
Weighted average number of ordinary shares outstanding	*(b)*	859,387,097.33	860,672,716.42	860,675,518.00
Basic earnings per share (RMB/share)		0.50	0.62	0.85

(a) Consolidated net profit attributable to ordinary shareholders of the Company is calculated as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
Consolidated net profit attributable to ordinary shareholders of the Company	430,826,458.90	537,690,940.06	731,146,914.29

(b) Weighted average number of ordinary shares of the Company is calculated as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
Issued ordinary shares at the beginning of the year	857,587,827.00	860,672,256.00	860,673,916.00
Effect of restricted shares unlocked *(Note XI)*	1,799,000.00	–	–
Effect of conversion of convertible bonds *(Note IV.35)*	270.33	460.42	1,602.00
Weighted average number of ordinary shares at the end of the year	859,387,097.33	860,672,716.42	860,675,518.00

(2) Diluted earnings per share

For the years ended 31 December 2023, 2024 and 2025, the Company had no potentially dilutive ordinary shares outstanding.

62 Cash flow statement

(1) Cash relating to operating activities

(a) Proceeds from other operating activities:

	Year ended 31 December		
	2023	**2024**	**2025**
Government grants	62,047,513.70	50,221,820.25	59,403,775.12
Penalty and forfeiture income	3,021,471.36	3,704,997.48	3,785,851.85
Interest income	9,075,733.31	7,150,004.57	4,057,466.80
Others	4,215,980.12	8,063,853.14	8,750,596.46
Total	78,360,698.49	69,140,675.44	75,997,690.23

(b) Payments for other operating activities:

	Year ended 31 December		
	2023	**2024**	**2025**
Travel and business development expenses	41,406,435.05	39,381,674.99	39,960,462.67
R&D expenses	22,943,292.05	24,768,553.77	25,313,419.23
Conference related expenses	3,060,841.33	2,683,216.86	2,911,666.28
Bank charges	2,846,658.03	2,462,170.91	2,574,564.75
Others	7,897,409.40	22,692,700.49	52,785,206.87
Total	78,154,635.86	91,988,317.02	123,545,319.80

(2) Cash relating to investing activities

(a) Proceeds relating to significant investing activities:

	Year ended 31 December		
	2023	**2024**	**2025**
Proceeds from wealth management products	84,997,249.85	450,000,000.00	350,000,000.00
Proceeds from disposal of subsidiaries	65,391,005.21	74,250,000.00	–
Total	150,388,255.06	524,250,000.00	350,000,000.00

(b) Proceeds relating to other investing activities:

	Year ended 31 December		
	2023	**2024**	**2025**
Compensation received	–	–	44,600,500.00

(c) Payments relating to significant investing activities:

	Year ended 31 December		
	2023	2024	2025
Investment in an associate	2,000,000.00	–	–
Payment for wealth management products	114,997,249.85	520,000,000.00	455,444,166.67
Total	116,997,249.85	520,000,000.00	455,444,166.67

(3) Cash relating to financing activities

(a) Proceeds relating to other financing activities:

	Year ended 31 December		
	2023	2024	2025
Gains on interest rate swap contracts	21,675,418.92	–	–
Loans deposit received	25,760,292.26	–	–
Proceeds from disposal of non-controlling interests in a subsidiary	2,326,000.00	–	–
Loans from non-controlling interest shareholders of a subsidiary	10,000,000.00	–	–
Bills deposit received	52,018,610.77	61,204,871.77	5,000,015.36
Others	3,013,998.52	–	–
Total	114,794,320.47	61,204,871.77	5,000,015.36

(b) Payments relating to other financing activities:

	Year ended 31 December		
	2023	2024	2025
Payment for acquisition of non-controlling interests in subsidiaries	68,431,856.31	256,700.60	22,337,375.00
Payment for bills deposit	–	61,204,887.13	15,844,401.69
Payment for principal and interest of lease liabilities	49,961,599.01	26,435,493.98	21,922,296.22
Deposits of bank loans	11,266,994.88	–	–
Payment for currency swap contracts	18,545,668.00	–	–
Payment for the principal of restricted shares repurchase obligation	8,081,155.00	45,964,800.00	–
Others	6,251,169.36	1,226,306.00	1,101,310.00
Total	162,538,442.56	135,088,187.71	61,205,382.91

(c) Changes in liabilities arising from financing activities

	Year ended 31 December 2023					
		Additions		Decreases		
	As at 1 January	Cash	Non-cash	Cash	Non-cash	As at 31 December
Short-term loans	827,871,934.96	1,220,225,509.82	22,246,354.22	(1,154,769,396.19)	–	915,574,402.81
Long-term loans	2,785,717,148.37	1,355,407,849.20	128,053,993.98	(2,232,168,789.02)	(3,109,619.06)	2,033,900,583.47
Long-term payables	24,085,600.00	–	292,000.00	(292,000.00)	–	24,085,600.00
Other payables – restricted shares repurchase obligation	82,798,975.00	–	3,653,372.40	(8,470,623.40)	(28,753,020.00)	49,228,704.00
Other payables – acquisition considerations	–	–	68,431,856.31	(68,431,856.31)	–	–
Dividends payable	1,797,487.97	–	82,013,483.01	(80,707,190.80)	(6,012.93)	3,097,767.25
Debentures payable	670,892,800.94	–	35,618,400.49	(7,179,705.00)	(7,472.49)	699,324,023.94
Lease liabilities	108,609,930.40	–	86,295,381.71	(49,961,599.01)	(57,465,577.21)	87,478,135.89
Total	4,501,773,877.64	2,575,633,359.02	426,604,842.12	(3,601,981,159.73)	(89,341,701.69)	3,812,689,217.36

	Year ended 31 December 2024					
		Additions		Decreases		
	As at 1 January	Cash	Non-cash	Cash	Non-cash	As at 31 December
Short-term loans	915,574,402.81	1,025,639,933.36	19,114,972.16	(1,589,253,263.86)	–	371,076,044.47
Long-term loans	2,033,900,583.47	806,423,150.80	60,555,615.89	(976,107,085.69)	–	1,924,772,264.47
Long-term payables	24,085,600.00	–	162,266.67	(13,210,466.67)	–	11,037,400.00
Other payables— restricted shares repurchase obligation	49,228,704.00	–	813,960.00	(50,042,664.00)	–	–
Other payables—acquisition of non-controlling interests	–	–	256,700.60	(256,700.60)	–	–
Dividends payable	3,097,767.25	–	136,090,093.53	(135,307,612.50)	(64,579.74)	3,815,668.54
Debentures payable	699,324,023.94	–	37,241,521.09	(10,769,101.50)	(30,307.42)	725,766,136.11
Lease liabilities	87,478,135.89	–	24,921,396.96	(26,435,493.98)	(1,347,247.89)	84,616,790.98
Total	3,812,689,217.36	1,832,063,084.16	279,156,526.90	(2,801,382,388.80)	(1,442,135.05)	3,121,084,304.57

	Year ended 31 December 2025					
		Additions		Decreases		
	As at 1 January	Cash	Non-cash	Cash	Non-cash	As at 31 December
Short-term loans	371,076,044.47	1,019,119,556.97	12,104,249.65	(957,112,695.08)	(909,933.36)	444,277,222.65
Long-term loans	1,924,772,264.47	150,000,000.00	42,363,919.15	(965,878,726.98)	–	1,151,257,456.64
Long-term payables	11,037,400.00	–	133,833.33	(133,833.33)	–	11,037,400.00
Other payables—acquisition of non-controlling interests	–	–	22,337,375.00	(22,337,375.00)	–	–
Dividends payable	3,815,668.54	–	326,484,290.85	(266,969,279.11)	(56,102.36)	63,274,577.92
Debentures payable	725,766,136.11	–	38,581,022.74	(12,921,937.20)	(61,214.24)	751,364,007.41
Lease liabilities	84,616,790.98	–	16,238,049.99	(21,922,296.22)	(540,445.80)	78,392,098.95
Total	3,121,084,304.57	1,169,119,556.97	458,242,740.71	(2,247,276,142.92)	(1,567,695.76)	2,499,602,763.57

63 Supplementary information for the cash flow statement

(1) Supplement to the cash flow statement

(a) Reconciliation of net profit to net cash inflows from operating activities

	Year ended 31 December		
	2023	2024	2025
Net profit	437,660,399.01	549,464,714.44	754,467,467.18
Add: Impairment losses	17,011,554.71	97,653,333.97	62,823,618.99
Credit losses/(reversal)	9,038,921.19	(8,567,480.16)	(1,955,919.34)
Depreciation of fixed assets and productive biological assets	422,189,128.84	425,416,216.16	424,707,960.06
Depreciation of right-of-use assets	46,423,786.05	16,227,924.84	17,460,467.13
Amortisation of intangible assets	37,291,422.99	26,050,263.01	26,251,199.17
Amortisation of long-term deferred expenses	12,284,004.15	4,947,238.24	6,194,775.24
Losses from disposal of fixed assets, intangible assets and other long-term assets	102,628,067.84	87,237,912.06	96,952,150.55
Losses from scrapping of fixed assets	5,428,444.58	27,432,629.87	8,838,636.01
Gains from changes in fair value	(23,237,945.52)	(23,553,180.50)	(4,690,429.87)
Financial expenses	173,205,432.27	109,474,897.51	89,477,358.86
Investment (income)/losses	(6,048,430.41)	2,606,841.00	(27,819,372.87)
(Increase)/decrease in deferred tax assets	(7,151,565.84)	8,913,016.09	(8,227,526.48)
Decrease in deferred tax liabilities	(3,423,118.75)	(1,942,883.42)	(1,533,621.34)
Decrease/(increase) in inventories	72,500,242.21	(30,138,924.84)	24,391,584.60
Decrease/(increase) in operating receivables	54,461,786.05	38,863,679.79	(28,147,700.29)
Increase in operating payables	233,178,690.44	172,841,370.86	86,098,708.31
Others	(26,327,476.12)	(11,679,059.02)	(15,181,756.96)
Net cash inflow from operating activities	1,557,113,343.69	1,491,248,509.90	1,510,107,598.95

(b) Change in cash and cash equivalents

	Year ended 31 December		
	2023	2024	2025
Cash and cash equivalents as at 31 December	438,864,667.67	391,607,300.10	325,883,170.24
Less: Cash and cash equivalents as at 1 January	423,991,019.75	438,864,667.67	391,607,300.10
Net increase/(decrease) in cash and cash equivalents	14,873,647.92	(47,257,367.57)	(65,724,129.86)

(2) Information on acquisition or disposal of subsidiaries

(a) Information on acquisition of subsidiaries

	Year ended 31 December		
	2023	2024	2025
Cash or cash equivalents paid during the year for acquiring subsidiaries in previous years	–	12,003,933.09	2,314,586.56
Including: Acquisition of interests of Fujian Auscow	–	12,003,933.09	2,314,586.56
Net cash paid for the acquisition	–	12,003,933.09	2,314,586.56

(b) Information on disposal of subsidiaries

	Year ended 31 December		
	2023	2024	2025
Cash or cash equivalents received during the year for disposing of subsidiaries in current/previous years *(Note V.1)*	74,250,000.00	74,250,000.00	–
Less: Cash and cash equivalents held by disposed subsidiaries	8,858,994.79	–	–
Net cash received for disposing of subsidiaries	65,391,005.21	74,250,000.00	–

(3) Details of cash and cash equivalents

	As at 31 December		
	2023	2024	2025
Cash on hand	196.06	209.36	219.70
Bank deposits available on demand	438,864,471.61	391,607,090.74	325,882,950.54
Cash and cash equivalents	438,864,667.67	391,607,300.10	325,883,170.24

(4) Monetary assets other than cash and cash equivalents

	As at 31 December			Reasons not belonging to cash and cash equivalents
	2023	2024	2025	
Bank deposits	–	4,192,417.06	17,506,932.50	Restricted of use
Other monetary funds	678,121.81	678,640.54	11,522,711.09	
Total	678,121.81	4,871,057.60	29,029,643.59	

64 Foreign currency monetary items

	As at 31 December 2023		
	Foreign currency balance	Conversion exchange rate	Balance converted into RMB
Cash at bank and on hand			
– USD	1,442,695.62	7.0827	10,218,180.27
– HKD	477,270.23	0.9062	432,511.83

	As at 31 December 2024		
	Foreign currency balance	Conversion exchange rate	Balance converted into RMB
Cash at bank and on hand			
– USD	1,486,056.65	7.1884	10,682,369.62
– HKD	3,583,615.22	0.9260	3,318,571.04

	As at 31 December 2025		
	Foreign currency balance	Conversion exchange rate	Balance converted into RMB
Cash at bank and on hand			
– USD	1,493,821.93	7.0288	10,499,775.57
– HKD	11,981,017.95	0.9032	10,821,495.03

65 Leases

(1) As a lessee

	Year ended 31 December		
	2023	2024	2025
Short-term lease expenses for which the practical expedient has been applied	17,387,623.60	12,045,381.50	14,338,531.89
Expenses relating to leases of low-value assets for which the practical expedient has been applied	626,663.81	497,965.03	544,866.29
Total cash outflow for leases	68,200,829.84	39,816,225.85	35,867,087.19

(2) As a lessor

Revenue from operating lease

Item	Year ended 31 December		
	2023	2024	2025
Buildings	4,305,057.22	3,718,950.29	4,063,645.27
Motor vehicles	105,289.00	30,771.38	128,747.52
Land use rights	282,778.27	225,992.57	230,816.01
Others	–	15,929.20	49,961.63
Total	4,693,124.49	3,991,643.44	4,473,170.43

V. CHANGE OF CONSOLIDATION SCOPE

1 Disposal of subsidiaries

(1) Transactions or events resulting in loss of control over subsidiaries

$Entity name	Date of losing control	Consideration on the date of losing control	Shareholding being disposed on the date of losing control	Disposal method on the date of losing control	Basis for determining date of losing control	Difference between consideration received and the related share of net assets in consolidated financial statements	Proportion of remaining shareholding on the date of losing control	Carrying amount of remaining equity interests on the date of losing control in consolidated financial statements	Fair value of remaining equity interests on the date of losing control in consolidated financial statements	Gain or loss from remeasurement of remaining equity interests to fair value	Method and key assumptions for determining the fair value of remaining equity interests in consolidated financial statements	Investment income or loss/retained earnings transferred from other comprehensive income related to previous equity investments in subsidiaries
Xin'ao Husbandry *(Note (i))*	13 November 2023	8,250,000.00	55.00%	equity transfer	Business registration updated and board renewal completed	(16,124,939.79)	–	–	–	–	–	–
Chongqing Hanhong *(Note (ii))*	28 December 2023	148,500,000.00	45.00%	equity transfer	Business registration updated and board renewal completed	(4,476,496.60)	15.00%	44,192,165.53	49,500,000.00	5,307,834.47	Key assumptions of the income approach: revenue growth rate for the forecast period: 11.85% - 41.84%; revenue growth rate for the stable period:0%; Discount rate:10.04%; Gross profit margin: 41.67% - 48.59%	–

Notes:

(i) In November 2023, the Company entered into an agreement with a third-party shareholder of Xin'ao Husbandry. Pursuant to the agreement, the Company transferred its 55% equity interests in Xin'ao Husbandry to the third party, with a consideration of RMB8,250,000.00. Upon completion of this transfer, the Company has no interest in Xin'ao Husbandry anymore.

(ii) In December 2023, the Company entered into an agreement with Grass Green Group Co., Ltd.（草根知本集團有限公司）("Grass Green Group"). Pursuant to the agreement, the Company transferred its 45% equity interests in Chongqing Hanhong to Grass Green Group, with a consideration of RMB148,500,000.00. Upon completion of the transfer, the Company's equity interests in Chongqing Hanhong reduced to 15%, and the remaining investment is accounted for as an associate.

(iii) For the year ended 31 December 2023, the total losses from disposal of subsidiaries were RMB15,293,601.92, which were recognised in profit or loss.

2 Other reasons for change of consolidation scope

(1) Subsidiary established during the Track Record Period

Name of company	Establishment date
Diequan Sales	25 July 2024

(2) Subsidiaries deregistration during the Track Record Period

Name of company	Deregistration date
Hangzhou New Hope Dairy Sales Co., Ltd. (杭州新希望乳品銷售有限公司)	11 April 2023
Jingyuan Husbandry	17 April 2024
Rizhao Husbandry	14 March 2024
Sichuan Xianjian	24 Dec 2025

VI. INTERESTS IN OTHER ENTITIES

1 Interests in subsidiaries

(1) Composition of the Group

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group during the Track Record Period.

Name of subsidiaries	Principal place of business/ Registered place	Nature of business	Registered capital	Effective interest held by the Group: As at 31 December 2023	2024	2025	As at the date of this report	Acquisition method
Xinhuaxi *(Notes (i)(ii))*	Chengdu City, Sichuan Province	Production and sales of dairy products	157,000,000.00	96.18%	96.18%	96.18%	96.18%	Establishment
Tianxiang Chain *(Notes (i)(vi))*	Baoding City, Hebei Province	Sales of dairy products	5,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
Nutrition Beverage *(Notes (i)(vi))*	Chengdu City, Sichuan Province	Production and sales of beverage products	20,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
New Hope Ecological Animal Husbandry Co., Ltd. (新希望生態牧業有限公司) (New Hope Husbandry) *(Notes (i)(vi))*	Chengdu City, Sichuan Province	Dairy farming	150,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Huaxi Husbandry *(Notes (i)(ii))*	Chengdu City, Sichuan Province	Dairy farming	25,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Guangde Shuangfeng *(Notes (i)(vi))*	Xuancheng City, Anhui Province	Dairy farming	10,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Xuelan Husbandry *(Notes (i)(ii))*	Qujing City, Yunnan Province	Dairy farming	30,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Luliang Breeding *(Notes (i)(ii))*	Qujing City, Yunnan Province	Dairy farming	45,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Diequan Husbandry *(Notes (i)(ii))*	Dali City, Yunnan Province	Dairy farming	15,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Dairy Farming *(Notes (i)(vi))*	Meishan City, Sichuan Province	Dairy farming	25,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Wuzhong Husbandry *(Notes (i)(vi))*	Wuzhong City, Ningxia Province	Dairy farming	8,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Shilin Husbandry *(Notes (i)(ii))*	Kunming City, Yunnan Province	Dairy farming	10,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Dairui Trading *(Notes (i)(ii))*	Chengdu City, Sichuan Province	Trading	10,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
Yongchang Husbandry *(Notes (i)(vi))*	Jinchang City, Gansu Province	Dairy farming	20,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Haiyuan Husbandry *(Notes (i)(ii))*	Haiyuan City, Ningxia Province	Dairy farming	20,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Shandong Agricultural *(Notes (i)(vi))*	Laiyang City, Shandong Province	Vegetable cultivation	5,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
Guangdong Dairy *(Notes (i)(vi))*	Shenzhen City, Guangdong Province	Sales of dairy products	20,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
Saishang Husbandry *(Notes (i)(v))*	Wuzhong City, Ningxia Province	Dairy farming	20,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Hunan New Hope Naixun Food Technology Co., Ltd. (湖南新希望奶尋食品科技有限責任公司) ("Hunan Naixun") *(Notes (i)(vi))*	Changsha City, Hunan Province	Sales of dairy products	10,000,000.00	60.00%	60.00%	60.00%	60.00%	Establishment
Chengdu Jiaman *(Notes (i)(vi))*	Chengdu City, Sichuan Province	Sales of food	2,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment

Name of subsidiaries	Principal place of business/ Registered place	Nature of business	Registered capital	Effective interest held by the Group				Acquisition method
				As at 31 December			As at the date of this report	
				2023	2024	2025		
Sichuan Xianjian *(Notes (i)(vii))*	Chengdu City, Sichuan Province	Sales of food	5,000,000.00	80.00%	80.00%	–	–	Establishment
Lvyuan Weipin Dairy (Shanghai) Co., Ltd. (綠源唯品乳業(上海)有限公司)("Shanghai Weipin") *(Notes (i)(vi))*	Shanghai City	Sales of food	10,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
Fuzhou New Hope Auscow Dairy Co., Ltd. (福州新希望澳牛乳業有限公司) *(Notes (i)(ii))*	Fuzhou City, Fujian Province	Production and sales of dairy products	20,000,000.00	86.50%	86.50%	100.00%	100.00%	Establishment
Molecular Power *(Notes (i)(iv))*	Chengdu City, Sichuan Province	Science and technology promotion and application services	20,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
Chuangyuan Zhizhi *(Notes (i)(iv))*	Chengdu City, Sichuan Province	Software and technology development services	5,000,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
GGG *(Note (viii))*	Hong Kong	Investment Holding	USD21,107,500.00	100.00%	100.00%	100.00%	100.00%	Investment
Diequan Sales *(Notes (i)(vi))*	Dali City, Yunnan Province	Sales of food	5,000,000.00	–	97.84%	97.84%	97.84%	Establishment
Jingyuan Husbandry *(Notes (i)(vi))*	Baiyin City, Gansu Province	Dairy farming	8,000,000.00	99.73%	–	–	–	Establishment
Chengdu Fresh *(Notes (i)(ii))*	Chengdu City, Sichuan Province	Sales of dairy products	6,350,000.00	96.18%	96.18%	96.18%	96.18%	Establishment
Kunming Fresh *(Notes (i)(ii))*	Kunming City, Yunnan Province	Sales of dairy products	4,470,000.00	100.00%	100.00%	100.00%	100.00%	Establishment
Rizhao Husbandry *(Notes (i)(vi))*	Rizhao City, Shandong Province	Dairy farming	15,000,000.00	99.73%	–	–	–	Establishment
Haiyuan Biotechnology *(Notes (i)(vi))*	Zhongwei City, Ningxia Province	Software and technology development services	1,000,000.00	99.73%	99.73%	99.73%	99.73%	Establishment
Qicaiyun *(Notes (i)(ii))*	Kunming City, Yunnan Province	Production and sales of dairy products	50,000,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations not under common control
Jiande Husbandry *(Notes (i)(vi))*	Jiande City, Zhejiang Province	Dairy farming	10,000,000.00	97.74%	97.74%	97.74%	97.74%	Business combinations not under common control
Xichang Sanmu *(Notes (i)(ii))*	Xichang City, Sichuan Province	Production and sales of dairy products	7,360,000.00	66.71%	66.71%	66.71%	66.71%	Business combinations not under common control
Suzhou Shuangxi *(Notes (i)(ii))*	Suzhou City, Jiangsu Province	Production and sales of dairy products	30,000,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations not under common control
Hunan Nanshan *(Notes (i)(ix))*	Changsha City, Hunan Province	Production and sales of dairy products	166,500,453.00	100.00%	100.00%	100.00%	100.00%	Business combinations not under common control
Hunan Caixian *(Notes (i)(vi))*	Changsha City, Hunan Province	Sales of dairy products	10,000,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations not under common control
Shandong Husbandry *(Notes (i)(vi))*	Laiyang City, Shandong Province	Dairy farming	40,000,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations not under common control
Shandong Weipin *(Notes (i)(vi))*	Laiyang City, Shandong Province	Production and sales of dairy products	49,617,120.00	100.00%	100.00%	100.00%	100.00%	Business combinations not under common control
Huanmei Dairy *(Notes (i)(v))*	Yinchuan City, Ningxia Province	Dairy farming and production and sales of dairy products	285,825,962.00	100.00%	100.00%	100.00%	100.00%	Business combinations not under common control
Xiajin Dairy *(Notes (i)(v))*	Wuzhong City, Ningxia Province	Production and sales of dairy products	225,000,000.00	99.15%	99.17%	99.17%	99.17%	Business combinations not under common control
Hao'er Dairy *(Notes (i)(v))*	Yinchuan City, Ningxia Province	Production and sales of dairy products	11,554,100.00	59.49%	59.50%	59.50%	59.50%	Business combinations not under common control

				Effective interest held by the Group				
				As at 31 December			As at the date of this report	
Name of subsidiaries	Principal place of business/ Registered place	Nature of business	Registered capital	2023	2024	2025		Acquisition method
Helanshan Husbandry *(Notes (i)(v))*	Wuzhong City, Ningxia Province	Dairy farming	270,000,000.00	99.84%	99.85%	99.85%	99.85%	Business combinations not under common control
Fujian Auscow *(Notes (i)(ii))*	Fuzhou City, Fujian Province	Production and sales of dairy products	31,037,857.00	86.50%	86.50%	100.00%	100.00%	Business combinations not under common control
Hangzhou Shuangfeng *(Notes (i)(ii))*	Hangzhou City, Zhejiang Province	Production and sales of dairy products	81,512,605.00	100.00%	100.00%	100.00%	100.00%	Business combinations under common control
Sichuan Dairy *(Notes (i)(ii))*	Meishan City, Sichuan Province	Production and sales of dairy products	211,112,500.00	96.18%	96.18%	96.18%	96.18%	Business combinations under common control
Kunming Xuelan *(Notes (i)(ii))*	Kunming City, Yunnan Province	Production and sales of dairy products	170,000,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations under common control
Yunnan Diequan *(Notes (i)(ii))*	Dali City, Yunnan Province	Production and sales of dairy products	92,800,000.00	97.84%	97.84%	97.84%	97.84%	Business combinations under common control
Hebei Tianxiang *(Notes (i)(iii))*	Baoding City, Hebei Province	Production and sales of dairy products	118,000,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations under common control
Qingdao New Hope Qinpai Dairy Co., Ltd. (青島新希望琴牌乳業有限公司) ("Qingdao Qinpai") *(Notes (i)(ii))*	Qingdao City, Shandong Province	Production and sales of dairy products	60,000,000.00	99.90%	99.90%	99.90%	99.90%	Business combinations under common control
Anhui New Hope Baidi Dairy Co., Ltd. (安徽新希望白帝乳業有限公司) ("Anhui Baidi") *(Notes (i)(ii))*	Hefei City, Anhui Province	Production and sales of dairy products	283,000,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations under common control
Kunming Haizi *(Notes (i)(ii))*	Kunming City, Yunnan Province	Production and sales of dairy products	13,395,000.00	100.00%	100.00%	100.00%	100.00%	Business combinations under common control

Notes:

(i) These entities are registered as limited liability companies under the laws and regulations in the PRC. The official names of these entities are in Chinese. The English translation is included for identification purpose only.

(ii) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with the CASBE and were audited by Sichuan Zhonglian Certified Public Accountants Co., Ltd.(四川中聯會計師事務所有限公司). The statutory financial statements of these entities for the year ended 31 December 2025 were not audited.

(iii) The statutory financial statements of Hebei Tianxiang for the years ended 31 December 2023 and 2024 were prepared in accordance with the CASBE and were audited by Baoding Lingqiang Certified Public Accountants (General Partnership)(保定嶺強會計師事務所(普通合夥)). The statutory financial statements for the years ended 31 December 2025 were not audited.

(iv) The statutory financial statements of these entities for the year ended 31 December 2023 were prepared in accordance with the CASBE and were audited by Chengdu Mingchun Certified Public Accountants Co., Ltd. (成都銘春會計師事務所有限公司). The statutory financial statements of these entities for the years ended 31 December 2024 and 2025 were not audited.

(v) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with the CASBE and were audited by Sichuan Zhonglian Certified Public Accountants Co., Ltd. (四川中聯會計師事務所有限公司) and Guizhou Zhongwang Certified Public Accountants (General Partnership)(貴州中旺會計師事務所(普通合夥)), respectively. The statutory financial statements of these entities for the year ended 31 December 2025 were not audited.

(vi) No audited financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 were issued.

(vii) The statutory financial statements of Sichuan Xianjian for the year ended 31 December 2023 were prepared in accordance with the CASBE and were audited by Sichuan Zhonglian Certified Public Accountants Co., Ltd. (四川中聯會計師事務所有限公司). The statutory financial statements for the years ended 31 December 2024 and 2025 were not audited.

(viii) The statutory financial statements of GGG for the years ended 31 December 2023 and 2024 were prepared in accordance with the HKFRS Accounting Standards and were audited by JR & CO. CERTIFIED PUBLIC ACCOUNTANT. The statutory financial statements for the year ended 31 December 2025 were not audited.

(ix) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with the CASBE and were audited by Hunan Xiangchu Certified Public Accountants Co., Ltd. (湖南湘楚會計師事務所有限責任公司). The statutory financial statements of these entities for the year ended 31 December 2025 were not audited.

2 Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

(1) Acquisition of non-controlling interests during the Track Record Period

In November 2023 and May 2025, the Group acquired 31.50% and 13.5% equity interests from the non-controlling shareholders of Fujian Auscow at considerations of RMB59,101,875.00 and RMB22,337,375.00, respectively. The difference of RMB27,670,468.51 and RMB9,320,234.97 between the considerations paid and the non-controlling interests acquired were recognised in capital reserve for the years ended 31 December 2023 and 2025, respectively.

During the year ended 31 December 2023 and 2024, the Group acquired additional interests in certain subsidiaries from non-controlling shareholders at total considerations of RMB13,469,981.31 and RMB256,700.60, respectively. The differences of RMB8,835,945.62 and RMB121,821.26 between the considerations paid and the non-controlling interests acquired were recognised in capital reserve for the years end 31 December 2023 and 2024, respectively.

The total differences between the carrying amounts of non-controlling interests acquired and the fair value of consideration paid were recorded in capital reserve as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
Acquisition cost			
– Cash	72,571,856.31	256,700.60	22,337,375.00
Less: Share of net assets in subsidiaries based on the interests acquired	36,065,442.18	134,879.34	13,017,140.03
Difference	36,506,414.13	121,821.26	9,320,234.97
Including:			
Adjustment to capital reserve	36,506,414.13	121,821.26	9,320,234.97

(2) Disposal of interest in a subsidiary

In 2023, the Group disposed partial of its equity interests in a subsidiary to third parties with a consideration of RMB2,326,000.00, which resulted an increase in non-controlling interests of RMB2,790,333.61 and a decrease in capital reserve of RMB464,333.61 for year ended 31 December 2023.

3 Interests in associates

	As at 31 December		
	2023	**2024**	**2025**
Associates			
– Material associate	479,816,897.22	456,835,468.36	448,131,199.74
– Immaterial associates	58,449,670.46	58,512,674.59	57,851,871.46
Subtotal	538,266,567.68	515,348,142.95	505,983,071.20
Less: Provision for impairment	–	–	–
Total	538,266,567.68	515,348,142.95	505,983,071.20

(1) Material associates

Name of investee	Principal place of business/ Registered place	Nature of business	Shareholding percentage	Accounting treatment of investments in associates
Chongqing Tianyou	Chongqing City	Production and sales of dairy products	47.22%	Equity method

(2) Key financial information of material associates

The following table sets out the key financial information of the Group's material associates, adjusted for fair value adjustments at the time of acquisition and any differences in the accounting policies of the Group. The table also reconciles the key financial information to the carrying amount of the Group's investments in the associates under the equity method:

	Chongqing Tianyou		
	As at 31 December/For the year ended 31 December		
	2023	2024	2025
Current assets	754,402,835.92	715,266,619.83	768,961,385.40
Non-current assets	923,540,839.26	867,380,764.97	701,478,345.62
Total assets	1,677,943,675.18	1,582,647,384.80	1,470,439,731.02
Current liabilities	467,534,330.98	418,988,558.73	389,356,014.70
Non-current liabilities	137,806,714.05	136,988,446.14	117,985,265.99
Total liabilities	605,341,045.03	555,977,004.87	507,341,280.69
Net assets	1,072,602,630.15	1,026,670,379.93	963,098,450.33
Non-controlling interests	51,432,814.79	54,172,502.35	15,485,180.25
Net assets attributable to shareholders of the associate	1,021,169,815.36	972,497,877.58	947,613,270.08
Share of net assets calculated based on equity interests proportion	473,454,215.22	450,472,786.36	441,768,517.74
Adjustments			
– Goodwill	6,362,682.00	6,362,682.00	6,362,682.00
Carrying amount of equity investments in associate	479,816,897.22	456,835,468.36	448,131,199.74
Revenue	2,570,139,851.24	2,271,386,556.83	2,155,834,399.35
Net profit/(loss)	26,567,105.62	(18,672,050.24)	39,305,162.16
Total comprehensive income	26,567,105.62	(18,672,050.24)	39,305,162.16
Dividends received from associates for the year	14,165,046.90	14,165,046.90	33,051,776.10

(3) Summarised financial information of immaterial associates:

	As at 31 December/year ended 31 December		
	2023	2024	2025
Associates:			
Aggregate carrying amount of investments	58,449,670.46	58,512,674.59	57,851,871.46
Aggregate amount of share of			
– Net (loss)/profit	(468,112.98)	63,004.13	1,293,216.87
– Total comprehensive income	(468,112.98)	63,004.13	1,293,216.87

VII. GOVERNMENT GRANTS

1 Government grants recognised in profit or loss

Item	Year ended 31 December		
	2023	2024	2025
Other income	64,183,306.74	53,883,758.84	53,836,748.22
Financial expenses	5,000,000.00	3,824,200.00	10,220,527.55
Total	69,183,306.74	57,707,958.84	64,057,275.77

2 Liabilities relating to government grants

	Year ended 31 December 2023						
Item	As at 1 January	Additions during the year	Amounts recognised in non-operating income during the year	Amounts recognised in other income during the year	Other changes during the year	As at 31 December	Related to assets/ income
Deferred income	110,587,077.72	9,294,448.76	–	(19,986,055.77)	–	99,895,470.71	Related to assets
Deferred income	13,810,427.96	6,874,900.00	–	(3,319,086.03)	–	17,366,241.93	Related to income
Total	124,397,505.68	16,169,348.76	–	(23,305,141.80)	–	117,261,712.64	

	Year ended 31 December 2024						
Item	As at 1 January	Additions during the year	Amounts recognised in non-operating income during the year	Amounts recognised in other income during the year	Other changes during the year	As at 31 December	Related to assets/ income
Deferred income	99,895,470.71	10,213,700.00	–	(18,923,604.47)	–	91,185,566.24	Related to assets
Deferred income	17,366,241.93	4,600,000.00	–	(3,376,234.12)	–	18,590,007.81	Related to income
Total	117,261,712.64	14,813,700.00	–	(22,299,838.59)	–	109,775,574.05	

	Year ended 31 December 2025						
Item	Balance at the beginning of the year	Additions during the year	Amounts recognised in non-operating income during the year	Amounts recognised in other income during the year	Other changes during the year	Balance at the end of the year	Related to assets/ income
Deferred income	91,185,566.24	15,995,097.10	–	(18,812,620.78)	–	88,368,042.56	Related to assets
Deferred income	18,590,007.81	6,348,464.00	–	(8,184,440.97)	–	16,754,030.84	Related to income
Total	109,775,574.05	22,343,561.10	–	(26,997,061.75)	–	105,122,073.40	

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS

1 Risks from use of financial instruments

The Group has exposure to the following main risks from its use of financial instruments in the normal course of operations:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Other price risks

The following mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the reporting period, and the Group's objectives, policies and processes for measuring and managing risks, and their changes during the reporting period.

The Group aims to achieve an appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on these objectives, the Group's risk management policies have been established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's internal audit department also conducts periodic or random checks on the implementation of the internal control system to ensure compliance with risk management policies.

(1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, accounts receivable and other receivables. Exposure to these credit risks is monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from cash at bank and does not expect that these financial institutions may default and cause losses to the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group's distributor customers typically need to make prepayment before taking delivery of goods. For other customers, the Group typically grants short credit periods. The Group will ensure that the relevant credit limits are approved and implement other monitoring procedures to take necessary measures for the recovery of overdue receivables. In addition, the Group reviews the collectability of receivables at each balance sheet date to ensure that sufficient allowance for doubtful accounts is recognised for uncollectible amounts.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country/region in which the customers operate. As at 31 December 2023, 2024 and 2025, 35%, 28% and 39% of total accounts receivable were due from the Group's five largest customers, respectively. In addition, the Group's receivables that are neither overdue nor impaired are mainly related to a large number of customers with no recent default records.

(2) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. As at 31 December 2025, the Group had banking facilities amounted to RMB4.846 billion.

The following tables set out the remaining contractual maturities of the Group's financial liabilities at each reporting date, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at 31 December) and the earliest date the Group can be required to pay:

	Contractual undiscounted cash flow as at 31 December 2023					
	Within 1 year or on demand (inclusive)	More than 1 year but less than 2 years (inclusive)	More than 2 years but less than 5 years (inclusive)	More than 5 years	Total	Carrying amount
Short-term loans	930,509,306.57	–	–	–	930,509,306.57	915,574,402.81
Bills payable	100,000.00	–	–	–	100,000.00	100,000.00
Accounts payable	925,284,186.00	–	–	–	925,284,186.00	925,284,186.00
Other payables	748,543,104.85	–	–	–	748,543,104.85	748,543,104.85
Long-term loans	44,092,406.66	1,051,768,534.16	338,956,888.46	7,399,208.71	1,442,217,037.99	1,366,676,849.20
Long-term payables	133,833.33	133,833.33	11,027,866.67	–	11,295,533.33	11,000,000.00
Debentures payable	10,356,478.58	12,923,469.00	789,767,550.00	–	813,047,497.58	698,910,945.02
Lease liabilities	–	13,810,487.54	31,561,259.54	47,244,645.27	92,616,392.35	71,177,919.54
Non-current liabilities due within one year	708,884,725.20	–	–	–	708,884,725.20	697,022,629.54
Total	3,367,904,041.19	1,078,636,324.03	1,171,313,564.67	54,643,853.98	5,672,497,783.87	5,434,290,036.96

	Contractual undiscounted cash flow as at 31 December 2024					
	Within 1 year or on demand (inclusive)	More than 1 year but less than 2 years (inclusive)	More than 2 years but less than 5 years (inclusive)	More than 5 years	Total	Carrying amount
Short-term loans	374,297,155.58	–	–	–	374,297,155.58	371,076,044.47
Accounts payable	990,643,181.89	–	–	–	990,643,181.89	990,643,181.89
Other payables	737,927,654.78	–	–	–	737,927,654.78	737,927,654.78
Long-term loans	28,753,878.75	587,627,704.86	476,993,937.50	40,895,166.67	1,134,270,687.78	1,077,260,000.00
Long-term payables	133,833.33	11,027,500.00	–	–	11,161,333.33	11,000,000.00
Debentures payable	12,427,248.09	789,734,110.00	–	–	802,161,358.09	725,270,462.40
Lease liabilities	–	16,426,654.82	30,326,970.62	40,395,616.53	87,149,241.97	68,608,818.91
Non-current liabilities due within one year	877,427,402.03	–	–	–	877,427,402.03	864,053,310.25
Total	3,021,610,354.45	1,404,815,969.68	507,320,908.12	81,290,783.20	5,015,038,015.45	4,845,839,472.70

	Contractual undiscounted cash flow as at 31 December 2025					
	Within 1 year or on demand (inclusive)	More than 1 year but less than 2 years (inclusive)	More than 2 years but less than 5 years (inclusive)	More than 5 years	Total	Carrying amount
Short-term loans	446,822,683.76	–	–	–	446,822,683.76	444,277,222.65
Bills payable	8,454,016.24	–	–	–	8,454,016.24	8,454,016.24
Accounts payable	923,457,685.11	–	–	–	923,457,685.11	923,457,685.11
Other payables	862,803,038.86	–	–	–	862,803,038.86	862,803,038.86
Long-term loans	14,174,065.28	534,525,291.39	38,044,200.00	–	586,743,556.67	563,900,000.00
Lease liabilities	–	15,052,791.07	27,956,333.64	33,299,062.79	76,308,187.50	60,693,332.83
Non-current liabilities due within one year	1,411,815,978.42	–	–	–	1,411,815,978.42	1,367,457,630.17
Total	3,667,527,467.67	549,578,082.46	66,000,533.64	33,299,062.79	4,316,405,146.56	4,231,042,925.86

(3) Interest rate risk

Interest-bearing financial instruments at fixed rates and at variable rates expose the Group to fair value interest rate risk and cash flow interest risk, respectively. The Group determines the appropriate weightings for fixed and floating rate interest-bearing instruments based on current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure.

As at the end of each reporting period, the Group held the following interest-bearing financial instruments:

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	Effective interest rate	Amounts	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial instruments at fixed rates						
Financial liabilities						
– Short-term loans	2.20%-3.40%	(865,000,000.00)	1.00%-2.60%	(370,000,000.00)	0.78%-1.45%	(211,530,877.80)
– Long-term payables	1.20%	(24,000,000.00)	1.20%	(11,000,000.00)	1.20%	(11,000,000.00)
– Long-term loans	3.00%	(142,500,000.00)	2.40%-2.80%	(212,700,000.00)	2.40%-2.50%	(205,760,000.00)
– Debentures payables	5.33%	(698,910,945.02)	5.33%	(725,270,462.40)	5.33%	(750,813,300.80)
– Lease liabilities	2.38%-4.90%	(87,478,135.89)	3.35%-4.90%	(84,616,790.98)	3.35%-4.90%	(78,392,098.95)
Financial asset						
– Cash at bank	–	–	–	–	0.7%-0.9%	10,844,401.69
Subtotal		(1,817,889,080.91)		(1,403,587,253.38)		(1,246,651,875.86)
Financial instruments at variable rates						
Financial assets						
– Cash at bank	0.0001%-2.15%	438,864,471.61	0.0001%-1.30%	395,799,507.80	0.0001%-0.55%	343,389,883.04
Financial liabilities						
– Short-term loans	2.65%	(50,000,000.00)	–	–	2.20%	(230,000,000.00)
– Long-term loans	1.80%-3.55%	(1,889,176,849.20)	1.20%-3.35%	(1,709,600,000.00)	2.34%-2.75%	(943,900,000.00)
Subtotal		(1,500,312,377.59)		(1,313,800,492.20)		(830,510,116.96)
Total		(3,318,201,458.50)		(2,717,387,745.58)		(2,077,161,992.82)

As at 31 December 2023, 2024 and 2025, it was estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would decrease the Group's equity and net profit by RMB14,887,711.44, RMB13,011,089.13 and RMB8,131,652.56, respectively.

The sensitivity analysis above indicates the instantaneous change in net profit and equity that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on net profit and equity of such a change in interest rates is estimated as an annualised impact on interest expense or income.

(4) Foreign currency risk

In respect of cash at bank and on hand denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(a) As at the end of each reporting period, the Group's exposure to currency risk arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the balance sheet date.

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	Balance in foreign currency	Balance in RMB equivalent	Balance in foreign currency	Balance in RMB equivalent	Balance in foreign currency	Balance in RMB equivalent
Cash at bank and on hand						
– USD	1,442,695.62	10,218,180.27	1,486,056.65	10,682,369.62	1,493,821.93	10,499,775.57
– HKD	477,270.23	432,511.83	3,583,615.22	3,318,571.04	11,981,017.95	10,821,495.03
Net balance sheet exposure						
– USD	1,442,695.62	10,218,180.27	1,486,056.65	10,682,369.62	1,493,821.93	10,499,775.57
– HKD	477,270.23	432,511.83	3,583,615.22	3,318,571.04	11,981,017.95	10,821,495.03

(b) The following are the exchange rates for RMB against foreign currencies applied by the Group:

	Average rate for year ended 31 December			Mid-spot rate as at 31 December		
	2023	2024	2025	2023	2024	2025
USD	7.0237	7.1356	7.1086	7.0827	7.1884	7.0288
HKD	0.8997	0.9161	0.9146	0.9062	0.9260	0.9032

(c) Sensitivity analysis

Assuming all other risk variables remained constant, a 5% strengthening of the RMB against the USD and HKD as at 31 December 2023, 2024 and 2025 would have decreased the Group's equity and net profit by RMB532,534.60, RMB700,047.03 and RMB1,066,063.54, respectively.

A 5% weakening of the Renminbi against the USD and HKD at the end of each reporting period would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes differences that would result from the translation of foreign currency financial statements.

(5) Other price risks

Other price risk of equity instrument investments are mainly arising from the risk that the decrease of fair value of equity securities due to changes in stock market. As at December 31, 2023, 2024 and 2025, the Group was exposed to price risk of equity instrument investments. Certain listed equity investments held by the Group are listed on the Hong Kong Stock Exchange and measured at market quoted prices at the balance sheet date. Certain other equity instrument investments are interests in unlisted companies, and their fair values are determined by valuation techniques.

Assuming all other risk variables remained constant, a 10% increase in fair value of equity instrument investments at the end of each reporting period would have increased the Group's equity and net profit by the amounts shown below.

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	Equity	Net profit	Equity	Net profit	Equity	Net profit
A 10% increase in fair value of investments in other equity instruments	48,043,181.51	–	57,029,261.53	–	98,872,181.39	–
A 10% increase in fair value of financial assets held for trading – equity instruments	–	–	231,389.12	231,389.12	311,057.28	311,057.28
Total	48,043,181.51	–	57,260,650.65	231,389.12	99,183,238.67	311,057.28

2 Transfer of financial assets

(1) By manner of transfer

	As at 31 December 2023			
Manner of transfer	**Nature of financial assets transferred**	**Amount of financial assets transferred**	**Derecognised (Y/N)**	**Basis for derecognition**
Bills discounting	Bills Receivable	–	–	–

	As at 31 December 2024			
Manner of transfer	**Nature of financial assets transferred**	**Amount of financial assets transferred**	**Derecognised (Y/N)**	**Basis for derecognition**
Bills discounting	Bills Receivable	909,933.36	N	Retained almost all of its risks and rewards
Bills discounting	Receivables under financing	47,476,206.13	Y	Almost all of its risks and rewards have been transferred
Total		48,386,139.49		

	As at 31 December 2025			
Manner of transfer	**Nature of financial assets transferred**	**Amount of financial assets transferred**	**Derecognised (Y/N)**	**Basis for derecognition**
Bills discounting	Bills Receivable	2,588,679.17	N	Retained almost all of its risks and rewards
Bills discounting	Receivables under financing	37,223,311.63	Y	Almost all of its risks and rewards have been transferred
Total		39,811,990.80		

(2) Financial assets derecognised due to transfer

As at 31 December 2023, there were no financial assets derecognised due to transfer of the Group.

As at 31 December 2024, the financial assets derecognised due to transfer of the Group were as follows:

Item	**Manner of transfer**	**Amount derecognised**	**Gain or loss related to derecognition**
Receivables under financing	Bills discounting	47,476,206.13	–

As at 31 December 2025, the financial assets derecognised due to transfer of the Group were as follows:

Item	Manner of transfer	Amount derecognised	Gain or loss related to derecognition
Receivables under financing	Bills discounting	37,223,311.63	–

IX. FAIR VALUE DISCLOSURE

The following table presents the fair value information and fair value hierarchy, at the end of each reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level at which fair value measurement is categorised is determined by the lowest level input in the fair value hierarchy that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable or underlying assets or liabilities.

1 Fair value of assets and liabilities measured at fair value at the end of each reporting period

	Note	As at 31 December 2023			
		Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurements					
Financial assets held for trading	*IV.2*	–	30,000,000.00	22,000,000.00	52,000,000.00
Investments in other equity instruments	*IV.13*	478,187,847.11	–	2,243,968.00	480,431,815.11
Total assets measured at fair value on a recurring basis		478,187,847.11	30,000,000.00	24,243,968.00	532,431,815.11

	Note	As at 31 December 2024			
		Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurements					
Financial assets held for trading	*IV.2*	3,005,701.15	100,000,000.00	44,600,500.00	147,606,201.15
Receivables under financing	*IV.5*	–	–	6,554,094.78	6,554,094.78
Investments in other equity instruments	*IV.13*	569,790,147.28	–	502,468.00	570,292,615.28
Total assets measured at fair value on a recurring basis		572,795,848.43	100,000,000.00	51,657,062.78	724,452,911.21

	Note	As at 31 December 2025			
		Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurements					
Financial assets held for trading	*IV.2*	4,040,575.47	209,099,722.22	–	213,140,297.69
Receivables under financing	*IV.5*	–	–	2,269,283.74	2,269,283.74
Investments in other equity instruments	*IV.13*	988,619,345.92	–	102,468.00	988,721,813.92
Total assets measured at fair value on a recurring basis		992,659,921.39	209,099,722.22	2,371,751.74	1,204,131,395.35

2 Basis for determining the market price for recurring and non-recurring fair value measurement categorised within Level 1

As at 31 December 2023, 2024 and 2025, the Group's financial assets measured at fair value on a recurring basis categorised within Level 1 are listed equity securities, the fair value of which is available in active markets.

3 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 2

As at 31 December 2023, 2024 and 2025, the Group's financial assets measured at fair value on a recurring basis categorised within Level 2 are structured deposits or certificate of deposits, the fair value of which is calculated by expected cash flows.

4 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 3

As at 31 December 2023, the Group's financial assets measured at fair value on a recurring basis categorised within Level 3 consist compensation receivables, of which the fair value is measured using discounted cash flow ("DCF") method, and other equity investments in unlisted entities, of which the fair value is measured using market comparable companies method.

As at 31 December 2024, the Group's financial assets measured at fair value on a recurring basis categorised within Level 3 consist compensation receivables and receivables under financing, of which the fair value is measured using DCF method, and other equity investments in unlisted entities, of which the fair value is measured using market comparable companies method.

As at 31 December 2025, the Group's financial assets measured at fair value on a recurring basis categorised within Level 3 consist receivables under financing, of which the fair value is measured using DCF method, and other equity investments in unlisted entities, of which the fair value is measured using market comparable companies method.

5 Reasons for transfers of recurring fair value measurements between different levels, and the policy regarding the timing of those transfers

During the Track Record Period, none of the Group's above assets and liabilities which are measured at fair value on a recurring basis were transferred between different levels.

6 Reconciliation between the opening and closing balances of the assets and liabilities that measured at recurring Level 3 fair value measurement

The valuation model of the fair value of unlisted equity securities is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities. The fair value measurement has a negative correlation with discount for lack of marketability ("DLOM"). As at 31 December 2023, 2024 and 2025, assuming all other variables remain constant, a 5% increase in the DLOM would result in a decrease in the other comprehensive income of RMB112,198.40, RMB21,354.89 and RMB5,123.40, respectively.

The Group uses the DCF method to determine the fair value of compensation receivables and receivables under financing. The fair value has a positive correlation with future cash flows. As at 31 December 2023, 2024 and 2025, assuming all other variables remain constant, a 10% increase in future cash flows would result in an increase in net profit of RMB2,200,000.00, RMB4,460,050.00 and RMBNil and an increase in other comprehensive income of RMBNil, RMB512,552.72 and RMB191,289.84, respectively.

7 Current changes in valuation techniques and the reasons for the changes

During the Track Record Period, there were no changes in valuation techniques for the recurring and non-recurring fair value measurements.

8 Fair values of financial assets and liabilities not measured at fair value

Except as disclosed below, as at 31 December 2023, 2024 and 2025, all financial assets and financial liabilities of the Group are carried at amounts not materially different from their fair value.

	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Debentures payable	698,910,945.02	744,679,002.60	725,270,462.40	772,934,311.66	751,364,007.41	775,961,949.52

X. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

1 Immediate and ultimate controlling party

The directors of the Company consider the immediate holding party of the Company as at 31 December 2023, 2024 and 2025 was Universal Dairy Limited.

The ultimate controlling parties is Mr. Liu Yonghao and Ms. Liu Chang.

2 Information about the major subsidiaries of the Company

For information about the major subsidiaries of the Company, refer to Note VI.1.

3 Information about associates of the Company

For information about the associates of the Company, refer to Note VI.3. Associates that have related-party transactions with the Group during the Track Record Period are as follows:

English Name	Chinese Name	Relationship with the Company
New Blue Ocean	新藍海乳業(北京)有限公司	Associate
Gansu Xincaowang	甘肅新草王牧業有限公司	Associate
Chongqing Hanhong	重慶新牛瀚虹實業有限公司	Associate
Grass Green Food	四川草根食代科技有限責任公司	Associate
Xinwangda	四川新望達供應鏈管理有限公司	Associate

4 Information on other related parties

English Name	Chinese Name	Relationship with the Company
Aiyue Mimeng Xuzhou Technology Co., Ltd.	愛躍咪萌徐州科技有限公司	Under common control of ultimate controlling parties
Beijing Future Cosmos E-commerce Co., Ltd.	北京未來星宇電子商務有限公司	Under common control of ultimate controlling parties
Grass Green Group	草根知本集團有限公司	Under common control of ultimate controlling parties
Grass Green Tongchuang Capital (Beijing) Co., Ltd.	草根同創資本(北京)有限公司	Under common control of ultimate controlling parties
New Hope Group Co., Ltd.	新希望集團有限公司	Under common control of ultimate controlling parties
Changdu Sanlejiang Pharmaceutical Group Sichuan Huamei Pharmaceutical Co. Ltd.	成都三勒漿藥業集團四川華美製藥有限公司	Under common control of ultimate controlling parties (before 29 August 2025)
Chengdu Sanlejiang Pharmaceutical Co., Ltd.	成都三勒漿藥業有限公司	Under common control of ultimate controlling parties
Sichuan Huiji Food Industry Co., Ltd.	四川徽記食品股份有限公司	Under common control of ultimate controlling parties
Green Collar Space (Beijing) Technology Co., Ltd.	綠領空間(北京)科技有限公司	Under common control of ultimate controlling parties
Chateland (Shanghai) Food Technology Co., Ltd.	牧堡(上海)食品科技有限公司	Under common control of ultimate controlling parties
Sichuan Chuanwazi Food Co., Ltd.	四川川娃子食品有限公司	Under common control of ultimate controlling parties
Sichuan Huaxi Guoxing Real Estate Co., Ltd.	四川華西國興置業有限公司	Under common control of ultimate controlling parties
Sichuan Huiji E-commerce Co., Ltd.	四川徽記電子商務有限公司	Under common control of ultimate controlling parties
Sichuan New Hope Trading Co., Ltd.	四川新希望貿易有限公司	Under common control of ultimate controlling parties
Sichuan Zhiai Maternal & Infant Products Co., Ltd.	四川致愛母嬰產品有限公司	Under common control of ultimate controlling parties
Fresh Life Cold Chain Logistics Co., Ltd.	鮮生活冷鏈物流有限公司	Under common control of ultimate controlling parties
Xinjiu Commercial Development Co., Ltd.	新玖商業發展有限公司	Under common control of ultimate controlling parties
New Hope (Tianjin) Commercial Factoring Co., Ltd.	新希望(天津)商業保理有限公司	Under common control of ultimate controlling parties
New Hope Service Holdings Limited	新希望服務控股有限公司	Under common control of ultimate controlling parties
New Hope Liuhe Co., Ltd.	新希望六和股份有限公司	Under common control of ultimate controlling parties
New Hope Wuxin Industrial Group Co., Ltd.	新希望五新實業集團有限公司	Under common control of ultimate controlling parties
Chengdu Yuyouxuan Technology Service Co., Ltd.	成都雲優選科技服務有限公司	Under common control of ultimate controlling parties
Yunnan Xinlong Mineral Feed Co., Ltd.	雲南新龍礦物質飼料有限公司	Under common control of ultimate controlling parties
Beijing Xinchuang Shared Technology Co., Ltd.	北京新創共享科技有限公司	Under common control of ultimate controlling parties
Zhejiang Free Trade Zone Xinxin Xiangyu Fishery Development Co., Ltd.	浙江自貿區新鑫向漁漁業發展有限公司	Under common control of ultimate controlling parties
Chengdu Datang Shengshi Catering Management Co., Ltd.	成都大唐盛世餐飲管理有限公司	Under common control of ultimate controlling parties (before October 2024)

English Name	Chinese Name	Relationship with the Company
Chengdu Guoniang Food Co., Ltd.	成都國釀食品股份有限公司	Under common control of ultimate controlling parties
Chengdu Hualong Food Industry Co., Ltd.	成都華隆食品產業有限公司	Under common control of ultimate controlling parties
Chengdu Xinlimei Medical Beauty Hospital Co., Ltd.	成都新麗美醫療美容醫院有限公司	Under common control of ultimate controlling parties
Nanjing New Hope Real Estate Co., Ltd.	南京新希望置業有限公司	Under common control of ultimate controlling parties
Chengdu New Hope Financial Information Co., Ltd.	成都新希望金融信息有限公司	Under common control of ultimate controlling parties
Deyang New Hope Liuhe Food Co., Ltd.	德陽新希望六和食品有限公司	Under common control of ultimate controlling parties
Huarong Chemical Co., Ltd.	華融化學股份有限公司	Under common control of ultimate controlling parties
Kunming Heguang Real Estate Development Co., Ltd.	昆明和廣房地產開發有限公司	Under common control of ultimate controlling parties
New Hope Finance Co., Ltd.	新希望財務有限公司	Under common control of ultimate controlling parties
Chengdu Jinfuhou Food Co., Ltd.	成都市金福猴食品股份有限公司	Under common control of ultimate controlling parties
Chengdu Jinjiang Xiaokang Home Comprehensive Outpatient Department Co., Ltd.	成都錦江曉康之家綜合門診部有限公司	Under common control of ultimate controlling parties
Chengdu Rongao Hotel Management Co., Ltd.	成都榮澳酒店管理有限公司	Under common control of ultimate controlling parties
Sichuan Xinweilai E-commerce Co., Ltd.	四川新味來電子商務有限公司	Under common control of ultimate controlling parties
New Hope Chemical Investment Co. Ltd.	新希望化工投資有限公司	Under common control of ultimate controlling parties
Kunming New Hope Real Estate Co., Ltd.	昆明新希望置業有限公司	Under common control of ultimate controlling parties
Sichuan New Flavor Industry Co., Ltd.	四川新滋味味業有限公司	Under common control of ultimate controlling parties
Meishan Chuangdiao E-commerce Co., Ltd.	眉山創調電子商務有限公司	Under common control of ultimate controlling parties
Kunming Yalong Real Estate Development Co., Ltd.	昆明雅龍房地產開發有限公司	Under common control of ultimate controlling parties
Sichuan Shengwang Private Equity Fund Management Co., Ltd.	四川昇望私募基金管理有限公司	Under common control of ultimate controlling parties
Shanghai Haocang System Control Technology Co., Ltd.	上海昊滄系統控制技術有限責任公司	Other related party
Sichuan Xinwang Bank Co., Ltd.	四川新網銀行股份有限公司	Other related party
Chengdu Woxing Woshu Technology Co., Ltd.	成都我行我數科技有限公司	Other related party
Hangzhou Xingyuan Environmental Protection Equipment Co., Ltd.	杭州興源環保設備有限公司	Other related party (Under common control of ultimate controlling parties before 1 February 2023)
Sichuan Hebu Apei Brand Management Co., Ltd.	四川何不阿佩品牌管理有限公司	Other related party
Sichuan New Hope Industrial Co., Ltd.	四川新希望實業有限公司	Other related party
Jiaxing Jinchuan Real Estate Co., Ltd.	嘉興錦川置業有限公司	Other related party
Xingyuan Environment Technology Co., Ltd.	興源環境科技股份有限公司	Other related party
Xinru Xiangzhi (Suzhou) Food Technology Co., Ltd.	新乳香芝(蘇州)食品科技有限公司	Other related party
Fengshun New Hope Biotechnology Co., Ltd.	豐順新希望生物科技有限公司	Other related party
Chengdu Chuannongniu Technology Co., Ltd.	成都川農牛科技有限公司	Other related party
Xinzhi Energy Storage Technology (Hefei) Co., Ltd.	新至儲能科技(合肥)有限公司	Other related party
Kunming New Hope Fresh Life Trading Co., Ltd.	昆明新希望鮮生活商貿有限公司	Other related party
Jiaxing Jiachu Technology Co., Ltd.	嘉興嘉儲科技有限公司	Other related party

Notes:

(i) The Official names of these entities are in Chinese. The English translation is for identification purpose only.

(ii) Other related party refers to company controlled by, or in which the key management personnel of the Group serve as directors or senior management personnel, as well as associates of the Group's related parties.

5 Transactions with related parties

(1) Purchase of goods/receiving of services (excluding remuneration of key management personnel)

Name of related party	Nature of transaction	Year ended 31 December 2023	2024	2025
Sichuan New Hope Trading Co., Ltd.	Purchase of raw material	84,515,065.45	55,706,501.34	36,733,628.93
New Hope Liuhe Co., Ltd. and its affiliated subsidiaries	Purchase of goods and services	211,714,467.97	165,347,611.46	163,997,005.66
Fresh Life Cold Chain Logistics Co., Ltd. and its affiliated subsidiaries	Purchase of goods and services	546,922,038.66	582,236,039.56	636,722,697.74
Chateland (Shanghai) Food Technology Co., Ltd.	Purchase of goods and services	87,491,208.98	37,924,295.70	8,940,335.15
Chengdu Yunyouxuan Technology Service Co., Ltd. and its affiliated subsidiaries	Purchase of goods and services	8,474.34	1,798,496.33	4,896,180.83
Associates	Purchase of goods and services	3,609,798.82	8,611,915.79	1,017,169.79
Other entities under common control of ultimate controlling parties	Purchase of goods and services	2,146,360.06	2,912,361.66	2,473,355.20
Other related parties	Purchase of goods and services	2,047,834.32	2,549,707.19	5,553,518.28
Total		938,455,248.60	857,086,929.03	860,333,891.58

(2) Sale of goods/rendering of services

Name of related party	Nature of transaction	Year ended 31 December 2023	2024	2025
New Blue Ocean	Sales of goods and rendering services	93,660,010.87	101,711,825.61	144,142,633.59
Beijing Future Cosmos E-commerce Co., Ltd.	Sales of goods and rendering services	68,224,109.40	52,500,584.41	52,969,891.08
Chengdu Yunyouxuan Technology Service Co., Ltd.	Sales of goods and rendering services	6,329,275.83	51,707,540.74	69,679,867.74
Chongqing Hanhong	Sales of goods and rendering services	–	41,147,655.55	45,927,504.80
Sichuan Zhiai Maternal & Infant Products Co., Ltd.	Sales of goods and rendering services	3,817,652.64	7,547,231.79	10,423,928.10
New Hope Service Holding Limited	Sales of goods and rendering services	3,797,207.00	6,996,664.25	8,710,899.65
Fresh Life Cold Chain Logistics Co., Ltd.	Sales of goods and rendering services	6,267,219.88	4,726,826.68	3,286,374.11
Xinwangda	Sales of goods	–	1,800,907.24	3,013,431.31
Chateland (Shanghai) Food Technology Co., Ltd.	Sales of goods and rendering services	6,619,608.65	1,733,585.06	8,187,282.94
New Hope Liuhe Co., Ltd.	Sales of goods and rendering services	467,167.86	731,272.28	351,498.53
New Hope (Tianjin) Commercial Factoring Co., Ltd.	Rendering services	583,056.68	481,830.19	190,268.38
Deyang New Hope Liuhe Food Co., Ltd.	Sales of goods	–	142,677.35	199,728.00
Sichuan New Hope Industrial Co., Ltd.	Sales of goods	334,083.15	353,088.61	292,972.38
Sichuan Chuanwazi Food Co., Ltd.	Sales of goods	816,666.37	272,247.78	–
Sichuan New Hope Trading Co., Ltd.	Sales of goods and rendering services	806,360.49	163,985.00	–
New Hope Group Co., Ltd.	Sales of goods	80,210.83	114,557.06	161,888.48
Xinjiu Commercial Development Co., Ltd.	Sales of goods	121,026.12	107,306.18	275,878.49
Chengdu Chuannongniu Technology Co., Ltd.	Sales of goods	–	–	2,552,367.01
Chengdu New Hope Financial Information Co., Ltd.	Sales of goods	–	–	1,134,019.85
Kunming Heguang Real Estate Development Co., Ltd.	Sales of goods	–	–	148,380.47
Xinru Xiangzhi (Suzhou) Food Technology Co., Ltd.	Sales of goods	–	27,095.30	260,787.63
Others	Sales of goods and rendering services	193,629.95	408,144.78	134,498.07
Total		192,117,285.72	272,675,025.86	352,044,100.61

(3) Leases

(a) As the lessor:

Name of lessee	Type of assets leased	Lease income recognised for each year ended 31 December		
		2023	2024	2025
New Hope Liuhe Co., Ltd.	Building	1,088,021.28	1,088,021.28	1,088,021.28
Fresh Life Cold Chain Logistics Co., Ltd.	Buildings and motor vehicles	756,185.05	62,698.00	239,238.73
Total		1,844,206.33	1,150,719.28	1,327,260.01

(b) As the lessee:

Name of lessor	Type of assets leased	Year ended 31 December 2023			
		Rental expenses for practical expedient of short-term leases and the leases of low-value assets	Rental payments	Interest expenses from lease liabilities	Increase of right-of-use assets
New Hope Wuxin Industrial Group Co., Ltd.	Business premises	–	484,314.24	56,806.00	1,236,451.07
New Hope Service Holdings Limited	Business premises and office equipment	10,849.06	72,155.06	1,799.64	90,349.70
Fresh Life Cold Chain Logistics Co., Ltd.	Vehicle	102,017.69	102,017.69	–	–
Sichuan Huaxi Guoxing Real Estate Co., Ltd.	Building	–	219,850.28	10,563.02	–
Total		112,866.75	878,337.27	69,168.66	1,326,800.77

Name of lessor	Type of assets leased	Year ended 31 December 2024			
		Rental expenses for practical expedient of short-term leases and the leases of low-value assets	Rental payments	Interest expenses from lease liabilities	Increase of right-of-use assets
New Hope Wuxin Industrial Group Co., Ltd.	Business premises	–	1,026,752.28	25,102.95	–
New Hope Service Holdings Limited	Business premises and office equipment	20,462.17	87,338.17	2,594.66	–
Fresh Life Cold Chain Logistics Co., Ltd.	Vehicle	30,513.28	30,513.28	–	–
Sichuan Huaxi Guoxing Real Estate Co., Ltd.	Building	–	412,219.28	22,353.54	914,458.40
Grass Green Food	E-commerce equipment	40,000.00	40,000.00	–	–
Total		90,975.45	1,596,823.01	50,051.15	914,458.40

Name of lessor	Type of assets leased	Year ended 31 December 2025			
		Rental expenses for practical expedient of short-term leases and the leases of low-value assets	Rental payments	Interest expenses from lease liabilities	Increased right-of-use assets
New Hope Wuxin Industrial Group Co., Ltd.	Business premises	–	516,165.90	17,428.89	1,492,674.14
New Hope Service Holdings Limited	Business premises and office equipment	26,818.69	60,256.69	608.48	100,215.27
Sichuan Huaxi Guoxing Real Estate Co., Ltd.	Building	–	476,342.28	15,621.77	–
Grass Green Food	E-commerce equipment	20,000.00	20,000.00	–	–
Total		46,818.69	1,072,764.87	33,659.14	1,592,889.41

(4) Remuneration of key management personnel

	Year ended 31 December		
	2023	2024	2025
Remuneration of key management personnel	11,413,694.60	11,615,356.65	12,803,380.16

(a) Directors' or supervisors' emoluments

	Note	Year ended 31 December 2023				
		Directors' fees	Salary, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Executive directors:						
Dr. Xi Gang	*(i)*	–	–	–	–	–
Dr. Zhu Chuan		–	1,084,561.95	900,000.00	40,757.76	2,025,319.71
Non-executive directors						
Ms. Liu Chang	*(i)*	–	–	–	–	–
Dr. Li Jianxiong (resigned on 31 May 2023)	*(i)*	–	–	–	–	–
Mr. Liu Xu (appointed on 31 May 2023)	*(i)*	–	–	–	–	–
Independent non-executive directors:						
Mr. Shen Yiwen (resigned on 31 May 2023)		105,000.00	–	–	–	105,000.00
Mr. Huang Yongqing (resigned on 31 May 2023)		105,000.00	–	–	–	105,000.00
Mr. Yeung Chi Tai (resigned on 31 May 2023)		105,000.00	–	–	–	105,000.00
Mr. Lo, Wa Kei Roy (appointed on 31 May 2023)		116,666.67	–	–	–	116,666.67
Mr. Wu Fei (appointed on 31 May 2023)		116,666.67	–	–	–	116,666.67
Prof. Yang Zhiqing (appointed on 31 May 2023)		116,666.67	–	–	–	116,666.67
Supervisors:						
Ms. Yang Fang (resigned on 31 May 2023)	*(i)*	–	–	–	–	–
Ms. Li Hongmei (resigned on 31 May 2023)		–	142,928.61	58,333.33	16,284.00	217,545.94
Mr. Li Xinghua (resigned on 31 May 2023)		–	134,446.96	58,333.33	16,284.00	209,064.29
Ms. Zhang Wei (appointed on 31 May 2023)	*(i)*	–	–	–	–	–
Mr. Wang Huayin (appointed on 31 May 2023)		–	240,776.83	81,666.67	23,715.36	346,158.86
Ms. Cai Qingqing (appointed on 31 May 2023)		–	135,471.61	63,583.33	11,200.00	210,254.94
Total		665,000.01	1,738,185.96	1,161,916.66	108,241.12	3,673,343.75

	Note	Year ended 31 December 2024 Directors' fees	Salary, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Executive directors:						
Dr. Xi Gang	*(i)*	–	–	–	–	–
Dr. Zhu Chuan		–	1,132,581.72	880,000.00	43,305.60	2,055,887.32
Non-executive directors						
Ms. Liu Chang	*(i)*	–	–	–	–	–
Ms. Li Wei (appointed on 21 June 2024)	*(i)*	–	–	–	–	–
Mr. Liu Xu	*(i)*	–	–	–	–	–
Independent non-executive directors:						
Mr. Lo, Wa Kei Roy		200,000.00	–	–	–	200,000.00
Mr. Wu Fei		200,000.00	–	–	–	200,000.00
Prof. Yang Zhiqing		200,000.00	–	–	–	200,000.00
Dr. Chen Bi (appointed on 21 June 2024)		5,000.00	–	–	–	5,000.00
Supervisors:						
Ms. Zhang Wei	*(i)*	–	–	–	–	–
Mr. Wang Huayin		–	363,977.56	140,000.00	41,066.24	545,043.80
Ms. Cai Qingqing		–	243,027.05	126,000.00	19,200.00	388,227.05
Total		605,000.00	1,739,586.33	1,146,000.00	103,571.84	3,594,158.17

	Note	Year ended 31 December 2025 Directors' fees	Salary, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
Executive directors:						
Dr. Xi Gang	*(i)*	–	–	–	–	–
Dr. Zhu Chuan		–	1,619,381.59	940,000.00	44,040.96	2,603,422.55
Ms. Chu Yanan	*(ii)*	–	–	–	–	–
Non-executive directors						
Ms. Liu Chang	*(i)*	–	–	–	–	–
Ms. Li Wei	*(i)*	–	–	–	–	–
Mr. Liu Xu	*(i)*	–	–	–	–	–
Independent non-executive directors:						
Mr. Lo, Wa Kei Roy		200,000.00	–	–	–	200,000.00
Mr. Wu Fei		200,000.00	–	–	–	200,000.00
Prof. Yang Zhiqing		200,000.00	–	–	–	200,000.00
Dr. Chen Bi		200,000.00	–	–	–	200,000.00
Supervisors:						
Ms. Zhang Wei (resigned on 25 December 2025)	*(i)*	–	–	–	–	–
Mr. Wang Huayin (resigned on 25 December 2025)		–	374,282.70	142,000.00	43,200.00	559,482.70
Ms. Cai Qingqing (resigned on 25 December 2025)		–	254,291.31	138,000.00	19,200.00	411,491.31
Total		800,000.00	2,247,955.60	1,220,000.00	106,440.96	4,374,396.56

Notes:

(i) Dr. Xi Gang, Ms. Liu Chang, Dr. Li Jianxiong, Ms. Li Wei, Mr. Liu Xu, Ms. Yang Fang and Ms. Zhang Wei received emoluments from certain related parties of the Company, in respect of their services to the larger group which include the Company and its subsidiaries and no apportionments has been made.

(ii) Ms. Chu Yanan became an executive director of the Company on 25 December 2025. The emoluments disclosed above represents the emoluments paid to her since her appointment as an executive director. The total emoluments of Ms. Chu Yanan for the year ended 31 December 2025 was RMB1,365,251.52.

(iii) During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments and no emolument was paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Individuals with highest emoluments

The numbers of directors, supervisors and other employees included in the five individuals with the highest emoluments set out as follows:

	Year ended 31 December		
	2023	2024	2025
	Number of individuals	Number of individuals	Number of individuals
Directors or supervisors	1	1	1
Other than directors or supervisors	4	4	4
Total	5	5	5

The aggregate of emoluments in respect of the five individuals with the highest emoluments other than directors or supervisors are as follows:

	Year ended 31 December		
	2023	2024	2025
Salary and other emoluments	2,681,643.45	2,986,667.82	3,197,396.59
Discretionary bonuses	2,304,166.67	2,305,000.00	2,560,000.00
Retirement scheme contributions	163,031.04	166,004.80	176,163.84
Total	5,148,841.16	5,457,672.62	5,933,560.43

The emoluments of the individuals with the highest emoluments other than directors or supervisors are within the following bands:

	Year ended 31 December		
	2023	2024	2025
	Number of individuals	Number of individuals	Number of individuals
HK$0 – HK$1,000,000	–	–	–
HK$1,000,001 – HK$1,500,000	3	3	3
HK$1,500,001 – HK$2,000,000	–	–	–
HK$2,000,001 – HK$2,500,000	1	1	1

6 Unsettled items, including receivables from and payables to related parties

(1) Trade in nature receivables from related parties

Item	Related party	As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
		Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts
Accounts receivable	Chateland (Shanghai) Food Technology Co., Ltd.	163,548.55	1,095.78	–	–	–	–
Accounts receivable	Sichuan Chuanwazi Food Co., Ltd.	67,800.00	454.26	–	–	–	–
Accounts receivable	Sichuan Zhiai Maternal & Infant Products Co., Ltd.	226,694.46	1,518.86	851,518.79	5,157.11	655,386.88	786.46
Accounts receivable	Beijing Future Cosmos E-commerce Co., Ltd.	20,274,300.11	1,955,775.65	11,755,550.66	151,962.38	6,489,981.66	7,787.98
Accounts receivable	Deyang New Hope Liuhe Food Co., Ltd.	–	–	22,400.00	56.00	–	–
Accounts receivable	Chongqing Hanhong	5,379,990.51	36,045.94	2,740,245.99	6,850.62	3,400,817.02	4,080.99
Accounts receivable	Chengdu Yunyouxuan Technology Service Co., Ltd.	–	–	7,446,697.99	18,540.25	4,990,591.35	5,988.71
Accounts receivable	New Hope Liuhe Co., Ltd.	12,160.00	81.47	9,900.00	24.75	–	–
Accounts receivable	Sichuan New Hope Industrial Co., Ltd.	33,739.66	226.06	33,379.73	83.45	27,403.75	32.89
Accounts receivable	New Hope Service Holdings Limited	280,822.18	2,474.38	457,714.45	1,247.64	315,971.69	591.69
Accounts receivable	Xinjiu Commercial Development Co., Ltd.	8,711.09	58.36	27,131.54	67.83	20,228.93	24.28
Accounts receivable	Sichuan Xinwangda Supply Chain Management Co., Ltd.	–	–	854,173.67	27,236.69	–	–
Accounts receivable	Fresh Life Cold Chain Logistics Co., Ltd.	238,904.00	1,557.82	–	–	1,463.00	1.76
Accounts receivable	Chengdu New Hope Financial Information Co., Ltd.	–	–	–	–	308,362.90	370.03
Accounts receivable	Kunming Heguang Real Estate Development Co., Ltd.	–	–	–	–	2,399.70	2.88
Other receivables	New Hope Wuxin Industrial Group Co., Ltd.	78,368.00	3,918.40	78,368.00	11,755.20	78,368.00	23,510.40
Other receivables	Grass Green Group	74,250,000.00	3,712,500.00	–	–	–	–
Other receivables	Fresh Life Cold Chain Logistics Co., Ltd.	66,773.70	3,338.69	40,000.00	6,000.00	–	–
Other receivables	New Hope Service Holdings Limited	–	–	–	–	2,000.00	100.00
Other receivables	Chongqing Hanhong	–	–	–	–	10,000.00	500.00
Prepayments	Sichuan Huiji E-commerce Co., Ltd.	8,553.98	–	54,000.00	–	–	–
Prepayments	New Hope Liuhe Co., Ltd.	–	–	32,613.24	–	43.40	–

		As at 31 December 2023		As at 31 December 2024		As at 31 December 2025	
Item	**Related party**	**Book value**	**Provision for bad and doubtful debts**	**Book value**	**Provision for bad and doubtful debts**	**Book value**	**Provision for bad and doubtful debts**
Prepayments	New Hope Service Holdings Limited	–	–	53.16	–	10,000.00	–
Prepayments	Sichuan New Hope Trading Co., Ltd.	26,517,979.42	–	12,180,977.50	–	–	–
Prepayments	Xinru Xiangzhi (Suzhou) Food Technology Co., Ltd.	–	–	231,596.00	–	–	–
Prepayments	Chongqing Hanhong	–	–	–	–	2,176.95	–

(2) Trade in nature payables to related parties

Item	Related party	As at 31 December 2023	2024	2025
Accounts payable	Chateland (Shanghai) Food Technology Co., Ltd.	615,235.05	–	–
Accounts payable	Beijing Xinchuang Shared Technology Co., Ltd.	–	480,000.00	30,000.00
Accounts payable	Hangzhou Xingyuan Environmental Protection Equipment Co., Ltd.	–	100,490.00	–
Accounts payable	New Hope Liuhe Co., Ltd.	406,420.78	176,071.20	868,467.85
Accounts payable	New Hope Service Holdings Limited	6,318.41	29,828.57	469.83
Accounts payable	Sichuan New Hope Trading Co., Ltd.	1,089,183.08	5,036,031.82	1,795,840.00
Accounts payable	Xinru Xiangzhi (Suzhou) Food Technology Co., Ltd.	–	55,200.00	24,287.83
Accounts payable	Fresh Life Cold Chain Logistics Co., Ltd.	22,192,222.45	51,581,989.28	56,629,689.50
Accounts payable	New Blue Ocean	–	1,406,211.50	–
Accounts payable	Chengdu Chuannongniu Technology Co., Ltd.	–	–	198,880.00
Accounts payable	Sichuan Hebu Apei Brand Management Co., Ltd.	–	–	80,000.00
Contract liabilities	Chengdu Yunyouxuan Technology Service Co., Ltd.	–	125,792.63	–
Contract liabilities	New Hope Liuhe Co., Ltd.	–	52,092.00	35,476.68
Contract liabilities	New Hope Service Holdings Limited	267,586.54	396,058.53	1,269,909.97
Contract liabilities	Xinru Xiangzhi (Suzhou) Food Technology Co., Ltd.	–	12,680.00	–
Contract liabilities	Xinwangda	–	512.20	359,678.56
Contract liabilities	Fresh Life Cold Chain Logistics Co., Ltd.	4,496.22	53,483.01	17,196.13
Contract liabilities	Aiyue Mimeng Xuzhou Technology Co., Ltd.	35,141.48	35,141.48	–
Contract liabilities	New Blue Ocean	912,401.93	2,032,879.68	1,952,905.31
Contract liabilities	Kunming New Hope Real Estate Co., Ltd.	–	–	1,404.00
Contract liabilities	Kunming Yalong Real Estate Development Co., Ltd.	–	–	1,838.32
Lease liabilities	New Hope Wuxin Industrial Group Co., Ltd.	748,834.36	260,561.17	1,254,498.30
Lease liabilities	Sichuan Huaxi Guoxing Real Estate Co., Ltd.	54,747.57	579,340.23	118,619.72
Lease liabilities	New Hope Service Holdings Limited	30,843.34	–	67,385.75
Other payables	Chateland (Shanghai) Food Technology Co., Ltd.	344,029.13	343,029.13	–
Other payables	Sichuan Zhiai Maternal & Infant Products Co., Ltd.	287,000.00	310,000.00	380,000.00
Other payables	Hangzhou Xingyuan Environmental Protection Equipment Co., Ltd.	–	169,510.00	–
Other payables	Chengdu Yunyouxuan Technology Service Co., Ltd.	50,000.00	60,000.00	150,000.00
Other payables	New Hope Liuhe Co., Ltd.	–	700.00	50,000.00
Other payables	New Hope Service Holdings Limited	94,119.20	117,219.20	61,609.20
Other payables	Fresh Life Cold Chain Logistics Co., Ltd.	166,506.80	120,756.80	2,096,236.15

XI. SHARE-BASED PAYMENTS

1 Overall information of share-based payments

During the Track Record Period, share-based payments of the Group are as follows:

	2023		2024		2025	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Granted	–	–	–	–	–	–
Unlocked	3,084,000.00	28,835,400.00	–	–	–	–
Forfeited	871,000.00	8,143,850.00	5,040,000.00	47,124,000.00	–	–

2 Equity-settled share-based payments

According to the "2020 Restricted Shares Incentive Plan" approved by the Company' General Meeting of Shareholders on 22 January 2021, the Company granted an aggregate of 13.78 million restricted shares to 41 employees on 1 February 2021 (the "Grant Date"), at an exercise price of RMB9.35 per share. On 11 May 2021, the registration of shares was completed, and ultimately 13.56 million restricted shares were granted to 39 employees.

According to the provisions of 2020 Restricted Shares Incentive Plan, the restricted shares granted will be restricted for 12 months, 24 months or 36 months from the date of registration of the restricted shares granted to the Employees. The restricted shares granted to the employees under this incentive scheme shall not be transferred, used to guarantee or repay debts before the restrictions on sales are unlocked. When the restriction period expires, the Company will process the unlocking of the restriction for the employees that meet the conditions, and those restricted shares that do not meet the conditions will be repurchased by the Company. According to the resolution of the Company's General Meeting of Shareholders on 21 May 2024, the Company fully repurchased all remaining unfulfilled restricted shares during the year ended 31 December 2024.

The fair value of equity instruments at the grant date is based on fair value of the shares and grant price at the grant date. The share-based payment expenses recognised in the income statements for the years ended 31 December 2023, 2024 and 2025 were RMB-19,191,683.08, RMBNil and RMBNil, respectively, and the accumulated amount of share-based payments recognised in capital reserve as at 31 December 2023, 2024 and 2025 were RMB164,788,600.00, RMB121,869,600.00 and RMB121,869,600.00, respectively.

XII. COMMITMENTS

	As at 31 December		
	2023	2024	2025
Approved but not contracted	23,987,200.00	627,650.00	5,000,000.00
Contracted	65,762,485.88	21,958,136.75	32,615,773.47
Total	89,749,685.88	22,585,786.75	37,615,773.47

XIII. MATERIAL NON-ADJUSTING POST EVENTS

There are no material non-adjusting event after reporting period up to the date of this report.

XIV. OTHER SIGNIFICANT ITEMS

Segment reporting

The Group has 3 reportable segments, which are (i) dairy farming segment, (ii) dairy products segment and (iii) headquarter and others. Each reportable segment is a separate business unit which offers different products and services. The Group managed each segment separately because each segment requires different technology and marketing strategies.

– Dairy farming segment; dairy farming for the production and sales of fresh raw milk;

– Dairy products segment: production and sales of dairy products, including low-temperature liquid dairy products, ambient liquid dairy products, milk powder products and other dairy products;

– Headquarters and others: investment holding, food trading, and other businesses.

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, expenses and financial performance attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible and other long-term assets, as well as current assets (such as receivables), attributable to the individual segments. Segment liabilities include payables, bank loans and other current and non-current liabilities attributable to the individual segments.

Segment financial performance is represented by revenue (including revenue from external customers and inter-segment revenue) after deducting operating costs, taxes and surcharges, selling and distribution expenses, general and administrative expenses, interest expenses and non-operating income and expenses directly attributable to the segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

(1) Segment information

	Year ended 31 December 2023				
Item	Dairy farming segment	Dairy products segment	Headquarter and others	Inter-segment elimination	Total
External revenue	27,170,561.37	10,958,563,054.85	1,560,425.41	–	10,987,294,041.63
Inter-segment revenue	1,247,944,694.48	4,321,822.18	49,098,243.92	(1,301,364,760.58)	–
Investment income/(losses)	–	9,079,555.17	275,384,538.51	(278,415,663.27)	6,048,430.41
Operating (losses)/profit	(116,428,957.68)	704,375,404.58	198,366,535.63	(278,415,663.27)	507,897,319.26
(Losses)/profit before income tax	(118,577,423.30)	706,944,117.46	198,875,689.28	(278,415,663.27)	508,826,720.17
Income tax expenses	–	71,166,321.16	–	–	71,166,321.16
Net (losses)/profit	(118,577,423.30)	635,777,796.30	198,875,689.28	(278,415,663.27)	437,660,399.01
Total assets	2,625,232,535.88	7,688,168,984.54	7,101,963,755.60	(8,477,355,592.12)	8,938,009,683.90
Total liabilities	2,414,135,124.28	4,276,410,056.89	5,967,539,327.73	(6,359,472,997.32)	6,298,611,511.58
Other items:					
Revenue from principal activities	1,247,944,694.48	9,834,439,796.68	–	(1,248,322,889.07)	9,834,061,602.09
Operating costs from principal activities	1,153,976,661.64	7,097,003,946.81	–	(1,247,688,437.74)	7,003,292,170.71
Impairment losses/(reversals) for the year	–	4,411,554.71	33,000,000.00	(20,400,000.00)	17,011,554.71
Credit reversals for the year	199,430.61	5,109,343.85	3,730,146.73	–	9,038,921.19
Depreciation and amortisation expenses	191,707,575.85	312,298,449.02	14,182,317.16	–	518,188,342.03
Investment income from associates	–	–	12,076,077.28	–	12,076,077.28
Net interest expenses	53,214,404.55	77,762,161.77	30,999,790.67	–	161,976,356.99
Long-term equity investments in associates	–	–	538,266,567.68	–	538,266,567.68
Capital expenditures excluding long-term equity investments	598,789,937.67	298,970,170.83	7,281,768.51	–	905,041,877.01

	Year ended 31 December 2024				
Item	Dairy farming segment	Dairy products segment	Headquarter and others	Inter-segment elimination	Total
External revenue	16,618,180.37	10,647,943,299.84	861,977.64	–	10,665,423,457.85
Inter-segment revenue	1,475,111,538.50	7,166,690.62	44,779,194.83	(1,527,057,423.95)	–
Investment (losses)/income	(999,122.48)	5,114,342.29	871,683,298.91	(878,405,359.72)	(2,606,841.00)
Operating (losses)/profit	(52,699,797.35)	784,249,554.07	823,903,584.57	(875,445,704.24)	680,007,637.05
(Losses)/profit before income tax	(52,936,657.89)	748,397,913.14	823,377,060.25	(875,376,552.39)	643,461,763.11
Income tax expenses	44,885.43	93,494,450.93	–	457,712.31	93,997,048.67
Net (losses)/profit	(52,981,543.32)	654,903,462.21	823,377,060.25	(875,834,264.70)	549,464,714.44
Total assets	2,613,274,554.82	7,756,034,973.60	8,088,359,702.93	(9,579,002,360.42)	8,878,666,870.93
Total liabilities	2,515,120,739.19	4,059,767,265.08	5,406,133,816.39	(6,244,762,066.03)	5,736,259,754.63
Other items:					
Revenue from principal activities	1,479,900,598.48	9,907,914,203.42	–	(1,480,420,266.06)	9,907,394,535.84
Operating costs from principal activities	1,243,806,318.57	7,181,801,895.50	–	(1,481,604,501.21)	6,944,003,712.86
Impairment losses/(reversals) for the year	94,621,314.80	6,083,434.54	–	(3,051,415.37)	97,653,333.97
Credit losses/(reversals) for the year	93,727.99	(8,759,355.13)	28,995.13	69,151.85	(8,567,480.16)
Depreciation and amortisation expenses	197,028,854.36	269,155,039.39	6,457,748.50	–	472,641,642.25
Investment losses from associates	999,122.48	–	7,754,255.35	–	8,753,377.83
Net interest expenses	52,148,805.27	14,698,575.92	34,115,482.66	–	100,962,863.85
Long-term equity investments in associates	1,422,380.09	–	513,925,762.86	–	515,348,142.95
Capital expenditures excluding long-term equity investments	488,938,085.07	261,789,424.54	12,126,967.11	–	762,854,476.72

	Year ended 31 December 2025				
Item	Dairy farming segment	Dairy products segment	Headquarter and others	Inter-segment elimination	Total
External revenue	29,875,119.93	11,203,109,930.02	472,662.90	–	11,233,457,712.85
Inter-segment revenue	1,590,350,883.43	4,178,789.99	46,525,592.96	(1,641,055,266.38)	–
Investment income	53,183.39	7,967,437.58	868,898,189.15	(849,099,437.25)	27,819,372.87
Operating profit/(losses)	149,470,708.27	778,775,381.61	757,885,125.65	(833,580,731.25)	852,550,484.28
(Losses)/profit before income tax	146,339,587.18	779,450,491.31	757,904,546.01	(833,580,731.25)	850,113,893.25
Income tax expenses	–	95,646,426.07	–	–	95,646,426.07
Net profit/(losses)	146,339,587.18	683,804,065.24	757,904,546.01	(833,580,731.25)	754,467,467.18
Total assets	2,666,308,356.79	7,816,033,551.56	7,891,771,866.98	(9,239,215,633.07)	9,134,898,142.26
Total liabilities	2,423,397,437.76	4,182,218,070.89	4,751,331,706.62	(6,194,381,123.45)	5,162,566,091.82
Other items:					
Revenue from principal activities	1,598,033,657.19	10,582,191,771.59	–	(1,598,568,774.58)	10,581,656,654.20
Operating costs from principal activities	1,282,627,347.94	7,656,879,259.03	–	(1,597,192,818.39)	7,342,313,788.58
Impairment losses/(reversals) for the year	9,320,229.56	38,567,593.41	30,454,502.02	(15,518,706.00)	62,823,618.99
Credit losses/(reversals) for the year	86,787.90	(2,068,593.98)	(3,313.26)	29,200.00	(1,955,919.34)
Depreciation and amortisation expenses	202,552,737.19	265,783,222.58	6,278,441.83	–	474,614,401.60
Investment income from associates	53,183.39	–	19,798,751.90	–	19,851,935.29
Net interest expenses	32,378,445.27	1,818,516.38	43,576,967.61	–	77,773,929.26
Long-term equity investments in associates	1,475,563.48	–	499,199,673.25	5,307,834.47	505,983,071.20
Capital expenditures excluding long-term equity investments	426,595,475.67	155,758,624.21	997,056.78	–	583,351,156.66

(2) Geographical information

During the Track Record Period, the Group's external transaction revenues and non-current assets are mainly derived from and located in the PRC.

(3) Major customers

During the Track Record Period, there is no single customer with whom transactions have exceeded 10% of the Group's total revenue in the respective periods.

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1 Accounts receivable

(1) The ageing analysis of accounts receivable is as follows:

	As at 31 December		
	2023	2024	2025
Within 1 year (inclusive)	5,970,355.11	1,180,248.18	954,610.12
Total	5,970,355.11	1,180,248.18	954,610.12

The ageing is counted starting from the date when accounts receivable is recognised. All of the accounts receivable is due from subsidiaries.

(2) Accounts receivable by provision method

	As at 31 December 2023				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	*Percentage*	*Amount*	*Percentage*	
Collective assessment	5,970,355.11	100.00%	–	–	5,970,355.11

	As at 31 December 2024				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	*Percentage*	*Amount*	*Percentage*	
Collective assessment	1,180,248.18	100.00%	–	–	1,180,248.18

	As at 31 December 2025				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	*Percentage*	*Amount*	*Percentage*	
Collective assessment	954,610.12	100.00%	–	–	954,610.12

2 Other receivables

		As at 31 December		
	Note	2023	2024	2025
Dividends receivable	*(1)*	7,782,808.61	–	–
Others	*(2)*	71,641,196.64	520,966.25	498,014.18
Total		79,424,005.25	520,966.25	498,014.18

(1) Dividends receivable

	As at 31 December		
Investee	2023	2024	2025
Fujian Auscow	7,782,808.61	–	–
Total	7,782,808.61	–	–

(2) Others

(a) Others categorised by nature:

	As at 31 December		
	2023	2024	2025
Employee loans and petty cash	56,150.00	60,000.00	1,629.00
Security deposits	260,000.00	249,741.99	249,672.86
Consideration receivables	74,250,000.00	–	–
Others	861,785.94	253,906.69	286,081.49
Subtotal	75,427,935.94	563,648.68	537,383.35
Less: Provision for bad and doubtful debts	3,786,739.30	42,682.43	39,369.17
Total	71,641,196.64	520,966.25	498,014.18

(b) The ageing analysis is as follows:

	As at 31 December		
Ageing	2023	2024	2025
Within 1 year (inclusive)	75,411,785.94	503,648.68	487,383.35
Over 1 year but within 2 years (inclusive)	–	50,000.00	–
Over 2 years but within 3 years (inclusive)	–	–	50,000.00
Over 3 years	16,150.00	10,000.00	–
Subtotal	75,427,935.94	563,648.68	537,383.35
Less: Provision for bad and doubtful debts	3,786,739.30	42,682.43	39,369.17
Total	71,641,196.64	520,966.25	498,014.18

The ageing is counted starting from the date when other receivables are recognised.

(c) Others by provision method

	As at 31 December 2023				
	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount	*Percentage*	*Amount*	*Percentage*	
Collective assessment	75,427,935.94	100.00%	3,786,739.30	5.02%	71,641,196.64

	As at 31 December 2024				
	Book value		**Provision for bad and doubtful debts**		**Carrying amount**
	Amount	*Percentage*	*Amount*	*Percentage*	
Collective assessment	563,648.68	100.00%	42,682.43	7.57%	520,966.25

	As at 31 December 2025				
	Book value		**Provision for bad and doubtful debts**		**Carrying amount**
	Amount	*Percentage*	*Amount*	*Percentage*	
Collective assessment	537,383.35	100.00%	39,369.17	7.33%	498,014.18

(d) Movements of provisions for bad and doubtful debts

	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL—Not credit impaired**	**Lifetime ECL—Credit impaired**	**Total**
As at 1 January 2023	45,469.69	–	11,000.00	56,469.69
Transfer to stage 3	(2,575.00)	–	2,575.00	–
Additions	3,775,155.25	–	2,575.00	3,777,730.25
Reversals	(47,460.64)	–	–	(47,460.64)
As at 31 December 2023	3,770,589.30	–	16,150.00	3,786,739.30
Additions	7,581.31	–	3,766,902.00	3,774,483.31
Reversals	(3,745,488.18)	–	–	(3,745,488.18)
Written-off	–	–	(3,773,052.00)	(3,773,052.00)
As at 31 December 2024	32,682.43	–	10,000.00	42,682.43
Additions	9,190.20	–	–	9,190.20
Reversals	(2,503.46)	–	(10,000.00)	(12,503.46)
As at 31 December 2025	39,369.17	–	–	39,369.17

(e) Five largest debtors by other receivables at the end of each reporting period:

As at 31 December 2023, the total amounts of the five largest debtors by other receivables of the Company were RMB75,102,245.91 with RMB3,755,112.29 provision for bad and doubtful debts, representing 99.57% of total other receivables.

As at 31 December 2024, the total amounts of the five largest debtors by other receivables of the Company were RMB312,887.71 with RMB30,144.39 provision for bad and doubtful debts, representing 55.51% of total other receivables.

As at 31 December 2025, the total amounts of the five largest debtors by other receivables of the Company were RMB265,710.45 with RMB25,786.66 provision for bad and doubtful debts, representing 49.44% of total other receivables.

3 Long-term equity investments

(1) *Long-term equity investments by category:*

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investments in subsidiaries	3,956,149,453.57	(48,369,368.00)	3,907,780,085.57	3,985,449,453.57	(48,369,368.00)	3,937,080,085.57	4,003,786,828.57	(74,220,243.00)	3,929,566,585.57
Investments in associates	538,787,230.64	(8,250,000.00)	530,537,230.64	516,867,928.39	(8,250,000.00)	508,617,928.39	507,449,673.25	(8,250,000.00)	499,199,673.25
Total	4,494,936,684.21	(56,619,368.00)	4,438,317,316.21	4,502,317,381.96	(56,619,368.00)	4,445,698,013.96	4,511,236,501.82	(82,470,243.00)	4,428,766,258.82

(2) *Investments in subsidiaries:*

	Year ended 31 December 2023						
Subsidiary	Balance as at 1 January	Balance of provision for impairment as at 1 January	Increase	Decrease	Other Changes	Balance as at 31 December	Balance of provision for impairment as at 31 December
Sichuan Dairy	197,717,314.02	–	–	–	–	197,717,314.02	–
Kunming Xuelan	203,723,280.10	–	–	–	–	203,723,280.10	–
Qingdao Qinpai	50,615,502.70	–	–	–	–	50,615,502.70	–
Yunnan Diequan	76,884,061.43	–	–	–	–	76,884,061.43	–
Hangzhou Shuangfeng	92,018,081.44	–	–	–	–	92,018,081.44	–
Qicaiyun	55,450,875.00	–	–	–	–	55,450,875.00	–
Anhui Baidi	319,362,654.95	–	–	–	–	319,362,654.95	–
Kunming Haizi	27,118,975.86	–	–	–	–	27,118,975.86	–
Hebei Tianxiang	116,127,137.52	–	–	–	–	116,127,137.52	–
GGG	140,946,429.00	–	–	–	–	140,946,429.00	–
New Hope Husbandry	149,600,000.00	–	–	–	–	149,600,000.00	–
Nutrition Beverage	19,940,000.00	–	60,000.00	–	–	20,000,000.00	–
Suzhou Shuangxi	143,000,000.00	–	–	–	–	143,000,000.00	–
Hunan Nanshan	258,209,443.97	48,369,368.00	–	–	–	258,209,443.97	48,369,368.00
Xichang Sanmu	46,554,348.00	–	12,633,796.80	–	–	59,188,144.80	–
Shandong Husbandry	22,576,648.00	–	–	–	–	22,576,648.00	–
Shandong Agricultural	5,000,000.00	–	–	–	–	5,000,000.00	–
Shandong Weipin	54,999,144.00	–	–	–	–	54,999,144.00	–
Dairui Trading	10,000,000.00	–	–	–	–	10,000,000.00	–
Fujian Auscow	99,440,517.78	–	59,101,875.00	–	–	158,542,392.78	–
Huanmei Dairy	1,711,000,000.00	–	–	–	–	1,711,000,000.00	–
Xinao Husbandry	29,092,082.22	–	–	(29,092,082.22)	–	–	–
Guangdong Dairy	16,500,000.00	–	3,500,000.00	–	–	20,000,000.00	–
Chongqing Hanhong	231,000,000.00	–	–	(173,250,000.00)	(57,750,000)	–	–
Hunan Naixun	1,500,000.00	–	6,500,000.00	(2,000,000.00)	–	6,000,000.00	–
Chengdu Jiaman	2,000,000.00	–	–	–	–	2,000,000.00	–
Sichuan Xianjian	4,000,000.00	–	–	–	–	4,000,000.00	–
Shanghai Weipin	500,000.00	–	–	–	–	500,000.00	–
Molecular Power	–	–	1,200,000.00	–	–	1,200,000.00	–
Chuangyuan Zhizhi	–	–	2,000,000.00	–	–	2,000,000.00	–
	4,084,876,495.99	48,369,368.00	84,995,671.80	(204,342,082.22)	(57,750,000)	3,907,780,085.57	48,369,368.00

	Year ended 31 December 2024				
Subsidiary	**Balance as at 1 January**	**Balance of provision for impairment as at 1 January**	**Increase**	**Balance as at 31 December**	**Balance of provision**
Sichuan Dairy	197,717,314.02	–	–	197,717,314.02	–
Kunming Xuelan	203,723,280.10	–	–	203,723,280.10	–
Qingdao Qinpai	50,615,502.70	–	–	50,615,502.70	–
Yunnan Diequan	76,884,061.43	–	–	76,884,061.43	–
Hangzhou Shuangfeng	92,018,081.44	–	–	92,018,081.44	–
Qicaiyun	55,450,875.00	–	–	55,450,875.00	–
Anhui Baidi	319,362,654.95	–	–	319,362,654.95	–
Kunming Haizi	27,118,975.86	–	–	27,118,975.86	–
Hebei Tianxiang	116,127,137.52	–	–	116,127,137.52	–
GGG	140,946,429.00	–	–	140,946,429.00	–
New Hope Husbandry	149,600,000.00	–	–	149,600,000.00	–
Nutrition Beverage	20,000,000.00	–	–	20,000,000.00	–
Suzhou Shuangxi	143,000,000.00	–	19,800,000.00	162,800,000.00	–
Hunan Nanshan	258,209,443.97	48,369,368.00	–	258,209,443.97	48,369,368.00
Xichang Sanmu	59,188,144.80	–	–	59,188,144.80	–
Shandong Husbandry	22,576,648.00	–	–	22,576,648.00	–
Shandong Agricultural	5,000,000.00	–	–	5,000,000.00	–
Shandong Weipin	54,999,144.00	–	–	54,999,144.00	–
Dairui Trading	10,000,000.00	–	–	10,000,000.00	–
Xin'ao Dairy	158,542,392.78	–	–	158,542,392.78	–
Huanmei Dairy	1,711,000,000.00	–	–	1,711,000,000.00	–
Guangdong Dairy	20,000,000.00	–	–	20,000,000.00	–
Hunan Naixun	6,000,000.00	–	–	6,000,000.00	–
Chengdu Jiaman	2,000,000.00	–	–	2,000,000.00	–
Sichuan Xianjian	4,000,000.00	–	–	4,000,000.00	–
Shanghai Weipin	500,000.00	–	9,500,000.00	10,000,000.00	–
Molecular Power	1,200,000.00	–	–	1,200,000.00	–
Chuangyuan Zhizhi	2,000,000.00	–	–	2,000,000.00	–
	3,907,780,085.57	48,369,368.00	29,300,000.00	3,937,080,085.57	48,369,368.00

	Year ended 31 December 2025						
Subsidiary	**Balance as at 1 January**	**Balance of provision for impairment as at 1 January**	**Increase**	**Decrease**	**Provision of impairment**	**Balance as at 31 December**	**Balance of provision for impairment as at 31 December**
Sichuan Dairy	197,717,314.02	–	–	–	–	197,717,314.02	–
Kunming Xuelan	203,723,280.10	–	–	–	–	203,723,280.10	–
Qingdao Qinpai	50,615,502.70	–	–	–	–	50,615,502.70	–
Yunnan Diequan	76,884,061.43	–	–	–	–	76,884,061.43	–
Hangzhou Shuangfeng	92,018,081.44	–	–	–	–	92,018,081.44	–
Qicaiyun	55,450,875.00	–	–	–	(25,850,875.00)	29,600,000.00	25,850,875.00
Anhui Baidi	319,362,654.95	–	–	–	–	319,362,654.95	–
Kunming Haizi	27,118,975.86	–	–	–	–	27,118,975.86	–
Hebei Tianxiang	116,127,137.52	–	–	–	–	116,127,137.52	–
GGG	140,946,429.00	–	–	–	–	140,946,429.00	–
New Hope Husbandry	149,600,000.00	–	–	–	–	149,600,000.00	–
Nutrition Beverage	20,000,000.00	–	–	–	–	20,000,000.00	–
Suzhou Shuangxi	162,800,000.00	–	–	–	–	162,800,000.00	–
Hunan Nanshan	258,209,443.97	48,369,368.00	–	–	–	258,209,443.97	48,369,368.00
Xichang Sanmu	59,188,144.80	–	–	–	–	59,188,144.80	–
Shandong Husbandry	22,576,648.00	–	–	–	–	22,576,648.00	–
Shandong Agricultural	5,000,000.00	–	–	–	–	5,000,000.00	–
Shandong Weipin	54,999,144.00	–	–	–	–	54,999,144.00	–
Dairui Trading	10,000,000.00	–	–	–	–	10,000,000.00	–
Xin'ao Dairy	158,542,392.78	–	22,337,375.00	–	–	180,879,767.78	–
Huanmei Dairy	1,711,000,000.00	–	–	–	–	1,711,000,000.00	–
Guangdong Dairy	20,000,000.00	–	–	–	–	20,000,000.00	–
Hunan Naixun	6,000,000.00	–	–	–	–	6,000,000.00	–
Chengdu Jiaman	2,000,000.00	–	–	–	–	2,000,000.00	–
Sichuan Xianjian	4,000,000.00	–	–	(4,000,000.00)	–	–	–
Shanghai Weipin	10,000,000.00	–	–	–	–	10,000,000.00	–
Molecular Power	1,200,000.00	–	–	–	–	1,200,000.00	–
Chuangyuan Zhizhi	2,000,000.00	–	–	–	–	2,000,000.00	–
	3,937,080,085.57	48,369,368.00	22,337,375.00	(4,000,000.00)	(25,850,875.00)	3,929,566,585.57	74,220,243.00

For information about the major subsidiaries of the Company, refer to Note VI.1.

(3) Investments in associates:

	Year ended 31 December 2023								
Name of investee	Balance as at 1 January	Balance of provision for impairment as at 1 January	Increase in investment	Investment income/(losses) recognised under the equity method	Other equity movements	Declared distribution of cash dividends or profits	Others	Balance as at 31 December	Balance of provision for impairment as at 31 December
New Blue Ocean	618,938.25	–	–	298,413.78	–	–	–	917,352.03	–
Chongqing Tianyou	481,437,753.86	–	–	12,544,190.26	–	(14,165,046.90)	–	479,816,897.22	–
Grass Green Food	4,000,000.00	–	–	(203,420.24)	–	–	–	3,796,579.76	–
Xinwangda	–	–	2,000,000.00	(185,763.90)	–	–	–	1,814,236.10	–
Chongqing Hanhong	–	–	–	(3,848,493.11)	–	–	48,040,658.64	44,192,165.53	8,250,000.00
Total	486,056,692.11	–	2,000,000.00	8,604,926.79	–	(14,165,046.90)	48,040,658.64	530,537,230.64	8,250,000.00

	Year ended 31 December 2024								
Name of investee	Balance as at 1 January	Balance of provision for impairment as at 1 January	Increase in investment	Investment income/(losses) recognised under the equity method	Other equity movements	Declared distribution of cash dividends or profits	Others	Balance as at 31 December	Balance of provision for impairment as at 31 December
New Blue Ocean	917,352.03	–	–	2,933,329.84	–	–	–	3,850,681.87	–
Chongqing Tianyou	479,816,897.22	–	–	(8,816,381.96)	–	(14,165,046.90)	–	456,835,468.36	–
Grass Green Food	3,796,579.76	–	–	47,365.11	–	–	–	3,843,944.87	–
Xinwangda	1,814,236.10	–	–	(635,669.61)	–	–	–	1,178,566.49	–
Chongqing Hanhong	44,192,165.53	8,250,000.00	–	(1,282,898.73)	–	–	–	42,909,266.80	8,250,000.00
Total	530,537,230.64	8,250,000.00	–	(7,754,255.35)	–	(14,165,046.90)	–	508,617,928.39	8,250,000.00

	Year ended 31 December 2025								
Name of investee	Balance as at 1 January	Balance of provision for impairment as at 1 January	Increase in investment	Investment income/(losses) recognised under the equity method	Other equity movements	Declared distribution of cash dividends or profits	Others	Balance as at 31 December	Balance of provision for impairment as at 31 December
New Blue Ocean	3,850,681.87	–	–	2,813,060.32	–	(1,954,020.00)	–	4,709,722.19	–
Chongqing Tianyou	456,835,468.36	–	–	18,558,718.42	5,788,789.06	(33,051,776.10)	–	448,131,199.74	–
Grass Green Food	3,843,944.87	–	–	14,641.32	–	–	–	3,858,586.19	–
Xinwangda	1,178,566.49	–	–	(830,023.50)	–	–	–	348,542.99	–
Chongqing Hanhong	42,909,266.80	8,250,000.00	–	(757,644.66)	–	–	–	42,151,622.14	8,250,000.00
	508,617,928.39	8,250,000.00	–	19,798,751.90	5,788,789.06	(35,005,796.10)	–	499,199,673.25	8,250,000.00

4 Revenue and operating costs

(1) Revenue and operating costs

	Year ended 31 December 2023		Year ended 31 December 2024		Year ended 31 December 2025	
	Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs
Other operating activities	51,996,374.04	1,286,107.89	46,751,499.78	1,300,650.63	46,998,255.86	2,062,704.14
Total	51,996,374.04	1,286,107.89	46,751,499.78	1,300,650.63	46,998,255.86	2,062,704.14
Including:						
Revenue from contracts with customers	51,499,649.17	890,405.58	46,263,251.98	904,948.32	45,536,609.57	833,256.02
Other income	496,724.87	395,702.31	488,247.80	395,702.31	1,461,646.29	1,229,448.12

5 Investment income

	Year ended 31 December		
	2023	2024	2025
Investment income from long-term equity investments accounted for using the cost method	198,089,663.27	878,405,359.72	858,705,495.51
Investment income/(losses) from long-term equity investments accounted for using the equity method	8,604,926.79	(7,754,255.35)	19,798,751.90
Investment losses from disposal of long-term equity investments	(20,516,082.22)	–	(9,606,058.26)
Investment income from disposal of financial assets held for trading	186,399.88	1,032,194.54	–
Total	186,364,907.72	871,683,298.91	868,898,189.15

XVI. EXTRAORDINARY GAINS AND LOSSES

	Year ended 31 December		
	2023	2024	2025
Disposal losses of non-current assets	(123,350,114.34)	(114,670,541.93)	(105,790,786.56)
Government grants recognised in profit or loss (other than government grants closely related to the business of the Group, which the Group is entitled to under established standards in accordance with government policies and which have a continuing impact on the profit or loss of the Group	67,220,823.64	54,262,749.86	59,683,553.26
Gains and losses arising from changes in fair value of financial assets and financial liabilities held by the Group, and those arising from disposal of financial assets and financial liabilities, other than those held for effective hedging related to normal operations	23,424,345.40	26,831,238.52	4,847,553.16
Debt restructuring	–	–	104,246.83
Other non-operating income and expenses besides the items above	6,357,845.49	(9,113,244.07)	6,402,044.98
Sub-total	(26,347,099.81)	(42,689,797.62)	(34,753,388.33)
Tax effect	(9,055,212.12)	(3,286,401.86)	(6,796,493.20)
Effect on non-controlling interests after taxation	1,408,470.71	5,092,084.91	(1,223,997.90)
Total	(33,993,841.22)	(40,884,114.57)	(42,773,879.43)

XVII. RETURN ON EQUITY AND EARNINGS PER SHARE

In accordance with Regulation on the Presentation of Information Disclosures by Companies issuing securities No. 9—Calculation and Disclosure of Return on Net Assets and Earnings Per Share issued by the CSRC and relevant accounting standards, the Group's return on net assets and earnings per share are calculated as follows:

	Year ended 31 December 2023		
	Weighted average return on net assets	Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary shareholders	16.76%	0.50	0.50
Net profit excluding extraordinary gains and losses attributable to the Company's ordinary shareholders	18.08%	0.54	0.54

	Year ended 31 December 2024		
	Weighted average return on net assets	Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary shareholders	19.09%	0.62	0.62
Net profit excluding extraordinary gains and losses attributable to the Company's ordinary shareholders	20.54%	0.67	0.67

	Year ended 31 December 2025		
	Weighted average return on net assets	Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary shareholders	20.94%	0.85	0.85
Net profit excluding extraordinary gains and losses attributable to the Company's ordinary shareholders	22.16%	0.90	0.90

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to 31 December 2025.