

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-[1] to I-[318], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu Certified Public Accountants LLP], for the purpose of incorporation in this Document.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JUNLEBAO DAIRY GROUP CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND MORGAN STANLEY ASIA LIMITED

Introduction

We report on the historical financial information of Junlebao Dairy Group Co., Ltd. (君樂寶乳業集團股份有限公司) (the “Company”) and its subsidiaries (the “Group”) set out on pages I-[4] to I-[318]], which comprises the consolidated and the Company’s balance sheets as at 31 December 2023, 2024, 2025 and 30 June 2026, the consolidated and the Company’s income statements, the consolidated and the Company’s cash flow statements and the consolidated and the Company’s statements of changes in owners’ equity for each of the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026 (the “Track Record Period”) and a summary of significant accounting policies and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[4] to I-[318]] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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 set out in Note II 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.

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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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note II 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 of the Company, 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 purposes 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, 2025 and 30 June 2026, 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 set out in Note II to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group and the Company which comprises the consolidated and the Company’s income statements, the consolidated and the Company’s cash flow statements and the consolidated and the Company’s statements of changes in owners’ equity for the six months ended June 30, 2025 and other explanatory information (the “Stub Period Comparative Financial Information”). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note II to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with the Chinese Certified Public Accountants Review Standards No. 2101 “Review of Financial Statements” issued by Chinese Institute of Certified Public Accountants. This standard requires us to plan and perform the review procedures to obtain limited assurance as to whether the financial statements contain material misstatements. A review primarily consists of making inquiries of relevant personnel of the Company and applying analytical procedures to financial data, and provides a lower level of assurance than an audit. We did not perform an audit; therefore, we do not express an audit opinion. Based on our review, nothing

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has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note II to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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-[4] have been made.

Dividends

We refer to Note (VI)40 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu Certified Public Accountants LLP]
Shanghai, China
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HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of 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 (the “Underlying Financial Statements”), on which the Historical Financial Information is based, have been prepared in accordance with the requirements of all applicable China Accounting Standards for Business Enterprises (the “CASBE”) issued by the Ministry of Finance (the “MOF”) of the People’s Republic of China (the “PRC”) and were audited by us in accordance with China Standards on Auditing for Certified Public Accountants.

The Historical Financial Information is presented in Renminbi (“RMB”) except when otherwise indicated.

The official names of the entities mentioned in the Historical Financial Information are in Chinese, the English translation is for identification purpose only, except when otherwise indicated.

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Consolidated Balance Sheet

(Expressed in RMB Yuan)

Items	Note	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Current Assets:					
Cash at bank and on hand . . .	(VI) 1	1,488,990,024.56	1,584,606,349.05	1,306,115,827.52	1,311,487,021.57
Derivative financial assets . . .	(VI) 2	24,827,144.58	–	–	–
Bills receivable	(VI) 3	2,582,320.00	2,400,000.00	1,774,456.00	2,400,000.00
Accounts receivable	(VI) 4	978,794,377.31	868,967,391.19	992,638,364.95	981,142,552.08
Accounts receivable financing		418,649.20	–	461,235.48	11,671,573.90
Prepayments	(VI) 5	186,329,831.56	193,087,279.97	174,122,388.38	226,602,891.41
Other receivables	(VI) 6	125,218,586.84	189,790,862.46	234,752,151.15	245,242,541.00
Inventories	(VI) 7	3,325,366,344.04	3,270,288,599.37	2,696,270,611.71	1,584,358,721.07
Non-current assets due within one year	(VI) 9	3,377,521.41	44,287,041.57	22,195,261.38	14,676,368.67
Other current assets	(VI) 8	221,950,352.37	251,225,623.07	308,683,557.02	306,971,702.61
Total Current Assets		6,357,855,151.87	6,404,653,146.68	5,737,013,853.59	4,684,553,372.31
Non-current Assets:					
Long-term receivables	(VI) 9	108,101,211.36	80,846,247.29	102,589,899.18	94,016,203.64
Long-term equity investments	(VI) 10	339,653,620.43	647,026,164.60	700,670,226.58	741,006,451.05
Investments in other equity instruments	(VI) 11	87,249,750.00	94,649,750.00	94,649,750.00	85,459,750.00
Fixed assets	(VI) 12	8,127,524,871.43	7,993,463,428.14	7,751,241,179.60	8,485,393,093.56
Construction in progress . . .	(VI) 13	530,338,998.39	363,436,331.39	447,246,338.34	235,379,552.84
Productive biological assets . .	(VI) 14	4,758,410,112.90	4,796,337,773.94	5,007,827,507.56	5,051,852,392.43
Right-of-use assets	(VI) 15	558,822,228.20	500,556,681.83	487,251,141.37	469,466,516.11
Intangible assets	(VI) 16	1,313,992,029.90	1,301,982,909.36	1,344,755,585.58	1,322,828,171.45
Goodwill	(VI) 17	730,059,832.83	500,393,465.70	500,393,465.70	500,393,465.70
Long-term deferred expenses	(VI) 18	42,725,568.23	48,414,914.64	34,957,044.19	39,279,818.53
Deferred tax assets	(VI) 19	788,231,074.34	595,179,776.20	563,417,955.72	543,467,842.03
Other non-current assets . . .	(VI) 20	154,769,375.81	122,665,395.28	165,199,311.34	253,029,309.32
Total Non-current Assets . .		17,539,878,673.82	17,044,952,838.37	17,200,199,405.16	17,821,572,566.66
TOTAL ASSETS		23,897,733,825.69	23,449,605,985.05	22,937,213,258.75	22,506,125,938.97

The accompanying notes form part of the Historical Financial Information.

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(Expressed in RMB Yuan)

Items	Note	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Current Liabilities:					
Short-term borrowings	(VI) 22	1,939,949,138.36	2,241,124,707.71	1,788,691,106.88	2,207,290,973.64
Bills payable	(VI) 23	277,266,483.87	359,124,802.69	215,239,143.74	2,389,929.27
Accounts payable	(VI) 24	2,561,563,218.03	2,644,091,191.26	3,093,064,532.79	2,240,377,439.01
Contract liabilities	(VI) 25	1,963,202,034.91	1,928,398,088.58	1,175,951,284.32	1,048,966,587.41
Employee benefits payable .	(VI) 26	254,042,131.41	272,573,768.74	250,398,767.32	199,375,542.03
Taxes payable	(VI) 27	76,628,121.13	101,747,310.62	210,099,439.67	91,106,745.11
Other payables	(VI) 28	2,167,673,128.50	1,543,445,020.79	1,504,816,148.90	1,474,617,540.53
Non-current liabilities due					
within one year	(VI) 29	1,430,563,660.80	2,397,695,213.89	1,319,552,512.37	917,378,869.45
Other current liabilities . . .	(VI) 30	248,431,135.28	192,672,673.10	170,996,764.25	161,656,390.85
Total Current Liabilities . .		10,919,319,052.29	11,680,872,777.38	9,728,809,700.24	8,343,160,017.30
Non-current Liabilities:					
Long-term borrowings	(VI) 31	6,525,486,751.02	5,116,350,920.85	7,184,788,423.71	7,437,782,432.66
Lease liabilities	(VI) 32	387,571,753.80	336,820,895.13	332,935,189.93	319,545,249.96
Long-term payables	(VI) 33	167,951,262.20	109,949,480.86	76,883,070.10	78,334,918.90
Provisions	(VI) 34	19,652,183.47	22,145,430.50	22,961,494.92	23,516,345.33
Deferred income	(VI) 35	1,064,729,914.06	1,020,867,698.77	941,768,318.47	869,965,495.51
Deferred tax liabilities	(VI) 19	145,748,078.12	138,617,792.00	132,971,584.70	160,393,122.59
Total Non-current					
Liabilities		8,311,139,942.67	6,744,752,218.11	8,692,308,081.83	8,889,537,564.95
TOTAL LIABILITIES . . .		19,230,458,994.96	18,425,624,995.49	18,421,117,782.07	17,232,697,582.25
OWNERS’ EQUITY:					
Share capital	(VI) 36	720,000,000.00	720,000,000.00	720,000,000.00	720,000,000.00
Capital reserve	(VI) 37	1,107,124,297.05	1,095,631,588.63	1,138,224,822.85	1,162,424,730.58
Other comprehensive					
income	(VI) 38	–	5,550,000.00	5,550,115.66	5,158,383.16
Surplus reserve	(VI) 39	–	81,532,790.99	257,830,377.42	257,830,377.42
Retained earnings	(VI) 40	1,484,760,520.77	2,058,211,480.84	1,197,720,415.60	1,857,495,424.08
Total equity attributable to					
owners of the Company .		3,311,884,817.82	3,960,925,860.46	3,319,325,731.53	4,002,908,915.24
Non-controlling interests . .		1,355,390,012.91	1,063,055,129.10	1,196,769,745.15	1,270,519,441.48
TOTAL OWNERS’					
EQUITY		4,667,274,830.73	5,023,980,989.56	4,516,095,476.68	5,273,428,356.72
TOTAL LIABILITIES					
AND OWNERS’					
EQUITY		23,897,733,825.69	23,449,605,985.05	22,937,213,258.75	22,506,125,938.97

The accompanying notes form part of the Historical Financial Information.

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The Company’s Balance Sheet

(Expressed in RMB Yuan)

Items	Note	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Current Assets:					
Cash at bank and on hand	(XVI) 1	562,096,103.94	631,796,995.28	717,574,158.55	645,979,492.77
Derivative financial assets		24,827,144.58	–	–	–
Bills receivable		1,000,000.00	1,300,000.00	150,000.00	150,000.00
Accounts receivable	(XVI) 2	608,366,496.74	682,835,978.82	870,819,042.63	818,227,508.74
Accounts Receivable					
Financing		–	–	461,235.48	5,022,554.16
Prepayments		38,566,887.16	77,297,991.01	58,641,302.67	93,772,819.07
Other receivables	(XVI) 3	1,890,489,690.95	1,967,749,778.31	2,611,630,770.49	977,953,096.00
Inventories	(XVI) 4	509,252,261.17	589,317,384.34	575,724,528.42	443,094,963.60
Other current assets		44,864,816.59	21,080,587.37	73,453,044.56	68,559,662.13
Total Current Assets		3,679,463,401.13	3,971,378,715.13	4,908,454,082.80	3,052,760,096.47
Non-current Assets:					
Long-term equity					
investments	(XVI) 5	6,446,305,383.04	6,563,723,659.32	6,774,425,363.38	9,518,873,160.18
Investments in other equity					
instruments		4,059,750.00	4,059,750.00	4,059,750.00	4,059,750.00
Fixed assets	(XVI) 6	578,561,153.51	575,818,778.00	527,321,731.00	1,165,764,385.15
Construction in progress		39,557,359.52	37,264,062.64	19,847,843.80	7,971,165.58
Right-of-use assets		15,434,637.60	19,081,614.27	38,750,069.11	35,179,358.91
Intangible assets	(XVI) 7	105,238,540.55	131,196,020.33	165,029,540.54	163,809,893.63
Long-term deferred					
expenses		20,617,395.15	20,460,793.93	13,163,555.60	20,329,638.76
Deferred tax assets	(XVI) 8	594,083,679.92	419,345,650.58	417,335,690.82	387,591,023.90
Other non-current assets	(XVI) 9	1,262,638,537.83	2,026,625,273.08	2,036,138,719.02	496,358,086.77
Total Non-current Assets		9,066,496,437.12	9,797,575,602.15	9,996,072,263.27	11,799,936,462.88
TOTAL ASSETS		12,745,959,838.25	13,768,954,317.28	14,904,526,346.07	14,852,696,559.35

The accompanying notes form part of the Historical Financial Information.

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(Expressed in RMB Yuan)

Items	Note	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Current Liabilities:					
Short-term borrowings . . .	(XVI) 10	290,258,888.89	1,349,934,576.39	640,436,472.21	1,199,699,472.50
Derivative financial liabilities		9,620,000.00	7,500,000.00	7,500,000.00	7,500,000.00
Bills payable	(XVI) 11	493,091,320.27	359,124,802.69	684,239,143.74	372,389,929.27
Accounts payable	(XVI) 12	1,417,306,143.85	1,724,287,088.56	2,229,803,494.51	2,155,108,988.46
Contract liabilities	(XVI) 13	1,155,976,077.60	1,269,793,171.02	1,033,112,648.71	908,233,847.73
Employee benefits payable		125,309,947.32	142,699,789.15	126,125,384.36	88,190,466.02
Taxes payable	(XVI) 14	16,899,975.18	8,265,748.87	102,078,641.40	17,332,319.05
Other payables	(XVI) 15	1,305,625,784.68	844,173,115.96	1,116,741,866.87	1,136,363,161.26
Non-current liabilities due within one year	(XVI) 16	880,310,290.50	1,629,550,671.11	877,185,675.20	527,814,141.01
Other current liabilities . .		53,811,589.16	55,700,795.32	37,859,967.62	30,482,618.87
Total Current Liabilities .		5,748,210,017.45	7,391,029,759.07	6,855,083,294.62	6,443,114,944.17
Non-current Liabilities:					
Long-term borrowings . . .	(XVI) 17	4,700,367,322.62	3,649,121,941.53	5,342,171,941.53	5,576,421,941.53
Lease liabilities		9,591,486.37	13,807,279.30	19,384,215.86	18,758,601.60
Deferred income	(XVI) 18	365,052,876.96	309,851,305.91	280,143,606.90	251,814,310.95
Total Non-current Liabilities		5,075,011,685.95	3,972,780,526.74	5,641,699,764.29	5,846,994,854.08
TOTAL LIABILITIES . .		10,823,221,703.40	11,363,810,285.81	12,496,783,058.91	12,290,109,798.25
OWNERS’ EQUITY:					
Share capital	(VI) 36	720,000,000.00	720,000,000.00	720,000,000.00	720,000,000.00
Capital reserve	(XVI) 19	1,345,073,796.10	1,385,246,039.98	1,424,869,431.36	1,449,069,339.09
Surplus reserve	(VI) 39	–	81,532,790.99	257,830,377.42	257,830,377.42
(Accumulated losses) Retained earnings		(142,335,661.25)	218,365,200.50	5,043,478.38	135,687,044.59
TOTAL OWNERS’ EQUITY		1,922,738,134.85	2,405,144,031.47	2,407,743,287.16	2,562,586,761.10
TOTAL LIABILITIES AND OWNERS’ EQUITY		12,745,959,838.25	13,768,954,317.28	14,904,526,346.07	14,852,696,559.35

The accompanying notes form part of the Historical Financial Information.

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Consolidated Income Statement

(Expressed in RMB Yuan)

Items	Note	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
I. Revenue	(VI) 41	17,546,175,247.12	19,832,489,657.83	20,382,443,024.00	9,951,209,347.38	10,608,739,706.51
Less: Operating costs	(VI) 41	11,542,581,957.56	12,958,709,833.23	13,907,156,643.44	6,646,542,884.28	7,137,889,362.69
Taxes and surcharges	(VI) 42	140,102,284.84	151,933,204.29	151,772,166.57	78,322,383.34	75,339,165.22
Selling and distribution expenses . .	(VI) 43	3,600,983,529.82	3,377,110,736.70	3,366,682,827.34	1,637,970,174.04	1,714,387,687.65
General and administrative expenses	(VI) 44	853,297,450.29	856,308,756.05	897,197,543.13	438,054,823.69	429,777,906.70
Research and development expenses	(VI) 45	106,003,481.11	98,746,650.10	91,580,526.57	44,150,659.71	41,638,317.60
Financial expenses	(VI) 46	928,526,827.20	401,631,997.89	268,009,532.66	135,690,530.48	139,470,013.48
Including: Interest expenses		940,418,596.57	404,835,162.36	277,149,036.14	141,462,928.64	139,302,196.82
Interest income		29,503,523.57	12,220,223.22	9,671,233.07	5,230,730.34	2,074,589.98
Add: Investment income	(VI) 47	31,014,110.21	12,475,150.50	79,961,167.84	43,368,398.23	41,947,138.30
Including: Investment (losses) gains from investment in associates and joint ventures		(8,041,648.52)	(3,612,550.45)	76,754,891.85	42,151,282.86	41,946,602.25
Other income	(VI) 48	235,351,894.56	222,385,670.11	239,955,441.17	103,601,969.74	100,789,222.10
Losses from changes in fair values .	(VI) 49	(318,144.12)	(15,146,280.26)	–	–	–
Credit impairment (losses) reversal .	(VI) 50	(41,583,987.80)	19,173,398.57	(19,038,645.88)	(2,345,506.87)	(14,362,327.21)
Asset impairment losses	(VI) 51	(253,132,439.79)	(435,142,383.92)	(180,836,074.40)	(105,782,610.26)	(108,214,789.14)
Losses from asset disposals	(VI) 52	(205,364,048.77)	(397,170,129.60)	(454,170,855.52)	(274,597,610.70)	(264,532,448.32)
II. Operating profit		140,647,100.59	1,394,623,904.97	1,365,914,817.50	734,722,531.98	825,864,048.90
Add: Non-operating income	(VI) 53	41,525,515.70	52,954,144.88	37,427,411.37	19,308,501.23	31,023,808.01
Less: Non-operating expenses	(VI) 54	36,141,427.28	22,005,302.85	15,909,146.02	7,800,695.57	14,119,056.58
III. Profit before income tax		146,031,189.01	1,425,572,747.00	1,387,433,082.85	746,230,337.64	842,768,800.33
Less: Income tax expenses	(VI) 55	140,451,142.72	311,055,569.28	190,761,325.45	111,188,366.20	135,439,007.96
IV. Net profit		5,580,046.29	1,114,517,177.72	1,196,671,757.40	635,041,971.44	707,329,792.37
(I) Net profit classified by business continuity:						
1. Net profit from continuing operations		5,580,046.29	1,114,517,177.72	1,196,671,757.40	635,041,971.44	707,329,792.37
2. Net profit from discontinued operations		–	–	–	–	–
(II) Net profit classified by ownership:						
1. Net (loss) profit attributable to owners of the Company		(21,441,711.81)	1,017,483,751.06	1,115,806,521.19	595,439,054.97	654,414,168.48
2. Net profit or loss attributable to non- controlling interests		27,021,758.10	97,033,426.66	80,865,236.21	39,602,916.47	52,915,623.89

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Items	Note	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
V. Other comprehensive (loss) income, net of tax	(VI) 38	(1,755,000.00)	5,550,000.00	115.66	–	4,969,107.50
Other comprehensive (loss) income attributable to owners of the Company, net of tax		(1,755,000.00)	5,550,000.00	115.66	–	4,969,107.50
(I) Other comprehensive (loss) income that cannot be reclassified to profit or loss:						
1. Changes in fair values of investments in other equity instruments		(1,755,000.00)	5,550,000.00	–	–	5,360,840.00
(II) Other Comprehensive Income (Loss) That May Be Reclassified to Profit or Loss						
1. Foreign Currency Translation Adjustment		–	–	115.66	–	(391,732.50)
VI. Total comprehensive income		3,825,046.29	1,120,067,177.72	1,196,671,873.06	635,041,971.44	712,298,899.87
Total comprehensive (loss) income attributable to owners of the Company . .		(23,196,711.81)	1,023,033,751.06	1,115,806,636.85	595,439,054.97	659,383,275.98
Total comprehensive income attributable to non-controlling interests		27,021,758.10	97,033,426.66	80,865,236.21	39,602,916.47	52,915,623.89
VII. (Losses) earnings per share: (VI) 58						
(I) Basic (losses) earnings per share (RMB Yuan/share).		(0.03)	1.41	1.55	0.83	0.91
(II) Diluted (losses) earnings per share (RMB Yuan/share).		(0.03)	1.41	1.55	0.83	0.91

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company’s Income Statement

(Expressed in RMB Yuan)

Items	Note	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
I. Revenue	(XVI) 20	14,850,263,992.33	16,428,795,788.27	16,675,121,838.03	8,193,824,673.09	8,779,898,183.29
Less: Operating costs	(XVI) 20	10,586,744,043.54	12,036,108,565.31	12,872,633,067.96	6,211,427,396.35	6,760,680,290.10
Taxes and surcharges		66,576,102.85	71,188,227.04	69,580,517.17	37,955,398.35	31,932,261.31
Selling and distribution expenses	(XVI) 21	3,170,552,355.48	2,842,035,539.20	2,914,241,800.05	1,426,148,741.30	1,462,580,697.75
General and administrative expenses	(XVI) 22	361,674,344.15	366,009,311.34	420,778,846.59	201,479,448.55	216,048,703.63
Research and development expenses		99,182,581.96	88,138,045.53	82,933,879.20	39,321,123.89	38,138,445.29
Financial expenses	(XVI) 23	747,410,598.13	230,066,109.57	145,931,150.06	72,226,773.98	84,224,928.12
Including: Interest expenses		794,069,693.76	250,450,912.66	175,659,616.02	87,850,356.30	93,056,547.07
Interest income		62,923,648.61	28,588,356.29	29,744,828.26	14,853,539.18	9,847,434.25
Add: Investment income	(XVI) 24	568,602,451.94	285,549,353.23	1,746,792,739.49	260,069.24	111,425.34
Including: Investment (losses) gains from investment in associates and joint ventures		(2,614,343.32)	(61,956.17)	(76,280.15)	(60,766.27)	111,425.34
Other income	(XVI) 25	88,642,902.45	87,273,521.15	88,112,813.87	39,884,118.07	42,678,430.30
Losses from changes in fair values		(365,629.32)	(15,146,280.26)	–	–	–
Credit impairment (losses) gains		(13,666,020.34)	(2,541,981.51)	(12,500,005.41)	1,623,173.30	60,448,231.73
Asset impairment losses	(XVI) 26	(182,998,897.78)	(194,384,782.92)	(224,886,199.43)	(138,592,391.25)	(129,179,801.39)
(Losses) gains from asset disposals		(178,390.15)	(282,392.76)	(991,565.15)	164,684.22	–
II. Operating profit		278,160,383.02	955,717,427.21	1,765,550,360.37	108,605,444.25	160,351,143.07
Add: Non-operating income		15,062,656.31	23,239,245.84	8,289,889.44	2,777,245.55	15,882,991.14
Less: Non-operating expenses		14,782,730.56	4,555,711.17	8,560,211.22	4,501,145.09	4,741,451.17
III. Profit before income tax		278,440,308.77	974,400,961.88	1,765,280,038.59	106,881,544.71	171,492,683.04
Less: Income tax expenses	(XVI) 27	47,924,497.75	169,667,309.14	2,304,174.28	24,666,876.22	40,849,116.83
IV. Net profit		230,515,811.02	804,733,652.74	1,762,975,864.31	82,214,668.49	130,643,566.21
(I) Net profit from continuing operations		230,515,811.02	804,733,652.74	1,762,975,864.31	82,214,668.49	130,643,566.21
(II) Net profit from discontinued operations		–	–	–	–	–
V. Other comprehensive loss, net of tax		(1,755,000.00)	–	–	–	–
(I) Other comprehensive loss that cannot be reclassified to profit or loss:						
1. Changes in fair values of investments in other equity instruments		(1,755,000.00)	–	–	–	–
VI. Total comprehensive income		228,760,811.02	804,733,652.74	1,762,975,864.31	82,214,668.49	130,643,566.21

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated Cash Flow Statement

(Expressed in RMB Yuan)

Items	Note	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
I. Cash Flows from Operating Activities:						
Proceeds from sale of goods and rendering of services		20,535,073,123.87	23,482,995,799.60	23,374,241,320.94	11,155,767,613.91	12,587,341,995.85
Refund of taxes		24,187,205.04	36,524,608.45	16,378,130.02	9,332,412.31	43,065,459.10
Proceeds from other operating activities . .	(VI) 56	1,170,670,598.93	1,289,181,109.68	1,141,584,273.12	579,947,740.97	413,821,924.18
Subtotal of cash inflows from operating activities		21,729,930,927.84	24,808,701,517.73	24,532,203,724.08	11,745,047,767.19	13,044,229,379.13
Payments for goods and services		13,266,197,608.46	14,156,171,472.96	14,491,785,917.55	7,930,357,464.12	8,917,331,525.08
Payments to and for employees		1,972,139,662.72	2,307,997,282.29	2,462,392,592.86	1,275,532,910.82	1,276,477,846.77
Payments of various taxes		916,348,619.51	956,112,835.33	1,023,235,449.02	542,136,889.09	572,995,226.79
Payments for other operating activities . . .	(VI) 56	3,552,234,300.14	3,857,891,922.66	3,160,858,766.78	1,462,631,265.81	1,500,674,993.23
Subtotal of cash outflows from operating activities		19,706,920,190.83	21,278,173,513.24	21,138,272,726.21	11,210,658,529.84	12,267,479,591.87
Net Cash Flow from Operating Activities .	(VI) 57	2,023,010,737.01	3,530,528,004.49	3,393,930,997.87	534,389,237.35	776,749,787.26
II. Cash Flows from Investing Activities:						
Proceeds from disposal of investments		653,404,813.41	–	1,151,982.67	1,063,681.50	–
Investment returns received		35,807,588.46	20,449,797.27	27,524,403.00	2,526,017.67	2,228,345.34
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets .		434,983,939.01	331,797,852.95	393,514,165.05	161,522,190.19	296,273,394.23
Net proceeds (payments) from disposals of subsidiaries	(VI) 57	28,861,004.18	(87,643,045.68)	(12,800,789.64)	(27,360,789.64)	–
Proceeds from other investing activities . . .	(VI) 56	64,139,608.00	13,134,581.78	16,693,792.04	579,833.81	3,619,633.18
Subtotal of cash inflows from investing activities		1,217,196,953.06	277,739,186.32	426,083,553.12	138,330,933.53	302,121,372.75
Payments for acquisition of fixed assets, intangible assets and other long-term assets .		3,285,230,089.01	2,556,646,339.16	2,561,566,831.62	758,879,630.41	1,126,416,850.75
Payments for investments		956,837,700.00	44,023,666.66	27,471.30	27,471.30	400,000.00
Net payments for acquisitions of subsidiaries .	(VI) 57	654,932,748.55	–	–	–	–
Payments for other investing activities . . .	(VI) 56	80,351,000.00	10,405,000.00	–	–	–
Subtotal of cash outflows from investing activities		4,977,351,537.56	2,611,075,005.82	2,561,594,302.92	758,907,101.71	1,126,816,850.75
Net Cash Flow from Investing Activities . .		(3,760,154,584.50)	(2,333,335,819.50)	(2,135,510,749.80)	(620,576,168.18)	(824,695,478.00)

APPENDIX I

ACCOUNTANTS’ REPORT

Items	Note	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
III. Cash Flows from Financing Activities:						
Proceeds from investors		93,636,370.14	19,088,957.45	126,300,000.00	110,760,000.00	24,127,287.00
Including: Proceeds from non-controlling shareholders of subsidiaries		92,392,052.14	19,088,957.45	126,300,000.00	110,760,000.00	24,127,287.00
Proceeds from borrowings		6,975,330,103.03	5,670,999,691.81	6,273,515,071.03	2,698,535,619.76	2,301,764,454.36
Proceeds from other financing activities	(VI) 56	13,603,238.19	17,200,000.00	–	–	–
Subtotal of cash inflows from financing activities		7,082,569,711.36	5,707,288,649.26	6,399,815,071.03	2,809,295,619.76	2,325,891,741.36
Repayments of borrowings		4,479,963,705.88	5,625,194,548.89	5,660,231,833.15	3,238,220,659.40	2,034,408,979.99
Payments for dividends, profit distributions or interests		674,833,381.93	951,590,895.25	2,007,666,180.85	126,282,597.85	206,064,560.79
Payments for other financing activities	(VI) 56	386,751,621.49	204,741,826.51	200,104,095.84	113,851,715.21	39,713,415.20
Subtotal of cash outflows from financing activities		5,541,548,709.30	6,781,527,270.65	7,868,002,109.84	3,478,354,972.46	2,280,186,955.98
Net Cash Flow from Financing Activities		1,541,021,002.06	(1,074,238,621.39)	(1,468,187,038.81)	(669,059,352.70)	45,704,785.38
IV. Effect of Foreign Exchange Rate						
Changes on Cash and Cash Equivalents		19,632.53	(29,692.00)	(141,488.31)	(118,292.81)	(377,382.87)
V. Net (Decrease)/Increase in Cash and Cash Equivalents						
Cash Equivalents	(VI) 57	(196,103,212.90)	122,923,871.60	(209,908,279.05)	(755,364,576.34)	(2,618,288.23)
Add: Cash and cash equivalents at the beginning of the year/period	(VI) 57	1,550,566,622.74	1,354,463,409.84	1,477,387,281.44	1,477,387,281.44	1,267,479,002.39
VI. Cash and Cash Equivalents at the end of the year/period						
of the year/period	(VI) 57	1,354,463,409.84	1,477,387,281.44	1,267,479,002.39	722,022,705.10	1,264,860,714.16

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company’s Cash Flow Statement

(Expressed in RMB Yuan)

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
I. Cash Flows from Operating Activities:					
Proceeds from sale of goods and rendering of services	15,940,168,169.39	18,441,058,718.73	18,306,362,412.76	8,887,665,252.31	9,777,885,062.86
Refund of taxes	–	13,435,050.59	–	–	36,532,801.04
Proceeds from other operating activities	836,602,272.37	843,735,696.27	645,506,864.83	420,036,370.93	255,289,248.62
Subtotal of cash inflows from operating activities	16,776,770,441.76	19,298,229,465.59	18,951,869,277.59	9,307,701,623.24	10,069,707,112.52
Payments for goods and services	12,063,657,767.22	13,637,046,031.72	13,894,571,200.26	6,768,049,125.83	8,076,089,313.45
Payments to and for employees	955,902,726.53	1,002,918,651.38	1,064,272,447.38	556,561,519.75	564,719,440.53
Payments of various taxes	559,873,159.65	601,660,252.27	530,026,515.01	292,293,777.89	272,323,979.72
Payments for other operating activities	3,005,148,560.85	3,352,291,114.96	2,750,424,241.56	1,282,929,027.63	1,350,423,071.16
Subtotal of cash outflows from operating activities	16,584,582,214.25	18,593,916,050.33	18,239,294,404.21	8,899,833,451.10	10,263,555,804.86
Net Cash Flow from Operating Activities	192,188,227.51	704,313,415.26	712,574,873.38	407,868,172.14	(193,848,692.34)
II. Cash Flows from Investing Activities:					
Proceeds from disposal of investments	651,969,713.38	2,000,000.00	1,063,681.50	1,063,681.50	–
Investment returns received	116,410,534.44	786,499,847.13	935,593,835.34	16,578,569.39	900,192,568.58
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	7,477,762.37	7,772,085.49	22,036,356.96	19,707,524.63	1,882,493.90
Proceeds from other investing activities	44,000,000.00	147,500,000.00	590,572,180.15	33,000,000.00	2,068,830,869.19
Subtotal of cash inflows from investing activities	819,858,010.19	943,771,932.62	1,549,266,053.95	70,349,775.52	2,970,905,931.67
Payments for acquisition of fixed assets, intangible assets and other long-term assets	95,407,963.11	126,734,605.90	97,201,084.79	62,220,007.31	128,172,832.96
Payments for investments	2,150,602,288.44	165,631,907.00	198,212,500.00	137,266,181.50	2,737,000,000.00
Payments for other investing activities	534,990,570.97	1,360,171,291.44	341,502,838.00	129,460,242.29	262,271,204.40

APPENDIX I

ACCOUNTANTS’ REPORT

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Subtotal of cash outflows from investing activities	2,781,000,822.52	1,652,537,804.34	636,916,422.79	328,946,431.10	3,127,444,037.36
Net Cash Flow from Investing Activities	(1,961,142,812.33)	(708,765,871.72)	912,349,631.16	(258,596,655.58)	(156,538,105.69)
III. Cash Flows from Financing Activities:					
Proceeds from investors	1,244,318.00	–	–	–	–
Proceeds from borrowings	4,260,171,941.53	3,626,000,000.00	4,035,000,000.00	2,005,000,000.00	1,600,000,000.00
Proceeds from other financing activities	6,603,238.19	249,922,270.45	782,893,000.00	171,000,000.00	753,066,962.01
Subtotal of cash inflows from financing activities	4,268,019,497.72	3,875,922,270.45	4,817,893,000.00	2,176,000,000.00	2,353,066,962.01
Repayments of borrowings	2,637,003,374.41	2,872,659,504.31	3,808,020,000.00	2,322,844,386.03	1,155,700,000.00
Payments for dividends, profit distributions or interests	547,817,494.04	799,534,408.11	1,912,274,134.73	82,551,818.96	153,280,946.77
Payments for other financing activities	83,937,982.78	125,544,058.79	570,484,653.49	96,620,528.08	773,310,365.56
Subtotal of cash outflows from financing activities	3,268,758,851.23	3,797,737,971.21	6,290,778,788.22	2,502,016,733.07	2,082,291,312.33
Net Cash Flow from Financing Activities	999,260,646.49	78,184,299.24	(1,472,885,788.22)	(326,016,733.07)	270,775,649.68
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	19,632.53	(29,692.00)	(141,603.96)	(118,292.81)	(314,142.39)
V. Net (Decrease)/Increase in Cash and Cash Equivalents	(769,674,305.80)	73,702,150.78	151,897,112.36	(176,863,509.32)	(79,925,290.74)
Add: Cash and cash equivalents at the beginning of the year/period	1,230,813,945.83	461,139,640.03	534,841,790.81	534,841,790.81	686,738,903.17
VI. Cash and Cash Equivalents at the end of the year/period	461,139,640.03	534,841,790.81	686,738,903.17	357,978,281.49	606,813,612.43

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Consolidated Statement of Changes in Owners’ Equity

(Expressed in RMB Yuan)

Items	2023						
	Equity attributable to owners of the Company						Total owners’ equity
	Share capital/ Paid-in capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Non-controlling interests	
I. As at 1 January 2023	60,971,592.00	(2,563,816,194.05)	349,000.00	46,029,053.53	617,212,752.58	889,759,376.28	(949,494,419.66)
II. Changes in equity during the year							
(I) Total comprehensive (loss)							
income	-	-	(1,755,000.00)	-	(21,441,711.81)	27,021,758.10	3,825,046.29
(II) Shareholders’ contributions							
and reduction in capital							
1. Shareholders’ contributions in							
capital	1,244,318.00	-	-	-	-	92,392,052.14	93,636,370.14
2. Recognition of equity-settled							
share-based payments							
(Note (XII)2)	-	41,828,229.62	-	-	-	-	41,828,229.62
3. Others (Note (VIII) 2)	-	(99,795,299.05)	-	-	-	(78,790,252.53)	(178,585,551.58)
(III) Increase in acquisition of							
subsidiaries	-	-	-	-	-	425,007,078.92	425,007,078.92
(IV) Cancellation of the							
shareholders’ special rights							
(Note (VI) 37)	-	5,896,058,077.00	-	-	-	-	5,896,058,077.00
(V) Transfers within owners’							
equity							
1. Other comprehensive income							
transferred to retained							
earnings	-	-	1,406,000.00	-	(1,406,000.00)	-	-
2. The restructuring of the							
Company in its entirety into a							
joint stock limited company	657,784,090.00	(2,032,150,516.47)	-	(46,029,053.53)	1,420,395,480.00	-	-
(VI) Profit distribution							
1. Distribution to shareholders	-	-	-	-	(530,000,000.00)	-	(530,000,000.00)
(VII) Others (Note (VI) 37)	-	(135,000,000.00)	-	-	-	-	(135,000,000.00)
III. As at 31 December 2023	720,000,000.00	1,107,124,297.05	-	-	1,484,760,520.77	1,355,390,012.91	4,667,274,830.73

APPENDIX I

ACCOUNTANTS’ REPORT

(Expressed in RMB Yuan)

Items	2024						
	Equity attributable to owners of the Company						
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Non-controlling interests	Total owners’ equity
I. As at 1 January 2024	720,000,000.00	1,107,124,297.05	—	—	1,484,760,520.77	1,355,390,012.91	4,667,274,830.73
II. Changes in equity during the year							
(I) Total comprehensive income . .	—	—	5,550,000.00	—	1,017,483,751.06	97,033,426.66	1,120,067,177.72
(II) Shareholders’ contributions and reduction in capital							
1. Shareholders’ contributions in capital	—	—	—	—	—	19,088,957.45	19,088,957.45
2. Recognition of equity-settled share-based payments							
(Note (XII)2)	—	40,172,243.88	—	—	—	—	40,172,243.88
3. Others (Note (VIII) 2) . . .	—	(51,664,952.30)	—	—	—	(31,235,854.70)	(82,900,807.00)
(III) Profit distribution							
1. Distribution to shareholders .	—	—	—	—	(362,500,000.00)	(8,788,043.44)	(371,288,043.44)
2. Appropriation for surplus reserve	—	—	—	81,532,790.99	(81,532,790.99)	—	—
(IV) Disposal of subsidiaries							
(Note (VII) 2)	—	—	—	—	—	(368,433,369.78)	(368,433,369.78)
III. As at 31 December 2024	720,000,000.00	1,095,631,588.63	5,550,000.00	81,532,790.99	2,058,211,480.84	1,063,055,129.10	5,023,980,989.56

(Expressed in RMB Yuan)

Items	2025						
	Equity attributable to owners of the Company						
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Non-controlling interests	Total owners’ equity
I. As at 1 January 2025	720,000,000.00	1,095,631,588.63	5,550,000.00	81,532,790.99	2,058,211,480.84	1,063,055,129.10	5,023,980,989.56
II. Changes in equity during the year							
(I) Total comprehensive income .	—	—	115.66	—	1,115,806,521.19	80,865,236.21	1,196,671,873.06
(II) Shareholders’ contributions and reduction in capital							
1. Shareholders’ contributions in capital	—	2,367,859.82	—	—	—	123,932,140.18	126,300,000.00
2. Recognition of equity-settled share-based payments							
(Note (XII)2)	—	39,623,391.38	—	—	—	—	39,623,391.38
3. Others (Note (VI) 10, Note (VIII) 2)	—	601,983.02	—	—	—	(9,620,883.02)	(9,018,900.00)
(III) Profit distribution							
1. Distribution to shareholders .	—	—	—	—	(1,800,000,000.00)	(13,356,037.40)	(1,813,356,037.40)
2. Appropriation for surplus reserve	—	—	—	176,297,586.43	(176,297,586.43)	—	—
(IV) Disposal of subsidiaries							
(Note (VII) 2)	—	—	—	—	—	(48,105,839.92)	(48,105,839.92)
III. As at 31 December 2025	720,000,000.00	1,138,224,822.85	5,550,115.66	257,830,377.42	1,197,720,415.60	1,196,769,745.15	4,516,095,476.68

APPENDIX I

ACCOUNTANTS’ REPORT

(Expressed in RMB Yuan)

Items	Six months ended 30 June 2025 (Unaudited)						
	Equity attributable to owners of the Company						Total owners’ equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Non-controlling interests	
I. As at 1 January 2025	720,000,000.00	1,095,631,588.63	5,550,000.00	81,532,790.99	2,058,211,480.84	1,063,055,129.10	5,023,980,989.56
II. Changes in equity during the period							
(I) Total comprehensive income . .	-	-	-	-	595,439,054.97	39,602,916.47	635,041,971.44
(II) Shareholders’ contributions and reduction in capital							
1. Shareholders’ contributions in capital	-	2,367,859.82	-	-	-	108,392,140.18	110,760,000.00
2. Recognition of equity- settled share-based payments							
(Note (XII) 2)	-	21,419,018.47	-	-	-	-	21,419,018.47
3. Others (Note (VIII) 2)	-	1,151,983.02	-	-	-	(9,620,883.02)	(8,468,900.00)
(III) Profit distribution							
1. Distribution to shareholders .	-	-	-	-	-	(829,400.00)	(829,400.00)
(IV) Disposal of subsidiaries							
(Note (VII) 2)	-	-	-	-	-	(48,105,839.92)	(48,105,839.92)
III. As at 30 June 2025	720,000,000.00	1,120,570,449.94	5,550,000.00	81,532,790.99	2,653,650,535.81	1,152,494,062.81	5,733,797,839.55

(Expressed in RMB Yuan)

Items	Six months ended 30 June 2026						
	Equity attributable to owners of the Company						Total owners’ equity
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Non-controlling interests	
I. As at 1 January 2026	720,000,000.00	1,138,224,822.85	5,550,115.66	257,830,377.42	1,197,720,415.60	1,196,769,745.15	4,516,095,476.68
II. Changes in equity during the period							
(I) Total comprehensive income . .	-	-	4,969,107.50	-	654,414,168.48	52,915,623.89	712,298,899.87
(II) Shareholders’ contributions and reduction in capital							
1. Shareholders’ contributions in capital	-	-	-	-	-	24,127,287.00	24,127,287.00
2. Recognition of equity- settled share-based payments							
(Note (XII) 2)	-	24,199,907.73	-	-	-	-	24,199,907.73
(III) Profit distribution							
1. Distribution to shareholders .	-	-	-	-	-	(3,293,214.56)	(3,293,214.56)
(IV) Transfers within equity							
1. Transfer of other comprehensive income to retained earnings							
(Note (VI) 1)	-	-	(5,360,840.00)	-	5,360,840.00	-	-
III. As at 30 June 2026	720,000,000.00	1,162,424,730.58	5,158,383.16	257,830,377.42	1,857,495,424.08	1,270,519,441.48	5,273,428,356.72

The accompanying notes form part of the Historical Financial Information.

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The Company’s Statement of Changes in Owners’ Equity

(Expressed in RMB Yuan)

Items	2023					
	Share capital/Paid-in capital	Capital reserve	Other comprehensive income	Surplus reserve	Accumulated losses	Total owners’ equity
I. As at 1 January 2023	60,971,592.00	(2,560,661,994.05)	349,000.00	46,029,053.53	(1,261,840,952.27)	(3,715,153,300.79)
II. Changes in equity during the year						
(I) Total comprehensive (loss) income	-	-	(1,755,000.00)	-	230,515,811.02	228,760,811.02
(II) Shareholders’ contributions and reduction in capital						
1. Shareholders’ contributions in capital . .	1,244,318.00	-	-	-	-	1,244,318.00
2. Recognition of equity-settled share-based payments (Note (XII)2) . .	-	41,828,229.62	-	-	-	41,828,229.62
(III) Cancellation of the shareholders’ special rights (Note (VI) 37)	-	5,896,058,077.00	-	-	-	5,896,058,077.00
(IV) Transfers within owners’ equity						
1. Other comprehensive income transferred to retained earnings	-	-	1,406,000.00	-	(1,406,000.00)	-
2. The restructuring of the Company in its entirety into a joint stock limited company	657,784,090.00	(2,032,150,516.47)	-	(46,029,053.53)	1,420,395,480.00	-
(V) Profit distribution						
1. Distribution to shareholders	-	-	-	-	(530,000,000.00)	(530,000,000.00)
III. As at 31 December 2023 . .	720,000,000.00	1,345,073,796.10	-	-	(142,335,661.25)	1,922,738,134.85

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ACCOUNTANTS’ REPORT

(Expressed in RMB Yuan)

Items	2024					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	(Accumulated losses) Retained earnings	Total owners’ equity
I. As at 1 January 2024	720,000,000.00	1,345,073,796.10	–	–	(142,335,661.25)	1,922,738,134.85
II. Changes in equity during the year						
(I) Total comprehensive income	–	–	–	–	804,733,652.74	804,733,652.74
(II) Shareholders’ contributions and reduction in capital						
1. Recognition of equity-settled share-based payments (Note (XII)2) . .	–	40,172,243.88	–	–	–	40,172,243.88
(III) Profit distribution						
1. Distribution to shareholders	–	–	–	–	(362,500,000.00)	(362,500,000.00)
2. Appropriation for surplus reserve.	–	–	–	81,532,790.99	(81,532,790.99)	–
III. As at 31 December 2024 . .	<u>720,000,000.00</u>	<u>1,385,246,039.98</u>	<u>–</u>	<u>81,532,790.99</u>	<u>218,365,200.50</u>	<u>2,405,144,031.47</u>

(Expressed in RMB Yuan)

Items	2025					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total owners’ equity
I. As at 1 January 2025	720,000,000.00	1,385,246,039.98	–	81,532,790.99	218,365,200.50	2,405,144,031.47
II. Changes in equity during the year						
(I) Total comprehensive income	–	–	–	–	1,762,975,864.31	1,762,975,864.31
(II) Shareholders’ contributions and reduction in capital						
1. Recognition of equity-settled share-based payments (Note (XII)2) . .	–	39,623,391.38	–	–	–	39,623,391.38
(III) Profit distribution						
1. Distribution to shareholders	–	–	–	–	(1,800,000,000.00)	(1,800,000,000.00)
2. Appropriation for surplus reserve.	–	–	–	176,297,586.43	(176,297,586.43)	–
III. As at 31 December 2025 . .	<u>720,000,000.00</u>	<u>1,424,869,431.36</u>	<u>–</u>	<u>257,830,377.42</u>	<u>5,043,478.38</u>	<u>2,407,743,287.16</u>

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(Expressed in RMB Yuan)

Six months ended 30 June 2025 (Unaudited)						
Items	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total owners' equity
I. As at 1 January 2025	720,000,000.00	1,385,246,039.98	–	81,532,790.99	218,365,200.50	2,405,144,031.47
II. Changes in equity during the period						
(I) Total comprehensive income	–	–	–	–	82,214,668.49	82,214,668.49
(II) Shareholders' contributions and reduction in capital						
1. Recognition of equity-settled share-based payments (Note (XII) 2).	–	21,419,018.47	–	–	–	21,419,018.47
III. As at 30 June 2025	<u>720,000,000.00</u>	<u>1,406,665,058.45</u>	<u>–</u>	<u>81,532,790.99</u>	<u>300,579,868.99</u>	<u>2,508,777,718.43</u>

(Expressed in RMB Yuan)

Six months ended 30 June 2026						
Items	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total owners' equity
I. As at 1 January 2026	720,000,000.00	1,424,869,431.36	–	257,830,377.42	5,043,478.38	2,407,743,287.16
II. Changes in equity during the period						
(I) Total comprehensive income	–	–	–	–	130,643,566.21	130,643,566.21
(II) Shareholders' contributions and reduction in capital						
1. Recognition of equity-settled share-based payments (Note (XII) 2).	–	24,199,907.73	–	–	–	24,199,907.73
III. As at 30 June 2026	<u>720,000,000.00</u>	<u>1,449,069,339.09</u>	<u>–</u>	<u>257,830,377.42</u>	<u>135,687,044.59</u>	<u>2,562,586,761.10</u>

The accompanying notes form part of the Historical Financial Information.

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ACCOUNTANTS’ REPORT

(I) BASIC INFORMATION

1. Basic information about the Company

Junlebao Dairy Group Co., Ltd. (君樂寶乳業集團股份有限公司) (the “Company”) was established on 21 April 2000 in Shijiazhuang City, Hebei Province, PRC, as a limited liability company under the PRC Company Law, with its head office located at Shijiazhuang City, Hebei Province. The Company was formerly known as Shijiazhuang Junlebao Dairy Co., Ltd. (石家莊君樂寶乳業有限公司) and was restructured in its entirety into a joint stock limited company in December 2023.

Following successive equity changes after its establishment, as at 31 December 2020, the Company’s registered capital and paid-in capital amounted to RMB52,351,700.00.

On 12 May 2021, the Company convened a shareholders’ meeting and adopted a resolution to increase its registered capital from RMB52,351,700.00 to RMB60,439,089.00. The additional registered capital of RMB8,087,389.00 was subscribed at a total price of RMB1,215,000,000.00 by three employee stock ownership platforms, to be specific, Shijiazhuang Lehui Ruisheng Corporate Management Center (Limited Partnership) (石家莊樂慧瑞晟企業管理中心(有限合夥))(formerly Known as Zhuhai Hengqin Lehui Ruisheng Enterprise Management Center (Limited Partnership) (珠海橫琴樂慧瑞晟企業管理中心(有限合夥)) (“Zhuhai Hengqin Lehuiruisheng”) subscribed for RMB4,207,240.00 of registered capital, Shijiazhuang Yuehui Xinghong Enterprise Management Center (Limited Partnership) (石家莊悅慧興泓企業管理中心(有限合夥)) (formerly Known as Zhuhai Hengqin Yuehui Xinghong Corporate Management Center (Limited Partnership) (珠海橫琴悅慧興泓企業管理中心(有限合夥)) (“Shijiazhuang Yuehui Xinghong”) subscribed for RMB2,994,863.00 of registered capital, and Shijiazhuang Yuehui Xinghong I Corporate Management Center (Limited Partnership) (石家莊悅慧興泓壹號企業管理中心(有限合夥)) (formerly Known as Zhuhai Hengqin Yuehui Xinghong No. 1 Enterprise Management Center (Limited Partnership) (珠海橫琴悅慧興泓壹號企業管理中心(有限合夥)) (“Zhuhai Hengqin Yuehui Xinghong No. 1”) subscribed for RMB885,286.00 of registered capital, respectively.

On 6 December 2021, the Company convened a shareholders’ meeting and adopted a resolution to increase its registered capital to RMB60,971,592.00. The additional registered capital of RMB532,503.00 was subscribed by Tianjin Bojia Sanbao Equity Investment Fund Partnership (Limited Partnership) (天津博佳三寶股權投資基金合夥企業(有限合夥)) (“Tianjin Bojia Sanbao”) at a price of RMB100,000,000.00 in cash.

On 12 August 2023, the Company convened a shareholders’ meeting and adopted a resolution to increase its registered capital to RMB62,215,910.00. The additional registered capital of RMB1,244,318.00 was subscribed by Shijiazhuang Zhenlecheng Enterprise Management Center (Limited Partnership) (石家莊臻樂誠企業管理中心(有限合夥)) (“Shijiazhuang Zhenlecheng”) at a price of RMB1,244,318.00 in cash.

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On 15 December 2023, the Company convened a shareholders’ meeting and adopted a resolution to restructure the Company as a joint stock limited company. Based on the audited net assets of the Company held by all promoters as at 31 August 2023, and after deducting the cash dividend resolved to be distributed to all shareholders on 13 September 2023, the remaining net assets were converted into the Company’s registered capital (share capital) of RMB720,000,000.00, equivalent to 720,000,000 shares, with a par value of RMB1.00 per share.

The Company and its subsidiaries (the “Group”) are principally engaged in the research and development, production and sale of dairy products, dairy farming.

The direct and ultimate controlling party of the Company is Mr. Wei Lihua.

No audited statutory financial statements have been prepared for the Company during the Track Record Period.

(II) BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Basis of preparation

The Historical Financial Information has been prepared in accordance with the requirements of all applicable CASBEs, which are also referred to as China Accounting Standards, issued by the MOF of the PRC. Further details of the significant accounting policies are set out in Note III.

MOF has issued a number of new and revised CASBEs, and interpretations of CASBEs. For the purpose of preparing the Historical Financial Information, the Group has consistently applied all applicable new and revised CASBEs and interpretations, except for any new standards or interpretations that are not yet effective for the accounting period beginning 1 January 2026, throughout the Track Record Period.

The Historical Financial Information also complies with the disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern

As at 30 June 2026, the Group had net current liabilities of RMB3,658,606,644.99. In view of such circumstances, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern such as the anticipated cash flows from the Group’s operating activities and the unutilised bank loan facilities. As at 30 June 2026, the Group’s unutilised bank loan facilities amounted to RMB10,543,719,131.48. The directors of the Company are of opinion that the Group is capable of continuously obtaining borrowings within the approved facilities based on the long-term cooperation with banks and the Group will have sufficient working capital to finance its operations and meet its financial obligations within 12 months from 30 June 2026. Therefore, the Historical Financial Information has been prepared on a going concern basis.

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Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments that are measured at fair value, the Historical Financial Information has been prepared on the historical cost basis. Where assets are impaired, provisions for impairment are made in accordance with relevant requirements.

Under the historical cost convention, assets are measured at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are measured at the amount of proceeds or assets received or the contractual amount for assuming the present obligation, or, at the amount of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair values measured or disclosed in the Historical Financial Information are determined on such a basis.

For financial assets that are initially recognised at fair value based on transaction price and subsequently measured at fair value using valuation techniques involving unobservable inputs, the valuation technique is calibrated in the valuation process to ensure that the initial recognition result determined by the valuation technique is equal to the transaction price.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than inputs included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

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2. Operating cycle

The operating cycle refers to the period from purchase of assets used for processing to realization of cash or cash equivalents. The business cycle of the Company is twelve months.

3. Functional currency

RMB is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries use RMB as their functional currency. The Company’s overseas subsidiary determines its functional currency on the basis of the primary economic environment in which it operates.

4. Determination method and selection basis of materiality criteria

The Group applies the principle of materiality to prepare and present Historical Financial Information. An item is material if it is reasonably expected that the omission or misstatement of the item in the Historical Financial Information would affect the economic decision made by the users of financial statements accordingly. In assessing materiality, the Group makes judgements based on the specific environment in which it operates, in terms of both the nature (whether it is part of the Group’s ordinary activities, whether it significantly affects the Group’s financial position, results of operations and cash flows, and other factors) and the amount of the item (as a proportion of the Group’s key financial indicators, including revenue, operating costs, net profit, total assets, total liabilities and total owners’ equity, or the proportion of the amount of the item listed separately in the Historical Financial Information to which it belongs).

5. Accounting treatment of business combination involving or not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations involving enterprises not under common control.

Business combinations involving enterprises not under common control and goodwill

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The combination costs of the combining party shall be the fair value of the assets paid, the liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. Where a business combination involving enterprises not under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer’s previously held interest in the acquiree. The intermediary expenses incurred

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by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquiree’s identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date.

When the business combination contract provides that, upon the occurrence of one or more future contingencies, the acquirer shall pay an additional or request for recovery of part of the previously paid consideration for the combination, such contingent consideration as set out in the contract shall be recognised as a liability or asset by the Group as a part of the aggregate consideration transferred in the business combination, and be included in the cost of combination at the fair value at the acquisition date. Within twelve months after the acquisition, if the contingent consideration needs to be adjusted as new or further evidence obtained in respect of circumstances existed as of the acquisition date, the amount previously included in the goodwill shall be adjusted. A change in or adjustment to the contingent consideration under other circumstances shall be measured in accordance with relevant provisions such as the *CASBE No. 22 — Recognition and Measurement of Financial Instruments*. Any change or adjustment is included in profit or loss for the current period.

Where the cost of combination exceeds the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree’s identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the Historical Financial Information.

6. Determination criteria of control and preparation method of the Historical Financial Information

6.1 Criterion of control

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor’s returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes in the above elements of the definition of control.

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6.2 Preparation method of the Historical Financial Information

The scope of consolidation in the Historical Financial Information is determined on the basis of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

For a subsidiary acquired through a business combination involving enterprises not under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group’s scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated cash flow statement, as appropriate.

The main accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

The effects of all intra-group transactions on the Historical Financial Information are eliminated on consolidation.

The portion of subsidiaries’ equity that is not attributable to the Company is treated as non-controlling interests and is presented as “non-controlling interests” under owners’ equity in the consolidated balance sheet. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented as “profit or loss attributable to non-controlling interests” under “net profit” in the consolidated income statement.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders’ portion of the opening balance of owners’ equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

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Acquisition of non-controlling interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company’s interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners’ equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination involving enterprises not under common control, the acquirer determines if these transactions are considered to be a “package deal”: if it belongs to a “package deal”, transactions will be dealt as transactions to acquire control. If it does not belong to a “package deal”, transactions to acquire control on acquisition date will be under accounting treatment, the fair value of acquirees’ shares held before acquisition date will be revalued, and the difference between fair value and carrying amount will be recognised in profit or loss of the current period; if acquirees’ shares held before acquisition date involve in changes of other comprehensive income and other equity of owners under equity method, this will be transferred to income of acquisition date.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received from disposal and the fair value of any retained equity and (ii) the share of the former subsidiary’s net assets cumulatively calculated from the acquisition date according to the original equity interests proportion is recognised as investment income in the period in which control is lost, and the goodwill is written down at the same time. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

7. Recognition criteria for cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily available for payments. Cash equivalents are the Group’s short-term (generally due within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Translation of transactions and financial statements denominated in foreign currencies

8.1 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are measured, on initial recognition, by applying the actual spot exchange rate on the date of transaction.

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At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the current period.

8.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the Historical Financial Information, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; owners’ equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; the difference between the translated assets and the aggregate of liabilities and owners’ equity items is recognised as other comprehensive income and included in owners’ equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate that approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as “effect of foreign exchange rate changes on cash and cash equivalents”. The closing balances and the actual figures of previous year are presented at the translated amounts in the previous year’s financial statements.

9. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognises assets acquired and liabilities assumed on a trade date basis, or derecognises the assets sold on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value (the method for determining the fair value of financial assets and financial liabilities is set out in the relevant disclosures of basis of accounting and principle of measurement as described in Note (II)). For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initially recognised amounts. When initially recognising accounts receivable that do not contain significant financing components or of

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which the financing components in the contract with a term of no more than one year are not taken into consideration in accordance with the *CASBE No. 14 — Revenue* (“Revenue Standards”), the Group adopts the transaction price as defined in the Revenue Standards for initial measurement.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expenses over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When determining the effective interest rate, the Group estimates future cash flows by considering all contractual terms of the financial asset or financial liability including early repayment, extension, call option or other similar options etc. without considering expected credit losses.

The amortised cost of a financial asset or a financial liability is the initially recognised amount net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the initially recognised amount and the amount at the maturity date using the effective interest method, and then net of cumulative loss allowance (only applicable to financial assets).

9.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group’s financial assets of various types are subsequently measured at amortised cost, at fair value through other comprehensive income (“FVTOCI”) or at fair value through profit or loss (“FVTPL”), respectively.

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group classifies such financial asset as financial assets at amortised cost. Such financial assets include cash at bank and on hand, accounts receivable, bills receivable, other receivables, other current assets — entrusted loans, and long-term receivables, etc.

Upon initial recognition, the Group may irrevocably designate the non-held-for-trading equity instrument investments other than contingent considerations recognised in business combination involving enterprises not under common control as financial assets at FVTOCI on an individual asset basis. Such financial assets are presented as investments in other equity instruments in Historical Financial Information.

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A financial asset is classified as held for trading if one of the following conditions is satisfied:

- It has been acquired principally for the purpose of selling it in the near term.
- On initial recognition, it is part of a portfolio of identifiable financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking.
- Those financial assets are classified as derivatives. It is a derivative that is neither a financial guarantee contract nor designated as an effective hedging instrument.

Financial assets at FVTPL include financial assets classified as at FVTPL and those designated as at FVTPL:

- Financial assets not satisfying the criteria of classification as financial assets at amortised cost and financial assets at FVTOCI are classified as financial assets at FVTPL;
- Upon initial recognition, the Group may irrevocably designate the financial assets as at FVTPL if doing so eliminates or significantly reduces accounting mismatch.

9.1.1 Financial assets measured at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. Any gains or losses arising from impairment or derecognition are included in profit or loss for the current period.

The Group recognises interest income on financial assets measured at amortised cost using the effective interest method, unless such financial assets become credit-impaired in subsequent periods. In such cases, the Group calculates interest income based on the amortised cost and effective interest rate of the financial asset in subsequent periods. If the financial instrument is no longer credit-impaired due to improvement of credit risk, and the improvement is linked with an event occurred after application of the above provisions, the Group will calculate and determine the interest income by applying effective interest rate to the gross carrying amount of the financial asset.

9.1.2 Financial assets at FVTOCI

Changes in fair value of non-held-for-trading equity instrument investments designated as financial assets at FVTOCI are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period in which the Group holds the non-held-for-trading equity instrument, revenue from dividends is

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recognised in profit or loss for the current period when (1) the Group has established the right of collecting dividends; (2) it is probable that the associated economic benefits will flow to the Group; and (3) the amount of dividends can be measured reliably.

9.1.3 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial assets are recognised in profit or loss for the current period.

9.2 Impairment of financial instruments

For financial assets measured at amortised cost, the Group accounts for the impairment and recognises the loss allowance on the basis of expected credit loss (“ECL”).

The Group makes a loss allowance against amount of lifetime ECL of bills receivable and accounts receivable arising from transactions adopting the Revenue Standard as well as lease receivables arising from transactions adopting the *CASBE No. 21 — Leases*.

For items of other financial instruments, the Group assesses the changes of credit risk since initial recognition of relevant financial instruments at each balance sheet date. If the credit risk of the above financial instruments has increased significantly since initial recognition, the Group measures loss allowance based on the amount of full lifetime; if credit risk of the financial instrument has not increased significantly since initial recognition, the Group recognises loss allowance based on 12-month ECL of the financial instrument. The increase or reversal of credit loss allowance is recognised as an impairment loss or gain in profit or loss for the current period.

Where the Group has measured the loss allowance at an amount equivalent to lifetime ECL of a financial instrument in prior accounting period, but the financial instrument no longer satisfies the criteria of significant increase in credit risk since initial recognition at the current balance sheet date, the Group recognises the loss allowance of the financial instrument at an amount equivalent to 12-month ECL at the current balance sheet date, with any resulting reversal of loss allowance recognised as impairment gains in profit or loss for the current period.

9.2.1 Significant increase of credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition with available reasonable and supportable forward-looking information.

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The following factors are taken into account when assessing whether credit risk has increased significantly:

- (1) Adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor’s ability to meet its debt obligations;
- (2) An actual or expected significant change in the operating results of the debtor;
- (3) Significant adverse changes in regulatory, economic, or technological environment of the debtor;
- (4) Significant changes in expected performance and repayment of the debtor;

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly when contractual payments are more than 30 days (inclusive) past due.

At the balance sheet date, if the Group determines that a financial instrument has only lower credit risk, the Group assumes that the credit risk of the financial instrument has not increased significantly since initial recognition. A financial instrument is deemed as having lower credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to satisfy its contractual cash flow obligations in the near term; and (iii) 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 obligations.

9.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable information:

- (1) Significant financial difficulty of the issuer or debtor;
- (2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The creditor(s) of the debtor, for economic or contractual reasons relating to the debtor’s financial difficulty, having granted to the debtor a concession(s) that the creditor(s) would not otherwise consider;
- (4) It is probable that the debtor will enter bankruptcy or other financial reorganisations;

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Based on the Group’s internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

9.2.3 Determination of ECL

The ECL on relevant financial instruments are determined on an individual or a portfolio basis.

- For financial assets and lease receivables, the credit loss represents the present value of the difference between the contractual cash flows receivable by the Group and the cash flows expected to be received by the Group;
- For credit-impaired financial assets other than the purchased or originated credit-impaired financial assets at the balance sheet date, credit loss is the difference between the gross carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

The Group’s measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

9.2.4 Write-off of financial assets

The Group shall directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

9.3 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

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For a transfer of a financial asset that satisfies the derecognition criteria, the difference between the carrying amount of the financial asset transferred, and the consideration received from the transfer, is recognised in profit or loss. Where the transferred assets are non-held-for-trading equity instrument investments designated as at FVTOCI, cumulative gains or losses previously recognised in other comprehensive income are transferred out and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety and includes the consideration received in liability.

9.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group or their components are classified into financial liabilities or equity instruments on the basis of not only the legal form but also the contractual terms and their economic substance, together with the definition of financial liability and equity instrument.

9.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

9.4.1.1 Financial liabilities at FVTPL

For derivative instruments classified as financial liabilities and financial liabilities arising from contingent consideration recognised by the Group as the buyer in the business combination involving enterprises not under common control, the Group measures such financial liabilities at fair value through profit or loss.

9.4.1.2 Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, and any gains or losses arising from termination of recognition or amortisation are included in profit or loss. The Group’s other financial liabilities primarily comprise bills payable, accounts payable, other payables, short-term borrowings, other current liabilities-obligation to repurchase non-controlling interests, long-term borrowings, and long-term payables.

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9.4.2 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss for the current period.

9.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes of equity. Change of fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group treats allocations to equity instrument holders as profit distribution and stock dividends paid do not affect total amount of owners’ equity.

9.4.4 Accounting treatment for forward purchase obligations/put options to minority shareholders

In business combination involving enterprises not under common control, if the Group has a forward acquisition obligation to minority shareholders or has issued a put option to minority shareholders, the Group incurs a contractual obligation that cannot be unconditionally avoided to repurchase its own equity instruments by paying cash or other financial assets. At the combination date, this repurchase obligation is recognised as a financial liability at an amount equal to the present value of the payments for the required repurchase.

9.5 Offsetting financial assets and financial liabilities

When the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously, the financial assets and financial liabilities are offset with the net amount presented in the balance sheet. Otherwise, financial assets and financial liabilities are separately presented in the balance sheet without offsetting.

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10. Accounts receivable

10.1 Determination of and accounting treatment for ECL of accounts receivable

Except for accounts receivable with significantly different credit risk characteristics, which are assessed for ECL on an individual asset basis, the Group uses an impairment matrix to determine the ECL on accounts receivable on a portfolio basis. The increase or reversal amount of ECL of accounts receivable is included in profit or loss for the current period as losses on or gains from credit impairment.

10.2 Portfolios for which credit loss allowances are collectively assessed based on credit risk characteristics and their basis

The Group classifies accounts receivable into distributors, E-commerce, KA customers, special channels and other categories based on common risk characteristics. Common credit risk characteristics adopted by the Group include customer categories and aging.

10.3 Calculation method of aging for the portfolios based on credit risk characteristics determined by aging

The Group uses the aging of accounts receivable as a credit risk characteristic to determine its credit losses using an impairment matrix. The aging is calculated from the date of initial recognition. When the terms and conditions of accounts receivable are modified but such modification does not result in derecognition of accounts receivable, the aging of the accounts receivable shall be calculated continuously.

10.4 Criteria for determining the basis of credit loss allowances made on an individual basis

The Group assesses credit risk on an individual basis for accounts receivable where credit risk differs significantly from the credit risk of the portfolio.

11. Other receivables and long-term receivables

11.1 Determination of and accounting treatment for ECL of other receivables and long-term receivables

Except for other receivables with significantly different credit risk characteristics, which are assessed for ECL on an individual asset basis, the Group determines ECL for other receivables on a portfolio basis. The Group determines ECL for long-term receivables on an individual asset basis.

The increase or reversal of ECL allowance is included in profit or loss for the current period as losses on or gains from credit impairment.

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11.2 Portfolios for which credit loss allowances are collectively assessed based on credit risk characteristics and their basis

Other receivables are grouped based on common risk characteristics. The common credit risk characteristics adopted by the Group include the nature of receivables, delinquency status, the industry in which the debtor operates, and the size of the debtor company, etc.

11.3 Calculation method of aging for the portfolios based on credit risk characteristics determined by aging

The aging is calculated from the date of initial recognition.

12. Inventories

12.1 Categories of inventories, valuation method of inventories upon delivery, inventory count system, amortisation method for low-value consumables and packaging materials

12.1.1 Categories of inventories

The Group’s inventories mainly include raw materials, finished goods, revolving materials, packaging materials, consumable biological assets, shipped goods, low-value consumables, consigned materials for processing, properties under development and properties for sale, etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition. Properties under development comprises costs for acquiring the land use rights, expenditures of support infrastructure, expenditures of construction and installation work, borrowing costs incurred before the development project is completed and other related expenses incurred during the course of development.

12.1.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method or specific identification method.

12.1.3 Inventory count system

The perpetual inventory system is maintained for stock system.

12.1.4 Amortisation method for low-value consumables and packaging materials

Packaging materials and low-value consumables are amortised using the immediate write-off method.

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12.2 Recognition criteria and methods for determining the provision for write-down of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for write-down of inventories is made.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realisable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of events subsequent to the balance sheet date.

After the provision for write-down of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their carrying amount, the original provision for write-down is reversed and the reversal is included in profit or loss for the current period.

12.3 Portfolios for which provision for write-down of inventories are collectively assessed and their basis, and the basis for determining the net realisable value of different categories of inventories

For large quantities and low-value items of inventories, provision for write-down is made based on categories of inventories. Therefore, inventories are grouped into raw materials, finished goods, revolving materials, packaging materials, consumable biological assets, shipped goods, low-value consumables, consigned materials for processing, properties under development and properties for sale, for the purpose of provision for write-down of inventories. Finished goods intended for direct sale, shipped goods and consumable biological assets, the net realisable values are determined, in the ordinary course of business, as the estimated selling price less all estimated selling expenses and relevant taxes. For inventories that require further processing in the ordinary course of business, the net realisable values are determined as the estimated selling price less the estimated costs of completion, all estimated selling expenses and relevant taxes. At the balance sheet date, if part of an inventory has a contract price while other parts do not, the Group separately determines the net realisable values and compares them with their corresponding costs to separately determine the provision for write-down of inventories to be recognised or reversed.

13. Long-term equity investments

13.1 Basis for determining joint control and significant influence over the investee

Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor’s returns. Joint control is the contractually agreed sharing of control over an arrangement, and exists only when the activities relating to the arrangement require the

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unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, convertible corporate bonds and enforceable warrants) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

13.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises not under common control, the initial investment cost of the long-term equity investment is the cost of acquisition at the date of combination. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination involving enterprises not under common control, the acquirer determines if these transactions are considered to be a “package deal”: if it belongs to a “package deal”, transactions will be dealt as transactions to acquire control. If no, the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is deemed as the initial investment cost of long-term equity investments that was changed to be accounted for using cost method. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for investments in other equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognised in other comprehensive income are included in retained earnings.

The intermediary expenses incurred by the combining party or acquirer in respect of auditing, legal services, valuation and consultancy services, etc., and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

Long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with the *CASBE No. 22 — Recognition and Measurement of Financial Instruments* and the additional investment cost.

13.3 Subsequent measurement and recognition of profit or loss

13.3.1 Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company’s separate financial statements. A subsidiary is an investee that is controlled by the Group.

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Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

13.3.2 Long-term equity investments accounted for using the equity method

The Group accounts for investment in associates using the equity method. An associate is an entity over which the Group has significant influence.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group’s share of the fair value of the investee’s identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group’s share of the fair value of the investee’s identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjust the carrying amount of the long-term equity investment accordingly; the carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; other changes in owners’ equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised in the capital reserve. The Group recognises its share of the investee’s net profit or loss based on the fair value of the investee’s individual identifiable assets, etc. at the time of obtaining the investment after making appropriate adjustments. When the investee’s accounting policies and accounting period are inconsistent with those of the Group, the Group recognises investment income and other comprehensive income after making appropriate adjustments on the investee’s financial statements according to the Group’s accounting policies and accounting period. For the Group’s transactions with its associates where assets contributed or sold do not constitute a business, unrealised intra-group profits or losses are recognised as investment income or loss to the extent that those attributable to the Group’s proportionate share of interest are eliminated. However, unrealised losses resulting from the Group’s transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. If the investee realises net profit in the subsequent period, the Group will resume to recognise the income share after the income share makes up for the unrecognised loss share.

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13.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the current period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee and carried forward proportionately; other owners’ equity recognised from changes of owners’ equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss for the current period and carried forward proportionately.

Where the Group loses control over the investee due to disposal of part of shares, when preparing separate financial statements, if remaining shares after disposal can make joint control or significant influence on the investee, they are accounted for under equity method, and adjusted as if they are accounted for under equity method since the acquisition date; if remaining shares after disposal cannot make joint control or significant influence on the investee, they are accounted for according to the relevant provisions on the recognition and measurement of financial instruments, and the difference between fair value on the date of losing control and carrying amount is recognised in profit or loss for the current period. Upon the control of the investee is lost, other comprehensive income recognised due to equity method or recognition and measurement of financial instruments before the Group obtained controls over the investee, is accounted for on the same basis as the investee’s direct disposal of relevant assets or liabilities and recognised in profit or loss for the current period; changes of owners’ equity except for net profit or loss, other comprehensive income and profit distribution are recognised in profit or loss for the current period. Where the remaining equity interests after disposal are accounted for under equity method, other comprehensive income and other owners’ equity are recognised in profit or loss in proportion; where the remaining equity interests after disposal are accounted for in accordance with the recognition and measurement of financial instruments, other comprehensive income and other owners’ equity are fully recognised in profit or loss.

When the Group loses joint control or significant influence over the investee due to partial disposal of equity investments, the remaining interest after disposal is changed to be accounted for under the standards for the recognition and measurement of financial instruments, and the difference between the fair value and carrying amount on the date when joint control or significant influence is lost is charged to profit or loss for the current period. When the equity method is no longer used, other comprehensive income previously recognised for previous-held equity investments under the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities; upon discontinuation of the equity method, owners’ equity recognised due to changes in other owners’ equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is entirely transferred to investment income for the period.

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14. Fixed assets

14.1 Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the cost can be measured reliably. Meanwhile, the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss for the current period in which they are incurred.

14.2 Depreciation method

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The depreciation method, depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation method	Depreciation period (years)	Estimated net residual value rate (%)	Annual depreciation rate (%)
Plants and buildings	Straight-line method	10-45	3-5	2.16-9.70
Machinery and equipment	Straight-line method	3-10	3-5	9.50-32.33
Motor vehicles	Straight-line method	3-10	3-5	9.50-32.33
Office equipment	Straight-line method	3-10	3-5	9.50-32.33

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

14.3 Other descriptions

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the current period.

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The Group reviews the useful life and the estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

15. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs. Construction in progress is not depreciated.

Construction in progress is transferred to a fixed asset when it is ready for intended use. Basis and time point of transferring all construction in progress to fixed assets are as follows:

Category	Criteria and time point of transferring to fixed assets
Plants and buildings	The earlier of actual commencement of use/completion of acceptance
Machinery and equipment	The earlier of actual commencement of use/completion of installation and acceptance

16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognised as expenses in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised is the actual interest expenses incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

17. Biological assets

The Group’s biological assets are classified into consumable biological assets and productive biological assets.

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17.1 Consumable biological assets

Consumable biological assets are biological assets held for sale or to be harvested as agricultural produce in the future. 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, and any borrowing costs that satisfy capitalisation criteria.

The Group recognises the cost of a consumable biological asset in profit or loss based on its carrying amount at the time when the asset is sold. Upon sales, the carrying amount is determined using the weighted average method.

At the balance sheet date, a consumable biological asset is measured at the lower of cost and net realisable value, and a provision for write-down of the asset is recognised using the method consistent with that applicable to provide for write-down of 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 provided.

17.2 Productive biological assets

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 (e.g. calves, heifers) and mature productive biological assets (e.g., milkable cows, breeding bulls). Productive biological assets are initially measured at cost. 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 its intended production and operating purposes including capitalised borrowing cost.

When productive biological assets become available for its intended production and operation purposes, the Group accrues depreciation of productive biological assets using straight-line method over their useful lives. The useful life, estimated net residual value rate and annual depreciation rate of each category of productive biological assets are as follows:

Category	Useful life	Estimated net residual value rate	Annual depreciation rate
	(Years)	(%)	(%)
Mature milkable cows	5	20	16.00
Mature breeding bulls	3-5	5	19.00-31.67

The useful lives and estimated net residual values of the above productive biological assets are determined based on historical experience.

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The Group reviews the useful life and estimated net residual value of productive biological assets and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

On the sale, identification of any shortages during stocktaking, death or damage of productive biological assets, the proceeds on disposal net of the carrying amount and relevant taxes are recognised in profit or loss for the current period.

18. Intangible assets

18.1 Useful life and its determination basis, estimate, amortisation method or review procedures

Intangible assets include land use rights, computer software, patents and non-patented technology, trademarks, and others.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortised over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortised. Amortisation methods and useful lives of all intangible assets with finite useful lives are as follows:

<u>Category</u>	<u>Amortisation method</u>	<u>Useful life</u> (Years)	<u>Basis for determination</u>
Land use rights	Straight-line method	30-70	Term of land use rights
Computer software	Straight-line method	3-10	Expected economic benefit period
Patents and non-patented technology	Straight-line method	8-10	Shorter of patent term and expected economic benefit period
Trademarks	Straight-line method	7-10	Shorter of trademark term and expected economic benefit period
Others	Straight-line method	5-20	Shorter of contract term and expected economic benefit period

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In addition to the aforementioned intangible assets with finite useful lives, the Group's intangible assets with indefinite useful lives comprise trademarks. Trademarks represent trademarks acquired by the Group from subsidiaries. As the period over which they are expected to generate economic benefits for the Group cannot be reliably estimated, they are classified as intangible assets with indefinite useful lives. Refer to Note (VI) 16 for details. For intangible assets with indefinite useful lives, the Group reviews their useful lives annually at the end of each year. If the useful life remains indefinite after re-evaluation, an impairment test is performed at the balance sheet date.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the year, and makes adjustments when necessary.

18.2 Scope of and related accounting treatment for research and development expenditure

Expenditures in the research phase are recognised in profit or loss for the current period in which they are incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognised as an intangible asset. Expenditure during development phase that does not meet the following conditions is recognised in profit or loss for the current period.

- (1) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (2) the Group has the intention to complete the intangible asset and use or sell it;
- (3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and
- (5) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognises all of them in profit or loss for the current period. The cost of intangible assets formed in internal development activities only includes the total amount of expenditures from the time point when the capitalisation conditions are met to the time when the intangible assets reach the predetermined uses. For the same intangible asset, the expenditures that have been expensed into profit or loss before the capitalisation conditions are met in the development process will not be adjusted.

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19. Impairment of long-term assets

The Group reviews long-term equity investments, fixed assets, right-of-use assets, productive biological assets measured at cost, construction in progress and intangible assets with finite useful lives at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on an individual asset basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognised in profit or loss for the current period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the asset group or set of asset groups, i.e., goodwill is reasonably allocated to the related asset group or set of asset groups expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the asset group or set of asset groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such asset group or sets of asset groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once an impairment loss of the above-mentioned assets is recognised, it will not be reversed in any subsequent period.

20. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortised over the current period and subsequent periods (together of more than one year). Long-term deferred expenses are amortised using the straight-line method over the expected periods in which benefits are derived.

21. Contract liabilities

Contract liabilities refer to the Group’s obligation to transfer goods or services to a customer for consideration received or receivable from the customer. Contract assets and contract liabilities under the same contract are presented on a net basis.

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22. Employee benefits

22.1 Accounting treatment for short-term employee benefits

In an accounting period in which an employee has rendered services to the Group, the Group recognises the short-term employee benefits for that service as a liability, and the related expenditures are charged to profit or loss for the current period or in costs of relevant assets. Employee welfare incurred by the Group is recognised in profit or loss for the current period or the costs of relevant assets based on the actual amount when incurred. Non-monetary employee welfare is measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognised as relevant liabilities, with a corresponding charge to the profit or loss for the current period or the costs of relevant assets in the accounting period in which employees provide services.

22.2 Accounting treatment of post-employment benefits

The Group’s post-employment benefits are all defined contribution plans.

In an accounting period in which an employee has rendered service to the Group, the amount payable calculated in accordance with the defined contribution plan is recognised as a liability by the Group and charged to profit or loss for the current period, or included in cost of related assets.

22.3 Accounting treatment of termination benefits

A liability for a termination benefit is recognised in profit or loss for the current period at the earlier of when the Group cannot unilaterally withdraw from the termination plan or the redundancy offer and when the Group recognises any related restructuring costs or expenses.

23. Provisions

Provisions are recognised when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

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The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

24. Share-based payments

A share-based payment is a transaction which the Group grants equity instruments in return for services rendered by employees. The Group’s share-based payments are equity-settled share-based payments.

Equity-settled share-based payments in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognised as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest, with a corresponding increase in capital reserve.

At each balance sheet date during the vesting period, the Group makes the best estimate according to the subsequent latest information of change in the number of employees who are granted with options that may vest, etc. and revises the number of equity instruments expected to vest. The effect of the above estimate is recognised as related costs or expenses, with a corresponding adjustment to capital reserve.

25. Revenue

25.1 Accounting policies for revenue recognition and measurement disclosed by business types

The Group’s revenue primarily derives from the sale of liquid milk, formula, and other dairy products. Sales channels mainly include distributor channels and direct sales channels.

The Group recognises revenue based on the transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. A performance obligation is a commitment that the Group transfers distinct goods or services to a customer in the contract.

The Group assesses a contract at contract inception, identifies each separate performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. It is a performance obligation satisfied over time and the Group recognises revenue over time according to the progress of performance if one of the following conditions is met: (1) the customer obtains and consumes economic benefits at the same time of the Group’s performance; (2) the customer is able to control goods or services in progress during the Group’s performance; (3) goods or services generated during the Group’s performance have

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irreplaceable utilisation, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognised at a point in time when the customer obtains control over the relevant goods or services.

The Group’s revenue from goods sales is recognised as a performance obligation satisfied at a point in time and is recognised when the customer obtains control of the relevant goods. Revenue recognition across the Group’s various channels is primarily based on the point in time when goods are delivered and signed for.

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 and amounts expected to be refunded to a customer.

If there are two or more of performance obligations included in the contract, at the contract inception, the Group allocates the transaction price to each separate performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligations. Stand-alone selling price refers to the price of a single sale of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all relative information that can be reasonably acquired and maximum use of observable inputs.

In case of the existence of variable consideration in the contract, the Group shall determine the best estimate of variable consideration based on the expected value or the most probably occurred amount. The transaction price including variable consideration shall not exceed the amount of the cumulatively recognised revenue which is most unlikely to be significantly reversed when relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration to be included in the transaction price.

In case of the existence of consideration payable to a customer in the contract, the Group shall account for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service. The Group shall recognise the reduction of revenue at the later of recognising relevant revenue and paying (or promising to pay) the consideration.

For sales that are affixed with terms of sales return, as the customer obtains control of related goods, the Group recognises revenue based on the consideration (excluding expected refund amounts due to sales returns) that the Group is expected to charge due to the transfer of goods to the customer, and recognises liabilities based on the expected refund amounts due to sales returns. Meanwhile, at the time of transfer, an assets is recognised at the carrying

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amount of goods expected to be returned, after deduction of expected costs from collecting the goods (including impairment of the returned goods), and the cost of sales is recognised at the carrying amount of the goods are transferred, netting of the cost of the aforementioned asset.

For sales that are affixed with quality assurance terms, if the quality assurance provides a separate service to the customer other than ensuring that the goods or services sold meet the established standards, the quality assurance constitutes a separate performance obligation. Otherwise, the Group will account for the quality assurance responsibility in accordance with the *CASBE No. 13 — Contingencies*.

The additional purchase options of customers include sale incentive measures, customer reward points, etc. The Group regards the additional purchase option, which provides significant right to the customer, as a separate performance obligation, and recognises revenue when the customer exercises the purchase option to acquire the control over relevant goods or services in the future, or when the option expires. Where the stand-alone selling price of the additional purchase option of customers cannot be observed directly, the Group makes an estimate considering all the relevant information including the difference in discount when the customer exercises or does not exercise the option, and the possibility of the customer to exercise the option.

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The commission or fee is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

25.2 Different business models for similar operations involve different revenue recognition methods and measurement approaches

The Group has no different business models for similar operations involve different revenue recognition methods and measurement approaches.

26. Contract costs

26.1 Costs to fulfil a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance

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obligations in the future; and (3) the costs are expected to be recovered. The asset mentioned above shall be amortised on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognised in profit or loss for the current period.

26.2 Impairment losses of assets relating to contract costs

In determining the impairment loss on assets relating to contract costs, the impairment loss should first be determined for the other assets relating to contracts, which are recognised in accordance with other CASBE. For assets relating to contract costs, where the carrying amount is higher than the difference between the two items below, the impairment provision will be made for the excess part with the impairment losses of assets recognised: (1) the remaining consideration that the Group expects to obtain for transfer of goods or services relating to the assets; (2) the estimated costs necessary to transfer relevant goods or services.

After the provision for impairment of assets related to contract costs is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the asset, the original provision for impairment of the asset is reversed and recognised in profit or loss for the current period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment was made.

27. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. 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.

27.1 Accounting treatment of government grants related to assets

A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset.

27.2 Accounting treatment of government grants related to income

Government grants related to income refer to those other than grants related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses or losses are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the current period.

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A government grant related to the Group’s daily activities is recognised in other income based on the nature of economic activities. a government grant not related to the Group’s daily activities is recognised in non-operating income.

The Group recognises interest subsidies for policy-related preferential loans as follows: where the government provides an interest subsidy to the lending bank, enabling it to extend loans to the Group at a preferential interest rate, the Group recognises the amount of borrowings received as the carrying amount of the loan and calculates the related finance costs based on the loan principal and the preferential interest rate; where the government directly grants the interest subsidy to the Group, the subsidy is recognised as a reduction of the corresponding finance costs.

28. Leases

A lease is a contract whereby the lessor conveys to the lessee the right to use an asset for an agreed period of time in return for a consideration.

The Group assesses whether a contract is, or contains, a lease at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

28.1 The Group as lessee

28.1.1 Separating components of a lease

If the contract contains one or more lease and non-lease components, the Group will separate the individual lease and non-lease components and allocate contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease components and the stand-alone prices of the non-lease components.

28.1.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group recognises a right-of-use asset. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use by the Group. The Bank measures the right-of-use assets at cost. The cost of the right-of-use assets comprises:

- the amount of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group;

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- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group depreciates right-of-use assets by reference to the relevant depreciation provisions of the *CASBE No. 4 — Fixed Assets*. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Group is reasonably certain to obtain ownership of the underlying assets at the end of the lease term.

Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with the *CASBE No. 8 — Impairment of Assets*.

28.1.3 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group measures the lease liabilities at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refer to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liabilities, are recognised in profit or loss or cost of related assets in the period of those payments.

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After the commencement date of the lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on a fixed periodic rate, and recognises such expenses in profit or loss or costs of related assets.

After the commencement date of the lease, the Group remeasures the lease liabilities and adjusts the right-of-use assets accordingly in the following cases. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability needs to be reduced further, the Group will recognise the difference in profit or loss for the current period:

- there is a change in the lease term, or in the assessment of an option to purchase the underlying asset, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there is a change in the amounts expected to be payable under a residual value guarantee, or in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group re-measures the lease liabilities, on the basis of the revised lease payments and the unchanged discount rate.

28.1.4 Determination basis and accounting treatment of short-term leases and leases of low-value assets treated under a simplified method as lessee

The Group chooses not to recognise right-of-use assets and lease liabilities for short-term leases of transportation equipment, machinery and equipment and buildings, as well as leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain a purchase option. A lease of low-value assets, is a lease that the single underlying asset, when is new, is less than RMB50,000.

The Group shall recognise the lease payments associated with short-term leases and leases of low-value assets in profit or loss or cost of related assets on a straight-line basis over the lease term.

28.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope which is adjusted based on circumstances of the particular contract.

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If the lease modification is not accounted for as an individual lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract after the change, re-determines the lease term, and remeasures the lease liabilities at the present value of revised lease payment discounted at revised discount rate.

If the lease modification results in a reduction in the lease scope or lease term, the carrying amount of the right-of-use assets will be reduced, and the gains or losses relevant to the lease partially or fully terminated will be included in profit or loss for the current period. For other lease modifications resulting in the remeasurement of lease liabilities, the carrying amount of right-of-use assets is adjusted accordingly.

28.2 The Group as lessor

28.2.1 Separating components of a lease

For a contract that contains lease or non-lease components, the Group allocates the contract consideration in accordance with the transaction price allocation provisions in the revenue standard. The allocation is based on the stand-alone prices for the lease component and the non-lease component.

28.2.2 Classification criteria and accounting treatment for leases as the lessor

Leases are classified as finance leases whenever the terms of the leased assets transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

28.2.2.1 The Group as lessor under operating leases

Receipts of lease under operating leases are recognised as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalised when incurred, and are recognised in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

29. Deferred tax assets/Deferred tax liabilities

Income tax expenses include current income tax and deferred income tax.

29.1 Current income taxes

At the balance sheet date, current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

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29.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax is generally recognised for all temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) and does not give rise to equal taxable temporary differences and deductible temporary differences at the time of transaction, no deferred tax asset or liability is recognised.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be taxable income against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realised or the liability is settled.

Current and deferred tax expenses or benefits are recognised in profit or loss for the current period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in owners' equity, in which case they are recognised in other comprehensive income or in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable income will be available in the future to allow the benefit of deferred tax assets to be utilised. Such reduction in amount is reversed when it becomes probable that sufficient taxable income will be available.

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29.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

(IV) CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Group’s accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the Historical Financial Information that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgements, estimates and assumptions are based on historical experiences of the Group’s management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgements, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognised in the period of the change, if the change affects that period only; or recognised in the period of the change and future periods, if the change affects both.

Key assumptions and uncertainties in accounting estimates

At the balance sheet date, the key assumptions and uncertainties in accounting estimates that are probable to cause significant adjustments to the carrying amounts of assets and liabilities in future periods include:

Credit loss allowance for accounts receivable

Except for accounts receivable with significantly different credit risk characteristics, which are assessed for ECL on an individual asset basis, the Group uses an impairment matrix to determine the ECL on accounts receivable. The Group determines the proportion of corresponding loss allowance for all types of accounts receivable with similar risk characteristics. The expected credit loss rate is determined based on the Group’s historical credit loss experience and considers reasonable and supportable forward-looking information

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that is available without undue cost or effort. The recognition of credit loss allowance requires the use of judgment and estimates. If the re-estimate results differ from existing estimates, such differences will affect the carrying amount of accounts receivable in the period of the estimate change.

Provision for write-down of inventories

The Group recognises provision for write-down of inventories based on the estimated net realisable value of inventories. If the net realisable value is below the cost of inventories, a provision for write-down of inventories is made. The recognition of net realisable value requires the use of judgment and estimates. Where the re-estimated result is different from the current estimates, the difference will impact the carrying amounts of the inventories of the period in which the estimates have changed.

Depreciation and amortisation

The Group depreciates and amortises intangible assets, fixed assets and productive biological assets using the straight-line method over their useful lives. The Group depreciates right-of-use assets using the straight-line method. The right-of-use assets are depreciated over the remaining useful lives of the leased assets where the Group is reasonably certain to obtain ownership of the underlying assets at the end of the lease term. Otherwise, right-of-use assets are depreciated over the shorter of the lease term and the remaining useful lives of the leased assets.

The Group periodically reviews the useful lives of assets to determine the amount of depreciation and amortisation expense to be recognised in each reporting period. Useful lives are determined by the Group based on historical experience with similar assets, taking into account factors such as anticipated technological advancements and changes in market demand. If there is a significant change in previous estimates, adjustments to depreciation and amortisation expense will be made in future periods.

Impairment of long-term assets (other than goodwill)

The Group performs impairment tests when there are indications that long-term assets may be impaired. Impairment exists if the carrying amount of an asset or asset group is higher than the recoverable amount, the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group. The fair value net of cost of disposal is determined by reference to the agreed selling price of similar assets in an arm’s length transaction or observable market price less the incremental cost that can be directly attributable to the disposal of the asset. When estimating the present value of future cash flows, the management estimates the future cash flows of the assets or asset group and adopts an appropriate discount rate to determine the present value of the future cash flows.

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Impairment of goodwill

The Group tests goodwill for impairment at least annually. During testing, the recoverable amounts of the asset group or sets of asset groups to which the goodwill relates are estimated. Estimating recoverable amount requires the Group to estimate the future cash flows expected to be generated by the asset group or set of asset groups and to select an appropriate discount rate to calculate the present value of these cash flows. When market conditions change, the recoverable amount of the relevant asset group or set of asset groups may differ from existing estimates, and such differences will affect profit or loss for the current period.

Recognition of deferred tax assets

The realisation of deferred tax assets mainly depends on taxable profits in the future and actual tax rate in the future year when deductible temporary differences are used. If profit in the future is less than the predicted, or the actual tax rate is less than the predicted, the deferred tax assets recognised shall be reversed and recognised in the income statement for the period when the reversal occurred. If the actual taxable income generated in the future exceeds the forecast, or if the actual tax rate is higher than anticipated, the corresponding deferred tax assets will be adjusted and recognised in the income statement for the period in which such circumstances occur.

(V) TAXATION

1. Major categories of taxes and tax rates

Major tax types and tax rates are set out below:

Tax types	Basis of tax computation	Tax rate
Value-added tax (“VAT”) .	Note 1	1%, 3%, 5%, 6%, 9%, 13%
Enterprise income tax	Taxable income	Note 2
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%, 1%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge .	Turnover tax actually paid	2%
Real estate tax	Original costs of the property, rental income from the property	For self-used properties, real estate tax is calculated and levied at 1.2% of 70% of the original value of the property; for rented properties, real estate tax is calculated and levied at 12% of the rental income.
Land use tax	Actual land area occupied	RMB0.6–20 per square meter

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Note 1: VAT payable is the balance of output tax less deductible input tax, or the tax payable calculated under the simplified taxation method.

Note 2: Explanation of taxpayers subject to different enterprise income tax rates:

Items	Income tax rate
Business in Chinese Mainland	25%, except for the tax incentives listed below
Business in the United States of America	21%
Business in Hong Kong, China	8.25%, 16.5%

Aisen Technology Bulls Co., Ltd. (愛森科技種公牛有限公司) (“Aisen Technology”), a subsidiary of the Company, was incorporated in the United States of America in 2022. The U.S. federal corporate income tax is currently a flat rate of 21%, applicable to taxable income generated after 31 December 2017.

Junlebao (Hong Kong) Holdings Limited (君樂寶(香港)控股有限公司) (“Junlebao Hong Kong”), a subsidiary of the Company, was incorporated in Hong Kong, China in 2024. Junlebao (Hong Kong) International Trading Co., Ltd., (君樂寶(香港)國際貿易有限公司) (“Junlebao Hong Kong International Trading”) a subsidiary of the Company, was incorporated in Hong Kong, China in 2025. Junlebao Hong Kong applies the standard tax rate of 16.5%. The tax rate for Junlebao Hong Kong International Trading is 8.25% on assessable profits up to HKD2,000,000; and 16.5% on any part of assessable profits over HKD2,000,000.

2. Tax incentives

Enterprise income tax incentives for the Company and its domestic subsidiaries

Pursuant to Article 27(1) of the Enterprise Income Tax Law of the People’s Republic of China, income derived by enterprises from agricultural, forestry, animal husbandry, and fishery projects are subject to exemption from or reduction for enterprise income tax, and Article 86 of the Regulation on the Implementation of the Enterprise Income Tax Law of the People’s Republic of China provides further interpretation to this tax law.

According to the abovementioned tax law and regulation, the income derived by the following subsidiaries from breeding of livestock and poultry shall be exempt from enterprise income tax:

English Name	Chinese Name	English Abbreviation
Hebei Leyuan Animal Husbandry Co., Ltd.	河北樂源牧業有限公司	Leyuan Animal Husbandry
Leyuan Animal Husbandry Weixian Co., Ltd. . . .	樂源牧業威縣有限公司	Leyuan Weixian
Leyuan Junbang Animal Husbandry Weixian Co., Ltd.	樂源君邦牧業威縣有限公司	Leyuan Junbang
Leyuan Animal Husbandry Xingtang Co., Ltd. . . .	樂源牧業行唐有限公司	Leyuan Xingtang
Xuzhou Leyuan Animal Husbandry Co., Ltd.	徐州樂源牧業有限公司	Xuzhou Leyuan

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English Name	Chinese Name	English Abbreviation
Shijiazhuang Junsheng Animal Husbandry Co., Ltd.	石家莊君盛牧業有限公司	Junsheng Animal Husbandry
Leyuan Animal Husbandry Zhengyang Co., Ltd.	樂源牧業正陽有限公司	Leyuan Zhengyang
Leyuan Junhong Animal Husbandry Weixian Co., Ltd.	樂源君宏牧業威縣有限公司	Junhong Animal Husbandry
Junlebao Youzhi Pasture Zhangjiakou Animal Husbandry Co., Ltd.	君樂寶優致牧場張家口牧業有限公司	Youzhi Animal Husbandry
Leyuan Junxiang Animal Husbandry Weixian Co., Ltd.	樂源君享牧業威縣有限公司	Junxiang Animal Husbandry
Leyuan Junkang Animal Husbandry Weixian Co., Ltd.	樂源君康牧業威縣有限公司	Junkang Animal Husbandry
Xingtai Baixiang Junchuang Animal Husbandry Co., Ltd.	邢台市柏鄉君創牧業有限公司	Baixiang Junchuang
Leyuan Animal Husbandry Handan Co., Ltd.	樂源牧業邯鄲有限公司	Leyuan Handan
Huanghua Leyuanjia Animal Husbandry Co., Ltd.	黃驊市樂源家牧業有限公司	Huanghua Leyuanjia
Shenze County Junchuang Yimu Animal Husbandry Co., Ltd.	深澤縣君創壹牧牧業有限公司	Junchuang Yimu
Shenze County Junchuang Ermu Animal Husbandry Co., Ltd.	深澤縣君創貳牧牧業有限公司	Junchuang Ermu
Shijiazhuang Junliyu Animal Husbandry Co., Ltd.	石家莊君利源牧業有限公司	Junliyu Animal Husbandry
Zhengding Leyuan Jiaer Animal Husbandry Co., Ltd.	正定樂源家貳牧業有限公司	Leyuan Jiaer
Zanhuang Jialeuyan Animal Husbandry Co., Ltd.	贊皇縣家樂源牧業有限公司	Zanhuang Jialeuyan
Shenze County Leyuan Jiasan Animal Husbandry Co., Ltd.	深澤縣樂源家叁牧業有限公司	Leyuan Jiasan
Lixian Leyuanjia Animal Husbandry Co., Ltd.	蠡縣樂源家牧業有限公司	Lixian Leyuanjia
Gaoyang County Leyuanjia Animal Husbandry Co., Ltd.	高陽縣樂源家牧業有限公司	Gaoyang Leyuanjia
Weixian Leyuan Jiasen Animal Husbandry Co., Ltd.	威縣樂源家森牧業有限公司	Leyuan Jiasen
Weixian Leyuan Jiasi Animal Husbandry Co., Ltd.	威縣樂源家思牧業有限公司	Leyuan Jiasi
Daming Leyuanjia Animal Husbandry Co., Ltd.	大名縣樂源家牧業有限公司	Daming Leyuanjia
Quyang County Jialeuyan Animal Husbandry Co., Ltd.	曲陽縣家樂源牧業有限公司	Quyang Jialeuyan
Leyuan Junfeng (Tangshan) Animal Husbandry Co., Ltd.	樂源君豐(唐山)牧業有限公司	Leyuan Junfeng
Leyuan Animal Husbandry Zhangbei Co., Ltd.	樂源牧業張北有限公司	Leyuan Zhangbei
Leyuan Junkai (Weixian) Animal Husbandry Co., Ltd.	樂源君凱(威縣)牧業有限公司	Leyuan Junkai
Leyuan Junjie (Cangzhou) Animal Husbandry Co., Ltd.	樂源君捷(滄州)牧業有限公司	Leyuan Junjie

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English Name	Chinese Name	English Abbreviation
Leyuan Junhui (Cangzhou) Animal Husbandry Co., Ltd.	樂源君輝(滄州)牧業有限公司	Leyuan Junhui
Junao Animal Husbandry (Zanhuang) Co., Ltd. . .	君奧牧業(贊皇)有限責任公司	Junao Zanhuang
Xinxiang Leyuan Animal Husbandry Co., Ltd. . .	新鄉樂源牧業有限公司	Xinxiang Leyuan
Zhangjiakou Junlebao Banner Animal Husbandry Co., Ltd.	張家口君樂寶旗幟牧業有限公司	Banner Animal Husbandry
Weixian Leyuanjia Animal Husbandry Co., Ltd. . .	魏縣樂源家牧業有限公司	Weixian Leyuanjia
Haixing County Leyuanjia Animal Husbandry Co., Ltd.	海興縣樂源家牧業有限公司	Haixing Leyuan
Shenze County Leyuan Jiasi Animal Husbandry Co., Ltd.	深澤縣樂源家肆牧業有限公司	Shenze Jiasi
Dali Yunying Animal Husbandry Co., Ltd.	大理雲櫻牧業有限公司	Dali Yunying
Yunnan Dali Yunfei Animal Husbandry Co., Ltd. .	雲南大理雲菲牧業有限公司	Yunfei Animal Husbandry
Yunnan Dali Yunxiang Animal Husbandry Co., Ltd.	雲南大理雲祥牧業有限公司	Yunxiang Animal Husbandry
Xiangyun Leyuan Animal Husbandry Co., Ltd. . .	祥雲樂源牧業有限公司	Xiangyun Leyuan
Tianchang Leyuan Animal Husbandry Co., Ltd. . .	天長樂源牧業有限公司	Tianchang Leyuan
Zhengyang County Leyuan Ermu Animal Husbandry Co., Ltd.	正陽縣樂源貳牧業有限公司	Zhengyang Leyuan
Yunnan Dali Yunduan Animal Husbandry Co., Ltd.	雲南大理雲端牧業有限公司	Yunduan Animal Husbandry
Huanghua Junchuang Yimu Animal Husbandry Co., Ltd.	黃驊市君創壹牧業有限公司	Huanghua Junchuang
Pingshan Junhe Animal Husbandry Co., Ltd. . . .	平山縣君合牧業有限公司	Pingshan Junhe
Shijiazhuang Junchuang Animal Husbandry Development Co., Ltd.	石家莊君創牧業發展有限公司	Junchuang Animal Husbandry
Hebei Leyuan Junchun Animal Husbandry Co., Ltd. (renamed in April 2025, formerly known as: Hebei Pinyuan Breeding Cattle Co., Ltd.) . .	河北樂源君淳牧業有限公司	Pinyuan Breeding Cattle

The Company’s subsidiaries Xi’an Yinqiao Dairy Technology Co., Ltd. (西安銀橋乳業科技有限公司) (“Xi’an Yinqiao”), Dali Lesson Dairy Co., Ltd. (大理來思爾乳業有限公司) (“Dali Lesson Dairy”) and Yunnan Lesson Dairy Co., Ltd. (雲南來思爾乳業有限公司) (“Yunnan Lesson Dairy”) meet the conditions stipulated in the Preferential Tax Policies for Development of China’s Western Regions for the years 2023, 2024 and 2025, and are subject to a reduced enterprise income tax rate of 15%. The Company’s subsidiaries Xi’an Yinqiao and Yunnan Lesson Dairy meet the conditions stipulated in the Preferential Tax Policies for Development of China’s Western Regions from 1 January, 2026 to 30 June, 2026, and are subject to a reduced enterprise income tax rate of 15%.

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing the Preferential Income Tax Policies for Micro and Small Enterprises (Announcement No. 13 [2022] of the Ministry of Finance and the State

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Taxation Administration) on 14 March 2022, from 1 January 2022 to 31 December 2024, the annual taxable income of a small low-profit enterprise that is not less than RMB1 million nor more than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on the Preferential Income Tax Policies for Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 6 [2023] of the Ministry of Finance and the State Taxation Administration) on 26 March 2023, from 1 January 2023 to 31 December 2024, the annual taxable income of a small low-profit enterprise that is less than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on the Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration) on 2 August, 2023, the annual taxable income of a small low-profit enterprise shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%, which will be continued to be implemented until 31 December 2027.

The subsidiaries of the Company, Leyuan Junyue Feed (Weixian) Co., Ltd. (樂源君悅飼料(威縣)有限公司) (“Junyue Feed”), Zhengyang Derong Plastic Packaging Products Co., Ltd. (正陽德容塑料包裝製品有限公司) (“Zhengyang Derong”), Siping Derong Plastic Packaging Products Co., Ltd. (四平德容塑料包裝製品有限公司) (“Siping Derong”), Hebei Guanwei Dairy Co., Ltd. (河北冠維乳業有限公司) (“Hebei Guanwei”), Shijiazhuang Junlebao Junxiang Property Service Co., Ltd. (石家莊君樂寶君享物業服務有限公司) (“Junxiang Property”), Shanghai Chunxiang Trading Co., Ltd. (上海純享商貿有限公司) (“Shanghai Chunxiang”), Weixian Derong Plastic Packaging Products Co., Ltd. (威縣德容塑料包裝製品有限公司) (“Weixian Derong”), Junlebao Dairy (Guangdong) Co., Ltd. (君樂寶乳業(廣東)有限公司) (“Guangdong Junlebao”), Zhengyang Leyuan, Dali Yunying, Yunfei Animal Husbandry, Yunxiang Animal Husbandry and Baixiang Junchuang, met the aforementioned regulations in 2023, the taxable income which is less than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. The subsidiaries of the Company, Siping Derong, Weixian Derong, Hebei Guanwei, Junxiang Property, Guangdong Junlebao, Pingshan Junhe, Zhengyang Leyuan, Dali Yunying, Yunfei Animal Husbandry, Yunxiang Animal Husbandry, Xi’an Youyou Zhichun Network Technology Co., Ltd. (西安悠悠智純網絡科技有限公司) (“Youyou Zhichun”), Baixiang Junchuang and Sikeqi Food Technology (Hebei) Co., Ltd. (思克奇食品科技(河北)有限公司) (“Sikeqi Hebei”), met the aforementioned regulations in 2024, the taxable income which is less than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. The subsidiaries of the Company, Siping Derong, Weixian Derong, Hebei Guanwei, Junxiang Property, Guangdong Junlebao, Pingshan Junhe, Zhengyang Leyuan, Dali Yunying, Yunfei Animal Husbandry, Yunxiang Animal Husbandry, Youyou Zhichun, Baixiang Junchuang and Junlebao Special Medical (Hebei) Nutrition Food Co., Ltd. (君樂寶特醫(河北)營養食品有限公司) (“Junlebao Special Medical”) met the aforementioned regulations in 2025, the taxable income which is less than RMB3 million shall be included in

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its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. The subsidiaries of the Company, Siping Derong, Weixian Derong, Hebei Guanwei, Junxiang Property, Pingshan Junhe, Zhengyang Leyuan, Dali Yunying, Yunfei Animal Husbandry, Yunxiang Animal Husbandry, Youyou Zhichun, Baixiang Junchuang and Junlebao Dairy (Quanzhou) Co., Ltd. (君樂寶乳業(泉州)有限公司) (“Quanzhou Junlebao”) met the aforementioned regulations from 1 January 2026 to 30 June 2026, the taxable income which is less than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%.

Pursuant to Article 86 of the Regulation on the Implementation of the Enterprise Income Tax Law of the People’s Republic of China and the regulations of the Scope of Primary Processing of Agricultural Products Covered by Preferential Policies on Enterprise Income Tax (for Trial Implementation), the income derived from primary processing of dairy products by the following subsidiaries shall be exempt from enterprise income tax: Baoding Junlebao Dairy Co., Ltd. (保定君樂寶乳業有限公司) (“Baoding Junlebao”), Jiangsu Junlebao Dairy Co., Ltd. (江蘇君樂寶乳業有限公司) (“Jiangsu Junlebao”), Weixian Junlebao Dairy Co., Ltd. (威縣君樂寶乳業有限公司) (“Weixian Junlebao”), Handan Junlebao Dairy Co., Ltd. (邯鄲君樂寶乳業有限公司) (“Handan Junlebao”), Cangzhou Junlebao Town Ballad Dairy Co., Ltd. (滄州君樂寶鄉謠乳業有限公司) (“Cangzhou Junlebao”), Zhengyang Junlebao Dairy Co., Ltd. (正陽君樂寶乳業有限公司) (“Zhengyang Junlebao”), Siping Junlebao Dairy Co., Ltd. (四平君樂寶乳業有限公司) (“Siping Junlebao”), Xi’an Yinqiao, Dali Lesson Dairy and Yunnan Lesson Dairy.

VAT incentives for the Company and its domestic subsidiaries

Pursuant to Article 15 of the Interim Regulation of the People’s Republic of China on Value-added Tax, Article 24 of the Value-Added Tax Law of the People’s Republic of China (Presidential Decree No. 41 of the People’s Republic of China), Article 26 of the Implementing Regulations of the Value-Added Tax Law of the People’s Republic of China (State Council Decree No. 826 of the People’s Republic of China), Announcement of the Ministry of Finance and the State Taxation Administration on the Transitional Matters of Value-Added Tax Preferential Policies upon Implementation of the Value-Added Tax Law, Announcement No. 10 of 2026 of the Ministry of Finance and the State Taxation Administration, the following subsidiaries are exempt from VAT on self-produced agricultural products sold:

Leyuan Animal Husbandry, Leyuan Weixian, Leyuan Junbang, Leyuan Xingtang, Xuzhou Leyuan, Junsheng Animal Husbandry, Leyuan Zhengyang, Junhong Animal Husbandry, Youzhi Animal Husbandry, Junxiang Animal Husbandry, Junkang Animal Husbandry, Baixiang Junchuang, Leyuan Handan, Huanghua Leyuanjia, Junchuang Yimu, Junchuang Ermu, Junliyuan Animal Husbandry, Leyuan Jiaer, Zanzhuang Jiale Yuan, Leyuan Jiasan, Lixian Leyuanjia, Gaoyang Leyuanjia, Leyuan Jiasen, Leyuan Jiasi, Daming Leyuanjia, Quyang Jiale Yuan, Leyuan Junfeng, Leyuan Zhangbei, Leyuan Junkai, Leyuan Junjie, Leyuan Junhui, Junao Zanzhuang, Xinxiang Leyuan, Banner Animal Husbandry, Weixian Leyuanjia, Haixing Leyuan, Shenze Jiasi, Dali Yunying, Yunduan Animal Husbandry, Yunfei Animal Husbandry, Yunxiang Animal Husbandry, Xiangyun Leyuan, Tianchang Leyuan, Zhengyang Leyuan, Huanghua Junchuang, Pingshan Junhe, Junchuang Animal Husbandry and Pinyuan Breeding Cattle.

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Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on the Exemption of Value-added Tax for Feed Products (Cai Shui [2001] No. 121), single bulk feed, mixed feed, compound feed, compound premixes, concentrated feed, and other feed products are exempt from VAT. The Company’s subsidiaries, Hebei Junnong Feed Co., Ltd. (河北君農飼料有限公司) (“Junnong Feed”) and Junyue Feed, comply with the requirements of the aforementioned notice and have completed procedures for VAT exemption. The feed produced by these subsidiaries is exempt from VAT.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on the Value-added Tax Exemption Policies for Certain Fresh Meat and Egg Products in Circulation (Cai Shui [2012] No. 75), certain fresh meat and egg products shall be exempted from VAT in circulation. The Company, along with subsidiaries Weixian Junlebao and Handan Junlebao, meet the requirements outlined in the aforementioned notice and are exempt from VAT on fresh meat and egg products in circulation.

(VI) NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CASH AT BANK AND ON HAND

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Cash on hand	15,041.05	—	—	—
Bank deposits	1,338,687,923.81	1,479,496,574.38	1,247,141,749.33	1,253,623,130.37
Other monetary funds . . .	150,287,059.70	105,109,774.67	58,974,078.19	57,863,891.20
Total	<u>1,488,990,024.56</u>	<u>1,584,606,349.05</u>	<u>1,306,115,827.52</u>	<u>1,311,487,021.57</u>

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had restricted bank deposits and other monetary funds of RMB134,526,614.72, RMB107,219,067.61, RMB38,636,825.13 and RMB46,626,307.41, respectively. For details, please refer to Note (VI) 57(5).

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no significant overseas deposits.

2. DERIVATIVE FINANCIAL ASSETS

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Interest rate swap agreement	17,512,193.95	—	—	—
Forward foreign exchange contract	7,314,950.63	—	—	—
Total	<u>24,827,144.58</u>	<u>—</u>	<u>—</u>	<u>—</u>

As at 31 December 2023, the Group’s derivative financial assets comprised interest rate swap agreement and forward foreign exchange contract purchased in connection with the USD Loan from Credit Suisse AG.

In 2024, the Group prepaid the USD Loan from Credit Suisse AG (see Note (VI) 31 for details) and simultaneously terminated the interest rate swap agreement and forward foreign exchange contract purchased for this loan. As at 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no derivative financial assets.

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None of the above derivative financial assets were designated as hedging instruments and were measured at fair value through profit or loss.

3. BILLS RECEIVABLE

(1) Categories of bills receivable

RMB

Category	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Bank acceptance bills . . .	2,582,320.00	2,400,000.00	1,774,456.00	2,400,000.00
Total	2,582,320.00	2,400,000.00	1,774,456.00	2,400,000.00

(2) Bills receivable pledged by the Group at the year/period end

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no pledged bills receivable.

(3) Bills receivable endorsed or discounted by the Group at the year/period end and not yet matured at the balance sheet date

RMB

Items	31 December 2023		31 December 2024		31 December 2025		30 June 2026	
	Amount derecognised	Amount not derecognised	Amount derecognised	Amount not derecognised	Amount derecognised	Amount not derecognised	Amount derecognised	Amount not derecognised
Bank acceptance bills	–	2,450,000.00	–	2,400,000.00	–	1,774,456.00	–	339,662.65
Total	–	2,450,000.00	–	2,400,000.00	–	1,774,456.00	–	339,662.65

The Group believes that the bills receivable held are not exposed to significant credit risk and will not incur material losses due to default of the bill acceptors. Therefore, no loss allowance had been recognised.

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4. ACCOUNTS RECEIVABLE

(1) Based on the dates of delivery of goods or services, the aging analysis of accounts receivables is as follows:

Aging	31 December 2023				31 December 2024				31 December 2025				30 June 2026				RMB
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)		Gross carrying amount	Credit loss allowance	Proportion of allowance (%)		Gross carrying amount	Credit loss allowance	Proportion of allowance (%)		Gross carrying amount	Credit loss allowance	Proportion of allowance (%)		
Within 1 year (inclusive)	1,001,722,392.98	(22,928,015.67)	2.29		863,809,196.08	(21,595,519.61)	2.50		1,003,399,234.67	(35,614,802.92)	3.55		991,733,128.48	(31,094,509.60)	3.14		
1-2 years (inclusive)	29,656,050.84	(29,656,050.84)	100.00		25,566,750.39	(10,049,489.27)	39.31		9,547,598.63	(9,547,598.63)	100.00		18,926,743.31	(18,926,743.31)	100.00		
2-3 years (inclusive)	2,324,483.25	(2,324,483.25)	100.00		12,841,235.81	(1,604,782.21)	12.50		18,684,921.82	(2,940,172.42)	15.74		10,983,822.88	(4,635,980.68)	42.21		
Over 3 years	1,085,505.06	(1,085,505.06)	100.00		2,389,815.04	(2,389,815.04)	100.00		9,292,517.78	(183,333.98)	1.97		15,984,258.57	(1,828,167.57)	11.44		
Total	1,034,788,432.13	(55,994,054.82)	5.41		904,606,997.32	(35,639,606.13)	3.94		1,040,924,272.90	(48,285,907.95)	4.64		1,037,627,953.24	(56,485,401.16)	5.44		

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(2) Disclosed by credit loss provision method

RMB

Items	31 December 2023				
	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Percentage	Amount	Proportion of allowance	
		(%)		(%)	
Credit loss allowance assessed on an individual basis	–	–	–	–	–
Credit loss allowance assessed on a portfolio basis					
Distributors	34,341,789.26	3.32	(1,997,465.08)	5.82	32,344,324.18
E-commerce	255,396,475.27	24.68	(1,370,104.61)	0.54	254,026,370.66
KA customers (Note 1)	211,849,059.19	20.47	(8,740,537.65)	4.13	203,108,521.54
Special channels (Note 2)	325,975,214.64	31.50	(37,314,260.59)	11.45	288,660,954.05
Others	207,225,893.77	20.03	(6,571,686.89)	3.17	200,654,206.88
Total	1,034,788,432.13	100.00	(55,994,054.82)	5.41	978,794,377.31

RMB

Items	31 December 2024				
	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Percentage	Amount	Proportion of allowance	
		(%)		(%)	
Credit loss allowance assessed on an individual basis	33,902,186.51	3.75	(7,148,471.78)	21.09	26,753,714.73
Credit loss allowance assessed on a portfolio basis					
Distributors	9,923,365.60	1.10	(1,183,028.91)	11.92	8,740,336.69
E-commerce	264,859,625.64	29.28	(696,595.40)	0.26	264,163,030.24
KA customers (Note 1)	230,827,486.53	25.52	(12,814,399.29)	5.55	218,013,087.24
Special channels (Note 2)	137,861,000.99	15.24	(6,381,281.59)	4.63	131,479,719.40
Others	227,233,332.05	25.11	(7,415,829.16)	3.26	219,817,502.89
Total	904,606,997.32	100.00	(35,639,606.13)	3.94	868,967,391.19

RMB

Items	31 December 2025				
	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Percentage	Amount	Proportion of allowance	
		(%)		(%)	
Credit loss allowance assessed on an individual basis	44,744,212.96	4.30	(19,890,279.76)	44.45	24,853,933.20
Credit loss allowance assessed on a portfolio basis					
Distributors	7,771,270.13	0.75	(722,165.36)	9.29	7,049,104.77
E-commerce	253,860,242.18	24.39	(667,573.11)	0.26	253,192,669.07
KA customers (Note 1)	243,028,789.32	23.35	(7,036,945.48)	2.90	235,991,843.84
Special channels (Note 2)	147,458,321.37	14.16	(9,839,845.93)	6.67	137,618,475.44
Others	344,061,436.94	33.05	(10,129,098.31)	2.94	333,932,338.63
Total	1,040,924,272.90	100.00	(48,285,907.95)	4.64	992,638,364.95

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RMB

Items	30 June 2026				
	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Percentage	Amount	Proportion of allowance	
		(%)		(%)	
Credit loss allowance assessed on an individual basis	48,096,388.96	4.64	(27,592,455.76)	57.37	20,503,933.20
Credit loss allowance assessed on a portfolio basis					
Distributors	10,409,682.49	1.00	(772,378.87)	7.42	9,637,303.62
E-commerce	217,321,157.32	20.94	(554,999.03)	0.26	216,766,158.29
KA customers (<i>Note 1</i>)	250,396,989.96	24.13	(7,102,077.98)	2.84	243,294,911.98
Special channels (<i>Note 2</i>)	239,748,024.93	23.11	(13,477,991.28)	5.62	226,270,033.65
Others	271,655,709.58	26.18	(6,985,498.24)	2.57	264,670,211.34
Total	<u>1,037,627,953.24</u>	<u>100.00</u>	<u>(56,485,401.16)</u>	<u>5.44</u>	<u>981,142,552.08</u>

Note 1: KA customers refer to major national and regional supermarkets, mother-and-baby chain stores, and convenience store chains.

Note 2: The Group collectively refers to the sales channels mainly serving public sectors, schools and other public institutions, and certain state-owned enterprises as “special channels”.

Credit loss allowance assessed on an individual basis

RMB

Name	31 December 2024			Reason
	Gross carrying amount	Credit loss allowance	Proportion of allowance	
			(%)	
Customer I	20,943,693.00	(302,605.30)	1.44	Guaranteed
Customer II	6,202,240.20	(89,613.17)	1.44	Guaranteed
Customer III	5,249,616.53	(5,249,616.53)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer IV	1,506,636.78	(1,506,636.78)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Total	<u>33,902,186.51</u>	<u>(7,148,471.78)</u>	/ /	

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RMB

Name	31 December 2025			Reason
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	
Customer I	19,991,693.00	–	–	Guaranteed
Customer II	4,862,240.20	–	–	Guaranteed
Customer III	4,804,080.18	(4,804,080.18)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer IV	1,332,862.85	(1,332,862.85)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer V	13,753,336.73	(13,753,336.73)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Total	<u>44,744,212.96</u>	<u>(19,890,279.76)</u>	/ /	

RMB

Name	30 June 2026			Reason
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	
Customer I	15,991,693.00	–	–	Guaranteed
Customer II	4,512,240.20	–	–	Guaranteed
Customer III	4,804,080.18	(4,804,080.18)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer IV	1,009,664.13	(1,009,664.13)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer V	13,753,336.73	(13,753,336.73)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer VI	3,317,639.72	(3,317,639.72)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer VII	4,219,012.00	(4,219,012.00)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer VIII	488,723.00	(488,723.00)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Total	<u>48,096,388.96</u>	<u>(27,592,455.76)</u>	/ /	

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Credit loss allowance assessed on portfolios basis

As part of the Group’s credit risk management, in addition to assessing ECL on an individual basis for accounts receivable with significantly different credit risk characteristics, the Group categorises accounts receivable into five portfolios, i.e. distributors, E-commerce, KA customers, special channels, and others based on the common risk characteristics. The Group uses debtors’ aging to assess the impairment for its customers because for each portfolio the debtors’ aging is representative of customers’ abilities to pay all amounts due in accordance with the contractual terms. The aging of accounts receivable is based on the date of delivery of goods or services.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the credit risk exposure and lifetime ECL for each portfolio of accounts receivable are as follows:

RMB

Distributors	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.79	32,933,839.89	(589,515.71)	32,344,324.18
1-2 years (inclusive)	100.00	353,271.12	(353,271.12)	–
2-3 years (inclusive)	100.00	14,417.40	(14,417.40)	–
Over 3 years	100.00	1,040,260.85	(1,040,260.85)	–
Total		34,341,789.26	(1,997,465.08)	32,344,324.18

RMB

E-commerce	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	0.21	254,560,948.66	(534,578.00)	254,026,370.66
1-2 years (inclusive)	100.00	816,247.56	(816,247.56)	–
2-3 years (inclusive)	100.00	19,279.05	(19,279.05)	–
Total		255,396,475.27	(1,370,104.61)	254,026,370.66

RMB

KA customers	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.20	207,677,424.88	(4,568,903.34)	203,108,521.54
1-2 years (inclusive)	100.00	1,885,110.80	(1,885,110.80)	–
2-3 years (inclusive)	100.00	2,244,279.30	(2,244,279.30)	–
Over 3 years	100.00	42,244.21	(42,244.21)	–
Total		211,849,059.19	(8,740,537.65)	203,108,521.54

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RMB

31 December 2023				
Special channels	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	4.96	303,725,751.31	(15,064,797.26)	288,660,954.05
1-2 years (inclusive)	100.00	22,249,463.33	(22,249,463.33)	–
Total		325,975,214.64	(37,314,260.59)	288,660,954.05

RMB

31 December 2023				
Others	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.07	202,824,428.24	(2,170,221.36)	200,654,206.88
1-2 years (inclusive)	100.00	4,351,958.03	(4,351,958.03)	–
2-3 years (inclusive)	100.00	46,507.50	(46,507.50)	–
Over 3 years	100.00	3,000.00	(3,000.00)	–
Total		207,225,893.77	(6,571,686.89)	200,654,206.88

RMB

31 December 2024				
Distributors	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.15	8,932,382.92	(192,046.23)	8,740,336.69
1-2 years (inclusive)	100.00	632,288.64	(632,288.64)	–
2-3 years (inclusive)	100.00	200,793.77	(200,793.77)	–
Over 3 years	100.00	157,900.27	(157,900.27)	–
Total		9,923,365.60	(1,183,028.91)	8,740,336.69

RMB

31 December 2024				
E-commerce	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	0.22	264,745,470.27	(582,440.03)	264,163,030.24
1-2 years (inclusive)	100.00	114,155.37	(114,155.37)	–
Total		264,859,625.64	(696,595.40)	264,163,030.24

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RMB

KA customers	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.73	224,131,887.78	(6,118,800.54)	218,013,087.24
1-2 years (inclusive)	100.00	3,639,499.44	(3,639,499.44)	–
2-3 years (inclusive)	100.00	872,346.54	(872,346.54)	–
Over 3 years	100.00	2,183,752.77	(2,183,752.77)	–
Total		230,827,486.53	(12,814,399.29)	218,013,087.24

RMB

Special channels	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	4.51	137,689,516.60	(6,209,797.20)	131,479,719.40
1-2 years (inclusive)	100.00	171,484.39	(171,484.39)	–
Total		137,861,000.99	(6,381,281.59)	131,479,719.40

RMB

Others	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.53	223,232,967.29	(3,415,464.40)	219,817,502.89
1-2 years (inclusive)	100.00	3,585,291.06	(3,585,291.06)	–
2-3 years (inclusive)	100.00	366,911.70	(366,911.70)	–
Over 3 years	100.00	48,162.00	(48,162.00)	–
Total		227,233,332.05	(7,415,829.16)	219,817,502.89

RMB

Distributors	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.63	7,165,558.77	(116,454.00)	7,049,104.77
1-2 years (inclusive)	100.00	8,215.06	(8,215.06)	–
2-3 years (inclusive)	100.00	414,162.32	(414,162.32)	–
Over 3 years	100.00	183,333.98	(183,333.98)	–
Total		7,771,270.13	(722,165.36)	7,049,104.77

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RMB

	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
E-commerce	(%)			
Within 1 year (inclusive)	0.24	253,791,747.14	(599,078.07)	253,192,669.07
1-2 years (inclusive)	100.00	68,495.04	(68,495.04)	–
Total		253,860,242.18	(667,573.11)	253,192,669.07

RMB

	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
KA customers	(%)			
Within 1 year (inclusive)	2.07	240,979,410.91	(4,987,567.07)	235,991,843.84
1-2 years (inclusive)	100.00	806,193.14	(806,193.14)	–
2-3 years (inclusive)	100.00	1,243,185.27	(1,243,185.27)	–
Total		243,028,789.32	(7,036,945.48)	235,991,843.84

RMB

	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
Special channels	(%)			
Within 1 year (inclusive)	4.99	144,853,561.03	(7,235,085.59)	137,618,475.44
1-2 years (inclusive)	100.00	2,604,760.34	(2,604,760.34)	–
Total		147,458,321.37	(9,839,845.93)	137,618,475.44

RMB

	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
Others	(%)			
Within 1 year (inclusive)	2.13	341,211,866.30	(7,279,527.67)	333,932,338.63
1-2 years (inclusive)	100.00	2,611,071.64	(2,611,071.64)	–
2-3 years (inclusive)	100.00	238,499.00	(238,499.00)	–
Total		344,061,436.94	(10,129,098.31)	333,932,338.63

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RMB

30 June 2026				
Distributors	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.70	9,803,971.13	(166,667.51)	9,637,303.62
1-2 years (inclusive)	100.00	8,215.06	(8,215.06)	–
2-3 years (inclusive)	100.00	–	–	–
Over 3 years	100.00	597,496.30	(597,496.30)	–
Total		10,409,682.49	(772,378.87)	9,637,303.62

RMB

30 June 2026				
E-commerce	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	0.22	217,244,095.30	(477,937.01)	216,766,158.29
1-2 years (inclusive)	100.00	77,062.02	(77,062.02)	–
Total		217,321,157.32	(554,999.03)	216,766,158.29

RMB

30 June 2026				
KA customers	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.02	248,310,789.95	(5,015,877.97)	243,294,911.98
1-2 years (inclusive)	100.00	750,833.55	(750,833.55)	–
2-3 years (inclusive)	100.00	104,695.19	(104,695.19)	–
Over 3 years	100.00	1,230,671.27	(1,230,671.27)	–
Total		250,396,989.96	(7,102,077.98)	243,294,911.98

RMB

30 June 2026				
Special channels	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	4.35	236,560,411.55	(10,290,377.90)	226,270,033.65
1-2 years (inclusive)	100.00	1,190,783.72	(1,190,783.72)	–
2-3 years (inclusive)	100.00	1,996,829.66	(1,996,829.66)	–
Total		239,748,024.93	(13,477,991.28)	226,270,033.65

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RMB

Others	30 June 2026			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.00	270,071,644.22	(5,401,432.88)	264,670,211.34
1-2 years (inclusive)	100.00	1,347,060.36	(1,347,060.36)	–
2-3 years (inclusive)	100.00	237,005.00	(237,005.00)	–
Total		271,655,709.58	(6,985,498.24)	264,670,211.34

(3) Changes in credit loss allowance for accounts receivables

2023

RMB

Items	1 January 2023	Changes for the year			31 December 2023
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	–	–	–	–	–
Credit loss allowance assessed on a portfolio basis	20,119,830.75	49,002,058.00	(12,075,792.82)	(1,052,041.11)	55,994,054.82
Total	20,119,830.75	49,002,058.00	(12,075,792.82)	(1,052,041.11)	55,994,054.82

2024

RMB

Items	1 January 2024	Changes for the year			31 December 2024
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	–	7,148,471.78	–	–	7,148,471.78
Credit loss allowance assessed on a portfolio basis	55,994,054.82	15,539,084.91	(41,668,350.51)	(1,373,654.87)	28,491,134.35
Total	55,994,054.82	22,687,556.69	(41,668,350.51)	(1,373,654.87)	35,639,606.13

2025

RMB

Items	1 January 2025	Changes for the year			31 December 2025
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	7,148,471.78	15,013,876.51	(2,272,068.53)	–	19,890,279.76
Credit loss allowance assessed on a portfolio basis	28,491,134.35	23,517,783.99	(20,389,924.47)	(3,223,365.68)	28,395,628.19
Total	35,639,606.13	38,531,660.50	(22,661,993.00)	(3,223,365.68)	48,285,907.95

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Six months ended 30 June 2026

RMB

Items	1 January 2026	Changes for the period			30 June 2026
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	19,890,279.76	8,025,374.72	(323,198.72)	–	27,592,455.76
Credit loss allowance assessed on a portfolio basis	28,395,628.19	20,750,900.20	(20,228,861.82)	(24,721.17)	28,892,945.40
Total	48,285,907.95	28,776,274.92	(20,552,060.54)	(24,721.17)	56,485,401.16

(4) Credit loss allowance assessed using the simplified approach under ECL model

RMB

Items	2023		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (Credit-impaired)	Total
Balance as at 1 January 2023	7,055,769.27	13,064,061.48	20,119,830.75
Changes due to financial instruments recognised as at 1 January 2023			
– Transferred to credit-impaired	(2,071,936.75)	2,071,936.75	–
Impairment losses recognised	22,928,015.67	26,074,042.33	49,002,058.00
Impairment losses reversed	(4,983,832.52)	(7,091,960.30)	(12,075,792.82)
Write-off	–	(1,052,041.11)	(1,052,041.11)
Balance as at 31 December 2023	22,928,015.67	33,066,039.15	55,994,054.82

RMB

Items	2024		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (Credit-impaired)	Total
Balance as at 1 January 2024	22,928,015.67	33,066,039.15	55,994,054.82
Changes due to financial instruments recognised as at 1 January 2024			
– Transferred to credit-impaired	(122,801.92)	122,801.92	–
– Transferred from credit-impaired	11,401,183.80	(11,401,183.80)	–
Impairment losses recognised	16,910,766.87	5,776,789.82	22,687,556.69
Impairment losses reversed	(34,206,397.55)	(7,461,952.96)	(41,668,350.51)
Write-off	–	(1,373,654.87)	(1,373,654.87)
Balance as at 31 December 2024	16,910,766.87	18,728,839.26	35,639,606.13

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RMB

Items	2025		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (Credit-impaired)	Total
Balance as at 1 January 2025	16,910,766.87	18,728,839.26	35,639,606.13
Changes due to financial instruments recognised as at 1 January 2025			
– Transferred to credit-impaired	(567,434.69)	567,434.69	–
Impairment losses recognised	20,217,712.40	18,313,948.10	38,531,660.50
Impairment losses reversed	(16,343,332.18)	(6,318,660.82)	(22,661,993.00)
Write-off	–	(3,223,365.68)	(3,223,365.68)
Balance as at 31 December 2025	20,217,712.40	28,068,195.55	48,285,907.95

RMB

Items	Six months ended 30 June 2026		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (Credit-impaired)	Total
Balance as at 1 January 2026	20,217,712.40	28,068,195.55	48,285,907.95
Changes due to financial instruments recognised as at 1 January 2026			
– Transferred to credit-impaired	(68,124.77)	68,124.77	–
Impairment losses recognised	20,071,605.48	8,704,669.44	28,776,274.92
Impairment losses reversed	(18,868,899.84)	(1,683,160.70)	(20,552,060.54)
Write-off	–	(24,721.17)	(24,721.17)
Balance as at 30 June 2026	21,352,293.27	35,133,107.89	56,485,401.16

(5) Accounts receivable actually written off in each year/period during the Track Record Period

In 2023, 2024, 2025 and the six months ended 30 June 2026, the Group had no significant write-offs of accounts receivable.

(6) Five largest debtors by accounts receivable at the end of each year/period during the Track Record Period

As at 31 December 2023

RMB

Name	Relationship with the Group	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third party	182,746,624.09	Within 1 year, (inclusive) 1-2 years (inclusive)	17.66	(572,058.90)
Second	Third party	78,184,177.05	Within 1 year (inclusive)	7.56	(836,570.69)
Third	Third party	63,736,376.91	Within 1 year, (inclusive) 1-2 years (inclusive)	6.16	(166,399.04)

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Name	Relationship with the Group	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
Fourth	Third party	54,481,246.13	Within 1 year, (inclusive) 1-2 years (inclusive)	5.26	(2,769,021.15)
Fifth	Third party	30,734,817.66	Within 1 year (inclusive)	2.97	(676,165.99)
Total		<u>409,883,241.84</u>		<u>39.61</u>	<u>(5,020,215.77)</u>

As at 31 December 2024

RMB

Name	Relationship with the Group	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third party	166,895,648.23	Within 1 year, (inclusive) 1-2 years (inclusive)	18.45	(481,072.66)
Second	Third party	86,933,344.35	Within 1 year (inclusive)	9.61	(191,253.36)
Third	Third party	25,197,347.57	Within 1 year (inclusive)	2.79	(385,519.42)
Fourth	Third party	23,607,082.35	Within 1 year (inclusive)	2.61	(644,473.35)
Fifth	Third party	23,387,295.53	Within 1 year (inclusive)	2.59	(638,473.17)
Total		<u>326,020,718.03</u>		<u>36.05</u>	<u>(2,340,791.96)</u>

As at 31 December 2025

RMB

Name	Relationship with the Group	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third party	164,918,533.26	Within 1 year, (inclusive) 1-2 years (inclusive)	15.84	(485,036.88)
Second	Third party	72,110,406.88	Within 1 year (inclusive)	6.93	(1,538,427.45)
Third	Third party	50,854,740.76	Within 1 year (inclusive)	4.89	(1,052,543.99)
Fourth	Third party	47,663,511.66	Within 1 year (inclusive)	4.58	(249,782.85)
Fifth	Third party	46,446,368.55	Within 1 year (inclusive)	4.46	(990,902.31)
Total		<u>381,993,561.11</u>		<u>36.70</u>	<u>(4,316,693.48)</u>

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ACCOUNTANTS’ REPORT

As at 30 June 2026

RMB

Name	Relationship with the Group	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third party	91,021,524.01	Within 1 year, (inclusive)	8.77	(300,446.06)
Second	Third party	66,411,464.95	Within 1 year (inclusive)	6.40	(518,899.80)
Third	Third party	54,187,086.20	Within 1 year (inclusive)	5.22	(1,094,579.14)
Fourth	Third party	53,650,797.26	Within 1 year (inclusive)	5.17	(127,474.76)
Fifth	Third party	32,014,388.69	Within 1 year (inclusive)	3.09	(640,287.77)
Total		<u>297,285,261.11</u>		<u>28.65</u>	<u>(2,681,687.53)</u>

5. PREPAYMENTS

(1) Disclosed by aging

RMB

Aging	31 December 2023		31 December 2024		31 December 2025		30 June 2026	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive) .	186,329,831.56	100.00	193,087,279.97	100.00	174,122,388.38	100.00	226,602,891.41	100.00
Total	<u>186,329,831.56</u>	<u>100.00</u>	<u>193,087,279.97</u>	<u>100.00</u>	<u>174,122,388.38</u>	<u>100.00</u>	<u>226,602,891.41</u>	<u>100.00</u>

(2) Five largest debtors by prepayments at the end of each year/period during the Track Record Period

As at 31 December 2023

RMB

Name	Relationship with the Group	Amount	Aging	Reasons for unsettled	Percentage of total balance (%)
First	Third party	25,115,074.34	Within 1 year (inclusive)	Goods not yet received	13.48
Second	Third party	19,313,986.92	Within 1 year (inclusive)	Goods not yet received	10.37
Third	Third party	12,708,102.10	Within 1 year (inclusive)	Services not yet accepted	6.82
Fourth	Third party	8,576,946.00	Within 1 year (inclusive)	Services not yet accepted	4.60
Fifth	Third party	6,639,075.02	Within 1 year (inclusive)	Goods not yet accepted	3.56
Total		<u>72,353,184.38</u>			<u>38.83</u>

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As at 31 December 2024

<i>RMB</i>					
Name	Relationship with the Group	Amount	Aging	Reasons for unsettled	Percentage of total balance
(%)					
First	Third party	38,982,934.99	Within 1 year (inclusive)	Goods not yet received	20.19
Second	Third party	27,019,547.17	Within 1 year (inclusive)	Services not yet accepted	13.99
Third	Third party	17,910,715.25	Within 1 year (inclusive)	Services not yet accepted	9.28
Fourth	Third party	12,642,461.60	Within 1 year (inclusive)	Goods not yet received	6.55
Fifth	Third party	10,928,397.71	Within 1 year (inclusive)	Goods not yet received	5.66
Total		<u>107,484,056.72</u>			<u>55.67</u>

As at 31 December 2025

<i>RMB</i>					
Name	Relationship with the Group	Amount	Aging	Reasons for unsettled	Percentage of total balance
(%)					
First	Third party	43,741,639.58	Within 1 year (inclusive)	Goods not yet received	25.12
Second	Third party	19,887,777.61	Within 1 year (inclusive)	Goods not yet received	11.42
Third	Third party	13,759,983.98	Within 1 year (inclusive)	Goods not yet received	7.90
Fourth	Third party	10,483,753.17	Within 1 year (inclusive)	Goods not yet received	6.02
Fifth	Third party	5,645,319.37	Within 1 year (inclusive)	Goods not yet received	3.24
Total		<u>93,518,473.71</u>			<u>53.70</u>

As at 30 June 2026

<i>RMB</i>					
Name	Relationship with the Group	Amount	Aging	Reasons for unsettled	Percentage of total balance
(%)					
First	Third party	38,963,056.98	Within 1 year (inclusive)	Goods not yet received	17.19
Second	Third party	34,054,007.80	Within 1 year (inclusive)	Services not yet accepted	15.03
Third	Third party	22,602,986.76	Within 1 year (inclusive)	Goods not yet received	9.97
Fourth	Third party	9,096,603.77	Within 1 year (inclusive)	Services not yet accepted	4.01
Fifth	Third party	8,546,601.25	Within 1 year (inclusive)	Goods not yet received	3.77
Total		<u>113,263,256.56</u>			<u>49.97</u>

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ACCOUNTANTS’ REPORT

6. OTHER RECEIVABLES

6.1 Summary of other receivables

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Other receivables	125,218,586.84	189,790,862.46	234,752,151.15	245,242,541.00
Total	125,218,586.84	189,790,862.46	234,752,151.15	245,242,541.00

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6.2 Other receivables

(1) Disclosed by aging

Aging	As at 31 December 2023				As at 31 December 2024				As at 31 December 2025				As at 30 June 2026				RMB
	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	
Within 1 year (inclusive)	85,105,215.63	(3,837,559.49)	4.51		140,824,522.66	(2,874,605.44)	2.04		144,797,094.15	(2,875,323.24)	1.99		73,683,989.78	(1,462,774.03)	1.99		
1-2 years (inclusive)	26,951,969.71	(2,702,959.98)	10.03		23,442,360.90	(596,651.59)	2.55		83,872,005.04	(1,872,292.39)	2.23		164,433,946.46	(3,874,621.92)	2.36		
2-3 years (inclusive)	6,076,920.47	(17,428.96)	0.29		17,470,433.22	(218,231.79)	1.25		5,640,955.35	(350,511.61)	6.21		9,613,265.87	(2,357,982.04)	24.53		
3-4 years (inclusive)	3,445,134.20	(101,528.46)	2.95		799,058.31	(34,649.36)	4.34		3,295,745.92	(92,674.95)	2.81		2,498,013.90	(56,483.37)	2.26		
4-5 years (inclusive)	752,944.10	(93,092.60)	12.36		3,414,140.03	(27,899.47)	0.82		724,926.56	(34,387.41)	4.74		1,080,218.47	(37,116.96)	3.44		
Over 5 years	12,030,384.32	(2,391,412.10)	19.88		9,921,258.93	(2,328,873.94)	23.47		5,575,958.01	(3,929,344.28)	70.47		3,689,965.16	(1,967,880.32)	53.33		
Total	134,362,568.43	(9,143,981.59)	6.81		195,871,774.05	(6,080,911.59)	3.10		243,906,685.03	(9,154,533.88)	3.75		254,999,399.64	(9,756,858.64)	3.83		

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(2) Disclosed by the nature of other receivables

RMB

Nature	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	Gross carrying amount	Gross carrying amount	Gross carrying amount	Gross carrying amount
Security deposits . . .	66,727,497.69	57,587,161.80	53,515,899.90	47,722,725.32
Consideration receivables from asset disposals . . .	18,328,188.18	48,135,476.97	63,575,110.49	52,036,953.79
Consideration receivables from equity disposals . . .	—	29,120,000.00	67,873,622.31	82,424,462.31
Lease receivables . . .	1,686,232.27	11,132,434.14	14,560,109.78	26,467,830.53
Third-party loan receivables (Note) .	20,351,000.00	10,355,000.00	—	—
Employee loans and petty cash	1,223,477.05	331,828.28	102,257.48	637,657.94
Others	26,046,173.24	39,209,872.86	44,279,685.07	45,709,769.75
Total	134,362,568.43	195,871,774.05	243,906,685.03	254,999,399.64

Note: Third-party loan receivables mainly include industrial support funds which the Group provided to a third party in the form of loans from 1 January 2023 to 31 December 2025, with an annual interest rate of 4.75%, and no mortgage or guarantee arrangements. As at 31 December 2023, 2024, 2025, the gross carrying amount of such third-party loan receivables was RMB20,351,000.00, RMB9,950,000.00, RMBnil, respectively, with the loan receivable of RMB10,401,000.00 has been settled by the Group’s accounts payable to this third party during the year of 2024, and the Group has recovered the remaining industrial support funds in 2025.

(3) Credit loss allowance assessed using the general approach under ECL model

RMB

Items	2023			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2023	800,189.53	—	5,202,935.53	6,003,125.06
Impairment losses recognised	1,187,660.53	—	4,326,844.28	5,514,504.81
Impairment losses reversed	(524,513.89)	—	(332,268.30)	(856,782.19)
Write-off	—	—	(1,310,377.79)	(1,310,377.79)
Disposal of subsidiaries	(206,488.30)	—	—	(206,488.30)
Balance as at 31 December 2023 . .	1,256,847.87	—	7,887,133.72	9,143,981.59

RMB

Items	2024			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2024	1,256,847.87	—	7,887,133.72	9,143,981.59
Impairment losses recognised	2,831,820.46	—	619,195.36	3,451,015.82
Impairment losses reversed	(825,676.18)	—	(338,941.81)	(1,164,617.99)
Write-off	—	—	(5,349,467.83)	(5,349,467.83)
Balance as at 31 December 2024 . .	3,262,992.15	—	2,817,919.44	6,080,911.59

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RMB

Items	2025			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2025	3,262,992.15	–	2,817,919.44	6,080,911.59
Impairment losses recognised	4,073,018.84	–	2,101,356.10	6,174,374.94
Impairment losses reversed	(2,552,842.21)	–	(452,554.35)	(3,005,396.56)
Write-off	–	–	(95,356.09)	(95,356.09)
Balance as at 31 December 2025	4,783,168.78	–	4,371,365.10	9,154,533.88

RMB

Items	Six months ended 30 June 2026			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2026	4,783,168.78	–	4,371,365.10	9,154,533.88
Impairment losses recognised	1,069,564.57	–	184,670.90	1,254,235.47
Impairment losses reversed	(651,910.71)	–	–	(651,910.71)
Balance as at 30 June 2026	5,200,822.64	–	4,556,036.00	9,756,858.64

(4) Changes in credit loss allowance for other receivables

2023

RMB

Category	1 January 2023	Changes for the year				31 December 2023
		Recognised	Reversed	Write-off	Decrease due to disposal of subsidiaries	
Credit losses allowance assessed on an individual basis	5,202,935.53	4,326,844.28	(332,268.30)	(1,310,377.79)	–	7,887,133.72
Credit losses allowance assessed on a portfolio basis	800,189.53	1,187,660.53	(524,513.89)	–	(206,488.30)	1,256,847.87
Including: Third-party loan receivables, consideration receivables from disposal of assets etc.	785,066.98	1,177,188.19	(515,714.04)	–	(206,488.30)	1,240,052.83
Security deposits	12,722.00	7,494.55	(7,264.99)	–	–	12,951.56
Employee loans and petty cash	2,400.55	2,977.79	(1,534.86)	–	–	3,843.48
Total	6,003,125.06	5,514,504.81	(856,782.19)	(1,310,377.79)	(206,488.30)	9,143,981.59

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2024

RMB

Category	1 January 2024	Changes for the year			31 December 2024
		Recognised	Reversed	Write-off	
Credit losses allowance assessed on an individual basis	7,887,133.72	619,195.36	(338,941.81)	(5,349,467.83)	2,817,919.44
Credit losses allowance assessed on a portfolio basis	1,256,847.87	2,831,820.46	(825,676.18)	–	3,262,992.15
Including: Third-party loan receivables, consideration receivables from disposal of assets, consideration receivables from equity disposals etc.	1,240,052.83	2,826,338.03	(816,703.94)	–	3,249,686.92
Security deposits	12,951.56	5,197.88	(5,150.69)	–	12,998.75
Employee loans and petty cash	3,843.48	284.55	(3,821.55)	–	306.48
Total	<u>9,143,981.59</u>	<u>3,451,015.82</u>	<u>(1,164,617.99)</u>	<u>(5,349,467.83)</u>	<u>6,080,911.59</u>

2025

RMB

Category	1 January 2025	Changes for the year			31 December 2025
		Recognised	Reversed	Write-off	
Credit losses allowance assessed on an individual basis	2,817,919.44	2,101,356.10	(452,554.35)	(95,356.09)	4,371,365.10
Credit losses allowance assessed on a portfolio basis	3,262,992.15	4,073,018.84	(2,552,842.21)	–	4,783,168.78
Including: Third-party loan receivables, consideration receivables from disposal of assets, consideration receivables from equity disposals etc.	3,249,686.92	4,065,690.58	(2,540,018.39)	–	4,775,359.11
Security deposits	12,998.75	7,305.25	(12,517.34)	–	7,786.66
Employee loans and petty cash	306.48	23.01	(306.48)	–	23.01
Total	<u>6,080,911.59</u>	<u>6,174,374.94</u>	<u>(3,005,396.56)</u>	<u>(95,356.09)</u>	<u>9,154,533.88</u>

Six months ended 30 June 2026

RMB

Category	1 January 2026	Changes for the period		30 June 2026
		Recognised	Reversed	
Credit losses allowance assessed on an individual basis	4,371,365.10	184,670.90	–	4,556,036.00

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Category	1 January 2026	Changes for the period		30 June 2026
		Recognised	Reversed	
Credit losses allowance assessed on a portfolio basis	4,783,168.78	1,069,564.57	(651,910.71)	5,200,822.64
Including: Third-party loan receivables, consideration receivables from disposal of assets, consideration receivables from equity disposals etc.	4,775,359.11	1,064,062.92	(649,311.28)	5,190,110.75
Security deposits	7,786.66	5,076.39	(2,576.42)	10,286.63
Employee loans and petty cash	23.01	425.26	(23.01)	425.26
Total	9,154,533.88	1,254,235.47	(651,910.71)	9,756,858.64

(5) *Other receivables actually written off in each year/period during the Track Record Period*

In 2023, 2024, 2025 and the six months ended 30 June 2026, the Group had no significant write-offs of other receivables.

(6) *Five largest debtors by other receivables at the end of each year/period during the Track Record Period*

As at 31 December 2023

RMB					
Name	Nature of the amount	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third-party loan receivables	20,351,000.00	Within 1 year (inclusive)	15.15	(486,897.68)
Second	Consideration receivables from asset disposals and security deposits	14,500,000.00	Within 1 year (inclusive), 1-2 years (inclusive)	10.79	(109,912.50)
Third	Security deposits	6,050,000.00	Within 1 year (inclusive)	4.50	(1,361.25)
Fourth	Security deposits	5,846,606.00	Within 1 year (inclusive), 1-2 years (inclusive)	4.35	(1,315.49)
Fifth	Security deposits	5,779,089.95	Within 1 year (inclusive), 1-2 years (inclusive)	4.30	(1,300.30)
Total		52,526,695.95		39.09	(600,787.22)

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As at 31 December 2024

RMB

Name	Nature of the amount	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Consideration receivables from equity disposal, security deposits, and others	30,065,120.90	Within 1 year (inclusive)	15.35	(727,127.55)
Second	Consideration receivables from asset disposals and lease receivables	27,893,157.61	Within 1 year (inclusive)	14.24	(675,711.74)
Third	Consideration receivables from asset disposals and security deposits	14,500,000.00	Within 1 year (inclusive), 2-3 years (inclusive)	7.40	(111,262.50)
Fourth	Consideration receivables from asset disposals	12,996,500.00	Within 1 year (inclusive)	6.64	(314,840.21)
Fifth	Others	12,553,320.00	Within 1 year (inclusive)	6.41	(304,104.18)
Total		<u>98,008,098.51</u>		<u>50.04</u>	<u>(2,133,046.18)</u>

As at 31 December 2025

RMB

Name	Nature of the amount	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Consideration receivables from equity disposal	53,313,622.31	Within 1 year (inclusive)	21.86	(1,361,910.09)
Second	Consideration receivables from asset disposals	52,732,495.30	Within 1 year (inclusive), 1-2 years (inclusive)	21.62	(1,347,065.05)
Third	Others	24,351,625.00	Within 1 year (inclusive)	9.98	(622,068.48)
Fourth	Consideration receivables from equity disposal	14,560,000.00	1-2 years (inclusive)	5.97	(371,938.92)
Fifth	Security deposits	10,000,000.00	Within 1 year (inclusive)	4.10	(2,250.00)
Total		<u>154,957,742.61</u>		<u>63.53</u>	<u>(3,705,232.54)</u>

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As at 30 June 2026

RMB

Name	Nature of the amount	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Consideration receivables from equity disposal	53,313,622.31	1-2 years (inclusive)	20.91	(1,363,495.89)
Second	Consideration receivables from asset disposals	44,217,085.36	1-2 years (inclusive)	17.34	(1,130,851.96)
Third	Others	24,351,625.00	1-2 years (inclusive)	9.55	(622,792.81)
Fourth	Consideration receivables from equity disposal	14,560,000.00	1-2 years (inclusive)	5.71	(372,372.00)
Fifth	Consideration receivables from equity disposal	14,550,840.00	Within 1 year (inclusive)	5.71	(372,137.73)
Total		<u>150,993,172.67</u>		<u>59.22</u>	<u>(3,861,650.39)</u>

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7. INVENTORIES

(1) Categories of inventories

Items	31 December 2023			31 December 2024			31 December 2025			30 June 2026			RMB
	Cost	Write-down provision	Carrying amount	Cost	Write-down provision	Carrying amount	Cost	Write-down provision	Carrying amount	Cost	Write-down provision	Carrying amount	
Raw materials	1,850,078,999.12	(93,794,924.14)	1,756,284,074.98	1,601,159,642.71	(53,728,420.82)	1,547,431,221.89	1,570,704,949.63	(73,947,665.54)	1,496,757,284.09	1,216,629,928.20	(66,581,762.02)	1,150,048,166.18	
Properties for sale	-	-	-	-	-	-	681,008,180.79	(12,502,886.03)	668,505,294.76	-	-	-	
Properties under development	949,242,148.66	(21,979,847.27)	927,262,301.39	1,088,588,949.82	(21,979,847.27)	1,066,609,102.55	-	-	-	-	-	-	
Finished goods	301,842,998.28	(14,142,993.02)	287,700,005.26	353,573,993.11	(17,847,607.21)	335,726,385.90	260,781,590.55	(13,246,560.65)	247,535,029.90	167,662,009.68	(8,432,702.90)	159,229,306.78	
Revolving materials	133,975,062.98	(1,244,266.35)	132,730,796.63	121,231,742.27	(972,522.67)	120,259,219.60	128,550,423.35	(949,545.55)	127,600,877.80	128,001,908.95	(4,637,382.11)	123,364,526.84	
Packaging materials	101,774,210.15	(865,544.88)	100,908,665.27	118,729,476.81	(739,539.90)	117,989,936.91	106,984,616.15	(987,356.06)	105,997,260.09	108,648,345.84	(1,086,483.46)	107,561,862.38	
Shipped goods	44,087,649.24	-	44,087,649.24	57,863,739.84	-	57,863,739.84	30,763,468.04	-	30,763,468.04	27,482,719.68	-	27,482,719.68	
Low-value consumables	22,407,436.62	(184,010.59)	22,223,426.03	17,266,583.89	(181,197.76)	17,085,386.13	8,514,093.36	(23,855.05)	8,490,238.31	9,579,998.66	(22,894.38)	9,557,104.28	
Consumable biological assets	84,240,855.00	(34,245,074.76)	49,995,780.24	-	-	-	-	-	-	-	-	-	
Other	4,466,201.91	(292,556.91)	4,173,645.00	7,423,960.26	(100,353.71)	7,323,606.55	10,621,158.72	-	10,621,158.72	7,115,034.93	-	7,115,034.93	
Total	3,492,115,561.96	(166,749,217.92)	3,325,366,344.04	3,365,838,088.71	(95,549,489.34)	3,270,288,599.37	2,797,928,480.59	(101,657,868.88)	2,696,270,611.71	1,665,119,945.94	(80,761,224.87)	1,584,358,721.07	

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Changes in consumable biological assets are set out below:

RMB

Items	Quantity (heads)	Cost as at 1 January 2023	Additions	Decreases			Quantity (heads)	Cost as at 31 December 2023
			Breeding (cultivation)	Death	Sales	Subtotal		
Beef cattle . . .	7,641	126,166,297.46	84,998,260.47	(1,417,670.87)	(125,506,032.06)	(126,923,702.93)	4,101	84,240,855.00
Total	7,641	126,166,297.46	84,998,260.47	(1,417,670.87)	(125,506,032.06)	(126,923,702.93)	4,101	84,240,855.00

RMB

Items	Quantity (heads)	Cost as at 1 January 2024	Additions	Decreases			Decrease due to disposal of subsidiaries	Quantity (heads)	Cost as at 31 December 2024
			Breeding (cultivation)	Death	Sales	Subtotal			
Beef cattle	4,101	84,240,855.00	17,300,791.00	(54,838.29)	(99,071,517.59)	(99,126,355.88)	(2,415,290.12)	–	–
Total	4,101	84,240,855.00	17,300,791.00	(54,838.29)	(99,071,517.59)	(99,126,355.88)	(2,415,290.12)	–	–

Properties under development are set out below:

RMB

Items	Commencement date	Completion date	Estimated total investment	Gross carrying amount as at 31 December 2023	Gross carrying amount as at 31 December 2024	Gross carrying amount as at 31 December 2025	Gross carrying amount as at 30 June 2026
Junju Yuefu Project . . .	20 January 2022	June 2025	1,254,000,000.00	940,551,595.78	1,054,114,487.22	–	–
Other project .	10 September 2023	December 2025	62,000,000.00	8,690,552.88	34,474,462.60	–	–
Total				949,242,148.66	1,088,588,949.82	–	–

The properties for sale are set out below:

RMB

Items	Completion date	Gross carrying amount as at 1 January 2025	Additions	Decreases	Gross carrying amount as at 31 December 2025
Junju Yuefu Project	June 2025	–	1,212,781,424.90	(537,201,496.11)	675,579,928.79
Other project	December 2025	–	59,111,133.05	(53,682,881.05)	5,428,252.00
Total		–	1,271,892,557.95	(590,884,377.16)	681,008,180.79

RMB

Items	Completion date	Gross carrying amount as at 1 January 2026	Additions	Decreases ^(Note)	Gross carrying amount as at 30 June 2026
Junju Yuefu Project	June 2025	675,579,928.79	–	(675,579,928.79)	–
Other project	December 2025	5,428,252.00	–	(5,428,252.00)	–
Total		681,008,180.79	–	(681,008,180.79)	–

Note: The decrease in properties for sale is primarily attributable to the Group’s reclassification of certain properties originally held for sale to properties held for own-use in March 2026, and such properties were consequently transferred to fixed assets.

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(2) Provision for write-down of inventories

2023

RMB

Category	1 January 2023	Additions		Decreases		31 December 2023
		Provision	Others	Reversal or write-off	Decrease due to disposal of subsidiaries	
Raw materials	79,455,786.96	88,048,082.51	–	(71,261,293.76)	(2,447,651.57)	93,794,924.14
Consumable biological assets	11,150,996.30	30,777,499.56	–	(7,683,421.10)	–	34,245,074.76
Properties under development	21,243,927.13	735,920.14	–	–	–	21,979,847.27
Finished goods	20,624,154.83	14,142,993.02	–	(20,624,154.83)	–	14,142,993.02
Revolving materials	1,952,990.74	1,244,266.35	–	(1,952,990.74)	–	1,244,266.35
Packaging materials	1,500,900.02	865,544.88	–	(1,500,900.02)	–	865,544.88
Low-value consumables	321,370.20	184,010.59	–	(321,370.20)	–	184,010.59
Other	1,036,814.22	292,556.91	–	(1,036,814.22)	–	292,556.91
Total	137,286,940.40	136,290,873.96	–	(104,380,944.87)	(2,447,651.57)	166,749,217.92

2024

RMB

Category	1 January 2024	Additions		Decreases		31 December 2024
		Provision	Others	Reversal or write-off	Decrease due to disposal of subsidiaries	
Raw materials	93,794,924.14	45,128,322.39	–	(84,042,862.38)	(1,151,963.33)	53,728,420.82
Properties under development	21,979,847.27	–	–	–	–	21,979,847.27
Finished goods	14,142,993.02	18,565,169.04	–	(14,079,492.67)	(781,062.18)	17,847,607.21
Revolving materials	1,244,266.35	1,212,317.42	–	(1,484,061.10)	–	972,522.67
Packaging materials	865,544.88	1,006,081.80	–	(1,132,086.78)	–	739,539.90
Low-value consumables	184,010.59	96,361.98	–	(99,174.81)	–	181,197.76
Consumable biological assets	34,245,074.76	829,134.01	–	(35,062,940.16)	(11,268.61)	–
Other	292,556.91	100,353.71	–	(292,556.91)	–	100,353.71
Total	166,749,217.92	66,937,740.35	–	(136,193,174.81)	(1,944,294.12)	95,549,489.34

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2025

RMB

Category	1 January 2025	Additions		Decreases		31 December 2025
		Provision	Others	Reversal or write-off	Others	
Raw materials	53,728,420.82	132,566,625.14	–	(112,347,380.42)	–	73,947,665.54
Finished goods	17,847,607.21	13,246,560.65	–	(17,847,607.21)	–	13,246,560.65
Properties for sale	–	–	21,979,847.27	(9,476,961.24)	–	12,502,886.03
Properties under development	21,979,847.27	–	–	–	(21,979,847.27)	–
Revolving materials	972,522.67	1,240,107.79	–	(1,263,084.91)	–	949,545.55
Packaging materials	739,539.90	987,356.06	–	(739,539.90)	–	987,356.06
Low-value consumables	181,197.76	23,855.05	–	(181,197.76)	–	23,855.05
Other	100,353.71	–	–	(100,353.71)	–	–
Total	95,549,489.34	148,064,504.69	21,979,847.27	(141,956,125.15)	(21,979,847.27)	101,657,868.88

Six months ended 30 June 2026

RMB

Category	1 January 2026	Additions		Decreases		30 June 2026
		Provision	Others	Reversal or write-off	Others	
Raw materials	73,947,665.54	82,523,127.15	–	(89,889,030.67)	–	66,581,762.02
Finished goods	13,246,560.65	8,432,702.90	–	(13,246,560.65)	–	8,432,702.90
Properties for sale	12,502,886.03	–	–	–	(12,502,886.03)	–
Properties under development	–	–	–	–	–	–
Revolving materials	949,545.55	4,637,382.11	–	(949,545.55)	–	4,637,382.11
Packaging materials	987,356.06	1,086,483.46	–	(987,356.06)	–	1,086,483.46
Low-value consumables	23,855.05	22,894.38	–	(23,855.05)	–	22,894.38
Total	101,657,868.88	96,702,590.00	–	(105,096,347.98)	(12,502,886.03)	80,761,224.87

Determination of net realisable value and reasons for reversals or write-offs of write-down provisions for each year/period during the Track Record Period:

Category	Determination of net realisable value	Reasons for reversals or write-offs
Raw materials, properties under development, packaging materials, low-value consumables, revolving materials	Net realisable value is determined based on the estimated selling price of the relevant finished goods/real estate projects, less the estimated costs of completion, estimated selling expenses, and relevant taxes and fees necessary to make the sale.	Sold/Consumed or changes in net realisable value
Properties for sale	Net realisable value is determined based on the estimated selling price of the real estate project, less estimated selling expenses and relevant taxes and fees.	Sold or changes in net realisable value

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ACCOUNTANTS’ REPORT

Category	Determination of net realisable value	Reasons for reversals or write-offs
Finished goods, consumable biological assets	Net realisable value is determined based on the estimated selling price of the inventory, less estimated selling expenses and relevant taxes and fees necessary to make the sale.	Sold or changes in net realisable value

8. OTHER CURRENT ASSETS

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Input VAT to be certified	59,384,423.83	136,138,982.18	139,650,686.74	137,796,297.47
Prepaid expenses	64,595,001.85	47,606,227.85	53,917,621.92	74,811,415.93
Prepaid enterprise income tax . . .	31,072,355.43	18,582,939.95	46,920,790.81	15,340,250.71
Input VAT to be deducted	46,327,147.45	18,897,027.29	34,776,191.46	35,748,529.53
Prepaid other taxes	7,272,089.04	11,363,217.74	12,774,492.94	25,331,810.42
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid VAT	8,781,467.89	14,708,111.58	7,648,490.85	995,000.00
Right to returned goods assets . . .	4,122,238.20	1,458,925.76	1,584,348.48	1,689,320.34
Total	221,950,352.37	251,225,623.07	308,683,557.02	306,971,702.61

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9. LONG-TERM RECEIVABLES

Items	31 December 2023				31 December 2024				31 December 2025				30 June 2026				RMB
	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	Credit loss allowance	Carrying amount	Gross carrying amount	
Amounts due from third-party dairy farms (<i>Note 1</i>)	35,383,520.90	(3,646,740.00)	31,736,780.90	-	-	-	17,989,881.25	-	17,989,881.25	16,169,339.11	(5,535,788.07)	10,633,551.04					
Long-term lease deposits . . .	10,000,000.00	-	10,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance lease receivables (<i>Note 2</i>)	66,364,430.46	-	66,364,430.46	80,846,247.29	-	80,846,247.29	84,600,017.93	-	84,600,017.93	83,382,652.60	-	83,382,652.60					
Total	111,747,951.36	(3,646,740.00)	108,101,211.36	80,846,247.29	-	80,846,247.29	102,589,899.18	-	102,589,899.18	99,551,991.71	(5,535,788.07)	94,016,203.64					

Note 1: As at 31 December 2024, 31 December 2025 and 30 June 2026, the loans provided by the Group to third-party dairy farms classified in the non-current assets due within one year were RMB31,736,780.90, RMB7,743,787.36 and RMB7,127,353.03, respectively.

Note 2: As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group’s finance lease receivables classified in the non-current assets due within one year were RMB3,377,521.41, RMB12,550,260.67, RMB14,451,474.02 and RMB7,549,015.64, respectively.

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10. LONG-TERM EQUITY INVESTMENTS

(1) Long-term equity investments are as follows:

2023

RMB

Investee	Changes for the year						As at 31 December 2023	Closing balance of provision for impairment loss	
	As at 1 January 2023	(Reduction in)/ Additional investment	Increase in business combination	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Other changes			Provision for impairment loss
Associates:									
Sikeqi Hebei (Note 1)	6,427,854.18	-	-	1,841,791.76	-	(8,269,645.94)	-	-	-
Sinong (Shanghai) Nutrition Food Co., Ltd. (斯僂上海)營養食品有限公司 (“Sinong”)	1,609,764.34	(969,713.38)	-	410,927.98	(1,050,978.94)	-	-	-	-
Shanghai Cheespirit Shijia Health Technology Development Co., Ltd. (上海酪神世家健康科技發展有限公司) (“Shanghai Cheespirit”)									
(Note 2)	8,928,769.00	-	-	(4,871,097.64)	-	-	(4,057,671.36)	-	(4,057,671.36)
Zhangjiakou Chia Tai Co., Ltd. (張家口正大有限公司) (“Zhangjiakou Chia Tai”) (Note 3)	21,640,989.80	-	-	721,541.75	-	-	-	22,362,531.55	-
Hai Xing Jun Yi Animal Husbandry Co., Ltd. (海興縣君益牧業有限公司) (“Haixing Junyi”)									
(Note 4)	22,402,398.22	-	-	(1,051,058.23)	-	-	-	21,351,339.99	-
Hai Xing Jun Yi Ermu Animal Husbandry Co., Ltd. (海興縣君益貳牧業有限公司) (“Junyi Ermu”) (Note 5)	7,484,811.99	18,437,700.00	-	(747,652.90)	-	-	-	25,174,859.09	-
Hebei Pinyuan Biotechnology Co., Ltd. (河北品元生物科技有限公司) (“Pinyuan Biotechnology”) (Note 6)	-	-	-	-	-	11,218,300.00	-	11,218,300.00	-
Shaanxi Aomeihui Dairy Technology Co., Ltd. (陝西澳美慧乳業科技有限公司) (“Shaanxi Aomeihui”) (Note 7)	-	-	37,449,509.46	(2,606,074.07)	-	-	-	34,843,435.39	-
Dali Yunhe Dairy Co., Ltd. (大理雲禾乳業有限公司) (“Dali Yunhe”)	-	-	5,130,652.88	13,654.29	-	-	-	5,144,307.17	-

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2024

RMB

Investee	Changes for the year						As at 31 December 2024	Closing balance of provision for impairment loss	
	As at 1 January 2024	Additional investment	Increase in business combination	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Other changes			Provision for impairment loss
Associates									
Junhong Animal Husbandry (Note 9)	–	–	–	2,224,583.83	–	178,380,000.00	–	180,604,583.83	–
Junkang Animal Husbandry (Note 9)	–	–	–	3,379,519.79	–	149,220,000.00	–	152,599,519.79	–
Mopai Group (Note 8)	208,242,283.96	–	–	1,785,960.83	–	–	(60,000,000.00)	150,028,244.79	(60,000,000.00)
OLLO HOLDINGS LIMITED (Note 10)	–	43,423,666.66	–	(1,286,011.31)	–	–	–	42,137,655.35	–
Shaanxi Aomeihui (Note 7)	34,843,435.39	–	–	(6,018,709.05)	–	–	(4,000,000.00)	24,824,726.34	(4,000,000.00)
Zhangjiakou Chia Tai (Note 3)	22,362,531.55	–	–	646,317.97	–	–	–	23,008,849.52	–
Junrui Animal Husbandry	9,972,528.70	–	–	303,914.64	–	–	–	10,276,443.34	–
Pinyuan Biotechnology (Note 6)	11,218,300.00	–	–	(4,722,283.13)	–	–	–	6,496,016.87	–
Dali Yunhe	5,144,307.17	–	–	37,035.76	–	–	–	5,181,342.93	–
Zanhuang Jialeiyuan (Note 11)	–	–	–	(19,218.34)	–	3,361,427.96	–	3,342,209.62	–
Shandong Junlebao	613,134.32	–	–	24,443.16	–	–	–	637,577.48	–
Shanxi Junlebao Dairy Co., Ltd. (山西君樂寶乳業有限公司) (“Shanxi Junlebao”)	–	400,000.00	–	11,941.60	–	–	–	411,941.60	–
Haixing Junyi (Note 4)	21,351,339.99	–	–	926,919.56	–	–	–	22,278,259.55	–
Junyi Ermu (Note 5)	25,174,859.09	–	–	(678,390.51)	–	–	–	24,496,468.58	–
Henan Junlebao	390,900.26	–	–	(86,399.33)	–	–	–	304,500.93	–
Dali Food	340,000.00	–	–	(76,447.47)	–	–	–	263,552.53	–
Beijing Junlebao Dairy Co., Ltd. (北京君樂寶乳業有限公司) (“Beijing Junlebao”)	–	200,000.00	–	(65,728.45)	–	–	–	134,271.55	–
Shanghai Cheespirit (Note 2)	–	–	–	–	–	–	–	–	(4,057,671.36)
Total	339,653,620.43	44,023,666.66	–	(3,612,550.45)	–	330,961,427.96	(64,000,000.00)	647,026,164.60	(68,057,671.36)

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2025

Investee	As at 1 January 2025	Changes for the year					As at 31 December 2025	Closing balance of provision for impairment loss	
		Additional investment	Increase in business combination	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Other changes			Provision for impairment loss
Associates									
Junhong Animal Husbandry (Note 9)	180,604,583.83	-	-	26,376,752.04	(22,500,000.00)	-	-	184,481,335.87	-
Junkang Animal Husbandry (Note 9)	152,599,519.79	-	-	38,736,357.95	-	-	-	191,335,877.74	-
OLLO HOLDINGS LIMITED (Note 10)	42,137,655.35	-	-	(1,400,000.00)	-	-	-	40,737,655.35	-
Shaanxi Aomeihui (Note 7)	24,824,726.34	-	-	(3,312,762.43)	-	-	-	21,511,963.91	(4,000,000.00)
Zhangjiakou Chia Tai (Note 3)	23,008,849.52	-	-	873,481.88	-	-	-	23,882,331.40	-
Junrui Animal Husbandry	10,276,443.34	27,471.30	-	972,455.31	-	-	-	11,276,369.95	-
Pinyuan Biotechnology (Note 6)	6,496,016.87	-	-	3,539,706.42	-	-	-	10,035,723.29	-
Dali Yunhe	5,181,342.93	-	-	75,642.55	-	-	-	5,256,985.48	-
Zanhuang Jiale yuan (Note 11)	3,342,209.62	-	-	(57,072.38)	-	-	-	3,285,137.24	-
Shandong Junlebao	637,577.48	-	-	43,860.60	-	-	-	681,438.08	-
Shanxi Junlebao	411,941.60	-	-	(47,025.90)	-	-	-	364,915.70	-
Haixing Junyi (Note 4)	22,278,259.55	-	-	2,297,507.22	-	-	-	24,575,766.77	-
Junyi Ermu (Note 5)	24,496,468.58	-	-	(953,113.96)	-	-	-	23,543,354.62	-
Henan Junlebao	304,500.93	-	-	(120,140.75)	-	-	-	184,360.18	-
Dali Food	263,552.53	-	-	(51,574.75)	-	-	-	211,977.78	-
Beijing Junlebao	134,271.55	(88,301.17)	-	(45,970.38)	-	-	-	-	-
Shanghai Cheespirit (Note 2)	-	-	-	-	-	-	-	-	(4,057,671.36)
Joint Venture									
Mopai Group (Note 8)	150,028,244.79	-	-	9,826,788.43	-	(550,000.00)	-	159,305,033.22	(60,000,000.00)
Total	647,026,164.60	(60,829.87)	-	76,754,891.85	(22,500,000.00)	(550,000.00)	-	700,670,226.58	(68,057,671.36)

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Six months ended 30 June 2026

Investee	As at 1 January 2026	Changes for the period					As at 30 June 2026	Closing balance of provision for impairment loss
		(Reduction in)/ Additional investment	Increase in business combination	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Other changes		
Associates								
Junhong Animal Husbandry (Note 9)	184,481,335.87	-	-	11,565,755.15	-	-	196,047,091.02	-
Junkang Animal Husbandry (Note 9)	191,335,877.74	-	-	15,895,354.97	-	-	207,231,232.71	-
OLLO HOLDINGS LIMITED (Note 10)	40,737,655.35	-	-	(1,150,634.63)	-	-	39,587,020.72	-
Shaanxi Aomeihui (Note 7)	21,511,963.91	-	-	(1,975,703.42)	-	-	19,536,260.49	(4,000,000.00)
Zhangjiakou Chia Tai (Note 3)	23,882,331.40	-	-	352,892.54	-	-	24,235,223.94	-
Junrui Animal Husbandry	11,276,369.95	-	-	358,802.45	-	-	11,635,172.40	-
Pinyuan Biotechnology (Note 6)	10,035,723.29	-	-	5,978,124.75	-	-	16,013,848.04	-
Dali Yunhe	5,256,985.48	-	-	(411,873.14)	-	-	4,845,112.34	-
Zanhuang Jiale yuan (Note 11)	3,285,137.24	-	-	(133,729.37)	-	-	3,151,407.87	-
Shandong Junlebao	681,438.08	-	-	50,165.20	-	-	731,603.28	-
Shanxi Junlebao	364,915.70	-	-	22,754.72	-	-	387,670.42	-
Haixing Junyi (Note 4)	24,575,766.77	-	-	497,973.19	(1,798,400.00)	-	23,275,339.96	-
Junyi Ermu (Note 5)	23,543,354.62	-	-	992,491.26	-	-	24,535,845.88	-
Henan Junlebao	184,360.18	-	-	61,260.14	-	-	245,620.32	-
Dali Food	211,977.78	(211,977.78)	-	-	-	-	-	(4,057,671.36)
Shanghai Cheespirit (Note 2)	-	-	-	-	-	-	-	-
Hebei Jingze Supply Chain Co., Ltd. ("Jingze Supply Chain") (Note 12)	-	400,000.00	-	(9,968.57)	-	-	390,031.43	-
Joint Venture								
Mopai Group (Note 8)	159,305,033.22	-	-	9,852,937.01	-	-	169,157,970.23	(60,000,000.00)
Total	700,670,226.58	188,022.22	-	41,946,602.25	(1,798,400.00)	-	741,006,451.05	(68,057,671.36)

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- Note 1:* In 2023, the Group acquired an additional 30.00% equity interest in Sikeqi Hebei. Upon completion of the acquisition, the Group obtained control over Sikeqi Hebei and its non-wholly-owned subsidiary, Sikeqi Food Technology (Shandong) Co., Ltd. (思克奇食品科技(山東)有限公司) (“Sikeqi Shandong”). For details, please refer to Note (VII)1.
- Note 2:* The Group holds 8.79% equity interest in Shanghai Cheespirit. According to the articles of association of Shanghai Cheespirit, the Group has the right to appoint one out of the five directors of Shanghai Cheespirit and board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.
- Note 3:* The Group holds 40.00% equity interest in Zhangjiakou Chia Tai. According to the articles of association of Zhangjiakou Chia Tai, the Group has the right to appoint three out of the seven directors and board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.
- Note 4:* The Group holds 22.48% equity interest in Haixing Junyi. The Group has the right to appoint two out of the five directors of Haixing Junyi. According to the Company Law, board resolutions require the approval of a majority of all directors. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.
- Note 5:* The Group holds 35.00% equity interest in Junyi Ermu. The Group has the right to appoint two out of the five directors of Junyi Ermu. According to the Company Law, board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.
- Note 6:* In December 2023, the Group disposed of its 71.95% equity interest in its former subsidiary, Pinyuan Biotechnology, and accounted for the remaining investments of 28.05% equity interest as associates using the equity method. For details, please refer to Note (VII) 2. According to the articles of association of Pinyuan Biotechnology, Pinyuan Biotechnology has no Board of directors but only one executive director, who is appointed by the shareholders’ meeting. Resolutions of the shareholders’ meeting generally require approval by shareholders representing more than half of the voting rights, except for matters such as amendments to the articles of association, increases or decreases in registered capital, etc. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.
- Note 7:* The Group holds 17.84% equity interest in Shaanxi Aomeihui. According to the articles of association of Shaanxi Aomeihui, the Group has the right to appoint two out of the seven directors and board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.
- Note 8:* In December 2023, the Group acquired 30.00% equity interest in Shanghai Boyi and Shanghai Mopai respectively. According to the articles of association of Shanghai Boyi and Shanghai Mopai, the Group has the right to appoint one out of the three directors of these two investees and board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over these entities, and the equity method of accounting is applied. In November 2025, Shanghai Boyi entered into a share transfer agreement with the Group and Gu Hao, an individual shareholder of Shanghai Boyi, agreeing to transfer its investment in Shanghai Boyi to the Group for a consideration of RMBnil. In the same month, Shanghai Maopai entered into an equity repurchase agreement with the individual shareholder Zhao Bohua, agreeing to repurchase his total investment in Shanghai Maopai for a consideration of RMB63 million. Upon the completion of this transaction, the Group and another individual shareholder, Gu Hao, held 42.86% and 57.14% of the equity interests in Shanghai Boyi and Shanghai Maopai, respectively. According to the amended articles of association, the board of directors of Shanghai Boyi and Shanghai Maopai consists of three members: one nominated by the Group, one nominated by Gu Hao, and the third being the general manager elected by the shareholders’ meeting. Resolutions of the board are effective only if approved by more than two-thirds of all directors, including the director nominated by the Group and the director nominated by Gu Hao. As a result, the Group exercises joint control over Shanghai Boyi and Shanghai Maopai and accounts for these investments using the equity method. The Group adjusted the carrying amount of its long-term equity investments by RMB550,000, representing its share of the net equity in Shanghai Boyi and Shanghai Maopai based on the post-transaction ownership percentage, with the corresponding amount recognized in capital reserve.

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Note 9: In November 2024, the Group disposed of its 6.00% equity interest in its former subsidiaries Junhong Animal Husbandry and Junkang Animal Husbandry, respectively, to Adopt A Cow Holding Group Co., Ltd., (認養一頭牛控股集團股份有限公司) (“Adopt Group”), and accounted for the remaining investments of 45.00% equity interest as associates using the equity method. For details, please refer to Note (VII) 2. According to the articles of association of Junhong Animal Husbandry and Junkang Animal Husbandry, the Group has the right to appoint one out of the three directors and board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over the entities, and the equity method of accounting is applied.

Note 10: In June 2024, the Group acquired 10.00% equity interest in OLLO HOLDINGS LIMITED. According to the articles of association of OLLO HOLDINGS LIMITED, the Group has the right to appoint one out of the five directors and board resolutions require approval by a majority of the directors present. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.

Note 11: In 2023, pursuant to the articles of association of Zanzhuang Jiale Yuan, the Group had right to appoint three out of five directors, thereby was able to exercise control over Zanzhuang Jiale Yuan which was consolidated by the Group accordingly. In 2024, the Group’s subsidiary, Junchuang Animal Husbandry, entered into an agreement with the minority shareholders of Zanzhuang Jiale Yuan to redefine the equity proportions based on the amounts of capital actually contributed, and amended the articles of association of Zanzhuang Jiale Yuan. Pursuant to this agreement, the minority shareholders contributed RMB16,629,840.00, representing 80.61% equity interest, while Junchuang Animal Husbandry contributed RMB4,000,000.00, representing the rest of 19.39% equity interest. According to the amended articles of association of Zanzhuang Jiale Yuan, the Group has the right to appoint one out of the three directors and board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.

Note 12: The Group holds 20.00% equity interest in Jingze Supply Chain. According to the articles of association of Jingze Supply Chain, the Group has the right to appoint one out of the five directors and board resolutions require approval by a majority of all directors. Therefore, the Group does not have control or joint control over the entity, and the equity method of accounting is applied.

(2) Impairment assessment of long-term equity investments

As at 30 June 2024 (Note)

Recoverable amount is determined based on the present value of expected future cash flows.

RMB’000

Item	Carrying amount	Recoverable amount	Impairment amount	Years of the forecast period	Key parameters of the forecast period	Key parameter of the stable period	Determination basis of key parameters in the stable period
Mopai Group . .	213,056	153,300	(60,000)	5 years	1. Pre-tax discount rate: 18.10% 2. Revenue growth rate of the forecast period: (45.0%)-25.1% 3. Gross margin ratio of the forecast period: 22.8%-28.0%	1. Pre-tax discount rate: 18.10% 2. Revenue growth rate of the stable period: 2.0% 3. Gross margin ratio of the stable period: 27.8%	1. Discount rate is the discount rate before tax reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates. 3. Gross margin ratio of the stable period: comprehensively considering factors such as the forward-looking business operations, performance, key financial indicators, and market environment of the relevant asset group.

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Note: In the first half of 2024, due to the store contraction and underperformance against expectation, management identified impairment indicators for the equity investment of Mopai Group and performed an impairment test as at 30 June 2024. As at 31 December 2024, 31 December 2025 and 30 June 2026, there is no further impairment indication identified.

11. INVESTMENTS IN OTHER EQUITY INSTRUMENTS

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Shijiazhuang Luquan Rural Commercial Bank Co., Ltd. (石家 莊鹿泉農村商業銀行股份有限公 司) (“Luquan Rural Commercial Bank”)	3,359,750.00	3,359,750.00	3,359,750.00	3,359,750.00
Hebei Inatural Bio-Tech Co., Ltd. (河北一然生物科技股份有限公司) (“Inatural Bio-Tech”) (<i>Note 1</i>) . . .	74,000,000.00	81,400,000.00	81,400,000.00	81,400,000.00
Yunnan Dali Rural Commercial Bank Co., Ltd. (雲南大理市農村商 業銀行股份有限公司) (“Dali Rural Commercial Bank”)	9,190,000.00	9,190,000.00	9,190,000.00	–
Inner Mongolia National Dairy Technology Innovation Center Co., Ltd. (內蒙古國家乳業技術創 新中心有限責任公司) (“Mongolia Dairy Innovation”)	700,000.00	700,000.00	700,000.00	700,000.00
Total	<u>87,249,750.00</u>	<u>94,649,750.00</u>	<u>94,649,750.00</u>	<u>85,459,750.00</u>

Note 1: In 2023, the Group entered into share transfer agreements with individual shareholders to acquire a total of 4.93% equity interest in Inatural Bio-Tech. The Group designated the equity investment as a financial asset at fair value through other comprehensive income upon initial recognition, and presented it under investments in other equity instruments.

2023

RMB

Items	Dividend income recognised in the year	Losses for the year	Accumulated losses	Amount transferred from other comprehensive income to retained earnings for the year	Reasons for designation as equity investment at fair value through other comprehensive income	Reasons for the transfer from other comprehensive income to retained earnings for the year
Luquan Rural Commercial Bank . . .	500,962.50	–	–	–	Strategic Investment	/
Dali Lesson Dairy and Yunnan Lesson Dairy (“Lesson Dairy”) . . .	1,650,809.55	(1,755,000.00)	(1,406,000.00)	(1,406,000.00)	Strategic Investment	In July 2023, the Company obtained control of Lesson Dairy.
Total	<u>2,151,772.05</u>	<u>(1,755,000.00)</u>	<u>(1,406,000.00)</u>	<u>(1,406,000.00)</u>		

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2024

RMB

Items	Dividend income recognised in the year	Gains for the year	Accumulated gains	Amount transferred from other comprehensive income to retained earnings for the year	Reasons for designation as equity investment at fair value through other comprehensive income	Reasons for the transfer from other comprehensive income to retained earnings for the year
Luquan Rural Commercial Bank	500,962.50	-	-	-	Strategic Investment	/
Dali Rural Commercial Bank	493,081.68	-	-	-	Strategic Investment	/
Inatural Bio-Tech	-	7,400,000.00	7,400,000.00	-	Strategic Investment	/
Total	994,044.18	7,400,000.00	7,400,000.00	-		

2025

RMB

Items	Dividend income recognised in the year	Gains for the year	Accumulated gains	Amount transferred from other comprehensive income to retained earnings for the year	Reasons for designation as equity investment at fair value through other comprehensive income	Reasons for the transfer from other comprehensive income to retained earnings for the year
Luquan Rural Commercial Bank	166,987.50	-	-	-	Strategic Investment	/
Dali Rural Commercial Bank	308,176.05	-	-	-	Strategic Investment	/
Inatural Bio-Tech	1,850,000.00	-	7,400,000.00	-	Strategic Investment	/
Total	2,325,163.55	-	7,400,000.00	-		

Six months ended 30 June 2026

RMB

Items	Dividend income recognised in the period	Gains for the period	Accumulated gains	Amount transferred from other comprehensive income to retained earnings for the period	Reasons for designation as equity investment at fair value through other comprehensive income	Reasons for the transfer from other comprehensive income to retained earnings for the period
Dali Rural Commercial Bank	-	5,360,840.00	5,360,840.00	5,360,840.00	Strategic Investment	disposal
Inatural Bio-Tech	-	-	7,400,000.00	-	Strategic Investment	/
Total	-	5,360,840.00	12,760,840.00	5,360,840.00		

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ACCOUNTANTS’ REPORT

12. FIXED ASSETS

(1) Details of fixed assets

RMB

Items	Plants and buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
I. Cost					
As at 1 January 2023	5,276,577,454.99	4,747,462,680.83	206,625,840.79	89,747,020.14	10,320,412,996.75
Additions	1,156,245,045.08	1,091,798,253.87	24,992,548.79	20,159,313.01	2,293,195,160.75
(1) Purchases	21,666,905.00	92,895,989.43	21,150,346.00	16,310,898.00	152,024,138.43
(2) Transfer from construction in progress	634,759,282.02	602,132,031.26	1,043,712.47	–	1,237,935,025.75
(3) Increase from business combinations	499,818,858.06	396,770,233.18	2,798,490.32	3,848,415.01	903,235,996.57
Decreases	(88,629,296.75)	(135,988,569.89)	(8,743,085.37)	(5,868,192.89)	(239,229,144.90)
(1) Disposals or write-offs	(67,757,581.65)	(119,564,263.54)	(8,478,990.68)	(5,655,991.95)	(201,456,827.82)
(2) Transfer to construction in progress	(14,404,455.15)	(11,768,306.34)	–	–	(26,172,761.49)
(3) Disposal of subsidiaries	(6,467,259.95)	(4,656,000.01)	(264,094.69)	(212,200.94)	(11,599,555.59)
As at 31 December 2023	6,344,193,203.32	5,703,272,364.81	222,875,304.21	104,038,140.26	12,374,379,012.60
Additions	475,909,996.46	708,762,823.17	13,878,944.38	5,637,894.56	1,204,189,658.57
(1) Purchases	7,351,974.06	108,205,414.57	12,166,544.78	5,637,894.56	133,361,827.97
(2) Transfer from construction in progress	468,558,022.40	600,557,408.60	1,712,399.60	–	1,070,827,830.60
Decreases	(351,740,938.85)	(183,675,060.74)	(11,809,011.26)	(12,192,793.56)	(559,417,804.41)
(1) Disposals or write-offs	(87,269,979.09)	(98,781,157.25)	(8,724,024.59)	(4,085,090.01)	(198,860,250.94)
(2) Transfer to construction in progress	(238,085.78)	(16,705,696.70)	–	–	(16,943,782.48)
(3) Disposal of subsidiaries	(264,232,873.98)	(68,188,206.79)	(3,084,986.67)	(8,107,703.55)	(343,613,770.99)
As at 31 December 2024	6,468,362,260.93	6,228,360,127.24	224,945,237.33	97,483,241.26	13,019,150,866.76
Additions	235,792,242.87	531,412,513.42	12,072,511.97	5,925,214.03	785,202,482.29
(1) Purchases	–	60,731,854.62	10,763,665.76	5,925,214.03	77,420,734.41
(2) Transfer from construction in progress	235,792,242.87	470,680,658.80	1,308,846.21	–	707,781,747.88
Decreases	(42,625,207.44)	(255,533,424.83)	(9,796,252.72)	(4,009,640.65)	(311,964,525.64)
(1) Disposals or write-offs	(8,875,827.79)	(132,690,165.36)	(9,582,783.51)	(1,981,966.31)	(153,130,742.97)
(2) Transfer to construction in progress	(4,217,154.65)	(109,786,989.07)	–	–	(114,004,143.72)
(3) Disposal of subsidiaries	(29,532,225.00)	(13,056,270.40)	(213,469.21)	(2,027,674.34)	(44,829,638.95)
As at 31 December 2025	6,661,529,296.36	6,504,239,215.83	227,221,496.58	99,398,814.64	13,492,388,823.41
Additions	820,401,425.12	397,513,994.04	12,911,004.24	1,940,958.47	1,232,767,381.87
(1) Purchases	9,220,177.90	21,559,192.75	12,238,752.31	1,940,958.47	44,959,081.43
(2) Transfer from construction in progress	146,994,632.97	375,954,801.29	672,251.93	–	523,621,686.19
(3) Other additions	664,186,614.25	–	–	–	664,186,614.25
Decreases	(6,505,519.96)	(60,143,238.92)	(22,187,888.44)	(3,472,802.72)	(92,309,450.04)
(1) Disposals or write-offs	(6,505,519.96)	(35,506,721.59)	(22,187,888.44)	(3,472,802.72)	(67,672,932.71)
(2) Transfer to construction in progress	–	(24,636,517.33)	–	–	(24,636,517.33)
As at 30 June 2026	7,475,425,201.52	6,841,609,970.95	217,944,612.38	97,866,970.39	14,632,846,755.24

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Items	Plants and buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
II. Accumulated depreciation					
As at 1 January 2023	1,207,140,834.40	1,894,665,463.70	131,057,099.31	56,065,552.33	3,288,928,949.74
Additions	306,674,066.87	511,486,568.42	28,788,421.10	13,789,830.75	860,738,887.14
(1) Charge for the year	306,674,066.87	511,486,568.42	28,788,421.10	13,789,830.75	860,738,887.14
Decreases	(27,731,925.39)	(48,615,967.63)	(6,115,299.75)	(5,548,391.68)	(88,011,584.45)
(1) Disposals or write-offs	(21,427,655.72)	(41,583,469.95)	(6,011,368.64)	(5,468,424.56)	(74,490,918.87)
(2) Transfer to construction in progress	(6,171,108.67)	(6,587,034.00)	–	–	(12,758,142.67)
(3) Disposal of subsidiaries	(133,161.00)	(445,463.68)	(103,931.11)	(79,967.12)	(762,522.91)
As at 31 December 2023	1,486,082,975.88	2,357,536,064.49	153,730,220.66	64,306,991.40	4,061,656,252.43
Additions	333,237,654.44	588,642,021.47	29,674,440.85	14,393,966.62	965,948,083.38
(1) Charge for the year	333,237,654.44	588,642,021.47	29,674,440.85	14,393,966.62	965,948,083.38
Decreases	(94,032,952.13)	(93,095,143.79)	(7,926,884.79)	(9,090,346.67)	(204,145,327.38)
(1) Disposals or write-offs	(47,057,506.88)	(63,095,683.48)	(5,709,507.26)	(2,982,191.71)	(118,844,889.33)
(2) Transfer to construction in progress	(153,409.85)	(5,319,556.18)	–	–	(5,472,966.03)
(3) Disposal of subsidiaries	(46,822,035.40)	(24,679,904.13)	(2,217,377.53)	(6,108,154.96)	(79,827,472.02)
As at 31 December 2024	1,725,287,678.19	2,853,082,942.17	175,477,776.72	69,610,611.35	4,823,459,008.43
Additions	334,131,515.81	561,216,666.14	21,174,066.26	12,255,672.80	928,777,921.01
(1) Charge for the year	334,131,515.81	561,216,666.14	21,174,066.26	12,255,672.80	928,777,921.01
Decreases	(6,213,591.27)	(137,361,776.06)	(9,234,462.67)	(2,181,192.07)	(154,991,022.07)
(1) Disposals or write-offs	(4,892,167.97)	(88,683,553.23)	(9,166,864.80)	(1,784,060.12)	(104,526,646.12)
(2) Transfer to construction in progress	(492,752.84)	(48,088,536.67)	–	–	(48,581,289.51)
(3) Disposal of subsidiaries	(828,670.46)	(589,686.16)	(67,597.87)	(397,131.95)	(1,883,086.44)
As at 31 December 2025	2,053,205,602.73	3,276,937,832.25	187,417,380.31	79,685,092.08	5,597,245,907.37
Additions	173,880,634.69	281,074,044.51	15,324,767.10	5,038,045.40	475,317,491.70
(1) Charge for the period	173,880,634.69	281,074,044.51	15,324,767.10	5,038,045.40	475,317,491.70
Decreases	(5,836,230.41)	(40,316,353.84)	(21,451,098.55)	(3,168,314.82)	(70,771,997.62)
(1) Disposals or write-offs	(5,836,230.41)	(24,651,457.17)	(21,451,098.55)	(3,168,314.82)	(55,107,100.95)
(2) Transfer to construction in progress	–	(15,664,896.67)	–	–	(15,664,896.67)
As at 30 June 2026	2,221,250,007.01	3,517,695,522.92	181,291,048.86	81,554,822.66	6,001,791,401.45
III. Provision for impairment					
As at 1 January 2023	–	223,323,425.60	–	–	223,323,425.60
Additions	–	14,336,801.33	–	–	14,336,801.33
(1) Charge for the year	–	14,336,801.33	–	–	14,336,801.33
Decreases	–	(52,462,338.19)	–	–	(52,462,338.19)
(1) Write-off	–	(52,462,338.19)	–	–	(52,462,338.19)
As at 31 December 2023	–	185,197,888.74	–	–	185,197,888.74
Additions	–	27,468,276.44	–	–	27,468,276.44
(1) Charge for the year	–	27,468,276.44	–	–	27,468,276.44
Decreases	–	(10,437,734.99)	–	–	(10,437,734.99)
(1) Write-off	–	(10,437,734.99)	–	–	(10,437,734.99)
As at 31 December 2024	–	202,228,430.19	–	–	202,228,430.19
Additions	–	4,139,630.28	–	–	4,139,630.28
(1) Charge for the year	–	4,139,630.28	–	–	4,139,630.28
Decreases	–	(62,466,324.03)	–	–	(62,466,324.03)
(1) Write-off	–	(32,925,998.63)	–	–	(32,925,998.63)
(2) Transfer to construction in progress	–	(29,540,325.40)	–	–	(29,540,325.40)

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Items	Plants and buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
As at 31 December 2025 . . .	–	143,901,736.44	–	–	143,901,736.44
Additions	–	7,992,199.14	–	–	7,992,199.14
(1) Charge for the period . . .	–	7,992,199.14	–	–	7,992,199.14
Decreases	–	(6,231,675.35)	–	–	(6,231,675.35)
(1) Write-off	–	(2,817,716.40)	–	–	(2,817,716.40)
(2) Transfer to construction in progress	–	(3,413,958.95)	–	–	(3,413,958.95)
As at 30 June 2026	–	145,662,260.23	–	–	145,662,260.23
IV. Carrying amount					
As at 31 December 2023 . . .	4,858,110,227.44	3,160,538,411.58	69,145,083.55	39,731,148.86	8,127,524,871.43
As at 31 December 2024 . . .	4,743,074,582.74	3,173,048,754.88	49,467,460.61	27,872,629.91	7,993,463,428.14
As at 31 December 2025 . . .	4,608,323,693.63	3,083,399,647.14	39,804,116.27	19,713,722.56	7,751,241,179.60
As at 30 June 2026	5,254,175,194.51	3,178,252,187.80	36,653,563.52	16,312,147.73	8,485,393,093.56

(2) Temporarily idle fixed assets

As at 31 December 2023

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment . . .	328,276,953.98	(136,633,196.19)	(181,511,084.70)	10,132,673.09

As at 31 December 2024

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment . . .	343,586,129.43	(137,960,106.75)	(193,994,670.94)	11,631,351.74

As at 31 December 2025

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment . . .	210,533,942.51	(79,986,324.40)	(123,225,311.19)	7,322,306.92

As at 30 June 2026

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment . . .	182,047,112.00	(63,679,656.85)	(111,747,801.07)	6,619,654.08

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(3) Fixed assets leased out under operating leases

As at 31 December 2023

RMB

Items	Cost	Accumulated depreciation	Carrying amount
Plants and buildings	78,141,180.65	(32,880,636.89)	45,260,543.76
Machinery and equipment	9,663,588.91	(6,996,259.64)	2,667,329.27
Total	87,804,769.56	(39,876,896.53)	47,927,873.03

As at 31 December 2024

RMB

Items	Cost	Accumulated depreciation	Carrying amount
Plants and buildings	155,308,640.56	(58,411,744.96)	96,896,895.60
Machinery and equipment	22,977,655.23	(10,221,507.08)	12,756,148.15
Total	178,286,295.79	(68,633,252.04)	109,653,043.75

As at 31 December 2025

RMB

Items	Cost	Accumulated depreciation	Carrying amount
Plants and buildings	154,252,132.72	(57,222,476.79)	97,029,655.93
Machinery and equipment	26,539,248.52	(11,844,343.75)	14,694,904.77
Total	180,791,381.24	(69,066,820.54)	111,724,560.70

As at 30 June 2026

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Plants and buildings	171,250,016.99	(58,415,762.24)	–	112,834,254.75
Machinery and equipment	32,120,367.88	(17,001,579.94)	(1,633,575.40)	13,485,212.54
Total	203,370,384.87	(75,417,342.18)	(1,633,575.40)	126,319,467.29

(4) Fixed assets pending certificates of ownership

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026	Reason why the certificates of ownership is not completed
Plants and buildings	665,652,011.82	303,257,497.25	95,225,709.04	173,474,645.66	In process

Note: As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group’s fixed assets with restricted ownership are set out in Note (VI) 21.

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13. CONSTRUCTION IN PROGRESS

(1) Details of construction in progress:

Items	31 December 2023				31 December 2024				31 December 2025				30 June 2026				RMB
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	
Construction in progress . . .	530,338,998.39	–	530,338,998.39	363,436,331.39	–	363,436,331.39	447,246,338.34	–	447,246,338.34	235,379,552.84	–	235,379,552.84	235,379,552.84	–	235,379,552.84	–	
Total	530,338,998.39	–	530,338,998.39	363,436,331.39	–	363,436,331.39	447,246,338.34	–	447,246,338.34	235,379,552.84	–	235,379,552.84	235,379,552.84	–	235,379,552.84	–	

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

2023

Project	Budget amount	1 January 2023	Additions	Transfer to fixed assets	Transfer to intangible assets	31 December 2023	The proportion of accumulated project investment to the budget (%)	Accumulated amount of capitalised interest	Including: Capitalised interest for the year	Interest capitalisation rate for the year (%)	Source of funds
Leyuan Junfeng Dairy Farm Project	328,010,000.00	47,801,861.17	173,495,075.24	(148,746,056.13)	–	72,550,880.28	76.93	3,677,136.48	3,677,136.48	4.2	Own funds/ Bank loans
Leyuan Junhui Dairy Farm Project	215,452,000.00	36,475,921.98	140,413,153.31	(171,086,582.28)	(38,000.00)	5,764,493.01	99.94	725,367.08	725,367.08	4.5	Own funds/ Bank loans
Tianchang Dairy Farm Project	245,860,000.00	–	19,828,243.61	–	–	19,828,243.61	8.06	–	–	–	Own funds
Zhengyang Phase II Fresh Milk Project	222,703,020.52	36,911,376.73	157,751,000.04	(150,483,756.58)	–	44,178,620.19	87.41	762,797.93	762,797.93	3.4-3.6	Own funds/ Bank loans
Total	1,012,025,020.52	121,189,159.88	491,487,472.20	(470,316,394.99)	(38,000.00)	142,322,237.09		5,165,301.49	5,165,301.49		

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2024

Project	Budget amount	1 January 2024	Additions	Transfer to fixed assets	31 December 2024	The proportion of accumulated project investment to the budget (%)	Accumulated amount of capitalised interest	Including: Capitalised interest for the year	Interest capitalisation rate for the year (%)	Source of funds
										RMB
Zhengyang Phase II Fresh Milk Project . . .	222,703,020.52	44,178,620.19	22,103,992.97	(66,282,613.16)	–	97.33	813,394.90	50,596.97	3.4-3.6	Own funds/ Bank loans
Tianchang Dairy Farm Project	245,860,000.00	19,828,243.61	98,558,409.33	(93,468,543.80)	24,918,109.14	48.15	–	–	–	Own funds
Leyuan Junfeng Dairy Farm Project	328,010,000.00	72,550,880.28	53,217,704.80	(124,618,582.86)	1,150,002.22	93.15	8,436,803.28	4,759,666.80	4.2	Own funds/ Bank loans
Total	796,573,020.52	136,557,744.08	173,880,107.10	(284,369,739.82)	26,068,111.36		9,250,198.18	4,810,263.77		

2025

Project	Budget amount	1 January 2025	Additions	Transfer to fixed assets	31 December 2025	The proportion of accumulated project investment to the budget (%)	Accumulated amount of capitalised interest	Including: Capitalised interest for the year	Interest capitalisation rate for the year (%)	Source of funds
										RMB
Tianchang Dairy Farm Project	245,860,000.00	24,918,109.14	9,093,694.69	(454,686.00)	33,557,117.83	51.85	–	–	–	Own funds
Jiangmen Facility Phase I Project	390,965,936.02	2,840,985.82	229,597,059.84	–	232,438,045.66	59.45	840,761.18	840,761.18	2.7	Own funds/ Bank loans
Total	636,825,936.02	27,759,094.96	238,690,754.53	(454,686.00)	265,995,163.49		840,761.18	840,761.18		

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Six months ended 30 June 2026

Project	Budget amount	1 January 2026	Additions	Transfer to fixed assets	30 June 2026	The proportion of accumulated project investment to the budget (%)	Accumulated amount of capitalised interest	Including: Capitalised interest for the period	Interest capitalisation rate for the period (%)	Source of funds
Jiangmen Facility Phase I Project	437,028,938.37	232,438,045.66	110,401,453.03	(315,738,183.38)	27,101,315.31	78.45	2,473,397.85	1,632,636.67	2.7	Own funds/ Bank loans
Tianchang Dairy Farm Project	245,860,000.00	33,557,117.83	8,845,264.91	(2,091,355.28)	40,311,027.46	55.45	–	–	–	Own funds
Tianchang Factory Industrial Base Construction Project	549,784,981.95	53,091.33	16,368,829.62	(245,871.56)	16,176,049.39	2.99	45,797.73	45,797.73	2.7	Own funds/ Bank loans
Total	1,232,673,920.32	266,048,254.82	135,615,547.56	(318,075,410.22)	83,588,392.16		2,519,195.58	1,678,434.40		

RMB

APPENDIX I

ACCOUNTANTS’ REPORT

14. PRODUCTIVE BIOLOGICAL ASSETS

(1) Productive biological assets measured at cost

RMB

	Animal husbandry		Breeding bulls		Total
	Immature	Mature	Immature	Mature	
I. Cost					
As at 1 January 2023	2,024,630,338.65	1,822,694,029.16	3,677,500.00	16,060,685.28	3,867,062,553.09
Additions	2,355,862,699.91	1,275,803,360.37	23,205,878.94	2,990,340.72	3,657,862,279.94
(1) Purchases	385,132,351.22	–	150,000.00	2,990,340.72	388,272,691.94
(2) Rearing costs	1,921,945,142.11	–	23,055,878.94	–	1,945,001,021.05
(3) Transfer-in increase	–	1,225,410,566.95	–	–	1,225,410,566.95
(4) Increase from business combinations	48,785,206.58	50,392,793.42	–	–	99,178,000.00
Decreases	(1,487,670,507.13)	(566,545,586.65)	(26,883,378.94)	(19,051,026.00)	(2,100,150,498.72)
(1) Disposals	(260,534,655.08)	(566,545,586.65)	(1,322,176.40)	(6,549,529.60)	(834,951,947.73)
(2) Transfer-out decrease	(1,225,410,566.95)	–	–	–	(1,225,410,566.95)
(3) Disposal of subsidiaries	–	–	(25,561,202.54)	(12,501,496.40)	(38,062,698.94)
(4) Transfer-out of beef cattle	(1,725,285.10)	–	–	–	(1,725,285.10)
As at 31 December 2023	2,892,822,531.43	2,531,951,802.88	–	–	5,424,774,334.31
Additions	1,861,091,120.55	2,157,248,690.15	–	–	4,018,339,810.70
(1) Purchases	32,477,964.11	–	–	–	32,477,964.11
(2) Rearing costs	1,828,613,156.44	–	–	–	1,828,613,156.44
(3) Transfer-in increase	–	2,157,248,690.15	–	–	2,157,248,690.15
Decreases	(2,664,640,072.15)	(1,171,552,594.91)	–	–	(3,836,192,667.06)
(1) Disposals	(221,535,073.02)	(805,464,975.79)	–	–	(1,027,000,048.81)
(2) Transfer-out decrease	(2,157,248,690.15)	–	–	–	(2,157,248,690.15)
(3) Disposal of subsidiaries	(285,856,308.98)	(366,087,619.12)	–	–	(651,943,928.10)
As at 31 December 2024	2,089,273,579.83	3,517,647,898.12	–	–	5,606,921,477.95
Additions	1,713,984,300.41	1,247,890,211.79	–	–	2,961,874,512.20
(1) Purchases	36,082,423.56	1,380,280.28	–	–	37,462,703.84
(2) Rearing costs	1,677,901,876.85	–	–	–	1,677,901,876.85
(3) Transfer-in increase	–	1,246,509,931.51	–	–	1,246,509,931.51
Decreases	(1,496,575,100.44)	(1,072,545,690.84)	–	–	(2,569,120,791.28)
(1) Disposals	(207,210,238.22)	(1,050,460,524.70)	–	–	(1,257,670,762.92)
(2) Transfer-out decrease	(1,246,509,931.51)	–	–	–	(1,246,509,931.51)
(3) Disposal of subsidiaries	(42,854,930.71)	(22,085,166.14)	–	–	(64,940,096.85)
As at 31 December 2025	2,306,682,779.80	3,692,992,419.07	–	–	5,999,675,198.87
Additions	866,889,106.95	701,714,338.27	–	–	1,568,603,445.22
(1) Purchases	16,546,818.32	–	–	–	16,546,818.32
(2) Rearing costs	850,342,288.63	–	–	–	850,342,288.63
(3) Transfer-in increase	–	701,714,338.27	–	–	701,714,338.27
Decreases	(828,785,095.49)	(644,637,411.04)	–	–	(1,473,422,506.53)
(1) Disposals	(127,070,757.22)	(644,637,411.04)	–	–	(771,708,168.26)
(2) Transfer-out decrease	(701,714,338.27)	–	–	–	(701,714,338.27)
(3) Disposal of subsidiaries	–	–	–	–	–
As at 30 June 2026	2,344,786,791.26	3,750,069,346.30	–	–	6,094,856,137.56
II. Accumulated depreciation					
As at 1 January 2023	–	432,665,508.76	–	1,939,406.47	434,604,915.23
Additions	–	323,284,323.87	–	7,735,545.38	331,019,869.25
(1) Charge for the year	–	323,284,323.87	–	7,735,545.38	331,019,869.25
Decreases	–	(187,065,611.22)	–	(9,674,951.85)	(196,740,563.07)

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	Animal husbandry		Breeding bulls		Total
	Immature	Mature	Immature	Mature	
(1) Disposals	–	(187,065,611.22)	–	(2,858,800.71)	(189,924,411.93)
(2) Disposal of subsidiaries . .	–	–	–	(6,816,151.14)	(6,816,151.14)
As at 31 December 2023 . . .	–	568,884,221.41	–	–	568,884,221.41
Additions	–	496,948,083.73	–	–	496,948,083.73
(1) Charge for the year	–	496,948,083.73	–	–	496,948,083.73
Decreases	–	(368,061,742.29)	–	–	(368,061,742.29)
(1) Disposals	–	(262,891,853.19)	–	–	(262,891,853.19)
(2) Disposal of subsidiaries . .	–	(105,169,889.10)	–	–	(105,169,889.10)
As at 31 December 2024 . . .	–	697,770,562.85	–	–	697,770,562.85
Additions	–	549,717,077.67	–	–	549,717,077.67
(1) Charge for the year	–	549,717,077.67	–	–	549,717,077.67
Decreases	–	(347,492,064.13)	–	–	(347,492,064.13)
(1) Disposals	–	(347,027,808.65)	–	–	(347,027,808.65)
(2) Disposal of subsidiaries . .	–	(464,255.48)	–	–	(464,255.48)
As at 31 December 2025 . . .	–	899,995,576.39	–	–	899,995,576.39
Additions	–	275,591,993.48	–	–	275,591,993.48
(1) Charge for the period . . .	–	275,591,993.48	–	–	275,591,993.48
Decreases	–	(211,968,383.07)	–	–	(211,968,383.07)
(1) Disposals	–	(211,968,383.07)	–	–	(211,968,383.07)
As at 30 June 2026	–	963,619,186.80	–	–	963,619,186.80
III. Provision for impairment					
As at 1 January 2023	640,000.00	900,000.00	–	–	1,540,000.00
(1) Charge for the year	76,840,000.00	20,390,000.00	–	1,217,093.14	98,447,093.14
(2) Write-off for the year . . .	(510,000.00)	(780,000.00)	–	–	(1,290,000.00)
(3) Disposal of subsidiaries . .	–	–	–	(1,217,093.14)	(1,217,093.14)
As at 31 December 2023 . . .	76,970,000.00	20,510,000.00	–	–	97,480,000.00
(1) Charge for the year	19,080,000.00	15,990,000.00	–	–	35,070,000.00
(2) Transfer-in increase	–	26,038,742.72	–	–	26,038,742.72
(3) Transfer-out decrease . . .	(26,038,742.72)	–	–	–	(26,038,742.72)
(4) Write-off for the year . . .	(15,736,509.79)	(4,000,349.05)	–	–	(19,736,858.84)
As at 31 December 2024 . . .	54,274,747.49	58,538,393.67	–	–	112,813,141.16
(1) Charge for the year	–	28,631,939.43	–	–	28,631,939.43
(2) Transfer-in increase	–	27,185,683.93	–	–	27,185,683.93
(3) Transfer-out decrease . . .	(27,185,683.93)	–	–	–	(27,185,683.93)
(4) Write-off for the year . . .	(15,459,107.21)	(34,133,858.46)	–	–	(49,592,965.67)
As at 31 December 2025 . . .	11,629,956.35	80,222,158.57	–	–	91,852,114.92
(1) Charge for the period . . .	240,000.00	3,280,000.00	–	–	3,520,000.00
(2) Transfer-in increase	–	9,881,092.98	–	–	9,881,092.98
(3) Transfer-out decrease . . .	(9,881,092.98)	–	–	–	(9,881,092.98)
(4) Write-off for the period . .	(334,616.98)	(15,652,939.61)	–	–	(15,987,556.59)
As at 30 June 2026	1,654,246.39	77,730,311.94	–	–	79,384,558.33
IV. Carrying amount					
As at 31 December 2023 . . .	2,815,852,531.43	1,942,557,581.47	–	–	4,758,410,112.90
As at 31 December 2024 . . .	2,034,998,832.34	2,761,338,941.60	–	–	4,796,337,773.94
As at 31 December 2025 . . .	2,295,052,823.45	2,712,774,684.11	–	–	5,007,827,507.56
As at 30 June 2026	2,343,132,544.87	2,708,719,847.56	–	–	5,051,852,392.43

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As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no productive biological assets with restricted ownership.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group owned 81,146 heads, 95,960 heads, 97,818 heads and 100,858 heads of milkable cows, respectively, and 104,959 heads, 91,454 heads, 97,927 heads and 97,473 heads of calves and heifers, respectively.

(2) Impairment assessment of productive biological assets measured at cost

The Group identifies the indicators of impairment for productive biological assets by assessing whether the productive biological assets were affected by natural disasters or animal diseases, and also considering the factors such as productivity issues of the cattle herd and the market operating environment. If the impairment indicators for productive biological assets arise from natural disasters, diseases or other similar causes, such productive biological assets are usually disposed of subsequently. Accordingly, the Group performs impairment tests on an individual asset basis, and the recoverable amount was determined based on fair value less costs of disposal. If the impairment indicators for productive biological assets arise from causes such as the productivity issues of the cattle herd, the Group performs impairment tests on an asset group basis (i.e. each asset group represents the mature or immature cattle herd of a relevant ranch). The recoverable amount is determined based on the higher of the present value of expected future cash flows and fair value less costs of disposal.

The recoverable amount is determined based on fair value less costs to disposal.

As at 31 December 2023

RMB’000

Items	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and costs to disposal	Key parameter	Determination basis of key parameter
Immature productive biological assets . . .	49,400	34,000	(15,400)	Based on a comprehensive assessment of market factors, including cattle sale prices.	Market factors, such as cattle sale prices	Market price of the beef cattle was ranged from RMB9,408 per head to RMB15,669 per head, determined by reference to the local market selling price.
Mature productive biological assets . . .	5,970	3,380	(2,590)			Market price of the 14-month-old heifers was RMB22,800 per head, determined by reference to the local market selling price.
	=====	=====	=====			

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As at 31 December 2024

RMB’000

Items	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and costs to disposal	Key parameter	Determination basis of key parameter
Immature productive biological assets . . .	54,978	45,972	(9,950)	Based on a comprehensive assessment of market factors, including cattle sale prices.	Market factors, such as cattle sale prices	Market price of the beef cattle was ranged from RMB5,423 per head to RMB13,892 per head, determined by reference to the local market selling price. Market price of the 14-month-old heifers was RMB22,000 per head, determined by reference to the local market selling price.
Mature productive biological assets . . .	11,887	6,603	(5,290)			
	=====	=====	=====			

As at 31 December 2025

RMB’000

Items	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and costs to disposal	Key parameter	Determination basis of key parameter
Mature productive biological assets . . .	45,571	26,181	(28,632)	Based on a comprehensive assessment of market factors, including cattle sale prices.	Market factors, such as cattle sale prices	Market price of the beef cattle was ranged from RMB8,388 per head to RMB15,334 per head, determined by reference to the local market selling price.
	=====	=====	=====			

As at 30 June 2026

RMB’000

Items	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and costs to disposal	Key parameter	Determination basis of key parameter
Immature productive biological assets . . .	300	60	(240)	Based on a comprehensive assessment of market factors, including cattle sale prices.	Market factors, such as cattle sale prices	Market price of the beef cattle was ranged from RMB6,876 per head to RMB15,114 per head, determined by reference to the local market selling price.
Mature productive biological assets . . .	5,290	2,010	(3,280)			
	=====	=====	=====			

Recoverable amount is determined based on the present value of expected future cash flows.

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As at 31 December 2023

RMB’000

Items	Carrying amount	Recoverable amount	Impairment amount	Years of the forecast period	Key parameters of the forecast period	Key parameter of the stable period	Determination basis of key parameters in the stable period
Immature productive biological assets . .	507,570	446,130	(61,440)	The period required to raise immature cattle to maturity and the estimated productive lifespan of milkable cows.	Estimated average future price of raw milk was ranged from RMB4.06 per kg to RMB4.61 per kg, taking into account the management’s experience and knowledge of market conditions.	/	/
Mature productive biological assets . .	86,200	68,400	(17,800)		Estimated feed costs per kg of raw milk were ranged from RMB1.98 to RMB2.33, based on the historical average feed costs per kg of raw milk after taking into consideration of inflation. A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield at each lactation cycle was ranged from 23.13 kg to 35.29 kg, depending on the number of the lactation cycles and the individual physical condition. Discount rate for estimated future cash flows used was 13%, taking into account the weighted average cost of capital determined using a capital asset pricing model.		
	=====	=====	=====				

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ACCOUNTANTS’ REPORT

As at 31 December 2024

RMB’000

Items	Carrying amount	Recoverable amount	Impairment amount	Years of the forecast period	Key parameters of the forecast period	Key parameter of the stable period	Determination basis of key parameters in the stable period
Immature productive biological assets . .	378,827	369,731	(9,130)	The period required to raise immature cattle to maturity and the estimated productive lifespan of milkable cows	Estimated average future price of raw milk was ranged from RMB4.06 per kg to RMB4.70 per kg, taking into account the management’s experience and knowledge of market conditions.	/	/
Mature productive biological assets . .	699,805	755,729	(10,700)		Estimated feed costs per kg of raw milk were ranged from RMB2.21 to RMB2.24, based on the historical average feed costs per kg of raw milk after taking into consideration of inflation. A milkable cow could have as many as six lactation cycles. Estimated average daily milk yield at each lactation cycle was ranged from 23.32 kg to 35.03 kg, depending on the number of the lactation cycles and the individual physical condition. Discount rate for estimated future cash flows used was 12.60%, taking into account the weighted average cost of capital determined using a capital asset pricing model.		
	=====	=====	=====				

Note: As at 31 December 2025 and 30 June 2026, the Group had not identified productive biological assets that needed to recognise impairments based on the present value of expected future cash flows.

APPENDIX I

ACCOUNTANTS’ REPORT

15. RIGHT-OF-USE ASSETS

RMB

Items	Buildings	Land use rights	Equipment	Total
I. Cost				
As at 1 January 2023	201,917,165.78	350,503,383.48	82,741,987.33	635,162,536.59
Additions	9,765,318.08	81,333,334.81	—	91,098,652.89
(1) New leases commenced . .	8,483,787.69	59,558,125.89	—	68,041,913.58
(2) Lease modifications	—	3,386,358.00	—	3,386,358.00
(3) Business combination . . .	1,281,530.39	18,388,850.92	—	19,670,381.31
Decreases	(1,784,463.96)	(29,149,558.65)	(5,232,219.06)	(36,166,241.67)
(1) Termination of lease	—	(5,494,006.16)	—	(5,494,006.16)
(2) Lease modifications	—	(5,139,081.28)	—	(5,139,081.28)
(3) Remeasurement	—	(4,600,823.33)	—	(4,600,823.33)
(4) Disposal of subsidiaries . .	(1,338,066.15)	(1,780,269.81)	(1,361,921.06)	(4,480,257.02)
(5) Lease expiration	(446,397.81)	(12,135,378.07)	(3,870,298.00)	(16,452,073.88)
As at 31 December 2023 . . .	209,898,019.90	402,687,159.64	77,509,768.27	690,094,947.81
Additions	131,529,494.18	52,555,361.86	10,272,489.71	194,357,345.75
(1) New leases commenced . .	131,529,494.18	52,352,706.41	10,272,489.71	194,154,690.30
(2) Lease modifications	—	202,655.45	—	202,655.45
Decreases	(137,280,925.88)	(48,544,725.36)	(76,652,976.91)	(262,478,628.15)
(1) Termination of lease	(4,886,685.92)	(10,322,760.28)	(2,313,029.26)	(17,522,475.46)
(2) Lease modifications	(1,123,091.11)	(12,399,624.53)	—	(13,522,715.64)
(3) Disposal of subsidiaries . .	(128,601,936.22)	(13,860,168.19)	(74,075,018.86)	(216,537,123.27)
(4) Remeasurement	—	(6,117,007.83)	—	(6,117,007.83)
(5) Lease expiration	(2,669,212.63)	(5,845,164.53)	(264,928.79)	(8,779,305.95)
As at 31 December 2024 . . .	204,146,588.20	406,697,796.14	11,129,281.07	621,973,665.41
Additions	19,386,770.11	37,071,698.62	8,199,571.74	64,658,040.47
(1) New leases commenced . .	19,386,770.11	37,071,698.62	8,199,571.74	64,658,040.47
Decreases	(3,033,661.87)	(18,191,085.43)	(2,488,268.61)	(23,713,015.91)
(1) Termination of lease	(651,009.75)	(3,038,925.21)	—	(3,689,934.96)
(2) Disposal of subsidiaries . .	—	(3,475,267.64)	—	(3,475,267.64)
(3) Remeasurement	—	(3,834,609.98)	—	(3,834,609.98)
(4) Lease expiration	(2,382,652.12)	(1,412,879.85)	—	(3,795,531.97)
(5) Finance sublease	—	(6,429,402.75)	(2,488,268.61)	(8,917,671.36)
As at 31 December 2025 . . .	220,499,696.44	425,578,409.33	16,840,584.20	662,918,689.97
Additions	12,013,204.59	4,348,289.23	—	16,361,493.82
(1) New leases commenced . .	12,013,204.59	4,348,289.23	—	16,361,493.82
Decreases	(10,803,421.91)	(5,289,154.30)	—	(16,092,576.21)
(1) Lease expiration	(10,803,421.91)	(5,289,154.30)	—	(16,092,576.21)
As at 30 June 2026	221,709,479.12	424,637,544.26	16,840,584.20	663,187,607.58
II. Accumulated depreciation				
1 January 2023	26,202,997.35	49,302,348.99	14,993,048.28	90,498,394.62
Additions	18,831,307.87	36,180,541.79	6,145,418.65	61,157,268.31
(1) Charge for the year	18,831,307.87	36,180,541.79	6,145,418.65	61,157,268.31
Decreases	(690,844.30)	(15,294,181.98)	(4,397,917.04)	(20,382,943.32)
(1) Termination of lease	—	(1,715,341.91)	—	(1,715,341.91)
(2) Disposal of subsidiaries . .	(244,446.49)	(1,443,462.00)	(527,619.04)	(2,215,527.53)
(3) Lease expiration	(446,397.81)	(12,135,378.07)	(3,870,298.00)	(16,452,073.88)
As at 31 December 2023 . . .	44,343,460.92	70,188,708.80	16,740,549.89	131,272,719.61

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Items	Buildings	Land use rights	Equipment	Total
Additions	23,093,233.09	36,904,530.44	7,633,691.43	67,631,454.96
(1) Charge for the year	23,093,233.09	36,904,530.44	7,633,691.43	67,631,454.96
Decreases	(43,466,050.48)	(11,888,052.61)	(22,133,087.90)	(77,487,190.99)
(1) Termination of lease	(3,193,406.59)	(3,457,316.49)	(1,340,771.40)	(7,991,494.48)
(2) Lease modifications	(597,361.81)	(732,789.77)	–	(1,330,151.58)
(3) Disposal of subsidiaries . .	(37,006,069.45)	(1,852,781.82)	(20,527,387.71)	(59,386,238.98)
(4) Lease expiration	(2,669,212.63)	(5,845,164.53)	(264,928.79)	(8,779,305.95)
As at 31 December 2024 . . .	23,970,643.53	95,205,186.63	2,241,153.42	121,416,983.58
Additions	20,270,592.25	37,433,856.11	2,398,967.12	60,103,415.48
(1) Charge for the year	20,270,592.25	37,433,856.11	2,398,967.12	60,103,415.48
Decreases	(2,644,581.52)	(3,152,036.90)	(56,232.04)	(5,852,850.46)
(1) Termination of lease	(261,929.40)	(685,062.37)	–	(946,991.77)
(2) Disposal of subsidiaries . .	–	(381,446.31)	–	(381,446.31)
(3) Lease expiration	(2,382,652.12)	(1,412,879.85)	–	(3,795,531.97)
(4) Finance sublease	–	(672,648.37)	(56,232.04)	(728,880.41)
As at 31 December 2025 . . .	41,596,654.26	129,487,005.84	4,583,888.50	175,667,548.60
Additions	7,686,707.63	20,384,992.85	1,447,207.74	29,518,908.22
(1) Charge for the period . . .	7,686,707.63	20,384,992.85	1,447,207.74	29,518,908.22
Decreases	(6,176,211.05)	(5,289,154.30)	–	(11,465,365.35)
(1) Lease expiration	(6,176,211.05)	(5,289,154.30)	–	(11,465,365.35)
As at 30 June 2026	43,107,150.84	144,582,844.39	6,031,096.24	193,721,091.47
III. Carrying amount				
As at 31 December 2023 . . .	165,554,558.98	332,498,450.84	60,769,218.38	558,822,228.20
As at 31 December 2024 . . .	180,175,944.67	311,492,609.51	8,888,127.65	500,556,681.83
As at 31 December 2025 . . .	178,903,042.18	296,091,403.49	12,256,695.70	487,251,141.37
As at 30 June 2026	178,602,328.28	280,054,699.87	10,809,487.96	469,466,516.11

For the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026, the lease expenses included in profit or loss under simplified approach were RMB18,702,717.56, RMB20,552,350.47, RMB28,003,871.03, RMB13,070,222.95 and RMB16,241,682.24, respectively.

For the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026, the total cash outflows related to leases were RMB89,218,113.24, RMB114,298,202.64, RMB118,939,236.38, RMB64,465,890.68 and RMB53,897,395.83, respectively.

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16. INTANGIBLE ASSETS

(1) Details of intangible assets

RMB

Items	Land use rights	Computer software	Patent and non-patented technology	Trademarks	Others	Total
I. Cost						
As at 1 January 2023	428,807,384.58	94,058,139.71	141,037,295.61	4,241,211.64	5,006,800.00	673,150,831.54
Additions	181,936,328.04	30,663,327.89	79,300,761.39	508,137,199.96	–	800,037,617.28
(1) Purchases	26,254,041.42	11,066,934.79	20,761.39	157,199.96	–	37,498,937.56
(2) Transfer from construction in progress	–	17,466,024.58	–	–	–	17,466,024.58
(3) Increase from business combinations	155,682,286.62	2,130,368.52	79,280,000.00	507,980,000.00	–	745,072,655.14
Decreases	–	(1,360,212.61)	–	–	–	(1,360,212.61)
(1) Disposals	–	(1,360,212.61)	–	–	–	(1,360,212.61)
As at 31 December 2023	610,743,712.62	123,361,254.99	220,338,057.00	512,378,411.60	5,006,800.00	1,471,828,236.21
Additions	–	58,270,236.57	–	–	–	58,270,236.57
(1) Purchases	–	22,457,827.84	–	–	–	22,457,827.84
(2) Transfer from construction in progress	–	35,812,408.73	–	–	–	35,812,408.73
Decreases	–	(4,948,590.53)	–	–	–	(4,948,590.53)
(1) Disposals	–	(4,183,785.53)	–	–	–	(4,183,785.53)
(2) Disposal of subsidiaries	–	(764,805.00)	–	–	–	(764,805.00)
As at 31 December 2024	610,743,712.62	176,682,901.03	220,338,057.00	512,378,411.60	5,006,800.00	1,525,149,882.25
Additions	59,146,608.45	52,572,282.13	–	297,169.81	–	112,016,060.39
(1) Purchases	59,146,608.45	4,568,976.12	–	297,169.81	–	64,012,754.38
(2) Transfer from construction in progress	–	48,003,306.01	–	–	–	48,003,306.01
Decreases	–	(2,787,551.09)	–	–	(5,000,000.00)	(7,787,551.09)
(1) Disposals	–	(2,186,501.09)	–	–	(5,000,000.00)	(7,186,501.09)
(2) Disposal of subsidiaries	–	(601,050.00)	–	–	–	(601,050.00)
As at 31 December 2025	669,890,321.07	226,467,632.07	220,338,057.00	512,675,581.41	6,800.00	1,629,378,391.55
Additions	–	13,168,914.10	4,624,000.00	40,700.00	–	17,833,614.10
(1) Purchases	–	2,145,961.06	4,624,000.00	40,700.00	–	6,810,661.06
(2) Transfer from construction in progress	–	11,022,953.04	–	–	–	11,022,953.04
Decreases	–	(4,010,536.74)	–	–	–	(4,010,536.74)
(1) Disposals	–	(4,010,536.74)	–	–	–	(4,010,536.74)
As at 30 June 2026	669,890,321.07	235,626,009.43	224,962,057.00	512,716,281.41	6,800.00	1,643,201,468.91
II. Accumulated amortisation						
As at 1 January 2023	50,774,403.45	59,527,927.99	275,290.01	1,219,388.51	4,842,416.23	116,639,426.19
Additions	11,480,698.52	13,298,304.38	17,289,696.46	365,005.54	123,287.83	42,556,992.73
(1) Charge for the year	11,480,698.52	13,298,304.38	17,289,696.46	365,005.54	123,287.83	42,556,992.73
Decreases	–	(1,360,212.61)	–	–	–	(1,360,212.61)
(1) Disposals	–	(1,360,212.61)	–	–	–	(1,360,212.61)
As at 31 December 2023	62,255,101.97	71,466,019.76	17,564,986.47	1,584,394.05	4,965,704.06	157,836,206.31
Additions	14,444,145.65	20,232,094.10	21,915,055.20	374,793.57	41,095.94	57,007,184.46
(1) Charge for the year	14,444,145.65	20,232,094.10	21,915,055.20	374,793.57	41,095.94	57,007,184.46
Decreases	–	(3,676,417.88)	–	–	–	(3,676,417.88)
(1) Disposals	–	(3,026,459.18)	–	–	–	(3,026,459.18)

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Items	Land use rights	Computer software	Patent and non-patented technology	Trademarks	Others	Total
(2) Disposal of subsidiaries . . .	–	(649,958.70)	–	–	–	(649,958.70)
As at 31 December 2024	76,699,247.62	88,021,695.98	39,480,041.67	1,959,187.62	5,006,800.00	211,166,972.89
Additions	15,288,436.65	30,992,648.98	22,053,516.70	414,901.13	–	68,749,503.46
(1) Charge for the year	15,288,436.65	30,992,648.98	22,053,516.70	414,901.13	–	68,749,503.46
Decreases	–	(2,293,670.38)	–	–	(5,000,000.00)	(7,293,670.38)
(1) Disposals	–	(2,156,916.21)	–	–	(5,000,000.00)	(7,156,916.21)
(2) Disposal of subsidiaries . . .	–	(136,754.17)	–	–	–	(136,754.17)
As at 31 December 2025	91,987,684.27	116,720,674.58	61,533,558.37	2,374,088.75	6,800.00	272,622,805.97
Additions	7,791,170.70	20,064,887.61	11,327,091.70	202,582.42	–	39,385,732.43
(1) Charge for the period	7,791,170.70	20,064,887.61	11,327,091.70	202,582.42	–	39,385,732.43
Decreases	–	(3,635,240.94)	–	–	–	(3,635,240.94)
(1) Disposals	–	(3,635,240.94)	–	–	–	(3,635,240.94)
As at 30 June 2026	99,778,854.97	133,150,321.25	72,860,650.07	2,576,671.17	6,800.00	308,373,297.46
III. Provision for impairment						
As at 1 January 2023 and						
31 December 2023	–	–	–	–	–	–
Additions	–	–	–	12,000,000.00	–	12,000,000.00
(1) Charge for the year	–	–	–	12,000,000.00	–	12,000,000.00
As at 31 December 2024,						
31 December 2025 and						
30 June 2026	–	–	–	12,000,000.00	–	12,000,000.00
IV. Carrying amount						
As at 31 December 2023	548,488,610.65	51,895,235.23	202,773,070.53	510,794,017.55	41,095.94	1,313,992,029.90
As at 31 December 2024	534,044,465.00	88,661,205.05	180,858,015.33	498,419,223.98	–	1,301,982,909.36
As at 31 December 2025	577,902,636.80	109,746,957.49	158,804,498.63	498,301,492.66	–	1,344,755,585.58
As at 30 June 2026	570,111,466.10	102,475,688.18	152,101,406.93	498,139,610.24	–	1,322,828,171.45

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group’s intangible assets with restricted ownership are set out in Note (VI) 21.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the carrying amount of the Group’s trademarks with indefinite useful lives was RMB507,980,000.00, which are held by Sikeqi Hebei, Lesson Dairy, and Xi’an Yinqiao. As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group performed impairment tests by considering the asset group to which the trademarks with indefinite useful lives belong. The recoverable amounts were determined based on the present value of the estimated future cash flows of the asset group to which the trademarks belong. For further details, please refer to Note (VI) 17. Based on the impairment test results, as at 31 December 2024, the Group recognised impairment losses of the trademark with indefinite useful lives directly related to the Sikeqi Hebei amounting to RMB12,000,000.00. Except the aforementioned impairment, there was no impairment of other trademarks with indefinite useful lives during the Track Record Period.

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17. GOODWILL

(1) Cost of goodwill

For the period from 1 January 2023 to 30 June 2026

RMB

Investee	As at 1 January 2023	Additions	Decreases	As at 31 December 2023 and 31 December 2024 and 31 December 2025 and 30 June 2026
Baoding Junlebao	76,715.16	–	–	76,715.16
Shijiazhuang Junlebao Leshi Dairy Co., Ltd. (石家莊君樂寶樂時乳業 有限公司) (“Leshi Dairy”)	30,823,482.21	–	–	30,823,482.21
Banner Infant Dairy Products Co., Ltd. (旗幟嬰兒乳品股份有限公 司) (“Banner Dairy”)	55,035,394.49	–	–	55,035,394.49
Banner Animal Husbandry	50,111,103.55	–	–	50,111,103.55
Hebei Derong Plastic Packaging Products Co., Ltd. (河北德容塑料 包裝製品股份有限公司) (“Derong Packaging”) and its subsidiaries .	266,154,798.81	–	–	266,154,798.81
Sikeqi Hebei and its subsidiaries . .	–	23,119,869.09	–	23,119,869.09
Lesson Dairy and its subsidiaries . .	–	129,360,488.64	–	129,360,488.64
Xi’an Yinqiao and its subsidiaries .	–	175,377,980.88	–	175,377,980.88
Total	402,201,494.22	327,858,338.61	–	730,059,832.83

(2) Provision for impairment of goodwill

For the period from 1 January 2023 to 30 June 2026

RMB

Investee	As at 1 January 2023 and 1 January 2024	Additions	Decreases	As at 31 December 2024 and 31 December 2025 and 30 June 2026
Banner Dairy	–	(55,035,394.49)	–	(55,035,394.49)
Banner Animal Husbandry	–	(50,111,103.55)	–	(50,111,103.55)
Lesson Dairy and its subsidiaries . .	–	(101,400,000.00)	–	(101,400,000.00)
Sikeqi Hebei and its subsidiaries . .	–	(23,119,869.09)	–	(23,119,869.09)
Total	–	(229,666,367.13)	–	(229,666,367.13)

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(3) Information of asset group with goodwill

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 asset group related to goodwill are those that benefit from the synergies of the business combination and shall also satisfy two conditions: (1) represent the lowest level at which the Group monitors goodwill for internal management purposes; and (2) not be larger than the operating segments determined in accordance with Section 8 of the *Interpretation No. 3 of CASBE*.

Asset group	Segment that the asset group belongs	Is it consistent during the Track Record Period
Baoding Junlebao	Liquid Milk and Other Dairy Products Business based on business structure of the Group	Yes
Leshi Dairy	Liquid Milk and Other Dairy Products Business based on business structure of the Group	Yes
Banner Dairy	Formula Business based on business structure of the Group	Yes
Banner Animal Husbandry	Dairy Farming Business based on business structure of the Group	Yes
Derong Packaging and its subsidiaries	Other Businesses based on business structure of the Group	Yes
Sikeqi Hebei and its subsidiaries	Liquid Milk and Other Dairy Products Business based on business structure of the Group	Yes
Lesson Dairy and its subsidiaries	Liquid Milk and Other Dairy Products Business based on business structure of the Group	Yes
Xi'an Yinqiao and its subsidiaries	Liquid Milk and Other Dairy Products Business based on business structure of the Group	Yes

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Note 1: The recoverable amount of Leshi Dairy would equal to its carrying amount if the pre-tax discount rate increased from 12.30% to 18.06%, or the revenue of the forecast period decreased by 36.2%, or the revenue growth rate of the stable period decreased from 2.0% to (3.8%), or the gross profit margin of the forecast period decreased by 13.9%, or the gross profit margin of the stable period decreased by 21.5%.

Note 2: The recoverable amount of Banner Dairy would equal to its carrying amount if the pre-tax discount rate increased from 14.00% to 26.77%, or the revenue of the forecast period decreased by 57.8%, or the revenue growth rate of the stable period decreased from 2.0% to (5.9%), or the gross profit margin of the forecast period decreased by 8.6%, or the gross profit margin of the stable period decreased by 15.0%.

Note 3: The recoverable amount of Banner Animal Husbandry would equal to its carrying amount if the pre-tax discount rate increased from 11.78% to 12.50%, or the revenue of the forecast period decreased by 5.8%, or the revenue growth rate of the stable period decreased from 2.0% to 1.4%, or the gross profit margin of the forecast period decreased by 3.9%, or the gross profit margin of the stable period decreased by 5.8%.

Note 4: The recoverable amount of Derong Packaging and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 13.86% to 15.14%, or the revenue of the forecast period decreased by 9.4%, or the revenue growth rate of the stable period decreased from 2.0% to 0.2%, or the gross profit margin of the forecast period decreased by 7.3%, or the gross profit margin of the stable period decreased by 12.5%.

Note 5: The recoverable amount of Sikeqi Hebei and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 14.95% to 17.11%, or the revenue of the forecast period decreased by 14.8%, or the revenue growth rate of the stable period decreased from 2.0% to (1.4%), or the gross profit margin of the forecast period decreased by 6.3%, or the gross profit margin of the stable period decreased by 10.7%.

Note 6: The recoverable amount of Lesson Dairy and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 12.74% to 12.92%, or the revenue of the forecast period decreased by 1.3%, or the revenue growth rate of the stable period decreased from 2.0% to 1.8%, or the gross profit margin of the forecast period decreased by 0.7%, or the gross profit margin of the stable period decreased by 1.1%.

Note 7: The recoverable amount of Xi'an Yinqiao and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 13.07% to 14.49%, or the revenue of the forecast period decreased by 10.1%, or the revenue growth rate of the stable period decreased from 2.0% to (0.1%), or the gross profit margin of the forecast period decreased by 3.7%, or the gross profit margin of the stable period decreased by 5.8%.

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Note 8: In the first half of 2024, due to the underperformance against expectation, the management identified impairment indicators for the Banner Dairy and Banner Animal Husbandry and conducted impairment test as at 30 June 2024. Based on the results of impairment test, management recognized impairment of goodwill attributable to the Group arising from the acquisition of Banner Dairy and Banner Animal Husbandry of RMB55,035,394.49 and RMB50,111,103.55, respectively.

Note 9: If the revenue for the five-year budget period was reduced by 1.0%, while other parameters remain constant, the recoverable amount of Banner Dairy will be approximately RMB15,000,000.00 lower than the carrying amount of the impaired asset group; if the pre-tax discount rate was changed to 14.77%, while other parameters remain constant, the recoverable amount of Banner Dairy will be approximately RMB12,000,000.00 lower than the carrying amount of the impaired asset group; if the revenue growth rate of the stable period was changed to 1.5%, while other parameters remain constant, the recoverable amount of Banner Dairy will be approximately RMB8,000,000.00 lower than the carrying amount of the impaired asset group.

Note 10: If the revenue for the five-year budget period was reduced by 1.0%, while other parameters remain constant, the recoverable amount of Banner Animal Husbandry will be approximately RMB23,000,000.00 lower than the carrying amount of the impaired asset group; if the pre-tax discount rate was changed to 11.75%, while other parameters remain constant, the recoverable amount of Banner Animal Husbandry will be approximately RMB78,000,000.00 lower than the carrying amount of the impaired asset group; if the revenue growth rate of the stable period was changed to 1.5%, while other parameters remain constant, the recoverable amount of Banner Animal Husbandry will be approximately RMB55,000,000.00 lower than the carrying amount of the impaired asset group.

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RMB’000

Asset group	Carrying amount	Recoverable amount	Headroom amount	Impairment amount	Years of the forecast period	Key parameters of the forecast period	Determination basis of key parameters of the forecast period	Key parameter of the stable period	Determination basis of key parameters in the stable period
Leshi Dairy . . .	91,942	133,500	41,558 (Note 12)	–	5 years	1. Pre-tax discount rate: 12.37% 2. Revenue growth rate of the forecast period: 0.5%-2.4% 3. Gross margin ratio of the forecast period: 5.7%-7.6%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period:	1. Pre-tax discount rate: 12.37% 2. Revenue growth rate of the stable period: 2.0% 3. Gross margin ratio of the stable period: 6.3%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates.
Derong Packaging and its subsidiaries . .	551,304	689,400	138,096 (Note 13)	–	5 years	1. Pre-tax discount rate: 14.63% 2. Revenue growth rate of the forecast period: (2.1%)-2.0% 3. Gross margin ratio of the forecast period: 21.7%-23.2%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 14.63% 2. Revenue growth rate of the stable period: 2.0% 3. Gross margin ratio of the stable period: 21.9%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates.
Sikeqi Hebei and its subsidiaries . .	128,518	78,000	–	(50,518) (Note 11, 14)	5 years	1. Pre-tax discount rate: 13.08% 2. Revenue growth rate of the forecast period: (11.7%)-15.2% 3. Gross margin ratio of the forecast period: 24.2%-27.4%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 13.08% 2. Revenue growth rate of the stable period: 2.0% 3. Gross margin ratio of the stable period: 29.1%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates.
Lesson Dairy and its subsidiaries . .	1,296,297	1,121,000	–	(175,297) (Note 11, 15)	5 years	1. Pre-tax discount rate: 12.38% 2. Revenue growth rate of the forecast period: 2.9%-17.4% 3. Gross margin ratio of the forecast period: 21.2%-25.1%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 12.38% 2. Revenue growth rate of the stable period: 2.0% 3. Gross margin ratio of the stable period: 25.8%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates.
Xi’an Yinqiao and its subsidiaries . .	723,791	850,000	126,209 (Note 16)	–	5 years	1. Pre-tax discount rate: 12.54% 2. Revenue growth rate of the forecast period: 2.0%-9.6% 3. Gross margin ratio of the forecast period: 19.4%-21.3%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 12.54% 2. Revenue growth rate of the stable period: 2.0% 3. Gross margin ratio of the stable period: 21.9%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates.

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Note 11: As at 31 December 2024, based on the results of the impairment tests, the management recognized impairment of goodwill attributable to Group arising from the acquisition of Sikeqi Hebei and its subsidiaries and Lesson Dairy and its subsidiaries of RMB23,119,869.09 and RMB101,400,000.00, respectively, which was mainly due to the underperformance against expectation of these two asset groups.

Note 12: The recoverable amount of Leshi Dairy would equal to its carrying amount if the pre-tax discount rate increased from 12.37% to 17.07%, or the revenue of the forecast period decreased by 29.1%, or the revenue growth rate of the stable period decreased from 2.0% to (2.7%), or the gross profit margin of the forecast period decreased by 16.4%, or the gross profit margin of the stable period decreased by 26.6%.

Note 13: The recoverable amount of Derong Packaging and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 14.63% to 17.64%, or the revenue of the forecast period decreased by 18.1%, or the revenue growth rate of the stable period decreased from 2.0% to (2.7%), or the gross profit margin of the forecast period decreased by 14.4%, or the gross profit margin of the stable period decreased by 26.1%.

Note 14: If the revenue for the five-year budget period was reduced by 1.0%, while other parameters remain constant, the recoverable amount of Sikeqi Hebei and its subsidiaries will be approximately RMB2,000,000.00 lower than the carrying amount of the impaired asset group; if the pre-tax discount rate was changed to 13.58%, while other parameters remain constant, the recoverable amount of Sikeqi Hebei and its subsidiaries will be approximately RMB3,000,000.00 lower than the carrying amount of the impaired asset group; if the revenue growth rate of the stable period was changed to 1.5%, while other parameters remain constant, the recoverable amount of Sikeqi Hebei and its subsidiaries will be approximately RMB1,000,000.00 lower than the carrying amount of the impaired asset group.

Note 15: If the revenue for the five-year budget period was reduced by 1.0%, while other parameters remain constant, the recoverable amount of Lesson Dairy and its subsidiaries will be approximately RMB29,000,000.00 lower than the carrying amount of the impaired asset group; if the pre-tax discount rate was changed to 12.88%, while other parameters remain constant, the recoverable amount of Lesson Dairy and its subsidiaries will be approximately RMB51,000,000.00 lower than the carrying amount of the impaired asset group; if the revenue growth rate of the stable period was changed to 1.5%, while other parameters remain constant, the recoverable amount of Lesson Dairy and its subsidiaries will be approximately RMB33,000,000.00 lower than the carrying amount of the impaired asset group.

Note 16: The recoverable amount of Xi'an Yinqiao and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 12.54% to 14.44%, or the revenue of the forecast period decreased by 16.8%, or the revenue growth rate of the stable period decreased from 2.0% to (0.7%), or the gross profit margin of the forecast period decreased by 5.2%, or the gross profit margin of the stable period decreased by 8.2%.

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31 December 2025

RMB’000

Asset group	Carrying amount	Recoverable amount	Headroom amount	Impairment amount	Years of the forecast period	Key parameters of the forecast period	Determination basis of key parameters of the forecast period	Key parameter of the stable period	Determination basis of key parameters in the stable period
Leshi Dairy . . .	87,786	129,000	41,214 (Note 17)	–	5 years	1. Pre-tax discount rate: 11.84% 2. Revenue growth rate of the forecast period: 0.1%-1.8% 3. Gross margin ratio of the forecast period: 6.0%-6.8%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 11.84% 2. Revenue growth rate of the stable period: 1.0% 3. Gross margin ratio of the stable period: 5.1%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates. 3. Gross margin ratio of the stable period: comprehensively considering factors such as the forward-looking business operations, performance, key financial indicators, and market environment of the relevant asset group.
Derong Packaging and its subsidiaries . .	514,650	615,000	100,350 (Note 18)	–	5 years	1. Pre-tax discount rate: 15.78% 2. Revenue growth rate of the forecast period: 1.0%-1.4% 3. Gross margin ratio of the forecast period: 20.5%-22.6%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 15.78% 2. Revenue growth rate of the stable period: 1.0% 3. Gross margin ratio of the stable period: 21.7%	1. Pre-tax discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates. 3. Gross margin ratio of the stable period: comprehensively considering factors such as the forward-looking business operations, performance, key financial indicators, and market environment of the relevant asset group.
Lesson Dairy and its subsidiaries . .	1,156,122	1,175,000	18,878 (Note 19)	–	5 years	1. Pre-tax discount rate: 11.66% 2. Revenue growth rate of the forecast period: 2.4%-15.0% 3. Gross margin ratio of the forecast period: 20.5%-22.0%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 11.66% 2. Revenue growth rate of the stable period: 1.0% 3. Gross margin ratio of the stable period: 22.8%	1. Pre-tax discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates. 3. Gross margin ratio of the stable period: comprehensively considering factors such as the forward-looking business operations, performance, key financial indicators, and market environment of the relevant asset group.
Xi’an Yinqiao and its subsidiaries . .	729,174	802,000	72,826 (Note 20)	–	5 years	1. Pre-tax discount rate: 11.73% 2. Revenue growth rate of the forecast period: 1.5%-10.8% 3. Gross margin ratio of the forecast period: 20.6%-22.7%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 11.73% 2. Revenue growth rate of the stable period: 1.0% 3. Gross margin ratio of the stable period: 23.0%	1. Pre-tax discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates. 3. Gross margin ratio of the stable period: comprehensively considering factors such as the forward-looking business operations, performance, key financial indicators, and market environment of the relevant asset group.

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Note 17: The recoverable amount of Leshi Dairy would equal to its carrying amount if the pre-tax discount rate increased from 11.84% to 20.58%, or the revenue of the forecast period decreased by 42.5%, or the revenue growth rate of the stable period decreased from 1.0% to (7.1%), or the gross profit margin of the forecast period decreased by 17.3%, or the gross profit margin of the stable period decreased by 31.7%.

Note 18: The recoverable amount of Derong Packaging and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 15.78% to 18.33%, or the revenue of the forecast period decreased by 13.1%, or the revenue growth rate of the stable period decreased from 1.0% to (3.6%), or the gross profit margin of the forecast period decreased by 10.4%, or the gross profit margin of the stable period decreased by 20.5%.

Note 19: The recoverable amount of Lesson Dairy and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 11.66% to 11.86%, or the revenue of the forecast period decreased by 1.8%, or the revenue growth rate of the stable period decreased from 1.0% to 0.7%, or the gross profit margin of the forecast period decreased by 0.7%, or the gross profit margin of the stable period decreased by 1.1%.

Note 20: The recoverable amount of Xi'an Yinqiao and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 11.73% to 12.86%, or the revenue of the forecast period decreased by 10.2%, or the revenue growth rate of the stable period decreased from 1.0% to (0.7%), or the gross profit margin of the forecast period decreased by 3.3%, or the gross profit margin of the stable period decreased by 5.3%.

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ACCOUNTANTS’ REPORT

30 June 2026

RMB’000

Asset group	Carrying amount	Recoverable amount	Headroom amount	Impairment amount	Years of the forecast period	Key parameters of the forecast period	Determination basis of key parameters of the forecast period	Key parameter of the stable period	Determination basis of key parameters in the stable period
Xi’an Yinqiao and its subsidiaries . . .	708,047	756,000	47,953 (note 21, 22)	–	5 years	1. Pre-tax discount rate: 11.50% 2. Revenue growth rate of the forecast period: 1.5%-8.1% 3. Gross margin ratio of the forecast period: 19.2%-20.7%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate range and gross margin ratio of the forecast period: comprehensively considering factors such as business operations, performance, key financial indicators, and market environment of the relevant asset group.	1. Pre-tax discount rate: 11.50% 2. Revenue growth rate of the stable period: 1.0% 3. Gross margin ratio of the stable period: 21.2%	1. Discount rate is the pre-tax discount rate reflecting the specific risks of the relevant asset group. 2. Revenue growth rate of the stable period is comprehensively determined by considering the long-term average growth rates of the products, markets, industries, or countries/regions in which the relevant asset group operates. 3. Gross margin ratio of the stable period: comprehensively considering factors such as the forward-looking business operations, performance, key financial indicators, and market environment of the relevant asset group.

Note 21: In the first half of 2026, due to the underperformance against expectation, the management identified impairment indicators for the Xi’an Yinqiao and its subsidiaries and conducted impairment test as at 30 June 2026.

Note 22: The recoverable amount of Xi’an Yinqiao and its subsidiaries would equal to its carrying amount if the pre-tax discount rate increased from 11.50% to 12.24%, or the revenue of the forecast period decreased by 7.2%, or the revenue growth rate of the stable period decreased from 1.0% to 0.02%, or the gross profit margin of the forecast period decreased by 2.3%, or the gross profit margin of the stable period decreased by 3.5%.

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18. LONG-TERM DEFERRED EXPENSES

2023

RMB

Items	1 January 2023	Business combination	Additions	Amortisation	31 December 2023
Renovation costs	11,330,818.10	5,328,887.71	1,535,083.69	(3,599,328.50)	14,595,461.00
Service fees	–	436,893.27	4,398,176.98	(424,450.16)	4,410,620.09
Equipment purchase costs for promotion	28,229,709.50	–	–	(15,258,166.80)	12,971,542.70
Others	4,488,974.20	5,060,705.15	5,292,998.21	(4,094,733.12)	10,747,944.44
Total	44,049,501.80	10,826,486.13	11,226,258.88	(23,376,678.58)	42,725,568.23

2024

RMB

Items	1 January 2024	Additions	Amortisation	31 December 2024
Renovation costs	14,595,461.00	1,006,945.42	(3,515,295.55)	12,087,110.87
Service fees	4,410,620.09	10,002,072.58	(5,376,372.72)	9,036,319.95
Equipment purchase costs for promotion	12,971,542.70	6,544,300.65	(10,234,627.20)	9,281,216.15
Others	10,747,944.44	11,776,335.46	(4,514,012.23)	18,010,267.67
Total	42,725,568.23	29,329,654.11	(23,640,307.70)	48,414,914.64

2025

RMB

Items	1 January 2025	Additions	Amortisation	31 December 2025
Renovation costs	12,087,110.87	535,826.46	(2,629,144.91)	9,993,792.42
Service fees	9,036,319.95	3,046,352.28	(6,150,628.62)	5,932,043.61
Equipment purchase costs for promotion	9,281,216.15	–	(5,715,951.01)	3,565,265.14
Others	18,010,267.67	1,708,812.56	(4,253,137.21)	15,465,943.02
Total	48,414,914.64	5,290,991.30	(18,748,861.75)	34,957,044.19

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Amortisation	30 June 2026
Renovation costs	9,993,792.42	5,869,413.91	(1,480,909.16)	14,382,297.17
Service fees	5,932,043.61	4,756,324.69	(4,101,177.79)	6,587,190.51
Equipment purchase costs for promotion	3,565,265.14	–	(1,609,691.59)	1,955,573.55
Others	15,465,943.02	3,077,792.86	(2,188,978.58)	16,354,757.30
Total	34,957,044.19	13,703,531.46	(9,380,757.12)	39,279,818.53

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ACCOUNTANTS’ REPORT

19. DEFERRED TAX ASSETS/LIABILITIES

(1) Deferred tax assets before offsetting

RMB

Items	31 December 2023		31 December 2024		31 December 2025		30 June 2026	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Contract liabilities . . .	966,284,589.81	239,925,405.22	870,068,431.47	213,291,002.35	757,506,648.22	186,354,501.42	660,712,369.26	163,396,458.64
Deferred income . . .	652,677,207.80	163,105,301.96	574,292,087.71	143,543,873.42	506,629,464.86	126,326,992.36	460,326,486.52	114,698,572.94
Accounts Payable/Other Payables	499,496,613.67	123,351,066.54	252,203,491.64	61,671,443.37	342,991,876.48	84,950,786.40	449,168,490.26	111,506,313.92
Tax losses	734,502,154.57	180,806,767.79	399,966,341.62	93,490,100.78	340,249,087.87	73,077,901.00	229,162,935.25	57,071,934.61
Provision for impairment of assets .	185,987,801.25	46,418,137.95	195,835,403.45	47,159,400.74	158,975,051.01	39,003,235.69	163,311,569.39	40,087,365.26
Share-based payments .	68,726,411.14	17,181,602.78	106,230,259.61	26,146,117.29	144,970,867.16	35,558,701.57	165,430,230.83	41,114,756.99
Provision for impairment of inventories	109,289,922.62	26,990,516.16	70,381,241.84	17,217,640.04	86,066,686.26	21,323,810.80	76,756,346.79	19,250,464.85
Unrealised profit for intra-group transactions	70,088,913.20	17,522,228.30	76,438,445.70	19,109,611.42	84,219,868.38	21,054,967.10	73,906,464.57	18,476,616.14
Lease liabilities . . .	18,970,286.13	4,724,042.25	62,072,670.07	15,362,275.15	72,786,743.36	17,995,086.79	74,446,677.56	18,555,955.11
Credit loss allowance .	78,299,911.53	17,637,366.99	44,553,028.03	10,229,614.69	58,718,679.35	13,932,668.15	67,534,715.13	16,453,299.67
Losses from changes in fair values	16,801,000.00	4,200,250.00	16,801,000.00	4,200,250.00	16,801,000.00	4,200,250.00	16,801,000.00	4,200,250.00
Over-expenditure on public welfare donations	–	–	34,150.00	8,537.50	27,030.00	1,351.50	–	–
Total	3,401,124,811.72	841,862,685.94	2,668,876,551.14	651,429,866.75	2,569,943,002.95	623,780,252.78	2,437,557,285.56	604,811,988.13

(2) Deferred tax liabilities before offsetting

RMB

Items	31 December 2023		31 December 2024		31 December 2025		30 June 2026	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Fair value adjustments for business combinations . . .	822,454,333.80	143,113,733.85	779,276,996.03	133,547,053.85	748,294,235.70	126,996,252.93	735,031,752.81	151,505,629.09
Difference in depreciation of fixed assets	175,339,317.35	43,651,270.49	172,354,216.12	43,088,554.03	184,512,296.28	46,128,074.06	186,587,763.61	46,646,940.91
Right-of-use assets . .	24,635,050.88	5,633,866.91	68,051,534.24	16,382,274.67	75,955,207.90	18,359,554.77	88,266,418.07	21,734,698.69
Gains from changes in fair value of derivative financial instruments and other equity instrument investments, and unrealised investment income	27,923,273.83	6,980,818.47	7,400,000.00	1,850,000.00	7,400,000.00	1,850,000.00	7,400,000.00	1,850,000.00
Total	1,050,351,975.86	199,379,689.72	1,027,082,746.39	194,867,882.55	1,016,161,739.88	193,333,881.76	1,017,285,934.49	221,737,268.69

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

RMB

Items	Year/Period-end offsetting amount for deferred tax assets and liabilities			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Deferred tax assets	53,631,611.60	56,250,090.55	60,362,297.06	61,344,146.10
Deferred tax liabilities	53,631,611.60	56,250,090.55	60,362,297.06	61,344,146.10

RMB

Items	Closing balance of deferred tax assets or liabilities after offsetting			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Deferred tax assets	788,231,074.34	595,179,776.20	563,417,955.72	543,467,842.03
Deferred tax liabilities	145,748,078.12	138,617,792.00	132,971,584.70	160,393,122.59

(4) Details of unrecognised deferred tax assets

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Deductible temporary differences	90,822,219.23	382,138,643.45	292,593,623.39	266,723,870.16
Tax losses	40,513,361.46	10,499,104.32	98,094,177.20	159,505,753.54
Total	131,335,580.69	392,637,747.77	390,687,800.59	426,229,623.70

(5) Unrecognised tax losses will expire in the following years:

RMB

Year	31 December 2023	31 December 2024	31 December 2025	30 June 2026
2024	1,379,231.04	—	—	—
2025	6,104,278.33	1,439,391.03	—	—
2026	11,286,352.82	583,243.11	583,243.11	372,887.70
2027	11,562,850.15	7,316,350.42	548,922.34	548,922.34
2028	10,180,649.12	10,819.98	—	—
2029	—	1,149,299.78	895,934.18	890,568.73
2030	—	—	96,066,077.57	96,063,735.84
2031	—	—	—	61,629,638.93
Total	40,513,361.46	10,499,104.32	98,094,177.20	159,505,753.54

20. OTHER NON-CURRENT ASSETS

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Prepayments for construction and equipment	89,906,977.31	43,705,759.89	97,329,423.11	182,192,079.01
Prepayments for land use rights	45,617,920.00	42,997,254.70	36,580,054.05	36,477,210.05
Prepayments for dairy cows	10,603,462.50	—	—	—
Others	8,641,016.00	35,962,380.69	31,289,834.18	34,360,020.26
Total	154,769,375.81	122,665,395.28	165,199,311.34	253,029,309.32

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ACCOUNTANTS’ REPORT

21. ASSETS WITH RESTRICTED OWNERSHIP OR RESTRICTED RIGHT OF USE

RMB

	31 December 2023			
Items	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash at bank and on hand	134,526,614.72	134,526,614.72	Used as security or guarantee deposits and other restrictions	Bill deposits, letter of guarantees deposits, letter of credit deposits, and other restrictions, see Note (VI) 57 (5) for details.
Bills receivable . . .	2,450,000.00	2,450,000.00	Endorsed or discounted but not derecognised	See Note (VI) 3 for details.
Fixed assets	383,923,280.14	161,785,625.18	Pledged	Pledged to obtain short-term and long-term borrowings, see Note (VI) 22 and Note (VI) 31 for details.
Intangible assets . .	95,827,150.26	83,867,159.36	Pledged	Pledged to obtain short-term and long-term borrowings, see Note (VI) 22 and Note (VI) 31 for details.
Total	<u>616,727,045.12</u>	<u>382,629,399.26</u>		

RMB

	31 December 2024			
Items	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash at bank and on hand	107,219,067.61	107,219,067.61	Used as security or guarantee deposits and other restrictions	Bill deposits, letter of guarantees deposits, and other restrictions, see Note (VI) 57 (5) for details.
Bills receivable	2,400,000.00	2,400,000.00	Endorsed or discounted but not derecognised	See Note (VI) 3 for details.
Fixed assets	337,878,273.93	246,624,194.33	Pledged	Pledged to obtain short-term and long-term borrowings, see Note (VI) 22 and Note (VI) 31 for details.
Intangible assets	73,087,695.10	61,211,046.96	Pledged	Pledged to obtain short-term and long-term borrowings, see Note (VI) 22 and Note (VI) 31 for details.
Total	520,585,036.64	417,454,308.90		

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RMB

31 December 2025				
Items	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash at bank and on hand	38,636,825.13	38,636,825.13	Used as security or guarantee deposits and other restrictions	Bill deposits, letter of guarantees deposits, and other restrictions, see Note (VI) 57 (5) for details.
Bills receivable . . .	1,774,456.00	1,774,456.00	Endorsed or discounted but not derecognised	See Note (VI) 3 for details.
Fixed assets	728,226,914.27	558,280,017.68	Pledged	Pledged to obtain long-term borrowings, see Note (VI) 31 for details.
Intangible assets . .	63,457,921.26	53,526,745.25	Pledged	Pledged to obtain long-term borrowings, see Note (VI) 31 for details.
Total	<u>832,096,116.66</u>	<u>652,218,044.06</u>		

RMB

30 June 2026				
Items	Gross carrying amount	Carrying amount	Type of restriction	Status of restriction
Cash at bank and on hand	46,626,307.41	46,626,307.41	Used as security or guarantee deposits and other restrictions	Bill deposits, letter of guarantees deposits, and other restrictions, see Note (VI) 57 (5) for details.
Bills receivable . . .	339,662.65	339,662.65	Endorsed or discounted but not derecognised	See Note (VI) 3 for details.
Fixed assets	727,326,731.38	535,209,268.77	Pledged	Pledged to obtain long-term borrowings, see Note (VI) 31 for details.
Intangible assets . .	63,457,921.26	52,690,898.10	Pledged	Pledged to obtain long-term borrowings, see Note (VI) 31 for details.
Total	<u>837,750,622.70</u>	<u>634,866,136.93</u>		

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22. SHORT-TERM BORROWINGS

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Unsecured borrowings . . .	674,070,570.20	727,460,931.94	875,358,433.32	794,260,944.44
Guaranteed borrowings . . .	1,207,826,329.27	1,493,645,442.44	913,332,673.56	1,413,030,029.20
Secured borrowings	50,048,888.89	20,018,333.33	—	—
Guaranteed and secured borrowings	8,003,350.00	—	—	—
Total	<u>1,939,949,138.36</u>	<u>2,241,124,707.71</u>	<u>1,788,691,106.88</u>	<u>2,207,290,973.64</u>

As at 31 December 2023, the Group obtained short-term borrowings of RMB1,207,826,329.27, which were guaranteed by entities within the Group. Additionally, the Group obtained short-term borrowings of RMB50,048,888.89, which were secured by fixed assets with carrying amount of RMB20,147,943.99 and intangible assets with carrying amount of RMB6,788,343.10. The Group obtained short-term borrowings of RMB8,003,350.00, which were secured by fixed assets with carrying amount of RMB63,996,557.06 and guaranteed by subsidiaries of the Group.

As at 31 December 2024, the Group obtained short-term borrowings of RMB1,493,645,442.44, which were guaranteed by entities within the Group. Additionally, the Group obtained short-term borrowings of RMB20,018,333.33 and long-term borrowings of RMB30,028,416.67, which were secured by fixed assets with carrying amount of RMB23,151,666.52 and intangible assets with carrying amount of RMB6,598,609.65, respectively.

As at 31 December 2025, the Group obtained short-term borrowings of RMB 913,332,673.56, which were guaranteed by entities within the Group.

As at 30 June 2026, the Group obtained short-term borrowings of RMB1,413,030,029.20, which were guaranteed by entities within the Group.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the above borrowings carried interest at annual rates ranging 2.85%-5.40%, 2.60%-3.45%, 0.40 %-3.80% and 0.55 %-3.80 % respectively.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no short-term borrowings overdue but not yet paid.

23. BILLS PAYABLE

RMB

Category	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Bank acceptances bills . . .	<u>277,266,483.87</u>	<u>359,124,802.69</u>	<u>215,239,143.74</u>	<u>2,389,929.27</u>
Total	<u>277,266,483.87</u>	<u>359,124,802.69</u>	<u>215,239,143.74</u>	<u>2,389,929.27</u>

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no bills payable overdue but not yet paid.

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24. ACCOUNTS PAYABLE

(1) Disclosed by the nature of accounts payable

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Payables for purchase of goods (<i>Note</i>)	2,291,851,358.27	2,279,739,670.78	2,768,411,648.34	1,987,495,204.41
Payables for freight	145,150,429.89	232,724,819.98	206,076,968.55	162,719,965.44
Payables for constructions	124,561,429.87	131,626,700.50	118,575,915.90	90,162,269.16
Total	<u>2,561,563,218.03</u>	<u>2,644,091,191.26</u>	<u>3,093,064,532.79</u>	<u>2,240,377,439.01</u>

Note: In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Group has entered into supplier finance arrangements with financial institutions that permit certain suppliers to obtain payment from the banks before the invoice due date and bear the associated financing costs. The Group repays the financial institutions with the full invoice amounts no later than the credit period as agreed with the suppliers. Therefore, the amounts payable to financial institutions are classified as trade payables. As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the balances of the aforementioned accounts payable were RMB430,175,371.81, RMB536,928,764.09, RMB541,331,748.13 and RMB212,584,730.01, respectively.

(2) Disclosed by aging:

The following is an aged analysis of accounts payable of the Group presented based on the date of purchase of goods or receipt of services:

RMB

Aging	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Within 1 year (inclusive)	2,548,252,951.63	2,616,513,619.19	3,022,291,191.04	2,143,381,596.34
1 to 2 years (inclusive)	10,681,136.98	22,327,471.65	69,555,062.94	89,954,461.11
2 to 3 years (inclusive)	1,247,134.02	2,783,679.40	573,042.13	6,904,576.56
Over 3 years	1,381,995.40	2,466,421.02	645,236.68	136,805.00
Total	<u>2,561,563,218.03</u>	<u>2,644,091,191.26</u>	<u>3,093,064,532.79</u>	<u>2,240,377,439.01</u>

Accounts payable are non-interest-bearing and are generally settled within 3 to 6 months.

(3) Significant accounts payable aged over one year or overdue

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no significant accounts payable aged over one year and no significant accounts payable overdue but not yet paid.

25. CONTRACT LIABILITIES

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Receipts in advance on sales of goods (<i>Note 1</i> , <i>Note 2</i>)	1,440,969,024.80	1,388,263,098.71	1,170,554,238.18	1,048,966,587.41
Other receipts in advance (<i>Note 3</i>)	522,233,010.11	540,134,989.87	5,397,046.14	—
Total	<u>1,963,202,034.91</u>	<u>1,928,398,088.58</u>	<u>1,175,951,284.32</u>	<u>1,048,966,587.41</u>

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Note 1: For the sale of goods, revenue is recognised when control of the goods has been transferred to the customers. When a customer makes an advance payment, the Group recognises the transaction price received as a contract liability until control of the goods has been transferred to the customer.

Contract liabilities are also recognised for the sales incentives granted to the customers if they purchase over a certain value, as the Group has determined that the sales incentives given to the customers provide those customers with a material right. Revenue from the sales incentive is recognised when the incentives are redeemed by the customer and the control of the corresponding goods has been transferred to the customer.

Note 2: During the year ended 31 December 2023, contract liabilities with a carrying amount of RMB 1,967,989,602.74 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 31 December 2023 is expected to be recognised as revenue in 2024 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

During the year ended 31 December 2024, contract liabilities with a carrying amount of RMB1,358,158,082.94 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 31 December 2024 is expected to be recognised as revenue in 2025 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

During the year ended 31 December 2025, contract liabilities with a carrying amount of RMB1,276,709,178.27 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 31 December 2025 is expected to be recognised as revenue in 2026 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

During the six months ended 30 June 2026, contract liabilities with a carrying amount of RMB898,694,087.06 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 30 June 2026 is expected to be recognised as revenue in the second half of 2026 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

Note 3: Other receipts in advance are as follows:

						RMB
Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026	Completion date	Proportion of accumulated sale as at 30 June 2026 (Note) (%)
Junju Yuefu Project . . .	448,213,800.00	466,115,779.76	5,397,046.14	–	June 2025	46.67
Other project.	74,019,210.11	74,019,210.11	–	–	December 2025	90.25
Total	<u>522,233,010.11</u>	<u>540,134,989.87</u>	<u>5,397,046.14</u>	<u>–</u>		/

Other receipts in advance were the pre-sale proceeds from properties. The Group typically collects full contractual consideration as deposits from customers upon signing property purchase contracts.

During the year ended 31 December 2023, RMB nil of the other receipts in advance as at the beginning of the year were recognised as revenue as the relevant project has not been completed. The carrying amount of other receipts in advance as of 31 December 2023 is expected to be recognised as revenue in 2024.

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During the year ended 31 December 2024, RMB nil of other receipts in advance as at the beginning of the year were recognised as revenue due to project delays. The carrying amount of other receipts in advance as of 31 December 2024 is expected to be recognised as revenue in 2025.

During the year ended 31 December 2025, other receipts in advance with a carrying amount of RMB 536,250,057.87 as at the beginning of the year were recognised as revenue. The carrying amount of other receipts in advance as of 31 December 2025 is expected to be recognised as revenue in 2026.

During the six months ended 30 June 2026, other receipts in advance with a carrying amount of RMB 5,397,046.14 as at the beginning of the year were recognised as revenue.

Note: As of 30 June 2026, the Group has reclassified unsold properties of Junju Yuefu project and other project as own-use properties. The proportion of accumulated sale does not include the impact of such reclassification from the properties for sale to fixed assets.

Significant changes in carrying amount during the reporting period and reasons

2025

RMB

Items	Changes in the opening balance of contract liabilities	Reason for Change
Junju Yuefu Project	(462,230,847.76)	Carryover Income
Other project	(74,019,210.11)	Carryover Income
Total	<u>(536,250,057.87)</u>	/

Six months ended 30 June 2026

RMB

Items	Changes in the opening balance of contract liabilities	Reason for Change
Junju Yuefu Project	(5,397,046.14)	Carryover Income
Total	<u>(5,397,046.14)</u>	/

26. EMPLOYEE BENEFITS PAYABLE

(1) Changes in employee benefits payable

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
1. Short-term employee benefits	199,726,553.53	1,931,547,376.36	(1,877,906,296.97)	253,367,632.92
2. Post-employment benefits defined contribution plans	1,633,309.81	182,638,416.27	(183,827,527.59)	444,198.49
3. Termination benefits	—	10,764,210.12	(10,533,910.12)	230,300.00
4. Others	—	43,574.08	(43,574.08)	—
Total	<u>201,359,863.34</u>	<u>2,124,993,576.83</u>	<u>(2,072,311,308.76)</u>	<u>254,042,131.41</u>

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2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
1. Short-term employee benefits	253,367,632.92	2,219,303,413.85	(2,201,403,190.53)	271,267,856.24
2. Post-employment benefits defined contribution plans	444,198.49	227,002,511.50	(226,141,779.75)	1,304,930.24
3. Termination benefits . . .	230,300.00	18,800,506.73	(19,029,824.47)	982.26
Total	<u>254,042,131.41</u>	<u>2,465,106,432.08</u>	<u>(2,446,574,794.75)</u>	<u>272,573,768.74</u>

2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
1. Short-term employee benefits	271,267,856.24	2,344,410,357.81	(2,366,701,275.64)	248,976,938.41
2. Post-employment benefits defined contribution plans	1,304,930.24	236,094,419.22	(235,977,520.55)	1,421,828.91
3. Termination benefits . . .	982.26	11,829,063.69	(11,830,045.95)	–
Total	<u>272,573,768.74</u>	<u>2,592,333,840.72</u>	<u>(2,614,508,842.14)</u>	<u>250,398,767.32</u>

Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions	Decreases	30 June 2025
1. Short-term employee benefits	271,267,856.24	1,152,148,720.61	(1,223,765,895.06)	199,650,681.79
2. Post-employment benefits defined contribution plans	1,304,930.24	113,832,388.65	(113,593,377.78)	1,543,941.11
3. Termination benefits . . .	982.26	5,726,495.76	(5,727,478.02)	–
Total	<u>272,573,768.74</u>	<u>1,271,707,605.02</u>	<u>(1,343,086,750.86)</u>	<u>201,194,622.90</u>

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
1. Short-term employee benefits	248,976,938.41	1,185,984,740.60	(1,236,979,491.60)	197,982,187.41
2. Post-employment benefits defined contribution plans	1,421,828.91	121,208,054.50	(121,236,528.79)	1,393,354.62
3. Termination benefits . . .	–	6,966,607.09	(6,966,607.09)	–
Total	<u>250,398,767.32</u>	<u>1,314,159,402.19</u>	<u>(1,365,182,627.48)</u>	<u>199,375,542.03</u>

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(2) Details of short-term employee benefits

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
1. Wages or salaries, bonuses, allowances and subsidies	198,139,593.51	1,562,393,807.16	(1,511,736,004.07)	248,797,396.60
2. Staff welfare	333,656.20	140,465,714.25	(140,186,750.11)	612,620.34
3. Social insurance allowances	542,727.61	110,477,135.39	(110,857,317.53)	162,545.47
Including: Basic medical insurance	534,391.48	97,620,640.69	(98,001,942.30)	153,089.87
Work-related injury insurance	8,336.13	6,748,467.81	(6,747,355.20)	9,448.74
Maternity insurance	–	6,108,026.89	(6,108,020.03)	6.86
4. Housing provident fund	456,568.40	106,392,188.38	(103,179,067.88)	3,669,688.90
5. Labour union fund and employee education costs	254,007.81	11,818,531.18	(11,947,157.38)	125,381.61
Total	<u>199,726,553.53</u>	<u>1,931,547,376.36</u>	<u>(1,877,906,296.97)</u>	<u>253,367,632.92</u>

2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
1. Wages or salaries, bonuses, allowances and subsidies	248,797,396.60	1,807,851,636.59	(1,786,857,761.72)	269,791,271.47
2. Staff welfare	612,620.34	149,891,706.62	(150,422,604.75)	81,722.21
3. Social insurance allowances	162,545.47	129,205,271.06	(128,867,067.14)	500,749.39
Including: Basic medical insurance	153,089.87	116,972,283.08	(116,654,190.45)	471,182.50
Work-related injury insurance	9,448.74	8,116,515.99	(8,096,464.25)	29,500.48
Maternity insurance	6.86	4,116,471.99	(4,116,412.44)	66.41
4. Housing provident fund	3,669,688.90	124,460,421.25	(127,362,104.92)	768,005.23
5. Labour union fund and employee education costs	125,381.61	7,894,378.33	(7,893,652.00)	126,107.94
Total	<u>253,367,632.92</u>	<u>2,219,303,413.85</u>	<u>(2,201,403,190.53)</u>	<u>271,267,856.24</u>

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2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
1. Wages or salaries, bonuses, allowances and subsidies	269,791,271.47	1,901,549,419.38	(1,923,960,504.16)	247,380,186.69
2. Staff welfare	81,722.21	163,373,869.12	(163,392,646.42)	62,944.91
3. Social insurance allowances	500,749.39	138,429,003.17	(138,277,448.75)	652,303.81
Including: Basic medical insurance	471,182.50	117,565,998.91	(117,426,912.20)	610,269.21
Work-related injury insurance	29,500.48	18,327,932.63	(18,315,584.02)	41,849.09
Maternity insurance	66.41	2,535,071.63	(2,534,952.53)	185.51
4. Housing provident fund	768,005.23	132,335,579.52	(132,351,383.51)	752,201.24
5. Labour union fund and employee education costs	126,107.94	8,722,486.62	(8,719,292.80)	129,301.76
Total	<u>271,267,856.24</u>	<u>2,344,410,357.81</u>	<u>(2,366,701,275.64)</u>	<u>248,976,938.41</u>

Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions	Decreases	30 June 2025
1. Wages or salaries, bonuses, allowances and subsidies	269,791,271.47	931,905,588.34	(1,003,377,782.01)	198,319,077.80
2. Staff welfare	81,722.21	80,172,211.17	(80,180,788.47)	73,144.91
3. Social insurance allowances	500,749.39	71,584,995.00	(71,837,212.05)	248,532.34
Including: Basic medical insurance	471,182.50	57,632,518.83	(57,891,107.27)	212,594.06
Work-related injury insurance	29,500.48	12,689,866.83	(12,683,536.24)	35,831.07
Maternity insurance	66.41	1,262,609.34	(1,262,568.54)	107.21
4. Housing provident fund	768,005.23	64,977,414.00	(65,041,112.80)	704,306.43
5. Labour union fund and employee education costs	126,107.94	3,508,512.10	(3,328,999.73)	305,620.31
Total	<u>271,267,856.24</u>	<u>1,152,148,720.61</u>	<u>(1,223,765,895.06)</u>	<u>199,650,681.79</u>

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Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
1. Wages or salaries, bonuses, allowances and subsidies	247,380,186.69	966,847,538.77	(1,018,023,373.43)	196,204,352.03
2. Staff welfare	62,944.91	80,148,231.07	(80,138,431.07)	72,744.91
3. Social insurance allowances	652,303.81	67,729,405.64	(67,737,081.80)	644,627.65
Including: Basic medical insurance	610,269.21	60,898,700.13	(60,910,184.86)	598,784.48
Work-related injury insurance	41,849.09	5,548,496.27	(5,544,687.70)	45,657.66
Maternity insurance	185.51	1,282,209.24	(1,282,209.24)	185.51
4. Housing provident fund	752,201.24	67,560,796.77	(67,469,504.28)	843,493.73
5. Labour union fund and employee education costs	129,301.76	3,698,768.35	(3,611,101.02)	216,969.09
Total	248,976,938.41	1,185,984,740.60	(1,236,979,491.60)	197,982,187.41

(3) Post-employment benefits — defined contribution plan

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
1. Basic pension insurance	1,565,681.34	175,278,990.94	(176,413,673.62)	430,998.66
2. Unemployment insurance	67,628.47	7,359,425.33	(7,413,853.97)	13,199.83
Total	1,633,309.81	182,638,416.27	(183,827,527.59)	444,198.49

2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
1. Basic pension insurance	430,998.66	217,788,446.84	(216,965,938.66)	1,253,506.84
2. Unemployment insurance	13,199.83	9,214,064.66	(9,175,841.09)	51,423.40
Total	444,198.49	227,002,511.50	(226,141,779.75)	1,304,930.24

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2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
1. Basic pension insurance .	1,253,506.84	226,546,064.56	(226,432,538.03)	1,367,033.37
2. Unemployment insurance .	51,423.40	9,548,354.66	(9,544,982.52)	54,795.54
Total	1,304,930.24	236,094,419.22	(235,977,520.55)	1,421,828.91

Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions	Decreases	30 June 2025
1. Basic pension insurance .	1,253,506.84	109,020,797.12	(108,994,666.76)	1,279,637.20
2. Unemployment insurance .	51,423.40	4,811,591.53	(4,598,711.02)	264,303.91
Total	1,304,930.24	113,832,388.65	(113,593,377.78)	1,543,941.11

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
1. Basic pension insurance .	1,367,033.37	116,327,809.99	(116,355,227.15)	1,339,616.21
2. Unemployment insurance .	54,795.54	4,880,244.51	(4,881,301.64)	53,738.41
Total	1,421,828.91	121,208,054.50	(121,236,528.79)	1,393,354.62

The Group participates in the pension insurance plan and unemployment insurance plan established by government agencies according to regulations. For the year of 2023, the contribution rates were 14.00%-16.00% and 0.30%-0.90% of the employee salary base, respectively. For the year of 2024, the Group made monthly contributions to these plans at rates ranging from 14.00%-16.00% and 0.50%-0.90% of the employee salary base, respectively, and for the year of 2025, the Group made monthly contributions to these plans at rates ranging from 16.00%-17.00% and 0.50%-0.80% of the employee salary base, respectively. For the six months ended 30 June 2025 (Unaudited), the Group made monthly contributions to these plans at rates ranging from 16.00%-17.00% and 0.50%-0.80% of the employee salary base, respectively, and for the six months ended 30 June 2026, the Group made monthly contributions to these plans at rates ranging from 16.00%-17.00% and 0.50%-0.80% of the employee salary base, respectively. Except for the above monthly contributions, the Group will not undertake further payment obligations. The relevant amounts are included in profit or loss or the costs of the underlying assets for the period in which they are incurred.

In 2023, the Group should contribute RMB175,278,990.94 and RMB7,359,425.33 to pension insurance plan and unemployment insurance plan, respectively. As at 31 December 2023, the Group had outstanding contribution payables of RMB430,998.66 and RMB13,199.83 that were due in 2023 but not yet paid to these insurance plans respectively. Relevant payments have been made subsequent to 31 December 2023.

In 2024, the Group should contribute RMB217,788,446.84 and RMB9,214,064.66 to pension insurance plan and unemployment insurance plan, respectively. As at 31 December 2024, the Group had outstanding contribution payables of RMB1,253,506.84 and RMB51,423.40 that were due in 2024 but not yet paid to these insurance plans, respectively. Relevant payments have been made subsequent to 31 December 2024.

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In 2025, the Group should contribute RMB 226,546,064.56 and RMB 9,548,354.66 to pension insurance plan and unemployment insurance plan, respectively. As at 31 December 2025, the Group had outstanding contribution payables of RMB 1,367,033.37 and RMB 54,795.54 that were due in 2025 but not yet paid to these insurance plans, respectively. Relevant payments have been made subsequent to 31 December 2025.

In the six months ended 30 June 2025 (Unaudited), the Group should contribute RMB109,020,797.12 and RMB4,811,591.53 to pension insurance plan and unemployment insurance plan, respectively. As at 30 June 2025, the Group had outstanding contribution payables of RMB1,279,637.20 and RMB264,303.91 that were due in the six months ended 30 June 2025 (Unaudited) but not yet paid to these insurance plans, respectively. Relevant payments have been made subsequent to 30 June 2025.

In the six months ended 30 June 2026, the Group should contribute RMB116,327,809.99 and RMB4,880,244.51 to pension insurance plan and unemployment insurance plan, respectively. As at 30 June 2026, the Group had outstanding contribution payables of RMB1,339,616.21 and RMB53,738.41 that were due in the six months ended 30 June 2026 but not yet paid to these insurance plans, respectively. Relevant payments have been made subsequent to 30 June 2026.

27. TAXES PAYABLE

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Individual income tax . . .	11,082,470.16	5,206,076.74	67,184,686.32	5,264,488.06
Enterprise income tax . . .	32,953,752.65	58,579,379.81	78,505,362.61	42,466,246.05
VAT	18,895,049.41	25,557,738.48	47,902,728.45	28,082,192.71
Stamp tax	5,741,932.22	5,720,424.92	6,072,639.38	6,633,587.27
Urban maintenance and construction tax	1,507,835.73	1,337,310.52	3,482,715.45	1,796,784.20
Real estate tax	2,396,905.22	2,574,046.02	2,600,093.40	2,932,992.02
Education surcharge	689,604.05	612,173.21	1,529,722.52	820,886.96
Local education surcharge	458,263.48	408,120.02	1,019,815.08	584,686.45
Other taxes	2,902,308.21	1,752,040.90	1,801,676.46	2,524,881.39
Total	<u>76,628,121.13</u>	<u>101,747,310.62</u>	<u>210,099,439.67</u>	<u>91,106,745.11</u>

28. OTHER PAYABLES

28.1 Summary of other payables

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Dividends payable	205,463,323.42	–	7,926,750.00	127,496.81
Other payables	1,962,209,805.08	1,543,445,020.79	1,496,889,398.90	1,474,490,043.72
Total	<u>2,167,673,128.50</u>	<u>1,543,445,020.79</u>	<u>1,504,816,148.90</u>	<u>1,474,617,540.53</u>

28.2 Dividends payable

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Dividends payable (Note)	205,463,323.42	–	7,926,750.00	127,496.81
Total	<u>205,463,323.42</u>	<u>–</u>	<u>7,926,750.00</u>	<u>127,496.81</u>

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Note: The dividends payable of RMB 7,926,750.00 as at 31 December 2025 was settled in May 2026.

28.3 Other payables

(1) Disclosed by the nature of other payables

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Payables for purchase of long-term asset	529,463,089.41	587,998,677.25	479,323,040.53	397,929,050.96
Accrued promotion and other expenses	178,848,762.98	190,177,385.52	294,015,173.92	274,001,745.99
Security deposits	366,833,856.88	278,608,923.45	287,489,040.50	249,102,758.78
Out-of-pocket expenses payable to distributors .	269,846,029.73	253,421,763.19	207,673,648.74	215,872,398.06
Payables and accruals for advertising expenses . .	496,124,310.70	122,088,186.05	112,195,757.18	213,626,137.55
Payables for purchase of equity interests	—	602,500.00	—	—
Others	121,093,755.38	110,547,585.33	116,192,738.03	123,957,952.38
Total	<u>1,962,209,805.08</u>	<u>1,543,445,020.79</u>	<u>1,496,889,398.90</u>	<u>1,474,490,043.72</u>

(2) Significant other payables with aging of more than one year or overdue

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had accounts payable to distributors that had been outstanding for more than one year, amounting to RMB19,873,834.65, RMB25,792,932.71, RMB22,243,679.85 and RMB21,583,970.60, respectively, and there were no other significant other payables aging more than one year or overdue but unpaid.

29. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Long-term borrowings due within one year (<i>Note (VI) 31</i>)	1,336,850,621.62	2,275,541,879.43	1,268,885,963.99	863,987,288.27
Lease liabilities due within one year (<i>Note (VI) 32</i>) .	67,032,414.86	58,994,181.31	44,080,626.84	46,996,219.90
Long-term payables due within one year (<i>Note (VI) 33</i>)	26,680,624.32	63,159,153.15	6,585,921.54	6,395,361.28
Total	<u>1,430,563,660.80</u>	<u>2,397,695,213.89</u>	<u>1,319,552,512.37</u>	<u>917,378,869.45</u>

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no non-current liabilities due within one year overdue but not yet paid.

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30. OTHER CURRENT LIABILITIES

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Obligation to repurchase non-controlling interests (Note (VI) 37)	135,000,000.00	125,000,000.00	125,000,000.00	125,000,000.00
Output VAT related to receipts in advance . . .	102,613,323.46	61,934,853.54	41,229,465.22	32,733,971.11
Payable for sales returns . .	8,276,144.95	3,337,819.56	2,992,843.03	3,582,757.09
Others	2,541,666.87	2,400,000.00	1,774,456.00	339,662.65
Total	248,431,135.28	192,672,673.10	170,996,764.25	161,656,390.85

31. LONG-TERM BORROWINGS

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Unsecured borrowings	1,946,710,095.09	1,854,807,459.71	2,242,765,675.71	1,912,120,979.18
Guaranteed borrowings	5,178,089,544.24	4,875,798,009.79	5,606,860,351.93	5,867,558,980.84
Guaranteed and secured borrowings	737,537,733.31	631,258,914.11	523,992,137.84	446,491,492.85
Secured borrowings	–	30,028,416.67	80,056,222.22	75,598,268.06
Total	7,862,337,372.64	7,391,892,800.28	8,453,674,387.70	8,301,769,720.93
Less: Long-term borrowings due within one year (Note (VI) 29)	1,336,850,621.62	2,275,541,879.43	1,268,885,963.99	863,987,288.27
Including: Unsecured borrowings	761,484,714.00	83,807,459.71	361,265,675.71	254,870,979.18
Guaranteed borrowings	481,300,986.66	2,057,494,538.48	740,417,580.12	434,035,787.14
Guaranteed and secured borrowings	94,064,920.96	134,011,464.57	158,246,485.94	166,132,253.89
Secured borrowings	–	228,416.67	8,956,222.22	8,948,268.06
Long-term borrowings due after one year	6,525,486,751.02	5,116,350,920.85	7,184,788,423.71	7,437,782,432.66

As at 31 December 2023, the Group obtained long-term borrowings of RMB5,178,089,544.24 guaranteed by entities within the Group, of which the long-term borrowings of RMB481,300,986.66 was due within one year. Additionally, the Group obtained long-term borrowings of RMB737,537,733.31 by pledging fixed assets with carrying amount of RMB77,641,124.13 and intangible assets with carrying amount of RMB77,078,816.26 as collateral, together with guarantees provided by the Company or subsidiaries within the Group, of which RMB94,064,920.96 is due within one year.

As at 31 December 2024, the Group obtained long-term borrowings of RMB4,875,798,009.79 guaranteed by entities within the Group, of which the long-term borrowings of RMB2,057,494,538.48 are due within one year. The Group also obtained short-term borrowings of RMB20,018,333.33 and long-term borrowings of RMB30,028,416.67 by pledging fixed assets with carrying amount of RMB23,151,666.52 and intangible assets with carrying amount of RMB6,598,609.65 as collaterals (Note VI (22)), of which the long-term borrowings of RMB228,416.67 are due within one year. Additionally, the Group obtained long-term borrowings of RMB631,258,914.11 by pledging fixed assets with carrying amount of RMB223,472,527.81 and intangible assets with carrying amount of RMB54,612,437.31 as collaterals, together with guarantees provided by the Company or subsidiaries within the Group, of which the long-term borrowings of RMB134,011,464.57 are due within one year.

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As at 31 December 2025, the Group obtained long-term borrowings of RMB5,606,860,351.93 guaranteed by entities within the Group, of which the long-term borrowings of RMB740,417,580.12 are due within one year. The Group also obtained long-term borrowings of RMB80,056,222.22 by pledging fixed assets with carrying amount of RMB50,002,341.17, of which the long-term borrowings of RMB8,956,222.22 are due within one year. Additionally, the Group obtained long-term borrowings of RMB523,992,137.84 by pledging fixed assets with carrying amount of RMB508,277,676.51 and intangible assets with carrying amount of RMB53,526,745.25 as collaterals, together with guarantees provided by the Company or subsidiaries within the Group, of which the long-term borrowings of RMB158,246,485.94 are due within one year.

As at 30 June 2026, the Group obtained long-term borrowings of RMB5,867,558,980.84 guaranteed by entities within the Group, of which the long-term borrowings of RMB434,035,787.14 are due within one year. The Group also obtained long-term borrowings of RMB75,598,268.06 by pledging fixed assets with carrying amount of RMB47,654,333.90, of which the long-term borrowings of RMB8,948,268.06 are due within one year. Additionally, the Group obtained long-term borrowings of RMB446,491,492.85 by pledging fixed assets with carrying amount of RMB487,554,934.87 and intangible assets with carrying amount of RMB52,690,898.10 as collaterals, together with guarantees provided by the Company or subsidiaries within the Group, of which the long-term borrowings of RMB166,132,253.89 are due within one year.

In May 2022, the Group obtained an unsecured long-term loan of USD150,000,000.00 from Credit Suisse AG, Singapore Branch (“CS USD Loan”). The long-term loan was scheduled to mature on May 2025, with a contractual interest rate of compounded backward-looking USD SOFR plus 1.8% (“compounded backward-looking USD SOFR” refers to the rate on the reset date representing the return on a daily compounding interest investment, where the USD SOFR referenced for interest calculation is the USD Secured Overnight Financing Rate). In July 2022, the Company entered into an interest rate swap agreement with Rabobank Nederland Shanghai Branch, converting the entire loan of USD150,000,000.00 into a fixed-rate loan. In 2023, the Company entered into a forward foreign exchange contract with Rabobank Nederland Shanghai Branch, agreeing to settle the loan of USD40,000,000.00 at a fixed exchange rate. In 2024, the Group repaid the CS USD Loan in advance and simultaneously terminated the interest rate swap agreement and forward foreign exchange contract entered into in relation to this loan.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the annual interest rates on the above borrowings were 3.00%-5.40%, 2.40%-4.25%, 2.30%-3.30% and 2.30%-3.20%, respectively.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group has no long-term borrowings overdue but not yet paid.

32. LEASE LIABILITIES

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Buildings	171,592,876.92	185,576,545.89	185,100,948.77	187,527,859.93
Land use rights	222,140,288.66	207,966,165.68	185,053,222.28	172,719,935.86
Equipment	60,871,003.08	2,272,364.87	6,861,645.72	6,293,674.07
Total	454,604,168.66	395,815,076.44	377,015,816.77	366,541,469.86
Less: Lease liabilities due within one year (<i>Note (VI) 29</i>)	67,032,414.86	58,994,181.31	44,080,626.84	46,996,219.90
Lease liabilities due after one year	387,571,753.80	336,820,895.13	332,935,189.93	319,545,249.96

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33. LONG-TERM PAYABLES

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Long-term payables (<i>Note 1-5</i>)	194,631,886.52	173,108,634.01	83,468,991.64	84,730,280.18
Less: Long-term payables due within one year (<i>Note (VI) 29</i>)	26,680,624.32	63,159,153.15	6,585,921.54	6,395,361.28
Long-term payables due after one year	<u>167,951,262.20</u>	<u>109,949,480.86</u>	<u>76,883,070.10</u>	<u>78,334,918.90</u>

Note 1: In 2015, CDB Development Fund Co., Ltd. (國開發基金有限公司) (“CDB Fund”) invested RMB68,000,000.00 in Hebei Junlebao Junyuan Dairy Co., Ltd. (河北君樂寶君源乳業有限公司) (“Junyuan Dairy”), a subsidiary of the Company, representing 40.48% of Junyuan Dairy’s registered capital. According to the investment agreement, CDB Fund will receive an annual fixed return during the investment period. Leshi Dairy, a subsidiary of the Company, also the controlling shareholder of Junyuan Dairy, is obliged to repurchase an equivalent proportion of investment from CDB Fund annually over the investment period. Beyond the aforementioned fixed return, CDB Fund is not entitled to any other profits from Junyuan Dairy nor does it bear any losses of Junyuan Dairy. Consequently, the Group has classified the investment received from CDB Fund as a long-term account payable measured at amortised cost. As at 31 December 2025, Junyuan Dairy has fully repaid the CBD Fund investment.

Note 2: A third-party poverty alleviation company provided funds of RMB47,559,436.78 to the Company’s subsidiary, Junao Zanhuan in 2020. According to the agreement, the poverty alleviation company will recover the entire principal amount of the funds by May 2025, and is entitled to receive an annual fixed return of 6.00% during the fund occupation period. Beyond the aforementioned fixed return, the poverty alleviation company is not entitled to any other profits from Junao Zanhuan nor does it bear any losses of Junao Zanhuan. Consequently, the Group has classified the received funds as long-term payables measured at amortised cost.

Note 3: In 2021, a third-party animal husbandry station provided a fund of RMB10,000,000.00 to Junsheng Animal Husbandry, a subsidiary of the Company. According to the agreement, the animal husbandry station will recover the fund in two installments, each amounting to 50% of the total, on June 2024 and December 2024, respectively. The fund accrues fixed annual returns at a fixed interest rate of 6.00% per year. Beyond the aforementioned fixed return, the animal husbandry station is not entitled to any other profits from Junsheng Animal Husbandry nor does it bear any of its losses. Consequently, the Group has classified the fund as a long-term account payable measured at amortised cost.

Note 4: According to the cooperation agreements signed between the Company’s subsidiary, Junkang Animal Husbandry, and several village committees, the village committees collectively provided funds of RMB17,500,000.00 to Junkang Animal Husbandry. The cooperation period is from August 2019 to August 2025. During this period, the village committees are entitled to an annual fixed return of 6.00%. Upon maturity, the village committees will recover the full principal amount. Beyond the aforementioned fixed return, the village committees are not entitled to any other profits from Junkang Animal Husbandry nor do they bear any of its losses. Consequently, the Group classified the received funds as a long-term account payable measured at amortised cost. In 2024, Junkang Animal Husbandry has become an associate of the Company. For details, please refer to Note (VII) 2.

Note 5: According to the cooperation agreements signed between the Company’s subsidiary, Yunduan Animal Husbandry, and several village committees, the village committees respectively provided funds of RMB69,000,000.00, RMB15,000,000.00 and RMB39,000,000.00 to Yunduan Animal Husbandry. The cooperation periods are respectively 20 years, 5 years and 20 years. During the cooperation period, Yunduan Animal Husbandry is obliged to make fixed annual repayments to village committees. Beyond these fixed repayments, the village committees are not entitled to any other profits from Yunduan Animal Husbandry nor do they bear any of its losses. Consequently, the Group has classified the received funds as long-term payables measured at amortised cost.

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34. PROVISIONS

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Reclamation fee	19,652,183.47	21,678,845.43	22,961,494.92	23,516,345.33
Others	–	466,585.07	–	–
Total	<u>19,652,183.47</u>	<u>22,145,430.50</u>	<u>22,961,494.92</u>	<u>23,516,345.33</u>

35. DEFERRED INCOME

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
Government grants related to assets . .	1,111,709,726.73	81,483,675.79	(157,557,018.05)	1,035,636,384.47
Government grants related to income . .	21,515,181.90	18,029,746.89	(10,451,399.20)	29,093,529.59
Total	<u>1,133,224,908.63</u>	<u>99,513,422.68</u>	<u>(168,008,417.25)</u>	<u>1,064,729,914.06</u>

2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
Government grants related to assets . .	1,035,636,384.47	137,276,463.13	(172,003,612.20)	1,000,909,235.40
Government grants related to income . .	29,093,529.59	4,796,600.00	(13,931,666.22)	19,958,463.37
Total	<u>1,064,729,914.06</u>	<u>142,073,063.13</u>	<u>(185,935,278.42)</u>	<u>1,020,867,698.77</u>

2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
Government grants related to assets . .	1,000,909,235.40	90,344,956.07	(159,235,559.61)	932,018,631.86
Government grants related to income . .	19,958,463.37	1,484,447.59	(11,693,224.35)	9,749,686.61
Total	<u>1,020,867,698.77</u>	<u>91,829,403.66</u>	<u>(170,928,783.96)</u>	<u>941,768,318.47</u>

Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions	Decreases	30 June 2025
Government grants related to assets . .	1,000,909,235.40	55,850,000.00	(79,636,938.42)	977,122,296.98
Government grants related to income . .	19,958,463.37	–	(3,156,061.10)	16,802,402.27
Total	<u>1,020,867,698.77</u>	<u>55,850,000.00</u>	<u>(82,792,999.52)</u>	<u>993,924,699.25</u>

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
Government grants related to assets . .	932,018,631.86	7,765,199.14	(78,606,670.30)	861,177,160.70
Government grants related to income . .	9,749,686.61	2,459,500.00	(3,420,851.80)	8,788,334.81
Total	<u>941,768,318.47</u>	<u>10,224,699.14</u>	<u>(82,027,522.10)</u>	<u>869,965,495.51</u>

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36. PAID-IN CAPITAL/SHARE CAPITAL

For the period from 1 January 2023 to 30 June 2026

Name of shareholders	Changes for the year			31 December 2023 and 31 December 2024	Changes for the year/period		31 December 2025 and 30 June 2026	RMB	
	1 January 2023	Additions	Decreases		Share conversion due to the equity restructure	Additions			Decreases
Mr. Wei Lihua	23,357,793.00	-	-	246,952,662.00	270,310,455.00	-	-	270,310,455.00	
Zhubai Hengqin Leluiruosheng	4,207,240.00	-	-	44,481,476.00	48,688,716.00	33,072,412.00	-	81,761,128.00	
Ningbo Tanzhi Enterprise Management Consulting Partnership (Limited Partnership) (寧波探智企業管理諮詢合夥企業(有限合夥))	7,987,208.00	-	-	84,445,576.00	92,432,784.00	-	(30,553,078.00)	61,879,706.00	
Chunhua Shaojing (Tianjin) Equity Investment Partnership (Limited Partnership) (春華韶景(天津)股權投資合夥企業(有限合夥))	5,391,366.00	-	-	57,000,770.00	62,392,136.00	-	(22,065,196.00)	40,326,940.00	
Shijiazhuang Yuehui Xinghong	2,994,863.00	-	-	31,663,496.00	34,658,359.00	4,321,248.00	-	38,979,607.00	
Tianjin Ping An Consumer Technology Investment Partnership (Limited Partnership) (天津市平安消費科技投資合夥企業(有限合夥))	3,328,003.00	-	-	35,185,653.00	38,513,656.00	-	(13,620,401.00)	24,893,255.00	
Shijiazhuang Zhenlecheng	-	1,244,318.00	-	13,155,680.00	14,399,998.00	1,791,737.00	-	16,191,735.00	
Zhubai Yuanheyong Investment Partnership Enterprise (Limited Partnership) (珠海遠和盈投資合夥企業(有限合夥))	1,996,802.00	-	-	21,111,394.00	23,108,196.00	-	(7,638,521.00)	15,469,675.00	
Quoshi Xingde (Tianjin) Investment Center (Limited Partnership) (秋實興德(天津)投資中心(有限合夥))	1,996,802.00	-	-	21,111,394.00	23,108,196.00	-	(8,172,295.00)	14,935,901.00	
Yangfu (Shijiazhuang) Dairy Equity Investment Center (Limited Partnership) (央扶(石家莊)乳業股權投資中心(有限合夥))	1,664,002.00	-	-	17,592,832.00	19,256,834.00	-	(6,365,330.00)	12,891,504.00	
Zhubai Hengqin Yuehui Xinghong No.1	885,286.00	-	-	9,359,777.00	10,245,063.00	1,243,676.00	-	11,488,739.00	
Shanghai Bamao Investment Management Partnership (Limited Partnership) (上海巴貿投資管理合夥企業(有限合夥))	1,331,201.00	-	-	14,074,259.00	15,405,460.00	-	(5,448,160.00)	9,957,300.00	
Quanzhou Hai Si Hou Jiu Equity Investment Partnership (Limited Partnership) (泉州海絲厚玖股權投資合夥企業(有限合夥))	-	138,572.00	-	1,465,067.00	1,603,639.00	5,863,780.00	-	7,467,419.00	
Hainan Junshi Enterprise Management Co., Ltd. (海南駿實企業管理有限公司)	590,941.00	-	-	6,247,784.00	6,838,725.00	-	-	6,838,725.00	
Moutai Jinshi (Guizhou) Biotechnology Industry Fund Partnership (Limited Partnership) (茅台金石(貴州)生物科技產業基金合夥企業(有限合夥))	-	-	-	-	-	6,765,900.00	-	6,765,900.00	
Zhangjiagang Bojia Yikai Venture Capital Partnership (Limited Partnership) (張家港博佳翼開創業投資合夥企業(有限合夥))	-	554,287.00	-	5,860,256.00	6,414,543.00	-	-	6,414,543.00	
Shijiazhuang Zhenlecheng No.12 Enterprise Management Center (Limited Partnership) (石家莊臻樂誠拾貳號企業管理中心(有限合夥))	-	-	-	-	-	6,220,911.00	-	6,220,911.00	
Tianjin Bojia Sanbao	532,503.00	-	-	5,629,943.00	6,162,446.00	-	-	6,162,446.00	

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	1 January 2023	Additions	Decreases	Share conversion due to the equity restructure	31 December 2023 and 31 December 2024	31 December 2025 and 30 June 2026
Nanjing Hongzhang Equity Investment Partnership (Limited Partnership) (南京弘章股權投資合夥企業(有限合夥))	-	507,173.00	-	5,362,139.00	5,869,312.00	5,869,312.00
Suzhou Houqi Equity Investment Center (Limited Partnership) (蘇州厚齊股權投資中心(有限合夥))	-	498,858.00	-	5,274,227.00	5,773,085.00	5,773,085.00
Dalian Ronghua Color Printing Packaging Co., Ltd. (大連榮華彩印包裝有限公司)	-	-	-	-	-	5,269,815.00
Central Enterprise Rural Industry Investment Fund Co., Ltd. (中央企業鄉村產業投資基金股份有限公司)	-	415,715.00	-	4,395,189.00	4,810,904.00	4,810,904.00
Gongqingcheng Fuman Venture Capital Partnership (Limited Partnership) (共青城福滿創業投資合夥企業(有限合夥))	-	-	-	-	-	4,510,600.00
Ningbo Heavy Investment Partnership (Limited Partnership) (寧波興龍持重投資合夥企業(有限合夥))	332,800.00	-	-	3,518,562.00	3,851,362.00	3,851,362.00
Gongqingcheng Kemei Venture Capital Partnership (Limited Partnership) (共青城科美創業投資合夥企業(有限合夥))	-	277,144.00	-	2,930,133.00	3,207,277.00	3,207,277.00
Gongqingcheng Junmei Venture Capital Partnership (Limited Partnership) (共青城君美創業投資合夥企業(有限合夥))	-	277,144.00	-	2,930,133.00	3,207,277.00	3,207,277.00
Shanghai Hongzhiyue Co., Ltd. (上海弘致悅實業有限公司)	-	239,175.00	-	2,528,702.00	2,767,877.00	2,767,877.00
Gongqingcheng Jinlang Equity Partnership Enterprise (Limited Partnership) (共青城金朗股權合夥企業(有限合夥))	-	-	-	-	-	2,706,360.00
Qingdao Beiqi Industrial Co., Ltd. (青島北琪實業有限公司)	-	83,143.00	-	879,038.00	962,181.00	2,467,151.00
Gerui Food Technology (Tianjin) Co., Ltd. (格瑞食品科技(天津)有限公司)	-	-	-	-	-	2,255,300.00
Shanghai Yipu Enterprise Management Co., Ltd. (上海一僕企業管理有限公司)	-	-	-	-	-	2,255,299.00
Hebei Wenzhan Equity Investment Fund Partnership (Limited Partnership) (河北文展股權投資基金合夥企業(有限合夥))	-	194,001.00	-	2,051,095.00	2,245,096.00	2,245,096.00
Shanghai Guoshan Ruiding Investment Co., Ltd. (上海國山瑞鼎投資有限公司)	-	-	-	-	-	2,107,926.00
Tianjin Botia Simei Equity Investment Fund Partnership (Limited Partnership) (天津博佳西美股權投資基金合夥企業(有限合夥))	-	174,601.00	-	1,845,987.00	2,020,588.00	2,020,588.00
Shijiazhuang Runde Zhiying II Corporate Management Center (Limited Partnership) (石家莊潤德智盈誠企業管理中心(有限合夥))(formerly known as Zhuhai Hengqin Runde Zhiying No.2 Enterprise Management Center (Limited Partnership) (珠海橫琴潤德智盈誠企業管理中心(有限合夥)) (“Zhuhai Hengqin Runde Zhiying No.2”)	150,000.00	-	-	1,585,890.00	1,735,890.00	1,735,890.00
Shanghai Heguang Tongcheng Enterprise Consulting Partnership (Limited Partnership) (上海禾光同呈企業諮詢合夥企業(有限合夥))	-	138,572.00	-	1,465,067.00	1,603,639.00	1,603,639.00
Gongqingcheng Demei Venture Capital Partnership (Limited Partnership) (共青城德美創業投資合夥企業(有限合夥))	-	138,572.00	-	1,465,067.00	1,603,639.00	1,603,639.00
Goldstone Growth Equity Investment (Hangzhou) Partnership (Limited Partnership) (金石成長股權投資(杭州)合夥企業(有限合夥))	-	-	-	-	-	1,353,180.00

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Name of shareholders	1 January 2023	Changes for the year		31 December 2023 and 31 December 2024	Changes for the year/period		31 December 2025 and 30 June 2026
		Additions	Decreases		Additions	Decreases	
Tianjin Bojiahengxin Equity Investment Fund Partnership (Limited Partnership) (天津博佳恒新股權投資基金合夥企業(有限合夥))	-	110,857.00	-	1,282,904.00	-	-	1,282,904.00
Mr. Huang He	-	-	-	-	1,264,755.00	-	1,264,755.00
Jinshi Packaging (Jiaxing) Co., Ltd. (金石包裝(嘉興)有限公司)	-	-	-	-	1,264,755.00	-	1,264,755.00
Mr. Wang Yande	-	-	-	-	1,264,755.00	-	1,264,755.00
Shanghai Ruiyilian Enterprise Management Partnership (Limited Partnership) (上海瑞壹聯企業管理合夥企業(有限合夥))	-	102,266.00	-	1,183,484.00	-	-	1,183,484.00
Ms. He Xiaomei	-	-	-	-	1,166,065.00	-	1,166,065.00
Ms. Niu Guojuan	-	27,714.00	-	320,723.00	843,170.00	-	1,163,893.00
Chuanyu Gaozhu Xinqu Chongqing Guanghong Venture Investment Fund Partnership (Limited Partnership) (川渝高竹新區重慶廣弘創業投資基金合夥企業(有限合夥))	-	-	-	-	902,120.00	-	902,120.00
Zhengzhou Linghang Information Technology Co., Ltd. (鄭州領邦信息科技公司)	-	-	-	-	902,120.00	-	902,120.00
Shenzhen Meiyu Times Investment Partnership (Limited Partnership) (深圳美倫時代投資合夥企業(有限合夥))	-	74,828.00	-	865,955.00	-	-	865,955.00
Hebei Xindong Printing Co., Ltd. (河北新東印刷有限公司)	-	-	-	-	843,170.00	-	843,170.00
Mr. Liu Yaqi	-	-	-	-	843,170.00	-	843,170.00
Ms. Li Xuehui	-	-	-	-	843,170.00	-	843,170.00
Mr. Qu Yiqun	-	-	-	-	843,170.00	-	843,170.00
Ms. Duan Minxuan	-	55,429.00	-	641,458.00	-	-	641,458.00
Mr. Zhuang Guiti	-	55,429.00	-	641,458.00	-	-	641,458.00
Mr. Li Mingqian	-	-	-	-	541,272.00	-	541,272.00
Mr. Li Yungu	-	44,902.00	-	519,633.00	-	-	519,633.00
Guang an Xiaoping Guli Development Fund Center (Limited Partnership) (廣安小平故里發展基金中心(有限合夥))	-	-	-	-	451,060.00	-	451,060.00
Ms. Wei Keyao	-	-	-	-	421,585.00	-	421,585.00
Mr. Zhang Shilong	-	27,714.00	-	320,723.00	-	-	320,723.00
Mr. Zhang Xiaowei	-	27,714.00	-	320,723.00	-	-	320,723.00
Mr. Deng Ziyu	-	-	-	-	225,530.00	-	225,530.00
Ms. Sun Lei	-	16,629.00	-	192,441.00	-	-	192,441.00
Mr. Zhao Linsen	-	16,629.00	-	192,441.00	-	-	192,441.00
Ms. Fan Xiaohong	-	13,857.00	-	160,362.00	-	-	160,362.00
Mr. Han Yanfeng	-	13,857.00	-	160,362.00	-	-	160,362.00
Shijiazhuang Hongqi Dairy Products Factory 石家莊市紅旗乳品廠 (“Hongqi Dairy Products Factory”)	-	-	(4,224,782.00)	-	-	-	-
4,224,782.00	4,224,782.00	-	(4,224,782.00)	-	-	-	-
Total	60,971,592.00	5,469,100.00	(4,224,782.00)	720,000,000.00	93,862,981.00	(93,862,981.00)	720,000,000.00

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37. CAPITAL RESERVE

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
Capital premium (<i>Note 1-4</i>)	(2,598,257,520.00)	5,896,058,077.00	(2,190,676,259.95)	1,107,124,297.05
Other capital reserve (<i>Note 1-2, 5</i>)	34,441,325.95	41,828,229.62	(76,269,555.57)	–
Total	<u>(2,563,816,194.05)</u>	<u>5,937,886,306.62</u>	<u>(2,266,945,815.52)</u>	<u>1,107,124,297.05</u>

2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
Capital premium (<i>Note 6</i>)	1,107,124,297.05	–	(51,664,952.30)	1,055,459,344.75
Other capital reserve (<i>Note 5</i>)	–	40,172,243.88	–	40,172,243.88
Total	<u>1,107,124,297.05</u>	<u>40,172,243.88</u>	<u>(51,664,952.30)</u>	<u>1,095,631,588.63</u>

2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
Capital premium (<i>Note 7</i>)	1,055,459,344.75	3,519,842.84	–	1,058,979,187.59
Other capital reserve (<i>Note 5</i>) (<i>Note VI 10</i>)	40,172,243.88	39,073,391.38	–	79,245,635.26
Total	<u>1,095,631,588.63</u>	<u>42,593,234.22</u>	<u>–</u>	<u>1,138,224,822.85</u>

Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions	Decreases	30 June 2025
Capital premium (<i>Note 7</i>)	1,055,459,344.75	3,519,842.84	–	1,058,979,187.59
Other capital reserve (<i>Note 5</i>)	40,172,243.88	21,419,018.47	–	61,591,262.35
Total	<u>1,095,631,588.63</u>	<u>24,938,861.31</u>	<u>–</u>	<u>1,120,570,449.94</u>

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
Capital premium (<i>Note 7</i>)	1,058,979,187.59	–	–	1,058,979,187.59
Other capital reserve (<i>Note 5</i>)	79,245,635.26	24,199,907.73	–	103,445,542.99
Total	<u>1,138,224,822.85</u>	<u>24,199,907.73</u>	<u>–</u>	<u>1,162,424,730.58</u>

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Note 1: In December 2023, the Company was restructured in its entirety into a joint stock limited company, resulting in a reduction of RMB58,956,692.69 in other capital reserves, and a reduction of RMB1,973,193,823.78 in capital premium, respectively.

Note 2: In 2023, the Company acquired the minority shareholders’ equity interests in its subsidiaries Banner Dairy, Banner Animal Husbandry, Sikeqi Hebei, and Hebei Guanwei. The difference of RMB99,795,299.05 between the consideration paid and the non-controlling interests acquired was recognised as a decrease in other capital reserves of RMB17,312,862.88 and a decrease in capital premium of RMB82,482,436.17. For details, please refer to Note (VIII) 2.

Note 3: In 2023, the Group has incurred new obligations to repurchase the equity interests of its subsidiaries Xi’an Yinqiao and Sikeqi Hebei held by the minority shareholders at their call from the business combinations of Xi’an Yinqiao and Sikeqi Hebei. In the Group’s consolidated financial statements, the repurchase obligations were recognised as gross financial liabilities based on the present value of the estimated repurchase payment amounts, amounting to RMB135,000,000.00 (Note (VI) 30), with a corresponding reduction in capital premium. In 2024, the minority shareholders of Sikeqi Hebei exercised partial repurchase options, selling 10% of the equity interests in Sikeqi Hebei to the Group for RMB10,000,000.00.

Note 4: Before the Track Record Period, certain shareholders were granted certain special rights by the Company and/or the ultimately controlling party Mr. Wei Lihua, mainly including the redemption rights, liquidation preferences and anti-dilution right. The redemption rights and liquidation preferences granted to the investors constitute as the Company’s obligations to repurchase its own equity instruments and were recognised as financial liabilities measured at amortised cost. The anti-dilution right is a derivative financial instrument measured at fair value through profit or loss, of which the fair value was considered to nil as the directors of Company were of the opinion that the Company can avoid the activation of the anti-dilution by not issuing any further shares at lower price. In November 2023, the Company and all shareholders have entered into a supplementary agreement, pursuant to which the redemption rights, liquidation preference and anti-dilution rights granted by the Company have been permanently cancelled, resulting in the derecognition of relevant financial liabilities and an increase the capital reserve of RMB5,896,058,077.00.

Note 5: In 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026, the increase in other capital reserve was due to the recognition of share-based payment expenses of RMB41,828,229.62, RMB40,172,243.88, RMB39,623,391.38, RMB21,419,018.47 and RMB24,199,907.73, respectively. For details, please refer to Note (XII).

Note 6: In 2024, the Company acquired the minority shareholders’ equity interests in its subsidiaries Leshi Dairy and Sikeqi Hebei. The difference of RMB51,664,952.30 between the consideration paid and the non-controlling interests acquired was recognised as a decrease in capital premium. For details, please refer to Note (VIII) 2.

Note 7: In 2025, the Company acquired the minority shareholders’ equity interests in its subsidiary, Baixiang Junchuang. The difference of RMB1,151,983.02 between the consideration paid and the non-controlling interests acquired was recognised as a decrease in capital premium. In 2025, the Company’s subsidiary, Xinxiang Leyuan, introduced minority shareholders. The difference of RMB2,367,859.82 in the net assets attributable to the Group before and after the absorption of minority equity was recorded in capital reserve. For details, please refer to Note (VIII) 2.

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38. OTHER COMPREHENSIVE INCOME

2023

RMB

Items	1 January 2023	Amount incurred in the year					31 December 2023
		Pre-tax amount incurred	Less: Previously recognised in other comprehensive income and transferred to retained earnings in the current period	Less: related income tax	Other comprehensive income after tax attributable to owners of the Company	Other comprehensive income after tax attributable to minority shareholders	
Changes in fair value of investment in other equity instruments . .	349,000.00	(1,755,000.00)	(1,406,000.00)	–	(1,755,000.00)	–	–

2024

RMB

Items	1 January 2024	Amount incurred in the year					31 December 2024
		Pre-tax amount incurred	Less: Previously recognised in other comprehensive income and transferred to retained earnings in the current period	Less: related income tax	Other comprehensive income after tax attributable to owners of the Company	Other comprehensive income after tax attributable to minority shareholders	
Changes in fair value of investment in other equity instruments . .	–	7,400,000.00	–	1,850,000.00	5,550,000.00	–	5,550,000.00

2025

RMB

Items	1 January 2025	Amount incurred in the year					31 December 2025
		Pre-tax amount incurred	Less: Previously recognised in other comprehensive income and transferred to retained earnings in the current period	Less: related income tax	Other comprehensive income after tax attributable to owners of the Company	Other comprehensive income after tax attributable to minority shareholders	
Changes in fair value of investment in other equity instruments	5,550,000.00	–	–	–	–	–	5,550,000.00
Foreign currency translation adjustment	–	115.66	–	–	115.66	–	115.66
Total	5,550,000.00	115.66	–	–	115.66	–	5,550,115.66

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Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Amount incurred in the period					30 June 2025
		Pre-tax amount incurred	Less: Previously recognised in other comprehensive income and transferred to retained earnings in the current period	Less: related income tax	Other comprehensive income after tax attributable to owners of the Company	Other comprehensive income after tax attributable to minority shareholders	
Changes in fair value of investment in other equity instruments . .	5,550,000.00	–	–	–	–	–	5,550,000.00
Total	5,550,000.00	–	–	–	–	–	5,550,000.00

Six months ended 30 June 2026

RMB

Items	1 January 2026	Amount incurred in the period					30 June 2026
		Pre-tax amount incurred	Less: Previously recognised in other comprehensive income and transferred to retained earnings in the current period	Less: related income tax	Other comprehensive income after tax attributable to owners of the Company	Other comprehensive income after tax attributable to minority shareholders	
Changes in fair value of investment in other equity instruments . .	5,550,000.00	5,360,840.00	5,360,840.00	–	–	–	5,550,000.00
Foreign currency translation adjustment	115.66	(391,732.50)	–	–	(391,732.50)	–	(391,616.84)
Total	5,550,115.66	4,969,107.50	5,360,840.00	–	(391,732.50)	–	5,158,383.16

39. SURPLUS RESERVE

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
Statutory surplus reserve	31,185,401.13	–	(31,185,401.13)	–
Discretionary surplus reserve	14,843,652.40	–	(14,843,652.40)	–
Total	46,029,053.53	–	(46,029,053.53)	–

In December 2023, the Company was restructured in its entirety into a joint stock limited company, resulting in a reduction of surplus reserve of RMB46,029,053.53.

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2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
Statutory surplus reserve	–	81,532,790.99	–	81,532,790.99
Total	–	81,532,790.99	–	81,532,790.99

In 2024, the Company appropriated RMB81,532,790.99 to the statutory surplus reserve.

2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
Statutory surplus reserve	81,532,790.99	176,297,586.43	–	257,830,377.42
Total	81,532,790.99	176,297,586.43	–	257,830,377.42

In 2025, the Company appropriated RMB176,297,586.43 to the statutory surplus reserve.

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
Statutory surplus reserve	257,830,377.42	–	–	257,830,377.42
Total	257,830,377.42	–	–	257,830,377.42

In the six months ended 30 June 2026, the Company appropriated RMB nil to the statutory surplus reserve.

40. RETAINED EARNINGS

RMB

Items	Amount
Retained earnings at 1 January 2023	617,212,752.58
Add: Net loss attributable to owners of the Company for the year	(21,441,711.81)
Less: Distribution to shareholders	530,000,000.00
Less: Other comprehensive income transferred to retained earnings	1,406,000.00
Less: Decrease due to the restructuring of the Company in its entirety into a joint stock limited company	(1,420,395,480.00)
Retained earnings as at 31 December 2023	1,484,760,520.77
Add: Net profit attributable to owners of the Company for the year	1,017,483,751.06
Less: Distribution to shareholders	362,500,000.00
Less: Appropriation for surplus reserve	81,532,790.99
Retained earnings as at 31 December 2024	2,058,211,480.84
Add: Net profit attributable to owners of the Company for the year	1,115,806,521.19
Less: Distribution to shareholders	1,800,000,000.00
Less: Appropriation for surplus reserve	176,297,586.43
Retained earnings as at 31 December 2025	1,197,720,415.60

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Items	Amount
Add: Net profit attributable to owners of the Company for the period	654,414,168.48
Add: Other comprehensive income transferred to retained earnings	5,360,840.00
Retained earnings as at 30 June 2026	<u>1,857,495,424.08</u>

Note 1: Appropriation for statutory surplus reserve

According to the PRC Company Law and the Articles of Association of the Company, the Company is required to transfer 10% of their respective net profits to the statutory reserve until the reserve balance reaches 50% of the registered capital.

Note 2: Surplus reserve appropriated by subsidiaries

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the balance of the Group’s retained earnings includes the surplus reserve appropriated by subsidiaries amounting to RMB900,654,801.29, RMB988,006,242.28, RMB1,199,781,530.00 and RMB1,199,781,530.00, respectively.

Note 3: Dividends declared to shareholders of the Company during each reporting period:

RMB

Items	2023	2024	2025	Six months ended 30 June 2026
Dividend declared	<u>530,000,000.00</u>	<u>362,500,000.00</u>	<u>1,800,000,000.00</u>	<u>—</u>

Note: Pursuant to the approval of extraordinary general meeting of shareholders on 13 September 2023, a dividend of RMB0.74 per share with a total amount of RMB530,000,000.00 was declared to shareholders, and the dividends of RMB336,986,890.00 was paid in November 2023 and the dividends of RMB193,013,110.00 was paid in March 2024, respectively. Pursuant to the approval of extraordinary general meeting of shareholders on 6 November 2024, a dividend of RMB0.50 per share with a total amount of RMB362,500,000.00 was declared to shareholders, and the dividends was paid in November 2024. Pursuant to the approval of extraordinary general meeting of shareholders on 27 August 2025, a dividend of RMB1.11 per share with a total amount of RMB800,000,000.00 was declared to shareholders, and the dividends of RMB732,177,600.00 and RMB67,822,400.00 was paid in September 2025 and December 2025, respectively. Pursuant to the approval of extraordinary general meeting of shareholders on 16 October 2025, a dividend of RMB1.39 per share with a total amount of RMB1,000,000,000.00 was declared to shareholders, and the dividends was paid in December 2025.

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ACCOUNTANTS’ REPORT

41. REVENUE AND OPERATING COSTS

(1) Revenue and operating costs

Items	2023		2024		2025		Six months ended 30 June 2025 (Unaudited)		Six months ended 30 June 2026	
	Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs
Principal activities	16,623,964,037.07	10,633,773,724.02	19,056,894,321.26	12,182,421,901.34	18,909,761,647.15	12,347,576,559.10	9,126,550,053.62	5,773,293,427.42	10,063,687,148.38	6,567,830,563.29
Other operating activities	922,211,210.05	908,808,233.54	775,595,336.57	776,287,931.89	1,472,681,376.85	1,559,580,084.34	824,659,293.76	873,249,456.86	545,052,558.13	570,058,799.40
Total	17,546,175,247.12	11,542,581,957.56	19,832,489,657.83	12,958,709,833.23	20,382,443,024.00	13,907,156,643.44	9,951,209,347.38	6,646,542,884.28	10,608,739,706.51	7,137,889,362.69

RMB

APPENDIX I

ACCOUNTANTS’ REPORT

(2) Revenue from principal activities

RMB

2023				
Items	Formula	Liquid milk and other dairy products	Dairy farming	Total
By sales channel:				
Distributors	4,839,182,004.07	8,214,010,081.98	402,060.42	13,053,594,146.47
Direct sales	590,007,296.18	2,139,740,974.57	840,621,619.85	3,570,369,890.60
Total	5,429,189,300.25	10,353,751,056.55	841,023,680.27	16,623,964,037.07
By geographical regions:				
Chinese Mainland	5,427,421,093.72	10,353,751,056.55	841,023,680.27	16,622,195,830.54
Overseas	1,768,206.53	–	–	1,768,206.53
Total	5,429,189,300.25	10,353,751,056.55	841,023,680.27	16,623,964,037.07
By timing of revenue recognition:				
At a point in time	5,429,189,300.25	10,353,751,056.55	841,023,680.27	16,623,964,037.07
Over time	–	–	–	–
Total	5,429,189,300.25	10,353,751,056.55	841,023,680.27	16,623,964,037.07

RMB

2024				
Items	Formula	Liquid milk and other dairy products	Dairy farming	Total
By sales channel:				
Distributors	4,696,740,192.85	9,579,305,300.51	–	14,276,045,493.36
Direct sales	674,051,359.27	2,715,033,500.19	1,391,763,968.44	4,780,848,827.90
Total	5,370,791,552.12	12,294,338,800.70	1,391,763,968.44	19,056,894,321.26
By geographical regions:				
Chinese Mainland	5,370,791,552.12	12,294,110,105.43	1,391,763,968.44	19,056,665,625.99
Overseas	–	228,695.27	–	228,695.27
Total	5,370,791,552.12	12,294,338,800.70	1,391,763,968.44	19,056,894,321.26
By timing of revenue recognition:				
At a point in time	5,370,791,552.12	12,294,338,800.70	1,391,763,968.44	19,056,894,321.26
Over time	–	–	–	–
Total	5,370,791,552.12	12,294,338,800.70	1,391,763,968.44	19,056,894,321.26

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ACCOUNTANTS’ REPORT

RMB

2025				
Items	Formula	Liquid milk and other dairy products	Dairy farming	Total
By sales channel:				
Distributors	3,760,304,116.24	9,975,947,496.32	–	13,736,251,612.56
Direct sales	703,995,898.74	3,268,335,858.56	1,201,178,277.29	5,173,510,034.59
Total	4,464,300,014.98	13,244,283,354.88	1,201,178,277.29	18,909,761,647.15
By geographical regions:				
Chinese Mainland	4,463,350,949.45	13,243,598,961.87	1,201,178,277.29	18,908,128,188.61
Overseas	949,065.53	684,393.01	–	1,633,458.54
Total	4,464,300,014.98	13,244,283,354.88	1,201,178,277.29	18,909,761,647.15
By timing of revenue recognition:				
At a point in time	4,464,300,014.98	13,244,283,354.88	1,201,178,277.29	18,909,761,647.15
Over time	–	–	–	–
Total	4,464,300,014.98	13,244,283,354.88	1,201,178,277.29	18,909,761,647.15

RMB

Six months ended 30 June 2025 (Unaudited)				
Items	Formula	Liquid milk and other dairy products	Dairy farming	Total
By sales channel:				
Distributors	2,066,799,598.90	4,762,270,535.00	–	6,829,070,133.90
Direct sales	317,281,515.06	1,441,802,840.40	538,395,564.26	2,297,479,919.72
Total	2,384,081,113.96	6,204,073,375.40	538,395,564.26	9,126,550,053.62
By geographical regions:				
Chinese Mainland	2,383,132,048.43	6,204,073,375.40	538,395,564.26	9,125,600,988.09
Overseas	949,065.53	–	–	949,065.53
Total	2,384,081,113.96	6,204,073,375.40	538,395,564.26	9,126,550,053.62
By timing of revenue recognition:				
At a point in time	2,384,081,113.96	6,204,073,375.40	538,395,564.26	9,126,550,053.62
Over time	–	–	–	–
Total	2,384,081,113.96	6,204,073,375.40	538,395,564.26	9,126,550,053.62

RMB

Six months ended 30 June 2026				
Items	Formula	Liquid milk and other dairy products	Dairy farming	Total
By sales channel:				
Distributors	1,703,015,379.70	5,319,292,717.03	–	7,022,308,096.73
Direct sales	317,045,386.00	2,114,294,475.95	610,039,189.70	3,041,379,051.65
Total	2,020,060,765.70	7,433,587,192.98	610,039,189.70	10,063,687,148.38
By geographical regions:				
Chinese Mainland	2,020,060,765.70	7,421,212,039.51	610,039,189.70	10,051,311,994.91
Overseas	–	12,375,153.47	–	12,375,153.47
Total	2,020,060,765.70	7,433,587,192.98	610,039,189.70	10,063,687,148.38
By timing of revenue recognition:				
At a point in time	2,020,060,765.70	7,433,587,192.98	610,039,189.70	10,063,687,148.38
Over time	–	–	–	–
Total	2,020,060,765.70	7,433,587,192.98	610,039,189.70	10,063,687,148.38

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ACCOUNTANTS’ REPORT

(3) Revenue/costs from other operating activities

Items	2023		2024		2025		Six months ended 30 June 2025 (Unaudited)		Six months ended 30 June 2026	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
	RMB									
Sales of materials	271,914,818.01	279,781,833.38	236,881,043.21	263,076,496.79	436,464,984.65	564,526,658.63	240,585,796.03	301,960,003.03	261,486,744.90	312,670,002.91
Sales of non-staple food products	324,270,170.12	321,529,543.57	227,771,246.20	227,978,853.15	134,134,962.33	132,257,928.17	73,913,015.95	72,555,277.67	60,213,565.21	59,910,827.45
Consigned processing	195,946,216.37	194,217,114.01	117,488,189.63	117,394,940.65	96,676,181.48	109,248,675.71	69,351,770.15	76,862,177.17	71,665,231.81	73,304,830.90
Sales of packaging materials	85,612,443.94	74,812,728.95	108,940,582.26	98,040,779.64	116,525,921.48	106,772,727.50	55,728,893.28	50,507,379.98	67,999,494.02	59,891,432.14
Sales of property	–	–	–	–	557,055,376.59	541,927,301.95	323,826,876.93	316,771,541.20	8,955,444.02	10,383,715.05
Others	44,467,561.61	38,467,013.63	84,514,275.27	69,796,861.66	131,823,950.32	104,846,792.38	61,252,941.42	54,593,077.81	74,732,078.17	53,897,990.95
Total	922,211,210.05	908,808,233.54	775,595,336.57	776,287,931.89	1,472,681,376.85	1,559,580,084.34	824,659,293.76	873,249,456.86	545,052,558.13	570,058,799.40

APPENDIX I

ACCOUNTANTS’ REPORT

(4) Description of allocation to remaining performance obligations

Except for the contracts related to sales of property and unused sales incentives granted to the customers, the Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts from customers of the Group are within one year or less.

For the contracts related to sales of property and unused sales incentives granted to the customers, the contract liabilities at the end of each reporting period can represent the transaction price allocated to the remaining performance obligations, please refer to Note (VI) 25 for details.

42. TAXES AND SURCHARGES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Urban maintenance and construction tax	44,845,771.89	47,940,184.17	46,709,841.18	24,628,983.68	20,529,624.25
Real estate tax	24,429,197.29	27,572,895.22	28,315,170.53	14,131,989.82	15,942,146.61
Stamp tax	20,518,200.17	20,760,729.10	21,729,502.82	10,155,467.71	13,386,000.66
Education surcharge	20,343,269.03	21,493,947.37	20,833,084.41	10,973,652.03	9,078,691.56
Local education surcharge . . .	13,605,327.39	14,330,775.23	13,888,721.07	7,411,645.86	6,114,498.44
Land use tax	12,895,116.61	14,028,410.91	14,866,724.21	7,315,822.46	7,354,993.01
Resource tax	2,463,028.37	3,857,511.48	4,484,220.93	3,193,651.79	2,594,362.21
Other taxes	1,002,374.09	1,948,750.81	944,901.42	511,169.99	338,848.48
Total	140,102,284.84	151,933,204.29	151,772,166.57	78,322,383.34	75,339,165.22

43. SELLING AND DISTRIBUTION EXPENSES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Employee remuneration . .	857,951,263.00	971,892,658.67	1,055,823,001.58	500,642,173.82	527,914,927.83
Selling and promotion expenses	753,822,372.74	848,496,343.41	952,251,413.10	437,799,973.21	537,027,752.95
Advertising expenses . . .	1,552,361,352.09	1,108,142,856.83	909,488,934.33	498,016,266.99	421,781,869.75
Travel and business development expenses . .	134,954,563.71	159,618,460.86	151,203,181.19	71,209,268.22	75,599,406.73
Advisory service fee . . .	137,164,934.40	122,328,193.86	121,354,610.76	58,731,433.91	67,347,725.87
Storage and handling fee . .	37,894,561.31	41,844,997.99	46,869,666.19	21,378,036.30	27,054,274.21
Depreciation and amortisation	21,112,478.57	25,024,991.12	27,395,315.69	13,050,421.65	14,911,652.94
Conference fee	30,038,045.26	30,716,878.68	27,355,781.55	8,873,712.46	7,133,683.37
Share-based payment expenses	16,000,681.00	16,296,218.41	16,119,529.92	7,845,228.36	9,731,011.29
Others	59,683,277.74	52,749,136.87	58,821,393.03	20,423,659.12	25,885,382.71
Total	3,600,983,529.82	3,377,110,736.70	3,366,682,827.34	1,637,970,174.04	1,714,387,687.65

APPENDIX I

ACCOUNTANTS’ REPORT

44. GENERAL AND ADMINISTRATIVE EXPENSES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Employee remuneration	486,509,366.83	504,449,924.49	526,993,738.22	263,630,546.59	260,308,958.29
Depreciation and amortisation	122,975,115.45	129,575,804.85	129,470,481.34	65,631,780.95	69,302,378.52
Travel and business development expenses	35,766,266.56	35,087,989.20	35,482,148.85	16,342,686.65	16,937,400.35
[REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share-based payment expenses	23,642,513.63	25,475,008.12	22,677,633.23	13,040,631.32	13,868,810.67
Inspection and maintenance cost	25,502,129.95	17,013,798.78	18,040,017.39	7,393,954.22	8,037,018.54
Energy expenses	18,599,604.24	15,643,570.02	15,567,634.01	7,876,152.47	7,357,896.62
Advisory service fee	44,605,605.94	16,085,695.21	14,401,779.42	8,331,101.61	6,381,770.84
Office expenses	20,970,701.37	12,139,821.48	11,738,039.89	5,081,142.21	4,918,430.52
Disability employment security fund	14,620,125.19	17,089,838.28	10,027,713.59	7,907,495.44	1,340,465.26
Others	58,984,668.68	77,867,258.63	86,977,189.92	38,317,257.44	27,845,080.68
Total	<u>853,297,450.29</u>	<u>856,308,756.05</u>	<u>897,197,543.13</u>	<u>438,054,823.69</u>	<u>429,777,906.70</u>

45. RESEARCH AND DEVELOPMENT EXPENSES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Employee remuneration	38,212,558.07	46,534,450.70	41,892,499.86	22,236,053.18	19,551,327.87
Technology R&D and testing expenses	28,242,157.41	23,969,850.27	22,716,114.58	9,062,902.92	8,719,808.05
Depreciation and amortisation	14,463,727.84	14,457,466.48	13,025,899.76	6,614,062.11	6,114,721.25
Advisory service fee	13,863,521.65	8,258,173.85	7,073,727.84	2,905,393.81	3,924,577.17
Share-based payment expenses	1,770,109.62	(1,881,124.36)	402,360.47	316,882.27	383,595.58
Others	9,451,406.52	7,407,833.16	6,469,924.06	3,015,365.42	2,944,287.68
Total	<u>106,003,481.11</u>	<u>98,746,650.10</u>	<u>91,580,526.57</u>	<u>44,150,659.71</u>	<u>41,638,317.60</u>

46. FINANCIAL EXPENSES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Interest expenses (Note 1-2)	940,418,596.57	404,835,162.36	277,149,036.14	141,462,928.64	139,302,196.82
Less: interest income	29,503,523.57	12,220,223.22	9,671,233.07	5,230,730.34	2,074,589.98
Bank charges	2,125,588.56	1,480,425.63	1,441,857.41	549,163.18	593,350.37
Foreign exchange losses (gains)	15,486,165.64	7,536,633.12	(910,127.82)	(1,090,831.00)	1,649,056.27
Total	<u>928,526,827.20</u>	<u>401,631,997.89</u>	<u>268,009,532.66</u>	<u>135,690,530.48</u>	<u>139,470,013.48</u>

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Note 1: Among which, the interest expenses on lease liabilities in 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026 were RMB20,807,951.78, RMB24,133,180.68, RMB16,299,990.04, RMB 8,248,228.84 and RMB 7,454,855.76, respectively.

Note 2: The interest expense on financial liabilities related to the shareholders’ with special rights in 2023 was RMB554,428,126.29.

47. INVESTMENT INCOME

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
(Losses) gains from long-term equity investments accounted for using the equity method	(8,041,648.52)	(3,612,550.45)	76,754,891.85	42,151,282.86	41,946,602.25
Dividends income from other equity instruments	2,151,772.05	994,044.18	2,325,163.55	308,176.05	–
Gains (losses) arising from remeasuring the original equity interests/remained equity interests at fair value due to the acquisition/disposal of subsidiaries	19,404,195.69	(1,229,113.02)	–	–	–
Gains (losses) from disposal of long-term equity investments	7,039,033.57	(163,881.74)	578,437.43	588,103.81	–
Interests income from entrusted loans	5,894,536.53	–	–	–	–
Interests income and disposal income from derivative financial instruments	4,531,535.06	8,352,069.76	–	–	–
Others	34,685.83	8,134,581.77	302,675.01	320,835.51	536.05
Total	<u>31,014,110.21</u>	<u>12,475,150.50</u>	<u>79,961,167.84</u>	<u>43,368,398.23</u>	<u>41,947,138.30</u>

48. OTHER INCOME

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Government grants transferred from deferred income	164,497,104.59	167,374,863.81	170,928,783.96	82,792,999.52	82,027,522.10
Government grants directly recognised as other income	70,854,789.97	55,010,806.30	69,026,657.21	20,808,970.22	18,761,700.00
Total	<u>235,351,894.56</u>	<u>222,385,670.11</u>	<u>239,955,441.17</u>	<u>103,601,969.74</u>	<u>100,789,222.10</u>

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ACCOUNTANTS’ REPORT

49. LOSSES FROM CHANGES IN FAIR VALUES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Losses from changes in fair value of derivative financial instruments	(318,144.12)	(15,146,280.26)	–	–	–
Total	<u>(318,144.12)</u>	<u>(15,146,280.26)</u>	<u>–</u>	<u>–</u>	<u>–</u>

50. CREDIT IMPAIRMENT (LOSSES) REVERSAL

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Credit impairment (losses) reversal on accounts receivable	(36,926,265.18)	18,980,793.82	(15,869,667.50)	(329,840.76)	(8,224,214.38)
Credit impairment losses on other receivables	(4,657,722.62)	(2,286,397.83)	(3,168,978.38)	(2,015,666.11)	(602,324.76)
Credit impairment reversal (loss) on long-term receivables	–	2,479,002.58	–	–	(5,535,788.07)
Total	<u>(41,583,987.80)</u>	<u>19,173,398.57</u>	<u>(19,038,645.88)</u>	<u>(2,345,506.87)</u>	<u>(14,362,327.21)</u>

51. ASSET IMPAIRMENT LOSSES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Loss on inventories write- down	(136,290,873.96)	(66,937,740.35)	(148,064,504.69)	(103,902,610.26)	(96,702,590.00)
Loss on productive biological assets impairment	(98,447,093.14)	(35,070,000.00)	(28,631,939.43)	(1,880,000.00)	(3,520,000.00)
Loss on fixed assets impairment	(14,336,801.33)	(27,468,276.44)	(4,139,630.28)	–	(7,992,199.14)
Loss on goodwill impairment .	–	(229,666,367.13)	–	–	–
Loss on long-term equity investment impairment . . .	(4,057,671.36)	(64,000,000.00)	–	–	–
Loss on intangible assets impairment	–	(12,000,000.00)	–	–	–
Total	<u>(253,132,439.79)</u>	<u>(435,142,383.92)</u>	<u>(180,836,074.40)</u>	<u>(105,782,610.26)</u>	<u>(108,214,789.14)</u>

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52. LOSSES FROM ASSET DISPOSALS

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Losses on disposal of biological assets	(213,706,305.91)	(394,095,090.02)	(452,850,317.50)	(275,248,174.84)	(265,081,605.47)
Gains on disposal of right-of- use assets	396,037.20	1,606,522.64	404,952.74	376,994.63	153,460.80
Gains (losses) on disposal of fixed assets	7,946,219.94	(4,681,562.22)	(1,725,490.76)	273,569.51	395,696.35
Total	<u>(205,364,048.77)</u>	<u>(397,170,129.60)</u>	<u>(454,170,855.52)</u>	<u>(274,597,610.70)</u>	<u>(264,532,448.32)</u>

53. NON-OPERATING INCOME

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Scrap income	17,856,495.08	21,726,244.28	12,816,697.16	5,803,472.79	8,542,454.26
Others	23,669,020.62	31,227,900.60	24,610,714.21	13,505,028.44	22,481,353.75
Total	<u>41,525,515.70</u>	<u>52,954,144.88</u>	<u>37,427,411.37</u>	<u>19,308,501.23</u>	<u>31,023,808.01</u>

54. NON-OPERATING EXPENSES

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Donation expenditure	17,677,419.36	5,192,842.06	8,468,894.47	4,404,349.43	3,305,669.46
Others	18,464,007.92	16,812,460.79	7,440,251.55	3,396,346.14	10,813,387.12
Total	<u>36,141,427.28</u>	<u>22,005,302.85</u>	<u>15,909,146.02</u>	<u>7,800,695.57</u>	<u>14,119,056.58</u>

55. INCOME TAX EXPENSES

(1) Statement of income tax expenses

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Current tax expenses	89,872,220.80	126,984,557.26	164,645,712.27	148,609,564.38	88,067,356.38
Deferred tax expenses	50,578,921.92	184,071,012.02	26,115,613.18	(37,421,198.18)	47,371,651.58
Total	<u>140,451,142.72</u>	<u>311,055,569.28</u>	<u>190,761,325.45</u>	<u>111,188,366.20</u>	<u>135,439,007.96</u>

APPENDIX I

ACCOUNTANTS’ REPORT

(2) Reconciliation between income tax expenses and the accounting profit

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Profit before income tax	146,031,189.01	1,425,572,747.00	1,387,433,082.85	746,230,337.64	842,768,800.33
Income tax expenses calculated at tax rate of 25%	36,507,797.25	356,393,186.75	346,858,270.71	186,557,584.41	210,692,200.08
Effect of different tax rates applied by subsidiaries and tax rate changes	4,419,909.82	2,211,876.17	1,804,813.65	2,840,520.38	10,653,303.68
Effect of non-deductible costs, expenses and losses	169,765,097.50	14,034,125.38	8,202,438.61	3,197,102.82	1,707,700.83
Effect of deductible temporary differences or tax losses not recognised for deferred tax assets	14,135,101.30	73,883,798.13	24,120,011.16	10,606,341.52	15,414,199.29
Effect of adjustments of income taxes in respect of prior years	(9,113,732.64)	(393,893.32)	4,290,418.66	1,484,202.38	44,892.37
Effect of non-taxable operations	(45,079,404.17)	(118,895,273.91)	(157,663,541.54)	(77,221,148.68)	(91,807,151.63)
Effect of super deduction of research and development expenses	(18,237,843.54)	(13,370,569.64)	(10,506,714.62)	(4,514,225.29)	(4,756,740.42)
Effect of utilising deductible temporary differences or tax losses not recognised for deferred tax assets previously	(11,945,782.80)	(2,807,680.28)	(26,344,371.18)	(11,762,011.34)	(6,509,396.24)
Income tax expenses	<u>140,451,142.72</u>	<u>311,055,569.28</u>	<u>190,761,325.45</u>	<u>111,188,366.20</u>	<u>135,439,007.96</u>

56. CASH FLOW STATEMENT ITEMS

(1) Cash Flows from Operating Activities

Proceeds from other operating activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Recovery of deposits, guarantees and advances paid by distributors	935,065,143.77	1,030,207,057.59	943,865,547.91	483,582,732.35	360,273,172.61
Government grants received . .	170,368,212.65	197,083,869.43	160,856,060.87	76,658,970.22	28,986,399.14
Scrap income	17,856,495.08	21,726,244.28	12,816,697.16	5,803,472.79	8,542,454.26
Interest income on demand deposits	21,558,010.57	10,797,404.21	7,274,668.63	3,333,724.23	1,645,180.70
Others	<u>25,822,736.86</u>	<u>29,366,534.17</u>	<u>16,771,298.55</u>	<u>10,568,841.38</u>	<u>14,374,717.47</u>
Total	<u>1,170,670,598.93</u>	<u>1,289,181,109.68</u>	<u>1,141,584,273.12</u>	<u>579,947,740.97</u>	<u>413,821,924.18</u>

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ACCOUNTANTS’ REPORT

Payments for other operating activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Advertising expenses	1,403,694,899.37	1,476,067,554.64	913,507,623.63	382,427,087.02	334,382,617.36
Selling and promotion expenses	810,672,789.56	844,916,634.05	894,784,098.12	389,588,304.58	534,666,711.34
Advisory service fee	195,634,061.99	146,672,062.92	140,639,815.32	69,967,929.33	91,839,146.93
Travel and business development expenses	170,720,830.27	194,706,450.06	186,685,330.04	87,551,954.87	92,536,807.08
Payment of deposits, guarantees and advances paid by distributors	866,465,464.33	1,101,355,730.32	917,895,909.50	483,145,052.07	392,998,155.39
Technology R&D and testing expenses	28,242,157.41	23,969,850.27	22,716,114.58	9,062,902.92	8,719,808.05
Donation expenditure	17,677,419.36	5,192,842.06	8,468,894.47	4,404,349.43	3,305,669.46
Conference fees	30,038,045.26	30,716,878.68	27,355,781.55	8,873,712.46	7,133,683.37
Others	29,088,632.59	34,293,919.66	48,805,199.57	27,609,973.13	35,092,394.25
Total	<u>3,552,234,300.14</u>	<u>3,857,891,922.66</u>	<u>3,160,858,766.78</u>	<u>1,462,631,265.81</u>	<u>1,500,674,993.23</u>

(2) Cash Flows used in Investing Activities

Proceeds from significant investing activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Sales of financial products . . .	650,000,000.00	—	—	—	—
Total	<u>650,000,000.00</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Payments for significant investing activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Purchase of financial products .	650,000,000.00	—	—	—	—
Acquisition of subsidiaries . . .	654,932,748.55	—	—	—	—
Investment in associates	210,000,000.00	—	—	—	—
Total	<u>1,514,932,748.55</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Proceeds from other investing activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Recovery of loan receivables . .	64,139,608.00	5,000,000.00	405,000.00	405,000.00	–
Others	–	8,134,581.78	16,288,792.04	174,833.81	3,619,633.18
Total	<u>64,139,608.00</u>	<u>13,134,581.78</u>	<u>16,693,792.04</u>	<u>579,833.81</u>	<u>3,619,633.18</u>

Payments for other investing activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Payments of loan receivables . .	80,351,000.00	10,405,000.00	–	–	–
Total	<u>80,351,000.00</u>	<u>10,405,000.00</u>	<u>–</u>	<u>–</u>	<u>–</u>

(3) Cash Flows from/(used in) Financing Activities

Proceeds from other financing activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Receipt of poverty alleviation funds and loan payables, etc. .	7,000,000.00	17,200,000.00	–	–	–
Receipt of dividends from prepaid equity investments . .	6,603,238.19	–	–	–	–
Total	<u>13,603,238.19</u>	<u>17,200,000.00</u>	<u>–</u>	<u>–</u>	<u>–</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Payments for other financing activities

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Payments for lease liabilities . .	67,553,491.36	86,235,162.09	91,782,696.80	51,395,667.73	35,304,227.63
Payments of poverty alleviation funds and loan payables, etc. .	133,532,422.43	24,467,355.99	92,742,442.78	51,662,442.78	–
Payments for acquisition of minority shareholders’ equity interests	176,296,420.00	92,298,307.00	9,621,400.00	9,071,400.00	–
[REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid lease payments	8,641,016.00	–	–	–	–
Total	386,751,621.49	204,741,826.51	200,104,095.84	113,851,715.21	39,713,415.20

Changes in liabilities arising from financing activities

2023

RMB

Items	1 January 2023	Additions			Decreases			31 December 2023
		Cash	Non-cash	Increase from business combinations	Cash	Non-cash	Decrease due to disposal of subsidiaries	
Long-term and short-term borrowings (including long- term borrowings due within one year)	6,647,957,349.27	6,975,330,103.03	382,859,100.82	609,108,230.44	4,812,968,272.56	–	–	9,802,286,511.00
[REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other payables (financing- related).	51,188,297.01	6,603,238.19	–	–	46,598,354.80	11,193,180.40	–	–
Dividends payable	17,292,138.67	–	530,000,000.00	–	341,828,815.25	–	–	205,463,323.42
Long-term payables (including long-term payables due within one year)	5,535,514,156.39	7,000,000.00	554,428,126.29	80,681,748.47	86,934,067.63	5,896,058,077.00	–	194,631,886.52
Lease liabilities (including lease liabilities due within one year)	436,770,167.63	–	92,236,223.36	8,942,022.93	67,553,491.36	13,914,606.06	1,876,147.84	454,604,168.66
Total	12,688,722,108.97	6,988,933,341.22	1,559,919,079.15	698,732,001.84	5,356,611,273.30	5,921,165,863.46	1,876,147.84	10,656,653,246.58

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ACCOUNTANTS’ REPORT

2024

RMB

Items	1 January 2024	Additions		Decreases		Decrease due to disposal of subsidiaries	31 December 2024
		Cash	Non-cash	Cash	Non-cash		
Long-term and short-term borrowings (including long-term borrowings due within one year)	9,802,286,511.00	5,670,999,691.81	386,586,495.24	6,000,034,077.28	–	226,821,112.78	9,633,017,507.99
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividends payable	205,463,323.42	–	371,288,043.44	576,751,366.86	–	–	–
Long-term payables (including long-term payables due within one year)	194,631,886.52	17,200,000.00	3,244,103.48	24,467,355.99	–	17,500,000.00	173,108,634.01
Lease liabilities (including lease liabilities due within one year)	454,604,168.66	–	218,490,526.43	86,235,162.09	31,224,268.23	159,820,188.33	395,815,076.44
Total	10,656,653,246.58	5,688,199,691.81	981,683,730.63	6,689,228,963.65	31,224,268.23	404,141,301.11	10,201,942,136.03

2025

RMB

Items	1 January 2025	Additions		Decreases		Decrease due to disposal of subsidiaries	31 December 2025
		Cash	Non-cash	Cash	Non-cash		
Long-term and short-term borrowings (including long-term borrowings due within one year)	9,633,017,507.99	6,273,515,071.03	259,387,842.16	5,923,554,926.60	–	–	10,242,365,494.58
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividends payable	–	–	1,813,356,037.40	1,744,343,087.40	61,086,200.00	–	7,926,750.00
Long-term payables (including long-term payables due within one year)	173,108,634.01	–	3,102,800.41	92,742,442.78	–	–	83,468,991.64
Lease liabilities (including lease liabilities due within one year)	395,815,076.44	–	81,355,826.39	91,782,696.80	5,739,948.20	2,632,441.06	377,015,816.77
Total	10,201,942,136.03	6,273,515,071.03	2,166,143,249.46	7,858,380,709.84	66,826,148.20	2,632,441.06	10,713,761,157.42

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ACCOUNTANTS’ REPORT

Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions		Decreases		Decrease due to disposal of subsidiaries	30 June 2025
		Cash	Non-cash	Cash	Non-cash		
Long-term and short-term borrowings (including long-term borrowings due within one year)	9,633,017,507.99	2,698,535,619.76	132,704,826.89	3,363,673,857.25	–	–	9,100,584,097.39
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividends payable	–	–	829,400.00	829,400.00	–	–	–
Long-term payables (including long-term payables due within one year)	173,108,634.01	–	1,699,608.47	51,662,442.78	–	–	123,145,799.70
Lease liabilities (including lease liabilities due within one year)	395,815,076.44	–	45,244,412.32	51,395,667.73	2,054,615.13	2,632,441.06	384,976,764.84
Total	10,201,942,136.03	2,698,535,619.76	182,066,642.03	3,469,283,572.46	2,054,615.13	2,632,441.06	9,608,573,769.17

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions		Decreases		30 June 2026
		Cash	Non-cash	Cash	Non-cash	
Long-term and short-term borrowings (including long-term borrowings due within one year)	10,242,365,494.58	2,301,764,454.36	133,225,618.66	2,168,294,873.03	–	10,509,060,694.57
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Dividends payable	7,926,750.00	–	3,293,214.56	11,092,467.75	–	127,496.81
Tax payables (related to withholding and remitting individual income tax on dividends)	61,086,200.00	–	–	61,086,200.00	–	–
Long-term payables (including long-term payables due within one year)	83,468,991.64	–	1,261,288.54	–	–	84,730,280.18
Lease liabilities (including lease liabilities due within one year)	377,015,816.77	–	24,829,880.72	35,304,227.63	–	366,541,469.86
Total	10,774,847,357.42	2,301,764,454.36	166,458,146.87	2,280,186,955.98	–	10,962,883,002.67

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57. SUPPLEMENTARY INFORMATION FOR THE CASH FLOW STATEMENT

(1) Supplement to the cash flow statement

RMB

Supplementary information	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
1. Reconciliation of net profit to cash flows from operating activities:					
Net profit	5,580,046.29	1,114,517,177.72	1,196,671,757.40	635,041,971.44	707,329,792.37
Add: Credit impairment loss/(reversals) . .	41,583,987.80	(19,173,398.57)	19,038,645.88	2,345,506.87	14,362,327.21
Provision for impairment of assets . .	253,132,439.79	435,142,383.92	180,836,074.40	105,782,610.26	108,214,789.14
Depreciation of fixed assets and productive biological assets	1,077,716,927.10	1,338,374,815.34	1,354,755,560.50	682,826,994.44	691,551,080.49
Depreciation of right-of-use assets . .	45,437,482.67	49,227,116.05	42,980,099.90	24,181,418.93	21,332,193.30
Amortisation of intangible assets . .	41,275,462.50	55,112,773.44	66,841,814.04	31,889,417.84	38,373,385.06
Amortisation of long-term deferred expenses	23,376,678.58	23,640,307.70	18,748,861.75	11,061,867.54	9,380,757.12
Losses from asset disposals	205,364,048.77	397,170,129.60	454,170,855.52	274,597,610.70	264,532,448.32
Losses on retirement of fixed assets . .	8,352,316.94	7,618,842.62	2,227,745.86	1,269,819.68	4,454,493.11
Losses on changes in fair values . . .	318,144.12	15,146,280.26	–	–	–
Financial expenses	945,320,650.64	403,968,210.34	272,664,527.52	139,226,259.78	138,220,320.06
Investment income	(31,014,110.21)	(12,475,150.50)	(79,961,167.84)	(43,368,398.23)	(41,947,138.30)
Share-based payments	41,828,229.62	40,172,243.88	39,623,391.38	21,419,018.47	24,199,907.73
Amortisation of deferred income . . .	(164,497,104.59)	(167,374,863.81)	(170,928,783.96)	(82,792,999.52)	(82,027,522.10)
Decrease (increase) in deferred tax assets	59,592,127.65	193,051,298.14	31,761,820.48	(33,990,727.86)	19,950,113.69
(Decrease) increase in deferred tax liabilities	(9,013,205.73)	(8,980,286.12)	(5,646,207.30)	(3,430,470.32)	27,421,537.89
Decrease (increase) in inventories . .	20,028,824.42	(314,895,661.69)	263,602,915.92	54,917,134.67	133,625,202.74
Increase in operating receivables . . .	(237,267,984.16)	(88,820,091.18)	(152,915,868.67)	(15,135,132.16)	(77,035,769.86)
(Decrease) increase in operating payables	(304,104,225.19)	69,105,877.35	(140,541,044.91)	(1,271,452,665.18)	(1,225,188,130.71)
Net Cash Flow from Operating Activities .	<u>2,023,010,737.01</u>	<u>3,530,528,004.49</u>	<u>3,393,930,997.87</u>	<u>534,389,237.35</u>	<u>776,749,787.26</u>
2. Significant investing and financing activities that do not involve cash receipts and payments:					
Increase in right-of-use assets	71,428,271.58	194,357,345.75	64,658,040.47	38,312,240.46	11,734,282.96
3. Net changes in cash and cash equivalents:					
Cash and cash equivalents at the end of the year/period	1,354,463,409.84	1,477,387,281.44	1,267,479,002.39	722,022,705.10	1,264,860,714.16
Less: Cash and cash equivalents at the beginning of the year/period	<u>1,550,566,622.74</u>	<u>1,354,463,409.84</u>	<u>1,477,387,281.44</u>	<u>1,477,387,281.44</u>	<u>1,267,479,002.39</u>
Net (decrease) increase in cash and cash equivalents	<u>(196,103,212.90)</u>	<u>122,923,871.60</u>	<u>(209,908,279.05)</u>	<u>(755,364,576.34)</u>	<u>(2,618,288.23)</u>

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ACCOUNTANTS’ REPORT

(2) Net payments for acquisitions of subsidiaries

2023

RMB

Items	Amount
Cash or cash equivalents paid in the current year for business combinations occurred in the current year	595,799,200.00
Including: Lesson Dairy	65,799,200.00
Xi’an Yinqiao	500,000,000.00
Sikeqi Hebei	30,000,000.00
Less: Cash and cash equivalents held by the subsidiaries at the acquisition date	323,094,419.89
Including: Lesson Dairy	230,635,944.67
Xi’an Yinqiao	90,386,239.61
Sikeqi Hebei	2,072,235.61
Add: Cash and cash equivalents paid in the year for business combination occurred in the previous period	382,227,968.44
Including: Derong Packaging	382,227,968.44
Net payments for acquisitions of subsidiaries	654,932,748.55

(3) Net proceeds (payments) from disposals of subsidiaries

2023

RMB

	<u>Amount</u>
Proceeds received in the current year from disposal of subsidiary occurred in the current year	30,787,200.00
Including: Pinyuan Biotechnology	30,787,200.00
Less: Cash and cash equivalents held by the subsidiary on the date of loss of control	1,926,195.82
Including: Pinyuan Biotechnology	<u>1,926,195.82</u>
Net proceeds from disposals of subsidiary	<u>28,861,004.18</u>

2024

RMB

	<u>Amount</u>
Proceeds received in the current year from disposals of subsidiaries occurred in the current year	14,560,000.00
Including: Junhong Animal Husbandry, Junkang Animal Husbandry	14,560,000.00
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control . . .	102,203,045.68
Including: Junhong Animal Husbandry, Junkang Animal Husbandry	100,950,463.44
Zanhuang Jiale yuan	<u>1,252,582.24</u>
Net payments from disposals of subsidiaries	<u>(87,643,045.68)</u>

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ACCOUNTANTS’ REPORT

2025

RMB

	Amount
Proceeds received in the current year from disposals of subsidiaries occurred in the current year	—
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control . . .	27,360,789.64
Including: Quyang Jiale Yuan	27,360,789.64
Add: Cash and cash equivalents received in the year for disposals of subsidiaries occurred in the previous period	14,560,000.00
Including: Junhong Animal Husbandry, Junkang Animal Husbandry	14,560,000.00
Net payments from disposals of subsidiaries	(12,800,789.64)

Six months ended 30 June 2025 (Unaudited)

RMB

	Amount
Proceeds received in the current year from disposals of subsidiaries occurred in the current period	—
Less: Cash and cash equivalents held by the subsidiaries on the date of loss of control . . .	27,360,789.64
Including: Quyang Jiale Yuan	27,360,789.64
Add: Cash and cash equivalents received in the year for disposals of subsidiaries occurred in the previous period	—
Net payments from disposals of subsidiaries	(27,360,789.64)

(4) Composition of cash and cash equivalents

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
I. Cash	1,354,463,409.84	1,477,387,281.44	1,267,479,002.39	1,264,860,714.16
Including: Cash on hand . . .	15,041.05	—	—	—
Bank deposits available on demand	1,323,075,278.00	1,466,856,901.91	1,244,345,478.47	1,250,826,545.60
Other monetary funds available on demand . . .	31,373,090.79	10,530,379.53	23,133,523.92	14,034,168.56
II. Cash equivalents	—	—	—	—
III. Cash and cash equivalents at the end of the year/period	1,354,463,409.84	1,477,387,281.44	1,267,479,002.39	1,264,860,714.16

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ACCOUNTANTS’ REPORT

(5) Monetary funds that are not cash and cash equivalents

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026	Reason
Bill deposits	97,554,097.95	89,713,906.59	29,864,955.38	37,242,130.34	Restricted use
Letter of guaranteed deposits	4,471,565.00	4,551,565.00	5,634,142.30	6,587,592.30	Restricted use
Letter of credit deposits	16,600,000.00	–	–	–	Restricted use
Other restrictions	15,900,951.77	12,953,596.02	3,137,727.45	2,796,584.77	Unable to use on demand
Total	<u>134,526,614.72</u>	<u>107,219,067.61</u>	<u>38,636,825.13</u>	<u>46,626,307.41</u>	/

58. (LOSSES) EARNINGS PER SHARE

(1) Basic earnings per share

The numerator is calculated as follows:

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Net (loss) profit attributable to owners of the Company for the year/period	(21,441,711.81)	1,017,483,751.06	1,115,806,521.19	595,439,054.97	654,414,168.48
Numerator for basic (loss) earnings per share calculation	<u>(21,441,711.81)</u>	<u>1,017,483,751.06</u>	<u>1,115,806,521.19</u>	<u>595,439,054.97</u>	<u>654,414,168.48</u>

The denominator is calculated as follows:

Share

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Number of ordinary shares issued at the beginning of the year/period	705,600,002.31	720,000,000.00	720,000,000.00	720,000,000.00	720,000,000.00
Add: Weighted average number of additional ordinary shares acquired by employee share ownership platforms for the year/period	5,602,190.88	–	–	–	–
Denominator for basic earnings per share calculation	<u>711,202,193.19</u>	<u>720,000,000.00</u>	<u>720,000,000.00</u>	<u>720,000,000.00</u>	<u>720,000,000.00</u>

Note: To enhance the comparability of earnings per share during the Track Record Periods, the numbers of ordinary shares mentioned above have been adjusted to reflect the impact of the restructuring into a joint stock limited company.

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(2) Diluted earnings per share

The numerator is calculated as follows:

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Net (loss) profit attributable to the owners of the Company for the year/period	(21,441,711.81)	1,017,483,751.06	1,115,806,521.19	595,439,054.97	654,414,168.48
Numerator for diluted (loss) earnings per share calculation	<u>(21,441,711.81)</u>	<u>1,017,483,751.06</u>	<u>1,115,806,521.19</u>	<u>595,439,054.97</u>	<u>654,414,168.48</u>

The denominator is calculated as follows:

Share

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Number of ordinary shares issued at the beginning of the year/period	705,600,002.31	720,000,000.00	720,000,000.00	720,000,000.00	720,000,000.00
Add: Weighted average number of additional ordinary shares acquired by employee share ownership platforms for the year/period	5,602,190.88	–	–	–	–
Dilutive effect of share option incentive plans	4,613,976.03	–	–	–	–
Denominator for diluted earnings per share calculation	<u>715,816,169.22</u>	<u>720,000,000.00</u>	<u>720,000,000.00</u>	<u>720,000,000.00</u>	<u>720,000,000.00</u>

(3) (Losses) earnings per share

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Basic (losses) earnings per share	(0.03)	1.41	1.55	0.83	0.91
Diluted (losses) earnings per share	<u>(0.03)</u>	<u>1.41</u>	<u>1.55</u>	<u>0.83</u>	<u>0.91</u>

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(VII) CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combination involving enterprises not under common control

(1) *Business combinations involving enterprises not under common control during the Track Record Period*

RMB

Name of acquiree	Acquisition date	Consideration	Equity interests proportion after acquisition	Equity acquisition method	Acquisition date	Determination basis of acquisition date	Revenue of the acquiree from the acquisition date to the end of the year	Net (loss) profit of the acquiree from the acquisition date to the end of the year
			(%)					
Lesson Dairy	31 July 2023	539,595,819.60	57.90%	Purchases	31 July 2023	The Company obtained control over the acquiree on the acquisition date.	402,640,389.13	(5,642,236.76)
Xi'an Yinqiao	31 July 2023	500,000,000.00	80.00%	Purchases	31 July 2023	The Company obtained control over the acquiree on the acquisition date.	367,674,453.31	(12,398,895.51)
Sikeqi Hebei	1 July 2023	56,338,400.00	60.00%	Purchases	1 July, 2023	The Company obtained control over the acquiree on the acquisition date.	54,936,679.62	1,633,068.45

(2) *Consideration of business combinations and goodwill*

2023

RMB

Consideration of business combinations	Sikeqi Hebei	Lesson Dairy	Xi'an Yinqiao	Total
– Cash	30,000,000.00	501,001,819.60	500,000,000.00	1,031,001,819.60
– Acquisition date fair value of equity interests held before the acquisition date .	26,338,400.00	38,594,000.00	–	64,932,400.00
Less: Share of identifiable net assets acquired	33,218,530.91	410,235,330.96	324,622,019.12	768,075,880.99
Goodwill	23,119,869.09	129,360,488.64	175,377,980.88	327,858,338.61

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(3) Identifiable assets and liabilities of the acquiree at the acquisition date

2023

RMB

	Sikeqi Hebei		Lesson Dairy		Xi’an Yingqiao		Total	
	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date
Assets:								
Cash at bank and on hand . .	2,072,235.61	2,072,235.61	230,635,944.67	230,635,944.67	90,386,239.61	90,386,239.61	323,094,419.89	323,094,419.89
Held-for-trading financial assets	–	–	–	–	1,400,813.40	1,400,813.40	1,400,813.40	1,400,813.40
Bills receivable	–	–	–	–	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
Accounts receivable	1,755,857.18	1,755,857.18	75,565,979.67	75,565,979.67	30,122,143.19	30,122,143.19	107,443,980.04	107,443,980.04
Prepayments	12,721,830.35	12,721,830.35	24,101,764.74	24,101,764.74	3,908,523.52	3,908,523.52	40,732,118.61	40,732,118.61
Other receivables	2,098,242.15	2,098,242.15	16,637,199.69	16,637,199.69	11,353,569.60	11,353,569.60	30,089,011.44	30,089,011.44
Inventories	12,141,777.25	11,737,311.80	56,995,000.00	55,567,747.04	75,948,104.21	71,936,878.33	145,084,881.46	139,241,937.17
Other current assets	4,009,208.62	4,009,208.62	8,197,675.20	8,197,675.20	1,097,786.16	1,097,786.16	13,304,669.98	13,304,669.98
Long-term equity investments	–	–	7,419,784.46	7,419,784.46	37,449,509.46	37,449,509.46	44,869,293.92	44,869,293.92
Investment in other equity instruments	–	–	9,190,000.00	9,190,000.00	–	–	9,190,000.00	9,190,000.00
Fixed assets	41,728,910.00	39,589,122.77	613,066,900.00	599,322,777.62	248,440,186.57	248,965,186.57	903,235,996.57	887,877,086.96
Construction in progress . . .	7,770,172.48	7,770,172.48	5,952,635.00	5,952,635.00	3,157,012.77	3,157,012.77	16,879,820.25	16,879,820.25
Productive biological assets .	–	–	99,178,000.00	95,353,514.61	–	–	99,178,000.00	95,353,514.61
Right-of-use assets	–	–	19,670,381.31	19,670,381.31	–	–	19,670,381.31	19,670,381.31
Intangible assets	42,004,692.54	46,225.85	356,150,000.00	34,673,001.20	346,917,962.60	46,486,462.60	745,072,655.14	81,205,689.65
Long-term deferred expenses .	436,893.27	436,893.27	10,389,592.86	10,389,592.86	–	–	10,826,486.13	10,826,486.13
Deferred tax assets	–	–	3,604,553.52	7,354,806.07	5,439,812.87	5,439,812.87	9,044,366.39	12,794,618.94
Other non-current assets . . .	–	–	8,427,000.00	8,427,000.00	3,453,286.40	3,453,286.40	11,880,286.40	11,880,286.40

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	Sikeqi Hebei		Lesson Dairy		Xi’an Yingqiao		Total	
	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date	Fair value at the acquisition date	Carrying amount at the acquisition date
Liabilities:								
Short-term borrowings	–	–	77,182,222.22	77,182,222.22	135,000,000.00	135,000,000.00	212,182,222.22	212,182,222.22
Accounts payable	14,520,726.29	14,520,726.29	101,155,352.68	101,155,352.68	126,507,242.46	126,507,242.46	242,183,321.43	242,183,321.43
Contract liabilities	2,931,794.54	2,931,794.54	6,841,872.59	6,841,872.59	14,094,190.44	14,094,190.44	23,867,857.57	23,867,857.57
Employee benefits payable	1,184,504.98	1,184,504.98	10,632,881.42	10,632,881.42	14,093,335.70	14,093,335.70	25,910,722.10	25,910,722.10
Taxes payable	422,805.27	422,805.27	2,114,683.46	2,114,683.46	5,261,604.46	5,261,604.46	7,799,093.19	7,799,093.19
Other payables	7,206,746.51	7,206,746.51	91,783,844.20	91,783,844.20	104,843,120.69	104,843,120.69	203,833,711.40	203,833,711.40
Non-current liabilities due within one year	–	–	208,563,077.05	209,759,968.85	–	–	208,563,077.05	209,759,968.85
Other current liabilities	3,398,394.27	3,398,394.27	22,566,972.88	22,566,972.88	37,910,273.83	37,910,273.83	63,875,640.98	63,875,640.98
Long-term borrowings	5,400,000.00	5,400,000.00	183,600,000.00	183,600,000.00	–	–	189,000,000.00	189,000,000.00
Lease liabilities	–	–	8,942,022.93	8,942,022.93	–	–	8,942,022.93	8,942,022.93
Long-term payables	1,772,514.24	1,772,514.24	72,102,321.33	84,235,888.06	–	–	73,874,835.57	86,008,402.30
Provisions	–	–	671,121.73	671,121.73	–	–	671,121.73	671,121.73
Deferred income	–	–	–	65,076,020.30	–	–	–	65,076,020.30
Deferred tax liabilities	11,125,679.84	–	50,497,256.12	–	45,587,658.89	–	107,210,594.85	–
Net assets	<u>78,776,653.51</u>	<u>45,399,613.98</u>	<u>708,528,782.51</u>	<u>343,896,952.82</u>	<u>405,777,523.89</u>	<u>147,447,456.90</u>	<u>1,193,082,959.91</u>	<u>536,744,023.70</u>
Less: Non-controlling interests	<u>45,558,122.60</u>	<u>–</u>	<u>298,293,451.55</u>	<u>–</u>	<u>81,155,504.77</u>	<u>–</u>	<u>425,007,078.92</u>	<u>–</u>
Net assets acquired	<u><u>33,218,530.91</u></u>	<u><u>–</u></u>	<u><u>410,235,330.96</u></u>	<u><u>–</u></u>	<u><u>324,622,019.12</u></u>	<u><u>–</u></u>	<u><u>768,075,880.99</u></u>	<u><u>–</u></u>

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2. Disposal of subsidiaries

In 2023, the Group disposed of partial equity interests in Pinyuan Biotechnology, resulting in a loss of control of Pinyuan Biotechnology and its subsidiaries. The disposal information is as follows:

RMB

Items	Amount
Name of subsidiaries	Pinyuan Biotechnology and its subsidiaries
Date of loss of control	29 December 2023
Disposal proceeds for loss of control	30,787,200.00
Disposal percentage of equity interests when loss of control (%)	71.95
Disposal method of loss of control	Equity transfer
Basis for determining when loss of control	The relevant equity and net assets have been settled, and the registration with the administration for industry and commerce has been completed.
Difference between the disposal consideration and the share of net assets of the subsidiaries attributable to the disposed equity interests in the consolidated financial statements	5,431,712.57
Percentage of retained equity interests at the date of loss of control (%)	28.05
Carrying amount of the retained equity interests in the consolidated financial statements at the date of loss of control	9,882,858.37
Fair value of the retained equity interests on the consolidated financial statements at the date of loss of control	11,218,300.00
Gain arising from the remeasurement of retained equity interests at fair value	1,335,441.63
Method and key assumptions for determining fair value of the retained equity interests in the consolidated financial statements at the date of loss of control	Asset-based approach
The amount of other comprehensive income related to the equity investments held by former subsidiaries transferred to profit or loss or retained earnings	N/A

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In 2024, the Group disposed of partial equity interests in Junhong Animal Husbandry, Junkang Animal Husbandry, and Zanhuan Jiale Yuan, resulting in loss of control of these entities. The disposal information for Junhong Animal Husbandry and Junkang Animal Husbandry is as follows:

RMB

Items	Amount
Name of subsidiaries	Junhong Animal Husbandry, Junkang Animal Husbandry
Date of loss of control	30 November 2024
Disposal proceeds for loss of control	43,680,000.00
Disposal percentage of equity interests when loss of control (%)	6.00
Disposal method of loss of control	Equity transfer
Basis for determining when loss of control	The relevant equity and net assets have been settled, and the registration with the administration for industry and commerce has been completed.
Difference between the disposal consideration and the share of net assets of the subsidiaries attributable to the disposed equity interests in the consolidated financial statements	(163,881.74)
Percentage of retained equity interests at the date of loss of control (%)	45.00
Carrying amount of the retained equity interests in the consolidated financial statements at the date of loss of control	328,829,113.02
Fair value of the retained equity interests on the consolidated financial statements at the date of loss of control	327,600,000.00
Loss arising from the remeasurement of retained equity interests at fair value	(1,229,113.02)
Method and key assumptions for determining fair value of the retained equity interests in the consolidated financial statements at the date of loss of control	Asset-based approach
The amount of other comprehensive income related to the equity investments held by former subsidiaries transferred to profit or loss or retained earnings	N/A

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In 2025, the Group disposed of entire equity interests in Quyang Jiale Yuan, resulting in loss of control of this entity. The disposal information for Quyang Jiale Yuan is as follows:

RMB

Items	Amount
Name of subsidiaries	Quyang Jiale Yuan
Date of loss of control	21 April 2025
Disposal proceeds for loss of control	53,313,622.31
Disposal percentage of equity interests when loss of control (%)	52.46
Disposal method of loss of control	Equity transfer
Basis for determining when loss of control	The relevant equity and net assets have been settled, and the registration with the administration for industry and commerce has been completed.
Difference between the disposal consideration and the share of net assets of the subsidiaries attributable to the disposed equity interests in the consolidated financial statements	238,305.44
Percentage of retained equity interests at the date of loss of control (%)	–
Carrying amount of the retained equity interests in the consolidated financial statements at the date of loss of control	–
Fair value of the retained equity interests on the consolidated financial statements at the date of loss of control	–
Loss arising from the remeasurement of retained equity interests at fair value	–
Method and key assumptions for determining fair value of the retained equity interests in the consolidated financial statements at the date of loss of control	N/A
The amount of other comprehensive income related to the equity investments held by former subsidiaries transferred to profit or loss or retained earnings	N/A

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3. Other reasons for changes in scope of consolidation

(1) Subsidiaries established during the Track Record Period:

Name of companies	Establishment date
Weixian Leyuanjia	February 2023
Xiangyun Leyuan	April 2023
Tianchang Leyuan	March 2023
Junlebao South China Dairy (Guangdong) Co., Ltd. (君樂寶華南乳業(廣東)有限公司) (“Junlebao South China”)	June 2023
Haixing Leyuan	August 2023
Zhengyang Leyuan	September 2023
Junlebao (Hebei) Enterprise Management Co., Ltd. (君樂寶(河北)企業管理有限公司) (“Junlebao Enterprise Management”)	October 2023
Anhui Junlebao Dairy Co., Ltd. (安徽君樂寶乳業有限公司) (“Anhui Junlebao”)	November 2023
Aisen Biotechnology (Hainan) Co., Ltd. (愛森生物科技(海南)有限公司) (“Aisen Biotechnology Hainan”)	November 2023
Direct Global Genetics (Singapore) Pte. Ltd.	December 2023
Junlebao Hong Kong	February 2024
Hebei Jintaipu Trading Co., Ltd (河北金泰普商貿有限公司) (“Hebei Jintaipu”)	August 2024
Junlebao Hong Kong International Trading	July 2025
Junlebao Special Medical	September 2025
Quanzhou Junlebao	March 2026

(2) Subsidiary deregistration during the Track Record Period:

Name of companies	Deregistration date
Daming Leyuanjia	February 2023
Shenze Jiasi	April 2023
Hebei Junlebao E-commerce Co., Ltd. (河北君樂寶電子商務)	August 2023
Huanghua Junchuang	October 2023
Zhengyang Junchang Trading Co., Ltd. (正陽君暢商貿有限公司) (“Zhengyang Junchang”)	August 2024
Leyuan Junjie	November 2024
Shijiazhuang Baokuwang Trading Co., Ltd. (石家莊寶庫旺商貿有限公司) (“Shijiazhuang Baokuwang”)	December 2024
Shanghai Chunxiang	August 2025
Junxiang Property	February 2026

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(VIII) INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

Subsidiaries	Principal place of operation	Registered capital	Establishment date	Place of registration	Nature of business	Equity interests proportion as at 31 December 2023		Equity interests proportion as at 31 December 2024		Equity interests proportion as at 31 December 2025		Equity interests proportion as at 30 June 2026		Equity interests proportion as at date of the report (Unaudited)		Acquisition method
						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Leyuan Animal Husbandry	Shijiazhuang, Hebei	480,000.00	16 August 2013	Shijiazhuang, Hebei	Dairy farming	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Leyuan Weixian	Xingtai, Hebei	94,600.00	24 January 2014	Xingtai, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Junbang	Xingtai, Hebei	51,900.00	10 March 2016	Xingtai, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Xingtang	Shijiazhuang, Hebei	5,950.00	6 March 2014	Shijiazhuang, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Xuzhou Leyuan	Xuzhou, Jiangsu	10,000.00	24 April 2014	Xuzhou, Jiangsu	Dairy farming	-	60.00%	-	60.00%	-	60.00%	-	60.00%	-	60.00%	Establishment or investment and other methods
Jinsheng Animal Husbandry	Shijiazhuang, Hebei	30,000.00	28 April 2016	Shijiazhuang, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Zhengyang	Zhumadian, Henan	46,600.00	13 December 2016	Zhumadian, Henan	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Junhong Animal Husbandry	Xingtai, Hebei	12,000.00	6 April 2017	Xingtai, Hebei	Dairy farming	-	51.00%	-	Note (VI)	-	Note (VI)	-	Note (VI)	-	Note (VI)	Establishment or investment and other methods
(Note (VII)2)							10		10		10		10		10	other methods

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Subsidiaries	Principal place of operation	Registered capital	Establishment date	Place of registration	Nature of business	Equity interests proportion as at 31 December 2023		Equity interests proportion as at 31 December 2024		Equity interests proportion as at 31 December 2025		Equity interests proportion as at 30 June 2026		Equity interests proportion as at date of the report (Unaudited)		Acquisition method
						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Youzhi Animal Husbandry	Zhangjiakou, Hebei	6,830.00	3 August 2017	Zhangjiakou, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Junxiang Animal Husbandry	Xingtai, Hebei	40,000.00	18 January 2019	Xingtai, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Junkang Animal Husbandry (Note (VII)2)	Xingtai, Hebei	15,000.00	25 April 2019	Xingtai, Hebei	Dairy farming	-	51.00%	-	Note (VI) 10	-	Note (VI) 10	-	Note (VI) 10	-	Note (VI) 10	Establishment or investment and other methods
Baixiang Junchuang	Xingtai, Hebei	1,506.00	5 May 2019	Xingtai, Hebei	Dairy farming	-	58.53%	-	58.53%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Handan	Handan, Hebei	20,000.00	25 June 2019	Handan, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Junchuang Animal Husbandry	Shijiazhuang, Hebei	98,400.00	23 September 2019	Shijiazhuang, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Huanghua Leyuanjia	Cangzhou, Hebei	11,000.00	23 December 2021	Cangzhou, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Junchuang Yimu	Shijiazhuang, Hebei	14,000.00	23 December 2021	Shijiazhuang, Hebei	Dairy farming	-	81.40%	-	81.40%	-	81.40%	-	81.40%	-	81.40%	Establishment or investment and other methods
Junchuang Ermu	Shijiazhuang, Hebei	3,500.00	22 December 2021	Shijiazhuang, Hebei	Dairy farming	-	54.29%	-	54.29%	-	54.29%	-	54.29%	-	54.29%	Establishment or investment and other methods
Junliyan Animal Husbandry	Shijiazhuang, Hebei	1,960.00	21 December 2020	Shijiazhuang, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Jiaer	Shijiazhuang, Hebei	3,000.00	18 January 2022	Shijiazhuang, Hebei	Dairy farming	-	96.00%	-	96.00%	-	96.00%	-	96.00%	-	96.00%	Establishment or investment and other methods

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Zanhuang Jiale Yuan	Shijiazhuang, Hebei	2,062.98	28 March 2022	Shijiazhuang, Hebei	Dairy farming	-	50.40%	-	Note (VI)	-	Note (VI)	-	Note (VI)	-	Note (VI)	Establishment or investment and other methods
Leyuan Jiasan	Shijiazhuang, Hebei	5,300.00	28 March 2022	Shijiazhuang, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Lixian Leyuanjia	Baoding, Hebei	10,300.00	28 March 2022	Baoding, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Gaoyang Leyuanjia	Baoding, Hebei	13,300.00	28 March 2022	Baoding, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Jiasen	Xingtai, Hebei	5,300.00	11 April 2022	Xingtai, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Jiasi	Xingtai, Hebei	11,765.00	13 April 2022	Xingtai, Hebei	Dairy farming	-	75.78%	-	75.78%	-	75.78%	-	75.78%	-	75.78%	Establishment or investment and other methods
Quyuan Jiale Yuan (Note (VII)2)	Baoding, Hebei	10,484.00	29 July 2022	Baoding, Hebei	Dairy farming	-	52.46%	-	52.46%	-	-	-	-	-	-	Establishment or investment and other methods
Weixian Leyuanjia	Handan, Hebei	3,300.00	3 February 2023	Handan, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Haixing Leyuan	Cangzhou, Hebei	200.00	15 August 2023	Cangzhou, Hebei	Dairy farming	-	50.20%	-	50.20%	-	50.20%	-	50.20%	-	50.20%	Establishment or investment and other methods
Leyuan Junfeng	Tangshan, Hebei	35,000.00	14 September 2021	Tangshan, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Junyue Feed	Xingtai, Hebei	500.00	10 July 2020	Xingtai, Hebei	Production and sale of feed	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Leyuan Zhangbei	Zhangjiakou, Hebei	12,000.00	14 August 2020	Zhangjiakou, Hebei	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Junnong Feed	Zhangjiakou, Hebei	1,000.00	4 September 2020	Zhangjiakou, Hebei	Sale of feed	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Leyuan Junkai	Xingtai, Hebei	3,000.00	28 November 2020	Xingtai, Hebei	Beef cattle and dairy farming	-	71.67%	-	71.67%	-	71.67%	-	71.67%	-	71.67%	Establishment or investment and other methods
Leyuan Junjie	Cangzhou, Hebei	12,000.00	7 April 2021	Cangzhou, Hebei	Dairy farming	-	100.00%	-	-	-	-	-	-	-	-	Establishment or investment and other methods
Leyuan Junhui	Cangzhou, Hebei	20,000.00	28 December 2021	Cangzhou, Hebei	Dairy farming	-	55.00%	-	55.00%	-	55.00%	-	55.00%	-	55.00%	Establishment or investment and other methods
Pinyuan Biotechnology (Note (VII) 2)	Shijiazhuang, Hebei	4,000.00	25 March 2021	Shijiazhuang, Hebei	Breeding cattle	-	Note 2	-	Note 2	-	Note 2	-	Note 2	-	Note 2	Establishment or investment and other methods
Pinyuan Breeding Cattle	Xingtai, Hebei	19,000.00	15 December 2021	Xingtai, Hebei	Breeding cattle	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Hebei Junben Trading Co., Ltd. (河北君奔貿易有限公司)	Tangshan, Hebei	500.00	25 June 2021	Tangshan, Hebei	Wholesale	-	Note 2	-	Note 2	-	Note 2	-	Note 2	-	Note 2	Establishment or investment and other methods
Aisen Technology	Texas, USA	1,150.00 (USD)	3 January 2022	Texas, USA	Breeding cattle	-	Note 2	-	Note 2	-	Note 2	-	Note 2	-	Note 2	Establishment or investment and other methods
Aisen Biotechnology Hainan	Chengmai, Hainan	1,200.00	1 November 2023	Chengmai, Hainan	Breeding cattle	-	Note 2	-	Note 2	-	Note 2	-	Note 2	-	Note 2	Establishment or investment and other methods
Direct Global Genetics (Singapore) Pte. Ltd.	Singapore	0.10 (SGD)	21 December 2023	Singapore	Breeding cattle	-	Note 2	-	Note 2	-	Note 2	-	Note 2	-	Note 2	Establishment or investment and other methods

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Junao Zanhuang	Shijiazhuang, Hebei	7,000.00	29 June 2020	Shijiazhuang, Hebei	Dairy farming	-	93.11%	-	93.11%	-	93.11%	-	93.11%	-	93.11%	Establishment or investment and other methods
Xinxiang Leyuan	Xinxiang, Henan	30,000.00	20 May 2022	Xinxiang, Henan	Dairy farming	-	100.00%	-	100.00%	-	65.00%	-	65.00%	-	65.00%	Establishment or investment and other methods
Xiangyun Leyuan	Dali Bai Autonomous Prefecture, Yunnan	10,000.00	18 April 2023	Dali Bai Autonomous Prefecture, Yunnan	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Tianchang Leyuan	Tianchang, Anhui	20,000.00	1 March 2023	Tianchang, Anhui	Dairy farming	-	70.00%	-	70.00%	-	70.00%	-	70.00%	-	70.00%	Establishment or investment and other methods
Zhengyang Leyuan	Zhumadian, Henan	20,000.00	28 September 2023	Zhumadian, Henan	Dairy farming	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Banner Animal Husbandry	Zhangjiakou, Hebei	31,000.00	1 November 2020	Zhangjiakou, Hebei	Dairy farming	71.36%	-	71.36%	-	71.36%	-	71.36%	-	71.36%	-	Business combinations involving enterprises not under common control
Hebei Guanwei	Shijiazhuang, Hebei	965.00	30 July 1996	Shijiazhuang, Hebei	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Business combinations involving enterprises not under common control
Shijiazhuang Junlebao Taihang Dairy Co., Ltd. (石家莊君樂太乳業有限公司) (“Taihang Dairy”)	Shijiazhuang, Hebei	12,000.00	12 September 2006	Shijiazhuang, Hebei	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Business combinations involving enterprises not under common control

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Hebei Junlebao Juncheng Dairy Co., Ltd. (河北君樂寶君乳業有限公司)	Tangshan, Hebei	15,000.00	2 January 2019	Tangshan, Hebei	Production and sale of dairy products	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Establishment or investment and other methods
Banner Dairy	Zhangjiakou, Hebei	30,000.00	26 February 2013	Zhangjiakou, Hebei	Production and sale of dairy products	71.36%	-	71.36%	-	71.36%	-	71.36%	-	71.36%	-	Business combinations involving enterprises not under common control
Hebei Junlebao Linghang Dairy Co., Ltd. (河北君樂寶領航乳業有限公司) (“Linghang Dairy”)	Zhangjiakou, Hebei	15,900.00	11 January 2019	Zhangjiakou, Hebei	Production and sale of dairy products	-	71.36%	-	71.36%	-	71.36%	-	71.36%	-	71.36%	Establishment or investment and other methods
Hebei Junlebao Junheng Dairy Co., Ltd. (河北君樂寶君恒乳業有限公司) (“Junheng Dairy”)	Shijiazhuang, Hebei	10,000.00	17 November 2016	Shijiazhuang, Hebei	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Leshi Dairy	Shijiazhuang, Hebei	2,900.03	5 December 2001	Shijiazhuang, Hebei	Production and sale of dairy products	71.91%	-	86.45%	-	86.45%	-	86.45%	-	86.45%	-	Business combinations involving enterprises not under common control
Junyuan Dairy (Note 3)	Shijiazhuang, Hebei	16,800.00	5 September 2014	Shijiazhuang, Hebei	Production and sale of dairy products	-	56.23%	-	70.30%	-	86.45%	-	86.45%	-	86.45%	Establishment or investment and other methods
Hebei Junlebao Juncheng Dairy Co., Ltd. (河北君樂寶君誠乳業有限公司) (“Juncheng Dairy”)	Shijiazhuang, Hebei	15,000.00	21 December 2018	Shijiazhuang, Hebei	Production and sale of dairy products	-	56.23%	-	70.30%	-	86.45%	-	86.45%	-	86.45%	Establishment or investment and other methods
(Note 3)																

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Baoding Junlebao	Baoding, Hebei	3,254.00	25 August 2003	Baoding, Hebei	Production and sale of dairy products	99.70%	-	99.70%	-	99.70%	-	99.70%	-	99.70%	-	Business combinations involving enterprises not under common control
Jiangsu Junlebao	Xuzhou, Jiangsu	16,700.00	8 March 2004	Xuzhou, Jiangsu	Production and sale of dairy products	51.00%	-	51.00%	-	51.00%	-	51.00%	-	51.00%	-	Establishment or investment and other methods
Shijiazhuang Yongsheng Dairy Co., Ltd. (石家莊永盛乳業有限公司) (“Yongsheng Dairy”)	Shijiazhuang, Hebei	44,000.00	25 September 2007	Shijiazhuang, Hebei	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Siping Junlebao	Siping, Jilin	43,500.00	17 April 2015	Siping, Jilin	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Business combinations involving enterprises not under common control
Zhengyang Junlebao	Zhumadian, Henan	22,500.00	30 September 2015	Zhumadian, Henan	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Weixian Junlebao	Xingtai, Hebei	5,000.00	11 January 2018	Xingtai, Hebei	Sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Handan Junlebao	Handan, Hebei	10,000.00	25 June 2019	Handan, Hebei	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Cangzhou Junlebao	Cangzhou, Hebei	10,000.00	25 November 2019	Cangzhou, Hebei	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Zhengyang Junchang	Zhumadian, Henan	100.00	18 August 2017	Zhumadian, Henan	Sale of dairy products	100.00%	-	-	-	-	-	-	-	-	-	Establishment or investment and other methods
Junlebao Dairy (Shanghai) Co., Ltd. (君樂寶乳業上海有限公司) (“Shanghai Junlebao”)	Jinshan, Shanghai	300.00	6 November 2017	Jinshan, Shanghai	Sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Business combinations involving enterprises not under common control
Shanghai Chunxiang	Jinshan, Shanghai	100.00	24 December 2015	Jinshan, Shanghai	Sale of dairy products	-	100.00%	-	100.00%	-	-	-	-	-	-	Business combinations involving enterprises not under common control
Beijing Junbao Liye Trading Co., Ltd. (北京君寶立業商貿有限公司) (“Beijing Junbao”)	Miyun, Beijing	200.00	6 March 2019	Miyun, Beijing	Sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Business combinations involving enterprises not under common control
Guangdong Junlebao	Guangzhou, Guangdong	1,000.00	1 July 2022	Guangzhou, Guangdong	Sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Derong Packaging	Shijiazhuang, Hebei	8,382.00	23 November 2012	Shijiazhuang, Hebei	Production and sale of packaging materials	99.99%	0.01%	99.99%	0.01%	99.99%	0.01%	99.99%	0.01%	99.99%	0.01%	Business combinations involving enterprises not under common control
Siping Derong	Siping, Jilin	100.00	25 May 2016	Siping, Jilin	Production and sale of packaging materials	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Business combinations involving enterprises not under common control

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Zhengyang Derong	Zhumadian, Henan	100.00	4 March 2016	Zhumadian, Henan	Production and sale of packaging materials	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Business combinations involving enterprises not under common control
Shijiazhuang Delian Plastic Packaging Container Co., Ltd. (石家莊德聯塑料包裝容器有限公司)	Shijiazhuang, Hebei	300.00	24 September 2013	Shijiazhuang, Hebei	Production and sale of packaging materials	-	51.00%	-	51.00%	-	51.00%	-	51.00%	-	51.00%	Business combinations involving enterprises not under common control
Weixian Derong	Xingtai, Hebei	100.00	29 January 2021	Xingtai, Hebei	Production and sale of packaging materials	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	Business combinations involving enterprises not under common control
Shijiazhuang Baokuwang	Shijiazhuang, Hebei	100.00	20 February 2014	Shijiazhuang, Hebei	Sale of dairy products	100.00%	-	-	-	-	-	-	-	-	-	Establishment or investment and other methods
Shijiazhuang Junlebao Real Estate Development Co., Ltd. (石家莊君樂寶房地產開發有限公司) (“Real Estate Company”) (Note 4)	Shijiazhuang, Hebei	29,500.00	3 August 2017	Shijiazhuang, Hebei	Development and operation of property	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Junxiang Property (Note 4)	Shijiazhuang, Hebei	50.00	30 March 2022	Shijiazhuang, Hebei	Property management	-	100.00%	-	100.00%	-	100.00%	-	-	-	-	Establishment or investment and other methods

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Junlebao South China	Jiangmen, Guangdong	15,000.00	7 June 2023	Jiangmen, Guangdong	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Xi'an Yinqiao	Xi'an, Shaanxi	15,000.00	19 June 2023	Xi'an, Shaanxi	Production and sale of dairy products	80.00%	-	80.00%	-	80.00%	-	80.00%	-	80.00%	-	Business combinations involving enterprises not under common control
Yoyou Zhichun	Xi'an, Shaanxi	200.00	6 January 2021	Xi'an, Shaanxi	Sale of dairy products	-	80.00%	-	80.00%	-	80.00%	-	80.00%	-	80.00%	Business combinations involving enterprises not under common control
Sikeqi Hebei	Shijiazhuang, Hebei	750.00	11 April 2019	Shijiazhuang, Hebei	Sale of dairy products	72.51%	-	82.51%	-	82.51%	-	82.51%	-	82.51%	-	Business combinations involving enterprises not under common control
Sikeqi Shandong	Zaozhuang, Shandong	1,155.00	15 April 2021	Zaozhuang, Shandong	Production and sale of dairy products	-	41.12%	-	46.79%	-	46.79%	-	46.79%	-	46.79%	Business combinations involving enterprises not under common control
Dali Lesson Dairy	Dali Bai Autonomous Prefecture, Yunnan	5,380.00	6 April 2001	Dali Bai Autonomous Prefecture, Yunnan	Production and sale of dairy products	57.90%	-	57.90%	-	57.90%	-	57.90%	-	57.90%	-	Business combinations involving enterprises not under common control
Dali Yunying	Dali Bai Autonomous Prefecture, Yunnan	2,000.00	22 May 2019	Dali Bai Autonomous Prefecture, Yunnan	Dairy farming	-	57.90%	-	57.90%	-	57.90%	-	57.90%	-	57.90%	Business combinations involving enterprises not under common control

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Yunnan Lesson Dairy	Dali Bai Autonomous Prefecture, Yunnan	5,380.00	30 May 2018	Dali Bai Autonomous Prefecture, Yunnan	Production and sale of dairy products	57.90%	-	57.90%	-	57.90%	-	57.90%	-	57.90%	-	Business combinations involving enterprises not under common control
Yunduan Animal Husbandry	Dali Bai Autonomous Prefecture, Yunnan	20,000.00	18 December 2018	Dali Bai Autonomous Prefecture, Yunnan	Dairy farming	-	57.90%	-	57.90%	-	57.90%	-	57.90%	-	57.90%	Business combinations involving enterprises not under common control
Yunfei Animal Husbandry	Dali Bai Autonomous Prefecture, Yunnan	2,000.00	11 May 2022	Dali Bai Autonomous Prefecture, Yunnan	Dairy farming	-	57.90%	-	57.90%	-	57.90%	-	57.90%	-	57.90%	Business combinations involving enterprises not under common control
Yunxiang Animal Husbandry	Dali Bai Autonomous Prefecture, Yunnan	4,600.00	18 January 2022	Dali Bai Autonomous Prefecture, Yunnan	Dairy farming	-	57.90%	-	57.90%	-	57.90%	-	57.90%	-	57.90%	Business combinations involving enterprises not under common control
Junlebao Enterprise Management	Shijiazhuang, Hebei	50,000.00	24 October 2023	Shijiazhuang, Hebei	Headquarters management for enterprises	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods

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						Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	
(RMB'000)																
Anhui Junlebao Dairy	Chuzhou, Anhui	15,000.00	27 November 2023	Chuzhou, Anhui	Production and sale of dairy products	100.00%	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Hebei Jintapu	Shijiazhuang, Hebei	1,000.00	6 August 2024	Shijiazhuang, Hebei	Sale of dairy products	-	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Junlebao Hong Kong	Hong Kong, China	1.00 (HKD)	8 February 2024	Hong Kong, China	External investment	-	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Pingshan Junhe	Shijiazhuang, Hebei	1,960.00	2 June 2020	Shijiazhuang, Hebei	Dairy farming	-	-	100.00%	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Junlebao Hong Kong International Trading	Hong Kong, China	1,000.00	17 July 2025	Hong Kong, China	Sale of dairy products	-	-	-	-	100.00%	-	100.00%	-	100.00%	-	Establishment or investment and other methods
Junlebao Special Medical (Hebei) Nutrition Food Co., Ltd.(君樂寶特醫(河北)營養食品有限公司)	Shijiazhuang, Hebei	2,000.00	29 September 2025	Shijiazhuang, Hebei	Sale of dairy products	-	-	-	-	60.00%	-	60.00%	-	60.00%	-	Establishment or investment and other methods
Quanzhou Junlebao	Jinjiang Fujian	1,000.00	March 4, 2026	Jinjiang Fujian	Sale of dairy products	-	-	-	-	-	-	100.00%	-	100.00%	-	Establishment or investment and other methods

Note 1: The indirect equity interests proportion disclosed above represents the actual equity interests held by the Group.

Note 2: Junben Trading, Aisen Biotechnology, Aisen Biotechnology Hainan., and Direct Global Genetics (Singapore) Pte. Ltd. are wholly-owned subsidiaries of Pinyuan Biotechnology. In 2023, the Group disposed of a portion of its equity interests in Pinyuan Biotechnology, resulting in loss of control of Pinyuan Biotechnology and its subsidiaries, as detailed in Note (VII) 2.

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Reasons why the equity interests proportion held in subsidiary is different from the voting right proportion:

Note 3: Junyuan Dairy is jointly established by Leshi Dairy, a non-wholly owned subsidiary of the Company, and CDB Fund. As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, Leshi Dairy held 78.20%, 81.32%, 86.45% and 86.45% equity interests in Junyuan Dairy, respectively. Juncheng Dairy is a wholly owned subsidiary of Junyuan Dairy, with identical proportion of equity interests. Leshi Dairy has full control over the operations, investments, and financial policies of Junyuan Dairy through contractual arrangements, as detailed in Note (VI) 33. These contractual arrangements will expire on 28 December 2030. As at 31 December 2023 and 31 December 2024, CDB Fund’s remaining investment accounted for 21.80% and 18.68% of Junyuan Dairy’s registered capital, respectively. As at 31 December 2025, Junyuan Dairy has fully repaid CDB Fund’s remaining investment.

Note 4: The Real Estate Company is jointly established by the Company and other shareholders. The Company has full control over the operations, investments, and financial policies of the Real Estate Company through contractual arrangements. These contractual arrangements were terminated in December 2023 upon the exit of other shareholders. In March 2026, the Real Estate Company was renamed as Shijiazhuang Junlebao Research & Innovation Enterprise Management Co., Ltd., and its business nature changed to management consulting and technical services.

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ACCOUNTANTS’ REPORT

(2) Significant non-wholly owned subsidiaries

2023

RMB

Name of subsidiaries	Equity interests proportion held by non-controlling shareholders	Comprehensive (loss) income attributable to non-controlling shareholders during the year	Acquisition of non-controlling interests in subsidiaries	Balance of non-controlling interests at the end of the year
Dali Lesson Dairy	42.10%	(3,277,803.17)	–	241,215,605.29
Banner Dairy and its subsidiaries				
(Note 1)	28.64%	7,145,071.66	(37,379,198.37)	149,620,690.02
Banner Animal Husbandry	28.64%	(20,832,214.50)	(20,888,937.38)	71,984,910.22
Jiangsu Junlebao	49.00%	11,549,145.29	–	118,607,901.42
Junhong Animal Husbandry	49.00%	27,727,089.96	–	170,210,691.76
Junkang Animal Husbandry	49.00%	28,662,414.32	–	126,976,185.15
Total		<u>50,973,703.56</u>	<u>(58,268,135.75)</u>	<u>878,615,983.86</u>

2024

RMB

Name of subsidiaries	Equity interests proportion held by non-controlling shareholders	Comprehensive income (loss) attributable to non-controlling shareholders during the year	Dividends declared to non-controlling shareholders during the year	Balance of non-controlling interests at the end of the year
Dali Lesson Dairy	42.10%	4,904,214.02	(4,216,315.01)	241,903,504.30
Banner Dairy and its subsidiaries				
(Note 1)	28.64%	5,062,904.21	–	154,683,594.23
Banner Animal Husbandry	28.64%	(3,518,784.89)	–	68,466,125.33
Jiangsu Junlebao	49.00%	21,091,605.81	–	139,699,507.23
Total		<u>27,539,939.15</u>	<u>(4,216,315.01)</u>	<u>604,752,731.09</u>

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2025

RMB

Name of subsidiaries	Equity interests proportion held by non-controlling shareholders	Comprehensive income (loss) attributable to non-controlling shareholders during the year	Dividends declared to non-controlling shareholders during the year	Balance of non-controlling interests at the end of the year
Dali Lesson Dairy	42.10%	5,208,251.14	(4,599,887.40)	242,511,868.04
Banner Dairy and its subsidiaries				
(Note 1)	28.64%	14,925,707.98	–	169,609,302.21
Banner Animal Husbandry	28.64%	11,600,550.28	–	80,066,675.61
Jiangsu Junlebao	49.00%	19,802,592.14	–	159,502,099.37
Xinxiang Leyuan	35.00%	(2,986,855.61)	–	99,645,284.56
Total		<u>48,550,245.93</u>	<u>(4,599,887.40)</u>	<u>751,335,229.79</u>

Six months ended 30 June 2026

RMB

Name of subsidiaries	Equity interests proportion held by non-controlling shareholders	Comprehensive (loss) income attributable to non-controlling shareholders during the period	Dividends declared to non-controlling shareholders during the period	Balance of non-controlling interests at the end of the period
Dali Lesson Dairy	42.10%	(778,620.88)	–	241,733,247.16
Banner Dairy and its subsidiaries				
(Note 1)	28.64%	8,570,667.87	–	178,179,970.08
Banner Animal Husbandry	28.64%	4,649,855.79	–	84,716,531.40
Jiangsu Junlebao	49.00%	9,158,196.65	–	168,660,296.02
Xinxiang Leyuan	35.00%	1,534,766.77	–	101,180,051.33
Total		<u>23,134,866.20</u>	<u>–</u>	<u>774,470,095.99</u>

Note 1: Banner Dairy and its subsidiaries include Banner Dairy and Linghang Dairy.

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ACCOUNTANTS’ REPORT

(3) Material financial information of significant non-wholly owned subsidiaries

RMB

Name of subsidiaries	31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dali Lesson Dairy	373,601,253.92	442,928,073.12	816,529,327.04	241,982,288.52	1,293,298.26	243,275,586.78
Banner Dairy and its subsidiaries	686,039,710.45	792,982,148.67	1,479,021,859.12	684,056,709.89	347,883,138.08	1,031,939,847.97
Banner Animal Husbandry	262,142,121.55	1,440,210,179.65	1,702,352,301.20	1,303,607,591.68	2,830,188.71	1,306,437,780.39
Jiangsu Junlebao	117,971,573.06	406,380,326.58	524,351,899.64	148,002,859.03	134,352,245.05	282,355,104.08
Junhong Animal Husbandry	150,310,338.19	450,778,641.68	601,088,979.87	81,074,490.95	172,645,730.23	253,720,221.18
Junkang Animal Husbandry	224,005,939.53	516,100,814.51	740,106,754.04	256,089,364.40	224,882,317.91	480,971,682.31
Total	1,814,070,936.70	4,049,380,184.21	5,863,451,120.91	2,714,813,304.47	883,886,918.24	3,598,700,222.71

RMB

Name of subsidiaries	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dali Lesson Dairy	387,789,254.45	424,367,083.88	812,156,338.33	206,157,296.72	31,111,241.81	237,268,538.53
Banner Dairy and its subsidiaries	722,209,576.42	708,222,991.15	1,430,432,567.57	744,072,470.93	221,600,347.33	965,672,818.26
Banner Animal Husbandry	301,770,346.88	1,503,337,210.87	1,805,107,557.75	1,418,875,523.48	2,603,773.56	1,421,479,297.04
Jiangsu Junlebao	232,784,388.72	371,364,026.28	604,148,415.00	199,145,836.60	119,961,689.36	319,107,525.96
Total	1,644,553,566.47	3,007,291,312.18	4,651,844,878.65	2,568,251,127.73	375,277,052.06	2,943,528,179.79

RMB

Name of subsidiaries	31 December 2025					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dali Lesson Dairy	455,980,395.54	409,008,747.65	864,989,143.19	287,650,252.18	1,005,942.89	288,656,195.07
Banner Dairy and its subsidiaries	874,904,776.58	654,848,807.65	1,529,753,584.23	836,959,204.99	175,919,727.75	1,012,878,932.74
Banner Animal Husbandry	319,134,382.66	1,518,431,717.58	1,837,566,100.24	1,411,055,766.33	2,377,358.52	1,413,433,124.85
Jiangsu Junlebao	282,824,137.85	368,209,644.19	651,033,782.04	220,831,365.76	104,748,073.90	325,579,439.66
Xinxiang Leyuan	71,086,501.86	356,783,643.49	427,870,145.35	138,525,194.62	4,644,137.69	143,169,332.31
Total	2,003,930,194.49	3,307,282,560.56	5,311,212,755.05	2,895,021,783.88	288,695,240.75	3,183,717,024.63

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RMB

30 June 2026

Name of subsidiaries	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dali Lesson Dairy	365,902,196.44	375,756,103.51	741,658,299.95	166,103,031.32	1,071,776.28	167,174,807.60
Banner Dairy and its subsidiaries	889,066,618.95	628,302,679.02	1,517,369,297.97	830,778,209.08	139,790,921.12	970,569,130.20
Banner Animal Husbandry	246,328,990.46	1,503,660,395.81	1,749,989,386.27	1,307,356,729.86	2,264,151.00	1,309,620,880.86
Jiangsu Junlebao	316,618,758.81	358,889,624.72	675,508,383.53	233,181,605.03	98,182,238.88	331,363,843.91
Xinxiang Leyuan	65,220,472.49	346,752,916.38	411,973,388.87	118,943,665.58	3,943,862.34	122,887,527.92
Total	1,883,137,037.15	3,213,361,719.44	5,096,498,756.59	2,656,363,240.87	245,252,949.62	2,901,616,190.49

RMB

2023

Name of subsidiaries	Revenue	Net (loss) profit	Total comprehensive (loss) income	Cash flows from operating activities
Dali Lesson Dairy	392,590,287.99	(7,785,755.75)	(7,785,755.75)	12,928,920.38
Banner Dairy and its subsidiaries	790,128,934.71	18,407,848.83	18,407,848.83	31,666,911.79
Banner Animal Husbandry	562,500,908.13	(73,976,520.20)	(73,976,520.20)	142,209,433.53
Jiangsu Junlebao	969,459,170.53	23,569,684.26	23,569,684.26	85,287,315.88
Junhong Animal Husbandry	393,239,442.33	56,585,897.87	56,585,897.87	118,894,153.60
Junkang Animal Husbandry	409,612,902.86	58,494,723.11	58,494,723.11	117,147,015.70
Total	3,517,531,646.55	75,295,878.12	75,295,878.12	508,133,750.88

RMB

2024

Name of subsidiaries	Revenue	Net profit (loss)	Total comprehensive income (loss)	Cash flows from operating activities
Dali Lesson Dairy	826,049,171.90	11,648,964.42	11,648,964.42	5,113,003.15
Banner Dairy and its subsidiaries	707,512,492.90	17,677,738.16	17,677,738.16	(232,158,701.19)
Banner Animal Husbandry	716,875,960.00	(12,286,260.10)	(12,286,260.10)	244,081,227.99

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Name of subsidiaries	2024			
	Revenue	Net profit (loss)	Total comprehensive income (loss)	Cash flows from operating activities
Jiangsu Junlebao	1,063,134,960.80	43,044,093.48	43,044,093.48	34,534,879.85
Total	3,313,572,585.60	60,084,535.96	60,084,535.96	51,570,409.80

RMB

Name of subsidiaries	2025			
	Revenue	Net profit (loss)	Total comprehensive income (loss)	Cash flows from operating activities
Dali Lesson Dairy	806,272,233.22	12,371,142.85	12,371,142.85	107,199,222.59
Banner Dairy and its subsidiaries	628,890,835.83	52,114,902.18	52,114,902.18	157,907,928.88
Banner Animal Husbandry	838,012,079.45	40,504,714.68	40,504,714.68	228,108,430.97
Jiangsu Junlebao	1,071,729,643.25	40,413,453.34	40,413,453.34	11,859,801.54
Xinxiang Leyuan	50,572,499.80	(9,012,962.25)	(9,012,962.25)	2,864,608.31
Total	3,395,477,291.55	136,391,250.80	136,391,250.80	507,939,992.29

RMB

Name of subsidiaries	Six months ended 30 June 2026			
	Revenue	Net (loss) profit	Total comprehensive (loss) income	Cash flows from operating activities
Dali Lesson Dairy	340,041,097.56	(7,210,295.77)	(1,849,455.77)	(140,637,472.58)
Banner Dairy and its subsidiaries	378,804,535.90	29,925,516.29	29,925,516.29	108,982,016.44
Banner Animal Husbandry	394,786,995.07	16,235,530.01	16,235,530.01	98,208,944.41
Jiangsu Junlebao	552,103,017.19	18,690,197.24	18,690,197.24	66,365,775.67
Xinxiang Leyuan	91,739,795.64	4,385,047.91	4,385,047.91	18,501,938.24
Total	1,757,475,441.36	62,025,995.68	67,386,835.68	151,421,202.18

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ACCOUNTANTS’ REPORT

2. Transactions that cause changes of the Group’s equity interests in subsidiaries but do not result in loss of control

(1) Significant changes of the Group’s equity interests in subsidiaries

In 2023, the Group further acquired 6.20% and 6.20% equity interests from the minority shareholders of Banner Dairy and Banner Animal Husbandry, respectively, at a total consideration of RMB146,587,890.35. The difference of RMB88,319,754.60 between the consideration paid and the non-controlling interests acquired was recognised in capital reserve.

In 2024, the Group further acquired a 14.54% equity interests in Leshi Dairy from its minority shareholders at a total consideration of RMB82,900,807.00. The difference of RMB57,092,487.54 between the consideration paid and the non-controlling interests acquired was recognised in capital reserve. In 2024, the minority shareholders of Sikeqi Hebei, the Group’s subsidiary, exercised their put option, and the Group further acquired a 10.00% equity interests in Sikeqi Hebei. The repurchase obligation had already been accounted for as other current liabilities as at 31 December 2023.

In 2025, the Group further acquired 41.47% equity interests in Baixiang Junchuang from its minority shareholders, at a total consideration of RMB8,468,900.00. The difference of RMB1,151,983.02 between the consideration paid and the non-controlling interests acquired was recognised in capital reserve. In 2025, the Group’s subsidiary, Xinxiang Leyuan, introduced a minority shareholder who contributed capital in cash amounting to RMB105,000,000.00. The difference of RMB2,367,859.82 in the net assets attributable to the Group before and after the absorption of the minority interest is credited to capital reserve.

(2) Impact of transactions on non-controlling interests and owners’ equity attributable to owners of the Company

2023

RMB

	Banner Dairy	Banner Animal Husbandry	Others	Total
Consideration	118,518,162.49	28,069,727.86	31,997,661.23	178,585,551.58
– Cash	118,518,162.49	28,069,727.86	31,997,661.23	178,585,551.58
Less: Share of net assets in subsidiaries based on the interests acquired	37,379,198.37	20,888,937.38	20,522,116.78	78,790,252.53
Differences	81,138,964.12	7,180,790.48	11,475,544.45	99,795,299.05
Including: Adjustment to capital reserve	81,138,964.12	7,180,790.48	11,475,544.45	99,795,299.05

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2024

RMB

	<u>Leshi Dairy</u>	<u>Sikeqi Hebei</u>	<u>Total</u>
Consideration	82,900,807.00	–	82,900,807.00
– Cash	82,900,807.00	–	82,900,807.00
Less: Share of net assets in subsidiaries based on the interests acquired	25,808,319.46	5,427,535.24	31,235,854.70
Differences	57,092,487.54	(5,427,535.24)	51,664,952.30
Including: Adjustment to capital reserve	<u>57,092,487.54</u>	<u>(5,427,535.24)</u>	<u>51,664,952.30</u>

2025

RMB

	<u>Baixiang Junchuang</u>
Consideration	8,468,900.00
– Cash	8,468,900.00
Less: Share of net assets in subsidiaries based on the interests acquired	9,620,883.02
Differences	(1,151,983.02)
Including: Adjustment to capital reserve	<u>(1,151,983.02)</u>

Six months ended 30 June 2025 (Unaudited)

RMB

	<u>Baixiang Junchuang</u>
Consideration	8,468,900.00
– Cash	8,468,900.00
Less: Share of net assets in subsidiaries based on the interests acquired	9,620,883.02
Differences	(1,151,983.02)
Including: Adjustment to capital reserve	<u>(1,151,983.02)</u>

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3. Interests in associates/joint venture

(1) Significant associate/joint venture

Name of the associate/joint venture	Principal place of operation	Place of registration	Nature of business	Equity interests proportion (%)		Accounting treatments for investments in associate/joint venture
				Direct	Indirect	
Mopai Group	Shanghai	Shanghai	Catering	–	42.86	Equity method
Junhong Animal Husbandry	Hebei	Hebei	Dairy farming	–	45.00	Equity method
Junkang Animal Husbandry	Hebei	Hebei	Dairy farming	–	45.00	Equity method

(2) Key financial information of significant associate/joint venture

For the period from 1 January 2023 to 30 June 2026

RMB

	Balance as at 31 December 2023 and amount incurred from the acquisition date to 31 December 2023	Balance as at 31 December 2024 and amount incurred in 2024	Balance as at 31 December 2025 and amount incurred in 2025	Balance as at 30 June 2026 and amount incurred in the six months ended 30 June 2026
	Mopai Group	Mopai Group	Mopai Group	Mopai Group
Current assets	192,960,961.64	112,696,963.77	125,093,460.94	151,368,744.09
Non-current assets	226,794,430.30	231,696,709.73	248,311,948.54	304,504,315.18
Total assets	419,755,391.94	344,393,673.50	373,405,409.48	455,873,059.27
Current liabilities	198,488,984.90	112,454,043.16	162,335,310.90	222,632,608.22
Non-current liabilities	54,250,000.00	58,970,020.54	68,355,046.38	67,536,745.07
Total liabilities	252,738,984.90	171,424,063.70	230,690,357.28	290,169,353.29
Net assets	167,016,407.04	172,969,609.80	142,715,052.20	165,703,705.98
Non-controlling interests	–	–	–	–
Net assets attributable to owners of the Company	167,016,407.04	172,969,609.80	142,715,052.20	165,703,705.98
Share of net assets calculated based on equity interests proportion	50,104,922.11	51,890,882.94	61,167,671.37	71,020,608.38

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	Balance as at 31 December 2023 and amount incurred from the acquisition date to 31 December 2023	Balance as at 31 December 2024 and amount incurred in 2024	Balance as at 31 December 2025 and amount incurred in 2025	Balance as at 30 June 2026 and amount incurred in the six months ended 30 June 2026
	Mopai Group	Mopai Group	Mopai Group	Mopai Group
Adjustments				
– Goodwill	156,673,922.44	156,673,922.44	156,673,922.44	156,673,922.44
– Provision for impairment	–	(60,000,000.00)	(60,000,000.00)	(60,000,000.00)
– Others	1,463,439.41	1,463,439.41	1,463,439.41	1,463,439.41
Carrying amount of equity investments in associate	208,242,283.96	150,028,244.79	159,305,033.22	169,157,970.23
Revenue	55,983,940.31	579,873,159.36	583,675,793.44	433,672,134.93
Net (loss) profit	(5,859,053.48)	5,953,202.77	32,755,961.42	22,988,653.78
Other comprehensive income	–	–	–	–
Total comprehensive (loss) income	<u>(5,859,053.48)</u>	<u>5,953,202.77</u>	<u>32,755,961.42</u>	<u>22,988,653.78</u>
Dividends received from associates for the year/period	–	–	–	–

For the period from 1 January 2025 to 30 June 2026

RMB

	Balance as at 31 December 2025 and amount incurred in 2025	Balance as at 31 December 2025 and amount incurred in 2025	Balance as at 30 June 2026 and amount incurred in the six months ended 30 June 2026	Balance as at 30 June 2026 and amount incurred in the six months ended 30 June 2026
	Junhong Animal Husbandry	Junkang Animal Husbandry	Junhong Animal Husbandry	Junkang Animal Husbandry
Current assets	155,508,949.83	210,657,239.78	153,367,228.67	188,057,086.55
Non-current assets	458,824,138.84	501,582,215.53	465,827,435.25	496,584,672.85
Total assets	<u>614,333,088.67</u>	<u>712,239,455.31</u>	<u>619,194,663.92</u>	<u>684,641,759.40</u>
Current liabilities	43,035,755.97	138,964,389.76	21,808,481.16	92,225,257.35
Non-current liabilities	144,929,588.76	121,453,700.70	145,316,760.72	105,272,126.16
Total liabilities	<u>187,965,344.73</u>	<u>260,418,090.46</u>	<u>167,125,241.88</u>	<u>197,497,383.51</u>

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	Balance as at 31 December 2025 and amount incurred in 2025	Balance as at 31 December 2025 and amount incurred in 2025	Balance as at 30 June 2026 and amount incurred in the six months ended 30 June 2026	Balance as at 30 June 2026 and amount incurred in the six months ended 30 June 2026
	Junhong Animal Husbandry	Junkang Animal Husbandry	Junhong Animal Husbandry	Junkang Animal Husbandry
Net assets	426,367,743.94	451,821,364.85	452,069,422.04	487,144,375.89
Non-controlling interests . . .	–	–	–	–
Net assets attributable to owners of the Company . . .	426,367,743.94	451,821,364.85	452,069,422.04	487,144,375.89
Share of net assets calculated based on equity interests proportion	191,865,484.77	203,319,614.18	203,431,239.92	219,214,969.15
Adjustments				
– Goodwill	–	–	–	–
– Provision for impairment . .	–	–	–	–
– Others	(7,384,148.90)	(11,983,736.44)	(7,384,148.90)	(11,983,736.44)
Carrying amount of equity investments in associate . .	184,481,335.87	191,335,877.74	196,047,091.02	207,231,232.71
Revenue	303,981,641.58	407,408,995.54	155,800,074.87	193,415,964.52
Net profit	58,615,004.53	86,080,795.44	25,701,678.10	35,323,011.04
Other comprehensive income .	–	–	–	–
Total comprehensive income .	<u>58,615,004.53</u>	<u>86,080,795.44</u>	<u>25,701,678.10</u>	<u>35,323,011.04</u>
Dividends received from associates for the year/period	22,500,000.00	–	–	–

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(IX) RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

Financial instruments of the Group mainly include cash at bank and on hand, derivative financial assets, accounts receivable, bills receivable, other receivables, long-term receivables, investments in other equity instruments, derivative financial liabilities, accounts payable, bills payable, other payables, long-term payables, short-term borrowings, long-term borrowings and other current liabilities — obligation to repurchase non-controlling interests, etc. Details of these financial instruments are disclosed in Note (VI). The risks arising from such financial instruments and risk management policies adopted by the Group to minimize such risks are summarised below. The management of the Group manages and monitors these exposures to ensure that the above risks are kept within limits.

The Group adopts sensitivity analysis technique to analyse how the profit or loss for the current period or shareholders’ equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

1. Risk management objectives and policies

The Group’s risk management objectives are to achieve a proper balance between risks and yield, minimise the adverse impacts of risks on the Group’s operation performance, and maximise the benefits of the shareholders. Based on these risk management objectives, the Group’s basic risk management strategy is to identify and analyse the Group’s exposure to various risks, establish an appropriate maximum tolerance to risk, implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

1.1 Market risk

1.1.1 Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group’s principal activities are denominated and settled in RMB. As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the balance of the Group’s assets and liabilities are both denominated in RMB except that the assets and liabilities set out below are denominated in USD and HKD. Currency risk arising from the assets and liabilities denominated in foreign currencies may have impact on the Group’s performance.

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RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Cash at bank and on hand – USD .	1,177,403.26	44,227.42	4,916,432.56	3,511,564.64
Cash at bank and on hand – HKD .	–	1,356,899.38	1,186,163.12	6,425,803.42
Cash at bank and on hand – SGD .	–	–	–	226,738.02
Other current assets – USD . . .	–	–	3,954,552.67	5,456,179.56
Other payables – USD	–	–	5,337,406.20	229,910.73
Long-term borrowings – USD	754,971,691.27	–	–	–

Sensitivity analysis on currency risk

Where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the current period and owners’ equity:

RMB

Items	Changes in exchange rate	2023		2024		2025		Six months ended 30 June 2026	
		Effect on total profit	Effect on owners’ equity	Effect on total profit	Effect on owners’ equity	Effect on total profit	Effect on owners’ equity	Effect on total profit	Effect on owners’ equity
USD . . .	5% appreciation against RMB	(37,689,714.40)	(37,689,714.40)	2,211.37	2,211.37	176,678.95	176,678.95	436,891.67	436,891.67
USD . . .	5% depreciation against RMB	37,689,714.40	37,689,714.40	(2,211.37)	(2,211.37)	(176,678.95)	(176,678.95)	(436,891.67)	(436,891.67)
HKD . . .	5% appreciation against RMB	–	–	67,844.97	67,844.97	59,308.16	59,308.16	321,290.17	321,290.17
HKD . . .	5% depreciation against RMB	–	–	(67,844.97)	(67,844.97)	(59,308.16)	(59,308.16)	(321,290.17)	(321,290.17)
SGD . . .	5% appreciation against RMB	–	–	–	–	–	–	11,336.90	11,336.90
SGD . . .	5% depreciation against RMB	–	–	–	–	–	–	(11,336.90)	(11,336.90)

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Note: The impact of the above exchange rate changes has taken into account the effect of the forward foreign exchange contracts held by the Group.

1.1.2 Interest rate risk — risk of changes in cash flows

The Group’s cash flow interest rate risk of financial instruments relates primarily to variable-rate short-term borrowings and long-term borrowings. As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group’s long-term borrowings bearing interest at floating rates and short-term borrowings under revolving credit facilities amounted to RMB6,234,913,065.03, RMB7,097,085,588.72, RMB7,808,812,704.83 and RMB8,224,971,034.84, respectively. The Group continues to closely monitor the impact of interest rate changes on the Group’s interest rate risk.

Sensitivity analysis on interest rate risk

Where all other variables are held constant, the reasonably possible changes in the interest rate may have the following pre-tax effect on the profit or loss for the current period and owners’ equity:

RMB

Items	Changes in exchange rate	2023		2024		2025		Six months ended 30 June 2026	
		Effect on total profit	Effect on owners’ equity	Effect on total profit	Effect on owners’ equity	Effect on total profit	Effect on owners’ equity	Effect on total profit	Effect on owners’ equity
Bank borrowings.	Increase 50 base points	(31,174,565.33)	(31,174,565.33)	(35,485,427.94)	(35,485,427.94)	(39,044,063.52)	(39,044,063.52)	(20,562,427.59)	(20,562,427.59)
Bank borrowings.	Decrease 50 base points	31,174,565.33	31,174,565.33	35,485,427.94	35,485,427.94	39,044,063.52	39,044,063.52	20,562,427.59	20,562,427.59

The above sensitivity analysis assumes that interest rate changes occurred on 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, and the interest rate risk exposure is determined based on borrowings existing on those respective dates.

The impact of the above interest rate changes has taken into account the effect of the interest rate swap contracts held by the Group.

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1.1.3 Interest rate risk — risk of changes in fair value

The Group’s risk of changes in fair value of financial instruments due to changes in interest rates relates primarily to fixed-rate financial assets and financial liabilities, including other receivables — third-party loan receivables, long-term receivables, fixed-rate short-term and long-term borrowings, non-current liabilities due within one year, lease liabilities and long-term payables (as detailed in Note (VI) 6, 9, 22, 31, 29, 32 and 33). The Group’s objective is to maintain an appropriate mix of fixed and floating rate instruments to manage interest rate risk, and to use derivatives such as interest rate swap contracts as appropriate for managing interest rate risk.

1.1.4 Other price risk

The Group’s price risk mainly arises from the investment in derivative financial instruments and investments in other equity instruments. The Group reduces the price risk associated with investment in equity instruments by holding multiple equity securities portfolios.

1.2 Credit risk

The Group’s maximum exposure to credit risk which will cause a financial loss to the Group is due to the failure of counterparties to fulfil an obligation, including the carrying amount of the financial assets recognised in the balance sheet of the Group.

In order to minimise the credit risk, the Group has special personnels for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recovery of the financial assets at each balance sheet date to ensure that adequate impairment provision is provided for relevant financial assets.

The credit risk on cash at bank and on hand is limited because they are only deposited with banks with high credit ratings.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, details of the Group’s accounts receivable from the top five customers and other receivables from the top five debtors are set out in Note (VI) 4 and Note (VI) 6, respectively. Apart from these, the Group had no other significant concentration of credit risk.

1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

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The following is the maturity analysis for non-derivative financial liabilities and lease liabilities held by the Group which is based on undiscounted remaining contractual obligations:

31 December 2023

RMB

Items	Within 1 year (inclusive)	1-2 years (inclusive)	2-5 years (inclusive)	Over 5 years	Total
Accounts payable	2,561,563,218.03	–	–	–	2,561,563,218.03
Bills payable	277,266,483.87	–	–	–	277,266,483.87
Other payables	1,962,209,805.08	–	–	–	1,962,209,805.08
Other current liabilities . . .	137,450,000.00	–	–	–	137,450,000.00
Lease liabilities (including due within one year) . . .	75,438,088.87	69,158,604.18	160,064,953.31	279,844,143.14	584,505,789.50
Long-term payables (including due within one year)	32,021,174.39	80,127,318.97	54,316,403.90	62,592,843.19	229,057,740.45
Short-term borrowings . . .	1,975,353,210.14	–	–	–	1,975,353,210.14
Long-term borrowings (including due within one year)	1,608,720,760.91	3,587,893,770.97	2,372,960,796.66	825,405,652.86	8,394,980,981.40

31 December 2024

RMB

Items	Within 1 year (inclusive)	1-2 years (inclusive)	2-5 years (inclusive)	Over 5 years	Total
Accounts payable	2,644,091,191.26	–	–	–	2,644,091,191.26
Bills payable	359,124,802.69	–	–	–	359,124,802.69
Other payables	1,543,445,020.79	–	–	–	1,543,445,020.79
Other current liabilities . . .	127,400,000.00	–	–	–	127,400,000.00
Lease liabilities (including due within one year) . . .	66,272,254.14	40,245,327.00	131,772,579.32	241,140,742.13	479,430,902.59
Long-term payables (including due within one year)	71,880,621.69	18,580,592.46	31,698,464.69	91,952,490.65	214,112,169.49
Short-term borrowings . . .	2,282,025,233.63	–	–	–	2,282,025,233.63
Long-term borrowings (including due within one year)	2,456,672,290.59	1,515,795,521.58	3,462,314,698.55	330,522,197.09	7,765,304,707.81

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31 December 2025

RMB

Items	Within 1 year (inclusive)	1-2 years (inclusive)	2-5 years (inclusive)	Over 5 years	Total
Accounts payable	3,093,064,532.79	–	–	–	3,093,064,532.79
Bills payable	215,239,143.74	–	–	–	215,239,143.74
Other payables	1,496,889,398.90	–	–	–	1,496,889,398.90
Other current liabilities . .	126,774,456.00	–	–	–	126,774,456.00
Lease liabilities (including due within one year) . . .	59,985,697.17	51,131,251.04	126,027,313.87	241,683,722.20	478,827,984.28
Long-term payables (including due within one year)	9,690,000.00	6,090,000.00	18,270,000.00	74,300,000.00	108,350,000.00
Short-term borrowings . . .	1,811,049,745.72	–	–	–	1,811,049,745.72
Long-term borrowings (including due within one year)	1,469,746,958.29	3,368,935,116.16	3,824,753,909.72	190,379,450.73	8,853,815,434.90

30 June 2026

RMB

Items	Within 1 year (inclusive)	1-2 years (inclusive)	2-5 years (inclusive)	Over 5 years	Total
Accounts payable	2,240,377,439.01	–	–	–	2,240,377,439.01
Bills payable	2,389,929.27	–	–	–	2,389,929.27
Other payables	1,474,490,043.72	–	–	–	1,474,490,043.72
Other current liabilities . .	125,339,662.65	–	–	–	125,339,662.65
Lease liabilities (including due within one year) . .	57,499,778.78	53,299,750.80	121,668,733.15	232,395,792.44	464,864,055.17
Long-term payables (including due within one year)	9,690,000.00	6,090,000.00	16,570,000.00	76,000,000.00	108,350,000.00
Short-term borrowings . . .	2,232,772,899.90	–	–	–	2,232,772,899.90
Long-term borrowings (including due within one year)	1,057,209,989.03	4,778,999,271.55	2,635,604,176.15	194,296,908.22	8,666,110,344.95

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(X) DISCLOSURE OF FAIR VALUE

1. Fair value of assets and liabilities measured at fair value

The Group’s derivative financial assets/liabilities and investments in other equity instruments are measured at fair value at the end of each reporting period. The following table provides information on how the fair value of these financial assets/liabilities is determined.

RMB

Items	Fair value				Fair value hierarchy
	31 December 2023	31 December 2024	31 December 2025	30 June 2026	
Derivative financial assets – Interest rate swap contracts	17,512,193.95	–	–	–	Level2
Derivative financial assets – Forward exchange contracts	7,314,950.63	–	–	–	Level2
Investments in other equity instruments – Inatural Bio-Tech.	74,000,000.00	–	–	–	Level2
Investments in other equity instruments . . .	<u>13,249,750.00</u>	<u>94,649,750.00</u>	<u>94,649,750.00</u>	<u>85,459,750.00</u>	Level3

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2. Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurements categorised within Level 2

RMB

Items	Fair value				Valuation techniques	Key parameters
	31 December 2023	31 December 2024	31 December 2025	30 June 2026		
Derivative financial assets – Interest rate swap contracts	17,512,193.95	–	–	–	Discounted cash flow method	Observable value of contract-linked underlying
Derivative financial assets – Forward exchange contracts	7,314,950.63	–	–	–	Discounted cash flow method	Observable value of contract-linked underlying
Investments in other equity instruments – Inatural Bio-Tech (Note).	74,000,000.00	–	–	–	Recent transaction price	Recent transaction price
	=====	=====	=====	=====		

Note: In November 2023, the Group acquired a 4.93% equity interest in Inatural Bio-Tech. The consideration represented the fair value of the investment at the transaction date. As at 31 December 2023, given no material changes in the operating environment and operating results of Inatural Bio-Tech, management concluded that the fair value remained consistent with that at the transaction date.

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

RMB

Items	Fair value				Valuation techniques	Key parameters	Key parameters (Note)			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026			31 December 2023	31 December 2024	31 December 2025	30 June 2026
Investments in other equity instruments – Mongolia Dairy Innovation	700,000.00	700,000.00	700,000.00	700,000.00	Market comparison approach	Price-to-Book Ratio	1.80	1.76	1.90	1.43

(Note)

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Items	Fair value				Valuation techniques	Key parameters	Key parameters (Note)			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026			31 December 2023	31 December 2024	31 December 2025	30 June 2026
						(Note)				
Investments in other equity instruments – Luquan Rural Commercial Bank	3,359,750.00	3,359,750.00	3,359,750.00	3,359,750.00	Market comparison approach	Price-to-Book Ratio	0.63	0.56	0.56	0.46
Investments in other equity instruments – Dali Rural Commercial Bank	9,190,000.00	9,190,000.00	9,190,000.00	–	Market comparison approach	Price-to-Book Ratio	0.63	0.56	0.56	/
Investments in other equity instruments – Inatural Bio-Tech	–	81,400,000.00	81,400,000.00	81,400,000.00	Market comparison approach	Price-to-Earnings Ratio	–	33.41	42.82	40.12

Note: As at 31 December 2023, 2024, 2025 and 30 June 2026, an increase of 5% in the Price-to-Book Ratio or Price-to-Earnings Ratio used in isolation would result in an increase of approximately RMB662,000.00, RMB4,732,000.00, RMB4,732,000.00 and RMB4,558,000.00 in the fair value measurement of relevant investments, respectively and vice versa.

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

2023

RMB

Items	1 January, 2023	Transfer in/out of Level 3	Total losses or gains for the year		Purchase, issuance and settlement				31 December, 2023
			Recognised in other comprehensive income	Transfer to profit or loss for the year	Purchase	Issuance	Settlement	Other decreases	
Derivative financial assets . . .	45,362,000.00	–	–	(45,362,000.00)	–	–	–	–	–
Derivative financial liabilities . .	(29,201,000.00)	–	–	29,201,000.00	–	–	–	–	–

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Items	1 January, 2023	Transfer in/out of Level 3	Total losses or gains for the year		Purchase, issuance and settlement				31 December, 2023
			Recognised in other comprehensive income	Transfer to profit or loss for the year	Purchase	Issuance	Settlement	Other decreases	
Investment in other equity instruments – Mongolia Dairy Innovation	700,000.00	-	-	-	-	-	-	-	700,000.00
Investment in other equity instruments – Luquan Rural Commercial Bank	3,359,750.00	-	-	-	-	-	-	-	3,359,750.00
Investment in other equity instruments – Dali Rural Commercial Bank	-	-	-	-	9,190,000.00	-	-	-	9,190,000.00
Investment in other equity instruments – Inatural Bio- Tech	-	-	-	-	74,000,000.00	-	-	-	74,000,000.00
Investment in other equity instruments – Lesson Dairy	40,349,000.00	-	(1,755,000.00)	-	-	-	(38,594,000.00)	-	-

2024

RMB

Items	1 January, 2024	Transfer in/out of Level 3	Total losses or gains for the year		Purchase, issuance and settlement				31 December, 2024
			Recognised in other comprehensive income	Transfer to profit or loss for the year	Purchase	Issuance	Settlement	Other decreases	
Investment in other equity instruments – Mongolia Dairy Innovation	700,000.00	-	-	-	-	-	-	-	700,000.00
Investment in other equity instruments – Luquan Rural Commercial Bank	3,359,750.00	-	-	-	-	-	-	-	3,359,750.00
Investment in other equity instruments – Dali Rural Commercial Bank	9,190,000.00	-	-	-	-	-	-	-	9,190,000.00
Investment in other equity instruments – Inatural Bio-Tech	74,000,000.00	-	7,400,000.00	-	-	-	-	-	81,400,000.00

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2025

RMB

Items	1 January, 2025	Transfer in/out of Level 3	Total losses or gains for the year		Purchase, issuance and settlement				31 December, 2025
			Recognised in other comprehensive income	Transfer to profit or loss for the year	Purchase	Issuance	Settlement	Other decreases	
Investment in other equity instruments – Mongolia Dairy Innovation	700,000.00	-	-	-	-	-	-	-	700,000.00
Investment in other equity instruments – Luquan Rural Commercial Bank	3,359,750.00	-	-	-	-	-	-	-	3,359,750.00
Investment in other equity instruments – Dali Rural Commercial Bank	9,190,000.00	-	-	-	-	-	-	-	9,190,000.00
Investment in other equity instruments – Inatural Bio- Tech	81,400,000.00	-	-	-	-	-	-	-	81,400,000.00

Six months ended 30 June 2026

RMB

Items	1 January 2026	Transfer in/out of Level 3	Total losses or gains for the period		Purchase, issuance and settlement				30 June 2026
			Recognised in other comprehensive income	Transfer to profit or loss for the period	Purchase	Issuance	Settlement	Other decreases	
Investment in other equity instruments – Mongolia Dairy Innovation	700,000.00	-	-	-	-	-	-	-	700,000.00
Investment in other equity instruments – Luquan Rural Commercial Bank	3,359,750.00	-	-	-	-	-	-	-	3,359,750.00
Investment in other equity instruments – Dali Rural Commercial Bank	9,190,000.00	-	5,360,840.00	-	-	-	-	(14,550,840.00)	-
Investment in other equity instruments – Inatural Bio- Tech	81,400,000.00	-	-	-	-	-	-	-	81,400,000.00

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5. Fair value of financial assets and financial liabilities not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the Historical Financial Information approximate their fair values.

(XI) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Major shareholders of the Company

Name of shareholders	Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Mr. Wei Lihua	Direct equity interests proportion	37.5431%	37.5431%	37.5431%	37.5431%
	Indirect equity interests proportion	7.4615%	7.4615%	12.1160%	12.1160%
	Total	45.0046%	45.0046%	49.6591%	49.6591%
	Proportion of voting rights	52.7831%	52.7831%	59.2623%	59.2623%

The ultimate controlling party of the Company is Mr. Wei Lihua, whose equity interests proportion is presented based on the proportion of registered capital.

In December 2025, Mr. Wei Lihua, the Company and all the relevant shareholders entered into a supplementary agreement to the original shareholders’ agreement, pursuant to which: the redemption rights granted by Mr. Wei Lihua to certain pre-[REDACTED] investors have been suspended before the first filing of the [REDACTED] by the Company with the Stock Exchange, and will be terminated upon [REDACTED]. Neither the Company nor its subsidiaries have provided any guarantee in respect of the aforesaid redemption rights. Furthermore, as the Company and its subsidiaries are not the obligor to such redemption arrangement, the Group has not recognised any financial liabilities arising from the redemption rights granted by Mr. Wei Lihua.

2. Subsidiaries of the Company

Details of the Company’s subsidiaries are set out in Note (VIII) interests in other entities.

3. Associates/joint venture of the Company

Please refer to Note (VI) 10 for associates/joint venture of the Group.

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4. Other related parties having significant transactions with the Group are as follows:

Company	Related party relationship
Companies controlled by family members closely related to the ultimate controlling party of the Company (Note 1)	Legal entities directly or indirectly controlled by family members closely related to the ultimate controlling party of the Company

Note 1: The companies are controlled by family members closely related to the ultimate controlling party of the Company, mainly including Shijiazhuang Hetiande Trading Co., Ltd. (石家莊禾田德商貿有限公司) and Shijiazhuang Zhuangleizhenjiang Trading Co., Ltd. (石家莊磊真江商貿有限公司) and Shijiazhuang Zeijun Trading Co., Ltd (石家莊澤君商貿有限公司).

5. Related party transactions

(1) Purchase and sales of goods, receipt and rendering of services

Purchase of goods/receipt of services:

						RMB	
Related party	Details of related party transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026	
<i>(Unaudited)</i>							
Junkang Animal Husbandry	Purchase of goods	–	21,395,501.00	325,621,638.24	157,504,103.34	99,675,719.70	
Junhong Animal Husbandry	Purchase of goods	–	19,831,064.00	163,483,047.50	78,757,008.40	84,598,665.30	
Zhangjiakou Chia Tai	Purchase of goods	178,024,451.74	179,842,443.45	174,891,947.40	83,764,628.60	72,858,399.60	
Haixing Junyi	Purchase of goods	–	72,410,542.25	80,405,136.91	35,980,170.50	48,185,350.27	
Junyi Ermu	Purchase of goods	–	–	11,948,749.03	–	41,651,539.57	
Junrui Animal Husbandry (Note 1)	Purchase of goods	10,983,134.40	17,222,299.26	28,488,599.20	14,458,677.30	13,136,883.20	
Pinyuan Biotechnology	Purchase of goods	–	42,131,927.85	46,207,747.39	31,413,367.37	9,155,340.89	
Junlebao Charity Foundation (河北省君樂寶公益基金會) (Note 2)	Donation expenditure	15,476,164.16	4,279,382.19	7,585,760.42	2,495,485.00	3,216,239.36	
Shaanxi Aomeihui	Purchase of goods	–	–	–	–	727,910.20	
Dali Yunhe	Purchase of goods	–	–	2,232,493.20	2,083,933.33	–	
Sinong (Note 3)	Purchase of goods	16,006.03	–	–	–	–	
Other	Receipt of services	–	–	36,083.46	–	12,027.82	
Total		204,499,756.33	357,113,160.00	840,901,202.75	406,457,373.84	373,218,075.91	

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ACCOUNTANTS’ REPORT

Note 1: Became an associate of the Group since September 2023.

Note 2: The Group’s transaction with Junlebao Charity Foundation is an unconditional donation to the foundation.

Note 3: The Group’s associate, in which the Group disposed of its corresponding equity in April 2023.

Sales of goods/rendering of services:

RMB

Related party	Details of related party transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
<i>(Unaudited)</i>						
Shanghai Mopai	Sales of goods	300,495.69	69,310,959.63	104,213,263.46	44,869,476.22	48,296,281.51
Companies controlled by family members closely related to the ultimate controlling party of the Company	Sales of goods	24,825,338.75	66,266,570.48	63,043,292.49	34,929,392.66	21,518,610.36
Henan Junlebao	Sales of goods	3,046,202.74	17,769,948.93	29,339,168.64	14,506,695.32	16,174,421.05
Shandong Junlebao	Sales of goods	723,814.51	10,071,218.96	15,532,179.40	7,379,852.08	9,039,237.22
Zhangjiakou Chia Tai	Sales of goods	–	11,581,734.40	17,258,853.11	7,103,566.49	7,850,475.57
Shanxi Junlebao	Sales of goods	–	14,823,667.90	10,606,021.91	6,613,275.84	5,592,772.90
Junrui Animal Husbandry	Sales of goods	3,068,019.08	1,902,488.94	8,180,931.16	3,471,560.93	3,921,095.99
Pinyuan Biotechnology	Sales of goods	–	7,821,269.15	4,681,386.60	3,287,442.31	2,185,656.65
Haixing Junyi	Sales of goods	31,565,850.68	9,449,286.49	7,179,118.22	5,034,045.99	1,682,599.26
Junyi Ermu	Sales of goods	2,989,970.66	18,707,366.95	6,437,628.64	2,592,896.55	1,524,047.83
Shanghai Mopai	Rendering of services	–	809,084.73	802,416.15	405,456.14	645,486.96
Haixing Junyi	Rendering of services	–	–	507,702.93	–	465,283.93
Zhangjiakou Chia Tai	Rendering of services	1,007,081.14	1,018,357.48	924,177.43	491,461.35	416,913.34
Junrui Animal Husbandry	Rendering of services	–	–	373,016.68	–	317,130.43
Junyi Ermu	Rendering of services	–	–	293,233.97	–	267,887.57
Jingze Supply Chain	Sales of goods	–	–	–	–	266,101.96
Pinyuan Biotechnology	Rendering of services	–	7,390,714.65	572,225.79	153,195.64	151,783.41
Dali Food	Sales of goods	–	51,032.77	84,907.43	37,633.22	2,017.96

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Related party	Details of related party transactions	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
<i>(Unaudited)</i>						
Junhong Animal Husbandry	Sales of goods	–	–	216,093.04	214,862.62	1,149.64
Junkang Animal Husbandry	Sales of goods	–	–	5,776.50	4,288.98	951.25
Directors, supervisor, and senior management personnel of the Group	Sales of properties	–	–	21,697,879.56	17,183,771.66	–
Family members who have a close relationship with the directors of the Group	Sales of properties	–	–	19,568,324.25	15,239,247.56	–
Beijing Junlebao . . .	Sales of goods	–	5,267,224.87	1,388,063.16	986,274.92	–
Junlebao Charity Foundation	Sales of goods	–	–	410,975.81	–	–
Pinyuan Biology	Sales of assets	–	–	393,443.50	–	–
Shaanxi Aomeihui . . .	Sales of goods	33,027.52	–	–	–	–
Total		<u>67,559,800.77</u>	<u>242,240,926.33</u>	<u>313,710,079.83</u>	<u>164,504,396.48</u>	<u>120,319,904.79</u>

(2) Leases from related parties

31 December 2025

The Group as the lessee

RMB

Lessor name	Types of leased assets	Rent paid		Interest expense on lease liabilities		Increased right-of-use assets	
		Amount for the period	Amount from the previous period	Amount for the period	Amount from the previous period	Amount for the period	Amount from the previous period
Dali Yunhe . .	Leased properties	<u>3,924,000.00</u>	<u>–</u>	<u>2,343,334.31</u>	<u>–</u>	<u>–</u>	<u>73,977,618.49</u>

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30 June 2026

The Group as the lessee

RMB

Lessor name	Types of leased assets	Rent paid		Interest expense on lease liabilities		Increased right-of-use assets	
		Amount for the period	Amount from the previous period	Amount for the period	Amount from the previous period	Amount for the period	Amount from the previous period
Dali Yunhe . . .	Leased properties	–	3,924,000.00	1,129,119.20	2,343,334.31	–	–

(3) Guarantees for related parties

31 December 2023

RMB

Guarantor	Guarantee	Balance of guarantee	Inception date of guarantee	Ending date of guarantee
Leyuan Animal Husbandry	Haixing Junyi	1,680,000.00	18/09/2023	18/08/2029
Leyuan Animal Husbandry	Haixing Junyi	11,240,000.00	06/01/2023	05/01/2028
Leyuan Animal Husbandry	Haixing Junyi	6,744,000.00	07/09/2023	07/09/2026
Real Estate Company . .	Tian Xiao (Note 3)	850,000.00	28/09/2023	27/09/2043
Real Estate Company . .	Liu Senyue (Note 3)	580,000.00	10/08/2023	10/08/2043

31 December 2024

RMB

Guarantor	Guarantee	Balance of guarantee	Inception date of guarantee	Ending date of guarantee
Leyuan Animal Husbandry	Haixing Junyi	1,680,000.00	18/09/2023	18/08/2029
Leyuan Animal Husbandry	Haixing Junyi	11,240,000.00	06/01/2023	05/01/2028
Leyuan Animal Husbandry	Haixing Junyi	6,744,000.00	07/09/2023	07/09/2026
The Company (Note 1) .	Junkang Animal Husbandry	48,000,000.00	11/09/2023	11/09/2028
The Company (Note 1) .	Junhong Animal Husbandry	23,000,000.00	28/09/2023	28/09/2028
Leyuan Animal Husbandry (Note 2) . .	Junkang Animal Husbandry	140,480,000.00	25/02/2020	22/02/2030
Real Estate Company . .	Tian Xiao (Note 3)	570,000.00	03/01/2024	02/01/2044
Real Estate Company . .	Tian Xiao	850,000.00	28/09/2023	27/09/2043
Real Estate Company . .	Liu Senyue (Note 3)	580,000.00	10/08/2023	10/08/2043

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31 December 2025

RMB

Guarantor	Guarantee	Balance of guarantee	Inception date of guarantee	Ending date of guarantee
Leyuan Animal Husbandry .	Haixing Junyi	1,680,000.00	18/09/2023	18/08/2029
Leyuan Animal Husbandry .	Haixing Junyi	11,240,000.00	06/01/2023	05/01/2028
Leyuan Animal Husbandry .	Haixing Junyi	6,744,000.00	07/09/2023	07/09/2026
Junchuang Animal Husbandry	Junyi Ermu	19,250,000.00	24/01/2025	18/09/2030
Leyuan Animal Husbandry (Note 2)	Junkang Animal Husbandry	112,100,000.00	25/02/2020	22/02/2030
Real Estate Company	Tian Xiao (Note 3)	570,000.00	03/01/2024	02/01/2044
Real Estate Company	Tian Xiao	850,000.00	28/09/2023	27/09/2043
Real Estate Company	Liu Senyue (Note 3)	580,000.00	10/08/2023	10/08/2043

30 June 2026

RMB

Guarantor	Guarantee	Balance of guarantee	Inception date of guarantee	Ending date of guarantee
Leyuan Animal Husbandry .	Haixing Junyi	1,680,000.00	18/09/2023	18/08/2029
Leyuan Animal Husbandry .	Haixing Junyi	11,240,000.00	06/01/2023	05/01/2028
Leyuan Animal Husbandry .	Haixing Junyi	6,744,000.00	07/09/2023	07/09/2026
Junchuang Animal Husbandry	Junyi Ermu	19,250,000.00	24/01/2025	18/09/2030
Leyuan Animal Husbandry (Note 2)	Junkang Animal Husbandry	97,910,000.00	25/02/2020	22/02/2030

Note 1: As the other shareholder of Junhong Animal Husbandry and Junkang Animal Husbandry, Adopt Group has provided counter-guarantees according to its shareholding ratio of 49% since September 2023, and the counter-guarantee ratio was subsequently adjusted to 55% in February 2025.

Note 2: As the other shareholder of Junkang Animal Husbandry, Adopt Group has provided counter-guarantees according to its shareholding ratio of 49% since February 2020, and the counter-guarantee ratio was subsequently adjusted to 55% in February 2025.

Note 3: Tian Xiao is a senior management personnel of the Group, and Liu Senyue is a family member closely related to a director of the Group.

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(4) Compensation for key management personnel

RMB

Related party	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
				(Unaudited)	
Compensation for key management personnel . .	49,571,850.32	60,469,598.32	57,529,633.55	27,840,603.40	26,079,110.41
Including: Equity-settled share-based payments . .	14,662,084.59	12,160,841.65	15,455,283.82	7,695,860.97	7,041,780.90

(5) Directors’, supervisors’ and chief executive’s emoluments

Year ended 31 December 2023

RMB

Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Executive directors							
Mr. Wei Lihua	–	2,455,455.22	4,237,126.75	35,791.01	6,728,372.98	2,746,773.39	9,475,146.37
Ms. Wu Wennan (Note 1)	–	72,210.37	199,502.53	2,981.28	274,694.18	118,977.07	393,671.25
Ms. Huang Yafang (Note 2)	–	95,307.57	662,856.97	2,981.28	761,145.82	119,176.38	880,322.20
Mr. Liu Senmiao	–	1,286,510.04	2,502,408.88	35,775.36	3,824,694.28	1,416,815.86	5,241,510.14
Mr. Wei Liqiang (Note 3)	–	308,036.14	370,148.60	34,386.08	712,570.82	626,909.67	1,339,480.49
Mr. Wang Shiwei (Note 4)	–	139,800.00	139,248.40	–	279,048.40	365,697.31	644,745.71
Mr. Jiang Shuwang (Note 8)	–	625,952.09	590,704.27	32,794.08	1,249,450.44	719,483.34	1,968,933.78
Subtotal	–	4,983,271.43	8,701,996.40	144,709.09	13,829,976.92	6,113,833.02	19,943,809.94
Non-executive directors (Note 10)							
Mr. Guo Zhenwei	–	–	–	–	–	–	–
Ms. Yang Ying	–	–	–	–	–	–	–
Mr. Lu Di (Note 5)	–	–	–	–	–	–	–
Mr. Feng Yue (Note 5)	–	–	–	–	–	–	–
Mr. Chen Shuo (Note 6)	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–

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ACCOUNTANTS’ REPORT

Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Independent directors							
Mr. Yang Wenjun (Note 7)	-	-	-	-	-	-	-
Mr. Liu Xiangdong (Note 7)	-	-	-	-	-	-	-
Ms. Wang Ying (Note 7)	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Supervisors							
Mr. Guo Jingfeng	-	385,726.66	421,930.35	35,775.36	843,432.37	84,632.81	928,065.18
Mr. Feng Dan (Note 14) .	-	-	-	-	-	-	-
Mr. Jiang Shuwang (Note 8)	-	57,374.57	678,124.62	2,981.28	738,480.47	65,407.58	803,888.05
Mr. Su Lei (Note 9) . . .	-	-	-	-	-	-	-
Subtotal	-	443,101.23	1,100,054.97	38,756.64	1,581,912.84	150,040.39	1,731,953.23
Total	-	5,426,372.66	9,802,051.37	183,465.73	15,411,889.76	6,263,873.41	21,675,763.17

Year ended 31 December 2024

RMB

Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Executive directors							
Mr. Wei Lihua	-	2,653,805.51	9,102,430.11	92,468.45	11,848,704.07	2,202,534.51	14,051,238.58
Ms. Wu Wennan	-	864,085.74	2,617,219.05	5,962.56	3,487,267.35	1,025,498.50	4,512,765.85
Ms. Huang Yafang	-	1,141,947.92	3,257,286.22	37,637.28	4,436,871.42	1,025,498.50	5,462,369.92
Mr. Liu Senmiao	-	1,699,953.92	5,204,926.02	37,637.28	6,942,517.22	1,136,091.47	8,078,608.69
Subtotal	-	6,359,793.09	20,181,861.40	173,705.57	26,715,360.06	5,389,622.98	32,104,983.04
Non-executive directors							
Mr. Guo Zhenwei	-	-	-	-	-	-	-
Ms. Yang Ying	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Independent directors							
Mr. Yang Wenjun	250,000.00	-	-	-	250,000.00	-	250,000.00
Mr. Liu Xiangdong	250,000.00	-	-	-	250,000.00	-	250,000.00
Ms. Wang Ying	250,000.00	-	-	-	250,000.00	-	250,000.00
Subtotal	750,000.00	-	-	-	750,000.00	-	750,000.00

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Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Supervisors							
Mr. Guo Jingfeng	–	406,749.92	390,038.63	37,637.28	834,425.83	67,863.87	902,289.70
Mr. Feng Dan	–	–	–	–	–	–	–
Mr. Jiang Shuwang . . .	–	899,949.92	1,479,900.65	37,637.28	2,417,487.85	1,265,897.36	3,683,385.21
Subtotal	–	1,306,699.84	1,869,939.28	75,274.56	3,251,913.68	1,333,761.23	4,585,674.91
Total	750,000.00	7,666,492.93	22,051,800.68	248,980.13	30,717,273.74	6,723,384.21	37,440,657.95

Year ended 31 December 2025

RMB

Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Executive directors							
Mr. Wei Lihua	–	2,569,827.74	7,393,085.60	–	9,962,913.34	2,795,072.23	12,757,985.57
Ms. Wu Wennan	–	855,757.02	2,242,191.15	–	3,097,948.17	1,202,888.66	4,300,836.83
Ms. Huang Yafang (<i>Note 11</i>).	–	288,906.20	311,081.17	9,409.32	609,396.69	367,884.90	977,281.59
Mr. Liu Senmiao	–	1,704,281.33	2,706,213.51	38,465.28	4,448,960.12	1,723,121.66	6,172,081.78
Subtotal	–	5,418,772.29	12,652,571.43	47,874.60	18,119,218.32	6,088,967.45	24,208,185.77
Non-executive directors							
Mr. Guo Zhenwei	–	–	–	–	–	–	–
Ms. Yang Ying	–	–	–	–	–	–	–
Mr. Chen Shuo (<i>Note 12</i>).	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Independent directors							
Mr. Yang Wenjun	250,000.00	–	–	–	250,000.00	–	250,000.00
Mr. Liu Xiangdong . . .	250,000.00	–	–	–	250,000.00	–	250,000.00
Ms. Wang Ying	250,000.00	–	–	–	250,000.00	–	250,000.00
Subtotal	750,000.00	–	–	–	750,000.00	–	750,000.00
Supervisors							
Mr. Guo Jingfeng (<i>Note 13</i>).	–	105,106.70	83,212.02	9,409.32	197,728.04	41,877.00	239,605.04
Mr. Feng Dan (<i>Note 14</i>).	–	–	–	–	–	–	–
Mr. Jiang Shuwang (<i>Note 15</i>).	–	228,406.70	202,459.53	9,409.32	440,275.55	306,567.44	746,842.99
Subtotal	–	333,513.40	285,671.55	18,818.64	638,003.59	348,444.44	986,448.03
Total	750,000.00	5,752,285.69	12,938,242.98	66,693.24	19,507,221.91	6,437,411.89	25,944,633.80

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Six months ended 30 June 2025 (Unaudited)

RMB

Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Executive directors							
Mr. Wei Lihua	–	1,286,228.54	3,655,646.83	–	4,941,875.37	1,394,081.26	6,335,956.63
Ms. Wu Wennan	–	428,758.02	1,123,777.38	–	1,552,535.40	600,240.53	2,152,775.93
Ms. Huang Yafang (Note 11)	–	288,906.20	311,081.17	9,409.32	609,396.69	367,884.90	977,281.59
Mr. Liu Senmiao	–	853,519.58	1,454,778.34	18,818.64	2,327,116.56	858,622.37	3,185,738.93
Subtotal	–	2,857,412.34	6,545,283.72	28,227.96	9,430,924.02	3,220,829.06	12,651,753.08
Non-executive directors							
Mr. Guo Zhenwei	–	–	–	–	–	–	–
Ms. Yang Ying	–	–	–	–	–	–	–
Mr. Chen Shuo (Note 12)	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Independent directors							
Mr. Yang Wenjun	120,000.00	–	–	–	120,000.00	–	120,000.00
Mr. Liu Xiangdong	120,000.00	–	–	–	120,000.00	–	120,000.00
Ms. Wang Ying	120,000.00	–	–	–	120,000.00	–	120,000.00
Subtotal	360,000.00	–	–	–	360,000.00	–	360,000.00
Supervisors							
Mr. Guo Jingfeng (Note 13)	–	105,106.70	83,212.02	9,409.32	197,728.04	41,877.00	239,605.04
Mr. Feng Dan (Note 14)	–	–	–	–	–	–	–
Mr. Jiang Shuwang (Note 15)	–	228,406.70	202,459.53	9,409.32	440,275.55	306,567.44	746,842.99
Subtotal	–	333,513.40	285,671.55	18,818.64	638,003.59	348,444.44	986,448.03
Total	360,000.00	3,190,925.74	6,830,955.27	47,046.60	10,428,927.61	3,569,273.50	13,998,201.11

Six months ended 30 June 2026

RMB

Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Executive directors							
Mr. Wei Lihua	–	1,283,599.00	3,865,918.92	–	5,149,517.92	1,397,536.12	6,547,054.04
Ms. Wu Wennan	–	426,999.00	1,081,261.01	–	1,508,260.01	601,444.33	2,109,704.34
Mr. Liu Senmiao	–	850,717.74	1,198,453.25	19,232.64	2,068,403.63	861,560.83	2,929,964.46
Subtotal	–	2,561,315.74	6,145,633.18	19,232.64	8,726,181.56	2,860,541.28	11,586,722.84

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Items	Director’s Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme	Subtotal	Share-based payment	Total
Non-executive directors							
Mr. Guo Zhenwei . . .	-	-	-	-	-	-	-
Ms. Yang Ying	-	-	-	-	-	-	-
Mr. Chen Shuo	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Independent directors							
Mr. Yang Wenjun . . .	120,000.00	-	-	-	120,000.00	-	120,000.00
Mr. Lau King Pak . . .	120,000.00	-	-	-	120,000.00	-	120,000.00
Ms. Wang Ying	120,000.00	-	-	-	120,000.00	-	120,000.00
Subtotal	360,000.00	-	-	-	360,000.00	-	360,000.00
Total	360,000.00	2,561,315.74	6,145,633.18	19,232.64	9,086,181.56	2,860,541.28	11,946,722.84

Note 1: Ms. Wu Wennan was appointed as a director of the Company on 11 December 2023. The above-mentioned remuneration refers to the compensation paid to Ms. Wu Wennan during her tenure as an executive director of the Company.

Note 2: Ms. Huang Yafang was appointed as a director of the Company on 11 December 2023. The above-mentioned remuneration refers to the compensation paid to Ms. Huang Yafang during her tenure as an executive director of the Company.

Note 3: Mr. Wei Liqiang resigned from his position as an executive director of the Company on 10 December 2023.

Note 4: Mr. Wang Shiwei resigned from his position as an executive director of the Company on 24 July 2023.

Note 5: Mr. Lu Di and Mr. Feng Yue served as non-executive directors of the Company from July 2023 to December 2023.

Note 6: Mr. Chen Shuo resigned from his position as a non-executive director of the Company on 10 December 2023.

Note 7: Mr. Yang Wenjun, Mr. Liu Xiangdong, and Ms. Wang Ying have served as independent directors of the Company since 11 December 2023. Mr. Yang Wenjun and Ms. Wang Ying were re-designated as independent non-executive directors in January 2026 and Mr. Liu Xiangdong was resigned from his position as an independent director of the Company in January 2026.

Note 8: Mr. Jiang Shuwang resigned from his position as an executive director of the Company on 10 December 2023, and has been appointed as a supervisor of the Company starting from 11 December 2023.

Note 9: Mr. Su Lei resigned from his position as a supervisor of the Company on 10 December 2023. The supervisor is appointed by a shareholder of the Company, and the Company does not bear any remuneration to him.

Note 10: Non-executive directors and the supervisor are appointed by the shareholders of the Company, and the Company does not bear any remuneration to them.

Note 11: Ms. Huang Yafang resigned as a director of the Company on 17 March 2025. The above-mentioned remuneration refers to the compensation paid to Ms. Huang Yafang during her tenure as an executive director of the Company.

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Note 12: Mr. Chen Shuo became a non-executive director of the Company since 17 March 2025.

Note 13: Mr. Guo Jingfeng resigned as a supervisor of the Company on 17 March 2025. The above-mentioned remuneration refers to the salary paid to Mr. Guo Jingfeng during his tenure as a supervisor of the Company.

Note 14: Mr. Feng Dan resigned as a supervisor of the Company on 17 March 2025. He is an external supervisor appointed by the shareholder, and the Company does not provide any remuneration to him.

Note 15: Mr. Jiang Shuwang resigned as a supervisor of the Company on 17 March 2025. The remuneration mentioned above refers to the compensation paid to Mr. Jiang Shuwang during his tenure as a supervisor of the Company.

During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments and no emoluments 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.

(6) *Five highest paid employees*

The number of directors, supervisors, and other employees among the five highest-paid individuals are as follows:

Items	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
				(Unaudited)	
Directors, supervisors .	2	2	2	2	2
Except for directors or supervisors	3	3	3	3	3
Total	5	5	5	5	5

The total remuneration of individuals other than directors or supervisors among the five highest-paid persons are as follows:

Items	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
				(Unaudited)	
Salaries, allowance and benefits in kind	2,496,657.20	4,106,651.24	3,263,732.39	1,612,550.12	1,637,793.42
Performance related bonuses . .	9,250,739.25	9,889,880.63	8,594,406.34	4,223,404.01	4,513,024.15
Contributions to retirement benefit scheme	35,775.36	67,639.84	90,731.52	39,684.24	53,611.20
Subtotal	11,783,171.81	14,064,171.71	11,948,870.25	5,875,638.37	6,204,428.77
Share-based payment	3,800,075.68	3,275,030.39	4,630,136.17	2,317,139.27	2,328,010.51
Total	15,583,247.49	17,339,202.10	16,579,006.42	8,192,777.64	8,532,439.28

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The highest remuneration range for personnel other than directors or supervisors is as follows:

Items	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
				(Unaudited)	
2,000,001 HKD to 2,500,000 HKD	—	—	—	—	—
2,500,001 HKD to 3,000,000 HKD	—	—	—	2	2
3,000,001 HKD to 3,500,000 HKD	—	—	—	1	—
5,000,001 HKD to 5,500,000 HKD	1	—	—	—	1
5,500,001 HKD to 6,000,000 HKD	1	—	2	—	—
6,000,001 HKD to 6,500,000 HKD	1	3	—	—	—
6,500,001 HKD to 7,000,000 HKD	—	—	1	—	—
Total	3	3	3	3	3

(7) *Financing with related parties*

Interest expenses

RMB

Related party	2023	2024	2025	Six months ended 30 June 2025	Six months ended 30 June 2026
				(Unaudited)	
Wang Jiachun (<i>Note 1</i>) . .	666,700.00	—	—	—	—
He Handong (<i>Note 1</i>) . . .	666,700.00	—	—	—	—
Total	1,333,400.00	—	—	—	—

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Borrowed from

RMB

Related party	Amount	Inception date	Maturity date
Wang Jiachun	6,000,000.00	13/9/2017	6/12/2023
Wang Jiachun	2,850,000.00	2/7/2018	20/12/2023
He Handong	6,000,000.00	13/9/2017	20/12/2023
He Handong	2,850,000.00	3/7/2018	20/12/2023
Wei Lihua	12,161,040.00	20/4/2016	9/1/2023
Wei Lihua	6,830,739.00	9/3/2017	9/1/2023
Wei Lihua	3,980,000.00	21/4/2017	9/1/2023
Hongqi Dairy Products Factory (Note 2)	2,492,710.00	9/3/2017	9/1/2023
Hongqi Dairy Products Factory	1,885,798.00	21/4/2017	9/1/2023

Lent to

Related party	Amount	Inception date	Maturity date
Hongqi Dairy Products Factory	60,000,000.00	28/6/2023	28/8/2023

Note 1: Wang Jiachun and He Handong are family members closely related to a director of this Group.

Note 2: Hongqi Dairy Products Factory was a shareholder which has significant influence on the Group prior to the disposal of the Group’s equity interest in 2023. The Group actually received in advance a total amount of RMB60,056,445.00 from Hongqi Dairy Products Factory on 7 July 2023, comprising principal and interest.

(8) *Equity transactions*

Details of related party transactions	Date of transaction	Acquirer	Seller	Proportion of equity interest	Amount of transaction (tax-inclusive)	Subject matter of the transaction
Sale of equity to related parties	December 2023	Zhuhai Hengqin Lehuiuisheng (Note 1)	Leyuan Animal Husbandry	33.25%	14,227,100.00	Pinyuan Biotechnology
Purchase of equity in a subsidiary from a related party	April 2023	the Company	Wei Liqiang	0.56%	10,696,797.02	Banner Dairy
Purchase of equity in a subsidiary from a related party	April 2023	the Company	Wang Shiwei	1.09%	20,811,554.40	Banner Dairy
Purchase of equity in a subsidiary from a related party	April 2023	the Company	Wei Liqiang	0.56%	2,533,427.04	Banner Animal Husbandry
Purchase of equity in a subsidiary from a related party	April 2023	the Company	Wang Shiwei	1.09%	4,928,970.22	Banner Animal Husbandry

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Details of related party transactions	Date of transaction	Acquirer	Seller	Proportion of equity interest	Amount of transaction (tax-inclusive)	Subject matter of the transaction
Purchase of equity in a subsidiary from a related party	October 2023	the Company	Shijiazhuang Runde Zhiying Enterprise Management Center (Limited Partnership) (formerly known as Zhuhai Hengqin Runde Zhiying Enterprise Management Center (Limited Partnership)) (“Zhuhai Hengqin Runde Zhiying”) (<i>Note 1</i>)	10.29%	10,285,362.00	Sikeqi Hebei
Purchase of equity in a subsidiary from a related party	October 2023	the Company	Shijiazhuang Baichuan Guangzhi Enterprise Management Center (Limited Partnership)(formerly known as Zhuhai Hengqin Baichuan Guangzhi Enterprise Management Center (Limited Partnership)) (“Zhuhai Hengqin Baichuan Guangzhi”) (<i>Note 1</i>)	1.37%	1,371,348.00	Sikeqi Hebei
Purchase of equity in a subsidiary from a related party	December 2023	the Company	Zhuhai Hengqin Runde Zhiying (<i>Note 1</i>)	0.86%	857,119.65	Sikeqi Hebei
Purchase of equity in a subsidiary from a related party	December 2023	the Company	Wang Jiachun	14.70%	13,116,767.00	Real Estate Company
Purchase of equity in a subsidiary from a related party	December 2023	the Company	He Handong	14.70%	13,116,767.00	Real Estate Company
Purchase of equity in a subsidiary from a related party	October 2024	the Company	Wei Liqiang (<i>Note 2</i>)	13.61%	77,576,430.00	Leshi Dairy
Purchase of equity in a subsidiary from a related party	October 2024	the Company	Shijiazhuang Baichuan Guangzhi No. 5 Enterprise Management Center (Limited Partnership) (formerly known as Zhuhai Hengqin Baichuan Guangzhi No. 5 Enterprise Management Center (Limited Partnership)) (“Zhuhai Hengqin Baichuan Guangzhi No. 5”) (<i>Note 1</i>)	0.93%	5,324,377.00	Leshi Dairy
Purchase of equity in a subsidiary from a related party	November 2023	the Company	Hongqi Dairy Products Factory	49.00%	994,700.00	Hebei Guanwei

Note 1: Zhuhai Hengqin Lehuiruisheng, Zhuhai Hengqin Runde Zhiying, Zhuhai Hengqin Baichuan Guangzhi and Zhuhai Hengqin Baichuan Guangzhi No. 5 are legal entities controlled by Wei Lihua, the controlling shareholder and actual controller of the Group.

Note 2: Wei Liqiang is a family member closely related to the ultimate controlling party of the Company.

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6. Amounts due from/to related parties

(1) Trade-nature receivables from related parties

RMB

Items	Related party	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Accounts receivable .	Shanghai Mopai	325,928.20	7,783,918.50	4,330,295.40	8,382,297.60
Accounts receivable .	Haixing Junyi	19,427,472.77	3,750,823.75	3,480,859.43	3,701,886.14
Accounts receivable .	Zhangjiakou Chia Tai	211,861.89	3,342,128.11	2,917,627.63	3,479,054.84
Accounts receivable .	Junyi Ermu	2,988,666.99	1,203,035.00	3,313,569.25	2,765,702.19
Accounts receivable .	Junrui Animal Husbandry	3,580,711.55	1,508,446.83	2,355,286.70	1,884,319.26
Accounts receivable .	Pinyuan Biotechnology	192,715.70	8,094,449.76	639,390.45	1,225,652.75
Accounts receivable .	Junhong Animal Husbandry	–	–	212.41	210.01
Accounts receivable .	Junkang Animal Husbandry	–	–	531.03	–
Accounts receivable .	Credit loss allowance	(287,193.67)	(392,263.57)	(270,900.58)	(428,782.46)
	Subtotal	26,440,163.43	25,290,538.38	16,766,871.72	21,010,340.33
Other receivables . . .	Junyi Ermu	49,760.67	12,996,500.00	4,919,500.00	6,983,361.39
Other receivables . . .	Pinyuan Biotechnology	183,185.07	2,953,936.41	40,607.87	635,992.80
Other receivables . . .	Haixing Junyi	5,775,400.00	–	49,835.28	49,835.28
Other receivables . . .	Shanghai Mopai	–	131,402.50	–	–
Other receivables . . .	Zhangjiakou Chia Tai	–	77,757.02	–	–
Other receivables . . .	Junrui Animal Husbandry	11,627.90	11,627.90	–	–
Other receivables . . .	Credit loss allowance	(144,027.87)	(391,747.90)	(121,365.87)	(196,139.53)
	Subtotal	5,875,945.77	15,779,475.93	4,888,577.28	7,473,049.94
Prepayments	Pinyuan Biotechnology	64,221.35	–	309,070.00	394,600.00
Prepayments	Junrui Animal Husbandry	40,318.50	–	–	–
	Subtotal	104,539.85	–	309,070.00	394,600.00
	Total	32,420,649.05	41,070,014.31	21,964,519.00	28,877,990.27

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(2) Trade-nature payables to related parties

RMB

Items	Related party	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Accounts payable . . .	Junkang Animal Husbandry	–	42,843,168.40	56,802,211.90	33,908,708.30
Accounts payable . . .	Junhong Animal Husbandry	–	34,948,249.27	35,096,595.97	28,553,805.47
Accounts payable . . .	Zhangjiakou Chia Tai	21,442,412.53	16,831,340.00	16,742,780.20	18,794,521.25
Accounts payable . . .	Junyi Ermu	–	–	3,969,907.11	12,904,753.77
Accounts payable . . .	Haixing Junyi	–	10,424,978.80	17,160,002.10	11,898,980.60
Accounts payable . . .	Pinyuan Biotechnology	12,250,735.95	10,390,183.16	5,933,836.75	7,783,349.64
Accounts payable . . .	Junrui Animal Husbandry	835,701.50	3,083,941.00	4,515,178.60	1,903,276.80
Accounts payable . . .	Dali Yunhe	–	–	2,232,493.20	–
	Subtotal	<u>34,528,849.98</u>	<u>118,521,860.63</u>	<u>142,453,005.83</u>	<u>115,747,395.83</u>
Other payables	Junyi Ermu	–	–	6,966,320.50	10,131,642.09
Other payables	Haixing Junyi	–	6,730,453.25	7,175,406.51	8,405,444.05
Other payables	Companies controlled by family members closely related to the ultimate controlling party of the Company	110,000.00	120,000.00	250,000.00	300,000.00
Other payables	Pinyuan Biotechnology	–	10,010,793.86	126,660.00	198,019.00
Other payables	Shanxi Junlebao	–	110,000.00	100,000.00	102,500.00
Other payables	Henan Junlebao	100,000.00	100,000.00	100,000.00	100,000.00
Other payables	Shandong Junlebao	100,000.00	100,000.00	100,000.00	100,000.00
Other payables	Jingze Supply Chain	–	–	–	30,000.00
Other payables	Dali Yunhe	–	–	100,000.00	–
Other payables	Junlebao Charity Foundation	–	–	7,620.00	–
Other payables	Junrui Animal Husbandry	–	2,244,153.80	494,153.80	–
Other payables	Junkang Animal Husbandry	–	4,524,276.21	–	–
Other payables	Beijing Junlebao	–	100,000.00	–	–
Other payables	Other	–	50,000.00	27,087.82	–
	Subtotal	<u>310,000.00</u>	<u>24,089,677.12</u>	<u>15,447,248.63</u>	<u>19,367,605.14</u>

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Items	Related party	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Contract liabilities . .	Companies controlled by family members closely related to the ultimate controlling party of the Company	4,527,031.78	3,794,455.91	3,383,855.08	6,348,546.89
Contract liabilities . .	Henan Junlebao	–	685,133.36	1,739,929.21	171,987.20
Contract liabilities . .	Jingze Supply Chain	–	–	–	15,482.87
Contract liabilities . .	Shanxi Junlebao	–	1,091,532.35	60,330.71	6,669.83
Contract liabilities . .	Shandong Junlebao	–	55,587.18	1,083.76	1,294.90
Contract liabilities . .	Dali Food	–	825.61	3,263.28	1,261.48
Contract liabilities . .	Family members who have a close relationship with the directors of the Group	9,645,878.90	9,645,878.90	13,432.76	–
Contract liabilities . .	Directors, supervisor, and senior management personnel of the Group	19,129,307.32	21,209,924.75	4,014.95	–
Contract liabilities . .	Beijing Junlebao	–	50,652.85	–	–
	Subtotal	33,302,218.00	36,533,990.91	5,205,909.75	6,545,243.17
	Total	68,141,067.98	179,145,528.66	163,106,164.21	141,660,244.14

(3) Dividends payable

RMB

Items	Related party	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Dividends payable . .	Wei Lihua	108,978,430.00	–	–	–
Dividends payable . .	Zhuhai Hengqin Lehuiruisheng	35,840,190.00	–	–	–
Dividends payable . .	Shijiazhuang Yuehui Xinghong	25,512,610.00	–	–	–
Dividends payable . .	Shijiazhuang Zhenlecheng	10,600,000.00	–	–	–
Dividends payable . .	Zhuhai Hengqin Yuehui Xinghong No. 1	7,541,370.00	–	–	–
Dividends payable . .	Zhuhai Hengqin Runde Zhiying No. 2	1,278,360.00	–	–	–
	Total	189,750,960.00	–	–	–

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(XII) SHARE-BASED PAYMENTS

1. Overall information of share-based payments

	<i>Unit: Share</i>	
	<u>Restricted shares</u>	<u>Stock option</u>
As at 1 January 2023	8,087,389	1,140,482
Total number stock options converted to restricted stocks during the year	1,140,482	(1,140,482)
Total number restricted shares granted during the year	376,668	—
Total number restricted shares/share options lapsed during the year	(272,832)	—
Total number additional restricted shares arising from the Company’s restructuring into joint stock limited company during the year	98,660,430	—
As at 31 December 2023	107,992,137	—
Total number restricted shares granted during the year	2,696,896	—
Total number restricted shares lapsed during the year	(2,696,896)	—
As at 31 December 2024	107,992,137	—
Total number restricted shares granted during the year	7,926,856	—
Total number restricted shares lapsed during the year	(1,705,946)	—
As at 31 December 2025	114,213,047	—
Total number restricted shares granted during the period	191,691	—
Total number restricted shares lapsed during the period	(191,691)	—
As at 30 June 2026	114,213,047	—
Range of exercise prices and remaining contractual life of the restricted shares outstanding at the end of the year	Refer to other explanations	Refer to other explanations

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Other explanations:

According to the “2021 Employee Stock Ownership Plan (ESOP) of Shijiazhuang Junlebao Dairy Co., Ltd. “approved by the Company’s first shareholders’ meeting in 2021, and the “2021 Employee Stock Ownership Plan (ESOP) of Shijiazhuang Junlebao Dairy Co., Ltd. “further approved by the fourth meeting of the ninth board of directors held on 12 May 2021 (the “2021 ESOP”), the Company granted 8,087,389 restricted shares to the ESOP participants at a price of RMB150.2339 per share on 12 May 2021. The ESOP participants actually subscribed for 8,087,389 restricted shares. The vesting period for these restricted shares shall be from the granting date till the twelve months after the Company completes its [REDACTED] on any domestic or overseas securities exchange. The lock-up period shall be from the thirteenth month to the thirty-sixth month following the Company’s [REDACTED] on any domestic or overseas securities exchange.

According to the “Stock Option Incentive Plan of Shijiazhuang Junlebao Dairy Co., Ltd. “(the “2021 Stock Option Incentive Plan”) approved by the Company’s sixth shareholders’ meeting in 2021, the Company granted 1,086,219 stock options to the participants for the first time on 30 December 2021, with an exercise price of RMB1 per share. On 1 April 2022, the Company granted an additional 54,263 reserved stock options to the participants, with an exercise price of RMB1 per share. The exercise of the aforementioned stock options is subject to certain performance conditions and individual performance appraisal requirements. The stock options granted to the participants are subject to different vesting periods, which shall be from the granting date till twenty-four months after the Company completes its [REDACTED] on any domestic or overseas securities exchange.

According to the “Adjustment of the Company’s Stock Option Incentive Plan and implement a Restricted Shares Incentive Plan (the “2023 Restricted Shares Incentive Plan”)” approved by the Company’s third extraordinary shareholders’ meeting in 2023, the Company converted 1,140,482 shares of stock options granted under the 2021 Stock Option Incentive Plan into restricted shares, meanwhile, 103,836 shares of restricted shares were granted to the participants at a granting price of RMB1 per share, resulting in a total increase of registered capital of the Company by RMB1,244,318.00. Except for the change in the granting form, the terms and conditions, including the granting price, vesting period, and lock-up period of the restricted shares, remain consistent with those of the 2021 Stock Option Incentive Plan.

On 15 December 2023, the Company was restructured in its entirety into a joint stock limited company. The net assets were converted into shares at a ratio of 2.6563:1, equivalent to registered capital (share capital) of RMB720,000,000.00, totaling 720,000,000 shares. The outstanding restricted shares of the Company were proportionally increased by a total of 98,660,430 shares.

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According to the “Plan on the Company’s 2025 Employee Shareholding Program” approved by the Company’s fourth extraordinary shareholders’ meeting in 2025, the Company granted 6.2209 million restricted shares to the grantees at a price of RMB 23.72 per share in 2025, and the grantees fully subscribed to all 6.2209 million restricted shares. The lock-up period for these restricted shares shall commence on the grant date and continue until twelve months after the Company completes its [REDACTED] on any domestic or overseas securities exchange.

2. Equity-settled share-based payments

RMB

	Restricted shares	Stock option
The method of determining the fair value of equity instruments at the grant date	Refer to other explanations	
The basis of determining the number of equity instruments expected to be vested	The Company makes best estimate of the number of restricted shares/options expected to be unlocked/vested at the end of vesting periods based on the number of restricted shares/options granted	
Reasons for the significant difference between the estimate in the current year and that in the prior year	N/A	
Cumulative amount of equity-settled share-based payments included in capital reserve as at 31 December 2023	76,269,555.57	–
Total expenses recognised arising from equity-settled share-based payments in 2023	41,828,229.62	–
Cumulative amount of equity-settled share-based payments included in capital reserve as at 31 December 2024	116,441,799.45	–
Total expenses recognised arising from equity-settled share-based payments in 2024	40,172,243.88	–
Cumulative amount of equity-settled share-based payments included in capital reserve as at 31 December 2025	156,065,190.83	–

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	Restricted shares	Stock option
Total expenses recognised arising from equity-settled share-based payments in 2025	39,623,391.38	–
Cumulative amount of equity-settled share-based payments included in capital reserve as at 30 June 2025 (Unaudited).	137,860,817.92	–
Total expenses recognised arising from equity-settled share-based payments in the six months ended 30 June 2025 (Unaudited).	21,419,018.47	–
Cumulative amount of equity-settled share-based payments included in capital reserve as at 30 June 2026 . . .	180,265,098.56	–
Total expenses recognised arising from equity-settled share-based payments in the six months ended 30 June 2026 . .	24,199,907.73	–

Other explanations:

For the restricted shares granted in 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026, the Company refers to the fair value of the Company’s ordinary share at the grant date valued by the management of the Group or the recent equity transfer price of the Company’s ordinary share among shareholders as a reference for determining fair value, if appropriate.

(XIII) COMMITMENTS AND CONTINGENCIES

1. Commitments

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Contracted for but not yet recognised in the financial statement				
– Purchase of long-term asset commitments . .	727,186,099.91	379,492,871.79	264,346,001.47	390,968,682.82
Total	<u>727,186,099.91</u>	<u>379,492,871.79</u>	<u>264,346,001.47</u>	<u>390,968,682.82</u>

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2. Contingencies

There are no significant contingencies to disclose of the Group.

(XIV) EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Save as above mentioned event, the Group has no other significant events during the period from the end of Track Record Period to the date of this report.

(XV) OTHER SIGNIFICANT EVENTS

1. Segment information

(1) Determination basis and accounting policies of reporting segments

The Group determines its operating segments based on its internal organisational structure, management requirements, and internal reporting system. Reportable segments are identified from these operating segments after considering materiality. Two or more operating segments may be aggregated into a single reportable segment if they exhibit similar economic characteristics and share similarities in areas such as the nature of products or services, types of customers, and methods of sales or service delivery. The Group’s management regularly reviews the operating results of these segments for resource allocation and performance evaluation purposes. As the review does not encompass the assets and liabilities of the operating segments, segment assets and segment liabilities are therefore not disclosed.

The Group has identified four reportable segments, which are determined based on the nature of business activities:

- Formula Business — Engaged in the production and sale of formula products.
- Liquid Milk and Other Dairy Products Business — Engaged in the production and sale of dairy products including yogurt, milk, dairy beverages, cheese, and butter, etc.
- Dairy Farming Business — Engaged in the production and sale of raw milk, feed, and other farming products.
- Other Businesses — Engaged in the production and sale of packaging materials, raw materials, and other products, also the provision of certain services, e.g. consigned processing service.

Segment information is presented in accordance with the accounting policies and measurement bases used for internal reporting to management, which are consistent with the accounting and measurement bases applied in the preparation of the financial statements.

RMB

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Items	2024						RMB
	Formula	Liquid milk and Other dairy products	Dairy farming	Others	Unallocated amount	Inter-segment offsetting	
External revenue	5,370,791,552.12	12,294,338,800.70	1,391,763,968.44	775,595,336.57	-	-	19,832,489,657.83
Inter-segment revenue	-	-	3,543,216,393.63	454,270,238.38	-	(3,997,486,632.01)	-
Operating costs	(2,443,397,907.01)	(9,347,412,942.17)	(3,943,921,045.52)	(1,192,521,012.53)	-	3,968,543,074.00	(12,958,709,833.23)
Interest income.	13,989,881.80	1,570,374.68	1,825,160.71	1,753,797.10	28,588,356.29	(35,507,347.36)	12,220,223.22
Interest expenses	(34,213,407.75)	(21,973,923.71)	(130,768,542.89)	(2,935,722.71)	(250,450,912.66)	35,507,347.36	(404,835,162.36)
(Loss)/gain from long-term equity investments under equity method	-	(192,190.49)	(3,920,309.48)	499,949.52	-	-	(3,612,550.45)
Significant non-cash expenses:							
Depreciation and amortisation expenses . . .	(226,743,177.43)	(416,097,135.71)	(678,907,751.67)	(146,162,832.57)	-	1,555,884.85	(1,466,355,012.53)
(Losses on)/reversal of credit impairment . .	(77.11)	15,386,169.38	2,625,748.93	1,161,557.37	-	-	19,173,398.57
Impairment losses of assets	(107,857,346.35)	(160,306,745.82)	(43,695,865.48)	(183,282,426.27)	-	60,000,000.00	(435,142,383.92)
Other unallocated amount (Note).	-	-	-	-	(521,886,293.29)	-	(521,886,293.29)
Total profit (loss)	1,201,374,267.81	796,874,483.95	340,072,693.33	(218,547,747.31)	(743,748,849.66)	49,547,898.88	1,425,572,747.00

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Items	2025						RMB
	Formula	Liquid milk and Other dairy products	Dairy farming	Others	Unallocated amount	Inter-segment offsetting	Total
External revenue	4,464,300,014.98	13,244,283,354.88	1,201,178,277.29	1,472,681,376.85	-	-	20,382,443,024.00
Inter-segment revenue	-	-	4,094,927,034.62	491,160,299.23	-	(4,586,087,333.85)	-
Operating costs	(1,900,417,074.65)	(10,414,343,340.67)	(4,098,839,694.92)	(2,059,182,755.86)	-	4,565,626,222.66	(13,907,156,643.44)
Interest income	13,818,374.73	858,233.29	2,977,608.38	276,167.25	29,744,828.26	(38,003,978.84)	9,671,233.07
Interest expenses	(25,550,671.90)	(19,038,223.50)	(92,842,083.51)	(2,062,420.05)	(175,659,616.02)	38,003,978.84	(277,149,036.14)
(Loss)/gain from long-term equity investments under equity method	-	(220,851.18)	68,548,954.60	8,426,788.43	-	-	76,754,891.85
Significant non-cash expenses:							
Depreciation and amortisation expenses	(215,311,370.96)	(429,655,233.54)	(724,711,742.58)	(115,252,204.54)	-	1,604,215.43	(1,483,326,336.19)
Reversal of/(losses on) credit impairment	777,365.16	(16,540,080.12)	(132,957.05)	(3,142,973.87)	-	-	(19,038,645.88)
Impairment losses of assets	(5,960,272.65)	(14,519,569.18)	(38,345,671.69)	(122,010,560.88)	-	-	(180,836,074.40)
Other unallocated amount (Note)	-	-	-	-	(579,400,046.29)	-	(579,400,046.29)
Total profit (loss)	885,361,941.78	624,735,569.08	594,362,304.00	(72,632,129.98)	(725,314,834.05)	80,920,232.02	1,387,433,082.85

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RMB

Six months ended 30 June 2025 (Unaudited)

Items	Liquid milk and Other dairy products					Inter-segment offsetting	Total
	Formula	Dairy farming	Others	Unallocated amount			
External revenue	2,384,081,113.96	538,395,564.26	824,659,293.76	-	-	-	9,951,209,347.38
Inter-segment revenue	-	2,086,569,232.23	234,813,475.13	-	-	(2,321,382,707.36)	-
Operating costs	(982,762,452.48)	(2,005,911,508.28)	(1,113,701,599.60)	-	-	2,299,966,154.70	(6,646,542,884.28)
Interest income	6,821,455.03	1,949,281.96	207,097.08	14,853,539.18	(19,220,572.14)	-	5,230,730.34
Interest expenses	(13,806,720.13)	(48,137,687.11)	(786,109.93)	(87,850,356.30)	19,220,572.14	-	(141,462,928.64)
Gain/(loss) from long-term equity investments under equity method	-	40,271,742.51	(311,726.20)	-	-	-	42,151,282.86
Significant non-cash expenses:							
Depreciation and amortisation expenses	(103,303,478.41)	(374,622,239.85)	(53,929,636.54)	-	802,107.69	-	(749,959,698.75)
Reversal of/(losses on) credit impairment	855,365.16	-	(10,921,522.99)	-	-	-	(2,345,506.87)
Impairment losses of assets	(7,396,658.57)	(8,779,906.45)	(75,761,062.88)	-	-	-	(105,782,610.26)
Other unallocated amount (Note)	-	-	-	(335,408,544.47)	-	-	(335,408,544.47)
Total profit (loss)	648,951,765.03	267,987,445.19	(142,098,217.37)	(408,405,361.59)	101,673,930.34	-	746,230,337.64

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ACCOUNTANTS’ REPORT

RMB

Six months ended 30 June 2026

Items	Liquid milk and Other dairy products					Inter-segment offsetting	Total
	Formula	Dairy farming	Others	Unallocated amount			
External revenue	2,020,060,479.13	610,039,189.70	545,052,558.13	-	-	-	10,608,739,706.51
Inter-segment revenue	-	2,185,230,387.59	898,142,541.36	-	-	(3,083,372,928.95)	-
Operating costs	(908,697,773.66)	(2,121,412,570.41)	(1,471,054,501.13)	-	-	3,063,419,238.76	(7,137,889,362.69)
Interest income	5,915,843.15	644,661.99	117,757.03	9,847,434.25	(14,825,256.35)		2,074,589.98
Interest expenses	(9,713,390.00)	(40,407,718.67)	(1,485,457.85)	(93,056,547.07)	14,825,256.35		(139,302,196.82)
Gain from long-term equity investments under equity method	-	33,120,088.37	8,692,333.82	-	-		41,946,602.25
Significant non-cash expenses:							
Depreciation and amortisation expenses	(101,941,158.72)	(375,698,658.43)	(65,255,925.27)	-	802,107.69		(760,637,415.97)
Reversal of/(losses on) credit impairment	358,455.76	(4,884,973.24)	(4,453,181.40)	-	-		(14,362,327.21)
Impairment losses of assets	(5,200,520.17)	(10,065,058.80)	(71,447,874.56)	-	-		(108,214,789.14)
Other unallocated amount (Note)	-	-	-	(265,338,408.74)	-		(265,338,408.74)
Total profit (loss)	306,506,891.36	338,481,697.05	(27,674,855.62)	(348,547,521.56)	4,009,545.72		842,768,800.33

Note: The other unallocated amount consists of selling and distribution expenses and general and administrative expenses related to headquarters functions, gains or losses from changes in fair values, and financial expenses incurred in support of the Group’s overall operations. These amounts are not allocated when assessing segments’ performance.

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External revenue by geographical area

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
External revenue from Chinese					
Mainland	17,544,407,040.59	19,832,260,962.56	20,380,809,565.46	9,950,260,281.85	10,596,364,553.04
External revenue from Overseas . .	1,768,206.53	228,695.27	1,633,458.54	949,065.53	12,375,153.47
Total	<u>17,546,175,247.12</u>	<u>19,832,489,657.83</u>	<u>20,382,443,024.00</u>	<u>9,951,209,347.38</u>	<u>10,608,739,706.51</u>

Non-current assets by locations

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Domestic non-current assets	16,556,296,638.12	16,232,139,409.53	16,398,804,144.91	17,059,041,750.27
Foreign non-current assets	–	42,137,655.35	40,737,655.35	39,587,020.72
Total	<u>16,556,296,638.12</u>	<u>16,274,277,064.88</u>	<u>16,439,541,800.26</u>	<u>17,098,628,770.99</u>

Non-current assets do not include financial assets or deferred tax assets.

(3) Degree of reliance on major customers

In 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026, no single customer accounted for more than 10% of the Group’s revenue.

2. Capital management

The Group manages its capital by optimising the structure of liabilities and owners’ equity so as to ensure the entities of the Group can continue as going concern and maximise the returns to shareholders. The Group’s capital structure consists of the Group’s net debt (Note (VI) 22, 29, 31 and 33) and owners’ equity (including paid-in capital/share capital, capital reserve, other comprehensive income, surplus reserve and retained earnings disclosed in Note (VI) 36 to Note (VI) 40).

The Group is not exposed to external compulsory capital management requirements. The management of the Group reviews its capital structure. The risk related to the capital cost and various capital are also considered as part of the review. During the Track Record Period, there were no changes to the Group’s capital management objectives, policies or procedures.

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ACCOUNTANTS’ REPORT

(XVI) NOTES TO MAJOR ITEMS IN THE COMPANY’S HISTORICAL FINANCIAL INFORMATION

1. Cash at bank and on hand

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Bank deposits	441,230,097.52	532,509,366.42	665,996,948.82	595,074,571.65
Other monetary funds	120,866,006.42	99,287,628.86	51,577,209.73	50,904,921.12
Total	<u>562,096,103.94</u>	<u>631,796,995.28</u>	<u>717,574,158.55</u>	<u>645,979,492.77</u>

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company had restricted bank deposits and other monetary funds of RMB100,956,463.91, RMB96,955,204.47, RMB30,835,255.38 and RMB50,904,921.12, respectively.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company had no overseas deposits.

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2. Accounts receivable

(1) Disclosed by aging

Based on the dates of delivery of goods or services, the aging analysis of accounts receivable is as follows:

Aging	31 December 2023				31 December 2024				31 December 2025				30 June 2026			
	Gross carrying amount		Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount		Credit loss allowance		Gross carrying amount		Credit loss allowance	
	Proportion of allowance (%)		Proportion of allowance (%)		Proportion of allowance (%)		Proportion of allowance (%)		Proportion of allowance (%)		Proportion of allowance (%)		Proportion of allowance (%)		Proportion of allowance (%)	
Within 1 year (inclusive)	605,993,277.11	(10,047,323.53)	1.66	667,354,629.92	(8,030,557.53)	1.20	845,404,466.30	(23,329,171.24)	2.76	792,830,957.07	(20,811,746.94)	2.62				
1-2 years (inclusive)	14,388,922.07	(1,968,378.91)	13.68	19,121,231.40	(5,509,217.50)	28.81	28,834,047.16	(1,206,225.71)	4.18	37,406,890.94	(12,926,468.14)	34.56				
2-3 years (inclusive)	2,203,031.82	(2,203,031.82)	100.00	10,801,046.84	(901,154.31)	8.34	15,761,832.54	(2,287,511.10)	14.51	11,262,664.96	(1,494,078.65)	13.27				
Over 3 years	933,614.44	(933,614.44)	100.00	2,341,653.04	(2,341,653.04)	100.00	7,641,604.68	-	-	13,189,960.77	(1,230,671.27)	9.33				
Total	623,518,845.44	(15,152,348.70)	2.43	699,618,561.20	(16,782,582.38)	2.40	897,641,950.68	(26,822,908.05)	2.99	854,690,473.74	(36,462,965.00)	4.27				

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(2) Disclosed by credit loss provision method

RMB

	31 December 2023				
	Gross carrying amount		Credit loss allowance		
Items	Amount	Percentage	Amount	Proportion of allowance	Carrying amount
		(%)		(%)	
Credit loss allowance assessed on an individual basis	-	-	-	-	-
Credit loss allowance assessed on a portfolio basis					
Intra-group companies	137,013,345.19	21.97	-	-	137,013,345.19
Distributors	11,575,032.29	1.86	(1,153,538.26)	9.97	10,421,494.03
E-commerce	233,534,565.90	37.45	(1,141,328.79)	0.49	232,393,237.11
KA customers	84,273,346.65	13.52	(5,133,162.36)	6.09	79,140,184.29
Special channels	151,884,907.05	24.36	(7,533,491.39)	4.96	144,351,415.66
Others	5,237,648.36	0.84	(190,827.90)	3.64	5,046,820.46
Total	623,518,845.44	100.00	(15,152,348.70)	2.43	608,366,496.74

RMB

	31 December 2024				
	Gross carrying amount		Credit loss allowance		
Items	Amount	Percentage	Amount	Proportion of allowance	Carrying amount
		(%)		(%)	
Credit loss allowance assessed on an individual basis	2,589,085.07	0.37	(2,589,085.07)	100.00	–
Credit loss allowance assessed on a portfolio basis					
Intra-group companies	270,334,797.59	38.64	–	–	270,334,797.59
Distributors	1,254,715.67	0.18	(228,214.33)	18.19	1,026,501.34
E-commerce	241,014,887.27	34.45	(530,232.75)	0.22	240,484,654.52
KA customers	85,319,044.15	12.20	(8,842,018.81)	10.36	76,477,025.34
Special channels	97,750,292.16	13.97	(4,572,288.61)	4.68	93,178,003.55
Others	1,355,739.29	0.19	(20,742.81)	1.53	1,334,996.48
Total	699,618,561.20	100.00	(16,782,582.38)	2.40	682,835,978.82

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RMB

31 December 2025					
	Gross carrying amount		Credit loss allowance		
Items	Amount	Percentage	Amount	Proportion of allowance	Carrying amount
		%		%	
Credit loss allowance assessed on an individual basis	16,309,777.57	1.82	(16,309,777.57)	100.00	–
Credit loss allowance assessed on a portfolio basis					
Intra-group companies	409,822,104.07	45.66	–	–	409,822,104.07
Distributors	1,992,633.95	0.22	(40,465.65)	2.03	1,952,168.30
E-commerce	230,550,681.00	25.68	(544,217.29)	0.24	230,006,463.71
KA customers	118,135,361.76	13.16	(3,723,132.67)	3.15	114,412,229.09
Special channels	116,605,150.21	12.99	(6,115,150.81)	5.24	110,489,999.40
Others	4,226,242.12	0.47	(90,164.06)	2.13	4,136,078.06
Total	897,641,950.68	100.00	(26,822,908.05)	2.99	870,819,042.63

RMB

30 June 2026					
Items	Gross carrying amount		Credit loss allowance		Carrying amount
	Amount	Percentage	Amount	Proportion of allowance	
		(%)		(%)	
Credit loss allowance assessed on an individual basis	23,480,349.46	2.75	(23,480,349.46)	100.00	–
Credit loss allowance assessed on a portfolio basis					
Intra-group companies	326,493,446.67	38.20	–	–	326,493,446.67
Distributors	1,354,892.95	0.16	(31,108.58)	2.30	1,323,784.37
E-commerce	173,968,794.69	20.35	(382,731.35)	0.22	173,586,063.34
KA customers	130,309,448.93	15.25	(3,850,323.80)	2.95	126,459,125.13
Special channels	194,525,243.44	22.76	(8,627,285.86)	4.44	185,897,957.58
Others	4,558,297.60	0.53	(91,165.95)	2.00	4,467,131.65
Total	854,690,473.74	100.00	(36,462,965.00)	4.27	818,227,508.74

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Credit loss allowance assessed on an individual basis

RMB

31 December 2024				
Name	Gross carrying amount	Credit loss allowance	Proportion of allowance	Reason for allowance
			(%)	
Customer III	2,116,520.91	(2,116,520.91)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer IV	472,564.16	(472,564.16)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Total	<u>2,589,085.07</u>	<u>(2,589,085.07)</u>	/ /	

RMB

31 December 2025				
Name	Gross carrying amount	Credit loss allowance	Proportion of allowance	Reason for allowance
			(%)	
Customer III	2,163,876.68	(2,163,876.68)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer IV	392,564.16	(392,564.16)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer V	13,753,336.73	(13,753,336.73)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Total	<u>16,309,777.57</u>	<u>(16,309,777.57)</u>	/ /	

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RMB

Name	30 June 2026			Reason for allowance
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	
Customer III	2,163,876.68	(2,163,876.68)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer IV	242,556.33	(242,556.33)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer V	13,753,336.73	(13,753,336.73)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer VI	3,317,639.72	(3,317,639.72)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Customer VII	4,002,940.00	(4,002,940.00)	100.00	The customer is experiencing operational difficulties, and the likelihood of collection is low.
Total	<u>23,480,349.46</u>	<u>(23,480,349.46)</u>	/ /	

Credit loss allowance assessed on portfolios basis

As part of the Company’s credit risk management, in addition to assessing expected credit losses on an individual asset basis for accounts receivable with significantly different credit risk characteristics, the Company groups its accounts receivable into six portfolios based on common risk characteristics: intra-group companies, distributors, E-commerce, KA customers, special channels, and others. The aging of accounts receivable reflects the repayment capacity of various customers as the accounts receivable approach maturity. The Company uses the aging of accounts receivable, calculated from the date of delivery of goods or services, to evaluate expected credit losses for portfolios with similar risk characteristics.

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As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the credit risk exposure of accounts receivable for each portfolio and their lifetime expected credit losses are as follows:

RMB

Intra-group companies	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	–	124,592,802.03	–	124,592,802.03
1-2 years (inclusive)	–	12,420,543.16	–	12,420,543.16
Total		137,013,345.19	–	137,013,345.19

RMB

Distributors	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.79	10,611,438.78	(189,944.75)	10,421,494.03
1-2 years (inclusive)	100.00	29,979.07	(29,979.07)	–
Over 3 years	100.00	933,614.44	(933,614.44)	–
Total		11,575,032.29	(1,153,538.26)	10,421,494.03

RMB

E-commerce	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	0.21	232,882,289.92	(489,052.81)	232,393,237.11
1-2 years (inclusive)	100.00	632,996.93	(632,996.93)	–
2-3 years (inclusive)	100.00	19,279.05	(19,279.05)	–
Total		233,534,565.90	(1,141,328.79)	232,393,237.11

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RMB

KA customers	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.20	80,920,433.83	(1,780,249.54)	79,140,184.29
1-2 years (inclusive)	100.00	1,169,160.05	(1,169,160.05)	–
2-3 years (inclusive)	100.00	2,183,752.77	(2,183,752.77)	–
Total		84,273,346.65	(5,133,162.36)	79,140,184.29

RMB

Special channels	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	4.96	151,884,907.05	(7,533,491.39)	144,351,415.66
Total		151,884,907.05	(7,533,491.39)	144,351,415.66

RMB

Others	31 December 2023			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.07	5,101,405.50	(54,585.04)	5,046,820.46
1-2 years (inclusive)	100.00	136,242.86	(136,242.86)	–
Total		5,237,648.36	(190,827.90)	5,046,820.46

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RMB

Intra-group companies	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	–	246,822,891.16	–	246,822,891.16
1-2 years (inclusive)	–	13,612,013.90	–	13,612,013.90
2-3 years (inclusive)	–	9,899,892.53	–	9,899,892.53
Total		270,334,797.59	–	270,334,797.59

RMB

Distributors	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.15	1,049,056.04	(22,554.70)	1,026,501.34
1-2 years (inclusive)	100.00	18,951.59	(18,951.59)	–
2-3 years (inclusive)	100.00	28,807.77	(28,807.77)	–
Over 3 years	100.00	157,900.27	(157,900.27)	–
Total		1,254,715.67	(228,214.33)	1,026,501.34

RMB

E-commerce	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	0.22	241,014,887.27	(530,232.75)	240,484,654.52
Total		241,014,887.27	(530,232.75)	240,484,654.52

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RMB

KA customers	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.73	78,623,445.40	(2,146,420.06)	76,477,025.34
1-2 years (inclusive)	100.00	3,639,499.44	(3,639,499.44)	–
2-3 years (inclusive)	100.00	872,346.54	(872,346.54)	–
Over 3 years	100.00	2,183,752.77	(2,183,752.77)	–
Total		85,319,044.15	(8,842,018.81)	76,477,025.34

RMB

Special channels	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	4.51	97,578,807.78	(4,400,804.23)	93,178,003.55
1-2 years (inclusive)	100.00	171,484.38	(171,484.38)	–
Total		97,750,292.16	(4,572,288.61)	93,178,003.55

RMB

Others	31 December 2024			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.53	1,355,739.29	(20,742.81)	1,334,996.48
Total		1,355,739.29	(20,742.81)	1,334,996.48

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31 December 2025				
Intra-group companies	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	–	361,078,356.50	–	361,078,356.50
1-2 years (inclusive)	–	27,627,821.45	–	27,627,821.45
2-3 years (inclusive)	–	13,474,321.44	–	13,474,321.44
Over 3 years	–	7,641,604.68	–	7,641,604.68
Total		409,822,104.07	–	409,822,104.07

RMB

31 December 2025				
Distributors	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.63	1,984,418.89	(32,250.59)	1,952,168.30
1-2 years (inclusive)	100.00	8,215.06	(8,215.06)	–
Total		1,992,633.95	(40,465.65)	1,952,168.30

RMB

31 December 2025				
E-commerce	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	0.24	230,550,681.00	(544,217.29)	230,006,463.71
Total		230,550,681.00	(544,217.29)	230,006,463.71

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RMB

KA customers	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.07	116,830,273.11	(2,418,044.02)	114,412,229.09
1-2 years (inclusive)	100.00	61,903.38	(61,903.38)	–
2-3 years (inclusive)	100.00	1,243,185.27	(1,243,185.27)	–
Total		118,135,361.76	(3,723,132.67)	114,412,229.09

RMB

Special channels	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	4.99	116,298,845.92	(5,808,846.52)	110,489,999.40
1-2 years (inclusive)	100.00	306,304.29	(306,304.29)	–
Total		116,605,150.21	(6,115,150.81)	110,489,999.40

RMB

Others	31 December 2025			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.13	4,226,242.12	(90,164.06)	4,136,078.06
Total		4,226,242.12	(90,164.06)	4,136,078.06

RMB

Intra-group companies	30 June 2026			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	–	280,285,148.06	–	280,285,148.06
1-2 years (inclusive)	–	24,480,422.80	–	24,480,422.80
2-3 years (inclusive)	–	9,768,586.31	–	9,768,586.31
Over 3 years	–	11,959,289.50	–	11,959,289.50
Total	–	326,493,446.67	–	326,493,446.67

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Distributors	30 June 2026			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	1.70	1,346,677.89	(22,893.52)	1,323,784.37
1-2 years (inclusive)	100.00	8,215.06	(8,215.06)	–
Total		1,354,892.95	(31,108.58)	1,323,784.37

RMB

E-commerce	30 June 2026			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	0.22	173,968,794.69	(382,731.35)	173,586,063.34
Total		173,968,794.69	(382,731.35)	173,586,063.34

RMB

KA customers	30 June 2026			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	2.02	129,066,263.66	(2,607,138.53)	126,459,125.13
1-2 years (inclusive)	100.00	–	–	–
2-3 years (inclusive)	100.00	12,514.00	(12,514.00)	–
Over 3 years	100.00	1,230,671.27	(1,230,671.27)	–
Total		130,309,448.93	(3,850,323.80)	126,459,125.13

RMB

Special channels	30 June 2026			
	Expected credit loss rate	Gross carrying amount	Credit loss allowance	Carrying amount
	(%)			
Within 1 year (inclusive)	4.35	194,352,281.84	(8,454,324.26)	185,897,957.58
1-2 years (inclusive)	100.00	172,961.60	(172,961.60)	–
Total		194,525,243.44	(8,627,285.86)	185,897,957.58

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Others	30 June 2026			
	Expected credit	Gross carrying	Credit loss	Carrying
	loss rate	amount	allowance	amount
	(%)			
Within 1 year (inclusive)	2.00	4,558,297.60	(91,165.95)	4,467,131.65
Total		4,558,297.60	(91,165.95)	4,467,131.65

(3) Changes in credit loss allowance for accounts receivables

2023

RMB

Category	1 January 2023	Changes for the year			31 December 2023
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	–	–	–	–	–
Credit loss allowance assessed on a portfolio basis	6,150,462.19	11,316,056.80	(1,884,267.70)	(429,902.59)	15,152,348.70
Total	6,150,462.19	11,316,056.80	(1,884,267.70)	(429,902.59)	15,152,348.70

2024

RMB

Category	1 January 2024	Changes for the year			31 December 2024
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	–	2,589,085.07	–	–	2,589,085.07
Credit loss allowance assessed on a portfolio basis	15,152,348.70	10,421,836.59	(10,047,323.53)	(1,333,364.45)	14,193,497.31
Total	15,152,348.70	13,010,921.66	(10,047,323.53)	(1,333,364.45)	16,782,582.38

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2025

RMB

Category	1 January 2025	Changes for the year			31 December 2025
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	2,589,085.07	14,435,648.76	(714,956.26)	–	16,309,777.57
Credit loss allowance assessed on a portfolio basis	14,193,497.31	9,578,607.89	(10,719,906.74)	(2,539,067.98)	10,513,130.48
Total	16,782,582.38	24,014,256.65	(11,434,863.00)	(2,539,067.98)	26,822,908.05

Six months ended 30 June 2026

RMB

Category	1 January 2026	Changes for the period			30 June 2026
		Recognised	Reversed	Write-off	
Credit loss allowance assessed on an individual basis	16,309,777.57	7,320,579.72	(150,007.83)	–	23,480,349.46
Credit loss allowance assessed on a portfolio basis	10,513,130.48	11,376,788.23	(8,885,998.65)	(21,304.52)	12,982,615.54
Total	26,822,908.05	18,697,367.95	(9,036,006.48)	(21,304.52)	36,462,965.00

(4) Credit loss allowance assessed using the simplified approach under ECL model

2023

RMB

Items	2023		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2023	1,967,794.70	4,182,667.49	6,150,462.19
Changes due to financial instruments recognised as at 1 January 2023			
– Transferred to credit-impaired	(83,527.00)	83,527.00	–
Impairment losses recognised	10,047,323.53	1,268,733.27	11,316,056.80
Impairment losses reversed	(1,884,267.70)	–	(1,884,267.70)
Write-off	–	(429,902.59)	(429,902.59)
31 December 2023	10,047,323.53	5,105,025.17	15,152,348.70

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2024

RMB

Items	2024		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2024	10,047,323.53	5,105,025.17	15,152,348.70
Changes due to financial instruments recognised as at 1 January 2024			
– Transferred to credit-impaired	(288,773.92)	288,773.92	–
Impairment losses recognised	7,120,754.56	5,890,167.10	13,010,921.66
Impairment losses reversed	(9,758,549.61)	(288,773.92)	(10,047,323.53)
Write-off	–	(1,333,364.45)	(1,333,364.45)
31 December 2024	7,120,754.56	9,661,827.82	16,782,582.38

2025

RMB

Items	2025		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2025	7,120,754.56	9,661,827.82	16,782,582.38
Changes due to financial instruments recognised as at 1 January 2025			
– Transferred to credit-impaired	(401,176.14)	401,176.14	–
Impairment losses recognised	8,893,522.49	15,120,734.16	24,014,256.65
Impairment losses reversed	(6,719,578.42)	(4,715,284.58)	(11,434,863.00)
Write-off	–	(2,539,067.98)	(2,539,067.98)
31 December 2025	8,893,522.49	17,929,385.56	26,822,908.05

Six months ended 30 June 2026

RMB

Items	Six months ended 30 June 2026		
	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2026	8,893,522.49	17,929,385.56	26,822,908.05
Changes due to financial instruments recognised as at 1 January 2026			
– Transferred to credit-impaired	(7,523.83)	7,523.83	–
Impairment losses recognised	10,883,780.69	7,813,587.26	18,697,367.95
Impairment losses reversed	(8,211,525.74)	(824,480.74)	(9,036,006.48)
Write-off	–	(21,304.52)	(21,304.52)
30 June 2026	11,558,253.61	24,904,711.39	36,462,965.00

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(5) *Accounts receivable actually written off in each year/period during the Track Record Period*

There were no significant write-offs of accounts receivable in 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026.

(6) *Five largest debtors by accounts receivable at the end of each year/period during the Track Record Period*

31 December 2023

RMB

<u>Name</u>	<u>Relationship with the Company</u>	<u>Gross carrying amount</u>	<u>Aging</u>	<u>Percentage of total balance</u> (%)	<u>Credit loss allowance</u>
First	Third party	175,502,977.40	Within 1 year (inclusive), 1-2 years (inclusive)	28.15	(375,414.82)
Second	Third party	56,698,450.06	Within 1 year (inclusive), 1-2 years (inclusive)	9.09	(145,181.56)
Third	Intra-group companies	34,311,129.02	Within 1 year (inclusive), 1-2 years (inclusive)	5.50	–
Fourth	Intra-group companies	29,335,101.73	Within 1 year (inclusive), 1-2 years (inclusive)	4.70	–
Fifth	Third party	25,296,837.50	Within 1 year (inclusive)	4.06	(1,254,723.14)
Total		<u>321,144,495.71</u>		<u>51.50</u>	<u>(1,775,319.52)</u>

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31 December 2024

RMB

Name	Relationship with the Company	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third party	162,671,084.94	Within 1 year (inclusive)	23.25	(357,876.39)
Second	Third party	71,773,883.64	Within 1 year (inclusive)	10.26	(157,902.54)
Third	Intra-group companies	35,724,605.02	Within 1 year (inclusive)	5.11	–
Fourth	Intra-group companies	34,549,405.31	Within 1 year (inclusive)	4.94	–
Fifth	Intra-group companies	29,396,822.56	Within 1 year (inclusive)	4.20	–
Total		<u>334,115,801.47</u>		<u>47.76</u>	<u>(515,778.93)</u>

31 December 2025

RMB

Name	Relationship with the Company	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third party	158,699,494.54	Within 1 year (inclusive)	17.68	(374,611.81)
Second	Intra-group companies	74,701,270.51	Within 1 year (inclusive)	8.32	–
Third	Third party	43,277,323.76	Within 1 year (inclusive)	4.82	(159,954.64)
Fourth	Intra-group companies	38,982,129.08	Within 1 year (inclusive), 1-2 years (inclusive)	4.34	–
Fifth	Third party	38,278,858.52	Within 1 year (inclusive)	4.26	(792,260.11)
Total		<u>353,939,076.41</u>		<u>39.42</u>	<u>(1,326,826.56)</u>

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30 June 2026

RMB

Name	Relationship with the Company	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Third party	87,672,624.98	Within 1 year (inclusive)	10.26	(192,879.77)
Second	Third party	60,464,258.87	Within 1 year (inclusive)	7.07	(394,169.40)
Third	Intra-group companies	50,027,349.66	Within 1 year (inclusive)	5.85	–
Fourth	Intra-group companies	44,514,640.13	Within 1 year (inclusive)	5.21	–
Fifth	Third party	39,263,918.28	Within 1 year (inclusive)	4.59	(793,131.15)
Total		<u>281,942,791.92</u>		<u>32.98</u>	<u>(1,380,180.32)</u>

3. Other receivables

3.1 Summary of other receivables

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Interest receivable	169,862,903.69	178,317,602.80	173,774,361.42	122,664,313.06
Dividends receivable	480,000,000.00	–	840,073,250.00	–
Other receivables	<u>1,240,626,787.26</u>	<u>1,789,432,175.51</u>	<u>1,597,783,159.07</u>	<u>855,288,782.94</u>
Total	<u>1,890,489,690.95</u>	<u>1,967,749,778.31</u>	<u>2,611,630,770.49</u>	<u>977,953,096.00</u>

3.2 Interest receivable

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Interest on borrowings	<u>169,862,903.69</u>	<u>178,317,602.80</u>	<u>173,774,361.42</u>	<u>122,664,313.06</u>
Total	<u>169,862,903.69</u>	<u>178,317,602.80</u>	<u>173,774,361.42</u>	<u>122,664,313.06</u>

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3.3 Other receivables

(1) Disclosed by aging

Aging	As at 31 December 2023				As at 31 December 2024				As at 31 December 2025				As at 30 June 2026				RMB
	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	Gross carrying amount	Credit loss allowance	Proportion of allowance	(%)	
Within 1 year (inclusive) . . .	687,584,916.37	(2,990,690.29)	0.43	1,241,518,557.87	(54,188.13)	–	439,466,785.97	(320,746.87)	0.07	612,069,032.60	(137,658.21)	0.02					
1-2 years (inclusive)	40,499,759.30	(2,543,010.79)	6.28	37,508,113.06	(352,099.98)	0.94	642,101,374.27	(11,072.83)	–	175,982,468.84	(272,001.19)	0.15					
2-3 years (inclusive)	568,852,983.73	(70,197,977.91)	12.34	15,478,383.98	(44,386.93)	0.29	17,985,882.98	(350,126.01)	1.95	66,140,903.41	(347,375.18)	0.53					
3-4 years (inclusive)	659,000.00	(100,125.78)	15.19	553,395,015.00	(70,230,532.52)	12.69	15,470,140.92	(44,401.66)	0.29	653,127.91	(14,697.07)	2.25					
4-5 years (inclusive)	–	–	–	519,099.00	(14,212.63)	2.74	553,317,426.56	(70,230,515.06)	12.69	721,151.47	(37,036.17)	5.14					
Over 5 years	20,662,954.16	(1,801,021.53)	8.72	14,025,956.69	(2,317,529.90)	16.52	2,317,379.33	(1,918,968.53)	82.81	2,488,336.47	(1,957,469.94)	78.67					
Total	1,318,259,613.56	(77,632,826.30)	5.89	1,862,445,125.60	(73,012,950.09)	3.92	1,670,658,990.03	(72,875,830.96)	4.36	858,055,020.70	(2,766,237.76)	0.32					

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(2) Disclosed by the nature of other receivables

RMB

Nature	Gross carrying amount as at 31 December 2023	Gross carrying amount as at 31 December 2024	Gross carrying amount as at 31 December 2025	Gross carrying amount as at 30 June 2026
Other receivables from intra-group companies	1,282,716,313.15	1,842,323,057.00	1,632,912,796.66	820,508,920.71
Security deposits	15,972,604.35	15,453,528.89	23,067,507.91	23,373,610.14
Consideration receivables from asset disposals	4,041,746.14	–	519,638.13	–
Employee loans and petty cash	226,156.52	128,000.00	45,000.00	263,755.49
Others	15,302,793.40	4,540,539.71	14,114,047.33	13,908,734.36
Total	1,318,259,613.56	1,862,445,125.60	1,670,658,990.03	858,055,020.70

(3) Details of credit loss allowance

Movements in credit loss allowance on other receivables are as follows

RMB

Items	2023			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2023 . .	70,448,884.87	–	4,260,087.98	74,708,972.85
Impairment losses recognised . .	129,986.75	–	4,318,079.42	4,448,066.17
Impairment losses reversed . . .	(213,834.93)	–	–	(213,834.93)
Write-off	–	–	(1,310,377.79)	(1,310,377.79)
Balance as at 31 December 2023	70,365,036.69	–	7,267,789.61	77,632,826.30

RMB

Items	2024			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2024 . .	70,365,036.69	–	7,267,789.61	77,632,826.30
Impairment losses recognised . .	33,558.75	–	2,000.00	35,558.75
Impairment losses reversed . . .	(163,764.81)	–	(293,410.56)	(457,175.37)
Write-off	–	–	(4,198,259.59)	(4,198,259.59)
Balance as at 31 December 2024	70,234,830.63	–	2,778,119.46	73,012,950.09

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RMB

Items	2025			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2025 . .	70,234,830.63	–	2,778,119.46	73,012,950.09
Impairment losses recognised . .	295,388.16	–	65,730.90	361,119.06
Impairment losses reversed . . .	(25,752.92)	–	(414,754.37)	(440,507.29)
Write-off	–	–	(57,730.90)	(57,730.90)
Balance as at 31 December 2025	<u>70,504,465.87</u>	<u>–</u>	<u>2,371,365.09</u>	<u>72,875,830.96</u>

RMB

Items	Six months ended 30 June 2026			
	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
Balance as at 1 January 2026 . .	70,504,465.87	–	2,371,365.09	72,875,830.96
Impairment losses recognised . .	27,139.02	–	108,371.33	135,510.35
Impairment losses reversed . . .	<u>(70,245,103.55)</u>	<u>–</u>	<u>–</u>	<u>(70,245,103.55)</u>
Balance as at 30 June 2026 . . .	<u>286,501.34</u>	<u>–</u>	<u>2,479,736.42</u>	<u>2,766,237.76</u>

Other receivables that are individually significant and for which credit loss allowance are individually assessed at the end of the year/period:

RMB

Other receivables (by unit)	31 December 2023			
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	Reason
Real Estate Company	<u>570,512,080.00</u>	<u>(70,196,190.09)</u>	12.30	Note

Note: As at 31 December 2023, the balance receivable from the subsidiary, Real Estate Company, amounted to RMB570,512,080.00. Based on the expected future amounts recovery, the Company has recognised a credit loss allowance of RMB70,196,190.09 at the end of the year.

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RMB

Other receivables (by unit)	31 December 2024			
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	Reason
Real Estate Company	<u>567,870,000.00</u>	<u>(70,196,190.09)</u>	12.36	Note

Note: As at 31 December 2024, the balance receivable from the subsidiary, Real Estate Company, amounted to RMB567,870,000.00. Based on the expected future amounts recovery, the Company has recognised a credit loss allowance of RMB70,196,190.09 at the end of the year.

RMB

Other receivables (by unit)	31 December 2025			
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	Reason
Real Estate Company	<u>567,883,415.07</u>	<u>(70,196,190.09)</u>	12.36	Note

Note: As at 31 December 2025, the balance receivable from the subsidiary, Real Estate Company, amounted to RMB567,883,415.07. Based on the expected future amounts recovery, the Company has recognised a credit loss allowance of RMB70,196,190.09 at the end of the year.

RMB

Other receivables (by unit)	30 June 2026			
	Gross carrying amount	Credit loss allowance	Proportion of allowance (%)	Reason
Real Estate Company	<u>–</u>	<u>–</u>	–	Note

Note: As at 30 June 2026, the balance receivable from the subsidiary, Real Estate Company, amounted to RMB nil. During the six months ended 30 June 2026, the Company has purchased all the unsold properties held by Real Estate Company and part of the consideration has been settled by offsetting the other receivables from Real Estate Company. The credit loss allowance of RMB70,196,190.09 related to such other receivables has been reversed accordingly.

(4) Actual write-offs of other receivables during the year/period

There were no significant write-offs of other receivables in 2023, 2024, 2025 and the six months ended 30 June 2026.

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(5) *Five largest debtors by other receivables at the end of each year/period during the Track Record Period*

31 December 2023

RMB

Name	Nature of the amount	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Other receivables from intra-group companies	570,512,080.00	1-2 years (inclusive); 2-3 years (inclusive)	43.28	(70,196,190.09)
Second	Other receivables from intra-group companies	269,596,534.18	Within 1 year (inclusive)	20.45	–
Third	Other receivables from intra-group companies	113,521,115.82	Within 1 year (inclusive)	8.61	–
Fourth	Other receivables from intra-group companies	88,231,303.91	Within 1 year (inclusive)	6.69	–
Fifth	Other receivables from intra-group companies	45,000,000.00	Within 1 year (inclusive)	3.41	–
Total		<u>1,086,861,033.91</u>		<u>82.44</u>	<u>(70,196,190.09)</u>

31 December 2024

RMB

Name	Nature of the amount	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Other receivables from intra-group companies	567,870,000.00	2-3 years (inclusive); 3-4 years (inclusive)	30.49	(70,196,190.09)
Second	Other receivables from intra-group companies	239,727,744.72	Within 1 year (inclusive); 1-2 years (inclusive)	12.87	–
Third	Other receivables from intra-group companies	150,000,000.00	Within 1 year (inclusive)	8.05	–
Fourth	Other receivables from intra-group companies	150,000,000.00	Within 1 year (inclusive)	8.05	–
Fifth	Other receivables from intra-group companies	100,818,955.39	Within 1 year (inclusive); 1-2 years (inclusive)	5.41	–
Total		<u>1,208,416,700.11</u>		<u>64.87</u>	<u>(70,196,190.09)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2025

RMB

<u>Name</u>	<u>Nature of the amount</u>	<u>Gross carrying amount</u>	<u>Aging</u>	<u>Percentage of total balance (%)</u>	<u>Credit loss allowance</u>
First	Other receivables from intra-group companies	567,883,415.07	1-2 years (inclusive); 3-4 years (inclusive); 4-5 years (inclusive)	33.99	(70,196,190.09)
Second	Other receivables from intra-group companies	155,099,328.95	Within 1 year (inclusive); 1-2 years (inclusive)	9.28	–
Third	Other receivables from intra-group companies	150,000,000.00	1-2 years (inclusive)	8.98	–
Fourth	Other receivables from intra-group companies	125,000,000.00	1-2 years (inclusive)	7.48	–
Fifth	Other receivables from intra-group companies	108,904,767.15	Within 1 year (inclusive)	6.52	–
Total		<u>1,106,887,511.17</u>		<u>66.25</u>	<u>(70,196,190.09)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

30 June 2026

RMB

Name	Nature of the amount	Gross carrying amount	Aging	Percentage of total balance (%)	Credit loss allowance
First	Other receivables from intra-group companies	174,418,620.93	Within 1 year (inclusive); 1-2 years (inclusive); 2-3 years (inclusive)	20.33	–
Second	Other receivables from intra-group companies	145,307,927.97	Within 1 year (inclusive); 1-2 years (inclusive); 2-3 years (inclusive)	16.93	–
Third	Other receivables from intra-group companies	127,204,160.16	Within 1 year (inclusive)	14.82	–
Fourth	Other receivables from intra-group companies	86,342,332.23	Within 1 year (inclusive)	10.06	–
Fifth	Other receivables from intra-group companies	73,789,801.17	Within 1 year (inclusive)	8.60	–
Total		<u>607,062,842.46</u>		<u>70.74</u>	<u>–</u>

APPENDIX I

ACCOUNTANTS’ REPORT

4. Inventories

(1) Categories of inventories

Items	31 December 2023			31 December 2024			31 December 2025			30 June 2026		
	Cost	Write-down provision	Carrying amount	Cost	Write-down provision	Carrying amount	Cost	Write-down provision	Carrying amount	Cost	Write-down provision	Carrying amount
Raw materials	396,772,265.39	(97,906,477.68)	298,865,787.71	382,252,396.30	(56,320,855.79)	325,931,540.51	486,323,722.58	(103,119,847.85)	383,203,874.73	403,073,031.19	(103,953,463.36)	299,119,567.83
Finished goods	160,747,060.69	(6,429,882.43)	154,317,178.26	200,107,860.12	(16,639,595.37)	183,468,264.75	158,388,646.78	(6,243,520.87)	152,145,125.91	113,843,820.60	(4,553,752.82)	109,290,067.78
Shipped goods	34,168,845.02	–	34,168,845.02	56,865,568.48	–	56,865,568.48	14,981,965.04	–	14,981,965.04	12,684,670.00	–	12,684,670.00
Packaging materials .	6,279,572.97	(62,795.73)	6,216,777.24	8,553,575.60	(148,331.49)	8,405,244.11	7,689,582.27	(76,895.82)	7,612,686.45	7,601,532.26	(76,015.32)	7,525,516.94
Revolving materials .	4,972,023.15	(49,720.23)	4,922,302.92	5,340,453.34	(103,124.76)	5,237,328.58	6,276,569.49	(62,765.69)	6,213,803.80	7,152,405.59	(222,694.38)	6,929,711.21
Low-value consumables	4,338,901.17	(43,389.01)	4,295,512.16	2,125,593.57	(64,644.95)	2,060,948.62	2,527,323.19	(25,273.23)	2,502,049.96	2,711,517.46	(27,115.17)	2,684,402.29
Other	6,465,857.86	–	6,465,857.86	7,348,489.29	–	7,348,489.29	9,065,022.53	–	9,065,022.53	4,861,027.55	–	4,861,027.55
Total	613,744,526.25	(104,492,265.08)	509,252,261.17	662,593,936.70	(73,276,552.36)	589,317,384.34	685,252,831.88	(109,528,303.46)	575,724,528.42	551,928,004.65	(108,833,041.05)	443,094,963.60

RMB

APPENDIX I

ACCOUNTANTS’ REPORT

(2) Provision for write-down of inventories

2023

RMB

Category	1 January 2023	Additions		Decreases		31 December 2023
		Provision	Others	Reversal	Write-off	
Raw materials	102,908,879.69	171,630,641.52	–	–	(176,633,043.53)	97,906,477.68
Finished goods	5,449,119.87	6,429,882.43	–	–	(5,449,119.87)	6,429,882.43
Packaging materials . .	105,481.45	62,795.73	–	–	(105,481.45)	62,795.73
Revolving materials . .	81,938.35	49,720.23	–	–	(81,938.35)	49,720.23
Low-value consumables	121,756.42	43,389.01	–	–	(121,756.42)	43,389.01
Total	108,667,175.78	178,216,428.92	–	–	(182,391,339.62)	104,492,265.08

2024

RMB

Category	1 January 2024	Additions		Decreases		31 December 2024
		Provision	Others	Reversal	Write-off	
Raw materials	97,906,477.68	117,429,086.35	–	–	(159,014,708.24)	56,320,855.79
Finished goods	6,429,882.43	16,639,595.37	–	–	(6,429,882.43)	16,639,595.37
Packaging materials . .	62,795.73	148,331.49	–	–	(62,795.73)	148,331.49
Revolving materials . .	49,720.23	103,124.76	–	–	(49,720.23)	103,124.76
Low-value consumables	43,389.01	64,644.95	–	–	(43,389.01)	64,644.95
Total	104,492,265.08	134,384,782.92	–	–	(165,600,495.64)	73,276,552.36

2025

RMB

Category	1 January 2025	Additions		Decreases		31 December 2025
		Provision	Others	Reversal	Write-off	
Raw materials	56,320,855.79	217,712,809.26	–	–	(170,913,817.20)	103,119,847.85
Finished goods	16,639,595.37	6,243,520.87	–	–	(16,639,595.37)	6,243,520.87
Packaging materials . .	148,331.49	76,895.82	–	–	(148,331.49)	76,895.82
Revolving materials . .	103,124.76	62,765.69	–	–	(103,124.76)	62,765.69
Low-value consumables	64,644.95	25,273.23	–	–	(64,644.95)	25,273.23
Total	73,276,552.36	224,121,264.87	–	–	(187,869,513.77)	109,528,303.46

APPENDIX I

ACCOUNTANTS’ REPORT

Six months ended 30 June 2026

RMB

Category	1 January 2026	Additions		Decreases		30 June 2026
		Provision	Others	Reversal	Write-off	
Raw materials	103,119,847.85	124,300,223.70	–	–	(123,466,608.19)	103,953,463.36
Finished goods	6,243,520.87	4,553,752.82	–	–	(6,243,520.87)	4,553,752.82
Packaging materials . .	76,895.82	76,015.32	–	–	(76,895.82)	76,015.32
Revolving materials . .	62,765.69	222,694.38	–	–	(62,765.69)	222,694.38
Low-value consumables	25,273.23	27,115.17	–	–	(25,273.23)	27,115.17
Total	109,528,303.46	129,179,801.39	–	–	(129,875,063.80)	108,833,041.05

APPENDIX I

ACCOUNTANTS’ REPORT

5. Long-term equity investments

Investee	31 December 2023			31 December 2024			31 December 2025			30 June 2026		
	Cost	Provision for impairment	Carrying amount	Cost	Provision for impairment	Carrying amount	Cost	Provision for impairment	Carrying amount	Cost	Provision for impairment	Carrying amount
Investments in subsidiaries . . .	6,487,196,870.56	(41,895,522.10)	6,445,301,348.46	6,664,677,103.01	(101,895,522.10)	6,562,781,580.91	6,875,455,087.22	(101,895,522.10)	6,773,559,565.12	9,619,791,458.68	(101,895,522.10)	9,517,895,936.58
Investments in associates	5,061,705.94	(4,057,671.36)	1,004,034.58	4,999,749.77	(4,057,671.36)	942,078.41	4,923,469.62	(4,057,671.36)	865,798.26	5,034,894.96	(4,057,671.36)	977,223.60
Total	6,492,258,576.50	(45,953,193.46)	6,446,305,383.04	6,669,676,852.78	(105,953,193.46)	6,563,723,659.32	6,880,378,556.84	(105,953,193.46)	6,774,425,363.38	9,624,826,353.64	(105,953,193.46)	9,518,873,160.18

RMB

APPENDIX I

ACCOUNTANTS’ REPORT

(1) Investments in subsidiaries

31 December 2023

Investee	1 January 2023	Changes for the year				Closing balance of impairment provision	Dividends declared for the year
		Additional investment	Reduction in investment	Provision for impairment loss	Share-based payments		
					31 December 2023		
Leyuan Animal Husbandry	2,102,876,843.52	–	–	–	2,106,418,082.48	–	480,000,000.00
Banner Animal Husbandry	202,002,896.20	28,069,727.86	–	–	230,072,624.06	–	–
Hebei Guanwei	1,500,000.00	994,700.00	–	–	2,494,700.00	–	–
Taihang Dairy	112,429,570.75	4,127,500.00	–	–	116,679,173.22	–	50,000,000.00
Banner Dairy	196,012,793.61	118,518,162.49	–	–	315,133,101.73	–	–
Junheng Dairy	100,000,000.00	–	–	–	100,053,142.39	–	–
Leshi Dairy	79,427,040.78	5,000,000.00	–	–	84,599,440.94	–	–
Baoding Junlebao	11,551,827.40	6,450,000.00	–	–	18,055,114.72	–	–
Jiangsu Junlebao	65,546,951.40	3,154,200.00	–	–	68,701,151.40	–	–
Yongsheng Dairy	440,051,827.40	–	–	–	440,105,114.72	–	–
Siping Junlebao	440,140,000.00	–	–	–	440,140,000.00	–	–
Zhengyang Junlebao	150,051,827.40	75,000,000.00	–	–	225,105,114.72	–	–
Weixian Junlebao	50,051,827.40	–	–	–	50,105,114.72	–	–
Handan Junlebao	100,042,681.38	–	–	–	100,000,000.00	–	–
Cangzhou Junlebao	100,000,000.00	–	–	–	100,000,000.00	–	–
Zhengyang Junchang	1,000,000.00	–	–	–	1,000,000.00	–	30,000,000.00
Shanghai Junlebao	4,966,361.83	–	–	–	6,771,945.11	–	–
Beijing Junbao	6,140,307.44	–	–	–	11,557,638.27	–	–
Shijiazhuang Baokuwang	1,000,000.00	–	–	–	1,000,000.00	–	–
Guangdong Junlebao	5,332,305.04	5,000,000.00	–	–	11,004,397.46	–	–
Derong Packaging	585,016,197.33	–	–	–	585,016,197.33	–	–
Real Estate Company	–	–	–	(67,522.10)	67,522.10	(41,895,522.10)	–
Junlebao South China	–	47,190,000.00	–	–	47,190,000.00	–	–
Xi'an Yinqiao	–	507,500,000.00	–	–	507,500,000.00	–	–
Sikeqi Hebei	–	52,903,475.59	–	–	52,903,475.59	–	–
Lesson Dairy	–	539,595,819.60	–	–	539,595,819.60	–	–
Junlebao Enterprise Management	–	284,100,000.00	–	–	284,100,000.00	–	–
Total	4,755,141,258.88	1,677,603,585.54	–	(67,522.10)	12,624,026.14	(41,895,522.10)	560,000,000.00

RMB

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2024

Investee	1 January 2024	Changes for the year				31 December 2024	Closing balance of impairment provision	Dividends declared for the year
		Additional investment	Reduction in investment	Provision for impairment loss	Share-based payments			
								RMB
Leyuan Animal Husbandry	2,106,418,082.48	—	—	—	3,612,000.22	2,110,030,082.70	—	—
Banner Animal Husbandry	230,072,624.06	—	—	—	—	230,072,624.06	—	—
Hebei Guanwei	2,494,700.00	—	—	—	—	2,494,700.00	—	—
Taihang Dairy	116,679,173.22	—	—	—	167,193.63	116,846,366.85	—	—
Banner Dairy	315,133,101.73	—	—	—	566,565.00	315,699,666.73	—	—
Junheng Dairy	100,053,142.39	—	—	—	111,897.16	100,165,039.55	—	—
Leshi Dairy	84,599,440.94	82,900,807.00	—	—	138,241.22	167,638,489.16	—	—
Baoding Junlebao	18,055,114.72	—	—	—	42,729.10	18,097,843.82	—	—
Jiangsu Junlebao	68,701,151.40	—	—	—	—	68,701,151.40	—	—
Yongsheng Dairy	440,105,114.72	—	—	—	42,729.10	440,147,843.82	—	50,000,000.00
Siping Junlebao	440,140,000.00	—	—	—	—	440,140,000.00	—	—
Zhengyang Junlebao	225,105,114.72	—	—	—	42,729.10	225,147,843.82	—	—
Weixian Junlebao	50,105,114.72	—	—	—	42,729.10	50,147,843.82	—	150,000,000.00
Handan Junlebao	100,000,000.00	—	—	—	—	100,000,000.00	—	—
Cangzhou Junlebao	100,000,000.00	—	—	—	—	100,000,000.00	—	—
Zhengyang Junchang	1,000,000.00	—	(1,000,000.00)	—	—	—	—	13,830,080.86
Shanghai Junlebao	6,771,945.11	—	—	—	4,884,553.33	11,656,498.44	—	—
Beijing Junbao	11,557,638.27	—	—	—	2,399,442.57	13,957,080.84	—	—
Shijiazhuang Baokuwang	1,000,000.00	—	(1,000,000.00)	—	—	—	—	5,015,556.41
Guangdong Junlebao	11,004,397.46	—	—	—	1,052,840.66	12,057,238.12	—	—
Derong Packaging	585,016,197.33	—	—	—	—	585,016,197.33	—	49,994,050.00
Real Estate Company	—	—	—	—	142,175.26	142,175.26	(41,895,522.10)	—
Junlebao South China	47,190,000.00	12,000,000.00	—	—	—	59,190,000.00	—	—
Xi’an Yinqiao	507,500,000.00	—	—	—	—	507,500,000.00	—	—
Sikeqi Hebei	52,903,475.59	10,000,000.00	—	—	—	62,903,475.59	—	—
Lesson Dairy	539,595,819.60	—	—	—	—	539,595,819.60	—	5,798,589.87
Junlebao Enterprise Management (Note 1)	284,100,000.00	50,600,000.00	—	(60,000,000.00)	—	274,700,000.00	(60,000,000.00)	—
Anhui Junlebao Dairy	—	733,600.00	—	—	—	733,600.00	—	—
Hebei Jintaiyu	—	10,000,000.00	—	—	—	10,000,000.00	—	—
Total	6,445,301,348.46	166,234,407.00	(2,000,000.00)	(60,000,000.00)	13,245,825.45	6,562,781,580.91	(101,895,522.10)	274,638,277.14

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2025

Investee	1 January 2025	Changes for the year				31 December 2025	Closing balance of impairment provision	Dividends declared for the year	RMB
		Additional investment	Reduction in investment	Provision for impairment loss	Share-based payments				
Leyuan Animal Husbandry	2,110,030,082.70	-	-	-	2,814,428.30	2,112,844,511.00	-	897,500,000.00	
Banner Animal Husbandry	230,072,624.06	-	-	-	-	230,072,624.06	-	-	
Hebei Guanwei	2,494,700.00	-	-	-	-	2,494,700.00	-	-	
Taihang Dairy	116,846,366.85	-	-	-	(115,147.59)	116,731,219.26	-	151,500,000.00	
Banner Dairy	315,699,666.73	-	-	-	201,803.77	315,901,470.50	-	-	
Junheng Dairy	100,165,039.55	-	-	-	21,544.72	100,186,584.27	-	42,000,000.00	
Leshi Dairy	167,638,489.16	-	-	-	166,157.22	167,804,646.38	-	50,573,250.00	
Baoding Junlebao	18,097,843.82	-	-	-	91,353.00	18,189,196.82	-	-	
Jiangsu Junlebao	68,701,151.40	-	-	-	-	68,701,151.40	-	-	
Yongsheng Dairy	440,147,843.82	-	-	-	(16,721.03)	440,131,122.79	-	65,000,000.00	
Siping Junlebao	440,140,000.00	-	-	-	-	440,140,000.00	-	2,700,000.00	
Zhengyang Junlebao	225,147,843.82	-	-	-	37,915.14	225,185,758.96	-	103,000,000.00	
Weixian Junlebao	50,147,843.82	-	-	-	90,889.47	50,238,733.29	-	157,000,000.00	
Handan Junlebao	100,000,000.00	-	-	-	-	100,000,000.00	-	37,000,000.00	
Cangzhou Junlebao	100,000,000.00	-	-	-	19,448.05	100,019,448.05	-	11,000,000.00	
Shanghai Junlebao	11,656,498.44	-	-	-	4,177,450.53	15,833,948.97	-	38,000,000.00	
Beijing Junbao	13,957,080.84	-	-	-	4,189,867.22	18,146,948.06	-	-	
Guangdong Junlebao	12,057,238.12	-	-	-	1,362,838.01	13,420,076.13	-	-	
Derong Packaging	585,016,197.33	-	-	-	-	585,016,197.33	-	183,000,000.00	
Real Estate Company	142,175.26	77,500,000.00	-	-	126,157.40	77,768,332.66	(41,895,522.10)	-	
Junlebao South China	59,190,000.00	43,250,000.00	-	-	-	102,440,000.00	-	-	
Xi'an Yinqiao	507,500,000.00	-	-	-	-	507,500,000.00	-	-	
Sikeqi Hebei	62,903,475.59	-	-	-	-	62,903,475.59	-	-	
Lesson Dairy	539,595,819.60	-	-	-	-	539,595,819.60	-	6,326,107.13	
Junlebao Enterprise Management	274,700,000.00	20,000,000.00	-	-	-	294,700,000.00	(60,000,000.00)	-	
Anhui Junlebao Dairy	733,600.00	56,860,000.00	-	-	-	57,593,600.00	-	-	
Hebei Jintapu	10,000,000.00	-	-	-	-	10,000,000.00	-	1,800,000.00	
Total	6,562,781,580.91	197,610,000.00	-	-	13,167,984.21	6,773,559,565.12	(101,895,522.10)	1,746,399,357.13	

APPENDIX I

ACCOUNTANTS’ REPORT

30 June 2026

Investee	1 January 2026	Changes for the period				30 June 2026	Closing balance of impairment provision	Dividends declared for the period
		Additional investment	Reduction in investment	Provision for impairment loss	Share-based payments			
								<i>RMB</i>
Leyuan Animal Husbandry	2,112,844,511.00	2,700,000,000.00	-	-	1,630,814.57	4,814,475,325.57	-	-
Banner Animal Husbandry	230,072,624.06	-	-	-	5,575.76	230,078,199.82	-	-
Hebei Guanwei	2,494,700.00	-	-	-	-	2,494,700.00	-	-
Taihang Dairy	116,731,219.26	-	-	-	40,619.16	116,771,838.42	-	-
Banner Dairy	315,901,470.50	-	-	-	214,146.50	316,115,617.00	-	-
Junheng Dairy	100,186,584.27	-	-	-	35,043.41	100,221,627.68	-	-
Leshi Dairy	167,804,646.38	-	-	-	94,330.95	167,898,977.33	-	-
Baoding Junlebao	18,189,196.82	-	-	-	52,820.10	18,242,016.92	-	-
Jiangsu Junlebao	68,701,151.40	-	-	-	-	68,701,151.40	-	-
Yongsheng Dairy	440,131,122.79	-	-	-	13,381.69	440,144,504.48	-	-
Siping Junlebao	440,140,000.00	-	-	-	-	440,140,000.00	-	-
Zhengyang Junlebao	225,185,758.96	-	-	-	18,957.57	225,204,716.53	-	-
Weixian Junlebao	50,238,733.29	-	-	-	52,526.37	50,291,259.66	-	-
Handan Junlebao	100,000,000.00	-	-	-	-	100,000,000.00	-	-
Cangzhou Junlebao	100,019,448.05	-	-	-	23,197.83	100,042,645.88	-	-
Shanghai Junlebao	15,833,948.97	-	-	-	-	15,833,948.97	-	-
Beijing Junbao	18,146,948.06	-	-	-	2,515,066.79	18,349,015.76	-	-
Guangdong Junlebao	13,420,076.13	-	-	-	1,706,809.11	19,853,757.17	-	-
Derong Packaging	585,016,197.33	-	-	-	870,002.95	14,290,079.08	-	-
Real Estate Company	77,768,332.66	23,000,000.00	-	-	-	585,016,197.33	-	-
Junlebao South China	102,440,000.00	-	-	-	63,078.70	100,831,411.36	(41,895,522.10)	-
Xi'an Yinqiao	507,500,000.00	-	-	-	-	102,440,000.00	-	-
Sikeqi Hebei	62,903,475.59	-	-	-	-	507,500,000.00	-	-
Lesson Dairy	539,595,819.60	-	-	-	-	62,903,475.59	-	-
Junlebao Enterprise Management	294,700,000.00	-	-	-	-	539,595,819.60	-	-
Anhui Junlebao Dairy	57,593,600.00	4,000,000.00	-	-	-	294,700,000.00	(60,000,000.00)	-
Hebei Jintapu	10,000,000.00	-	-	-	-	61,593,600.00	-	-
Quanzhou Junlebao	-	10,000,000.00	-	-	-	10,000,000.00	-	-
Total	6,773,559,565.12	2,737,000,000.00	-	-	7,336,371.46	9,517,895,936.58	(101,895,522.10)	-

APPENDIX I

ACCOUNTANTS’ REPORT

(2) Investments in associates

31 December 2023

Investee	1 January 2023	Changes for the year					Closing balance of impairment provision
		Additional investment	Reduction in investment	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Provision for impairment loss	
Sikeqi Hebei	6,427,854.18	–	(8,269,645.94)	1,841,791.76	–	–	–
Sinong	1,609,764.34	1,000,000.00	(1,969,713.38)	410,927.98	(1,050,978.94)	–	–
Shanghai Cheespirit	8,928,769.00	–	–	(4,871,097.64)	–	(4,057,671.36)	(4,057,671.36)
Henan Junlebao	–	400,000.00	–	(9,099.74)	–	–	–
Shandong Junlebao	–	600,000.00	–	13,134.32	–	390,900.26	–
Total	16,966,387.52	2,000,000.00	(10,239,359.32)	(2,614,343.32)	(1,050,978.94)	1,004,034.58	(4,057,671.36)

31 December 2024

Investee	1 January 2024	Changes for the year					Closing balance of impairment provision
		Additional investment	Reduction in investment	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Provision for impairment loss	
Shanghai Cheespirit	–	–	–	–	–	–	(4,057,671.36)
Henan Junlebao	390,900.26	–	–	(86,399.33)	–	–	–
Shandong Junlebao	613,134.32	–	–	24,443.16	–	–	–
Total	1,004,034.58	–	–	(61,956.17)	–	–	(4,057,671.36)

APPENDIX I

ACCOUNTANTS’ REPORT

31 December 2025

Investee	Changes for the year					Closing balance of impairment provision
	1 January 2025	Additional investment	Reduction in investment	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Provision for impairment loss
Shanghai Cheespirit	–	–	–	–	–	–
Henan Junlebao	304,500.93	–	–	(120,140.75)	–	184,360.18
Shandong Junlebao	637,577.48	–	–	43,860.60	–	681,438.08
Total	942,078.41	–	–	(76,280.15)	–	865,798.26

30 June 2026

Investee	Changes for the period					Closing balance of impairment provision
	1 January 2026	Additional investment	Reduction in investment	Investment profit or loss recognised under equity method	Declare and distribute cash dividends or profits	Provision for impairment loss
Shanghai Cheespirit	–	–	–	–	–	–
Henan Junlebao	184,360.18	–	–	61,260.14	–	245,620.32
Shandong Junlebao	681,438.08	–	–	50,165.20	–	731,603.28
Total	865,798.26	–	–	111,425.34	–	977,223.60

Note 1: Junlebao Enterprise Management was established in 2023 as an investment entity to hold and manage external equity investments, and the principal investment held by it was Mopai Group. The equity investment in Mopai Group was impaired for RMB60,000,000.00 in 2024 (as detailed in Note (VI) 10(2)), the Company recognised impairment on its investment in Junlebao Enterprise Management of RMB60,000,000.00, accordingly.

APPENDIX I

ACCOUNTANTS’ REPORT

6. Fixed assets

(1) Details of fixed assets

RMB

Items	Plants and buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
I. Cost					
As at 1 January 2023	368,442,794.78	478,249,985.97	51,449,352.02	29,980,716.89	928,122,849.66
Additions	7,708,704.73	139,285,937.82	10,712,521.48	1,657,216.77	159,364,380.80
(1) Purchases	–	17,538,311.15	10,321,766.08	1,657,216.77	29,517,294.00
(2) Transfer from construction in progress	7,708,704.73	121,747,626.67	390,755.40	–	129,847,086.80
Decreases	(18,216,309.01)	(15,298,545.77)	(4,678,058.94)	(2,993,677.18)	(41,186,590.90)
(1) Disposals or write-offs . . .	(3,811,853.86)	(12,353,697.83)	(4,678,058.94)	(2,993,677.18)	(23,837,287.81)
(2) Transfer to construction in progress	(14,404,455.15)	(2,944,847.94)	–	–	(17,349,303.09)
As at 31 December 2023	357,935,190.50	602,237,378.02	57,483,814.56	28,644,256.48	1,046,300,639.56
Additions	24,162,592.34	59,830,513.47	5,634,364.32	–	89,627,470.13
(1) Purchases	–	4,056,010.70	5,634,364.32	–	9,690,375.02
(2) Transfer from construction in progress	24,162,592.34	55,774,502.77	–	–	79,937,095.11
Decreases	(11,674.98)	(18,813,526.11)	(5,583,842.39)	(694,203.46)	(25,103,246.94)
(1) Disposals or write-offs . . .	(11,674.98)	(9,981,627.67)	(5,583,842.39)	(694,203.46)	(16,271,348.50)
(2) Transfer to construction in progress	–	(8,831,898.44)	–	–	(8,831,898.44)
As at 31 December 2024	382,086,107.86	643,254,365.38	57,534,336.49	27,950,053.02	1,110,824,862.75
Additions	4,111,724.66	48,238,680.18	5,763,585.95	107,317.96	58,221,308.75
(1) Purchases	–	21,419,269.82	5,763,585.95	107,317.96	27,290,173.73
(2) Transfer from construction in progress	4,111,724.66	26,819,410.36	–	–	30,931,135.02
Decreases	(1,073,710.71)	(37,255,342.74)	(7,806,207.98)	(889,271.21)	(47,024,532.64)
(1) Disposals or write-offs . . .	(1,073,710.71)	(37,255,342.74)	(7,806,207.98)	(889,271.21)	(47,024,532.64)
As at 31 December 2025	385,124,121.81	654,237,702.82	55,491,714.46	27,168,099.77	1,122,021,638.86
Additions	665,714,294.43	11,930,009.70	2,306,224.41	91,032.46	680,041,561.00
(1) Purchases	664,687,412.42	2,184,419.99	1,772,818.88	91,032.46	668,735,683.75
(2) Transfer from construction in progress	1,026,882.01	9,745,589.71	533,405.53	–	11,305,877.25
Decreases	(315,205.56)	(4,211,189.26)	(21,620,825.33)	(147,313.02)	(26,294,533.17)
(1) Disposals or write-offs . . .	(315,205.56)	(4,211,189.26)	(21,620,825.33)	(147,313.02)	(26,294,533.17)
As at 30 June 2026	1,050,523,210.68	661,956,523.26	36,177,113.54	27,111,819.21	1,775,768,666.69

APPENDIX I

ACCOUNTANTS’ REPORT

Items	Plants and buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
II. Accumulated depreciation					
As at 1 January 2023	91,816,482.85	225,725,608.97	30,496,635.89	22,437,718.03	370,476,445.74
Additions	18,251,630.66	50,557,850.91	7,216,688.67	2,952,525.49	78,978,695.73
(1) Charge for the year	18,251,630.66	50,557,850.91	7,216,688.67	2,952,525.49	78,978,695.73
Decreases	(7,043,046.97)	(4,617,576.05)	(3,970,651.67)	(2,893,737.65)	(18,525,012.34)
(1) Disposals or write-offs	(871,938.30)	(2,560,099.98)	(3,970,651.67)	(2,893,737.65)	(10,296,427.60)
(2) Transfer to construction in progress	(6,171,108.67)	(2,057,476.07)	–	–	(8,228,584.74)
As at 31 December 2023	103,025,066.54	271,665,883.83	33,742,672.89	22,496,505.87	430,930,129.13
Additions	18,339,623.92	51,610,901.76	11,814,714.19	2,596,379.98	84,361,619.85
(1) Charge for the year	18,339,623.92	51,610,901.76	11,814,714.19	2,596,379.98	84,361,619.85
Decreases	(9,106.97)	(11,666,003.28)	(3,868,327.95)	(673,377.35)	(16,216,815.55)
(1) Disposals or write-offs	(9,106.97)	(7,084,194.87)	(3,868,327.95)	(673,377.35)	(11,635,007.14)
(2) Transfer to construction in progress	–	(4,581,808.41)	–	–	(4,581,808.41)
As at 31 December 2024	121,355,583.49	311,610,782.31	41,689,059.13	24,419,508.50	499,074,933.43
Additions	17,814,319.33	54,409,730.92	6,733,489.71	1,890,204.25	80,847,744.21
(1) Charge for the year	17,814,319.33	54,409,730.92	6,733,489.71	1,890,204.25	80,847,744.21
Decreases	(399,241.44)	(12,518,496.09)	(7,337,725.05)	(862,593.08)	(21,118,055.66)
(1) Disposals or write-offs	(399,241.44)	(12,518,496.09)	(7,337,725.05)	(862,593.08)	(21,118,055.66)
As at 31 December 2025	138,770,661.38	353,502,017.14	41,084,823.79	25,447,119.67	558,804,621.98
Additions	12,470,194.61	23,725,438.48	3,198,441.02	589,671.85	39,983,745.96
(1) Charge for the period	12,470,194.61	23,725,438.48	3,198,441.02	589,671.85	39,983,745.96
Decreases	(249,101.40)	(3,433,698.22)	(20,831,034.61)	(142,893.63)	(24,656,727.86)
(1) Disposals or write-offs	(249,101.40)	(3,433,698.22)	(20,831,034.61)	(142,893.63)	(24,656,727.86)
As at 30 June 2026	150,991,754.59	373,793,757.40	23,452,230.20	25,893,897.89	574,131,640.08
III. Provision for impairment					
As at 1 January 2023	–	40,144,232.39	–	–	40,144,232.39
Additions	–	657,275.40	–	–	657,275.40
(1) Charge for the year	–	657,275.40	–	–	657,275.40
Decreases	–	(3,992,150.87)	–	–	(3,992,150.87)
(1) Write-off	–	(3,992,150.87)	–	–	(3,992,150.87)
As at 31 December 2023	–	36,809,356.92	–	–	36,809,356.92
Decreases	–	(878,205.60)	–	–	(878,205.60)
(1) Write-off	–	(878,205.60)	–	–	(878,205.60)
As at 31 December 2024	–	35,931,151.32	–	–	35,931,151.32
Additions	–	764,934.56	–	–	764,934.56
(1) Charge for the year	–	764,934.56	–	–	764,934.56
Decreases	–	(800,800.00)	–	–	(800,800.00)
(1) Write-off	–	(800,800.00)	–	–	(800,800.00)
As at 31 December 2025	–	35,895,285.88	–	–	35,895,285.88
Additions	–	–	–	–	–
(1) Charge for the period	–	–	–	–	–

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ACCOUNTANTS’ REPORT

Items	Plants and buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
Decreases	–	(22,644.42)	–	–	(22,644.42)
(1) Write-off	–	(22,644.42)	–	–	(22,644.42)
As at 30 June 2026	–	35,872,641.46	–	–	35,872,641.46
IV. Carrying amount					
As at 31 December 2023	254,910,123.96	293,762,137.27	23,741,141.67	6,147,750.61	578,561,153.51
As at 31 December 2024	260,730,524.37	295,712,431.75	15,845,277.36	3,530,544.52	575,818,778.00
As at 31 December 2025	246,353,460.43	264,840,399.80	14,406,890.67	1,720,980.10	527,321,731.00
As at 30 June 2026	899,531,456.09	252,290,124.40	12,724,883.34	1,217,921.32	1,165,764,385.15

(2) *Temporarily idle fixed assets*

As at 31 December 2023

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment	43,550,781.57	(5,430,344.62)	(36,793,763.69)	1,326,673.26

As at 31 December 2024

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment	40,456,986.78	(3,039,413.74)	(35,888,309.56)	1,529,263.48

As at 31 December 2025

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment	41,293,181.79	(4,249,483.18)	(35,802,344.34)	1,241,354.27

APPENDIX I

ACCOUNTANTS’ REPORT

As at 30 June 2026

RMB

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery and equipment	40,527,615.51	(3,667,658.71)	(35,641,569.52)	1,218,387.28

(3) *Fixed assets leased out under operating leases*

As at 31 December 2023

RMB

Items	Cost	Accumulated depreciation	Carrying amount
Plants and buildings	66,593,445.03	(26,758,168.04)	39,835,276.99
Total	<u>66,593,445.03</u>	<u>(26,758,168.04)</u>	<u>39,835,276.99</u>

As at 31 December 2024

RMB

Items	Cost	Accumulated depreciation	Carrying amount
Plants and buildings	66,561,960.77	(29,958,313.11)	36,603,647.66
Machinery and equipment . .	<u>1,893,808.42</u>	<u>(1,219,205.11)</u>	<u>674,603.31</u>
Total	<u>68,455,769.19</u>	<u>(31,177,518.22)</u>	<u>37,278,250.97</u>

As at 31 December 2025

RMB

Items	Cost	Accumulated depreciation	Carrying amount
Plants and buildings	66,434,274.25	(33,091,581.80)	33,342,692.45
Total	<u>66,434,274.25</u>	<u>(33,091,581.80)</u>	<u>33,342,692.45</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 30 June 2026

RMB

Items	Cost	Accumulated depreciation	Carrying amount
Plants and buildings	90,878,313.53	(32,952,583.05)	57,925,730.48
Total	<u>90,878,313.53</u>	<u>(32,952,583.05)</u>	<u>57,925,730.48</u>

(4) *Fixed assets pending certificates of ownership*

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026	Reason why the certificates of ownership is not completed
Plants and buildings .	123,399,109.68	7,266,293.18	4,277,997.99	3,965,195.33	In process

Note: As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company has no fixed assets with restricted ownership rights.

APPENDIX I

ACCOUNTANTS’ REPORT

7. Intangible assets

RMB

Items	Land use rights	Computer software	Non-patented technology	Trademarks	Total
I. Cost					
As at 1 January 2023	81,565,872.13	70,869,439.07	–	3,329,374.34	155,764,685.54
Additions	–	24,554,811.66	–	157,199.96	24,712,011.62
(1) Purchases	–	7,789,476.52	–	157,199.96	7,946,676.48
(2) Transfer from construction in progress	–	16,765,335.14	–	–	16,765,335.14
Decreases	–	(1,358,212.61)	–	–	(1,358,212.61)
(1) Disposals	–	(1,358,212.61)	–	–	(1,358,212.61)
As at 31 December 2023 . . .	81,565,872.13	94,066,038.12	–	3,486,574.30	179,118,484.55
Additions	–	43,466,031.45	–	–	43,466,031.45
(1) Purchases	–	8,690,000.06	–	–	8,690,000.06
(2) Transfer from construction in progress	–	34,776,031.39	–	–	34,776,031.39
Decreases	–	(3,825,378.45)	–	–	(3,825,378.45)
(1) Disposals	–	(3,825,378.45)	–	–	(3,825,378.45)
As at 31 December 2024 . . .	81,565,872.13	133,706,691.12	–	3,486,574.30	218,759,137.55
Additions	10,821,990.81	49,644,492.02	–	297,169.81	60,763,652.64
(1) Purchases	10,821,990.81	3,557,742.09	–	297,169.81	14,676,902.71
(2) Transfer from construction in progress	–	46,086,749.93	–	–	46,086,749.93
Decreases	–	(1,921,390.03)	–	–	(1,921,390.03)
(1) Disposals	–	(1,921,390.03)	–	–	(1,921,390.03)
As at 31 December 2025 . . .	92,387,862.94	181,429,793.11	–	3,783,744.11	277,601,400.16
Additions	–	12,134,788.14	4,380,000.00	40,700.00	16,555,488.14
(1) Purchases	–	1,238,086.70	4,380,000.00	40,700.00	5,658,786.70
(2) Transfer from construction in progress	–	10,896,701.44	–	–	10,896,701.44
Decreases	–	(4,010,536.74)	–	–	(4,010,536.74)
(1) Disposals	–	(4,010,536.74)	–	–	(4,010,536.74)
As at 30 June 2026	92,387,862.94	189,554,044.51	4,380,000.00	3,824,444.11	290,146,351.56
II. Accumulated amortisation					
As at 1 January 2023	11,860,561.46	52,033,163.01	–	514,385.15	64,408,109.62
Additions	1,822,735.15	8,665,022.64	–	342,289.20	10,830,046.99
(1) Charge for the year	1,822,735.15	8,665,022.64	–	342,289.20	10,830,046.99
Decreases	–	(1,358,212.61)	–	–	(1,358,212.61)
(1) Disposals	–	(1,358,212.61)	–	–	(1,358,212.61)
As at 31 December 2023 . . .	13,683,296.61	59,339,973.04	–	856,674.35	73,879,944.00
Additions	1,822,735.15	14,443,513.05	–	347,808.98	16,614,057.18
(1) Charge for the year	1,822,735.15	14,443,513.05	–	347,808.98	16,614,057.18
Decreases	–	(2,930,883.96)	–	–	(2,930,883.96)
(1) Disposals	–	(2,930,883.96)	–	–	(2,930,883.96)

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Items	Land use rights	Computer software	Non-patented technology	Trademarks	Total
As at 31 December 2024 . . .	15,506,031.76	70,852,602.13	–	1,204,483.33	87,563,117.22
Additions	1,983,789.62	24,558,636.03	–	387,706.79	26,930,132.44
(1) Charge for the year	1,983,789.62	24,558,636.03	–	387,706.79	26,930,132.44
Decreases	–	(1,921,390.04)	–	–	(1,921,390.04)
(1) Disposals	–	(1,921,390.04)	–	–	(1,921,390.04)
As at 31 December 2025 . . .	17,489,821.38	93,489,848.12	–	1,592,190.12	112,571,859.62
Additions	1,018,959.99	15,972,894.01	219,000.00	188,985.25	17,399,839.25
(1) Charge for the period . . .	1,018,959.99	15,972,894.01	219,000.00	188,985.25	17,399,839.25
Decreases	–	(3,635,240.94)	–	–	(3,635,240.94)
(1) Disposals	–	(3,635,240.94)	–	–	(3,635,240.94)
As at 30 June 2026	18,508,781.37	105,827,501.19	219,000.00	1,781,175.37	126,336,457.93
III. Carrying amount					
As at 31 December 2023 . . .	67,882,575.52	34,726,065.08	–	2,629,899.95	105,238,540.55
As at 31 December 2024 . . .	66,059,840.37	62,854,088.99	–	2,282,090.97	131,196,020.33
As at 31 December 2025 . . .	74,898,041.56	87,939,944.99	–	2,191,553.99	165,029,540.54
As at 30 June 2026	73,879,081.57	83,726,543.32	4,161,000.00	2,043,268.74	163,809,893.63

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company had no intangible assets with restricted ownership rights.

8. *Deferred tax assets/liabilities*

(1) *Deferred tax assets before offsetting*

RMB

Items	31 December 2023		31 December 2024		31 December 2025		30 June 2026	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Contract liabilities . . .	791,142,602.40	197,785,650.60	819,344,558.40	204,836,139.60	703,754,810.08	175,938,702.52	607,937,224.49	151,984,306.12
Deferred income . . .	365,052,876.96	91,263,219.24	309,851,305.91	77,462,826.48	280,143,606.90	70,035,901.72	251,814,310.95	62,953,577.74
Accounts payable/Other								
Payables	407,992,395.84	101,998,098.96	174,949,587.43	43,737,396.86	259,085,457.37	64,771,364.34	353,414,836.57	88,353,709.14
Provision for impairment of								
inventories	104,492,265.08	26,123,066.27	73,276,552.36	18,319,138.09	109,528,303.46	27,382,075.86	108,833,041.05	27,208,260.26
Share-based payments .	54,450,104.14	13,612,526.04	81,376,522.59	20,344,130.65	107,831,929.75	26,957,982.44	124,695,465.64	31,173,866.41
Credit loss allowance .	92,785,175.00	23,196,293.75	89,795,532.47	22,448,883.12	99,698,739.01	24,924,684.75	39,229,202.76	9,807,300.69
Provision for impairment of assets.	82,762,550.38	20,690,637.59	81,884,344.78	20,471,086.20	81,848,479.34	20,462,119.84	81,825,834.92	20,456,458.73
Losses from changes in fair values	59,598,335.00	14,899,583.75	59,598,335.00	14,899,583.75	59,598,335.00	14,899,583.75	59,598,335.00	14,899,583.75

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Items	31 December 2023		31 December 2024		31 December 2025		30 June 2026	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Tax losses	534,243,322.60	133,560,830.65	66,061,598.48	16,515,399.62	43,930,885.99	10,982,721.50	-	-
Lease liabilities	14,726,542.54	3,681,635.63	17,688,140.77	4,422,035.19	27,858,736.64	6,964,684.16	27,457,431.78	6,864,357.95
Total	<u>2,507,246,169.94</u>	<u>626,811,542.48</u>	<u>1,773,826,478.19</u>	<u>443,456,619.56</u>	<u>1,773,279,283.54</u>	<u>443,319,820.88</u>	<u>1,654,805,683.16</u>	<u>413,701,420.79</u>

(2) Deferred tax liabilities before offsetting

RMB

Items	31 December 2023		31 December 2024		31 December 2025		30 June 2026	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Difference in depreciation of fixed assets	87,553,538.80	21,888,384.70	77,362,261.63	19,340,565.41	75,381,260.29	18,845,315.07	69,262,228.66	17,315,557.16
Right-of-use assets . . .	15,434,637.60	3,858,659.40	19,081,614.27	4,770,403.57	28,555,259.94	7,138,814.99	35,179,358.91	8,794,839.73
Gains from changes in fair value of derivative financial instruments and other equity instrument investments, and unrealised investment income . . .	27,923,273.83	6,980,818.46	-	-	-	-	-	-
Total	<u>130,911,450.23</u>	<u>32,727,862.56</u>	<u>96,443,875.90</u>	<u>24,110,968.98</u>	<u>103,936,520.23</u>	<u>25,984,130.06</u>	<u>104,441,587.57</u>	<u>26,110,396.89</u>

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

RMB

Items	Year/Period-end offsetting amount for deferred tax assets and liabilities			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Deferred tax assets . .	32,727,862.56	24,110,968.98	25,984,130.06	26,110,396.89
Deferred tax liabilities	32,727,862.56	24,110,968.98	25,984,130.06	26,110,396.89

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RMB

Items	Closing balance of deferred tax assets or liabilities after offsetting			
	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Deferred tax assets . .	594,083,679.92	419,345,650.58	417,335,690.82	387,591,023.90

(4) *Details of unrecognised deferred tax assets*

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Deductible temporary differences	–	60,000,000.00	60,000,000.00	60,000,000.00
Total	–	60,000,000.00	60,000,000.00	60,000,000.00

9. *Other non-current assets*

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Long-term intercompany loans to subsidiaries . . .	1,209,840,714.12	1,977,568,289.83	1,994,711,127.83	456,340,000.00
Prepayments for land use rights	45,617,920.00	42,997,254.70	36,580,054.05	36,477,210.05
Prepayments for construction and equipment	7,179,903.71	6,059,728.55	4,847,537.14	3,540,876.72
Total	1,262,638,537.83	2,026,625,273.08	2,036,138,719.02	496,358,086.77

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10. Short-term borrowings

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Unsecured borrowings . .	100,000,000.00	561,345,431.94	240,168,194.44	200,100,000.00
Guaranteed borrowings .	190,258,888.89	788,589,144.45	400,268,277.77	999,599,472.50
Total	<u>290,258,888.89</u>	<u>1,349,934,576.39</u>	<u>640,436,472.21</u>	<u>1,199,699,472.50</u>

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company obtained short-term borrowings of RMB190,258,888.89, RMB788,589,144.45, RMB400,268,277.77 and RMB999,599,472.50 which were guaranteed by entities within the Group.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the above borrowings carried interest at annual rates ranging 3.50%-3.80%, 2.60%-2.90%, 2.11%-2.90% and 2.10%~2.45%, respectively.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company had no short-term borrowings overdue but not yet paid.

11. Bills payable

RMB

Category	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Bank acceptances bills	263,091,320.27	359,124,802.69	684,239,143.74	372,389,929.27
Commercial acceptance bills	<u>230,000,000.00</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total	<u>493,091,320.27</u>	<u>359,124,802.69</u>	<u>684,239,143.74</u>	<u>372,389,929.27</u>

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Group had no bills payable overdue but not yet paid.

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12. Accounts payable

(1) Disclosed by aging

RMB

Aging	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Within 1 year (inclusive) . .	1,410,282,752.84	1,652,184,101.32	2,227,707,076.12	2,154,167,332.97
1-2 years (inclusive)	6,357,851.64	71,995,855.24	2,083,360.81	677,360.22
2-3 years (inclusive)	600,725.80	62,392.00	13,057.58	264,295.27
Over 3 years	64,813.57	44,740.00	–	–
Total	<u>1,417,306,143.85</u>	<u>1,724,287,088.56</u>	<u>2,229,803,494.51</u>	<u>2,155,108,988.46</u>

Accounts payable are non-interest-bearing and are generally settled within 3 to 6 months.

(2) Disclosed by the nature of accounts payable

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Payables for purchase of goods	1,342,227,856.86	1,558,275,343.34	2,081,822,535.64	2,053,503,294.72
Payables for freight	75,078,286.99	166,011,745.22	147,980,958.87	101,605,693.74
Total	<u>1,417,306,143.85</u>	<u>1,724,287,088.56</u>	<u>2,229,803,494.51</u>	<u>2,155,108,988.46</u>

(3) Accounts payable aged over one year or overdue

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company had no significant accounts payable aged over one year and no significant accounts payable overdue but not yet paid.

13. Contract liabilities

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Receipts in advance on sales of goods (Note 1, Note 2) . .	1,155,976,077.60	1,269,793,171.02	1,033,112,648.71	908,233,847.73
Total	<u>1,155,976,077.60</u>	<u>1,269,793,171.02</u>	<u>1,033,112,648.71</u>	<u>908,233,847.73</u>

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Note 1: For the sale of goods, revenue is recognised when control of the goods has been transferred to the customers. When a customer makes an advance payment, the Group recognises the transaction price received as a contract liability until control of the goods has been transferred to the customer.

Contract liabilities are also recognised for the sales incentives granted to the customers if they purchase over a certain value, as the Group has determined that the sales incentives given to the customers provide those customers with a material right. Revenue from the sales incentive is recognised when the incentives are redeemed by the customer and the control of the corresponding goods has been transferred to the customer.

Note 2: During the year ended 31 December 2023, contract liabilities with a carrying amount of RMB1,587,445,946.02 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 31 December 2023 is expected to be recognised as revenue in 2024 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

During the year ended 31 December 2024, contract liabilities with a carrying amount of RMB1,115,404,952.78 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 31 December 2024 is expected to be recognised as revenue in 2025 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

During the year ended 31 December 2025, contract liabilities with a carrying amount of RMB1,142,417,301.85 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 31 December 2025 is expected to be recognised as revenue in 2026 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

During the six months ended 30 June 2026, contract liabilities with a carrying amount of RMB774,840,961.99 as at the beginning of the year were recognised as revenue. The carrying amount of contract liabilities as of 30 June 2026 is expected to be recognised as revenue in the second half of 2026 and subsequent years. Contract liabilities to be recognised as revenue more than one year relate to the unused sales incentives, which have no expiration and can be redeemed anytime at customers’ discretion.

14. Taxes payable

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Individual income tax	2,484,017.83	2,931,132.55	64,687,014.68	2,657,274.32
VAT	11,051,784.56	2,615,121.76	31,078,977.18	10,915,808.83
Stamp tax	2,128,793.71	2,366,859.87	2,407,076.84	2,412,207.05
Urban maintenance and construction tax	699,750.57	188,648.02	2,260,671.14	768,135.12
Education surcharge	299,893.11	80,849.17	968,859.05	329,200.77
Local education surcharge . .	199,928.72	53,899.45	645,906.04	219,467.18
Real estate tax	30,249.36	23,843.95	24,540.15	24,540.15
Other taxes	5,557.32	5,394.10	5,596.32	5,685.63
Total	16,899,975.18	8,265,748.87	102,078,641.40	17,332,319.05

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15. Other payables

15.1 Summary of other payables

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Dividends payable	193,013,110.00	–	–	–
Other payables	1,112,612,674.68	844,173,115.96	1,116,741,866.87	1,136,363,161.26
Total	<u>1,305,625,784.68</u>	<u>844,173,115.96</u>	<u>1,116,741,866.87</u>	<u>1,136,363,161.26</u>

15.2 Dividends payable

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Dividends payable	193,013,110.00	–	–	–
Total	<u>193,013,110.00</u>	<u>–</u>	<u>–</u>	<u>–</u>

15.3 Other payables

(1) Disclosed by the nature of other payables:

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Loans payable to intra-group companies	–	133,722,270.45	368,537,330.69	354,002,179.15
Security deposits	213,484,283.68	196,012,610.65	199,704,022.43	174,077,208.11
Accrued promotion and other expenses	97,752,101.09	96,934,065.23	171,287,256.41	147,839,791.12
Out-of-pocket expenses payable to distributors	240,240,190.01	214,379,646.35	160,117,482.64	163,006,409.67
Payables and accruals for advertising expenses	472,994,224.01	100,299,220.82	93,492,955.59	201,921,799.52
Service fee payable	48,477,615.91	62,616,677.48	70,976,696.58	50,490,986.74
Payables for purchase of long-term asset	16,431,398.30	20,008,470.13	16,746,735.83	11,820,729.43
Payables for purchase of equity interests	–	602,500.00	–	–
Others	23,232,861.68	19,597,654.85	35,879,386.70	33,204,057.52
Total	<u>1,112,612,674.68</u>	<u>844,173,115.96</u>	<u>1,116,741,866.87</u>	<u>1,136,363,161.26</u>

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(2) Significant other payables with aging of more than one year or overdue

As of 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company had accounts payable to distributors that had been outstanding for more than one year, amounting to RMB19,873,834.65, RMB25,792,932.71, RMB22,243,679.85 and RMB20,869,830.38, respectively, and there were no other significant other payables aging more than one year or overdue but unpaid.

16. Non-current liabilities due within one year

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Long-term borrowings due within one year	875,175,234.33	1,625,669,809.64	868,711,154.42	519,115,310.83
Lease liabilities due within one year	5,135,056.17	3,880,861.47	8,474,520.78	8,698,830.18
Total	<u>880,310,290.50</u>	<u>1,629,550,671.11</u>	<u>877,185,675.20</u>	<u>527,814,141.01</u>

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company had no non-current liabilities due within one year overdue but not yet paid.

17. Long-term borrowings

RMB

Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Unsecured borrowings	1,946,710,095.09	1,854,807,459.71	2,184,219,269.45	1,854,579,479.17
Guaranteed borrowings . . .	3,628,832,461.86	3,419,984,291.46	4,026,663,826.50	4,240,957,773.19
Total	5,575,542,556.95	5,274,791,751.17	6,210,883,095.95	6,095,537,252.36
Less: Long-term borrowings due within one year	875,175,234.33	1,625,669,809.64	868,711,154.42	519,115,310.83
Including: Unsecured borrowings	761,484,714.00	83,807,459.71	359,219,269.45	252,829,479.17
Guaranteed borrowings . . .	<u>113,690,520.33</u>	<u>1,541,862,349.93</u>	<u>509,491,884.97</u>	<u>266,285,831.66</u>
Long-term borrowings due after one year	<u>4,700,367,322.62</u>	<u>3,649,121,941.53</u>	<u>5,342,171,941.53</u>	<u>5,576,421,941.53</u>

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As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company obtained long-term borrowings of RMB3,628,832,461.86, RMB3,419,984,291.46, RMB4,026,663,826.50 and RMB4,240,957,773.19, which were guaranteed by entities within the Group, of which the long-term borrowings of RMB113,690,520.33, RMB1,541,862,349.93, RMB509,491,884.97 and RMB266,285,831.66 was due within one year.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the annual interest rates on the above borrowings were 3.00%-5.18%, 2.40%-4.05%, 2.30%-3.20% and 2.30%~3.20%, respectively.

As at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the Company has no long-term borrowings overdue but not yet paid.

18. *Deferred income*

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
Government grants related to assets	360,196,921.14	39,051,858.75	(61,471,367.09)	337,777,412.80
Government grants related to income	20,227,845.94	14,008,863.44	(6,961,245.22)	27,275,464.16
Total	<u>380,424,767.08</u>	<u>53,060,722.19</u>	<u>(68,432,612.31)</u>	<u>365,052,876.96</u>

2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
Government grants related to assets	337,777,412.80	11,417,000.00	(57,404,422.64)	291,789,990.16
Government grants related to income	27,275,464.16	4,149,400.00	(13,363,548.41)	18,061,315.75
Total	<u>365,052,876.96</u>	<u>15,566,400.00</u>	<u>(70,767,971.05)</u>	<u>309,851,305.91</u>

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2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
Government grants related to assets	291,789,990.16	40,850,000.00	(60,336,248.36)	272,303,741.80
Government grants related to income	18,061,315.75	1,339,447.59	(11,560,898.24)	7,839,865.10
Total	<u>309,851,305.91</u>	<u>42,189,447.59</u>	<u>(71,897,146.60)</u>	<u>280,143,606.90</u>

Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions	Decreases	30 June 2025
Government grants related to assets	291,789,990.16	40,850,000.00	(30,307,603.63)	302,332,386.53
Government grants related to income	18,061,315.75	–	(3,066,572.20)	14,994,743.55
Total	<u>309,851,305.91</u>	<u>40,850,000.00</u>	<u>(33,374,175.83)</u>	<u>317,327,130.08</u>

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
Government grants related to assets	272,303,741.80	1,400,000.00	(29,104,955.97)	244,598,785.83
Government grants related to income	7,839,865.10	2,459,500.00	(3,083,839.98)	7,215,525.12
Total	<u>280,143,606.90</u>	<u>3,859,500.00</u>	<u>(32,188,795.95)</u>	<u>251,814,310.95</u>

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19. Capital reserve

2023

RMB

Items	1 January 2023	Additions	Decreases	31 December 2023
Capital premium				
(Note VI (37) Note 1, 4)	(2,598,263,320.00)	5,896,058,077.00	(1,973,193,823.78)	1,324,600,933.22
Other capital reserve				
(Note VI (37) Note 1, 5)	37,601,325.95	41,828,229.62	(58,956,692.69)	20,472,862.88
Total	<u>(2,560,661,994.05)</u>	<u>5,937,886,306.62</u>	<u>(2,032,150,516.47)</u>	<u>1,345,073,796.10</u>

2024

RMB

Items	1 January 2024	Additions	Decreases	31 December 2024
Capital premium	1,324,600,933.22	–	–	1,324,600,933.22
Other capital reserve				
(Note VI (37) Note 5)	20,472,862.88	40,172,243.88	–	60,645,106.76
Total	<u>1,345,073,796.10</u>	<u>40,172,243.88</u>	<u>–</u>	<u>1,385,246,039.98</u>

2025

RMB

Items	1 January 2025	Additions	Decreases	31 December 2025
Capital premium	1,324,600,933.22	–	–	1,324,600,933.22
Other capital reserve				
(Note VI (37) Note 5)	60,645,106.76	39,623,391.38	–	100,268,498.14
Total	<u>1,385,246,039.98</u>	<u>39,623,391.38</u>	<u>–</u>	<u>1,424,869,431.36</u>

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Six months ended 30 June 2025 (Unaudited)

RMB

Items	1 January 2025	Additions	Decreases	30 June 2025
Capital premium	1,324,600,933.22	–	–	1,324,600,933.22
Other capital reserve (Note VI (37) Note 5)	60,645,106.76	21,419,018.47	–	82,064,125.23
Total	1,385,246,039.98	21,419,018.47	–	1,406,665,058.45

Six months ended 30 June 2026

RMB

Items	1 January 2026	Additions	Decreases	30 June 2026
Capital premium	1,324,600,933.22	–	–	1,324,600,933.22
Other capital reserve (Note VI (37) Note 5)	100,268,498.14	24,199,907.73	–	124,468,405.87
Total	1,424,869,431.36	24,199,907.73	–	1,449,069,339.09

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20. Revenue and operating costs

(1) Revenue and operating costs

RMB

Items	2023		2024		2025		Six months ended 30 June 2025 (Unaudited)		Six months ended 30 June 2026	
	Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs	Revenue	Operating costs
Principal activities	14,183,033,096.36	9,961,845,737.06	15,630,436,415.84	11,251,489,943.20	15,821,339,496.76	11,911,339,872.98	7,719,043,767.50	5,685,935,940.57	8,345,101,207.20	6,307,390,699.09
Other operating activities	667,230,895.97	624,898,306.48	798,359,372.43	784,618,622.11	853,782,341.27	961,293,194.98	474,780,905.59	525,491,455.78	434,796,976.09	453,289,591.01
Total	14,850,263,992.33	10,586,744,043.54	16,428,795,788.27	12,036,108,565.31	16,675,121,838.03	12,872,633,067.96	8,193,824,673.09	6,211,427,396.35	8,779,898,183.29	6,760,680,290.10

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(2) Revenue from principal activities

RMB

2023				
Categories of contracts	Formula	Liquid milk and other dairy products	Dairy farming	Total
By sales channel:				
Distributors	4,198,916,813.08	8,072,256,129.95	–	12,271,172,943.03
Direct sales	544,147,509.85	1,355,894,801.28	11,817,842.20	1,911,860,153.33
Total	4,743,064,322.93	9,428,150,931.23	11,817,842.20	14,183,033,096.36
By geographical regions:				
Chinese Mainland . .	4,741,296,116.40	9,428,150,931.23	11,817,842.20	14,181,264,889.83
Overseas	1,768,206.53	–	–	1,768,206.53
Total	4,743,064,322.93	9,428,150,931.23	11,817,842.20	14,183,033,096.36
By timing of recognition:				
At a point in time . .	4,743,064,322.93	9,428,150,931.23	11,817,842.20	14,183,033,096.36
Over time	–	–	–	–
Total	4,743,064,322.93	9,428,150,931.23	11,817,842.20	14,183,033,096.36

RMB

2024			
Categories of contracts	Formula	Liquid milk and other dairy products	Total
By sales channel:			
Distributors	4,555,307,414.34	8,632,226,400.47	13,187,533,814.81
Direct sales	593,335,558.52	1,849,567,042.51	2,442,902,601.03
Total	5,148,642,972.86	10,481,793,442.98	15,630,436,415.84
By geographical regions:			
Chinese Mainland	5,148,642,972.86	10,481,764,961.71	15,630,407,934.57
Overseas	–	28,481.27	28,481.27
Total	5,148,642,972.86	10,481,793,442.98	15,630,436,415.84
By timing of revenue recognition:			
At a point in time	5,148,642,972.86	10,481,793,442.98	15,630,436,415.84
Over time	–	–	–
Total	5,148,642,972.86	10,481,793,442.98	15,630,436,415.84

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RMB

2025			
Categories of contracts	Formula	Liquid milk and other dairy products	Total
By sales channel:			
Distributors	3,732,713,902.47	9,101,679,447.86	12,834,393,350.33
Direct sales	559,771,046.91	2,427,175,099.52	2,986,946,146.43
Total	4,292,484,949.38	11,528,854,547.38	15,821,339,496.76
By geographical regions:			
Chinese Mainland	4,291,535,883.85	11,528,170,154.37	15,819,706,038.22
Overseas	949,065.53	684,393.01	1,633,458.54
Total	4,292,484,949.38	11,528,854,547.38	15,821,339,496.76
By timing of revenue recognition:			
At a point in time	4,292,484,949.38	11,528,854,547.38	15,821,339,496.76
Over time	—	—	—
Total	4,292,484,949.38	11,528,854,547.38	15,821,339,496.76

RMB

Six months ended 30 June 2025 (Unaudited)

Categories of contracts	Formula	Liquid milk and other dairy products	Total
By sales channel:			
Distributors	2,052,919,493.26	4,325,108,354.52	6,378,027,847.78
Direct sales	280,157,411.69	1,060,858,508.03	1,341,015,919.72
Total	2,333,076,904.95	5,385,966,862.55	7,719,043,767.50
By geographical regions:			
Chinese Mainland	2,332,127,839.42	5,385,966,862.55	7,718,094,701.97
Overseas	949,065.53	—	949,065.53
Total	2,333,076,904.95	5,385,966,862.55	7,719,043,767.50
By timing of revenue recognition:			
At a point in time	2,333,076,904.95	5,385,966,862.55	7,719,043,767.50
Over time	—	—	—
Total	2,333,076,904.95	5,385,966,862.55	7,719,043,767.50

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RMB

Six months ended 30 June 2026

Categories of contracts	Formula	Liquid milk and other dairy products	Total
By sales channel:			
Distributors	1,669,573,030.05	4,857,069,056.52	6,526,642,086.57
Direct sales	218,087,608.77	1,600,371,511.86	1,818,459,120.63
Total	1,887,660,638.82	6,457,440,568.38	8,345,101,207.20
By geographical regions:			
Chinese Mainland	1,887,660,638.82	6,453,483,823.27	8,341,144,462.09
Overseas	—	3,956,745.11	3,956,745.11
Total	1,887,660,638.82	6,457,440,568.38	8,345,101,207.20
By timing of revenue recognition:			
At a point in time	1,887,660,638.82	6,457,440,568.38	8,345,101,207.20
Over time	—	—	—
Total	1,887,660,638.82	6,457,440,568.38	8,345,101,207.20

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(3) Revenue/costs from other operating activities

Items	2023		2024		2025		Six months ended 30 June 2025 (Unaudited)		Six months ended 30 June 2026	
	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost	Revenue	Cost
	RMB									
Sales of materials	471,127,536.86	479,963,958.17	475,232,590.68	504,504,965.81	629,217,919.76	766,042,109.51	354,258,020.46	421,415,996.02	323,120,270.83	356,905,927.12
Sales of non-staple food products	113,798,723.64	113,119,544.06	160,353,915.00	158,504,934.69	100,995,541.30	96,664,872.47	54,436,348.76	52,418,825.34	47,275,964.63	45,307,714.59
Others	82,304,635.47	31,814,804.25	162,772,866.75	121,608,721.61	123,568,880.21	98,586,213.00	66,086,536.37	51,656,634.42	64,400,740.63	51,075,949.30
Total	667,230,895.97	624,898,306.48	798,359,372.43	784,618,622.11	853,782,341.27	961,293,194.98	474,780,905.59	525,491,455.78	434,796,976.09	453,289,591.01

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(4) Description of allocation to remaining performance obligations

Except for the unused sales incentives granted to the customers, the Company applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts from customers of the Company are within one year or less.

For the unused sales incentives granted to the customers, the contract liabilities at the end of each reporting period can represent the transaction price allocated to the remaining performance obligations, please refer to Note (XVI) 13 for details.

21. Selling and distribution expenses

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Advertising expenses	1,464,259,094.11	1,023,559,798.00	881,891,323.01	484,181,650.06	406,437,642.99
Selling and promotion expenses	645,862,000.88	680,039,328.24	879,907,030.71	403,544,390.11	488,134,346.84
Employee remuneration . . .	671,003,079.61	709,995,121.80	728,066,698.88	340,891,954.62	353,244,339.43
Advisory service fee	163,808,667.98	191,857,354.92	196,591,171.10	96,553,420.45	114,494,981.95
Travel and business development expenses . . .	111,227,191.55	137,314,049.57	132,836,807.58	62,777,341.48	65,326,104.54
Conference fee	25,993,504.21	26,665,244.09	24,465,254.60	8,190,872.71	5,929,050.17
Storage and handling fee . .	23,926,799.54	23,014,216.54	20,707,184.77	10,705,105.62	3,293,738.88
Depreciation and amortisation	10,457,590.35	12,577,573.73	11,809,391.00	5,591,567.11	6,314,725.21
Share-based payment expenses	11,714,261.45	11,925,231.48	11,751,233.25	6,215,952.35	6,904,108.90
Others	42,300,165.80	25,087,620.83	26,215,705.15	7,496,486.79	12,501,658.84
Total	<u>3,170,552,355.48</u>	<u>2,842,035,539.20</u>	<u>2,914,241,800.05</u>	<u>1,426,148,741.30</u>	<u>1,462,580,697.75</u>

22. General and administrative expenses

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Employee remuneration . . .	215,356,524.26	220,751,309.27	238,535,852.25	121,771,910.26	124,280,532.16
Depreciation and amortisation	33,266,628.93	30,934,656.93	40,049,921.34	19,180,921.08	25,124,512.68

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Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Advisory service fee	35,318,845.86	31,220,950.15	35,385,591.04	19,193,732.29	15,990,954.95
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Travel and business development expenses . .	16,985,092.21	15,330,758.15	16,717,260.86	7,478,651.99	9,037,890.28
Share-based payment expenses	15,885,169.34	16,734,010.99	14,306,962.25	8,398,777.47	9,578,405.82
Inspection and maintenance cost	6,377,391.71	4,447,827.19	5,943,450.97	2,255,143.68	3,790,072.95
Disability employment security fund	8,990,393.00	8,170,822.28	3,598,889.96	3,001,634.42	172,815.69
Office expenses	5,394,248.49	2,491,629.48	3,170,148.77	899,649.80	1,398,156.47
Others	22,978,697.90	30,047,299.91	37,249,601.88	14,796,952.77	13,195,666.22
Total	<u>361,674,344.15</u>	<u>366,009,311.34</u>	<u>420,778,846.59</u>	<u>201,479,448.55</u>	<u>216,048,703.63</u>

23. Financial expenses

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Interest expenses					
(Note 1-2)	794,069,693.76	250,450,912.66	175,659,616.02	87,850,356.30	93,056,547.07
Less: interest income	62,923,648.61	28,588,356.29	29,744,828.26	14,853,539.18	9,847,434.25
Bank charges	872,335.25	862,133.56	1,035,379.21	320,790.07	345,169.88
Foreign exchange losses (gains).	15,392,217.73	7,341,419.64	(1,019,016.91)	(1,090,833.21)	670,645.42
Total	<u>747,410,598.13</u>	<u>230,066,109.57</u>	<u>145,931,150.06</u>	<u>72,226,773.98</u>	<u>84,224,928.12</u>

Note 1: Among which, the interest expenses on lease liabilities in 2023, 2024, 2025 and the six months ended 30 June 2025 (Unaudited) and the six months ended 30 June 2026 were RMB641,661.66, RMB845,228.52, RMB684,846.23, RMB341,294.43 and RMB444,899.13, respectively.

Note 2: The interest expense on financial liabilities related to the shareholders’ special rights in 2023 was RMB554,428,126.29.

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24. Investment income

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Income from long-term equity investments accounted for using the cost method	560,000,000.00	274,638,277.14	1,746,399,357.13	–	–
(Losses)/income from long-term equity investments accounted for using the equity method	(2,614,343.32)	(61,956.17)	(76,280.15)	(60,766.27)	111,425.34
Dividends income from other equity instruments	2,151,772.05	500,962.50	166,987.50	–	–
Interests income and disposal income from derivative financial instruments	3,136,200.06	10,472,069.76	–	–	–
Interests income from entrusted loans	5,894,536.53	–	–	–	–
Others	34,286.62	–	302,675.01	320,835.51	–
Total	<u>568,602,451.94</u>	<u>285,549,353.23</u>	<u>1,746,792,739.49</u>	<u>260,069.24</u>	<u>111,425.34</u>

25. Other income

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Government grants transferred from deferred income	68,432,612.31	70,767,971.05	71,897,146.60	33,374,175.83	32,188,795.95
Government grants directly recognised as other income . .	<u>20,210,290.14</u>	<u>16,505,550.10</u>	<u>16,215,667.27</u>	<u>6,509,942.24</u>	<u>10,489,634.35</u>
Total	<u>88,642,902.45</u>	<u>87,273,521.15</u>	<u>88,112,813.87</u>	<u>39,884,118.07</u>	<u>42,678,430.30</u>

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26. Asset impairment losses

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Loss on inventories					
write-down	(178,216,428.92)	(134,384,782.92)	(224,121,264.87)	(138,592,391.25)	(129,179,801.39)
Loss on fixed assets					
impairment	(657,275.40)	–	(764,934.56)	–	–
Loss on long-term equity					
investment impairment . . .	(4,125,193.46)	(60,000,000.00)	–	–	–
Total	<u>(182,998,897.78)</u>	<u>(194,384,782.92)</u>	<u>(224,886,199.43)</u>	<u>(138,592,391.25)</u>	<u>(129,179,801.39)</u>

27. Income tax expenses

(1) Statement of income tax expenses

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Current tax expenses	–	(5,070,720.20)	294,214.52	64,151,297.16	11,104,449.91
Deferred tax expenses	47,924,497.75	174,738,029.34	2,009,959.76	(39,484,420.94)	29,744,666.92
Total	<u>47,924,497.75</u>	<u>169,667,309.14</u>	<u>2,304,174.28</u>	<u>24,666,876.22</u>	<u>40,849,116.83</u>

(2) Reconciliation between income tax expenses and the accounting profit

RMB

Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Profit before income tax	278,440,308.77	974,400,961.88	1,765,280,038.59	106,881,544.71	171,492,683.04
Income tax expenses calculated					
at tax rate of 25%	69,610,077.19	243,600,240.47	441,320,009.65	26,720,386.18	42,873,170.76
Effect of non-deductible costs,					
expenses and losses	142,192,593.26	2,383,984.56	6,492,149.00	1,457,610.49	2,347,331.73

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Items	2023	2024	2025	Six months ended 30 June 2025 (Unaudited)	Six months ended 30 June 2026
Effect of deductible temporary differences or tax losses not recognised for deferred tax assets	–	15,000,000.00	–	–	–
Effect of adjustments of income taxes in respect of prior years	(6,934,053.36)	(9,882,501.73)	687,202.98	687,202.98	25,039.51
Effect of non-taxable operations	(139,641,910.58)	(69,299,321.37)	(436,622,516.12)	15,191.57	(27,856.34)
Effect of super deduction of research and development expenses	(17,302,208.76)	(12,135,092.79)	(9,572,671.23)	(4,213,515.00)	(4,368,568.83)
Income tax expenses	47,924,497.75	169,667,309.14	2,304,174.28	24,666,876.22	40,849,116.83

28. Amounts due from/to related parties

(1) Receivables

RMB

Name	Items	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Accounts receivable . . .	Intra-group companies	137,013,345.19	270,334,797.59	409,822,104.07	326,493,446.67
Accounts receivable . . .	Other related parties	205,828.20	8,138,026.03	4,351,346.05	8,391,993.26
Accounts receivable . . .	Provision for credit impairment	(2,211.69)	(124,295.28)	(69,186.40)	(167,839.86)
	Subtotal	137,216,961.70	278,348,528.34	414,104,263.72	334,717,600.07
Other receivables	Intra-group companies	1,282,716,313.15	1,842,323,057.00	1,632,912,796.66	820,508,920.71
Other receivables	Other related parties	176,244.33	66,024.77	–	–
Other receivables	Provision for credit impairment	(70,200,406.74)	(70,197,789.54)	(70,196,190.09)	–
	Subtotal	1,212,692,150.74	1,772,191,292.23	1,562,716,606.57	820,508,920.71
Prepayments	Other related parties	41,589.85	–	–	–
	Subtotal	41,589.85	–	–	–
Other non-current assets .	Intra-group companies	1,209,840,714.12	1,977,568,289.83	1,994,711,127.83	456,340,000.00
	Subtotal	1,209,840,714.12	1,977,568,289.83	1,994,711,127.83	456,340,000.00
Interest receivable . . .	Intra-group companies	169,862,903.69	178,317,602.80	173,774,361.42	122,664,313.06
	Subtotal	169,862,903.69	178,317,602.80	173,774,361.42	122,664,313.06
Dividends receivable . .	Intra-group companies	480,000,000.00	–	840,073,250.00	–
	Subtotal	480,000,000.00	–	840,073,250.00	–
	Total	3,209,654,320.10	4,206,425,713.20	4,985,379,609.54	1,734,230,833.84

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(2) Payables

RMB

Name	Related party	31 December 2023	31 December 2024	31 December 2025	30 June 2026
Accounts payable	Intra-group companies	1,098,774,892.03	1,336,326,880.15	1,774,868,371.76	1,828,120,377.84
Accounts payable	Other related parties	–	5,933,657.27	4,541,429.87	2,908,589.67
	Subtotal	1,098,774,892.03	1,342,260,537.42	1,779,409,801.63	1,831,028,967.51
Other payables	Intra-group companies	48,701,785.94	208,820,266.02	448,135,440.24	415,826,740.14
Other payables	Other related parties	210,000.00	580,000.00	552,027.82	602,500.00
	Subtotal	48,911,785.94	209,400,266.02	448,687,468.06	416,429,240.14
Contract liabilities	Intra-group companies	46,912.63	36,928,638.64	2,144,962.01	941,359.33
Contract liabilities	Other related parties	1,976,559.60	5,677,361.65	5,178,479.86	6,532,577.11
	Subtotal	2,023,472.23	42,606,000.29	7,323,441.87	7,473,936.44
Dividends payable	Other related parties	189,750,960.00	–	–	–
	Subtotal	189,750,960.00	–	–	–
Bills payable	Intra-group companies	326,476,254.20	93,840,547.06	486,810,828.10	370,101,502.50
	Subtotal	326,476,254.20	93,840,547.06	486,810,828.10	370,101,502.50
	Total	1,665,937,364.40	1,688,107,350.79	2,722,231,539.66	2,625,033,646.59

(XVII) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of the companies now comprising the Group have been prepared in respect of any period subsequent to 30 June 2026.