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優然牧業
YOURAN DAIRY

China Youran Dairy Group Limited

中國優然牧業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9858)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025**

HIGHLIGHTS	Year ended December 31,		Year-on-year change
	2025	2024	
	RMB'000	RMB'000	(%)
Revenue	20,653,706	20,096,160	2.8
Gross profit	6,153,697	5,782,990	6.4
Loss attributable to owners of the Company	(432,386)	(690,890)	37.4
Non-IFRSs measures:			
Cash EBITDA ^{Note 1}	5,587,029	5,324,910	4.9
Profit for the year (before biological assets fair value adjustments) ^{Note 2}	3,876,667	3,059,873	26.7
	Tons	Tons	
Annualized average milk yield per milkable cow (excluding Jerseys)	12.8	12.6	1.6
The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025.			

Notes:

1. It represents profit for the year after adjusting the following items: (i) other gains and losses, (ii) impairment losses under expected credit loss model, net of reversal, (iii) impairment loss recognized in respect of property, plant and equipment and right-of-use assets, (iv) losses arising from changes in fair value less costs to sell of biological assets, (v) income tax expense, (vi) finance costs, (vii) interest income, and (viii) depreciation and amortization charged to profit or loss.
2. It represents profit for the year excluding losses arising from changes in fair value less costs to sell of biological assets.

The Board is pleased to announce the audited consolidated results of the Group for the Reporting Period.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	<i>NOTES</i>	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Revenue	5	20,653,706	20,096,160
Cost of sales	6	(19,520,335)	(18,782,079)
Gains arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest		5,020,326	4,468,909
Gross profit		6,153,697	5,782,990
Loss arising from changes in fair value less costs to sell of biological assets		(4,311,969)	(3,921,360)
Other income	7	429,167	549,370
Impairment loss under expected credit loss model, net of reversal	8	(45,630)	(24,473)
Impairment loss recognised in respect of property, plant and equipment and right-of-use assets		(48,141)	(512,850)
Other gains and losses	9	1,860	(102,152)
Selling and distribution expenses		(638,155)	(632,290)
Administrative expenses		(854,553)	(806,677)
Other expenses		(166,374)	(122,881)
Share of losses of associates		(78,407)	(79,666)
Share of loss of a joint venture		(1,416)	(989)
Finance costs	10	(817,814)	(903,487)
Loss before tax		(377,735)	(774,465)
Income tax expense	11	(57,567)	(87,022)
Loss for the year	12	(435,302)	(861,487)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2025

	<i>NOTE</i>	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Other comprehensive (expense)/income, net of income tax			
Items that will not be reclassified to profit or loss:			
Fair value gain/(loss) on investments in equity instruments at fair value through other comprehensive income ("FVTOCI"), net of related income tax		3,926	(5,528)
Exchange differences arising on translation from functional currency to presentation currency		<u>(302,446)</u>	<u>207,803</u>
		<u>(298,520)</u>	<u>202,275</u>
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		<u>415,896</u>	<u>(277,322)</u>
Other comprehensive income/(expense) for the year, net of income tax		<u>117,376</u>	<u>(75,047)</u>
Total comprehensive expense for the year		<u>(317,926)</u>	<u>(936,534)</u>
Loss for the year attributable to:			
Owners of the Company		(432,386)	(690,890)
Non-controlling interests		<u>(2,916)</u>	<u>(170,597)</u>
		<u>(435,302)</u>	<u>(861,487)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(315,080)	(764,488)
Non-controlling interests		<u>(2,846)</u>	<u>(172,046)</u>
		<u>(317,926)</u>	<u>(936,534)</u>
		<i>RMB</i>	<i>RMB</i>
Loss per share	<i>13</i>		
Basic		(0.11)	(0.18)
Diluted		<u>(0.11)</u>	<u>(0.18)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2025

	<i>NOTES</i>	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		14,499,418	15,076,822
Investment properties		2,276	2,276
Right-of-use assets		2,945,399	3,048,031
Goodwill		672,014	672,014
Intangible assets		22,959	26,540
Biological assets		14,583,108	15,364,953
Deferred tax assets		53,504	46,778
Interests in associates		795,602	891,844
Interest in a joint venture		2,079	3,558
Equity instruments at FVTOCI		15,684	11,766
Pledged and restricted bank deposits		19,627	14,933
Deposits paid for purchase of property, plant and equipment		11,012	120,790
Deposits paid for purchase of biological assets		3,174	108
Deposits paid for right-of-use assets		1,808	–
Prepayments, deposits and other receivables	<i>17</i>	12,685	20,061
Other non-current assets		21,699	–
		33,662,048	35,300,474
Current assets			
Inventories	<i>15</i>	4,000,583	4,311,226
Trade receivables	<i>16</i>	660,445	691,643
Bills receivable		500	–
Contract assets		543	800
Biological assets		319	250
Prepayments, deposits and other receivables	<i>17</i>	131,592	213,806
Financial assets at fair value through profit or loss ("FVTPL")		54,628	53,057
Amounts due from related parties		1,369,308	1,354,921
Pledged and restricted bank deposits		83,678	115,821
Bank balances and cash		1,197,221	829,310
Deposits placed with a related party		715,948	785,359
Time deposits		494,000	–
		8,708,765	8,356,193

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT DECEMBER 31, 2025

	<i>NOTES</i>	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Current liabilities			
Trade and bills payables	<i>18</i>	2,146,229	2,275,854
Other payables and accruals	<i>19</i>	1,523,676	1,640,703
Contract liabilities		27,396	30,332
Amounts due to related parties		204,097	151,960
Bank and other borrowings		16,083,449	16,709,437
Lease liabilities		300,014	248,410
Other provisions		19,807	26,403
Income tax payable		16,670	26,788
		<u>20,321,338</u>	<u>21,109,887</u>
Net current liabilities		<u>(11,612,573)</u>	<u>(12,753,694)</u>
Total assets less current liabilities		<u>22,049,475</u>	<u>22,546,780</u>
Non-current liabilities			
Bank and other borrowings		7,328,389	7,546,965
Deferred tax liabilities		10,696	11,449
Deferred income		898,108	814,900
Lease liabilities		1,944,217	1,988,397
Other provisions		26,251	25,311
		<u>10,207,661</u>	<u>10,387,022</u>
Net assets		<u>11,841,814</u>	<u>12,159,758</u>
Capital and reserves			
Share capital		258	258
Reserves		10,979,890	11,294,988
Equity attributable to owners of the Company		<u>10,980,148</u>	<u>11,295,246</u>
Non-controlling interests		<u>861,666</u>	<u>864,512</u>
Total equity		<u>11,841,814</u>	<u>12,159,758</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL INFORMATION

China Youran Dairy Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since June 18, 2021. The address of the Company’s registered office is 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands. The principal place of business of the Company is No. 169, Hexi Road, Saihan District, Hohhot, Inner Mongolia, the PRC.

The Company and its subsidiaries (together, the “**Group**”) is primarily engaged in the production and sale of raw milk, and the trading, production and sale of feeds, ruminant farming products and breeding products in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company’s functional currency of United States dollars (“**USD**”). The directors of the Company adopted RMB as presentation currency because the Group primarily conducts its business in the PRC.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that is mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard for the first time, which are mandatorily effective for the annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments²</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards – Volume 11²</i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency³</i>

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of the above amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements. The Group currently presents interest received in operating activities, and it will be classified in the investing activities on the consolidated statement of cash flows.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Going concern assessment

As at December 31, 2025, the Group had net current liabilities of RMB11.6 billion. The consolidated financial statements have been prepared on a going concern basis, because the directors of the Company are of the opinion that, based on a cash flow forecast of the Group for the 12 months ending December 31, 2026 prepared by the management, the Group would have adequate funds to meet its liabilities as and when they fall due for at least 12 months from December 31, 2025. Based on the forecast, the sufficiency of the Group's working capital for the next 12 months depends on the Group's ability to obtain the anticipated cash flows from its operating activities, the available unutilised bank loan facilities, the expected renewal of certain utilised bank loan facilities for an aggregate amount of approximately RMB9.16 billion within 12 months from December 31, 2025, and the proceeds from the subsequent equity financing, amounting to approximately HK\$2.33 billion (equivalent to approximately RMB2.10 billion).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Fair value measurements of biological assets – milkable cows

The Group's biological assets are measured at fair value less costs to sell at the end of the reporting period. The Group uses valuation techniques that include inputs that are not based on market observable data to estimate the fair value of biological assets. For milkable cows, the fair value is determined by using the multi-period excess earnings method which is based on the discounted future cash flows to be generated by such milkable cows. The management's estimation is primarily based on the discount rate, the estimated local future market price of raw milk, the estimated average daily milk yield and the estimated feed costs per kilogram ("kg") of raw milk. Any changes in the inputs may affect the fair value of the Group's biological assets – milkable cows significantly. The carrying amount of the Group's milkable cows as at December 31, 2025 was RMB8,467,524,000 (as at December 31, 2024: RMB8,657,642,000).

Estimated impairment of property, plant and equipment and right-of-use assets

The carrying amounts of property, plant and equipment and right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying amounts may not be recoverable in accordance with the accounting policies. The recoverable amounts of these assets are the higher of the fair value less costs of disposal and value in use, the calculations of which involve the use of estimates. Any change in these estimates may have a material impact on the results of the Group.

As at December 31, 2025, the carrying amounts of property, plant and equipment and right-of-use assets of the Group were RMB14,499,418,000 (as at December 31, 2024: RMB15,076,822,000) and RMB2,945,399,000 (as at December 31, 2024: RMB3,048,031,000), respectively.

Provision of expected credit loss ("ECL") for trade receivables

Credit-impaired trade receivables are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on the trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors that have similar loss patterns taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 16.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires a significant degree of estimates made by the management in determining the recoverable amount of the cash-generating units to which goodwill has been allocated, which is the higher of fair value less costs of disposal and value in use. The recoverable amount has been determined by a value in use calculation of the relevant cash-generating units, to which goodwill has been allocated, primarily based on the cash flow projections and a discount rate. The key assumptions and inputs used in cash flow projections including selling price, volume of sales, gross profit margin, growth rate and discount rate. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or changes in facts and circumstances which result in downward revision of future estimated cash flows, further impairment loss may arise.

As at December 31, 2025, the carrying amount of goodwill was RMB672,014,000 (as at December 31, 2024: RMB672,014,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimated impairment of interests in associates

As at December 31, 2025, in view of impairment indicators, the Group performed impairment assessment on its interests in associates. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the relevant associate which is the higher of value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate its share of the present value of the estimated future cash flows expected to be generated by the associate taking into consideration assumptions including gross profit margin, discount rate and growth rate. Where the actual cash flows are less than expected, or change in facts and circumstances which result in revision of future cash flows estimation or discount rate, an impairment loss may arise, which would be recognised in profit or loss for the period in which such a change takes place.

As at December 31, 2025, the carrying amount of the interests in associates amounted to RMB795,602,000 (as at December 31, 2024: RMB891,844,000).

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods:		
Sales of raw milk	16,023,947	15,100,802
Sales of feeds	4,031,793	4,446,410
Sales of ruminant farming products	452,126	414,757
Sales of breeding products	145,840	134,191
	<u>20,653,706</u>	<u>20,096,160</u>
Timing of revenue recognition:		
A point in time	<u>20,653,706</u>	<u>20,096,160</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

The Group sells raw milk, feeds, ruminant farming products and breeding products directly to its customers. Revenue is recognised when control of the goods has transferred, being at the point the customer received and accepted the goods.

For the sale of raw milk, payments are generally due in two weeks after delivery. The credit term for the sale of feeds, ruminant farming products and breeding products is normally one to three months for certain large customers and customers having long business relationship with the Group. The Group requests advance payments for certain new customers and such advance payments are recorded as contract liabilities until the control of the goods is transferred to the customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Most of the sale contracts are for periods of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

Information regarding segments is reported below.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information has been identified on the basis of internal management reports, which are regularly reviewed by senior management, which composed of executive directors of the Company and other senior management (being chief operating decision maker (the “CODM”)), in order to allocate resources to operating segments and to assess their performance focuses on types of products delivered. Specifically, the Group’s reportable segments under IFRS 8 *Operating Segments* are as follows:

- Raw milk business – raising and breeding dairy cows, dairy goats and raw milk production
- Comprehensive ruminant farming solutions – trading, production and sales of feeds, ruminant farming products, and breeding products

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable segments:

For the year ended December 31, 2025

	Raw milk business RMB’000	Comprehensive ruminant farming solutions RMB’000	Segment total RMB’000	Eliminations RMB’000	Total RMB’000
Segment revenue					
External customers	16,023,947	4,629,759	20,653,706	–	20,653,706
Inter-segment revenue	–	1,729,489	1,729,489	(1,729,489)	–
	<u>16,023,947</u>	<u>6,359,248</u>	<u>22,383,195</u>	<u>(1,729,489)</u>	<u>20,653,706</u>
Segment results	<u>4,353,096</u>	<u>339,959</u>	<u>4,693,055</u>	–	4,693,055
Loss arising from changes in fair value less costs to sell of biological assets					(4,311,969)
Share of losses of associates					(78,407)
Share of loss of a joint venture					(1,416)
Fair value gain on financial assets at FVTPL					1,572
Unallocated other income and expenses					(151,538)
Unallocated finance costs					<u>(529,032)</u>
Loss before tax					<u>(377,735)</u>

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the year ended December 31, 2024

	Raw milk business RMB'000	Comprehensive ruminant farming solutions RMB'000	Segment total RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue					
External customers	15,100,802	4,995,358	20,096,160	–	20,096,160
Inter-segment revenue	–	1,867,732	1,867,732	(1,867,732)	–
	<u>15,100,802</u>	<u>6,863,090</u>	<u>21,963,892</u>	<u>(1,867,732)</u>	<u>20,096,160</u>
Segment results	<u>3,577,569</u>	<u>509,803</u>	<u>4,087,372</u>	–	4,087,372
Loss arising from changes in fair value less costs to sell of biological assets					(3,921,360)
Share of losses of associates					(79,666)
Share of loss of a joint venture					(989)
Impairment loss of interest of associate					(88,964)
Fair value gain on financial assets at FVTPL					10,535
Unallocated other income and expenses					(158,937)
Unallocated finance costs					<u>(622,456)</u>
Loss before tax					<u>(774,465)</u>

Segment results represent the loss before tax earned by each segment without allocation of central administration costs, corporate income and expenses, loss arising from changes in fair value less costs to sell of biological assets, fair value gain on financial assets at FVTPL, impairment loss recognised in respect of goodwill, share of loss of a joint venture, share of losses of associates and certain finance costs that are not directly attributable to operating segments. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

Inter-segment revenue is charged at prices agreed between group entities, which are determined by reference to the prices offered to third party customers.

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information

	Raw milk business RMB'000	Comprehensive ruminant farming solutions RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
<i>For the year ended</i>					
<i>December 31, 2025</i>					
Amounts included in the measure of segment profit or loss:					
Depreciation and amortisation charged to profit or loss	707,926	49,356	757,282	8,177	765,459
Impairment loss of trade and other receivables under expected credit loss model, net of reversal	643	44,987	45,630	–	45,630
Impairment loss of property, plant and equipment and right-of-use assets	37,328	10,813	48,141	–	48,141
(Gain)/Loss on termination of lease agreements and sublease	(584)	2	(582)	–	(582)
(Gain)/Loss on disposal of property, plant and equipment	(828)	3,414	2,586	–	2,586
Interest income	(3,533)	(14,785)	(18,318)	(4,071)	(22,389)
Finance costs	283,749	5,033	288,782	529,032	817,814
Income tax expense	480	57,087	57,567	–	57,567
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets					
Additions to non-current assets <i>(Note)</i>	5,819,889	59,847	5,879,736	–	5,879,736
Interests in associates	–	–	–	795,602	795,602
Interest in a joint venture	–	–	–	2,079	2,079
Share of losses of associates	–	–	–	78,407	78,407
Share of loss of a joint venture	–	–	–	1,416	1,416

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

	Raw milk business RMB'000	Comprehensive ruminant farming solutions RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
<i>For the year ended</i>					
<i>December 31, 2024</i>					
Amounts included in the measure of segment profit or loss:					
Depreciation and amortisation charged to profit or loss	626,366	66,688	693,054	6,868	699,922
Impairment loss of trade and other receivables under expected credit loss model, net of reversal	–	24,473	24,473	–	24,473
Impairment loss of property, plant and equipment and right-of-use assets	512,850	–	512,850	–	512,850
Impairment loss of investment properties	14,209	–	14,209	–	14,209
Loss on termination of lease agreements and sublease	6,008	–	6,008	–	6,008
(Gain)/Loss on disposal of property, plant and equipment	(1,131)	3,346	2,215	–	2,215
Interest income	(5,725)	(17,124)	(22,849)	(42,020)	(64,869)
Finance costs	276,575	4,456	281,031	622,456	903,487
Income tax expense	255	86,767	87,022	–	87,022
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets					
Additions to non-current assets <i>(Note)</i>	7,182,951	49,476	7,232,427	–	7,232,427
Impairment loss of interest of associate	–	–	–	88,964	88,964
Interests in associates	–	–	–	891,844	891,844
Interest in a joint venture	–	–	–	3,558	3,558
Share of losses of associates	–	–	–	79,666	79,666
Share of loss of a joint venture	–	–	–	989	989

Note:

Non-current assets excluded goodwill, financial instruments, deferred tax assets, interests in associates and interest in a joint venture.

Geographic information

Since all revenue from external customers is derived from the customers located in Mainland China and all of the non-current assets are located in Mainland China, no geographic information is presented.

5. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Revenue from major customers

Revenue from the customer individually contributing over 10% of the total revenue of the Group is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A:		
Revenue from sales of raw milk	15,471,328	14,322,781
Revenue from sales of feeds	133,654	139,749
Revenue from ruminant farming products	1,060	2,293
Revenue from breeding products	12,626	10,875
	<u>15,618,668</u>	<u>14,475,698</u>

6. COST OF SALES

An analysis of cost of sales is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of raw milk sold before fair value adjustments	10,529,041	10,156,340
Raw milk fair value adjustments	5,036,681	4,481,439
	<u>15,565,722</u>	<u>14,637,779</u>
Cost of raw milk sold after fair value adjustments		
Cost of feeds sold before forage grass fair value adjustments	3,510,383	3,736,992
Forage grass fair value adjustments	(16,355)	(12,530)
	<u>3,494,028</u>	<u>3,724,462</u>
Cost of feeds sold after fair value adjustments		
Cost of ruminant farming products sold	372,159	333,213
Cost of breeding products	88,426	86,625
	<u>460,585</u>	<u>419,838</u>
Total cost of sales	<u>19,520,335</u>	<u>18,782,079</u>

7. OTHER INCOME

An analysis of other income is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants released from deferred income	118,604	84,819
Incentive subsidies (<i>Note</i>)	229,349	323,733
Rental income	14,046	16,557
Bank interest income	15,520	55,266
Interest income from Yili Group	6,869	9,603
Income from sale of scrap materials	9,189	11,730
Compensation income	11,111	32,858
Write-back of other payables	5,263	4,653
Others	19,216	10,151
	<u>429,167</u>	<u>549,370</u>

Note:

The amounts mainly represent subsidies granted by certain local governments for encouraging domestic business development and subsidies for the purpose of giving financial support to the Group's operations. There are no unfulfilled conditions or contingencies relating to the above subsidies.

8. IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Impairment loss recognised on:		
Trade receivables	45,161	23,426
Other receivables	469	1,047
	<u>45,630</u>	<u>24,473</u>

9. OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Foreign exchange differences, net	(2,826)	(1,178)
Loss on disposal of property, plant and equipment, net	(2,586)	(2,215)
Impairment loss recognised in respect of interests in an associate	–	(88,964)
Impairment loss on investment property	–	(14,209)
Fair value gain on financial assets at FVTPL	1,572	10,535
Reversal of provision relating to a civil litigation	5,574	–
Gain/(loss) on termination of lease agreements and sublease	582	(6,008)
Others	(456)	(113)
	<u>1,860</u>	<u>(102,152)</u>

10. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on:		
Bank and other borrowings	735,494	850,016
Other liabilities	–	190
Lease liabilities	88,475	75,211
Unwinding of the discount of other provisions	940	892
	<u>824,909</u>	<u>926,309</u>
Less: Amounts capitalised to construction in progress	(7,095)	(22,822)
	<u>817,814</u>	<u>903,487</u>

Borrowing costs capitalised to qualifying assets were based on actual borrowing costs incurred for specific and general borrowings.

11. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	65,656	98,847
Over provision in prior periods:		
PRC EIT	(519)	(6,026)
Deferred tax	<u>(7,570)</u>	<u>(5,799)</u>
	<u>57,567</u>	<u>87,022</u>

The Company is incorporated as an exempted company and as such is not subject to Cayman Islands taxation.

No provision for taxation in Hong Kong has been made as the Group’s income neither arises in, nor is derived from Hong Kong (2024: Nil).

Pursuant to the prevailing tax rules and regulation in the PRC, certain subsidiaries of the Company are exempted from PRC EIT for taxable profit from the operation of agricultural business in the PRC. In addition, certain subsidiaries operating in the PRC, including Inner Mongolia Youran Dairy Co., Ltd., Inner Mongolia Muquan Yuanxing Feed Co., Ltd., Ningxia Yikangyuan Bio-Technology Co., Ltd., Wulanchabu Muquan Yuanxing Feed Co., Ltd. and Bayannur Muquan Yuanxing Feed Co., Ltd. are subject to a preferential tax rate of 15% under relevant preferential tax policy in relation to PRC western development. According to preferential tax policy of Heilongjiang, the PRC, for promoting local investment (Heizheng Han [2021] No.102), Duerbote Muquan Yuanxing Feed Co., Ltd. is subject to a 40% EIT reduction from 2022.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, except for the preferential treatments available to certain subsidiaries as mentioned above, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% (2024: 25%).

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, based on calculation and the best estimation, the management of the Group considered that the Group is not liable to top-up tax under the Pillar Two Rules.

11. INCOME TAX EXPENSE (CONTINUED)

The income tax expense can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss before tax	<u>(377,735)</u>	<u>(774,465)</u>
Tax at the statutory rate of 25% (2024: 25%)	(94,434)	(193,616)
Tax effect of expenses not deductible for tax purpose	5,406	4,508
Effect of PRC tax exemption granted to agricultural business	(116,995)	78,616
Preferential income tax rates applicable to PRC subsidiaries	(6,283)	(43,791)
Effect of tax exemption granted to the Company	88,239	113,911
Over provision in respect of prior periods	(519)	(6,026)
Tax effect of additional deduction on certain research and development expenses	(18,384)	(12,325)
Tax effect of share of loss of a joint venture	354	247
Tax effect of share of losses of associates	19,602	19,917
Tax effect of tax losses not recognised	201,416	127,108
Utilization of tax losses previously not recognized	<u>(20,835)</u>	<u>(1,527)</u>
Income tax expense	<u>57,567</u>	<u>87,022</u>

12. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Depreciation of:		
Property, plant and equipment	1,213,570	1,143,153
Investment properties	–	1,531
Right-of-use assets	209,716	207,118
Amortisation of intangible assets	<u>3,581</u>	<u>3,425</u>
Total depreciation and amortisation	1,426,867	1,355,227
Less: Capitalised in biological assets	(579,154)	(559,977)
Capitalised in construction in progress	–	(1,467)
Capitalised in inventories	<u>(82,254)</u>	<u>(93,861)</u>
Depreciation and amortisation charged directly to profit or loss	<u>765,459</u>	<u>699,922</u>
Lease payments not included in the measurement of lease liabilities	65,526	51,829
Less: Capitalised in biological assets	(19,329)	(15,283)
Capitalised in inventories	<u>(20,372)</u>	<u>(19,212)</u>
	<u>25,825</u>	<u>17,334</u>
Auditors' remuneration	<u>7,400</u>	<u>7,400</u>
Research and development costs recognised in profit or loss	<u>157,504</u>	<u>114,102</u>
Employee benefits expense		
Salaries and allowances	1,721,000	1,598,916
Retirement benefit scheme contributions	<u>162,533</u>	<u>150,512</u>
Total staff costs	1,883,533	1,749,428
Less: Capitalised in biological assets	<u>(444,436)</u>	<u>(441,535)</u>
	<u><u>1,439,097</u></u>	<u><u>1,307,893</u></u>

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the purpose of basic and diluted loss per share	<u>(432,386)</u>	<u>(690,890)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares:		
Number of ordinary shares for the purpose of basic and diluted loss per share	<u>3,892,728</u>	<u>3,843,268</u>

14. DIVIDEND

During the year ended December 31, 2025, no final dividend in respect of the year ended December 31, 2024 (2024: no final dividend in respect of the year ended December 31, 2023) was proposed and paid for ordinary shareholders of the Company.

No dividend was proposed for ordinary shareholders of the Company in respect of the year ended December 31, 2025, nor has any dividend been proposed since the end of the reporting period.

15. INVENTORIES

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Raw materials	3,928,869	4,095,576
Finished goods	52,012	145,862
Semi-finished goods	3,124	8,310
Breeding products	16,578	61,478
	<u>4,000,583</u>	<u>4,311,226</u>

16. TRADE RECEIVABLES

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	780,089	766,343
Less: Allowance for credit losses	(119,644)	(74,700)
	<u>660,445</u>	<u>691,643</u>

The following is the aged analysis of trade receivables, net of allowance for credit losses, presented based on the dates of delivery of goods:

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 90 days	571,886	571,639
90 days to 180 days	56,486	76,566
181 days to 1 year	30,828	32,730
Over 1 year	1,245	10,708
	<u>660,445</u>	<u>691,643</u>

The following is the past due analysis of the carrying amount of trade receivables:

	31/12/2025	31/12/2024
	<i>RMB'000</i>	<i>RMB'000</i>
Not yet past due	550,486	523,478
Past due less than 30 days	14,002	54,774
Past due more than 30 days but less than 90 days	34,511	55,778
Past due more than 90 days	61,446	57,613
	<u>660,445</u>	<u>691,643</u>

The above trade receivables which have been past due more than 90 days are not considered as in default because these trade receivables relate to a number of independent customers for whom there was no recent history of default and they have a good track record with the Group.

For credit-impaired trade receivables, management will assess the corresponding expected credit loss individually. In addition, the Group uses practical expedient in estimating ECL on the trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors by groupings of customers with similar loss patterns (i.e., by product type and customer type) taking into consideration the Group's historical default rates and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Classified under current assets:		
Prepayments	105,044	151,252
Value-added tax recoverable	8,185	15,754
Deposits placed with brokers for commodity forward contracts	12	3,068
Rental receivables	1,893	1,679
Utility and other deposits	16,673	25,537
Compensation receivable	–	3,039
Advances to staff	1,690	1,552
Pledged receivable (<i>Note</i>)	–	16,651
Other receivables	7,691	4,425
	141,188	222,957
Less: Allowance for credit losses	(9,596)	(9,151)
	131,592	213,806
Classified under non-current assets:		
Pledged receivable (<i>Note</i>)	–	7,107
Finance lease receivables	–	298
Utility and other deposits	12,685	12,656
	12,685	20,061

Note:

The balance represents the dividend paid by SKX to the Group through China Securities Depository and Clearing Co., Ltd. As at December 31, 2024, as the Group has pledged 51.73% equity interest of SKX for certain long-term bank borrowings, the relevant dividend is also pledged and will be received by the Group upon the release of the pledged equity interest.

As at December 31, 2025, all the above-mentioned bank borrowings had been repaid, and the corresponding dividends had been received.

18. TRADE AND BILLS PAYABLES

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Trade payables	1,792,646	1,758,139
Bills payable	353,583	517,715
	<u>2,146,229</u>	<u>2,275,854</u>

The following is an aged analysis of trade payables presented based on delivery dates:

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Within 1 year	1,771,357	1,730,138
1 to 2 years	2,789	5,887
2 to 3 years	2,528	10,839
More than 3 years	15,972	11,275
	<u>1,792,646</u>	<u>1,758,139</u>

The maturity period of bills payable is normally within 1 year based on the invoice dates.

19. OTHER PAYABLES AND ACCRUALS

	31/12/2025 <i>RMB'000</i>	31/12/2024 <i>RMB'000</i>
Payables for purchase of property, plant and equipment	564,066	791,218
Salaries and welfare payables	386,442	340,014
Deposits received from suppliers	174,740	153,616
Service and professional fee payables	180,758	178,759
Freight charges payables	80,962	89,668
Storage fee payables	12,553	9,739
Non-income tax related tax payables	40,764	13,819
Sundry payables and accrued expenses	83,391	63,870
	<u>1,523,676</u>	<u>1,640,703</u>

20. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, on January 16, 2026, the Company entered into a placing and subscription agreement with Boyuan Investment Holding Limited (“**Boyuan**”), as seller, and the placing agents, pursuant to which Boyuan agreed to place 299.25 million existing shares, and the Company agreed to issue an equivalent number of new shares (the “**top-up subscription**”) at HK\$3.92 per share. On January 20, 2026, the placing was completed, with the shares placed to not less than six independent third-party placees. The top-up subscription was completed on January 26, 2026 with net proceeds of approximately HK1,158.6 million, maintaining Boyuan’s shareholding percentage unchanged. On the same date of the placing and subscription agreement, the Company entered into a specific mandate subscription agreement to issue an additional 299.25 million new shares to Boyuan at HK\$3.92 per share, subject to approval by independent shareholders and the granting of a whitewash waiver. The specific mandate subscription remains conditional and has not been completed as of the reporting date.

During the period subsequent to the reporting date, the functional currency of the Company was changed from USD to RMB as the Company ceased its trading operations and transitioned to a financing-focused structure. The directors of the Company have determined that RMB better reflects the economic substance of the Company, given that all existing USD borrowings were fully replaced with RMB borrowings in January 2026, and the majority of its cash balances will be held in RMB. Accordingly, the functional currency of the Company was changed prospectively from January 1, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

During the Reporting Period, China's macroeconomic policies have exerted their effects, and the economy continued its steady and positive development momentum. The herd size of dairy cows continued to undergo adjustments. Benefiting from the sustained improvement in milk yield per milkable cow, data from the National Bureau of Statistics showed that the total output of raw milk slightly increased by 0.3% year-on-year. However, insufficient effective domestic demand caused the supply-demand imbalance in the dairy products industry to remain pronounced, with milk prices falling to multi-year lows. According to monitoring data from the Ministry of Agriculture and Rural Affairs, the average price of raw milk in China's major dairy-producing provinces decreased by 7.8% year-on-year to RMB3.06/kg. Market demand for ruminant concentrated feed and forage grass as well as breeding products was also suppressed to a certain extent. Nevertheless, the phased decline in bulk raw material prices and the rise in beef prices partially offset the impact of lower raw milk prices on the industry. Monitoring data from the Ministry of Agriculture and Rural Affairs indicated that the average prices of soybean meal and corn decreased by approximately 6.6% and 4.3% year-on-year, respectively. Meanwhile, according to statistics from China Customs, the price of imported alfalfa hay dropped by approximately 4.2% year-on-year. The decline in prices of these major raw materials alleviated cost pressures on the upstream dairy industry to a certain extent. At the same time, monitoring data from the Ministry of Agriculture and Rural Affairs showed that the national average beef price in the last week of the Reporting Period rose by 8.2% compared with the first week, further offsetting the impact of declining milk prices and contributing to a relatively stable development trend for the industry.

During the Reporting Period, policies in the dairy products industry centered on consumption-driven growth and quality assurance, injecting long-term growth momentum into the sector. In February 2026, the Opinions of the Central Committee of the Communist Party of China and the State Council on Anchoring Agricultural and Rural Modernization to Solidly Promote Comprehensive Rural Revitalization were issued, emphasizing multiple measures to promote dairy product consumption. In July 2025, the Ministry of Agriculture and Rural Affairs and nine other departments jointly issued the Implementation Plan for Promoting Agricultural Product Consumption, which boosted dairy product consumption by promoting scientific milk-drinking knowledge, cultivating healthy milk-drinking awareness, and launching milk cuisine maps. In August 2025, the Ministry of Agriculture and Rural Affairs' Reply to Proposal No. 8249 of the Third Session of the 14th National People's Congress (Nong Ban Yi [2025] No. 361) proposed advancing the informatization of the raw milk quality and safety supervision system, strengthening full-chain quality control, and building a solid food safety defense line. Starting from December 23, 2025, China implemented temporary anti-subsidy measures on relevant dairy products originating from the European Union to effectively shield the domestic dairy industry from the impact of low-priced imports.

BUSINESS REVIEW

As the largest provider of comprehensive products and services along the upstream dairy industry chain in China, the Group was principally engaged in providing premium raw milk and specialty raw milk to large-scale dairy manufacturers and offering comprehensive ruminant farming solutions to dairy farms during the Reporting Period. The Group's revenue amounted to RMB20,654 million during the Reporting Period, representing an increase of 2.8% as compared with RMB20,096 million in the period of 2024.

The following table sets forth the detailed information of the Group's two business segments, i.e. raw milk and comprehensive ruminant farming solutions:

Business Segments	Business Lines	Business Introduction	Operations	Revenue
Raw milk	Raw milk business	The Group provides premium raw milk and specialty raw milk to large-scale dairy manufacturers. Specialty raw milk mainly includes Jersey milk, DHA milk, A2 milk, organic milk, organic A2 milk, selenium-rich milk, organic Jersey milk and dairy goat milk etc.	As of December 31, 2025, the Group operated 100 modern dairy farms (including 1 dairy goat farm) across 17 provinces (autonomous regions and municipalities) in China, with a herd size of nearly 620,000 heads of dairy cows and a herd size of nearly 20,000 heads of dairy goats. During the Reporting Period, the sales volume of the Group's raw milk was 4,153,082 tons.	During the Reporting Period, revenue from the Group's raw milk business was approximately RMB16.02 billion, representing an increase of 6.1% from the period of 2024 and accounted for approximately 77.6% of the Group's total revenue during the Reporting Period.
Comprehensive ruminant farming solutions	Feed business	The Group provides nutrition concentrated feed and forage grass for dairy farms that meet the demands of ruminants for their growth and production, and offers ancillary ruminant farming solutions, such as ruminant nutrition, breeding techniques, and ruminant healthcare.	As of December 31, 2025, the Group operated 15 feed mills and 16 forage grass plantation bases in China. During the Reporting Period, the sales volume of the Group's concentrated feed was 845,804 tons.	During the Reporting Period, revenue from the Group's comprehensive ruminant farming solutions was approximately RMB4.63 billion and accounted for approximately 22.4% of the Group's total revenue during the Reporting Period.

Business Segments	Business Lines	Business Introduction	Operations	Revenue
	Ruminant farming products marketplace business	The Group provides ruminant farming products purchased from selected suppliers, such as veterinary drugs, animal husbandry equipment and other items for dairy farms, through its online platform, <i>Jumuc.com</i> , and offline pick-up stores and offers ancillary ruminant farming solutions to diversify its product offerings and further address its customers' business needs.	During the Reporting Period, the Group provided over 7,000 ruminant farming products through its online platform, <i>Jumuc.com</i> , and 23 offline pick-up stores to 25 provinces (autonomous regions and municipalities) of China, covering core operations of dairy farms.	
	Breeding business	Through its subsidiary, SKX, the Group provides dairy farms with, among others, common frozen semen, sex-sorted frozen semen and sex-sorted embryos of high-quality dairy cows and beef cattle in China and overseas.	As of December 31, 2025, the Group operated 4 key breeding bases and 1 breeding bull station, with herd sizes of 137 heads of dairy breeding bulls, 69 heads of beef cattle breeding bulls, and 184 heads of breeding dairy goats, respectively. During the Reporting Period, the sales volume of the Group's breeding products was approximately 1,016,405 straws/units, among which, the sales volume of sex-sorted embryos recorded a year-on-year increase of 45.1%.	

I. PERFORMANCE OF EACH BUSINESS SEGMENT AND OPERATION REVIEW

(I) Raw Milk Business

The Group has established long-term and stable relationships with large dairy manufacturers in the PRC. During the Reporting Period, the major customers of the Group's raw milk business included Yili Group, Bright Dairy, and Junlebao Dairy, etc.

The following table sets forth certain key operating data with respect to the Group's raw milk business for the periods and as of the dates indicated:

	As of December 31,		Year-on-year change (%)
	2025	2024	
Number of self-operated dairy farms ^{Note 1}	100	97	Increased by 3 farms ^{Note 2}
Herd size of dairy cows (in heads)	618,796	621,568	(0.4)
Including: Milkable cows	340,408	324,908	4.8
Calves and heifers	278,388	296,660	(6.2)
Proportion of milkable cows in the herd size of dairy cows	55.0%	52.3%	Increased by 2.7 percentage points
Herd size of dairy goats (in heads)	19,932	19,164	4.0

Notes:

1. Includes one dairy goat farm with a planned herd size of 50,000 heads, which is currently the biggest dairy goat farm in China and is about to be a world-class breeding goat farm.
2. During the Reporting Period, the Group put 4 new dairy farms into operation and transformed 1 small-scale dairy farm into an experimental farm for its internal feed business.

	For the year ended December 31,		Year-on-year change (%)
	2025	2024	
Raw milk production volume (in tons)	4,232,451	3,747,448	12.9
Raw milk sales volume (in tons)	4,153,082	3,669,563	13.2
Average price of raw milk (RMB/kg)	3.86	4.12	(6.3)
Annualized average milk yield per milkable cow (excluding Jerseys ^{Note 1} ^{Note 2} (in tons)	12.8	12.6	1.6
Including: SKX (in tons)	12.8	12.4	3.2

Notes:

1. Jerseys are a breed of small dark brown dairy cow originating from the Jersey Islands, the English Channel, with a high milk fat and milk protein content and lower milk yield per milkable cow as compared to Holsteins.
2. For the year ended December 31, 2025, the annualized average milk yield per milkable cow is calculated by dividing the total raw milk production volume by the average number of milkable cows during that period.

Farm overview and herd structure

As of December 31, 2025, the Group operated 100 modern dairy farms (including 1 dairy goat farm) across 17 provinces in China. The herd size of dairy cows was 618,796 heads, representing a decrease of 0.4% as compared with 621,568 heads as of December 31, 2024, including 340,408 milkable cows, accounting for 55.0% of the total number of dairy cows, increased by 2.7 percentage points as compared with 52.3% as of December 31, 2024. As of December 31, 2025, the herd size of dairy goats was 19,932 heads, including 10,294 milkable goats, and 9,638 young female goats and female goat lambs. The optimization of herd structure has laid the foundation for the Group to further enhance its profitability.

Dairy farms operation management and raw milk production volume

During the Reporting Period, the Group's raw milk production amounted to 4,232,451 tons, representing an increase of 12.9% from 3,747,448 tons for the period of 2024. The annualized average milk yield per milkable cow (excluding Jerseys) was 12.8 tons, representing an increase of 1.6% from 12.6 tons for the period of 2024, among which, the annualized average milk yield per milkable cow of SKX was 12.8 tons, representing an increase of 3.2% from 12.4 tons for the period of 2024.

During the Reporting Period, leveraging its self-developed intelligent farm management system, the "Intelligent Farm Cloud", the Group deepened the construction of precision nutrition and feeding platforms, launched a screening model for unvaluable cattle and a farm production index early warning system, and utilized the precision nutrition digital intelligence model "Cow Doctor" to drive data-informed decision-making. Meanwhile, the Group promoted lean management by centering on the TPM system, optimized nine standardized management processes, upgraded farm infrastructure and equipment, and implemented intelligent devices such as AI-powered sprinkler systems, smart fans and intelligent energy monitoring platforms. These initiatives effectively improved dairy cow comfort and herd health, reduced energy and water consumption, resulting in a year-on-year increase of 1.6% in the annualized average milk yield per milkable cow and a year-on-year decrease of 10.5% in feed cost per kilogram of raw milk. The quality of raw milk surpassed European Union standards. In addition, the Group integrated feed R&D, breeding technologies with whole-industry-chain resources, and completed genetic improvements for over 12,000 dairy cows through customized nutrition programs, efficient breeding technologies, combined with ovum pick-up-in vitro fertilization (OPU-IVF) embryo transfer and whole-genome testing technologies, continuously enhancing dairy cow production performance and feed utilization efficiency.

Raw milk R&D and study on dairy farming technology

The Group continued to deploy specialty raw milk products, building a diversified product matrix covering Jersey milk, A2 milk, DHA milk, organic milk, goat milk, etc. At the same time, leveraging its own dairy cow nutrition database, the Group established an industry-leading platform for herd nutrition and health R&D. Through precision nutrition research and large-scale application, it improved both breeding efficiency and raw milk quality. During the Reporting Period, the Group applied plant polyphenol and enzyme-bacteria synergy technologies to reduce inflammation incidence in dairy cows and improve feed conversion rate; expanded the use of regional raw materials through the raw material cost-effectiveness intelligent calculation platform; and achieved significant cost reduction and efficiency enhancement through protein raw material diversification, feeding with a high proportion of silage diets and reduced imported alfalfa hay. The Group's self-developed rumen-protected high-oleic fatty acid powder increased milk yield per dairy cow without raising feeding costs. With product innovation, feed diversification and improved conversion rates as the core, the Group continuously optimized operational efficiency and promoted high-quality development of livestock farming.

(II) Comprehensive Ruminant Farming Solutions

The Group provides high-quality concentrated feed and forage grass covering the full lifecycle of ruminants, and creates breeding products with core competitiveness.

Concentrated feed business

The Group has deepened its expertise in ruminant animal nutrition, meeting the nutritional needs of various ruminants at all growth stages through twelve product categories.

As of December 31, 2025, the Group operated 15 feed mills. During the Reporting Period, the sales volume of concentrated feed was 845,804 tons as affected by industry cycles, representing a year-on-year decrease of 3.7%, and the production volume was 1,102,702 tons, representing a year-on-year decrease of 3.5%. The Group adopted approaches including new product R&D, product upgrades, technical services, brand building, channel expansion and lean management to comprehensively cope with industry fluctuations, providing customers with one-stop cost reduction and efficiency improvement solutions and achieving cost reduction, quality improvement and operational efficiency enhancement across the entire value chain.

During the Reporting Period, the Group launched series such as “You Yi Niu (優益牛)” and “Yuan Yi Mu XPC (元益牧XPC)” with respect to R&D and product development, completed upgrades to multiple core products, and continued to deploy high-efficiency nutrition technologies. In technical services, the Group assembled a think tank of nearly 200 senior experts. Leveraging on the “*Jumuc.com*” online platform, county-level service centers and ruminant farming products marketplaces, the Group built a three-tier comprehensive farming service system to help customers reduce costs and increase efficiency. In brand and channel development, the Group established the “You Yi Niu (優益牛)” dairy cow feed brand and a “product + service” systematic solution benchmark; dairy cow feed was exported to Mongolia, with sales to large customers and overseas customers growing year-on-year, while sales volume of beef cattle and mutton sheep feed grew by 46.7% year-on-year. In management, the Group deepened implementation of the TPM lean management system, optimized quality, equipment and supply chain processes to form a long-term improvement mechanism. Going forward, the Group will continue to strengthen technological innovation and international collaboration to drive high-quality and sustainable development of the animal husbandry.

Forage grass business

Centered on Ar Horqin Banner, known as “China’s Grass Capital”, the Group has built a system of premium forage grass plantation bases. As of December 31, 2025, the Group had laid out 16 forage grass plantation bases nationwide, promoting the construction of supporting planting bases near farms, realizing the deep integration of planting and breeding with the industry chain, and providing stable and high-quality forage resources for the raw milk business.

During the Reporting Period, the Group achieved multiple breakthroughs in forage grass technological innovation and practice: relying on its self-developed alfalfa cold-resistant gene and germplasm hybridization technologies, the overall regreening rate of alfalfa hay reached over 92%, and alfalfa silage yield per mu reached a record high of approximately 1.59 tons; wrapped silage technology was applied to improve nutrient retention and palatability, and optimize product quality; the planting-and-farming integration model was promoted, together with land improvement and soil carbon sequestration research, completing no-till carbon-sequestration seeding on 55,100 mu and delivering synergistic ecological and economic benefits; research efforts focused on new high-quality alfalfa varieties, efficient water-saving irrigation, forage grass planting on saline-alkali land and herbicide residue control; and the Group undertook scientific research projects, implemented standardized planting and large-scale intercropping, and advanced saline-alkali land improvement to strengthen technological and cost advantages. The self-developed “Intelligent Forage Grass Cloud” digital platform achieved intelligent management across the entire process of forage grass planting, processing and traceability, forming a closed-loop digital management system “from a blade of grass to a glass of milk” and driving high-quality development of the forage grass business.

Ruminant farming products marketplace business

As of December 31, 2025, the Group provided over 7,000 ruminant farming products through the online platform, *Jumuc.com* and 23 offline pick-up stores nationwide, which comprehensively covered core operational needs of dairy farms and provided one-stop sourcing solutions to its customers.

During the Reporting Period, the Group focused on industrial chain integration and operational upgrading of the ruminant farming products marketplace business, realizing a multi-dimensional breakthrough. In terms of industrial chain and brand building, the Group expanded vaccine sales models and agricultural materials sales channels by leveraging its industrial chain integration advantages. In partnership with more than ten well-known suppliers, the Group has developed its own brand products and launched the cleaning liquid “Youmuqing (優牧淨)”, and built a regional agency system to enhance market coverage and brand influence. The “*Jumuc.com*” online platform enhanced user activity and retention through a diversified incentive system, optimized the transaction closed loop and empowered county-level service centers. In terms of new media layout, the Group completed the establishment of the brand new media store “Youmu Selections (優牧甄選)” from scratch, cultivated exponential growth in potential customers through precise operations, and further improving user value and channel efficiency.

Breeding Business

The Group provides dairy farms with diversified breeding products including regular frozen bovine semen, sex-sorted frozen bovine semen and embryos for dairy cattle and beef cattle, and accelerates the development of a world-class breeding bulls cultivation technology system through the dual-wheel drive of in-house breeding and international cooperation.

As of December 31, 2025, the Group operated 4 core breeding bases in Inner Mongolia (including 2 for dairy cattle, 1 for beef cattle and 1 for dairy goats) and 1 breeding bull station integrating dairy cattle and beef cattle. The herd size of dairy breeding bulls, beef breeding bulls and dairy breeding goats amounted to 137 heads, 69 heads and 184 heads, respectively. During the Reporting Period, the sales volume of the Group’s breeding products decreased by 11.2% from 1,144,814 straws/units in the period of 2024 to 1,016,405 straws/units in the Reporting Period due to industry cycles. Sales of embryo products that can raise the overall genetic level of dairy cows increased by 45.1% compared with the period of 2024, resulting in a continuous expansion of its market share.

The Group has long been committed to breaking through the “bottleneck” technologies in dairy cattle and beef cattle breeding, focusing on high-end breeding source and key breeding technologies development as well as their industrialization. During the Reporting Period, in collaboration with universities and research institutions, the Group achieved multiple major breakthroughs and successful commercialization in livestock breeding and biological breeding. The “Breeding No.1 Chip” (high yield, disease resistance, long productive life) was validated on approximately 1,700 dairy cows, improving accuracy to 70%, while key reproductive trait loci were screened for the design of “Breeding No.2 Chip”. The telomere-to-telomere (T2T) genome assembly of dairy cattle (high yield, high reproduction, long productive life) was completed, providing precise reference for functional testing of “Breeding No.2 Chip” and omics research. New technology, ovum pick-up-intracytoplasmic sperm injection (OPU-ICSI), for the selection and breeding of dairy breeding bulls was established, exploring new channels for the cultivation of high-quality dairy breeding bulls; and gene-edited dairy cattle, beef cattle and dairy goat projects advanced to the cloning and breeding stage of gene-edited offspring.

Thanks to sustained investment and technological breakthroughs, the Group has again achieved outstanding results in dairy cattle breeding. During the Reporting Period, according to the latest evaluation of comprehensive breeding values of Chinese dairy breeding bulls released by the National Animal Husbandry Service of the Ministry of Agriculture and Rural Affairs in December 2025, among the 998 genomically tested Holstein young bulls evaluated nationwide, the bulls bred by the Group remain ranked first in Genomic China Performance Index (GCPI), occupying four of the top five positions, with an additional 27 breeding bulls ranked among the national top 100, maintaining the industry’s largest number. These achievements fully demonstrate the Group’s leading position in dairy cattle breeding and further consolidate its competitive advantage in domestic and international livestock breeding markets.

II. R&D STRATEGIES MANAGEMENT

Leveraging more than 40 years of deep cultivation in the upstream dairy industry and its premium breeding resources of nearly 620,000 dairy cows and 20,000 dairy goats, the Group continued to focus on R&D across the entire upstream dairy industry chain. During the Reporting Period, R&D investment increased significantly by 38.0% year-on-year, providing a solid foundation for R&D activities.

The Group focused on empowering product upgrades and enhancing core competitiveness through technological innovation, with the following key measures and outcomes: a core technology R&D system was established; as of December 31, 2025, the R&D team comprised nearly 400 members, with core personnel possessing extensive upstream dairy R&D and practical experience; 22 new patents were granted during the Reporting Period, bringing the cumulative total of core patents to 113, fully covering all business segments, while the Group participated in the formulation and release of 11 national, group, and local standards, solidifying its technological barriers; a diversified product matrix was built, with eight categories of specialty raw milk experiencing minimal impact from declining milk prices due to their scarcity; self-developed core-technology concentrated feed products such as structural calf feed and rumen-protected soybean meal were launched, continuously improving ruminant nutrition solutions; key technology breakthroughs and commercialization were advanced, including the establishment of China's leading ruminant nutrition database, deepened industrialization of herd genetic improvement and sex-sorting technologies, and innovation in forage grass processing technologies and planting models. In addition, the Group collaborated with leading domestic universities and research institutions to participate in and undertake major projects such as agricultural biological breeding and the National Dairy Technology Innovation Center, tackling key upstream dairy technologies and accelerating the commercialization of achievements to empower high-quality development of the industry.

III. QUALITY ASSURANCE

Sticking to the mission of “Creating the Source Power for the Healthy Life of Human Beings with Quality” and adhering to the management concept that quality is life, the Group implements the quality management system among all the staff, during the entire process and in all aspects and the production program of “high quality, high standards and high requirements” through three core pillars of quality culture building, full-chain control and the output of high-quality products, laying a solid foundation for quality management.

Following the philosophy of “good breeding breeds good cows, good grass raises good cows, and good cows produce good milk”, the Group has established over 1,400 strict control standards covering the entire process from forage grass planting, feed processing, breeding and production to fresh milk transportation, with real-time monitoring, analysis and inspection to ensure effective implementation of all standards. As the first comprehensive enterprise of dairy farming and feed processing in China that has passed SQF (Safe Quality Food system) certification, the Group continually optimized the certification system by benchmarking against international advanced standards and built a “full-value chain” quality control model. During the Reporting Period, 25 of the Group's dairy farms passed ChinaGAP (China Good Agricultural Practice) certification (a year-on-year increase of 7 dairy farms), while 5 dairy farms and 1 feed mill maintained SQF certification and continued to promote system certifications such as ISO9001 (the quality management system), ISO22000 (the food safety management system) and FAMI-QS (European Feed Additives and Premixtures Quality System), achieving standardized quality control across the entire process.

In terms of intelligent management, the Group established a leading near-infrared nutrition database with the volume of marked samples exceeding one million. By applying raw material adulteration identification technology and leveraging the near-infrared database, quality information management system, EHSQ (Environment, Health, Safety and Quality) management systems, the Group realized intelligent management of full-chain quality information. In risk prevention and control, the Group built a forward-looking prevention system, developed testing methods for key risk indicators, and implemented source-governance measures such as water source optimization and cleaning process upgrades to achieve zero detection of core risk substances in raw milk. At the same time, the Group improved audit, early-warning and supplier evaluation mechanisms and implemented a routine quality assurance control points (QACP) inspection system, forming a closed-loop risk management framework of “source prevention – process control – post-event traceability.”

During the Reporting Period, the Group’s products consistently maintained a 100% pass rate in the quality sampling tests conducted by national supervision and inspection authorities at all levels. The key quality indicators of raw milk, namely aerobic plate count and somatic cell count, significantly exceeded the standards set forth in China’s Premium Milk Initiative (中國國家優質乳工程) and the industry standards of the United States, Japan and the European Union.

IV. PROCUREMENT STRATEGIES MANAGEMENT

The Group implements a “full lifecycle” supplier management system, anchors in the core strategy of cost reduction and efficiency enhancement, strengthens supply chain resilience and effectively resists market volatility risks through diversified procurement strategies such as hedging of futures, strategic reserve, direct purchase from sources, global purchases and dynamic pricing, combined with full-process lean control.

In terms of supplier ecosystem development, the Group conducts risk rating and performance classification management for key Tier-1 suppliers, optimizing the supplier structure and enhancing comprehensive supplier capabilities through positive incentive and withdrawal mechanisms. The Group maintains in-depth collaboration with 8 core strategic suppliers, implementing 19 collaborative projects covering critical areas such as farm management improvement, business linkage, and epidemic prevention and control. While exploring opportunities for cost reduction and revenue growth, the Group also promotes the lean operation of farms and the cultivation of professional talents, constructing a win-win cooperative ecosystem.

In terms of cost reduction and efficiency enhancement, the Group established a scientific pricing analysis and rapid linkage response mechanism despite price fluctuations in bulk raw materials, optimized supplier layout, and standardized the entire procurement process. During the Reporting Period, the feed cost of raw milk per kilogram decreased by 10.5% year-on-year.

V. DIGITAL MANAGEMENT

Adhering to the principle of “data-driven business innovation, technology-driven value-added business”, the Group drives business transformation through data to enhance core competitiveness.

During the Reporting Period, the Group implemented multiple digitalization projects covering core areas such as farming, supply chain and corporate management through integrated governance mechanisms, while strengthened information security defenses. Proactive defense measures, including upgraded antivirus software, hierarchical control and real-time monitoring across all terminals, ensured business continuity, data security and compliant operations. In the core dairy farming field, relying on the self-developed “Cow Doctor” AI large model, the Group deepened the precision nutrition and feeding platform, built a dairy farm production indicator early-warning system and drove the management model transformation from experience-driven to data-intelligence-driven. In terms of operational efficiency improvement, the self-developed AI precision sprinkler system and intelligent energy monitoring platform were successfully applied at multiple dairy farms, effectively reducing operating costs. The full-chain data collaboration project for the feed supply chain integrated and optimized planning processes, enhancing overall synergy efficiency and capacity utilization. Systems such as “Intelligent Forage Grass Cloud” and the “HP Full-Chain Management Platform” were implemented, achieving true traceability and closed-loop management of data across the entire process of forage grass planting and farming. The “Full Life Cycle Contract Management System” deeply applied AI intelligent review technology, significantly improving the accuracy and efficiency of compliance control.

The Group has continued to optimize its operational efficiency and cost structure through the in-depth integration of digital technology with its business, injecting a strong impetus for high-quality development and further consolidating its leading position in the industry.

VI. SUSTAINABLE DEVELOPMENT

The Group continues to adhere to its strategic goals of “carbon peak by 2030, carbon neutrality by 2050”. During the Reporting Period, the Group actively implemented various carbon reduction measures. Among them, the Zhumadian Dairy Farm successfully passed the official technical review for Verified Carbon Standard (VCS) and was granted 91,300 tons of VCS carbon credits. The Pingdingshan Dairy Farm was awarded a carbon neutrality certificate from the CTC, becoming the first “carbon-neutral” farm in China’s dairy industry, setting a benchmark for the industry’s low-carbon transformation. The Group also procured over 8,000 tons of deforestation-free soybean meal, promoting the planting of nearly 2 million mu of forage grass, further fulfilling its ecological protection responsibility. Meanwhile, the Group actively practices social responsibility by promoting local employment for farmers and herdsmen, effectively helping them increase income and achieve prosperity. Furthermore, the Group has established a compliant and transparent governance system, optimized its board structure, and improved its ESG governance framework, fully integrating the concept of sustainable development into its operations to solidify its development foundation.

During the Reporting Period, the Group’s sustainable development practices were widely recognized by external authorities, with the S&P Global Corporate Sustainability Assessment (CSA) score reached 71 points, ranking first among Chinese dairy companies. Additionally, the Group participated in the questionnaire survey of Carbon Disclosure Project (CDP) and obtained a management rating of B in three key areas of climate, water security and forest risk.

VII. PROSPECTS

Going forward, the Group will seize the opportunities presented by national policy incentives and the development of consumer-driven growth, unswervingly implement the Company's established strategic policies and further deepen its focus on six core strategic initiatives: technology-driven innovation, platform collaboration and expansion, lean management, digital empowerment of business, talent development and corporate culture, and sustainable green development. The Group is committed to building its core competitiveness, improving operational efficiency and expanding revenue and profit margins, as detailed below:

- i. The raw milk business will focus on improving herd quality and milk yield per milkable cow to produce high-quality raw milk, reduce the cost of raw milk per kilogram, increase the yield and profit per cow from the implementation of precise nutrition, diversification of feed ingredients, upgrade of environmental processes and deployment of new energy technologies. It will also strengthen technology-empowered business, build smart farms, independently develop high-value digital intelligent systems/equipment and advance the construction of digital platforms to enhance the efficiency of production and operation of its own farms and empower the industry to upgrade as a whole;
- ii. The feed business will expand its market coverage by establishing a customer value creation service system and developing feed products that align with market demand. It will enhance the "product + service" model to provide systematic solutions that improve customers' profitability and risk resistance. By driving both end-user control and distributor networks, and strengthening brand communication, the Group will enhance customer loyalty and market competitiveness;
- iii. The forage grass business will strengthen independent R&D in forage plantation industry, improve the quality, production and conversion rate of forage by applying precise planting management, advanced processing technologies and expanding planting scale, optimize the planting mode and processing technology, provide high quality forage grass resources for ranches and reduce the cost of farming; and
- iv. The breeding business will breed breeding cattle with excellent quality and produce high-quality and low-cost frozen semen and embryos to promote the independent control of germplasm sources for dairy cows, beef cows and dairy goats, and to help the industry improve genetically.

Besides, the Group will closely track industry development trends and market changes. On the solid foundation of advancing its established strategies, the Group will actively explore related business opportunities within the industrial chain, cultivate new growth drivers, consolidate its industry leadership, and achieve long-term development with higher quality and sustainability.

The Group will continue to consolidate and expand its long-term advantages of "the most comprehensive upstream dairy industry chain, the largest scale, the best structure and layout and high-efficiency operation" to promote the sustainable and high-quality development and to create value for customers, Shareholders, employees and the society, thus contributing to the revitalization of China's dairy industry.

FINANCIAL REVIEW

Revenue

Our revenue increased by 2.8% from RMB20,096 million for the period of 2024 to RMB20,654 million for the Reporting Period.

The following table sets forth a breakdown of our revenue by business segments for the periods indicated:

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw milk	16,023,947	15,100,802
Comprehensive ruminant farming solutions	4,629,759	4,995,358
Total	<u>20,653,706</u>	<u>20,096,160</u>

The increase in our total revenue was primarily due to the growth of raw milk business.

Our revenue generated from raw milk increased by 6.1% from RMB15,101 million for the period of 2024 to RMB16,024 million for the Reporting Period, which was mainly due to the increase of 13.2% in the sales volume of our raw milk from 3,669,563 tons for the period of 2024 to 4,153,082 tons for the Reporting Period as a result of continuous improvement in the milk yield per milkable cow and the continuous optimization of the herd structure; due to the decline in the price of raw milk resulting from the temporary imbalance of the supply and demand in domestic raw milk, the average unit price of raw milk of the Group was RMB3.86/kg for the Reporting Period, representing a decrease of 6.3% as compared to RMB4.12/kg for the period of 2024.

Our revenue generated from comprehensive ruminant farming solutions decreased by 7.3% from RMB4,995 million for the period of 2024 to RMB4,630 million for the Reporting Period, which was mainly due to (i) the decrease in sales volume resulting from the influence of industry demands and prompt and proactive adjustments to our sales strategy based on the Group's risk control; and (ii) the decline in the market price of bulk raw materials, and dynamic adjustments to product prices, leading to a lower income.

Cost of sales

Our cost of sales increased by 3.9% from RMB18,782 million for the period of 2024 to RMB19,520 million for the Reporting Period, which was primarily due to the growth of raw milk business and the effect of fair value adjustment on agricultural produce.

The following table sets forth a breakdown of the cost of sales before fair value adjustments by business segments for the periods indicated:

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw milk	10,529,041	10,156,340
Comprehensive ruminant farming solutions	3,970,968	4,156,830
Total	14,500,009	14,313,170

Cost of sales for the raw milk business before raw milk fair value adjustments increased by 3.7% from RMB10,156 million for the period of 2024 to RMB10,529 million for the Reporting Period, which was primarily due to the increase in the number of dairy cows as a result of the continuous optimization of the herd structure, leading to an increase of sales volume.

During the Reporting Period, the Group's average feed cost of premium raw milk and specialty raw milk was RMB1.88/kg, representing a decrease of 10.5% from the period of 2024, which was primarily due to the continuous decrease in the market price of bulk raw materials, and the Group's precise control of the procurement timing through supply chain process management, which maximized the reduction of raw material procurement costs, as well as our enhanced lean operation management and continuous improvement in feed conversion rate and milk yield per milkable cow.

Cost of sales of comprehensive ruminant farming solutions business before forage grass fair value adjustments decreased by 4.5% from RMB4,157 million for the period of 2024 to RMB3,971 million for the Reporting Period, which was primarily due to the combined effect of timely, proactive adjustment and optimization of sales strategy by the Group during the Reporting Period, leading to a decrease in sales volume, as well as the Group's strengthened lean operation management, active development of new raw materials, increase in the use of cost-effective raw materials, the effective progress in cost reduction of product formula, and the precise control of the procurement timing to maximize the reduction of raw material procurement costs.

Fair value adjustment on agricultural produce included in cost of sales increased by 12.3% from RMB4,469 million for the period of 2024 to RMB5,020 million for the Reporting Period.

Gains arising from initial recognition of agricultural produce at fair value less costs to sell at the point of harvest

Our gains arising from initial recognition of agricultural produce at fair value less costs to sell at the point of harvest were RMB4,469 million for the period of 2024 and RMB5,020 million for the Reporting Period, respectively, mainly due to the combined effect of the increase in sales volume of raw milk, the decrease in the average feed cost and the overall decline in the domestic selling price of raw milk. According to the requirements of IFRSs, agricultural produce shall be initially recognized at fair value less costs to sell at the point of harvest and the difference between fair value less costs to sell and the actual cost incurred shall be included in profit or loss.

Gross profit and gross profit margin

As a result of the foregoing, we recorded a gross profit of RMB5,783 million for the period of 2024, representing a gross profit margin of 28.8%, and a gross profit of RMB6,154 million for the Reporting Period, representing a gross profit margin of 29.8%.

The following table sets forth a breakdown of our gross profit and gross profit margin by raw milk business and comprehensive ruminant farming solutions business for the periods indicated:

	For the year ended December 31,			
	2025		2024	
	<i>RMB'000 (except for percentage)</i>			
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
Raw milk	5,494,906	34.3%	4,944,462	32.7%
Comprehensive ruminant farming solutions	658,791	14.2%	838,528	16.8%
Total	<u>6,153,697</u>	<u>29.8%</u>	<u>5,782,990</u>	<u>28.8%</u>

The increase in gross profit margin was primarily due to the decrease in the purchase price of bulk raw materials in the domestic market, which, coupled with the Group's realization of cost reduction and efficiency enhancement through continued promotion of lean operation management and efficient collaboration across various businesses, led to an increase in the Group's gross profit margin.

The gross profit of the raw milk business increased from RMB4,944 million for the period of 2024 to RMB5,495 million for the Reporting Period. The gross profit margin of the raw milk business increased from 32.7% for the period of 2024 to 34.3% for the Reporting Period, which was mainly due to the decrease in the purchase price of bulk raw materials in the domestic market, and the combined impact of the Group's precise control of the procurement timing through supply chain process management to maximize the reduction of raw material procurement costs, and the Group's strengthened lean operation management and continuous improvement in feed conversion rate and milk yield per milkable cow.

The gross profit of the comprehensive ruminant farming solutions business decreased from RMB839 million for the period of 2024 to RMB659 million for the Reporting Period. The gross profit margin of comprehensive ruminant farming solutions business decreased from 16.8% for the period of 2024 to 14.2% for the Reporting Period, mainly because of the decrease in gross profit due to the decline in sales volume as a result of the Group's timely, proactive adjustment and optimization of sales strategy, as well as the decrease in gross profit due to the adjustment to product structure for customer's benefits.

Losses arising from changes in fair value less costs to sell of biological assets

Our losses arising from changes in fair value less costs to sell of biological assets increased from RMB3,921 million for the period of 2024 to RMB4,312 million for the Reporting Period, which was primarily due to the combined effects of loss arising from the decline in the selling price of raw milk, the increase in the number of culled cows and the year-on-year decrease in the estimated local market unit price of 14-month-old heifers during the Reporting Period, which was partially offset by the increase in the price of beef cattle, the increase in milk yield per milkable cow and continuous decline of feed cost.

Other income

Our other income decreased by 21.9% from RMB549 million for the period of 2024 to RMB429 million for the Reporting Period, which was primarily due to the decrease in incentive subsidies and interest income.

Impairment losses under expected credit loss model, net of reversal

Our impairment losses under expected credit loss model, net of reversal increased by 86.5% from RMB24 million for the period of 2024 to RMB46 million for the Reporting Period, which was primarily due to the provisions made for bad debt losses on several customers by the Company as affected by the dairy industry environment.

Impairment loss recognized in respect of property, plant and equipment and right-of-use assets

Our impairment loss recognized in respect of property, plant and equipment and right-of-use assets for the period of 2024 amounted to RMB513 million, and that for the Reporting Period amounted to RMB48 million. This was mainly due to the impact of the industry environment, which has led to indications of impairment on certain long-term assets of the Group's dairy farms located in low raw milk price regions such as Northwest China for the period of 2024. In accordance with the requirements of IAS 36 Impairment of Assets, the Group conducted impairment tests. Based on the results of these tests, the Group recognized impairment losses for the portion of the long-term assets whose recoverable amount was lower than their carrying amount. During the Reporting Period, upon impairment tests, the recoverable amounts of dairy farms' assets with impairment indications were all higher than their carrying amount, resulting in no impairment losses. The impairment losses for the Reporting Period were mainly attributable to the assets that were obsolete, idle, or scheduled for discontinuation of use.

Other gains and losses

Our other gains and losses for the period of 2024 reflected a loss of RMB102 million, and a gain of RMB2 million for the Reporting Period, primarily due to the impairment loss recognized in respect of interests in associates by the Group for the period of 2024. During the Reporting Period, following impairment tests conducted in accordance with relevant accounting standards, the recoverable amount of the interests in associates was higher than the carrying amount, resulting in no impairment losses.

Selling and distribution expenses

Our selling and distribution expenses increased by 0.9% from RMB632 million for the period of 2024 to RMB638 million for the Reporting Period, which was primarily due to the Company's strategic deployment in the beef cattle and mutton sheep feed business in response to market development trends to promote overall business growth, which resulted in an increase in sales personnel and associated marketing expenses, leading to an increase in selling and distribution expenses. During the Reporting Period, the proportion of selling and distribution expenses in our revenue was 3.1%, remaining broadly unchanged from the period of 2024.

Administrative expenses

Our administrative expenses increased by 5.9% from RMB807 million for the period of 2024 to RMB855 million for the Reporting Period, which was primarily due to the increase in total expenses as a result of the increase in personnel. The proportion of administrative expenses in our revenue increased from 4.0% for the period of 2024 to 4.1% for the Reporting Period, primarily due to the growth rate of administrative expenses increasing at a rate higher than that of revenue.

Other expenses

Our other expenses increased by 35.4% from RMB123 million for the period of 2024 to RMB166 million for the Reporting Period, which was primarily due to a year-on-year increase in the expenditure as a result of more investment in R&D by the Group.

Finance costs

Our finance costs decreased by 9.5% from RMB903 million for the period of 2024 to RMB818 million for the Reporting Period, which was primarily due to decreased finance costs as a result of the decline in interest-bearing liabilities and financing rate of the Group.

Loss before tax

As a result of the foregoing, the Group's loss before tax decreased from RMB774 million for the period of 2024 to RMB378 million for the Reporting Period.

Income tax expense

Our income tax expense decreased by 33.8% from RMB87 million for the period of 2024 to RMB58 million for the Reporting Period, primarily due to the decline in profit from our comprehensive ruminant farming solutions business.

Loss for the year

As a result of the foregoing, we generated a loss of RMB861 million for the period of 2024, compared with a loss of RMB435 million for the Reporting Period, representing a year-on-year reduction in loss of 49.5%, primarily due to (i) the increase in gross profit arising from the Group's increased sales and decreased selling cost per kilogram of raw milk; (ii) the decrease in impairment losses of property, plant and equipment and right-of-use assets for the Reporting Period; and (iii) the decrease in finance costs.

Non-IFRSs Measures

To supplement our consolidated financial information which is presented in accordance with IFRSs, we also use certain financial measures which are not required by, or presented in accordance with IFRSs. We believe that these Non-IFRSs Measures provide useful information to investors and others in understanding and evaluating our consolidated financial results in the same manner as our management.

The use of these Non-IFRSs Measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRSs. The Group's presentation of such adjusted figures may not be comparable to a similar measure presented by other companies. However, the Group believes that these measures reflect the Group's normal operating results by adjusting the potential impacts of certain non-recurring items, and thus facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

The Group uses the following financial measures that are not required by or presented in accordance with IFRSs:

- i. Cash EBITDA represents profit for the year after adjusting the following items: (i) other gains and losses, (ii) impairment losses under expected credit loss model, net of reversal, (iii) impairment loss recognized in respect of property, plant and equipment and right-of-use assets, (iv) loss arising from changes in fair value less costs to sell of biological assets, (v) income tax expense, (vi) finance costs, (vii) interest income, and (viii) depreciation and amortization charged to profit or loss.
- ii. Profit for the year (before biological assets fair value adjustments) is derived from loss for the year excluding loss arising from changes in fair value less costs to sell of biological assets.

The following tables reconcile the Group's adjusted cash EBITDA and profit for the year (before biological assets fair value adjustments) calculated and presented using the most directly comparable financial measure under IFRSs.

Cash EBITDA

For the year ended December 31,
2025 2024
RMB'000 RMB'000

Loss for the year	(435,302)	(861,487)
Adjustments:		
Other gains and losses	(1,860)	102,152
Impairment loss recognized in respect of property, plant and equipment and right-of-use assets	48,141	512,850
Impairment losses under the expected credit loss model, net of reversal	45,630	24,473
Losses arising from changes in fair value less costs to sell of biological assets	4,311,969	3,921,360
Adjusted profit for the year	3,968,578	3,699,348
Adjustments:		
Income tax expense	57,567	87,022
Finance costs	817,814	903,487
Interest income	(22,389)	(64,869)
Depreciation and amortization charged to profit or loss	765,459	699,922
Cash EBITDA	5,587,029	5,324,910

Profit for the year (before biological assets fair value adjustments)

For the year ended December 31,
2025 2024
RMB'000 RMB'000

Loss for the year	(435,302)	(861,487)
Adjustments:		
Losses arising from changes in fair value less costs to sell of biological assets	4,311,969	3,921,360
Profit for the year (before biological assets fair value adjustments)	3,876,667	3,059,873

Liquidity and Capital Resources

During the Reporting Period, the Group funded its cash requirements principally through a combination of cash generated from operating activities and bank borrowings.

The following table sets forth our cash flows for the periods indicated:

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from operating activities	5,945,248	5,838,114
Net cash used in investing activities	(4,044,593)	(5,596,889)
Net cash used in financing activities	(1,602,105)	(3,114,935)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	298,550	(2,873,710)
Effects of foreign exchange rate changes	(50)	38
Cash and cash equivalents at the beginning of the year	1,614,669	4,488,341
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,913,169	1,614,669
	<hr/>	<hr/>

Net Cash Generated from Operating Activities

During the Reporting Period, net cash generated from operating activities was RMB5,945 million. During the period of 2024, net cash generated from operating activities was RMB5,838 million.

Net Cash Used in Investing Activities

During the Reporting Period, net cash used in investing activities was RMB4,045 million, which was mainly attributable to (i) payments for feeding and purchasing biological assets of RMB4,554 million, and (ii) payments for property, plant and equipment of RMB812 million, partially offset by the proceeds from the disposal of biological assets of RMB1,608 million.

In the period of 2024, net cash used in investing activities was RMB5,597 million, which was mainly attributable to (i) payments for feeding and purchasing biological assets of RMB4,810 million, (ii) payments for property, plant and equipment of RMB1,680 million, and (iii) payments for acquisition of financial assets of RMB1,467 million, partially offset by the proceeds from the disposal of financial assets of RMB1,425 million and the proceeds from the disposal of biological assets of RMB736 million.

Net Cash Used in Financing Activities

During the Reporting Period, net cash used in financing activities was RMB1,602 million, which was mainly attributable to (i) new bank and other borrowings of RMB29,246 million, and (ii) repayment of principal and interest payments on bank and other borrowings of RMB30,695 million.

In the period of 2024, net cash used in financing activities was RMB3,115 million, which was mainly attributable to (i) new bank and other borrowings of RMB25,958 million, and (ii) repayment of principal and interest payments on bank and other borrowings of RMB28,894 million.

Indebtedness

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Bank borrowings		
Unsecured	22,846,002	23,169,645
Secured	382,516	856,388
	<hr/>	<hr/>
Other borrowings	183,320	230,369
	<hr/>	<hr/>
	23,411,838	24,256,402
	<hr/>	<hr/>
The carrying amounts of the above borrowings are repayable:		
Within one year	16,083,449	16,709,437
More than one year but within two years	2,665,276	2,108,005
More than two years but within five years	3,413,413	4,241,060
More than five years	1,249,700	1,197,900
	<hr/>	<hr/>
	23,411,838	24,256,402
	<hr/>	<hr/>
Less: Amounts due within one year shown under current liabilities	(16,083,449)	(16,709,437)
	<hr/>	<hr/>
Amount shown under non-current liabilities	7,328,389	7,546,965
	<hr/>	<hr/>
Lease liabilities	2,244,231	2,236,807
	<hr/>	<hr/>
Less: Amount due within one year shown under current liabilities	(300,014)	(248,410)
	<hr/>	<hr/>
Amount shown under non-current liabilities	1,944,217	1,988,397
	<hr/> <hr/>	<hr/> <hr/>

Contingent Liabilities

As at December 31, 2025, the Group had no significant contingent liability.

Capital Commitment

As at December 31, 2025, the Group's capital commitment for the acquisition of property, plant and equipment was RMB348 million (as at December 31, 2024: RMB949 million), representing a decrease as compared with the capital commitment of December 31, 2024, which was mainly due to the decrease in expense for purchase of assets as the Group completed the strategic blueprint of construction of dairy farms on the golden milk source belt, which led to significant reduction of investment scale.

Pledge of Assets

As at December 31, 2025, certain of the Group's bank and other borrowings had been secured by the pledge of the Group's assets, including 60.59% of shares of Shanxi Youran Tianhe Dairy Co., Ltd. and 61.44% of shares of Tangshan Youran Dairy Co., Ltd. held by the Group, as well as pledged bank deposits in the carrying amount of RMB35 million.

Foreign Exchange Risk

The Group operates mainly in the PRC and majority of revenue and costs of goods sold and operations are denominated in RMB. Almost all of the revenue and costs are denominated in the respective functional currency of the Group's entities.

The Company has intra-group balances denominated in foreign currency with one subsidiary, which also exposes the Group to foreign currency risk.

The management of the Group has designated dedicated personnel to monitor the Group's foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Significant Investments

Save as disclosed in this announcement, the Group did not make or hold any significant investments (including any investment in an investee company representing 5%, or more of the Company's total assets as at December 31, 2025) during the Reporting Period.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement, as of December 31, 2025, the Group did not have plans for material investments and capital assets.

Material Acquisitions and/or Disposals

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Period.

Employees and Remuneration Policy

The following table sets forth the numbers of full-time staff dedicated to our business and operations by function as at December 31, 2025.

Function	Number of Staff	% of Total
Management Personnel	1,361	9.8%
Professional Personnel ^{Note1}	1,474	10.6%
Technicians	3,093	22.3%
Skilled Personnel ^{Note2}	7,417	53.5%
Supporting Personnel ^{Note3}	518	3.7%
Total ^{Note 4}	13,863	100.0%

Notes:

1. Professional personnel primarily include staff who are responsible for human resources, finance, procurement and other functions.
2. Skilled personnel primarily include milkers, drivers, maintenance personnel, and calf raisers.
3. Supporting personnel primarily include custodians, chefs and cleaning operatives.
4. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, the percentage figure shown in total may not be an arithmetic aggregation of the percentage figures preceding them.

Our success depends on our ability to attract, retain, motivate qualified employees and maintain a stable core management team and technical team. In this regard, the Group adheres to “building an efficient talent supply chain”, and makes comprehensive layout of talent guarantee, capability enhancement, organizational efficiency and cultural construction. Details of which are set out below:

- i. Talent guarantee: The Group places equal emphasis on internal cultivation and external recruitment. Internally, it improves the training system, implements dynamic talent inventory, and establishes talent pools for key positions. Externally, it deepens collaboration with colleges to expand recruitment channels. Through internal-external synergy, the Group constructs a talent guarantee mechanism covering all levels of positions, achieving efficient and sustainable talent pipeline supply.
- ii. Capacity building: The Group has comprehensively upgraded its “Talent Leader” talent development program, establishing a three-dimensional talent cultivation system integrating management, professionalism and expert to achieve a closed-loop, full-cycle talent process covering selection, cultivation, deployment, and evaluation. Through diverse development pathways and a five-pronged mechanism, the Group reinforces a “training-through-action” approach and standardizes development process. Additionally, the Group collaborates with global high-quality resources, selecting high-potential talents for advanced studies while integrating cutting-edge technologies and advanced management practices. This initiative fosters a learning organization, ensuring solid talent support for the Company’s strategic execution and core competitiveness enhancement.

- iii. Organizational activation and efficiency enhancement: The Group stimulates organizational vitality through mechanism innovation and management optimization, to improve operational efficiency. During the Reporting Period, the Group implemented “Horse Race” performance competition plan, establishing a three-tier management system, directly linking performance results with recognition rewards, commending outstanding achievers, and setting benchmarks, to ignite employees’ entrepreneurial motivation. Concurrently, the Group implemented a special initiative to enhance organizational efficiency. It optimized organizational structure to clarify roles and responsibilities, adopted advanced technologies, equipment and digital management platforms to boost operational productivity and enable data-driven decision-making, which provides robust support for strategic objectives.
- iv. Cultural construction: The Group guided its development with a vision, and deepened the operation philosophy and code of conduct, through culture communication, system integration, value evaluation and innovative practice, the Group has optimized the culture assessment, enhanced cohesion and influence, and promoted the incorporation of culture into operation and management. During the Reporting Period, the Group adopted a multidimensional approach to assess and understand cultural penetration and alignment, strengthened the cultural dissemination capabilities, upgraded the online learning platform, organized themed activities, and promoted the transformation of culture philosophy to practical action. These efforts provided a robust cultural engine for the Group’s “second venture” initiative.

The Group’s total remuneration expenses, excluding contributions to pension plans, for the Reporting Period were RMB1,721 million, representing an increase of 7.6% as compared to RMB1,599 million for the period of 2024.

Significant Events after the Reporting Period

On January 16, 2026, the Company, Boyuan Investment Holding Limited (“**Boyuan**”, as the seller) and J.P. Morgan Securities (Asia Pacific) Limited and CLSA Limited (as the placing agents) have entered into a placing and subscription agreement. On January 20, 2026, the placing agents have successfully placed an aggregate of 299,250,000 placing Shares to not less than six placees on a best effort basis at the placing price of HK\$3.92 per placing Share. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the placees and the ultimate beneficial owners are independent third parties. None of the placees has become a substantial shareholder of the Company immediately after completion of the placing. Also, on January 26, 2026, the Company allotted and issued 299,250,000 top-up subscription Shares to Boyuan at HK\$3.92 per Share. The net proceeds from the top-up subscription, after deducting all relevant fees, costs and expenses (including but not limited to legal expenses and disbursements) incidental to the placing and the top-up subscription, amounted to approximately HK\$1,158.6 million.

In addition, on January 16, 2026, the Company and Boyuan have entered into a specific mandate subscription agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Boyuan has conditionally agreed to subscribe for 299,250,000 specific mandate subscription Shares at HK\$3.92 per Share. Completion of the issuance of the specific mandate subscription Shares is subject to, among other things, the whitewash waiver being granted by the Securities and Futures Commission of Hong Kong and approved by the independent Shareholders. As at the date of this announcement, completion of the specific mandate subscription has not taken place. Upon completion of the placing, the top-up subscription and the specific mandate subscription, the net

proceeds will be applied to the following matters: (i) approximately 35% for advancing technology enablement and digital transformation in enhancing operational efficiency; (ii) approximately 55% for repaying interest-bearing debt and optimizing capital structure to provide flexibility for potential acquisitions or investment opportunities; and (iii) approximately 10% for replenishing working capital and for general corporate purposes. For details of the above transactions, please refer to the announcements of the Company dated January 16, 2026, January 26, 2026, February 6, 2026 and March 6, 2026.

After the Reporting Period, as the Company ceased its trading operations and transitioned to a primarily financing-based structure, the functional currency of the Company was changed from USD to RMB. Given that all existing USD borrowings have been fully replaced with RMB borrowings in January 2026, and the majority of cash balances of the Company will be held in RMB, the Directors considered that RMB better reflects the economic substance of the Company. Accordingly, the functional currency of the Company has been changed prospectively since January 1, 2026.

Save as disclosed in this announcement, there are no other significant events that might affect the Group since December 31, 2025 and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders of the Company.

During the Reporting Period, the Company had adopted and complied with all the applicable code provisions of the Corporate Governance Code except for the deviation as set out below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles between the chairman and president should be separate and should not be performed by the same individual. Mr. Yuan Jun (“**Mr. Yuan**”) has been performing both the roles of chairman and the president of the Company since June 14, 2024, and resigned as executive Director, chairman and the president on March 28, 2025. On March 28, 2025, Mr. Hao Haijun (“**Mr. Hao**”) has been appointed as executive Director, chairman and the president of the Company. After careful evaluation by the nomination committee of the Company and unanimous recognition by the Board, vesting the roles of both chairman and president in the same person, although deviating from the provisions of the Corporate Governance Code, is beneficial to ensuring the unity and consistency of the Group's strategic decision-making and effectively enhancing the efficiency of strategic execution, given extensive strategic decision-making experience and outstanding management capabilities in the dairy industry of Mr. Yuan and Mr. Hao. The Board believes that the balance of power and authority for such arrangement will not be impaired, and it will continue to assess the effectiveness of the governance structure and consider splitting the roles of chairman and the president of the Company at a time when it is appropriate.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the applicable Corporate Governance Code, and maintain high corporate governance standards.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiry to all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code for the Reporting Period.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group. Members of the Audit Committee comprises three members, namely Ms. Xie Xiaoyan (謝曉燕), Mr. Yao Feng (姚峰) and Ms. Huang Lin (黃琳女士), all being independent non-executive Directors. Ms. Xie Xiaoyan, being our independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise, is the chairperson of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period, and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company and the Auditor.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee, a remuneration committee and an environmental, social and governance committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange (including sale of treasury shares). As at December 31, 2025, the Company did not hold any treasury shares.

FINAL DIVIDEND

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025.

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, May 22, 2026. The register of members of the Company will be closed from Tuesday, May 19, 2026 to Friday, May 22, 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, May 18, 2026.

SCOPE OF WORK OF THE COMPANY’S AUDITORS

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 27, 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.yourandairy.com, respectively. The annual report of the Group for the Reporting Period will be published on the aforesaid websites of the Stock Exchange and the Company in due course and will be dispatched to the Shareholders (if requested) in due course.

DEFINITIONS

“AGM”	the annual general meeting of the Company to be held on Friday, May 22, 2026
“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Company
“Auditor”	Messrs. Deloitte Touche Tohmatsu
“Board”	the board of Directors
“Bright Dairy”	the group of companies comprising Bright Dairy & Food Co., Ltd. (光明乳業股份有限公司), a company incorporated in the PRC, and its subsidiaries, as a group being one of our customers
“China” or “PRC”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Company” or “our Company”	China Youran Dairy Group Limited (中國優然牧業集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands on August 21, 2020
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

“CTC”	China Testing & Certification International Group Co., Ltd. (中國國檢測試控股集團股份有限公司)
“Director(s)”	the director(s) of our Company
“Group”, “our Group”, “we”, “us” or “our”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRSs”	International Financial Reporting Standards
“Junlebao Dairy”	the group of companies comprising Shijiazhuang Junlebao Dairy Co., Ltd. (石家莊君樂寶乳業有限公司), a company incorporated in the PRC, and its subsidiaries, as a group being one of our customers
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“mu”	mu (畝), a unit of land traditionally used in East Asia equivalent to approximately 666.67 sq.m.
“Non-IFRSs Measures”	non-International Financial Reporting Standards measures
“period of 2024”	the year ended December 31, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Reporting Period”	the year ended December 31, 2025
“R&D”	research and development
“Share(s)”	ordinary share(s) of par value US\$0.00001 each in the current share capital of our Company
“Shareholder(s)”	holder(s) of our Share(s)

“SKX”	Inner Mongolia Saikexing Reproductive Biotechnology (Group) Co., Ltd. (內蒙古賽科星繁育生物技术(集團)股份有限公司), a company established under the laws of the PRC and whose shares are listed on the National Equities Exchange and Quotations (stock code: 834179) which has been a subsidiary of the Company since January 8, 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TPM”	Total Productive Maintenance
“US\$”	United States dollars, the lawful currency of the United States
“Yili”	Inner Mongolia Yili Industrial Group Co., Ltd. (內蒙古伊利實業集團股份有限公司), a company established under the laws of the PRC in June 1993 and whose shares are listed on the Shanghai Stock Exchange (stock code: 600887), and is our controlling shareholder
“Yili Group”	Yili and its subsidiaries and associates from time to time
“%”	per cent

By order of the Board
China Youran Dairy Group Limited
Hao Haijun
Chairman and Executive Director

Hohhot, March 27, 2026

As at the date of this announcement, the executive Directors are Mr. Hao Haijun, Mr. Dong Jiping and Ms. Meng Yilan; the non-executive Directors are Mr. Bai Wenzhong, Ms. Li Lin and Mr. Xu, Zhan Kevin; and the independent non-executive Directors are Ms. Xie Xiaoyan, Mr. Yao Feng and Ms. Huang Lin.