# 牧原食品集團股份有限公司

# MUYUAN FOODS GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 002714.SZ 02714.HK

2026 INTERIM REPORT

**Who We Are**

Producer of high-quality pork and promoter of social progress.

**Our Mission**

To produce safe and healthy pork products for the public; to advance healthy industry development.

**Our Vision**

To serve people with wholesome pork for their enjoyment in an abundant life; to make the company respectable.

**Core Values**

Creating value, serving society, being internally and externally upright, and promoting social progress.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. CAO Zhinian *(Chairman) (appointed as Chairman on June 1, 2026)*
Ms. YANG Ruihua
Mr. GAO Tong *(appointed on June 23, 2026)*
Mr. QIN Muyuan *(appointed on June 23, 2026)*
Mr. QIN Yinglin *(resigned as executive Director and Chairman on June 1, 2026)*

### Non-executive Directors

Ms. QIAN Ying
Mr. SU Danglin

### Independent Non-executive Directors

Mr. CHOW Ming Sang
Mr. YAN Lei
Mr. FENG Genfu

## AUDIT COMMITTEE

Mr. CHOW Ming Sang *(Chairman)*
Ms. QIAN Ying
Mr. YAN Lei

## REMUNERATION AND APPRAISAL COMMITTEE

Mr. YAN Lei *(Chairman)*
Mr. CAO Zhinian
Mr. FENG Genfu

## NOMINATION COMMITTEE

Mr. FENG Genfu *(Chairman)*
Ms. QIAN Ying
Mr. YAN Lei

## STRATEGY COMMITTEE

Mr. CAO Zhinian *(Chairman) (appointed as the chairman of the Strategy Committee on June 1, 2026)*
Ms. YANG Ruihua
Mr. CHOW Ming Sang
Mr. QIN Yinglin *(resigned as the chairman of the Strategy Committee on June 1, 2026)*

## SUSTAINABLE DEVELOPMENT COMMITTEE

Mr. CAO Zhinian *(Chairman) (appointed as the chairman of the Sustainable Development Committee on June 1, 2026)*
Mr. CHOW Ming Sang
Mr. FENG Genfu
Mr. QIN Yinglin *(resigned as the chairman of the Sustainable Development Committee on June 1, 2026)*

## AUTHORISED REPRESENTATIVES

Mr. CAO Zhinian
Ms. LEUNG Wing Han Sharon

## JOINT COMPANY SECRETARIES

Mr. QIN Jun
Ms. LEUNG Wing Han Sharon *(FCG, HKFCG)*

## REGISTERED OFFICE IN THE PRC

Shuitian Village, Guanzhang Town
Neixiang County, Nanyang
Henan Province
PRC

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

Longsheng Industrial Park
Wolong District, Nanyang
Henan Province
PRC

# CORPORATE INFORMATION

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1920, 19/F
Lee Garden One 33 Hysan Avenue
Causeway Bay
Hong Kong

## HONG KONG H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

## HONG KONG LEGAL ADVISER

Kirkland & Ellis
26th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

## COMPLIANCE ADVISER

Somerley Capital Limited
20/F China Building
29 Queen's Road Central
Central
Hong Kong

## AUDITOR

KPMG Huazhen LLP
*Public Interest Entity Auditor recognised in accordance with the Accounting and Financial Reporting Council Ordinance*
8th Floor, KPMG Tower
Oriental Plaza
1 East Chang An Avenue
Beijing, PRC

## STOCK CODE

Hong Kong Stock Exchange: 2714
Shenzhen Stock Exchange: 002714

## COMPANY WEBSITE

www.muyuanfoods.com

# KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

## I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

The Company is not required to retrospectively adjust or restate prior-year accounting data.

| Item | Reporting Period | Corresponding period of prior year | Year-on-year change |
|---|---|---|---|
| Revenue (RMB) | 59,410,306,384.59 | 76,462,752,679.74 | -22.30% |
| Net (loss)/profit attributable to shareholders of the Company (RMB) | -6,077,653,278.94 | 10,530,051,098.42 | -157.72% |
| Net (loss)/profit attributable to shareholders of the Company after deducting non-recurring gains and losses (RMB) | -5,895,303,071.49 | 10,676,851,630.80 | -155.22% |
| Net cash (used in)/generated from operating activities | -2,223,668,382.68 | 17,350,809,939.40 | -112.82% |
| Basic (loss)/earnings per share (RMB/share) | -1.10 | 1.96 | -156.12% |
| Diluted (loss)/earnings per share (RMB/share) | -1.10 | 1.91 | -157.59% |
| Weighted average return on net assets (%) | -7.48 | 13.79 | decline by 21.27 percentage points |

# KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

| Item | End of the Reporting Period | End of prior year (December 31, 2025) | Period-on-period change |
|---|---|---|---|
| Total assets (RMB) | 175,063,111,942.34 | 171,741,086,702.08 | 1.93% |
| Net assets attributable to shareholders of the Company (RMB) | 80,186,616,876.38 | 77,689,245,439.49 | 3.21% |

## II. DIFFERENCES IN ACCOUNTING DATA UNDER PRC AND INTERNATIONAL ACCOUNTING STANDARDS

### 1. Differences in net profit and net assets in the financial reports disclosed in accordance with the International Accounting Standards and the Chinese Accounting Standards

☐ Applicable ☑ Not applicable

The Company has no differences in net profit and net assets between the financial reports disclosed in accordance with International Accounting Standards and Chinese Accounting Standards during the Reporting Period.

### 2. Differences in net profit and net assets in the financial reports disclosed in accordance with overseas accounting standards and Chinese Accounting Standards

☐ Applicable ☑ Not applicable

The Company has no differences in net profit and net assets between the financial reports disclosed in accordance with overseas accounting standards and Chinese Accounting Standards during the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

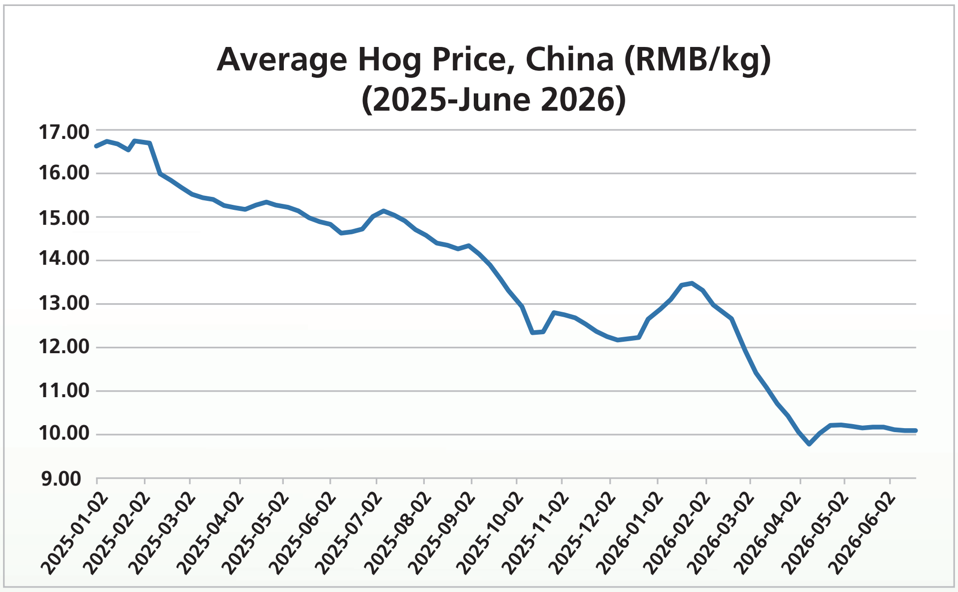
## I. PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

### (I) Industry Overview

#### *1. Hog Farming Industry*

According to data from the National Bureau of Statistics of China, in the first half of 2026, a total of 372.46 million hogs were sold nationwide, representing a year-on-year increase of 6.27 million heads, or 1.7%. Pork production was 31.19 million tonnes, representing a year-on-year increase of 990,000 tonnes, or 3.3%. The Ministry of Agriculture and Rural Affairs of the People's Republic of China, together with relevant departments, adopted supply adjustment measures, consumption promotion and reserve purchases during the period to regulate hog production capacity. As the various measures progressively took effect, as at the end of Q2 2026, the national hog inventory was 424.91 million heads, representing a year-on-year increase of 450,000 heads, or 0.1%, with the growth rate decreasing by 1.4 percentage points compared to Q1. The reproductive sow inventory was 37.80 million heads, representing a year-on-year decrease of 2.63 million heads, or 6.5%, with the decline widening by 3.2 percentage points compared to Q1. The current reproductive sow inventory stands at approximately 100.8% of the normal inventory target of 37.50 million heads, indicating that baseline production capacity is being reasonably reduced.

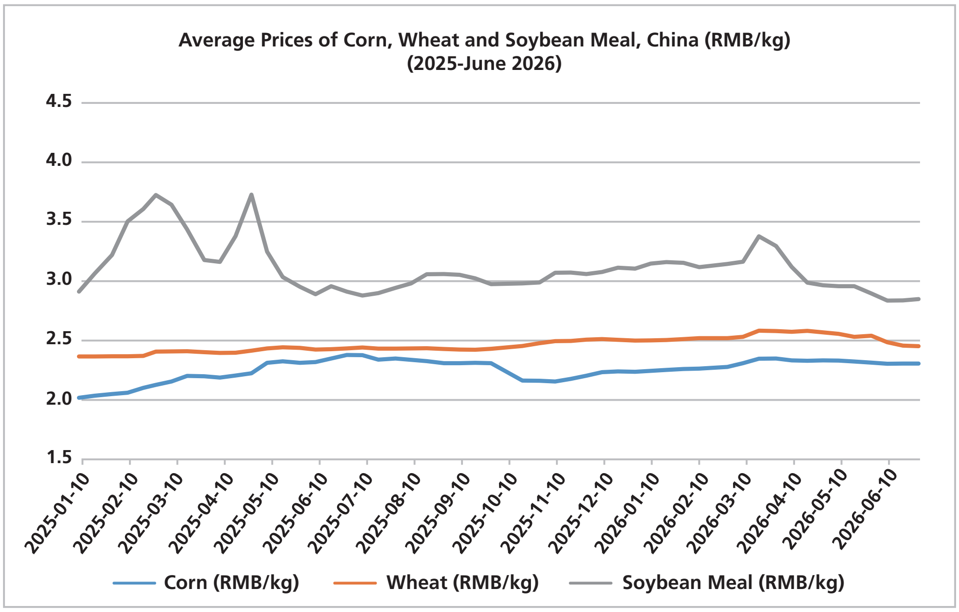
In the first half of 2026, hog prices peaked in January before declining with oscillation, reaching a bottom in April and remaining at low levels thereafter. Overall, the hog farming industry was in deep loss territory during the first half of 2026.




*(Source: Ministry of Agriculture and Rural Affairs of the People's Republic of China)*

# MANAGEMENT DISCUSSION AND ANALYSIS

During the first half of 2026, prices of major feed ingredients were generally stable overall. Nationwide corn and wheat prices remained relatively stable with slight year-on-year increases, while soybean meal prices showed an oscillating downward trend with a significant year-on-year decline.




*Source: National Bureau of Statistics of China*

## 2. *Hog Slaughtering Industry*

According to the National Bureau of Statistics, in the first half of 2026, pork production in China was 31.19 million tonnes, accounting for 61.76% of total major livestock and poultry meat production in China.

# MANAGEMENT DISCUSSION AND ANALYSIS

The current capacity utilization rate of large-scale slaughtering enterprises remains unsaturated, and market concentration is relatively low. To strengthen hog slaughtering management and ensure food safety, relevant government departments have adopted multiple measures to promote the transformation and upgrading of the hog slaughtering industry. In 2023 the Ministry of Agriculture and Rural Affairs of the PRC issued the "Three-Year Action Plan for Strict Standards, Enhanced Capabilities, and Safety Assurance in Livestock and Poultry Slaughtering"《畜禽屠宰"嚴規範促提升保安全"三年行動方案》, which stated that "through the implementation of the three-year action, by 2025, the national layout and structure of livestock and poultry slaughtering shall be further optimized, slaughtering capacity shall be concentrated in major farming areas, the alignment with farming capacity shall be significantly improved, capacity utilization and industry concentration in livestock and poultry slaughtering shall steadily increase, and the level of standardization, mechanization, and intelligence in livestock and poultry slaughtering shall be significantly improved." The "Hog Slaughtering Quality Management Standards"《生豬屠宰質量管理規範》came into effect on January 1, 2024, setting out specific requirements for designated hog slaughtering plants to accelerate the industry's transformation and upgrading. The "Regulations on the Establishment and Approval of Designated Hog Slaughtering Plants"《生豬定點屠宰廠(場)設置審查規定》came into effect on March 1, 2025, further strengthening the management of the hog slaughtering industry. The year 2026 marks the first year of full implementation of the Hog Slaughtering Quality Management Standards, which has now entered the mandatory enforcement phase. Enterprises that fail to meet the standards will be penalized in accordance with the "Regulations on the Administration of Hog Slaughtering"《生豬屠宰管理條例》, as industry supervision gradually moves toward normalized, refined, and closed-loop management.

In terms of industry data, according to the Ministry of Agriculture and Rural Affairs of the PRC, slaughter volume at designated large-scale enterprises grew from 264.85 million heads in 2021 to 411.37 million heads in 2025, with the proportion of designated slaughtering increasing from 39.45% to 57.16%, indicating a gradual improvement in industry concentration. During the period from January to June 2026, the total slaughter volume at designated large-scale enterprises was 227.25 million heads, representing a year-on-year increase of 19.3%. As consumers raise their standards for and increase their demand for meat products, the overall industry trend is moving toward scale, automation, and intelligence.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Overview of the Company's Operation

In the first half of 2026, the Company sold approximately 38.615 million finished hogs (including hogs sold to the slaughtering and meat product business), slaughtered approximately 17.234 million hogs, and sold approximately 1.9165 million tonnes of fresh, frozen and other pork products. During the Reporting Period, due to a significant year-on-year decline in hog prices, the Company recorded revenue of approximately RMB59.410 billion, representing a year-on-year decrease of 22.30%, of which the slaughtering and meat product business recorded revenue of approximately RMB22.061 billion, representing a year-on-year increase of 14.04%. The Company recorded a net loss of approximately RMB6.084 billion for the period.

In the first half of 2026, the Company's production performance continued to improve, with hog farming costs declining year-on-year. As of June 2026, the Company's total unit cost of hog farming was approximately RMB11.7 per kilogram. Going forward, the Company will focus on health management, breeding hog genetics, nutritional formulations and intelligent applications, and through technological innovation and refined management, aim to improve various production indicators and continuously reduce costs and enhance efficiency, striving to achieve the full-year average cost target of RMB11.5 per kilogram.

In the first half of 2026, the Company's slaughter volume further increased year-on-year, with 17.234 million hogs slaughtered, representing a year-on-year increase of 50.98%, primarily attributable to the maturation of the slaughtering and meat product business's internal operating system, talent development, continuous expansion of sales channels, and improvement in pork quality. The Company continued to leverage the synergies between its slaughtering and farming operations, using the slaughtering business to understand market demand in various regions and guiding the farming segment to conduct breeding and production with a consumer demand-oriented approach. The Company actively expanded sales channels for the slaughtering and meat product business and continued to build a nationwide pork sales network, optimising its customer and product mix. As of the end of June 2026, the slaughtering and meat product business had established over 80 sales branches across 20 provincial-level administrative regions nationwide. Looking ahead, the Company is confident in achieving further growth in slaughter volume and improvement in profitability, and will advance slaughtering capacity construction based on production and operational needs, continue to optimise sales channels and product mix, focus on customer needs for customised and high value-added product development, increase capacity utilisation and the proportion of processed cuts, and strive to achieve better operating results.

# MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2026, the Company continued to build a hog farming large model centred on core technologies and operational management in the farming business, driving the deep integration of artificial intelligence and hog farming. The Company signed a strategic cooperation agreement with Alibaba Cloud to jointly develop an industry-specific large model for the hog farming sector. The Company has embedded the experience and solutions accumulated during its development into the hog farming large model to help frontline employees resolve technical and management challenges, improve personnel efficiency, and reduce internal variability. The purpose of developing the large model is to make hog farming simpler and easier for employees — eliminating environmental deviations through smart hog houses and equipment, and eliminating personnel capability deviations through the application of the hog farming large model, solving technical and management problems, improving personnel efficiency and reducing internal dispersion. The hog farming large model is currently in its early development stage, and the Company will continue to refine and upgrade it through specialised training to empower frontline production management and make AI an excellent assistant for management personnel and farming technicians.

In the first half of 2026, the Company actively explored industry interconnection, farmer partnership and support, industry exchanges, and collaborative development. Leveraging the technical expertise accumulated through long-term development, the Company provided systematic solutions to farmers in areas such as disease prevention and control, nutritional formulations, and environmental management, enhancing farmers' production efficiency and profitability. In the future, as the Company's hog farming large model technology gradually matures, the Company hopes to apply it to linking farmers and aiding farmers and interconnecting industries, and equip every pig farmer with a "super intelligent assistant", so that farmers can receive professional guidance and technical support at any time during the production process, so as to promote the high-quality development of the industry. The Company signed a strategic cooperation agreement with the Central Agricultural Broadcasting and Television School, relying on the resources, technology and platform advantages of both parties, to carry out talent cultivation, technology export, model co-construction and experience sharing through farmer field schools on a regular and long-term basis, and jointly cultivate high-calibre farming talent and build a new platform for national smart agriculture (hog farming) talent development.

In the first half of 2026, while deepening its domestic operations, the Company actively monitored and explored overseas markets. The global hog farming industry still offers significant growth opportunities, and the Company aims to leverage its technological advantages, cost management expertise, and environmental governance experience to fully capitalise on overseas market opportunities and drive further business growth. In February 2026, the Company was officially listed on the Hong Kong Stock Exchange, becoming the first Chinese hog farming enterprise with dual A-share and H-share listings. The Company's overseas business development has progressed from asset-light service exports to joint operations with local enterprises and capacity deployment. Vietnam joint venture and self-built projects are progressing in an orderly manner. The Company will further increase its overseas expansion efforts, having dispatched teams to explore business models in multiple countries and regions including the Philippines.

The Company has always placed great importance on market value management. Based on its recognition of the Company's long-term investment value and firm confidence in future development, the Directors and senior management have completed their A-share share increase plan with a total amount of RMB500 million. The Board has approved an H-share buyback plan with a total amount of HKD300 million to HKD500 million, demonstrating confidence through concrete actions and safeguarding the interests of investors. The Company will focus on its core business, operate prudently, continuously improve production efficiency and profitability, and strive to achieve high-quality and stable development, delivering better operating results to shareholders and promoting a virtuous interaction between the Company's intrinsic value and market performance.

# MANAGEMENT DISCUSSION AND ANALYSIS

### (III) Principal Business, Products and Operating Model

The Company's principal business comprises hog farming and sales and hog slaughtering, with main products including finished hogs, piglets, breeding hogs, carcasses, pork cuts, and other pork products. In the first half of 2026, the Company sold approximately 38.615 million finished hogs (including hogs sold to the slaughtering and meat product business), slaughtered approximately 17.234 million hogs, and sold approximately 1.9165 million tonnes of fresh, frozen and other pork products.

The Company adopts a vertically-integrated business model, having established an integrated pork industry chain encompassing feed production, hog breeding, hog farming, and slaughtering and meat production, covering the entire hog industry value chain. The vertically-integrated business model facilitates the Company's implementation of more stringent cost management and quality control, so as to ensure operating results in all aspects. As of the end of June 2026, the Company had over 300 wholly-owned and controlled subsidiaries.

The Company has built its own feed mills, independently developing nutritional formulas and producing feed to meet the feeding requirements of hogs at various growth stages. Guided by market demand, the Company has established a quality-first breeding system to continuously select and breed superior varieties. The Company is committed to innovation, research and development, and intelligent applications, with independently developed smart equipment — including fresh air filtration systems, independent ventilation systems, intelligent environmental control systems, and intelligent feeding systems — being progressively deployed to safeguard the living environment of hog herds. By integrating technologies such as the Internet of Things, big data, and artificial intelligence, the Company achieves coordinated operation of intelligent equipment and intelligent operations across the entire industrial chain, improving production efficiency, reducing costs, and supporting the Company's sustainable development.

Through its self-raising and self-slaughtering business model, the Company ensures that food safety is fully knowable, controllable, and traceable throughout the entire process, safeguarding food quality and safety. At the same time, the slaughtering and meat processing business also creates synergies with the hog breeding business. The slaughtering segment is able to capture actual consumer demand for pork products and drive the farming segment to conduct hog breeding and production in a market-demand-oriented manner. Through the coordinated management of farming and slaughtering, synergies are generated that enhance product value and provide consumers with more high-quality pork.

## II. CORE COMPETITIVENESS ANALYSIS

### (I) Integrated Industry Chain Advantages

With over 30 years of development, the Company has established an integrated pork industry chain encompassing feed production, hog breeding, hog farming, and slaughtering and meat production. The Company's integrated industry chain business model enables strict control over each production process, providing certain advantages in food safety, disease prevention and control, environmental compliance, quality control, and cost control.

# MANAGEMENT DISCUSSION AND ANALYSIS

### *1. Food safety advantages*

The Company produces feed for its own use, establishing high standards across all processes including raw material procurement, processing and production, and transportation, strictly controlling feed quality and strengthening food safety control from the source. The Company's hogs are self-bred and self-raised, with strict technical and quality standards established, a comprehensive food safety critical control point system implemented, and a hog batch quality tracing system established from pork back to weaned piglets, effectively ensuring food safety.

The Company established Henan Hongxin Testing Technology Co., Ltd. to conduct full-process verification of veterinary drug residues, nutrition, environmental monitoring, and disease diagnosis testing from veterinary drugs, water sources, and feed to hog farming and slaughtering and meat products, based on product standards, to ensure food safety. Henan Hongxin Testing Technology Co., Ltd. has obtained CMA certification and CNAS accreditation.

The hog sources for the Company's slaughtering and meat product segment are controllable and traceable, helping ensure raw material safety and quality from the source. Through pre-slaughter quarantine, post-slaughter synchronous quarantine, and strict factory inspection checkpoints, the Company excludes non-compliant hogs from entering the food chain. The Company strictly controls product quality and uses X-ray machines and metal detectors to detect foreign objects during meat production. Chilled fresh meat is transported via full cold-chain logistics, with each vehicle equipped with temperature-control devices and GPS systems to help ensure transportation safety.

Over the years, the Company has strengthened food safety and quality management across every stage of the hog industry chain, continuously improving its food safety and quality management system. In key and challenging areas in food safety and quality management, the Company has implemented precision management and established the "7+1+1" food safety and quality assurance system. The "7" refers to full-chain food safety and quality management across seven segments: inputs, feed processing, farming production, testing and verification, market sales, slaughtering and meat products, and market distribution, forming a complete food safety and quality management chain from "farm to table". The first "1" refers to integrating information systems across feed, farming, and slaughtering to enable end-to-end digital food safety and quality management, using digitalization to ensure food safety and quality. The second "1" refers to establishing a food safety and quality culture system to align employee awareness and behaviour.

# MANAGEMENT DISCUSSION AND ANALYSIS

As of June 2026, the Company had obtained FSSC22000 food safety system certification recognised by the Global Food Safety Initiative (GFSI) and China GAP Good Agricultural Practice certification for feed production and hog farming processes, and obtained China's first full-chain digital certification for premium livestock and poultry products. Five hog farms have obtained the qualifications for supplying live hogs to Hong Kong and Macau from the Chinese mainland, one hog farm has obtained the qualifications as a supplier of chilled pork to Hong Kong, 85 hog farms have obtained qualifications as farms supplying livestock and poultry raw materials for export from the Chinese mainland, and the Neixiang Muyuan Modern Agriculture Complex Co., Ltd. has obtained China GAP certification and China's first full-chain digital certification for premium livestock and poultry products.

In the slaughtering segment, ten of the Company's slaughtering plants have passed HACCP system certification and ISO9001 quality management system certification, all ten slaughtering plants have passed Hog Slaughtering Quality Management Standards certification, four slaughtering plants have passed national-level standardised slaughtering plant certification, one slaughtering plant has passed certification as a supplier of chilled pork to Hong Kong, and one slaughtering plant was included in the whitelist and designated as a pork supplier for the 9th Asian Winter Games in Harbin. In addition, seven hog slaughtering plants have obtained ISO14001 environmental management certification, seven hog slaughtering plants have obtained ISO45001 certification, five hog slaughtering plants have been certified national-level green factories, two hog slaughtering plants have been certified as provincial-level green factories, two hog slaughtering plants have been certified as municipal-level green factories, three hog slaughtering plants have been certified as provincial-level water-efficient enterprises, and one hog slaughtering plant has obtained ISO22000 food safety management certification.

### 2. *Disease prevention and control advantages*

The integrated business model provides a foundation for the Company to implement standardised disease prevention and control measures. With over 30 years of experience in hog farming and disease prevention and control, the Company has established a comprehensive internal management system. Guided by the principle of "prioritizing care over prevention, prevention over treatment, and embracing a holistic approach to hog health management" (養重於防，防重於治，綜合防治), the Company has developed a more robust early warning and prevention system by combining smart hog houses equipped with environmental controls and smart inspection equipment with diagnostic testing platforms, progressively eliminating multiple diseases.

In terms of site layout, the Company adopts a "large zones, small units" layout for hog houses to prevent cross-infection and block the intrusion of external pathogens. During the farming process, the Company adopts biosecurity measures including independent quarantine and acclimation for replacement stock, parity-based housing, one-to-one transfers, and an "all-in, all-out" model to ensure the safety and effectiveness of the disease prevention system.

# MANAGEMENT DISCUSSION AND ANALYSIS

### 3. *Cost control advantages*

The Company's integrated industry chain business model offers advantages including centralised procurement and unified management, reducing transaction costs in intermediate processes, improving responsiveness to market changes, stabilising the entire production process, and enhancing the Company's ability to withstand market risks.

### 4. *Standardised production and scaled operations advantages*

The Company has formulated a series of standardised systems and technical specifications for all production processes across feed production, hog selection, hog breeding, hog farming, and slaughtering and meat production. It has developed 20 cutting-edge technologies spanning breeding, feed, health, farming, and intelligence, addressing major challenges in biological breeding, environmental protection in farming, and disease prevention and control, while advancing farming technology and improving production efficiency. Under the integrated industry chain business model, the Company standardizes production specifications and management systems to ensure that hogs from the same batch meet consistent quality standards.

The Company promotes production standardisation by establishing unified systems and technical specifications, building an internal learning platform, and curating and promoting standardised videos. These resources deliver production techniques directly to frontline workers, enabling rapid replication of best practices, strengthening skills across roles, and improving production efficiency. Meanwhile, by continuously optimising its information management systems, the Company has achieved full digitalization of key processes, including financial management, human resource management, office automation, production management, and food safety traceability. It has streamlined management processes, created a scalable, efficient, and integrated operating model. It has also reduced information silos, enabled more granular management, and significantly strengthened management and decision-making capabilities.

The Company develops rigorous frontline profit settlement plans tailored to each farm's operating and production stage, incorporating factors such as product quality, production efficiency, production costs, and profitability, enabling employees and managers to clearly understand the financials, strengthening intrinsic motivation, and supporting the achievement of stretch goals.

In the slaughtering and meat product segment, the Company adopts a unified back-office management model for the production and sales operations of all slaughtering subsidiaries. On the production side, the Company unifies standards and provides centralised training for production processes in slaughtering and processing to ensure consistent standards and quality of slaughtering and meat products. On the sales side, the Company provides unified management across sales branches nationwide, combining factors such as customer requirements and transportation routes to provide quality, efficient product supply and services to various types of customers across the country. Currently, the Company has certain advantages in large-scale supply of standardised products.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (II) Full Industry Chain R&D Advantages

The Company is committed to technology innovation and maintaining industry leadership in the R&D. Leveraging its technological capabilities and management expertise, the Company has resolved multiple technical challenges across the full chain, achieving efficient coordination and standardised management of upstream and downstream processes. Since founding the Company in 1992, Mr. Qin Yinglin, the founder of the Company, has made technological innovation the cornerstone of enterprise development, leading the Company's technical team in continuous R&D and innovation across the entire hog farming process, accumulating extensive technology and experience, and building full-chain technology R&D capabilities.

### 1. *Hog breeding advantages*

The Company has always been driven by consumer demand and focuses on pork quality, carcass traits, reproductive performance and growth performance as its main breeding objectives in carrying out its breeding and hog production businesses.

Leveraging its vertically integrated industrial layout, the Company conducts large-scale breeding hog performance testing and carcass performance testing, and performs genetic evaluation of breeding hogs. Through nearly 30 years of selection and cultivation, the Company has developed a breeding hog population with stable genetic performance, high consistency, strong adaptability and favourable overall economic performance.

The Company cooperates with leading universities and research institutes to carry out research on key technologies such as intelligent breeding hog measurement, big-data-based genetic evaluation and whole-genome studies of hog germplasm resources. The Company has developed a proprietary hog breeding system, collected extensive phenotypic measurement data of breeding hogs and their progeny, and conducts scientific genetic evaluations to accelerate genetic progress of the population. This enables the Company to quickly select breeding hogs with excellent performance metrics and to apply superior genes to its nucleus and multiplier herds through semen. Leveraging its vertically integrated industrial chain, the Company has established a specialized meat quality testing centre and continued to conduct meat quality testing and evaluation of breeding hogs and finished hogs. This provides data support for meat-quality trait selection and enables continuous breeding of high-quality pork that meets consumer demand.

The Company continues to explore and innovate in the course of its development to achieve independent breeding. Based on its rotational crossbreeding technology, and according to its operational and market needs, the Company adopts either a two-way or three-way production cross system to ensure the sustainable production of healthy and high-quality hogs. Under the rotational crossbreeding system, the Company selects sows with large litter size and high lean-meat ratio from its two-way crossbred finished hogs, so that each generation of sows maintains hybrid vigour and meets the dual needs of both breeding and commercial production in terms of reproductive performance, growth rate, lean-meat ratio and carcass quality.

# MANAGEMENT DISCUSSION AND ANALYSIS

### *2. Nutrition technology advantages*

Building on existing "corn + soybean meal" and "wheat + soybean meal" formulation technologies, the Company continues to develop and introduce barley, sorghum, raw material by-products, and miscellaneous grains and meals, achieving full utilisation of raw materials. The Company also continues to research low-soybean diets, applying net energy and true ileal digestible amino acid systems to design diet formulations, fully leveraging fermented amino acids to reduce soybean meal usage. These efforts not only reduce reliance on corn and soybean meal in traditional diets but also significantly reduce nitrogen emissions, making operations more environmentally friendly. The Company adjusts feed formulations in a timely manner based on raw material cost-effectiveness, effectively reducing feed costs.

For different herds and physiological stages, based on herd production performance, the Company applies factorial analysis to design dynamic nutritional models, providing optimal nutrition for each herd. Through variable-frequency mixing technology, the Company can dynamically adjust nutrition supply based on herd growth performance, achieving one formulation per day and precise nutritional supply.

The Company has achieved fully automated production throughout the feed processing process, with one-click system startup and automatic operation. All feed undergoes high-temperature, extended-time sterilization, with sterilization temperature monitored, analysed, and processed in real time online to ensure effective high-temperature sterilization. After sterilization, high-temperature feed is cooled using three-stage filtered cooling air, transported to farm centralised feed bins via sealed feed tankers, and then delivered via sealed pipe chain to feeding units, achieving full-process zero human contact and eliminating biosecurity risk in feed, ensuring herd health. The Company has built a feeding information system to monitor, analyse, and provide feedback on feed quality, feed intake, and herd growth performance, ensuring feed quality, precise nutritional supply, and healthy herd growth.

### *3. Smart hog farming technology advantages*

The Company has upgraded hog house layout planning, adopting zoned management to reduce cross-contamination risks. The air at the air inlet is filtered in four layers, effectively reducing the risk of virus transmission; Independent ventilation system is adopted in the house to avoid cross-ventilation between pens; The odor at the air outlet end is discharged after deodorization and sterilization, which will not affect the surrounding residents. Smart hog houses provide a clean, comfortable, and healthy growing environment for herds, ensuring animal welfare while reducing labour input and improving production efficiency. During the farming process, through high-temperature feed sterilization, sealed pipe chain transport, ultrafiltered water disinfection, and intelligent inspection anomaly alerts, the Company achieves comprehensive monitoring of herds, reduces human-animal contact, and enhances full-process disease prevention capabilities.

# MANAGEMENT DISCUSSION AND ANALYSIS

The Company continues to promote intelligent innovation by applying intelligent equipment and big-data based technologies, artificial intelligence and the industrial internet to various stages of hog production. It has developed key intelligent equipment and solutions such as intelligent environmental control, intelligent feeding, intelligent inspection, intelligent sound monitoring and needle-free injectors, and has also explored the development of functions such as disease identification through sound, image-based disease recognition and disease prediction. Meanwhile, through developing an Internet of Things (IoT) platform, the Company centrally collects and processes data gathered by front-end intelligent equipment, establishes big-data analysis models for hog production, and achieves refined management down to each unit, each device and each pig, thereby realising efficient data management across the entire hog production process. Currently, the Company is developing a hog farming large model. Benefiting from advances in AI technology, the Company is transforming work that previously relied on empirical judgement into logically rigorous, standardised algorithmic models. This facilitates end-to-end data collection, analytical decision-making and instruction issuance across the entire hog production chain. Every hog farmer is equipped with an advanced digital assistant to resolve technical and managerial difficulties, making hog production easier and simpler. These technological innovations have effectively empowered the hog farming industry and significantly improved production efficiency.

Focusing on digital and intelligent application scenarios and business needs across the hog industry chain, the Company is building an integrated hog industry interconnection platform encompassing agricultural planting, feed processing, hog breeding, hog farming, slaughtering and processing, smart equipment, and platform services. By providing products, technologies, solutions, and management services to the industry, the Company pursues open sharing, collaborates with and supports farmers, and drives the efficient and sustainable development of the hog industry.

### 4. *High-Growth Slaughtering and Meat Product Business*

The Company commenced the slaughtering and meat product business in 2019, further extending the industry chain and maximizing business synergies through the slaughtering and meat product business. Leveraging insights gained from the slaughtering and meat product business, the Company closely monitors diverse consumer needs across different regions of China. With a consumer-centric approach, the Company improves its breeding and farming systems and introduces hogs and meat products tailored to the specific demand of each region, further enhancing sales scale and customer satisfaction. At the same time, the Company's slaughtering capacity aligns with its farming capacity, providing it with cost advantages across the industrial chain.

In the first half of 2026, the Company slaughtered 17.234 million heads of hogs, representing a year-on-year increase of 50.98%. The slaughtering and meat processing business achieved profitability in the first half of 2026, with operating performance continuing to improve. Against the backdrop of increasingly stringent regulations and growing consumer demand for high-quality products, the hog slaughtering and meat processing industry is undergoing rapid consolidation. Through a vertically integrated industrial chain layout, the Company achieves full-process control from source farming to terminal sales, ensuring product safety and quality. Through continuous technological innovation and process upgrades, the Company enhances production efficiency and environmental performance to meet increasingly stringent regulatory requirements. Through precise market insights and diversified product development, the Company accurately addresses consumer demand for high-quality and diversified meat products, thereby building core competitive advantages that are difficult to replicate and laying a solid foundation for the Company's sustainable development.

# MANAGEMENT DISCUSSION AND ANALYSIS

### (III) Grain Procurement Advantages

Through business partnerships with major domestic and international grain merchants, the Company actively expands grain sources through multiple channels, securing raw grain supply and reducing risks. The Company also focuses on procurement layout around grain-producing regions, actively exploring innovative source grain cooperation models, reducing intermediate steps between source grain and grain-using enterprises, fully leveraging the Company's production region layout advantages, optimising quality control of upstream raw materials, and striving to improve grain industry chain efficiency and reduce procurement costs, achieving win-win cooperation with suppliers. The Company adjusts formulations in a timely manner based on grain market trends, adopts flexible procurement strategies, and substitutes between different raw material varieties to reduce feed costs.

### (IV) Talent Advantages

Mr. Qin Yinglin, our founder, graduated from Henan Agricultural University with a major in animal husbandry. Together with Ms. Qian Ying, Ms. Yang Ruihua, Mr. Su Danglin, Ms. Chu Ke, Mr. Li Yanpeng, Ms. Niu Min, and other technical leaders with extensive industry experience and solid theoretical foundations, they form our core R&D team.

We adhere to the philosophy of selecting, cultivating, and employing talent based on values, recruiting widely, continuously attracting outstanding leaders, management trainees, and experts to support the Company's 20 major technological innovation breakthroughs and to build a young, structured, and international talent team to drive the Company's rapid development. Based on value creation, the Company implements value distribution with detailed and accurate assessment down to each farm and individual, directly linking farm operating results to production personnel compensation, quantitatively analysing employee capabilities, efficiency and contribution to achieve optimal person-job fit, and motivating employees to maximise their potential. The Company has implemented multiple employee equity incentive plans to stimulate a sense of mission and responsibility, improve overall compensation structures, and establish and improve benefit-sharing mechanisms between employees and the Company. This approach unites a group of operators and leaders with shared values, promoting the Company's long-term, stable, and healthy development.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group recorded revenue of RMB59,410.3 million in the first half of 2026, representing a decrease of 22.3% as compared to RMB76,462.8 million in the first half of 2025. The decrease in revenue was primarily due to a significant decline in the average selling price of hogs.

- Revenue from the hog business decreased by 30.5% from RMB75,445.8 million in the first half of 2025 to RMB52,430.3 million in the first half of 2026, primarily due to a significant decrease in the average selling price of hogs, partially offset by an increase in the sales volume of hogs.

- Revenue from the slaughtering and meat product business increased by 14.0% from RMB19,345.5 million in the first half of 2025 to RMB22,061.2 million in the first half of 2026, primarily due to an increase in the sales volume of meat products.

- Revenue from other business segments increased by 264.7% from RMB1,634.1 million in the first half of 2025 to RMB5,959.2 million in the first half of 2026, primarily due to a significant increase in the sales of feed ingredients.

### Operating Costs

The operating costs of the Group decreased by 0.7% from RMB60,774.0 million in the first half of 2025 to RMB60,346.4 million in the first half of 2026. The decrease in operating costs was primarily attributable to the Group's enhanced hog health management and production management practices, which led to a year-on-year decrease in the unit cost of hog farming.

### Gross Profit (Loss) and Gross Profit Margin

As a result of the foregoing, the Group recorded a gross loss of RMB936.1 million in the first half of 2026, as compared to a gross profit of RMB15,668.7 million in the first half of 2025. The gross profit margin of the Group decreased significantly from 20.5% in the first half of 2025 to negative 1.6% in the first half of 2026, primarily due to the substantial decrease in the average selling price of hogs, which more than offset the cost reduction achieved through improved operational efficiency.

- Gross profit margin for the hog business decreased from 20.2% in the first half of 2025 to negative 4.5% in the first half of 2026, primarily due to a significant decrease in the average selling price of finished hogs. Specifically, the average selling price of finished hogs decreased by approximately 28% to approximately RMB10.4 per kilogram in the first half of 2026. Despite the Group's continuous efforts in refining hog health management and production management, which resulted in a year-on-year decrease in the unit cost of hog farming, the magnitude of the price decline substantially exceeded the cost savings, leading to a negative gross profit margin for the hog business during the Reporting Period.

- Gross profit margin for the slaughtering and meat product business increased from 2.1% in the first half of 2025 to 4.2% in the first half of 2026, primarily due to cost reductions achieved through the continuous improvement in capacity utilization.

# MANAGEMENT DISCUSSION AND ANALYSIS

### Selling and Distribution Expenses

The selling and distribution expenses of the Group increased by 3.0% from RMB641.0 million in the first half of 2025 to RMB660.4 million in the first half of 2026, primarily due to an increase in employee remuneration and depreciation expenses.

### General and Administrative Expenses

The general and administrative expenses of the Group decreased by 2.9% from RMB1,813.8 million in the first half of 2025 to RMB1,761.2 million in the first half of 2026, primarily due to a decrease in employee remuneration and service fees, partially offset by an increase in other administrative expenses.

### Research and Development Expenses

The research and development expenses of the Group decreased by 23.1% from RMB921.1 million in the first half of 2025 to RMB708.5 million in the first half of 2026, primarily due to a decrease in R&D material consumption expenses.

### Financial Expenses

The financial expenses of the Group decreased by 20.7% from RMB1,411.0 million in the first half of 2025 to RMB1,119.6 million in the first half of 2026, primarily due to a decrease in interest expenses on loans and debentures.

### Income Tax Expenses

The income tax expenses changed from a credit of RMB20.2 million in the first half of 2025 to an expense of RMB420.1 million in the first half of 2026, primarily due to adjustments in deferred tax assets and provisions for income tax.

### Net Profit (Loss)

The Group recorded a net loss of RMB6,084.4 million in the first half of 2026, as compared to a net profit of RMB10,790.3 million in the first half of 2025. The net loss was primarily attributable to the significant decline in the average selling price of hogs, which decreased by approximately 28% year-on-year to approximately RMB10.4 per kilogram.

### Significant Investments and Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group had neither any significant investments nor relevant material acquisitions and disposals of the subsidiaries, associates and joint ventures in the first half of 2026.

# MANAGEMENT DISCUSSION AND ANALYSIS

### Major Financial Ratios

| | End of the Reporting Period/ Reporting Period | End of prior year/ Corresponding period of prior year |
|---|---|---|
| Current ratio(1) | 0.8 | 0.8 |
| Gearing ratio (%)(2) | 54.2 | 54.2 |
| Return on assets (%)(3) | -3.5 | 5.8 |
| Return on equity (%)(4) | -7.7 | 13.5 |
| Operating cash flow ratio (%)(5) | -3.7 | 22.7 |

*Notes:*

(1) Current ratio equals current assets divided by current liabilities at the end of the period.

(2) Gearing ratio equals total liabilities divided by total assets at the end of the period and multiplied by 100%.

(3) Return on assets equals net profit for the year divided by the average of the beginning and ending balances of total assets for the year and multiplied by 100%.

(4) Return on equity equals net profit for the year divided by the average of the beginning and ending balances of total equity for the year and multiplied by 100%.

(5) Operating cash flow ratio equals net cash inflow (outflow) from operating activities divided by revenue for the period and multiplied by 100%.

### Analysis on Liquidity and Capital Resources

The Group has historically funded its cash requirements principally from proceeds from business operations, bank borrowings, debentures and capital contribution from shareholders.

The short-term loans of the Group increased from RMB41,155.4 million as of December 31, 2025 to RMB47,252.3 million as of June 30, 2026, and the long-term loans of the Group decreased from RMB7,733.4 million as of December 31, 2025 to RMB4,643.1 million as of June 30, 2026.

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

The cash and cash equivalents of the Group increased slightly from RMB12,778.1 million as of December 31, 2025 to RMB13,629.1 million as of June 30, 2026. Such increase was primarily attributable to the net cash inflow from financing activities, which offset the net cash outflow from operating activities and investing activities during the period.

The Group's primary liquidity requirement is to finance future capital requirements through cash generated from business operations and bank borrowings. Going forward, these principal sources of liquidity are expected to remain the same.

# MANAGEMENT DISCUSSION AND ANALYSIS

### EBITDA and Cash Flow

The operating capital of the Group mainly came from proceeds from business operations, bank borrowings, debentures and capital contribution from shareholders. The Group's cash demand was mainly borne on production and operation activities, capital expenditure, repayment of matured liabilities, repayment of lease rentals, interest payment and dividend payment.

To supplement the consolidated financial statements of the Group, EBITDA (non-CASBE measure) is also applied in evaluating the Group's operating results. The following table reconciles the Group's profit (loss) for the period, calculated and presented in accordance with CASBE, to EBITDA (non-CASBE measure) for the periods indicated:

| | Reporting Period | Corresponding period of prior year |
|---|---|---|
| | (RMB in millions, except for percentages) | |
| **Reconciliation of net profit to EBITDA (non-CASBE measure)** | | |
| Net profit | **(6,084.4)** | 10,790.3 |
| Add: | | |
| – Income tax expenses | **420.1** | (20.2) |
| – Interest expenses | **1,030.3** | 1,444.0 |
| – Depreciation and amortisation | **8,160.1** | 7,732.7 |
| – Interest income | **(45.6)** | (92.5) |
| **EBITDA (non-CASBE measure)** | **3,480.5** | 19,854.3 |
| **EBITDA margin (non-CASBE measure) (%)** | **5.9** | 26.0 |

The net cash outflow from operating activities of the Group was RMB2,223.7 million in the first half of 2026, as compared to a net cash inflow from operating activities of RMB17,350.8 million in the first half of 2025. The net cash outflow from investing activities of the Group increased by 35.1% from RMB5,931.4 million in the first half of 2025 to RMB8,015.3 million in the first half of 2026. The net cash inflow from financing activities of the Group was RMB11,159.8 million in the first half of 2026, as compared to a net cash outflow from financing activities of RMB7,863.1 million in the first half of 2025. In summary, in the first half of 2026, the Group recorded a net increase in cash and cash equivalents of RMB851.1 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

### Pledge of Assets

As of June 30, 2026, part of the Group's borrowings was secured by assets with restrictive ownership titles or right of use with book value of RMB2,343.8 million as compared to RMB2,601.3 million as of December 31, 2025.

### Contingent Liabilities

As of June 30, 2026, the Group had no significant contingent liabilities (as of June 30, 2025: nil).

### Capital Expenditure

The capital expenditure of the Group consists of payment for acquisition of fixed assets, intangible assets and other long-term assets. The Group funded its capital expenditures mainly with cash generated from operations and bank borrowings. The Group's capital expenditure increased from RMB5,225.8 million in the first half of 2025 to RMB6,521.0 million in the first half of 2026.

### Capital Commitment

As of June 30, 2026, the Group did not have any material capital commitments (as of June 30, 2025: nil).

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at June 30, 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

### Interests in Shares or Underlying Shares of the Company

| Name of Director | Capacity/Nature of interest | Class of Shares | Number of Shares(1) | Approximate % of total shareholding interest in our Company(2) | Approximate % of the relevant class of Shares(3) |
|---|---|---|---|---|---|
| Ms. Qian Ying | Beneficial owner(6) | A Shares | 67,144,591 (L) | 1.16% | 1.23% |
| | Interest in controlled corporation(4)(5) | A Shares | 941,100,127 (L) | 16.30% | 17.23% |
| | Interest of spouse(4) | A Shares | 2,101,734,050 (L) | 36.40% | 38.47% |
| Mr. Cao Zhinian | Beneficial owner(7) | A Shares | 13,238,779 (L) | 0.23% | 0.24% |
| | Interest of spouse(8) | A Shares | 14,764,680 (L) | 0.26% | 0.27% |
| Ms. Yang Ruihua | Beneficial owner(9) | A Shares | 14,764,680 (L) | 0.26% | 0.27% |
| | Interest of spouse(8) | A Shares | 13,238,779 (L) | 0.23% | 0.24% |
| Mr. Qin Muyuan | Beneficial owner(10) | A Shares | 11,184,159 (L) | 0.19% | 0.20% |
| | Interest of spouse(11) | A Shares | 93,851 (L) | 0.0016% | 0.0017% |
| Mr. Gao Tong | Beneficial owner | A Shares | 677,797 (L) | 0.0117% | 0.0124% |
| | Interest of spouse(12) | A Shares | 33,500 (L) | 0.0006% | 0.0006% |
| Mr. Su Danglin | Beneficial owner | A Shares | 7,597,912 (L) | 0.13% | 0.14% |
| | Interest of spouse(13) | A Shares | 1,348,119 (L) | 0.02% | 0.02% |
| Mr. Yan Lei | Beneficial owner | A Shares | 11,900 (L) | 0.0002% | 0.0002% |

# CORPORATE GOVERNANCE AND OTHER INFORMATION

*Notes:*

(1) (L) – Long position

(2) Represents the percentage of the number of shares in the relevant class as at June 30, 2026 divided by the number of all shares of the Company in issue (totalling 5,772,996,075 shares, including 310,223,100 H Shares and 5,462,772,975 A Shares).

(3) Represents the percentage of the number of shares in the relevant class as at June 30, 2026 divided by the number of shares in the relevant class of the Company in issue.

(4) As at June 30, 2026, Muyuan Group was held by Mr. Qin Yinglin as to 85% and by Ms. Qian Ying as to 15%. Mr. Qin Yinglin and Ms. Qian Ying are spouses. As such, Mr. Qin Yinglin will be deemed to be interested in the A Shares held by Muyuan Group and each of Mr. Qin Yinglin and Ms. Qian Ying is deemed to be interested in the interest of each other for the purposes of Part XV of the SFO.

(5) Interest in controlled corporation also includes 848,762,153 A Shares held by Muyuan Group and 69,586,523 A Shares repurchased by the Company as treasury shares as at June 30, 2026. Muyuan Group has subscribed for Convertible Bonds with an outstanding principal amount of RMB985,592,900. In the event of full conversion of Convertible Bonds, Muyuan Group shall hold an aggregate of 871,513,604 A Shares, assuming a conversion price of RMB43.32.

(6) As at June 30, 2026, Ms. Qian Ying has subscribed for Convertible Bonds with an outstanding principal amount of RMB116,935,900. In the event of full conversion of Convertible Bonds, Ms. Qian Ying shall hold an aggregate of 67,144,591 A Shares, assuming a conversion price of RMB43.32.

(7) As at June 30, 2026, Mr. Cao Zhinian has subscribed for Convertible Bonds with an outstanding principal amount of RMB22,464,900. In the event of full conversion of Convertible Bonds, Mr. Cao Zhinian shall hold an aggregate of 13,238,779 A Shares, assuming a conversion price of RMB43.32.

(8) As at June 30, 2026, Mr. Cao Zhinian and Ms. Yang Ruihua are spouses. As such, Mr. Cao Zhinian and Ms. Yang Ruihua are deemed to be interested in the interest of each other for the purposes of Part XV of the SFO.

(9) As at June 30, 2026, Ms. Yang Ruihua has subscribed for Convertible Bonds with an outstanding principal amount of RMB24,852,400. In the event of full conversion of Convertible Bonds, Ms. Yang Ruihua shall hold an aggregate of 14,764,680 A Shares, assuming a conversion price of RMB43.32.

(10) As at June 30, 2026, Mr. Qin Muyuan has subscribed for Convertible Bonds with an outstanding principal amount of RMB3,692,100. In the event of full conversion of Convertible Bonds, Mr. Qin Muyuan shall hold an aggregate of 11,184,159 A Shares, assuming a conversion price of RMB43.32.

(11) As at June 30, 2026, the wife of Mr. Qin Muyuan held 93,851 A Shares of the Company. As such, Mr. Qin Muyuan will be deemed to be interested in the A Shares held by his wife for the purposes of Part XV of the SFO.

(12) As at June 30, 2026, the wife of Mr. Gao Tong held 33,500 A Shares of the Company. As such, Mr. Gao Tong will be deemed to be interested in the A Shares held by his wife for the purposes of Part XV of the SFO.

(13) As at June 30, 2026, the wife of Mr. Su Danglin held 1,348,119 A Shares of the Company. As such, Mr. Su Danglin will be deemed to be interested in the A Shares held by his wife for the purposes of Part XV of the SFO.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at June 30, 2026, to the best knowledge of the Director or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2026, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors, chief executive of the Company and the overall coordinators (or their respective affiliates) holding interests for the purposes of the over-allotment option arrangement in connection with the Listing of H Shares) had interests and/or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

### Interests in Shares or Underlying Shares of the Company

| Name of substantial shareholder | Capacity/Nature of interest | Class of Shares | Number of Shares[1] | Approximate % of total shareholding interest in our Company[2] | Approximate % of the relevant class of Shares[3] |
|---|---|---|---|---|---|
| Muyuan Group | Beneficial owner[4] | A Shares | 871,513,604 (L) | 15.10% | 15.95% |
| | Interest in controlled corporation[5] | A Shares | 69,586,523 (L) | 1.21% | 1.27% |
| Charoen Pokphand Foods Public Company Limited | Beneficial owner | H Shares | 39,992,200 (L) | 0.69% | 12.89% |
| FIL Financial Services Holdings Limited | Interest in controlled corporation | H Shares | 28,474,900 (L) | 0.49% | 9.18% |
| FIL Financial Services Holdings 2 Limited | Interest in controlled corporation | H Shares | 28,474,900 (L) | 0.49% | 9.18% |
| FIL Limited | Interest in controlled corporation | H Shares | 28,474,900 (L) | 0.49% | 9.18% |
| Pandanus Associates Inc. | Interest in controlled corporation | H Shares | 28,474,900 (L) | 0.49% | 9.18% |
| Pandanus Partners L.P. | Interest in controlled corporation | H Shares | 28,474,900 (L) | 0.49% | 9.18% |

# CORPORATE GOVERNANCE AND OTHER INFORMATION

| Name of substantial shareholder | Capacity/Nature of interest | Class of Shares | Number of Shares[(1)] | Approximate % of total shareholding interest in our Company[(2)] | Approximate % of the relevant class of Shares[(3)] |
|---|---|---|---|---|---|
| FIL Investment Management (Hong Kong) Limited | Investment manager | H Shares | 25,233,900 (L) | 0.44% | 8.13% |
| FIL Asia Holdings Pte. Limited | Interest in controlled corporation | H Shares | 23,432,300 (L) | 0.41% | 7.55% |
| JPMorgan Chase & Co. | Interest in controlled corporation | H Shares | 21,882,554 (L) | 0.38% | 7.05% |
| | Interest in controlled corporation | H Shares | 2,245,759 (S) | 0.04% | 0.72% |
| FIL Holdings (Luxembourg) S.à r.l. | Interest in controlled corporation | H Shares | 16,594,600(L) | 0.30% | 5.35% |
| FIL Investment Management (Luxembourg) S.a r.l. | Interest in controlled corporation | H Shares | 16,594,600(L) | 0.30% | 5.35% |
| FIL Fund Management Limited | Interest in controlled corporation | H Shares | 15,844,200(L) | 0.29% | 5.11% |
| FIDELITY FUNDS | Beneficial owner | H Shares | 15,832,700 (L) | 0.27% | 5.10% |

*Notes:*

(1) (L) – Long position; (S) – Short position

(2) Represents the percentage of the number of shares in the relevant class as at June 30, 2026 divided by the number of all shares of the Company in issue (totalling 5,772,996,075 shares, including 310,223,100 H Shares and 5,462,772,975 A Shares).

(3) Represents the percentage of the number of shares in the relevant class as at June 30, 2026 divided by the number of shares in the relevant class of the Company in issue.

(4) Muyuan Group held Convertible Bonds with an outstanding principal amount of RMB985,592,900. In the event of full conversion of Convertible Bonds, Muyuan Group shall hold an aggregate of 871,513,604 A Shares, assuming a conversion price of RMB43.32 per Share.

(5) Interest in controlled corporation also includes the 69,586,523 A Shares repurchased by our Company as treasury shares as at June 30, 2026.

Save as disclosed above, as at June 30, 2026, to the best knowledge of the Directors or chief executive of the Company, none of the substantial shareholders of the Company had interests or short positions in the Shares and underlying Shares of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 336 of the SFO.

## CORPORATE GOVERNANCE CULTURE AND VALUES

The Company is committed to ensuring that its business is operated with high standards of business ethics, reflecting our firm belief that to achieve long-term business objectives, we must act with integrity, transparency, and accountability.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

**Mission:**
To produce safe and healthy pork products for the public; to advance healthy industry development.

**Vision:**
To serve people with wholesome pork for their enjoyment in an abundant life; to make the Company respectable.

**Core Values:**
Creating value, serving society, being internally and externally upright, and promoting social progress.

Corporate governance is the process by which the Board guides the Group's management in operating the business to achieve business objectives. The Board is committed to maintaining and developing sound corporate governance practices to ensure: (i) satisfactory and sustainable returns for shareholders; (ii) safeguarding the interests of stakeholders; and (iii) maintaining high standards of business ethics.

## CORPORATE GOVERNANCE PRACTICES

The H Shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on the Listing Date. The CG Code as set out in Appendix C1 to the Hong Kong Listing Rules was not applicable to the Company before the Listing Date.

Since the Listing Date and up to the date of this report, the Company has complied with all the principles and applicable code provisions of the CG Code. The Directors will continue to review and monitor the corporate governance practices of the Company on an annual basis and adopt the approach of "comply or explain" in the event of any deviation from the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. As the H shares of the Company have been listed on the Main Board of the Hong Kong Stock Exchange since February 6, 2026, the Model Code did not apply to all Directors prior to the Listing Date.

Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code during the period from the Listing Date to the date of this report.

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares). As of June 30, 2026, the Company held 69,586,523 A Shares as treasury shares, and did not hold any H Shares as treasury shares.

## MATERIAL LITIGATION

As at June 30, 2026, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened against the Group, so far as the Directors are aware.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## USE OF PROCEEDS

Our Company issued ordinary shares at HKD39.00 per share, offering 273,951,400 H shares in Hong Kong, and over-allotted 36,271,700 H shares. The aforementioned H shares were listed on the Main Board of the Hong Kong Stock Exchange on February 6, 2026 and March 10, 2026 respectively. After deducting underwriting fees and commissions and other expenses payable by our Company in connection with the Global Offering, the net proceeds received by our Company from the Global Offering amounted to approximately HKD11,865 million, equivalent to approximately RMB10,482 million. As at June 30, 2026, our Company intends to use the net proceeds in the same matters and proportions as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus. The intended and actual uses of the net proceeds are set forth in the following table:

| Intended use of Proceeds | Percentage of intended use of net proceeds (%) | Net proceeds from the Global Offering (RMB million) | Amount utilised from the Listing Date to June 30, 2026 (RMB million) | Amount unutilized as at June 30, 2026 (RMB million) | Expected time of full utilisation of remaining balance |
|---|---|---|---|---|---|
| **Strategic global expansion and market diversification** | 60.0 | 6,289.0 | 955.3 | 5,333.7 | Before December 31, 2028 |
| **Pioneering technological innovation across the value chain** | 30.0 | 3,144.5 | 1,215.7 | 1,928.8 | Before December 31, 2028 |
| **Working capital and general corporate purposes** | 10.0 | 1,048.2 | 1,047.6 | 0.6 | Before December 31, 2026 |
| **Total** | **100.0** | **10,481.7** | **3,218.6** | **7,263.1** | |

The expected timeline for using the unutilized net proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) and/or disclosure in our annual report(s) in respect of change in timeline, if any, will be made by our Company in accordance with the requirements of the Hong Kong Listing Rules as and when appropriate to update its shareholders and potential investors.

## INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2026.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## INCENTIVE PLANS

As at June 30, 2026, the Company had four incentive plans which were outstanding, namely the Second Employee Stock Ownership Plan, the 2025 Operator Stock Ownership Plan, the 2025 Strivers Stock Ownership Plan, and the 2025 Key Employee Stock Ownership Plan. Given no further shares would be granted under these incentive plans after the Listing of H Shares, the terms of the Second Employee Stock Ownership Plan, the 2025 Operator Stock Ownership Plan, the 2025 Strivers Stock Ownership Plan and the 2025 Key Employee Stock Ownership Plan are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

### Second Employee Stock Ownership Plan

#### *Purpose and administration*

The purpose of the Second Employee Stock Ownership Plan is to further improve the corporate governance structure of the Company, enhance employee cohesion and company competitiveness, and promote the long-term, sustainable, and healthy development of the Company.

The holders' meeting is the highest authority of the Second Employee Stock Ownership Plan and consists of all participants of the plan. All participants have the right to attend the holders' meeting and exercise their voting rights according to their shares in the plan. The holders' meeting of the Second Employee Stock Ownership Plan elects a management committee to represent the plan in exercising shareholder rights. The holders' meeting authorised the management committee to be responsible for specific management matters including exercising shareholder rights.

#### *Participants and Shares Involved*

Totally 432 participants participated in the Second Employee Stock Ownership Plan and were the Company's employees. Participants who meet the above conditions participated in this employee stock ownership plan on a voluntary basis, in accordance with legal compliance, bearing their own risks, and raising their own funds. Certain participants of the Second Employee Stock Ownership Plan withdrew from the plan for personal reasons. Their shares were transferred to the transferees designated by the management committee pursuant to the plan. The transferees were all Independent Third Parties. As at June 30, 2026, the outstanding participants of the Second Employee Stock Ownership Plan consisted of 346 employees holding 56,443,800 A Shares, representing 0.98% of the total issued share capital of the Company, among whom, Ms. Wang Chunyan, and Ms. Niu Min, who as at June 30, 2026 were senior management of the Company, each held 27,849 Shares, representing 0.0005% of the total issued share capital of the Company.

The source of Shares for the Second Employee Stock Ownership Plan was 40,535,062 A Shares non-publicly offered at the price of RMB24.67 per Share by the Company in April 2017, representing 3.50% of the Company's then total issued share capital.

#### *Lock-up Period and Duration*

The lock-up period for the Shares obtained under, and the duration of, the Second Employee Stock Ownership Plan was 36 months and 10 years, respectively, starting from the registration date of the Shares under the plan. The lock-up period expired on April 24, 2020 and the expiry date of the Second Employee Stock Ownership Plan will be April 23, 2027. If all the Shares held under this plan are sold on the A Share market before the expiry date, the plan will be terminated in advance. The management committee of the Second Employee Stock Ownership Plan may decide to extend the duration of the Second Employee Stock Ownership Plan three months before the expiry date depending on market conditions.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 2025 Operator Stock Ownership Plan

### *Purpose and administration*

As approved by the Board and the shareholders meeting on August 22, 2025 and September 8, 2025, respectively, the Company established the 2025 Operator Stock Ownership Plan. The purpose of this plan is to inspire key management members' motivation and creativity, strengthen governance, and attract, retain, and incentivize core talent essential to the Company's future. It aims to foster a sense of mission and responsibility, optimise total compensation, and establish a shared-interest mechanism between employees and shareholders. By deepening long-term incentives and uniting leaders with common values, the plan supports sustainable growth and aligns all shareholders' interests.

The holders' meeting is the highest authority of the 2025 Operator Stock Ownership Plan. The holders' meeting elects the management committee, which, under its authorisation, is responsible for opening related accounts, overseeing daily operations of the plan, and exercising shareholder rights on behalf of the plan.

### *Participants and Shares Involved*

Totally 217 participants participated in the 2025 Operator Stock Ownership Plan and were the Company's Directors, senior management and core management personnel who play a critical role in the company's overall performance and long-term development. Participants who meet the above conditions participated in this employee stock ownership plan on a voluntary basis, in compliance with laws and regulations, with a commitment to long-term service, under principles of shared benefits and bearing their own risks. Certain participants of the 2025 Operator Stock Ownership Plan withdrew from the plan for personal reasons and accordingly the shares were disposed of by the management committee pursuant to the plan. As at June 30, 2026, the outstanding participants of the 2025 Operator Stock Ownership Plan consisted of 213 employees holding 9,613,031 A Shares, representing 0.17% of the total issued share capital of the Company. The participants who are Directors or senior management of the Company as well as the shares granted to them under the 2025 Operator Stock Ownership Plan are listed below.

| Name | Shares Granted | Ownership % to the total issued Shares as of June 30, 2026 |
|---|---|---|
| CAO Zhinian | 175,939 | 0.003% |
| GAO Tong | 358,267 | 0.006% |
| YANG Ruihua | 249,230 | 0.004% |
| CHU Ke | 169,548 | 0.003% |
| QIN Jun | 86,472 | 0.001% |
| WANG Chunyan | 265,805 | 0.005% |
| LI Yanpeng | 215,080 | 0.004% |
| NIU Min | 212,684 | 0.004% |
| XU Shaotao | 149,977 | 0.003% |
| YUAN Hebin | 177,936 | 0.003% |

The source of Shares for the 2025 Operator Stock Ownership Plan was A Shares repurchased by the Company on the A Share market.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

***Lock-up Period and Duration***

Starting from the date of the last share transfer, i.e. September 23, 2025, shares granted under the 2025 Operator Stock Ownership Plan will be subject to lock-up periods of 12 months, 24 months, and 36 months, with unlocking ratios of 40%, 30%, and 30%, respectively. Actual unlocking will depend on performance assessments.

The plan will remain in effect for ten years, starting also from September 23, 2025. It will terminate upon expiry unless ended earlier in accordance with laws, regulations, or plan provisions, or extended with approval from holders representing more than 50% of the units and the Board. One month before expiry, if the shares granted under the plan have not been fully sold or transferred to individual accounts, the term may be extended with approval from the holders' meeting and the Board.

**2025 Strivers Stock Ownership Plan**

***Purpose and administration***

As approved by the Board and the shareholders meeting on August 22, 2025 and September 8, 2025, respectively, the Company established the 2025 Strivers Stock Ownership Plan. The purpose of 2025 Strivers Stock Ownership Plan is to unleash the motivation and creativity of core operational and management leaders, strengthen corporate governance, and attract, retain, and incentivize key talent critical to the Company's future. It seeks to foster a sense of mission and responsibility, improve the overall compensation structure, and establish a mechanism for shared interests between employees and shareholders. By deepening long-term incentives and uniting individuals with common values, the plan promotes sustainable growth and aligns the interests of all shareholders.

The holders' meeting is the highest authority of the 2025 Strivers Stock Ownership Plan. The holders' meeting elects the management committee, which, under its authorisation, is responsible for opening related accounts, overseeing daily operations of the plan, and exercising shareholder rights on behalf of the plan.

***Participants and Shares Involved***

Totally 3,579 participants participated in the 2025 Strivers Stock Ownership Plan and were core operational and management personnel who play a critical role in the Company's overall performance and long-term development. Current Directors and senior executives will not participate in this plan. Shareholders who individually or collectively hold 5% or more of the Company's shares, actual controllers, and their spouses, parents, or children are also excluded. Participants who meet the above conditions participated in this employee stock ownership plan on a voluntary basis, in compliance with laws and regulations, with a commitment to long-term service, under principles of shared benefits and bearing their own risks. Certain participants of the 2025 Strivers Stock Ownership Plan withdrew from the plan for personal reasons and accordingly the shares were disposed of by the management committee pursuant to the plan. As at June 30, 2026, the outstanding participants of the 2025 Strivers Stock Ownership Plan consisted of 3,333 employees holding 23,498,520 A Shares, representing 0.41% of the total issued share capital of the Company. No Director or senior management of the Company was granted shares under this plan.

The source of Shares for the 2025 Strivers Stock Ownership Plan was A Shares repurchased by the Company on the A Share market.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

***Lock-up Period and Duration***

Starting from the date of the last share transfer, i.e. September 25, 2025, shares granted under the 2025 Strivers Stock Ownership Plan will be subject to lock-up periods of 12 months, 24 months, and 36 months, with unlocking ratios of 40%, 30%, and 30%, respectively. Actual unlocking will depend on performance assessments.

The plan will remain in effect for ten years, starting also from September 25, 2025. It will terminate upon expiry unless ended earlier in accordance with laws, regulations, or plan provisions, or extended with approval from holders representing more than 50% of the units and the Board. One month before expiry, if the shares granted under the plan have not been fully sold or transferred to individual accounts, the term may be extended with approval from the holders' meeting and the Board.

**2025 Key Employee Stock Ownership Plan**

***Purpose and administration***

As approved by the Board and the shareholders meeting on August 22, 2025 and September 8, 2025, respectively, the Company established the 2025 Key Employee Stock Ownership Plan. The purpose of 2025 Key Employee Stock Ownership Plan is to further unleash the motivation and creativity of core employees, strengthen corporate governance, and attract, retain, and incentivize talent critical to the Company's future development. It seeks to foster a sense of mission and responsibility, improve the overall compensation structure, and establish a mechanism for shared interests between employees and shareholders. By deepening long-term incentives and bringing together employees with shared values, the plan promotes sustainable growth and aligns the interests of all shareholders.

The holders' meeting is the highest authority of the Key Employee Stock Ownership Plan. The holders' meeting elects the management committee, which, under its authorisation, is responsible for opening related accounts, overseeing daily operations of the plan, and exercising shareholder rights on behalf of the plan.

***Participants and Shares Involved***

Totally 1,079 participants participated in the 2025 Key Employee Stock Ownership Plan and were core employees who played a critical role in the Company's overall performance and long-term development. Current Directors and senior executives will not participate in this plan. Shareholders who individually or collectively hold 5% or more of the Company's shares, actual controllers, and their spouses, parents, or children are also excluded. Participants who meet the above conditions participated in this employee stock ownership plan on a voluntary basis, in compliance with laws and regulations, with a commitment to long-term service, under principles of shared benefits and bearing their own risks. Certain participants of the 2025 Key Employee Stock Ownership Plan withdrew from the plan for personal reasons and accordingly the shares were disposed of by the management committee pursuant to the plan. As at June 30, 2026, the outstanding participants of the 2025 Key Employee Stock Ownership Plan consisted of 1,037 employees holding 8,758,540 A Shares, representing 0.15% of the total issued share capital of the Company. No Director or senior management of the Company was granted shares under this plan.

The source of Shares for the 2025 Key Employee Stock Ownership Plan was A Shares repurchased by the Company on the A Share market.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

***Lock-up Period and Duration***

Starting from the date of the last share transfer, i.e. September 24, 2025, shares granted under the Key Employee Stock Ownership Plan will be subject to lock-up periods of 12 months and 24 months, with unlocking ratios of 50% and 50%, respectively. Actual unlocking will depend on performance assessments.

The plan will remain in effect for ten years, starting also from September 24, 2025. It will terminate upon expiry unless ended earlier in accordance with laws, regulations, or plan provisions, or extended with approval from holders representing more than 50% of the units and the Board. One month before expiry, if the shares granted under the plan have not been fully sold or transferred to individual accounts, the term may be extended with approval from the holders' meeting and the Board.

Save as disclosed above, during the Reporting Period, (i) no Shares were granted, lapsed or were cancelled under the Second Employee Stock Ownership Plan, the 2025 Operator Stock Ownership Plan, the 2025 Strivers Stock Ownership Plan, and the 2025 Key Employee Stock Ownership Plan, and (ii) no new Shares may be issued pursuant to the Second Employee Stock Ownership Plan, the 2025 Operator Stock Ownership Plan, the 2025 Strivers Stock Ownership Plan, and the 2025 Key Employee Stock Ownership Plan.

## CHANGES IN DIRECTORS' INFORMATION

The following changes in Directors' information took place during the Reporting Period:

- Mr. QIN Yinglin resigned as executive Director, the Chairman, president, chairman of the Strategy Committee and chairman of the Sustainable Development Committee with effect from June 1, 2026. Mr. QIN Yinglin was appointed as honorary Chairman for life of the Company.

- Mr. CAO Zhinian resigned as the vice Chairman, executive vice president and head of finance of the Company with effect from June 1, 2026. Mr. CAO Zhinian was appointed as the Chairman of the Board and chairman of the Strategy Committee and the Sustainable Development Committee with effect from the same date.

- Mr. GAO Tong was appointed as (i) the president and head of finance of the Company with effect from June 1, 2026; and (ii) an executive Director of the Company with effect from June 23, 2026.

- Mr. QIN Muyuan was appointed as an executive Director of the Company with effect from June 23, 2026.

Save as disclosed above, no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The Company has established an Audit Committee in compliance with Rules 3.21 to 3.23 of the Listing Rules and the CG Code. The Audit Committee comprises three members, namely Mr. CHOW Ming Sang (chairman), Ms. QIAN Ying and Mr. YAN Lei, the majority of whom are independent non-executive Directors. Mr. CHOW Ming Sang possesses the appropriate professional qualifications and accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The written terms of reference of the Audit Committee are no less exacting than those set out in the CG Code. The primary duties of the Audit Committee include reviewing the financial reporting process, risk management and internal control systems, and the audit function.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information and the interim report of the Group for the six months ended June 30, 2026, including the accounting principles and practices adopted by the Group, and discussed matters relating to auditing, risk management, internal control and financial reporting with the management. The Audit Committee has no disagreement with the accounting treatment adopted by the Group. The Audit Committee considers that the interim financial information has been prepared in accordance with applicable accounting practices, the Listing Rules and all legal requirements, and that adequate disclosures have been made.

## CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As at the end of the Reporting Period, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

## MATERIAL EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any events after the Reporting Period that require disclosure.

# FINANCIAL REPORT

## I. AUDIT REPORT

Whether the semi-annual report has been audited:

☐ Yes ✓ No
The Company's semi-annual financial report has not been audited.

## II. FINANCIAL STATEMENTS

The unit of currency in the notes to the financial statements is: RMB

### 1. Consolidated Balance Sheet

As at June 30, 2026
Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| **CURRENT ASSETS:** | | |
| Cash at bank and on hand | 16,546,553,782.70 | 13,862,397,618.88 |
| Financial assets held for trading | 1,005,423,169.55 | 1,622,460.00 |
| Derivative financial assets | | |
| Bills receivable | 10,836,390.00 | 107,940,000.00 |
| Accounts receivable | 552,891,998.94 | 588,644,078.00 |
| Financing receivables | | |
| Prepayments | 979,745,786.44 | 700,339,324.78 |
| Other receivables | 308,918,019.21 | 118,519,120.43 |
| Including: Dividends receivable | | |
| Inventories | 38,297,859,044.30 | 37,177,438,419.40 |
| Contract assets | | |
| Assets held for sale | | |
| Non-current assets due within one year | | |
| Other current assets | 2,091,504,835.60 | 2,019,320,924.17 |
| **Total current assets** | 59,793,733,026.74 | 54,576,221,945.66 |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 1. Consolidated Balance Sheet (Continued)

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| **NON-CURRENT ASSETS:** | | |
| Long-term equity investments | **996,721,602.60** | 1,024,055,311.98 |
| Investments in other equity instruments | **66,254,387.22** | 66,254,387.22 |
| Other non-current financial assets | | |
| Investment properties | **94,211,052.65** | 97,195,561.34 |
| Fixed assets | **96,767,918,564.63** | 100,634,104,612.66 |
| Construction in progress | **2,379,663,198.30** | 2,488,721,356.50 |
| Productive biological assets | **8,938,566,823.35** | 6,797,220,059.01 |
| Right-of-use assets | **3,681,322,500.40** | 3,901,804,402.05 |
| Intangible assets | **1,294,260,728.01** | 1,245,166,108.22 |
| Development expenditure | | |
| Goodwill | | |
| Long-term deferred expenses | **60,079,738.62** | 58,668,038.28 |
| Deferred tax assets | **158,037,419.29** | 140,239,492.55 |
| Other non-current assets | **832,342,900.53** | 711,435,426.61 |
| **Total non-current assets** | **115,269,378,915.60** | 117,164,864,756.42 |
| **TOTAL ASSETS** | **175,063,111,942.34** | 171,741,086,702.08 |
| **CURRENT LIABILITIES:** | | |
| Short-term loans | **47,252,288,510.69** | 41,155,376,669.30 |
| Borrowings from central bank | | |
| Financial liabilities held for trading | **2,763,160.00** | 2,050,186.72 |
| Derivative financial liabilities | | |
| Bills payable | **281,744,546.93** | 714,297,105.13 |
| Accounts payable | **12,122,109,535.34** | 12,613,331,720.01 |
| Advances from customers | | |
| Contract liabilities | **1,250,927,768.48** | 1,106,544,532.20 |
| Employee remuneration payable | **707,060,049.24** | 772,418,969.63 |
| Taxes payable | **101,724,978.90** | 62,415,880.27 |
| Other payables | **2,984,407,558.79** | 5,516,599,106.38 |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | **9,580,018,609.87** | 7,485,550,933.75 |
| Other current liabilities | **1,385,757,096.11** | 411,810,033.17 |
| **Total current liabilities** | **75,668,801,814.35** | 69,840,395,136.56 |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 1. Consolidated Balance Sheet (Continued)

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| **NON-CURRENT LIABILITIES:** | | |
| Long-term loans | 4,643,134,785.87 | 7,733,417,073.16 |
| Debentures payable | 11,296,753,564.98 | 11,695,079,085.28 |
| Lease liabilities | 2,029,907,947.12 | 2,179,276,683.90 |
| Long-term payables | 321,385,695.73 | 676,542,042.38 |
| Long-term employee remuneration payable | | |
| Provisions | | |
| Deferred income | 887,933,880.55 | 874,397,749.48 |
| Deferred tax liabilities | | |
| Other non-current liabilities | | |
| **Total non-current liabilities** | 19,179,115,874.25 | 23,158,712,634.20 |
| **TOTAL LIABILITIES** | 94,847,917,688.60 | 92,999,107,770.76 |
| **SHAREHOLDERS' EQUITY:** | | |
| Share capital | 5,772,996,075.00 | 5,462,771,148.00 |
| Other equity instruments | 1,017,134,014.80 | 1,017,142,552.25 |
| Capital reserve | 23,737,038,822.96 | 13,038,603,622.19 |
| Less: Treasury shares | 4,011,082,230.16 | 4,011,082,230.16 |
| Other comprehensive income | -74,774,912.78 | -75,898,152.78 |
| Special reserve | | |
| Surplus reserve | 2,829,190,556.76 | 2,829,190,556.76 |
| General risk reserve | | |
| Retained earnings | 50,916,114,549.80 | 59,428,517,943.23 |
| Total equity attributable to shareholders of the Company | 80,186,616,876.38 | 77,689,245,439.49 |
| Non-controlling interests | 28,577,377.36 | 1,052,733,491.83 |
| **Total shareholders' equity** | 80,215,194,253.74 | 78,741,978,931.32 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | 175,063,111,942.34 | 171,741,086,702.08 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 2. Company Balance Sheet

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| **CURRENT ASSETS:** | | |
| Cash at bank and on hand | 12,848,665,453.18 | 5,529,981,077.24 |
| Financial assets held for trading | 200,351,291.06 | 1,616,960.00 |
| Derivative financial assets | | |
| Bills receivable | 465,000,000.00 | 101,690,000.00 |
| Accounts receivable | 346,576,624.47 | 702,140,655.92 |
| Financing receivables | | |
| Prepayments | 45,392,206.36 | 33,734,106.37 |
| Other receivables | 55,940,484,119.70 | 50,416,646,059.12 |
| Inventories | 766,992,450.57 | 755,804,135.42 |
| Contract assets | | |
| Assets held for sale | | |
| Non-current assets due within one year | | |
| Other current assets | 31,278,635.78 | 77,705,029.75 |
| **Total current assets** | 70,644,740,781.12 | 57,619,318,023.82 |
| **NON-CURRENT ASSETS:** | | |
| Long-term equity investments | 94,518,845,210.05 | 88,121,352,789.41 |
| Investments in other equity instruments | | |
| Other non-current financial assets | | |
| Investment properties | | |
| Fixed assets | 1,250,667,664.68 | 1,179,636,565.52 |
| Construction in progress | 71,338,253.27 | 59,786,773.18 |
| Productive biological assets | 194,386,720.79 | 136,799,634.13 |
| Right-of-use assets | 154,502,717.03 | 173,385,402.45 |
| Intangible assets | 170,336,951.97 | 175,300,670.52 |
| Development expenditure | | |
| Goodwill | | |
| Long-term deferred expenses | 40,842,128.63 | 37,862,328.79 |
| Deferred tax assets | | |
| Other non-current assets | 25,241,868.17 | 28,228,585.18 |
| **Total non-current assets** | 96,426,161,514.59 | 89,912,352,749.18 |
| **TOTAL ASSETS** | 167,070,902,295.71 | 147,531,670,773.00 |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 2. Company Balance Sheet (Continued)

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| **CURRENT LIABILITIES:** | | |
| Short-term loans | **37,167,677,382.45** | 28,938,291,207.25 |
| Financial liabilities held for trading | **2,718,160.00** | 845,186.72 |
| Derivative financial liabilities | | |
| Bills payable | **4,875,428,546.93** | 4,095,310,000.00 |
| Accounts payable | **1,462,798,679.25** | 986,543,015.75 |
| Contract liabilities | **535,248,437.58** | 488,875,460.66 |
| Employee remuneration payable | **22,663,676.02** | 49,406,668.53 |
| Taxes payable | **15,839,717.74** | 6,890,879.84 |
| Other payables | **56,857,498,101.93** | 62,386,796,792.53 |
| Non-current liabilities due within one year | **6,274,858,345.47** | 3,974,278,154.83 |
| Other current liabilities | **1,304,885,325.35** | 363,371,917.84 |
| **Total current liabilities** | **108,519,616,372.72** | 101,290,609,283.95 |
| **NON-CURRENT LIABILITIES:** | | |
| Long-term loans | **3,614,278,101.41** | 6,384,292,579.73 |
| Debentures payable | **11,296,753,564.98** | 11,695,079,085.28 |
| Lease liabilities | **147,176,222.23** | 161,728,454.61 |
| Long-term payables | | 8,139,596.16 |
| Provisions | | |
| Deferred income | **42,884,833.54** | 41,148,157.29 |
| Deferred tax liabilities | | |
| **Total non-current liabilities** | **15,101,092,722.16** | 18,290,387,873.07 |
| **TOTAL LIABILITIES** | **123,620,709,094.88** | 119,580,997,157.02 |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 2. Company Balance Sheet (Continued)

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| **SHAREHOLDERS' EQUITY:** | | |
| Share capital | 5,772,996,075.00 | 5,462,771,148.00 |
| Other equity instruments | 1,017,134,014.80 | 1,017,142,552.25 |
| Capital reserve | 27,904,601,575.47 | 17,232,311,279.61 |
| Less: Treasury shares | 4,011,082,230.16 | 4,011,082,230.16 |
| Other comprehensive income | 2,007,600.00 | 2,046,960.00 |
| Surplus reserve | 2,829,190,556.76 | 2,829,190,556.76 |
| Retained earnings | 9,935,345,608.96 | 5,418,293,349.52 |
| Total shareholders' equity | 43,450,193,200.83 | 27,950,673,615.98 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 167,070,902,295.71 | 147,531,670,773.00 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

### 3. Consolidated Income Statement

Unit: RMB

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **I. Revenue** | 59,410,306,384.59 | 76,462,752,679.74 |
| **II. Total operating costs** | 64,732,702,472.99 | 65,696,337,249.07 |
| Operating costs | 60,346,397,370.48 | 60,774,025,235.12 |
| Taxes and surcharges | 136,661,627.04 | 135,400,124.35 |
| Selling and distribution expenses | 660,361,293.28 | 641,006,568.06 |
| General and administrative expenses | 1,761,203,529.95 | 1,813,822,412.08 |
| Research and development expenses | 708,527,070.24 | 921,062,913.01 |
| Financial expenses | 1,119,551,582.00 | 1,411,019,996.45 |
| Including: Interest expenses | 1,030,335,826.21 | 1,444,045,287.04 |
| Interest income | 45,615,823.52 | 92,528,981.04 |
| Add: Other income | 209,910,684.04 | 172,030,068.24 |
| Investment income | 40,112,719.94 | 67,005,251.73 |
| Including: Income from associates and joint ventures | 6,045,001.32 | 41,588,612.60 |
| (Losses)/Gains from changes in fair value | 5,557,976.27 | 4,691,165.51 |
| Credit (losses)/reversal | -7,818,269.51 | -5,176,391.28 |
| Impairment losses | -313,531,318.38 | -2,029,601.99 |
| Gains from asset disposals | 2,832,807.43 | 2,832,460.46 |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 3. Consolidated Income Statement (Continued)

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **III. Operating profit/(loss)** | **-5,385,331,488.61** | 11,005,768,383.34 |
| Add: Non-operating income | **75,289,275.62** | 51,205,423.96 |
| Less: Non-operating expenses | **354,290,483.95** | 286,906,158.09 |
| **IV. Profit/(Loss) before income tax** | **-5,664,332,696.94** | 10,770,067,649.21 |
| Less: Income tax expenses | **420,112,208.00** | -20,198,971.13 |
| **V. Net profit/(loss)** | **-6,084,444,904.94** | 10,790,266,620.34 |
| (1) By operating continuity: | | |
| Net profit/(loss) from continuing operations | **-6,084,444,904.94** | 10,790,266,620.34 |
| Net profit/(loss) from discontinued operations | | |
| (2) By ownership: | | |
| Net profit/(loss) attributable to shareholders of the Company | **-6,077,653,278.94** | 10,530,051,098.42 |
| Net profit/(loss) attributable to non-controlling interests | **-6,791,626.00** | 260,215,521.92 |
| **VI. Other comprehensive income, net of tax** | **1,123,240.00** | -20,948,628.62 |
| Attributable to shareholders of the Company | **1,123,240.00** | -20,948,628.62 |
| (1) Items not to be reclassified to profit or loss | | -17,792,568.62 |
| – Changes in fair value of investments in other equity instruments | | -17,792,568.62 |
| (2) Items that may be reclassified to profit or loss | **1,123,240.00** | -3,156,060.00 |
| – Cash flow hedge reserve | **1,123,240.00** | -3,156,060.00 |
| Attributable to non-controlling interests | | |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 3. Consolidated Income Statement (Continued)

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **VII. Total comprehensive income** | **-6,083,321,664.94** | 10,769,317,991.72 |
| Attributable to shareholders of the Company | **-6,076,530,038.94** | 10,509,102,469.80 |
| Attributable to non-controlling interests | **-6,791,626.00** | 260,215,521.92 |
| **VIII. Earnings per share:** | | |
| (1) Basic earnings per share (RMB/share) | **-1.10** | 1.96 |
| (2) Diluted earnings per share (RMB/share) | **-1.10** | 1.91 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

### 4. Company Income Statement

Unit: RMB

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **I. Revenue** | **1,373,899,321.40** | 1,764,271,424.25 |
| Less: Operating costs | **1,382,991,933.18** | 1,375,958,739.79 |
| Taxes and surcharges | **4,066,553.99** | 2,635,187.59 |
| Selling and distribution expenses | **19,183,548.91** | 37,860,854.88 |
| General and administrative expenses | **414,203,881.19** | 248,576,204.40 |
| Research and development expenses | **109,476,495.65** | 91,158,381.15 |
| Financial expenses | **853,447,623.99** | 794,021,494.09 |
| Including: Interest expenses | **766,337,904.46** | 820,858,453.46 |
| Interest income | **34,187,521.12** | 46,637,494.85 |
| Add: Other income | **12,568,429.67** | 7,357,115.27 |
| Investment income | **8,339,136,407.08** | 9,213,099,267.68 |
| Including: Income from associates and joint ventures | **7,686,377.29** | 33,779,213.77 |
| (Losses)/Gains from changes in fair value | **508,197.78** | 3,204,194.31 |
| Credit (losses)/reversal | **-1,255,552.50** | -369,361.09 |
| Impairment losses | | |
| Gains from asset disposals | **697,567.14** | -63,016.92 |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 4. Company Income Statement (Continued)

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **II. Operating profit/(loss)** | **6,942,184,333.66** | 8,437,288,761.60 |
| Add: Non-operating income | **12,923,921.63** | 12,967,265.01 |
| Less: Non-operating expenses | **3,305,881.36** | 2,711,866.74 |
| **III. Profit/(Loss) before income tax** | **6,951,802,373.93** | 8,447,544,159.87 |
| Less: Income tax expenses | | |
| **IV. Net profit/(loss)** | **6,951,802,373.93** | 8,447,544,159.87 |
| (1) Net profit from continuing operations | **6,951,802,373.93** | 8,447,544,159.87 |
| (2) Net profit from discontinued operations | | |
| **V. Other comprehensive income, net of tax** | **-39,360.00** | -3,102,560.00 |
| (2) Items that may be reclassified to profit or loss | **-39,360.00** | -3,102,560.00 |
| – Cash flow hedge reserve | **-39,360.00** | -3,102,560.00 |
| **VI. Total comprehensive income** | **6,951,763,013.93** | 8,444,441,599.87 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

### 5. Consolidated Cash Flow Statement

Unit: RMB

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **I. Cash flows from operating activities:** | | |
| Proceeds from sale of goods and rendering of services | **61,850,387,055.24** | 78,524,590,695.10 |
| Refund of taxes | | |
| Proceeds from other operating activities | **2,478,346,722.40** | 2,777,270,558.34 |
| Subtotal of cash inflows from operating activities | **64,328,733,777.64** | 81,301,861,253.44 |
| Payment for goods and services | **55,392,260,617.32** | 51,016,445,085.92 |
| Payment to and for employees | **8,166,345,854.57** | 9,903,330,778.18 |
| Payment of various taxes | **601,796,996.02** | 154,582,442.74 |
| Payment for other operating activities | **2,391,998,692.41** | 2,876,693,007.20 |
| Subtotal of cash outflows from operating activities | **66,552,402,160.32** | 63,951,051,314.04 |
| Net cash inflow/(outflow) from operating activities | **-2,223,668,382.68** | 17,350,809,939.40 |

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 5. Consolidated Cash Flow Statement (Continued)

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **II. Cash flows from investing activities:** | | |
| Proceeds from disposal of investments | 21,675,726,282.66 | 7,059,999,000.00 |
| Investment returns received | 81,303,740.18 | 69,075,127.30 |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | 738,229,330.56 | 36,733,629.44 |
| Subtotal of cash inflows from investing activities | 22,495,259,353.40 | 7,165,807,756.74 |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets | 6,520,966,515.39 | 5,225,824,186.32 |
| Payment for acquisition of investments | 23,989,620,146.86 | 7,871,429,000.00 |
| Subtotal of cash outflows from investing activities | 30,510,586,662.25 | 13,097,253,186.32 |
| Net cash inflow/(outflow) from investing activities | -8,015,327,308.85 | -5,931,445,429.58 |
| **III. Cash flows from financing activities:** | | |
| Proceeds from investors | 10,613,212,956.19 | |
| Proceeds from borrowings | 47,187,600,000.00 | 36,075,357,971.08 |
| Proceeds from other financing activities | | 4,180,000.00 |
| Subtotal of cash inflows from financing activities | 57,800,812,956.19 | 36,079,537,971.08 |
| Repayments of borrowings | 41,989,480,879.34 | 35,504,785,868.34 |
| Payment for dividends, profit distributions or interest | 3,186,713,949.17 | 4,404,721,758.77 |
| Including: Dividends paid to non-controlling shareholders | | 209,575,064.56 |
| Payment for other financing activities | 1,464,856,026.12 | 4,033,130,757.35 |
| Subtotal of cash outflows from financing activities | 46,641,050,854.63 | 43,942,638,384.46 |
| Net cash inflow/(outflow) from financing activities | 11,159,762,101.56 | -7,863,100,413.38 |
| **IV. Effect of foreign exchange rate changes on cash and cash equivalents** | -69,715,945.45 | 196,061.28 |
| **V. Net increase/(decrease) in cash and cash equivalents** | 851,050,464.58 | 3,556,460,157.72 |
| Add: Cash and cash equivalents at December 31, 2025 | 12,778,056,091.87 | 12,844,551,613.08 |
| **VI. Cash and cash equivalents at June 30, 2026** | 13,629,106,556.45 | 16,401,011,770.80 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

# FINANCIAL REPORT

## II. FINANCIAL STATEMENTS (CONTINUED)

### 6. Company Cash Flow Statement

Unit: RMB

| Item | H1 2026 | H1 2025 |
|---|---|---|
| **I. Cash flows from operating activities:** | | |
| Proceeds from sale of goods and rendering of services | 1,365,634,577.88 | 2,354,977,184.73 |
| Refund of taxes | | |
| Proceeds from other operating activities | 33,743,990,169.29 | 27,261,683,795.20 |
| Subtotal of cash inflows from operating activities | 35,109,624,747.17 | 29,616,660,979.93 |
| Payment for goods and services | 800,949,404.75 | 527,261,208.13 |
| Payment to and for employees | 349,491,215.01 | 383,667,126.87 |
| Payment of various taxes | 4,845,811.73 | 3,611,939.86 |
| Payment for other operating activities | 26,276,931,455.60 | 22,562,725,034.01 |
| Subtotal of cash outflows from operating activities | 27,432,217,887.09 | 23,477,265,308.87 |
| Net cash inflow/(outflow) from operating activities | 7,677,406,860.08 | 6,139,395,671.06 |
| **II. Cash flows from investing activities:** | | |
| Proceeds from disposal of investments | 21,579,239,193.73 | 4,950,000,000.00 |
| Investment returns received | 8,464,965,205.05 | 4,222,975,226.99 |
| Net proceeds from disposal of fixed assets/intangible assets and other long-term assets | 7,890,439.33 | 1,966,083.10 |
| Subtotal of cash inflows from investing activities | 30,052,094,838.11 | 9,174,941,310.09 |
| Payment for acquisition of fixed assets/intangible assets and other long-term assets | 222,612,108.06 | 380,781,616.14 |
| Payment for acquisition of investments | 47,333,902,107.33 | 8,644,364,562.68 |
| Subtotal of cash outflows from investing activities | 47,556,514,215.39 | 9,025,146,178.82 |
| Net cash inflow/(outflow) from investing activities | -17,504,419,377.28 | 149,795,131.27 |
| **III. Cash flows from financing activities:** | | |
| Proceeds from investors | 10,613,212,956.19 | |
| Proceeds from borrowings | 39,038,600,000.00 | 21,595,650,000.00 |
| Subtotal of cash inflows from financing activities | 49,651,812,956.19 | 21,595,650,000.00 |
| Repayments of borrowings | 30,849,874,355.64 | 16,673,950,027.48 |
| Payment for dividends, profit distributions or interest | 3,053,769,134.21 | 3,651,814,088.18 |
| Payment for other financing activities | 84,704,866.63 | 1,324,696,353.99 |
| Subtotal of cash outflows from financing activities | 33,988,348,356.48 | 21,650,460,469.65 |
| Net cash inflow/(outflow) from financing activities | 15,663,464,599.71 | -54,810,469.65 |
| **IV. Effect of exchange rate changes** | -70,703,631.83 | 21.07 |
| **V. Net increase/(decrease) in cash and cash equivalents** | 5,765,748,450.68 | 6,234,380,353.75 |
| Add: Cash and cash equivalents at December 31, 2025 | 4,911,344,649.71 | 4,410,493,940.17 |
| **VI. Cash and cash equivalents at June 30, 2026** | 10,677,093,100.39 | 10,644,874,293.92 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

# II. FINANCIAL STATEMENTS (CONTINUED)

## 7. Consolidated Statement of Changes in Shareholders' Equity

**H1 2026**
Unit: RMB

| Item | Share capital | Other equity instruments | Capital reserve | Less: Treasury shares | Other comprehensive income | Surplus reserve | Retained earnings | Subtotal attributable to shareholders of the Company | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **I. Balance at the end of prior year** | 5,462,771,148.00 | 1,017,142,552.25 | 13,038,603,622.19 | 4,011,082,230.16 | -75,898,152.78 | 2,829,190,556.76 | 59,428,517,943.23 | 77,689,245,439.49 | 1,052,733,491.83 | 78,741,978,931.32 |
| Add: Changes in accounting policies | | | | | | | | | | |
| Correction of prior period errors | | | | | | | | | | |
| Other | | | | | | | | | | |
| **II. Balance at the beginning of the current year** | 5,462,771,148.00 | 1,017,142,552.25 | 13,038,603,622.19 | 4,011,082,230.16 | -75,898,152.78 | 2,829,190,556.76 | 59,428,517,943.23 | 77,689,245,439.49 | 1,052,733,491.83 | 78,741,978,931.32 |
| **III. Increase/(Decrease) during the period** | 310,224,927.00 | -8,537.45 | 10,698,435,200.77 | | 1,123,240.00 | | -8,512,403,393.43 | 2,497,371,436.89 | -1,024,156,114.47 | 1,473,215,322.42 |
| (1) Total comprehensive income | | | | | 1,123,240.00 | | -6,077,653,278.94 | -6,076,530,038.94 | -6,791,626.00 | -6,083,321,664.94 |
| (2) Shareholders' contributions and decrease of capital | 310,224,927.00 | -8,537.45 | 10,698,435,200.77 | | | | | 11,008,651,590.32 | -1,017,364,488.47 | 9,991,287,101.85 |
| 1. Contribution by ordinary shareholders | 310,223,100.00 | | 10,249,941,450.87 | | | | | 10,560,164,550.87 | 4,886,190.13 | 10,565,050,741.00 |
| 2. Contribution by holders of other equity instruments | 1,827.00 | -8,537.45 | 89,012.04 | | | | | 82,301.59 | | 82,301.59 |
| 3. Equity-settled share-based payments | | | 420,126,973.57 | | | | | 420,126,973.57 | | 420,126,973.57 |
| 4. Other | | | 28,277,764.29 | | | | | 28,277,764.29 | -1,022,250,678.60 | -993,972,914.31 |
| (3) Appropriation of profits | | | | | | | -2,434,750,114.49 | -2,434,750,114.49 | | -2,434,750,114.49 |
| 1. Appropriation for surplus reserve | | | | | | | | | | |
| 2. Appropriation to general risk reserve | | | | | | | | | | |
| 3. Distributions to shareholders | | | | | | | -2,434,750,114.49 | -2,434,750,114.49 | | -2,434,750,114.49 |
| 4. Other | | | | | | | | | | |
| (4) Internal transfers within equity | | | | | | | | | | |
| 1. Transfer from capital reserve to share capital | | | | | | | | | | |
| 2. Transfer from surplus reserve to share capital | | | | | | | | | | |
| 3. Surplus reserve to cover losses | | | | | | | | | | |
| 4. Remeasurement of defined benefit plan transferred to retained earnings | | | | | | | | | | |
| 5. Other comprehensive income transferred to retained earnings | | | | | | | | | | |
| 6. Other | | | | | | | | | | |
| (5) Special reserve | | | | | | | | | | |
| 1. Amount appropriated | | | | | | | | | | |
| 2. Amount utilized | | | | | | | | | | |
| (6) Other | | | | | | | | | | |
| **IV. Balance at the end of the period** | 5,772,996,075.00 | 1,017,134,014.80 | 23,737,038,822.96 | 4,011,082,230.16 | -74,774,912.78 | 2,829,190,556.76 | 50,916,114,549.80 | 80,186,616,876.38 | 28,577,377.36 | 80,215,194,253.74 |

## II. FINANCIAL STATEMENTS (CONTINUED)

### 7. Consolidated Statement of Changes in Shareholders' Equity (Continued)

**H1 2025**

Unit: RMB

| Item | Share capital | Other equity instruments | Capital reserve | Less: Treasury shares | Other comprehensive income | Surplus reserve | Retained earnings | Subtotal attributable to shareholders of the Company | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **I. Balance at the end of prior year** | 5,462,767,761.00 | 1,017,159,925.57 | 13,729,431,669.13 | 2,999,995,136.61 | -33,576,565.75 | 2,584,593,422.02 | 52,271,396,781.65 | 72,031,777,857.01 | 5,504,451,259.14 | 77,536,229,116.15 |
| Add: Changes in accounting policies | | | | | | | | | | |
| Correction of prior period errors | | | | | | | | | | |
| Other | | | | | | | | | | |
| **II. Balance at the beginning of the current year** | 5,462,767,761.00 | 1,017,159,925.57 | 13,729,431,669.13 | 2,999,995,136.61 | -33,576,565.75 | 2,584,593,422.02 | 52,271,396,781.65 | 72,031,777,857.01 | 5,504,451,259.14 | 77,536,229,116.15 |
| **III. Increase/(Decrease) during the period** | 612.00 | -3,964.95 | 94,110,824.92 | 1,109,877,215.61 | -20,948,628.62 | | 7,447,172,184.11 | 6,410,453,811.85 | -2,012,867,594.11 | 4,397,586,217.74 |
| (1) Total comprehensive income | | | | | -20,948,628.62 | | 10,530,051,098.42 | 10,509,102,469.80 | 260,215,521.92 | 10,769,317,991.72 |
| (2) Shareholders' contributions and decrease of capital | 612.00 | -3,964.95 | 94,110,824.92 | 1,109,877,215.61 | | | | -1,015,769,743.64 | -2,089,570,422.19 | -3,105,340,165.83 |
| 1. Contribution by ordinary shareholders | | | | 1,109,877,215.61 | | | | -1,109,877,215.61 | | -1,109,877,215.61 |
| 2. Contribution by holders of other equity instruments | 612.00 | -3,964.95 | 40,340.53 | | | | | 36,987.58 | | 36,987.58 |
| 3. Equity-settled share-based payments | | | | | | | | | | |
| 4. Other | | | 94,070,484.39 | | | | | 94,070,484.39 | -2,089,570,422.19 | -1,995,499,937.80 |
| (3) Appropriation of profits | | | | | | | -3,082,878,914.31 | -3,082,878,914.31 | -183,512,693.84 | -3,266,391,608.15 |
| 1. Appropriation for surplus reserve | | | | | | | | | | |
| 2. Appropriation to general risk reserve | | | | | | | | | | |
| 3. Distributions to shareholders | | | | | | | -3,082,878,914.31 | -3,082,878,914.31 | -183,512,693.84 | -3,266,391,608.15 |
| 4. Other | | | | | | | | | | |
| (4) Internal transfers within equity | | | | | | | | | | |
| (5) Special reserve | | | | | | | | | | |
| (6) Other | | | | | | | | | | |
| **IV. Balance at the end of the period** | 5,462,768,373.00 | 1,017,155,960.62 | 13,823,542,494.05 | 4,109,872,352.22 | -54,525,194.37 | 2,584,593,422.02 | 59,718,568,965.76 | 78,442,231,668.86 | 3,491,583,665.03 | 81,933,815,333.89 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

# II. FINANCIAL STATEMENTS (CONTINUED)

## 8. Company Statement of Changes in Shareholders' Equity

**H1 2026**

Unit: RMB

| Item | Share capital | Other equity instruments | Capital reserve | Less: Treasury shares | Other comprehensive income | Surplus reserve | Retained earnings | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **I. Balance at the end of prior year** | 5,462,771,148.00 | 1,017,142,552.25 | 17,232,311,279.61 | 4,011,082,230.16 | 2,046,960.00 | 2,829,190,556.76 | 5,418,293,349.52 | 27,950,673,615.98 |
| Add: Changes in accounting policies | | | | | | | | |
| Correction of prior period errors | | | | | | | | |
| Other | | | | | | | | |
| **II. Balance at the beginning of the current year** | 5,462,771,148.00 | 1,017,142,552.25 | 17,232,311,279.61 | 4,011,082,230.16 | 2,046,960.00 | 2,829,190,556.76 | 5,418,293,349.52 | 27,950,673,615.98 |
| **III. Increase/(Decrease) during the period** | 310,224,927.00 | -8,537.45 | 10,672,290,295.86 | | -39,360.00 | | 4,517,052,259.44 | 15,499,519,584.85 |
| (1) Total comprehensive income | | | | | -39,360.00 | | 6,951,802,373.93 | 6,951,763,013.93 |
| (2) Shareholders' contributions and decrease of capital | 310,224,927.00 | -8,537.45 | 10,672,290,295.86 | | | | | 10,982,506,685.41 |
| 1. Contribution by ordinary shareholders | 310,223,100.00 | | 10,249,941,450.87 | | | | | 10,560,164,550.87 |
| 2. Contribution by holders of other equity instruments | 1,827.00 | -8,537.45 | 89,012.04 | | | | | 82,301.59 |
| 3. Equity-settled share-based payments | | | 420,126,973.57 | | | | | 420,126,973.57 |
| 4. Other | | | 2,132,859.38 | | | | | 2,132,859.38 |
| (3) Appropriation of profits | | | | | | | -2,434,750,114.49 | -2,434,750,114.49 |
| 1. Appropriation for surplus reserve | | | | | | | | |
| 2. Distributions to shareholders | | | | | | | -2,434,750,114.49 | -2,434,750,114.49 |
| 3. Other | | | | | | | | |
| (4) Internal transfers within equity | | | | | | | | |
| (5) Special reserve | | | | | | | | |
| (6) Other | | | | | | | | |
| **IV. Balance at the end of the period** | 5,772,996,075.00 | 1,017,134,014.80 | 27,904,601,575.47 | 4,011,082,230.16 | 2,007,600.00 | 2,829,190,556.76 | 9,935,345,608.96 | 43,450,193,200.83 |

## II. FINANCIAL STATEMENTS (CONTINUED)

### 8. Company Statement of Changes in Shareholders' Equity (Continued)

**H1 2025**

Unit: RMB

| Item | Share capital | Other equity instruments | Capital reserve | Less: Treasury shares | Other comprehensive income | Surplus reserve | Retained earnings | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **I. Balance at the end of prior year** | 5,462,767,761.00 | 1,017,159,925.57 | 17,891,640,689.43 | 2,999,995,136.61 | 2,863,840.00 | 2,584,593,422.02 | 3,709,389,305.45 | 27,668,419,806.86 |
| Add: Changes in accounting policies | | | | | | | | |
| Correction of prior period errors | | | | | | | | |
| Other | | | | | | | | |
| **II. Balance at the beginning of the current year** | 5,462,767,761.00 | 1,017,159,925.57 | 17,891,640,689.43 | 2,999,995,136.61 | 2,863,840.00 | 2,584,593,422.02 | 3,709,389,305.45 | 27,668,419,806.86 |
| **III. Increase/(Decrease) during the period** | 612.00 | -3,964.95 | 4,540,402.73 | 1,109,877,215.61 | -3,102,560.00 | | 5,364,665,245.56 | 4,256,222,519.73 |
| (1) Total comprehensive income | | | | | -3,102,560.00 | | 8,447,544,159.87 | 8,444,441,599.87 |
| (2) Shareholders' contributions and decrease of capital | 612.00 | -3,964.95 | 4,540,402.73 | 1,109,877,215.61 | | | | -1,105,340,165.83 |
| 1. Contribution by ordinary shareholders | | | | 1,109,877,215.61 | | | | -1,109,877,215.61 |
| 2. Contribution by holders of other equity instruments | 612.00 | -3,964.95 | 40,340.53 | | | | | 36,987.58 |
| 3. Equity-settled share-based payments | | | | | | | | |
| 4. Other | | | 4,500,062.20 | | | | | 4,500,062.20 |
| (3) Appropriation of profits | | | | | | | -3,082,878,914.31 | -3,082,878,914.31 |
| 1. Appropriation for surplus reserve | | | | | | | | |
| 2. Distributions to shareholders | | | | | | | -3,082,878,914.31 | -3,082,878,914.31 |
| 3. Other | | | | | | | | |
| (4) Internal transfers within equity | | | | | | | | |
| (5) Special reserve | | | | | | | | |
| (6) Other | | | | | | | | |
| **IV. Balance at the end of the period** | 5,462,768,373.00 | 1,017,155,960.62 | 17,896,181,092.16 | 4,109,872,352.22 | -238,720.00 | 2,584,593,422.02 | 9,074,054,551.01 | 31,924,642,326.59 |

Legal Representative: Cao Zhinian Person in-charge of accounting affairs: Gao Tong Head of accounting department: Zhang Ting

# FINANCIAL REPORT

## III. COMPANY PROFILE

### (1) Place of registration, form of organization and headquarters address

Muyuan Foods Group Co., Ltd. (hereinafter referred to as the "Company") was established on July 13, 2000 as a limited liability company in Nanyang City, Henan Province, the People's Republic of China (the "PRC") in accordance with the Company Law of the People's Republic of China, with its headquarters located in Nanyang City, Henan Province. On December 28, 2009, the Company was restructured into a joint stock limited company. Prior to its restructuring into a joint stock limited company, the Company was known as Henan Province Neixiang County Muyuan Breeding Co., Ltd. On January 28, 2014, the Company's A-shares were listed on the Shenzhen Stock Exchange. On February 6, 2026, the Company's H-shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Stock Exchange").

As at June 30, 2026, the Company has a share capital of RMB5,772,996,075.00, with a total of 5,772,996,075 shares (par value of RMB1 per share).

The Company and its subsidiaries are principally engaged in: (1) sales of piglets, commercial hogs and breeding hogs; (2) sales of hog carcasses, pork cuts and by-products. For information on the Company's important subsidiaries, please refer to Note X.

## IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company prepares its financial statements on a going concern basis. As at June 30, 2026, the Company was in a net current liability position. The Company's liquidity primarily depends on its ability to maintain sufficient operating cash inflows and adequate financing to meet its financial obligations as they fall due. The directors of the Company have reviewed the Company's cash flow projections and are of the opinion that, taking into account the Company's sources of liquidity and undrawn bank facilities, the Company will have sufficient financial resources to meet its future working capital requirements and to fulfill its financial obligations as they fall due for at least twelve months from June 30, 2026. Accordingly, the directors of the Company consider it appropriate to prepare the financial statements on a going concern basis.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

### 1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements have been prepared in accordance with the requirements of all applicable Accounting Standards for Business Enterprises, issued by the Ministry of Finance ("MOF") of the PRC. These financial statements present truly and completely the consolidated and company financial position of the Company as at June 30, 2026, and the consolidated and company financial performance and cash flows of the Company for the six months ended June 30, 2026.

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

### 2. Accounting period

The Company adopts the calendar year, i.e., from January 1 to December 31 of each year as its accounting year.

### 3. Operating cycle

The operating cycle of the Company's business activities does not exceed 12 months, and 12 months is adopted as the standard for classifying the liquidity of assets and liabilities.

### 4. Functional currency

The Company uses RMB as its functional currency, and the currency used for the preparation of financial statements is RMB. The Company and its subsidiaries determine their functional currency based on the currency in which their principal business revenues and expenses are denominated and settled.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 5. Methodology and basis for determining materiality thresholds

| Item | Materiality threshold |
|---|---|
| Material construction in progress | Period-end balance of construction in progress exceeds 0.05% of the most recent audited consolidated total assets |
| Material associates | Period-end balance of long-term equity investments exceeds 0.05% of the most recent audited consolidated total assets |
| Material non-wholly-owned subsidiaries | Period-end balance of non-controlling interests exceeds 10% of the most recent audited consolidated non-controlling interests |

### 6. Accounting treatment for business combinations under common control and not under common control

When the Company obtains control over another entity or multiple entities (or a group of assets or net assets) which constitutes a business, the transaction or event constitutes a business combination. Business combinations are classified into business combinations under common control and business combinations not under common control.

For transactions not under common control, when the acquirer determines whether the acquired group of assets constitutes a business, it will consider whether to apply the optional simplified "concentration test" approach. If the combination passes the concentration test, it is determined not to constitute a business. If the combination does not pass the concentration test, it shall still be assessed based on the criteria for a business.

When the Company acquires a group of assets or net assets that does not constitute a business, the purchase cost shall be allocated based on the relative fair values of the identifiable assets and liabilities acquired at the acquisition date, and shall not be accounted for using the following business combination accounting methods.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 6. Accounting treatment for business combinations under common control and not under common control (Continued)

#### *(i) Business combinations under common control*

Where the enterprises participating in the combination are under the common control of the same party or parties both before and after the combination, and such control is not temporary, the combination is a business combination under common control. The assets and liabilities obtained by the combining party in a business combination are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the share of net assets obtained and the carrying amount of the consolidated consideration paid (or the aggregate par value of shares issued) is adjusted against the share premium in capital reserve; if the share premium in capital reserve is insufficient to absorb the difference, the surplus reserve and retained earnings are adjusted in sequence. Direct costs related to the business combination are recognized in profit or loss in the period in which they are incurred. The combination date is the date on which the combining party actually obtains control over the combined party.

#### *(ii) Business combinations not under common control*

Where the enterprises participating in the combination are not under the common control of the same party or parties both before and after the combination, the combination is a business combination not under common control. As the acquirer, the Company recognizes the excess of the aggregate of the fair value of the assets given (including the equity interest in the acquiree held prior to the acquisition date), liabilities incurred or assumed, and equity securities issued at the acquisition date as consideration for the business combination, over the Company's share of the fair value of the acquiree's identifiable net assets at the acquisition date, after considering the effect of relevant deferred income tax, as goodwill if positive; if negative, it is recognized in profit or loss for the current period. Transaction costs of equity securities or debt securities issued as acquisition consideration are included in the initial recognition amount of the equity securities or debt securities. Other direct costs incurred by the Company for the business combination are recognized in profit or loss for the current period. The difference between the fair value and carrying amount of assets given is recognized in profit or loss for the current period. At the acquisition date, the Company recognizes the acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria at their fair values. The acquisition date is the date on which the acquirer actually obtains control of the acquiree.

### 7. Criteria for determining control and method of preparing consolidated financial statements

#### *(i) General principles*

The scope of consolidation of the consolidated financial statements is determined on the basis of control, including the Company and its subsidiaries. Control means that the Company has power over the investee, enjoys variable returns through its participation in the relevant activities of the investee, and has the ability to use its power over the investee to affect the amount of its returns. The financial position, results of operations and cash flows of subsidiaries are included in the consolidated financial statements from the date when control commences to the date when control ceases.

All intra-group transactions and balances, including unrealized profits and losses from intra-group transactions, are eliminated on consolidation. Where unrealized losses from internal transactions provide evidence of impairment of the related assets, such losses are recognized in full.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 7. Criteria for determining control and method of preparing consolidated financial statements (Continued)

#### *(ii) Subsidiaries acquired through business combination*

For subsidiaries acquired through business combinations under common control, when preparing the consolidated financial statements for the current period, the assets and liabilities of the combined subsidiary are measured based on their carrying amounts in the ultimate controlling party's financial statements, and the subsidiary is deemed to have been included in the Company's scope of consolidation from the date when the ultimate controlling party first obtained control over it, with corresponding adjustments made to the opening balances and comparative statements of the consolidated financial statements.

For subsidiaries acquired through business combinations not under common control, when preparing the consolidated financial statements for the current period, the acquired subsidiary is included in the Company's scope of consolidation from the acquisition date based on the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities determined at the acquisition date.

#### *(iii) Disposal of subsidiaries*

When the Company loses control of a former subsidiary, any resulting gain or loss on disposal is recognized in investment income for the period in which control is lost. For the remaining equity investment, the Company remeasures it at its fair value at the date when control is lost, and any resulting gain or loss is also recognized in investment income for the period in which control is lost.

#### *(iv) Changes in non-controlling interests*

The difference between the cost of additional long-term equity investments acquired by the Company through the purchase of non-controlling interests and the Company's share of the subsidiary's net assets calculated according to the newly acquired shareholding proportion, as well as the difference between the disposal proceeds from partial disposal of equity investments in a subsidiary without losing control and the corresponding share of the subsidiary's net assets attributable to the disposed long-term equity investments, are both adjusted against the share premium in capital reserve in the consolidated balance sheet; if the share premium in capital reserve is insufficient to absorb the difference, the surplus reserve and retained earnings are adjusted in sequence.

### 8. Criteria for determining cash and cash equivalents

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

### 9. Foreign currency transactions and translation of foreign currency financial statements

When the Company receives capital invested by investors in foreign currencies, it is translated into RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are translated into RMB at the spot exchange rate on the transaction date upon initial recognition.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Foreign currency transactions and translation of foreign currency financial statements (Continued)

At the balance sheet date, foreign currency monetary items are translated at the spot exchange rate on that date. Exchange differences, other than those arising from the principal and interest of foreign currency borrowings specifically for the acquisition, construction or production of qualifying assets, are recognized in profit or loss for the current period. Foreign currency non-monetary items measured at historical cost are translated at the spot exchange rate on the transaction date.

When translating the financial statements of overseas operations, assets and liabilities in the balance sheet are translated at the spot exchange rate on the balance sheet date. Equity items other than retained earnings and the exchange differences arising from translation of foreign currency financial statements in other comprehensive income are translated at the spot exchange rate at the time of occurrence. Revenue and expense items in the income statement are translated at the spot exchange rate on the transaction date. Exchange differences arising from the above translation are presented in other comprehensive income. Upon disposal of overseas operations, the related foreign currency financial statement translation differences are transferred from other comprehensive income to profit or loss for the period of disposal.

### 10. Financial instruments

The Company's financial instruments include cash at bank and on hand, equity investments other than long-term equity investments, receivables, payables, borrowings, debentures payable and share capital, etc.

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

Financial assets and financial liabilities are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the relevant financial instrument.

At initial recognition, financial assets and financial liabilities are measured at fair value. For financial assets or financial liabilities at fair value through profit or loss ("FVTPL"), the related transaction costs are directly recognized in profit or loss for the current period; for other categories of financial assets or financial liabilities, the related transaction costs are included in the initial recognition amount. For accounts receivable that do not contain a significant financing component or for which the Company does not consider financing components in contracts of one year or less, the Company performs initial measurement at the transaction price determined in accordance with the accounting policy in Note V.24.

### *(2) Classification and subsequent measurement of financial assets*

*(a) Classification of financial assets of the Company*

The Company generally classifies financial assets into different categories at initial recognition based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income ("FVOCI"), and financial assets at fair value through profit or loss.

Unless the Company changes its business model for managing financial assets, in which case all affected related financial assets are reclassified on the first day of the first reporting period following the change in business model, financial assets are not reclassified after initial recognition.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

### *(2) Classification and subsequent measurement of financial assets* (Continued)

*(a) Classification of financial assets of the Company (Continued)*

The Company classifies financial assets that simultaneously satisfy the following conditions and have not been designated as at FVTPL as financial assets measured at amortized cost:

– The Company's business model for managing such financial assets is aimed at collecting contractual cash flows;

– The contractual terms of such financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company classifies financial assets that simultaneously satisfy the following conditions and have not been designated as at FVTPL as financial assets at FVOCI:

– The Company's business model for managing such financial assets is aimed at both collecting contractual cash flows and selling the financial assets;

– The contractual terms of such financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For non-trading equity instrument investments, the Company may irrevocably designate them as financial assets at FVOCI at initial recognition. Such designation is made on an individual investment basis, and the relevant investments meet the definition of equity instruments from the issuer's perspective.

Except for the above financial assets measured at amortized cost and at FVOCI, the Company classifies all remaining financial assets as financial assets at FVTPL. At initial recognition, if it can eliminate or significantly reduce an accounting mismatch, the Company may irrevocably designate financial assets that would otherwise be measured at amortized cost or at FVOCI as financial assets at FVTPL.

The business model for managing financial assets refers to how the Company manages financial assets to generate cash flows. The business model determines whether the source of cash flows from the financial assets managed by the Company is the collection of contractual cash flows, the sale of financial assets, or both. The Company determines the business model for managing financial assets based on objective facts and the specific business objectives determined by key management personnel for managing financial assets.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

#### (2) *Classification and subsequent measurement of financial assets* (Continued)

*(a) Classification of financial assets of the Company (Continued)*

The Company assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated on specified dates are solely payments of principal and interest on the principal amount outstanding. Principal refers to the fair value of the financial asset at initial recognition; interest includes consideration for the time value of money, credit risk associated with the principal amount outstanding for a specific period, and other basic lending risks, costs and profits. In addition, the Company assesses contractual terms that may change the timing or amount of contractual cash flows of financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

*(b) Subsequent measurement of financial assets of the Company*

– Financial assets at FVTPL

After initial recognition, such financial assets are subsequently measured at fair value, with gains or losses (including interest and dividend income) recognized in profit or loss for the current period, unless the financial asset forms part of a hedging relationship.

– Financial assets measured at amortized cost

After initial recognition, such financial assets are measured at amortized cost using the effective interest method. Gains or losses from financial assets measured at amortized cost that are not part of any hedging relationship are recognized in profit or loss when the financial assets are derecognized, reclassified, amortized using the effective interest method, or upon recognition of impairment.

– Equity instrument investments at FVOCI

After initial recognition, such financial assets are subsequently measured at fair value. Dividend income is recognized in profit or loss, and other gains or losses are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings.

#### *(3) Classification and subsequent measurement of financial liabilities*

The Company classifies financial liabilities into financial liabilities at FVTPL and financial liabilities measured at amortized cost.

*– Financial liabilities at FVTPL*

Such financial liabilities include held-for-trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as at FVTPL.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

#### *(3) Classification and subsequent measurement of financial liabilities* (Continued)

– *Financial liabilities at FVTPL (Continued)*

After initial recognition, such financial liabilities are subsequently measured at fair value, with gains or losses (including interest expenses) recognized in profit or loss for the current period, except for those related to hedge accounting.

– *Financial liabilities measured at amortized cost*

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

#### *(4) Offsetting*

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, when the following conditions are simultaneously met, the net amount after offsetting is presented in the balance sheet:

– The Company has a legal right to offset the recognized amounts, and such legal right is currently enforceable;

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

#### *(5) Derecognition of financial assets and financial liabilities*

The Company derecognizes a financial asset when one of the following conditions is met:

– The contractual right to receive cash flows from the financial asset has expired;

– The financial asset has been transferred, and the Company has transferred substantially all risks and rewards of ownership of the financial asset to the transferee;

– The financial asset has been transferred, and although the Company has neither transferred nor retained substantially all risks and rewards of ownership of the financial asset, the Company has not retained control of the financial asset.

When a financial asset transfer as a whole satisfies the conditions for derecognition, the Company recognizes in profit or loss the difference between:

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

– The sum of the consideration received for the transfer and any cumulative fair value changes previously recognized in other comprehensive income corresponding to the derecognized portion (where the transferred financial asset is a debt investment at FVOCI).

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

#### (5) *Derecognition of financial assets and financial liabilities* (Continued)

When the present obligation of a financial liability (or part thereof) has been discharged, the Company derecognizes that financial liability (or that part of the financial liability).

#### (6) *Impairment*

The Company performs impairment accounting and recognizes loss allowances on an expected credit loss ("ECL") basis for financial assets measured at amortized cost.

Other financial assets measured at fair value held by the Company are not subject to the ECL model, including equity instrument investments designated as at FVOCI and derivative financial assets.

*Measurement of ECL:*

ECL refers to the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows that are due to the Company under the contract and all cash flows that the Company expects to receive, discounted at the original effective interest rate, i.e., the present value of all cash shortfalls.

In measuring ECL, the maximum period that the Company needs to consider is the longest contractual period over which the entity is exposed to credit risk (including renewal options).

Lifetime ECL refers to the ECL resulting from all possible default events during the entire expected life of a financial instrument.

12-month ECL refers to the ECL resulting from possible default events of a financial instrument within 12 months after the balance sheet date (or the expected life of the financial instrument if its expected life is less than 12 months), and is a portion of the lifetime ECL.

For bills receivable and accounts receivable arising from the sale of goods and rendering of services in the ordinary course of business, the Company always measures the loss allowance at an amount equal to the lifetime ECL. The Company calculates the ECL of the above financial assets using a provision matrix based on historical credit loss experience, adjusted for borrower-specific factors as at the balance sheet date, current conditions and forecasts of future economic conditions.

For financial instruments other than bills receivable and accounts receivable, the Company measures the loss allowance at an amount equal to the 12-month ECL when the following conditions are met, and measures the loss allowance at an amount equal to the lifetime ECL for other financial instruments:

– The financial instrument has only low credit risk at the balance sheet date; or

– The credit risk of the financial instrument has not increased significantly since initial recognition.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

#### (6) *Impairment* (Continued)

*Provision for bad debts of receivables*

(a) Categories of portfolios for provision of bad debts based on credit risk characteristics and the basis for determination

| Item | Basis for determination |
|---|---|
| Bills receivable | Based on different credit risk characteristics of the acceptors, the Company divides bills receivable into two portfolios: bank acceptance bills and commercial acceptance bills. |
| Accounts receivable | Based on the credit risk characteristics of different counterparties, the Company divides accounts receivable into two portfolios: amounts receivable from related parties within the scope of consolidation and amounts receivable from other customers. |
| Other receivables | Based on the nature of other receivables and the credit risk characteristics of different counterparties, the Company divides other receivables into 3 portfolios: dividends receivable, other amounts receivable from related parties within the scope of consolidation, and other amounts receivable from third parties. |

(b) Criteria for individual provision of bad debts

For bills receivable, accounts receivable and other receivables, the Company generally measures the loss allowance on a portfolio basis. If the credit risk characteristics of a particular counterparty are significantly different from those of other counterparties in the portfolio, or if the credit risk characteristics of that counterparty have changed significantly, the loss allowance for amounts receivable from that counterparty is provided on an individual basis. For example, when a particular counterparty is in serious financial difficulty, and the ECL rate for amounts receivable from that counterparty is significantly higher than the ECL rate for the aging bracket to which it belongs, the loss allowance is provided on an individual basis.

*Low credit risk*

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

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

### *(6) Impairment* (Continued)

*Significant increase in credit risk*

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default occurring at the balance sheet date with the risk of default occurring at the date of initial recognition.

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

– The debtor's failure to pay the principal and interest at the contractual due date;

– Actual or expected severe deterioration of the external or internal credit rating (if available) of the financial instrument;

– Actual or expected severe deterioration of the debtor's operating results;

– Existing or expected changes in the technological, market, economic or legal environment that will have a significant adverse impact on the debtor's ability to repay the Company.

If overdue for more than 30 days, the Company determines that the credit risk of the financial instrument has increased significantly.

*Credit-impaired financial assets*

The Company assesses at the balance sheet date whether financial assets measured at amortized cost and debt investments at FVOCI have become credit-impaired. A financial asset becomes a credit-impaired financial asset when one or more events that have an adverse effect on the expected future cash flows of the financial asset have occurred. Evidence of credit impairment of a financial asset includes the following observable information:

– Significant financial difficulty of the issuer or the debtor;

– Breach of contract by the debtor, such as default in the payment of interest or principal;

– The Company, for economic or contractual reasons relating to the debtor's financial difficulty, granting the debtor a concession that would not otherwise be considered;

– The debtor is likely to go bankrupt or undergo other financial restructuring;

– The disappearance of an active market for the financial asset because of financial difficulties of the issuer or the debtor.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

#### *(6) Impairment* (Continued)

*Presentation of ECL allowance*

To reflect changes in the credit risk of financial instruments since initial recognition, the Company remeasures ECL at each balance sheet date. The resulting increase or reversal in the loss allowance is recognized in profit or loss as impairment losses or gains. For financial assets measured at amortized cost, the loss allowance reduces the carrying amount of the financial asset presented in the balance sheet.

*Write-off*

If the Company no longer reasonably expects the contractual cash flows of a financial asset to be collected in whole or in part, the carrying amount of the financial asset is directly written off. This constitutes derecognition of the related financial asset. This typically occurs when the Company determines that the debtor has no assets or sources of income that can generate sufficient cash flows to repay the amount to be written off. However, financial assets that have been written off may still be subject to the Company's enforcement activities for collection of amounts due.

Amounts subsequently recovered from financial assets previously written off are recognized as reversal of impairment losses in profit or loss for the period of recovery.

#### *(7) Equity instruments*

The Company recognizes equity instruments issued at actual issue price in shareholders' equity, with related transaction costs deducted from shareholders' equity (capital reserve). If capital reserve is insufficient to absorb the difference, the surplus reserve and retained earnings are reduced in sequence. The consideration and transaction costs paid for repurchasing the Company's equity instruments reduce shareholders' equity.

When the Company repurchases its own shares, the repurchased shares are managed as treasury shares, and the total expenditure on repurchased shares is transferred to the cost of treasury shares with a memorandum registration made simultaneously. Treasury shares do not participate in profit distribution and are presented as a contra item of shareholders' equity in the balance sheet.

Upon cancellation of treasury shares, the share capital is reduced by the aggregate par value of the cancelled shares. The excess of the cost of treasury shares over the aggregate par value is deducted from the share premium in capital reserve, surplus reserve and retained earnings in sequence. Any shortfall of the cost of treasury shares relative to the aggregate par value increases the share premium in capital reserve.

Upon transfer of treasury shares, the excess of transfer proceeds over the cost of treasury shares increases the share premium in capital reserve; any shortfall is deducted from the share premium in capital reserve, surplus reserve and retained earnings in sequence.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Financial instruments (Continued)

#### *(8) Convertible instruments containing an equity component*

For convertible instruments issued by the Company that can be converted into equity shares with a fixed number of shares and a fixed amount of consideration upon conversion, the Company accounts for them as composite financial instruments containing both liability and equity components.

At initial recognition, the Company separates the liability and equity components, first determining the fair value of the liability component (including the fair value of any non-equity embedded derivatives), and then deducting the fair value of the liability component from the fair value of the composite financial instrument to arrive at the value of the equity component, which is recognized in equity. Transaction costs incurred in issuing the composite financial instrument are allocated between the liability and equity components in proportion to their respective shares of the total proceeds.

After initial recognition, the liability component that is not designated as at FVTPL is measured at amortized cost using the effective interest method. The equity component is not remeasured after initial measurement.

When the convertible instrument is converted, the Company transfers the liability and equity components to the relevant equity accounts. When the convertible instrument is redeemed, the redemption payment and transaction costs are allocated to the equity and liability components. The method of allocating the payment and transaction costs is consistent with the method used at the time of issuance. The difference between the allocated payment and transaction costs and the carrying amounts of the equity and liability components is recognized in equity for the equity component and in profit or loss for the liability component.

### 11. Inventories

#### *(1) Categories*

Inventories include raw materials, finished goods, consumable biological assets, low value consumables and packaging materials.

#### *(2) Measurement method of cost of inventories*

When the Company obtains main raw materials, low value consumables and packaging materials, the initial measurement is based on the actual cost, including procurement costs, processing costs and other costs. Cost of main raw materials recognised is calculated using the weighted average method.

Consumable biological assets include suckling piglets, piglets under nursing period, hogs under finishing period and others.

The cost of consumable biological assets includes feed costs, labour costs, fixed assets depreciation expenses and other indirect costs that should be allocated before they reach the saleable state.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Inventories (Continued)

#### *(2) Measurement method of cost of inventories* (Continued)

The cost of suckling piglets includes the depreciation expenses and feeding cost of reproductive sows and boars and the feeding cost of suckling piglets themselves. The cost of piglets under nursing period includes the cost of suckling piglets and the feeding cost consumed at the nursing period. The cost of hogs under finishing period includes the cost of piglets under nursing period and the feeding cost consumed at the finishing period.

Cost of consumable biological assets recognised is calculated using the weighted average method at the end of each month.

#### *(3) Basis for determining net realisable value of inventories and criteria and method for provision for inventories*

At the balance sheet date, inventories are carried at the lower of cost and net realisable value. Any excess of the cost over the net realisable value of inventories is recognised as a provision for inventories, and is recognised in profit or loss. The net realisable value of materials held for production is measured based on the net realisable value of the finished goods in which they will be incorporated. If there is clear evidence that the net realisable value of a consumable biological asset is lower than its carrying amount due to reasons such as natural disasters, pest-outbreaks, diseases or changes in market conditions, a provision for decline in value in respect of that biological asset shall be recognised and charged to profit or loss for the current period. The provision amount is the difference between the carrying amount and the net realisable value.

Provisions for inventories are usually assessed by each item. When the circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down shall be reversed. The reversal shall be limited to the amount originally provided for the decline in value of inventories. The amount of the reversal is included in profit or loss for the current period.

#### *(4) Inventory count system*

The Company maintains a perpetual inventory system.

### 12. Long-term equity investments

#### *(1) Determination of investment cost of long-term equity investments*

*(a) Long-term equity investments formed through business combinations*

For long-term equity investments in subsidiaries formed through business combinations under common control, the Company uses the share of the carrying amount of the combined party's owners' equity in the ultimate controlling party's consolidated financial statements at the date of combination as the initial investment cost. The difference between the initial investment cost and the carrying amount of the consideration paid (or the aggregate par value of shares issued) is adjusted against the share premium in capital reserve; if the share premium in capital reserve is insufficient to absorb the difference, the surplus reserve and retained earnings are adjusted in sequence.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 12. Long-term equity investments (Continued)

#### *(1) Determination of investment cost of long-term equity investments* (Continued)

*(a) Long-term equity investments formed through business combinations (Continued)*

For long-term equity investments in subsidiaries formed through business combinations not under common control, the Company uses the fair value of assets given, liabilities incurred or assumed, and equity securities issued at the acquisition date as the initial investment cost.

*(b) Long-term equity investments acquired through other means*

For long-term equity investments acquired through means other than business combinations, at initial recognition, the Company uses the actual purchase price paid as the initial investment cost for investments acquired through payment of cash; for investments acquired through issuance of equity securities, the Company uses the fair value of the equity securities issued as the initial investment cost.

#### *(2) Subsequent measurement and recognition of gains and losses from long-term equity investments*

*(a) Investments in subsidiaries*

In the Company's separate financial statements, the Company uses the cost method for subsequent measurement of long-term equity investments in subsidiaries, unless the investment meets the conditions for classification as held for sale. Cash dividends or profits declared by the investee that are attributable to the Company are recognized as investment income for the current period.

*(b) Investments in joint ventures and associates*

A joint venture is an arrangement over which the Company and other joint venture parties have joint control and have rights only to the net assets of the arrangement. An associate is an entity over which the Company can exercise significant influence.

For subsequent measurement, the equity method is used to account for long-term equity investments in joint ventures and associates, unless the investment meets the conditions for classification as held for sale.

After acquiring investments in joint ventures and associates, the Company recognizes its share of the investee's net profit or loss and other comprehensive income as investment income and other comprehensive income, respectively, and adjusts the carrying amount of long-term equity investments accordingly. The Company's share of profits or cash dividends declared by the investee reduces the carrying amount of long-term equity investments. For other changes in the investee's owners' equity apart from net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "other changes in owners' equity"), the Company recognizes its proportionate share in shareholders' equity and adjusts the carrying amount of long-term equity investments accordingly.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 12. Long-term equity investments (Continued)

#### *(2) Subsequent measurement and recognition of gains and losses from long-term equity investments (Continued)*

*(b) Investments in joint ventures and associates (Continued)*

Unrealized gains or losses arising from internal transactions between the Company and its associates or joint ventures are eliminated to the extent of the Company's share attributable to the Company in applying the equity method. Where unrealized losses from internal transactions provide evidence of impairment of the related assets, such losses are recognized in full.

For net losses of joint ventures or associates, except where the Company has an obligation to bear additional losses, the Company reduces the carrying amount of long-term equity investments and other long-term equity interests that in substance constitute net investments in the joint ventures or associates to zero. If the joint venture or associate subsequently achieves net profits, the Company resumes recognizing its share of profits after the Company's share of unrecognized losses has been made up.

#### *(3) Criteria for determining joint control and significant influence over investees*

Joint control refers to the shared control over an arrangement as stipulated by relevant agreements, and the relevant activities of the arrangement (i.e., activities that have a significant impact on the returns of the arrangement) must be unanimously agreed upon by the parties sharing control before decisions can be made.

The following factors are usually considered when assessing whether the Company can exercise joint control over an investee:

– Whether no single participant party is in a position to control the investee's relevant activities unilaterally;

– Whether decisions relating to the investee's relevant activities require the unanimous consent of all participant parties that share control.

Significant influence refers to the power to participate in the decisions on the financial and operating policies of an investee, but not to control or jointly control the formulation of those policies with other parties.

### 13. Investment properties

Measurement model for investment properties: Cost model
Method of depreciation or amortization:

The Company classifies properties held for earning rentals or capital appreciation, or both, as investment properties.

The Company uses the cost model to measure investment properties. The Company depreciates investment properties on a straight-line basis over their useful lives after deducting the estimated net residual value and accumulated impairment provisions, unless the investment properties meet the conditions for classification as held for sale.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 13. Investment properties (Continued)

The useful lives, residual value rates and annual depreciation rates of various types of investment properties are as follows:

| Item | Depreciation method | Useful life (years) | Residual value rate | Annual depreciation rate |
|---|---|---|---|---|
| Buildings | Straight-line method | 20 | 5% | 4.75% |
| Land use rights | Straight-line method | 40-50 | 0% | 2%-2.5% |

### 14. Fixed assets

#### *(1) Recognition criteria*

Fixed assets are tangible assets held for the production of goods, provision of services, rental or management purposes with useful lives exceeding one accounting year.

The initial cost of purchased fixed assets includes the purchase price, related taxes and other expenditures directly attributable to the asset incurred before it reaches its intended usable condition. The initial cost of self-constructed fixed assets is determined in accordance with Note V.15.

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

For subsequent expenditures of fixed assets, including expenditures related to the replacement of certain components of fixed assets, such expenditures are capitalized into the cost of fixed assets when economic benefits related to the expenditures are likely to flow to the Company, and the carrying amount of the replaced component is deducted; expenditures related to the day-to-day maintenance of fixed assets are recognized in profit or loss for the period in which they are incurred.

Fixed assets are presented in the balance sheet at cost less accumulated depreciation and impairment provisions.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 14. Fixed assets (Continued)

#### *(2) Depreciation method*

| Category | Depreciation method | Useful life | Residual value rate | Annual depreciation rate |
|---|---|---|---|---|
| Buildings | Straight-line method | 10-20 years | 5% | 4.75%-9.50% |
| Machinery and equipment | Straight-line method | 3-20 years | 5% | 4.75%-31.67% |
| Transportation equipment | Straight-line method | 6 years | 5% | 15.83% |
| Others | Straight-line method | 3-10 years | 5% | 9.50%-31.67% |

The Company depreciates fixed assets on a straight-line basis over their useful lives after deducting the estimated net residual value and accumulated impairment provisions, unless the fixed asset is classified as held for sale.

The Company reviews the useful lives, estimated net residual values and depreciation methods of fixed assets at least at the end of each year.

### 15. Construction in progress

The cost of construction in progress is determined according to the actual project expenditure, including various project expenditure and capitalised borrowing costs and other related costs attributable to bringing the asset to working condition for its intended use. A construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is recorded against construction in progress.

### 16. Borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary costs, and exchange differences arising from foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized when asset expenditures have been incurred, borrowing costs have been incurred, and activities necessary to prepare the asset for its intended use or sale have commenced; capitalization ceases when the qualifying asset being acquired, constructed or produced reaches its intended usable or saleable condition. Other borrowing costs are recognized as expenses in the period in which they are incurred.

The amount capitalized for specific borrowings is the actual interest expense incurred in the current period less interest income earned from depositing unused borrowing funds in a bank or investment income from making temporary investments; the amount capitalized for general borrowings is determined by multiplying the weighted average of the excess of cumulative asset expenditures over specific borrowings by the capitalization rate of the general borrowings used. The capitalization rate is calculated based on the weighted average interest rate of general borrowings.

During the capitalization period, exchange differences on specific foreign currency borrowings are fully capitalized; exchange differences on general foreign currency borrowings are recognized in profit or loss for the current period.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 16. Borrowing costs (Continued)

Qualifying assets are assets that require a substantial period of time for their acquisition, construction or production to reach their intended usable or saleable condition, including fixed assets, investment properties and inventories.

If abnormal interruptions occur during the acquisition, construction or production of qualifying assets and the interruptions last for more than 3 consecutive months, capitalization of borrowing costs is suspended until the acquisition, construction or production activities resume.

### 17. Biological assets

The Company's biological assets include: consumable biological assets and productive biological assets.

Consumable biological assets include suckling piglets, piglets under nursing period, hogs under finishing period and others. Consumable biological assets are accounted for in inventories (refer to Note V.11).

Productive biological assets include: immature breeding hogs and mature breeding hogs. Mature breeding hogs include breeding boars and breeding sows.

Productive biological assets are initially measured at cost. The cost of externally purchased productive biological assets includes the purchase price, related taxes, transportation costs, insurance costs and other expenditures directly attributable to the purchase of the asset. For self-bred productive biological assets, cost includes feed costs, labor costs, allocated depreciation of fixed assets, depreciation of mature productive biological assets and other allocated indirect costs incurred before the asset reaches its intended productive purpose.

Subsequent feed costs, labor costs and depreciation costs of mature productive biological assets are accumulated into the cost of piglets.

The Company depreciates productive biological assets in accordance with regulations, using the straight-line method. Based on the nature, actual usage and expected pattern of realization of economic benefits of productive biological assets, the Company determines their useful lives and estimated net residual values, and reviews the useful lives, estimated net residual values and depreciation methods at the end of each year. If differences from original estimates exist, they are treated as changes in accounting estimates and adjusted accordingly. The estimated useful lives, estimated net residual values and depreciation methods of the Company's mature productive biological assets are as follows:

| Category | Estimated useful life (years) | Estimated net residual value rate | Monthly depreciation rate |
|---|---|---|---|
| Breeding hogs | 2.5 | 30% | 2.33% |

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 17. Biological assets (Continued)

The Company inspects productive biological assets at the end of each year. Where there is conclusive evidence that the recoverable amount of a productive biological asset is lower than its carrying amount due to reasons such as natural disasters, pest-outbreaks, diseases or changes in market conditions, a provision for impairment is made for the difference between the carrying amount and the recoverable amount.

Once recognized, impairment provisions for productive biological assets are not reversed in subsequent periods.

When the intended use of a productive biological asset changes, the cost of transfer out is determined at the carrying amount at the time of change of purpose.

### 18. Intangible assets

***(1) Useful lives and their basis for determination, estimation, amortization method or review procedures***

For intangible assets with finite useful lives, the Company amortizes the cost of intangible assets less estimated net residual values and accumulated impairment provisions on a straight-line basis over their estimated useful lives, unless the intangible assets meet the conditions for classification as held for sale.

The useful lives and amortization methods of various intangible assets are as follows:

| Item | Useful life (years) | Basis for determination | Amortization method |
|---|---|---|---|
| Land use rights | 10-50 | Registration period of property rights | Straight-line method |
| Software | 3-10 | Estimated useful economic life | Straight-line method |
| Emission rights | 5 | Estimated useful economic life | Straight-line method |
| Trademark rights | 10 | Estimated useful economic life | Straight-line method |

The Company reviews the useful lives and amortization methods of intangible assets with finite useful lives at least at the end of each year.

Intangible assets for which the period of future economic benefits cannot be foreseen are treated as intangible assets with indefinite useful lives and are not amortized. The Company reviews the useful lives of intangible assets with indefinite useful lives in each accounting period.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 18. Intangible assets (Continued)

#### *(2) Scope and related accounting treatment of research and development expenditures*

Expenditures on internal research and development projects are classified into research phase expenditures and development phase expenditures.

Research phase expenditures are recognized in profit or loss in the period in which they are incurred. Development phase expenditures are capitalized if the development of a product or process is technically and commercially feasible, and the Company has sufficient resources and intention to complete the development, and development phase expenditures can be measured reliably. Other development expenditures are recognized as expenses in the period in which they are incurred.

### 19. Impairment of long-term assets

The Company determines at the balance sheet date based on internal and external information whether there are indicators of impairment for the following assets:

– Fixed assets

– Construction in progress

– Right-of-use assets

– Intangible assets

– Productive biological assets

– Investment properties measured using the cost model

– Long-term equity investments

– Long-term deferred expenses

The Company performs impairment testing for assets with indicators of impairment to estimate the recoverable amount of the assets.

Recoverable amount is the higher of the fair value of an asset (or asset group, portfolio of asset groups, same below) less costs of disposal and the present value of the estimated future cash flows of the asset.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 19. Impairment of long-term assets (Continued)

An asset group is the smallest identifiable group of assets that generates cash inflows, and the cash inflows generated are largely independent of those from other assets or asset groups.

The present value of the estimated future cash flows of an asset is determined by discounting the estimated future cash flows expected to be generated from the asset during its continued use and upon its ultimate disposal at an appropriate pre-tax discount rate.

Where the results of estimating the recoverable amount indicate that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. The amount of the reduction is recognized as an asset impairment loss in profit or loss for the current period, with a corresponding provision for asset impairment. For impairment losses related to an asset group or portfolio of asset groups, the carrying amount of goodwill allocated to the asset group or portfolio of asset groups is reduced first, followed by a pro-rata reduction of the carrying amounts of other assets in the asset group or portfolio of asset groups based on the proportion of their carrying amounts, except that the carrying amount of each individual asset after the reduction shall not be lower than the highest of the asset's fair value less costs of disposal (if determinable), the present value of the asset's estimated future cash flows (if determinable), and zero.

Asset impairment losses, once recognized, are not reversed in subsequent accounting periods.

### 20. Employee remuneration

#### *(1) Accounting treatment for short-term employee remuneration*

Short-term employee remuneration primarily include wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance, maternity insurance, work-related injury insurance, housing provident fund, trade union funds and employee education expenses, non-monetary benefits, etc. The Company recognizes short-term employee remuneration actually incurred or accrued on a specified basis and ratio as liabilities in the accounting period in which employees provide services, and recognizes them in profit or loss for the current period or the cost of related assets. Non-monetary benefits are measured at fair value.

#### *(2) Accounting treatment for post-employment remuneration*

The defined contribution plans in which the Company participates involve the basic pension insurance in the social security system established and managed by government agencies in which the Company's employees participate as required by relevant Chinese laws and regulations. The contribution amounts for basic pension insurance are calculated based on the standards and ratios prescribed by the state. The Company recognizes the amounts to be contributed as liabilities in the accounting period in which employees provide services, and recognizes them in profit or loss for the current period or the cost of related assets.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 20. Employee remuneration (Continued)

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

When the Company terminates its employment relationship with employees before the expiration of their employment contracts, or offers compensation as an incentive for employees to voluntarily accept downsizing, the Company recognizes the liability arising from termination benefits and recognizes it in profit or loss for the current period at the earlier of the following dates:

– When the Company cannot unilaterally withdraw the termination benefits provided under a plan to terminate employment relationships or a downsizing proposal;

– When the Company has a detailed and formal restructuring plan involving the payment of termination benefits, and the restructuring plan has begun to be implemented, or the main contents of the plan have been communicated to all affected parties, such that they have formed a reasonable expectation that the Company will implement the restructuring.

### 21. Fair value measurement

Unless otherwise stated, the Company measures fair value in accordance with the following principles:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When estimating fair value, the Company considers the characteristics of the relevant asset or liability (including asset conditions and location, restrictions on the sale or use of the asset, etc.) that market participants would consider when pricing the relevant asset or liability at the measurement date, and adopts valuation techniques that are applicable to the current circumstances and for which sufficient data and other information are available. The valuation techniques used primarily include the market approach, income approach and cost approach.

### 22. Provisions

If an obligation related to a contingency is a present obligation assumed by the Company, the performance of which is likely to result in an outflow of economic benefits from the Company, and the related amount can be measured reliably, the Company recognizes a provision.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 22. Provisions (Continued)

Provisions are initially measured at the best estimate of the expenditures required to settle the related present obligations. Where the effect of the time value of money is significant, provisions are determined at the present value of expected future cash flows. In determining the best estimate, the Company takes into account factors such as risks, uncertainties and the time value of money related to the contingency. Where the required expenditure falls within a continuous range and each result within that range has an equal probability of occurring, the best estimate is determined at the midpoint of that range; in other cases, the best estimate is determined as follows:

– Where the contingency involves a single item, the best estimate is determined at the most likely amount;

– Where the contingency involves multiple items, the best estimate is determined by calculating on the basis of various possible outcomes and their related probabilities.

The Company reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to the current best estimate.

### 23. Share-based payments

#### *(1) Types of share-based payments*

The Company's share-based payments are equity-settled share-based payments.

#### *(2) Accounting treatment for implementing share-based payment plans*

Equity-settled share-based payments:

When the Company uses shares or other equity instruments as consideration for services provided by employees, the Company measures at the fair value of the equity instruments granted to employees on the grant date. For share-based payment transactions in which rights are vested only after services are rendered during the vesting period or specified performance conditions are met, the Company makes the best estimate of the number of equity instruments expected to vest at each balance sheet date during the vesting period based on the latest available information on changes in the number of employees eligible for vesting, and on this basis, measures the services received in the current period at the fair value of the equity instruments on the grant date, recognizing them in the related costs or expenses, with a corresponding increase in capital reserve.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 23. Share-based payments (Continued)

#### *(2) Accounting treatment for implementing share-based payment plans* (Continued)

When the Company modifies a share-based payment plan, if the modification increases the fair value of the equity instruments granted, the Company recognizes the increase in services received in accordance with the increase in fair value. The increase in fair value is the difference between the fair values of the equity instruments before and after the modification on the modification date. If the modification reduces the total fair value of share-based payments or adopts other methods unfavorable to employees, the Company continues to account for the services received as if the change had never occurred, unless the Company cancels all or part of the equity instruments granted.

During the vesting period, if equity instruments granted are cancelled, the Company treats the cancellation as accelerated vesting of the equity instruments, immediately recognizing in profit or loss the amount that would have been recognized over the remaining vesting period, with a corresponding increase in capital reserve. When employees or other parties can choose to meet non-vesting conditions but fail to do so during the vesting period, the Company treats them as cancellations of granted equity instruments.

### 24. Revenue

The Company recognizes revenue when a contract with a customer simultaneously satisfies the following conditions and the customer obtains control of the related goods: the parties to the contract have approved the contract and have committed to performing their respective obligations; the contract identifies the rights and obligations of the parties related to the transferred goods or services; the contract has clear payment terms related to the transferred goods; the contract has commercial substance, i.e., the fulfillment of the contract will change the risks, timing or amount of the Company's future cash flows; and the consideration to which the Company is entitled for transferring goods to the customer is likely to be collected.

A performance obligation is a promise in a contract for the Company to transfer a distinctly identifiable good to a customer. The goods promised by the Company to a customer are treated as distinctly identifiable goods when both of the following conditions are met: the customer can benefit from the good either on its own or together with other readily available resources; and the Company's promise to transfer the good is separately identifiable from other promises in the contract.

Where a contract contains two or more performance obligations, the Company allocates the transaction price to each performance obligation at the inception of the contract in proportion to the stand-alone selling prices of the goods or services promised in each individual performance obligation, and measures revenue based on the transaction price allocated to each individual performance obligation. The stand-alone selling price is the price at which the Company would sell a good or provide a service to a customer separately. When the stand-alone selling price is not directly observable, the Company estimates the stand-alone selling price using all reasonable and relevant information available and maximizing the use of observable inputs.

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 24. Revenue (Continued)

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

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

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

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

For performance obligation satisfied at a point in time, the Company recognises revenue at the point in time at which the customer obtains control of relevant goods. To determine whether a customer has obtained control of goods, the Company considers the following indicators: (i) the Company has a present right to payment for the goods and the customer is presently obliged to pay for the goods; (ii) the Company has transferred physical possession of the goods and the customer has physical possession of the goods; (iii) the Company has transferred the legal title of the goods and the customer has legal title to the goods; (iv) the Company has transferred the significant risks and rewards of ownership of the goods and the customer has the significant risks and rewards of ownership of the goods; (v) the customer has accepted the goods; (vi) other indicators of that the customer obtains control of relevant goods.

The Company determines whether it is a principal or an agent, based on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Company is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration which it has received (or which is receivable). Otherwise, the Company is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Company retains after paying the other party the consideration, or is determined according to the established amount or proportion.

A contract asset is the Company's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Company recognises loss allowances for expected credit loss on contract assets. Accounts receivable is the Company's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 24. Revenue (Continued)

Revenue from the sale of goods is specifically recognized as follows:

Sale of livestock products: Sales of livestock products are typically on a customer self-pickup basis. After the customer signs the weighing slip, the Company recognizes revenue based on the amount calculated by the weight on the weighing slip and the agreed unit price.

Sale of fresh meat products: For customer self-pickup orders, revenue is recognized after the customer signs the delivery note. For orders with Company-arranged delivery, revenue is recognized after the goods arrive at the destination and the customer signs the delivery note.

### 25. Government grants

Government grants are recognized when the conditions attached to the government grants can be satisfied and the grants can be received.

Government grants in the form of monetary assets are measured at the amount received or receivable. Government grants in the form of non-monetary assets are measured at fair value. Government grants obtained by the Company for the acquisition, construction or other formation of long-term assets are classified as asset-related government grants. Other government grants obtained by the Company that are not asset-related are classified as income-related government grants.

– Asset-related government grants shall offset the carrying amount of the relevant assets or be recognized as deferred income. Asset-related government grants which are recognized as deferred income shall be recognized in in the profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant measured at its nominal amount shall be directly recorded in the profit and loss for the current period. Where the relevant assets are sold, transferred, scrapped or damaged before the end of their service life, the balance of undistributed deferred income shall be recognized as the profit and loss for the period in which the assets are disposed of.

– A grant that compensates the Company for expenses or losses to be incurred in the future is recognized as deferred income, and used to offset the relevant cost if can meet the criteria of net presentation method, otherwise is included in the profit and loss, in the periods in which the expenses or losses are recognized. A grant that compensates the Company for relevant expenses or losses already incurred is used to offset the relevant cost if can meet the criteria of net presentation method, otherwise is directly recorded in the profit and loss for the current period.

The Company's accounting treatment for preferential loan interest subsidies:

– Where the government allocates interest subsidies to lending banks, which provide loans to the Company at preferential interest rates, the Company uses the actual amount of borrowing received as the carrying amount of the borrowing and calculates related borrowing costs based on the principal and the preferential interest rate;

Where the government directly allocates interest subsidies to the Company, the corresponding subsidies are offset against related borrowing costs.

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Deferred tax assets/Deferred tax liabilities

Except for income taxes arising from business combinations and transactions or events recognized directly in owners' equity (including other comprehensive income), the Company recognizes current income tax and deferred income tax in profit or loss for the current period.

Current income tax is the expected income tax payable calculated at the applicable tax rate on the taxable income for the year, plus adjustments to income tax payable for prior years.

At the balance sheet date, if the Company has a legal right to settle on a net basis and intends to settle on a net basis or to realize the asset and settle the liability simultaneously, current income tax assets and current income tax liabilities are presented at the net amount after offsetting.

Deferred tax assets and deferred tax liabilities are determined based on deductible temporary differences and taxable temporary differences respectively. Temporary differences are differences between the carrying amounts of assets or liabilities and their tax bases, including deductible losses and tax credits that can be carried forward to subsequent years. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

If a single transaction is neither a business combination nor affects either accounting profit or taxable income (or deductible loss) at the time of the transaction, and the initially recognized assets and liabilities do not give rise to equal taxable temporary differences and related deductible temporary differences, no deferred tax is recognized for temporary differences arising from such transaction.

At the balance sheet date, the Company measures the carrying amount of deferred tax assets and liabilities at the applicable tax rate for the period in which the asset is expected to be recovered or the liability is expected to be settled, based on the expected manner of recovery or settlement and in accordance with enacted tax laws.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. If it is probable that sufficient taxable income will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. When it becomes probable that sufficient taxable income will be available, the reduced amount is reversed.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Deferred tax assets/Deferred tax liabilities (Continued)

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented at the net amount after offsetting when both of the following conditions are simultaneously met:

– The taxpaying entity has a legal right to settle current income tax assets and current income tax liabilities on a net basis;

– The deferred tax assets and liabilities are related to income taxes levied by the same tax authority on the same taxpaying entity or on different taxpaying entities, and in each future period in which significant deferred tax assets and liabilities are expected to be reversed, the relevant taxpaying entities intend to settle current income tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

### 27. Leases

#### *(1) Accounting treatment for leases as lessee*

At the commencement date of the contract, the Company assesses whether a contract is or contains a lease.

Where a contract contains multiple separate leases, the lessee and lessor separate the contract and account for each separate lease individually. Where a contract contains both lease and non-lease components, the lessee and lessor separate the lease and non-lease components. However, for land and building leases where the Company is the lessee, the Company elects not to separate the lease and non-lease components of the contract, and combines each lease component and its associated non-lease components into a single lease. When separating the lease and non-lease components of a contract, the lessee allocates the contract consideration in proportion to the relative standalone prices of the lease components and the aggregate standalone price of the non-lease components.

*As lessee*

At the commencement date of the lease term, the Company recognizes right-of-use assets and lease liabilities for leases.

The Company depreciates right-of-use assets on a straight-line basis. Where it can be reasonably determined that the lessee will obtain ownership of the leased asset at the end of the lease term, the Company depreciates the asset over its remaining useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and the remaining useful life of the leased asset.

Lease liabilities are initially measured at the present value of lease payments that have not been made at the commencement date of the lease term, discounted at the interest rate implicit in the lease. Where the interest rate implicit in the lease cannot be determined, the Company's incremental borrowing rate is used as the discount rate.

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 27. Leases (Continued)

### *(1) Accounting treatment for leases as lessee* (Continued)

*As lessee (Continued)*

The Company calculates the interest expense on the lease liability for each period during the lease term at a fixed periodic rate and recognizes it in profit or loss for the current period or the cost of related assets. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss for the current period or the cost of related assets when actually incurred.

After the commencement date of the lease term, the Company remeasures the lease liability at the present value of the revised lease payments when the following circumstances occur:

– A change in the expected amount payable under a residual value guarantee;

– A change in the index or rate used to determine lease payments;

– A change in the Company's assessment of whether a purchase option, extension option or termination option will be exercised, or a difference between the actual exercise and the original assessment of an extension option or termination option.

When remeasuring the lease liability, the Company adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero but the lease liability still requires further reduction, the Company recognizes the remaining amount in profit or loss for the current period.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases (leases with a lease term of no more than 12 months) and leases of low-value assets (leases where the value of the individual leased asset when new is relatively low), and recognizes the related lease payments in profit or loss for the current period or the cost of related assets on a straight-line basis over each period during the lease term.

### 28. Hedge accounting

Hedge accounting refers to the method of recognizing in profit or loss (or other comprehensive income) the gains or losses arising from the hedging instrument and the hedged item in the same accounting period to reflect the effects of risk management activities.

A hedged item is an item that exposes the Company to fair value or cash flow variability risk and is designated as the hedged object and can be reliably measured. Items designated as hedged items by the Company include highly probable forecast purchases and sales that expose the Company to cash flow variability risk.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Hedge accounting (Continued)

A hedging instrument is a financial instrument designated by the Company for hedging purposes, the changes in fair value or cash flows of which are expected to offset the changes in fair value or cash flows of the hedged item.

The Company continuously assesses whether the hedging relationship meets hedge effectiveness requirements at the inception of the hedge and on an ongoing basis thereafter. A hedge is considered to meet hedge effectiveness requirements when all of the following conditions are met:

– There is an economic relationship between the hedged item and the hedging instrument;

– The effect of credit risk does not dominate the value changes resulting from the economic relationship between the hedged item and the hedging instrument;

– The hedge ratio of the hedging relationship shall be equal to the ratio of the quantity of the hedged item actually hedged to the actual quantity of the hedging instrument used to hedge it.

When a hedging relationship no longer meets hedge effectiveness requirements due to the hedge ratio, but the risk management objective for designating the hedging relationship has not changed, the Company rebalances the hedging relationship by adjusting the quantity of the hedged item or hedging instrument in the existing hedging relationship so that the hedge ratio once again meets hedge effectiveness requirements.

Hedge accounting is discontinued when one of the following circumstances occurs:

– The risk management objective has changed such that the hedging relationship no longer meets the risk management objective;

– The hedging instrument has expired, been sold, terminated or exercised;

– There is no longer an economic relationship between the hedged item and the hedging instrument, or the effect of credit risk begins to dominate the value changes arising from the economic relationship between the hedged item and the hedging instrument;

– The hedging relationship no longer meets other conditions for applying hedge accounting.

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Hedge accounting (Continued)

***Cash flow hedges***

A cash flow hedge is a hedge of cash flow variability risk exposure. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income as a cash flow hedge reserve. The amount of the cash flow hedge reserve is the lower of the absolute amounts of:

– The cumulative gain or loss on the hedging instrument from inception of the hedge;

– The cumulative change in the present value of expected future cash flows of the hedged item from inception of the hedge.

The amount of cash flow hedge reserve recognized in other comprehensive income in each period is the change in the cash flow hedge reserve for the current period.

The portion of the gain or loss on the hedging instrument that is not an effective hedge is recognized in profit or loss for the current period.

Where the hedged item is a forecast transaction, and the forecast transaction results in the Company subsequently recognizing a non-financial asset or non-financial liability, or when the forecast transaction of a non-financial asset or non-financial liability becomes a firm commitment to which fair value hedge accounting applies, the Company transfers the cash flow hedge reserve amount previously recognized in other comprehensive income and includes it in the initial recognition amount of the asset or liability.

For cash flow hedges not falling within the above circumstances, the Company transfers the cash flow hedge reserve amount previously recognized in other comprehensive income to profit or loss in the same period as the hedged expected cash flows affect profit or loss.

When the Company discontinues hedge accounting for cash flow hedges, the cumulative cash flow hedge reserve amount recognized in other comprehensive income is accounted for as follows:

– If the hedged future cash flows are still expected to occur, the cumulative cash flow hedge reserve amount is retained and accounted for in accordance with the cash flow hedge accounting policies above;

– If the hedged future cash flows are no longer expected to occur, the cumulative cash flow hedge reserve amount is transferred from other comprehensive income to profit or loss for the current period.

# FINANCIAL REPORT

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 29. Dividend distribution

Dividends or profits proposed for distribution in the profit distribution plan approved after the balance sheet date are not recognized as liabilities at the balance sheet date, but are separately disclosed in the notes.

### 30. Related parties

Where one party controls, jointly controls or exercises significant influence over another party, or where two or more parties are under the control, joint control of the same party, they constitute related parties. Related parties may be individuals or enterprises. Enterprises that are merely subject to control by the state without other related party relationships do not constitute related parties.

In addition, the Company simultaneously determines its related parties or the Company's related parties in accordance with the "Administrative Measures for Information Disclosure of Listed Companies" issued by the CSRC.

### 31. Segment reporting

The Company determines operating segments based on its internal organizational structure, management requirements and internal reporting system. If two or more operating segments have similar economic characteristics and are similar in the nature of each individual product or service, the nature of production processes, the types of customers for products or services, the methods of distributing products or providing services, and the impact of laws and regulations on the production of products and provision of services, they may be combined into a single operating segment. The Company determines reportable segments based on operating segments, taking into account the materiality principle.

In preparing segment reports, the Company measures inter-segment revenue on the basis of actual transaction prices. The accounting policies adopted in preparing segment reports are consistent with those adopted in preparing the Company's financial statements.

### 32. Key accounting estimates and judgments

In preparing financial statements, the Company's management is required to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. The Company's management continuously evaluates the key assumptions and uncertainties involved in these estimates, and the effects of changes in accounting estimates are recognized in the current period and future periods.

## V. MATERIAL ACCOUNTING POLICY INFORMATION AND ACCOUNTING ESTIMATES (CONTINUED)

### 32. Key accounting estimates and judgments (Continued)

***Key accounting estimates:***

In addition to data on assumptions and risk factors relating to the fair value of financial instruments contained in Note XII, other major sources of estimation uncertainty are as follows:

*Provision for decline in value of inventories*

The Company measures inventories at the lower of cost and net realizable value in accordance with the inventory accounting policy, and makes provisions for decline in value of inventories where cost exceeds net realizable value. The write-down of inventories to net realizable value is based on an assessment of the saleability of inventories and their net realizable value. Identifying inventory impairment requires management to make judgments and estimates based on conclusive evidence and considering the purpose of holding inventories, the effects of events after the balance sheet date, and other factors.

*Impairment of assets other than inventories and financial assets*

The Company assesses at the balance sheet date whether there are indicators of possible impairment for assets other than inventories and financial assets. For intangible assets with indefinite useful lives, in addition to the annual impairment test, impairment testing is also performed when indicators of impairment exist. For other non-current assets other than financial assets, impairment testing is performed when there are indicators that their carrying amounts may not be recoverable.

When the carrying amount of an asset or asset group exceeds its recoverable amount, i.e., the higher of fair value less costs of disposal and the present value of estimated future cash flows, impairment has occurred.

Fair value less costs of disposal is determined by reference to the sale agreement price of similar assets in a fair transaction or observable market prices, less incremental costs directly attributable to the disposal of the asset.

In estimating the present value of future cash flows, significant judgments need to be made regarding the output, selling prices, related operating costs of the asset (or asset group), and the discount rate used in calculating the present value. The Company uses all available relevant information in estimating recoverable amounts, including estimates of output, selling prices and related operating costs based on reasonable and supportable assumptions.

*Depreciation and amortization*

The Company depreciates and amortizes investment properties, fixed assets, productive biological assets, right-of-use assets and intangible assets on a straight-line basis over their useful lives after considering their residual values. The Company periodically reviews the useful lives to determine the amount of depreciation and amortization expenses to be charged in each reporting period. Useful lives are determined by the Company based on past experience with similar assets and in conjunction with expected technological advances. If there are significant changes in previous estimates, the depreciation and amortization expenses are adjusted in future periods.

# FINANCIAL REPORT

## VI. TAXATION

### 1. Major taxes and tax rates

| Tax type | Tax basis | Tax rate |
|---|---|---|
| Value-added tax ("VAT") | Taxable revenue | 13%, 9%, 6%, 5%, 3%, 1% |
| Urban maintenance and construction tax | VAT actually paid | 7%, 5%, 1% |
| Enterprise income tax | Taxable income | 0%, 15%, 16.5%, 17%, 20%, 25% |
| Real estate tax | Based on the cost of the real estate with 30% one-off deduction or lease income | 1.2%, 12% |
| Education surcharge | VAT actually paid | 3% |
| Local education surcharge | VAT actually paid | 2% |

Disclosure of entities with different enterprise income tax rates:

| Taxpaying entity | Income tax rate |
|---|---|
| Henan Muyuan Smart Technology Co., Ltd. | 15% |
| Henan Muyuan Ecology Environment Technology Co., Ltd. | 15% |
| Guangdong Hengqin Muyuan Modern Technology Co., Ltd. | 15% |
| Muyuan International Limited (Note 1) | 16.5% |
| Hap Grain International Agricultural Trading Pte. Ltd. (Note 2) | 17% |
| Muyuan Vietnam Company Limited (Note 3) | 20% |
| Shenzhen Muyuan Digital Technology Co., Ltd. | 20% |
| Zhengzhou Muyuan Digital Technology Co., Ltd. | 20% |
| Nanyang Wolong District Muyuan New Energy Co., Ltd. and certain other new energy companies | 20% |

Note 1: Muyuan International Limited pays profits tax in accordance with the relevant laws of Hong Kong. The profits tax rate during the reporting period was 16.50%.

Note 2: Hap Grain International Agricultural Trading Pte. Ltd. pays enterprise income tax in accordance with the relevant laws of Singapore. The income tax rate during the reporting period was 17%.

Note 3: Muyuan Vietnam Company Limited pays enterprise income tax in accordance with the relevant laws of Vietnam. The income tax rate during the reporting period was 20%.

# FINANCIAL REPORT

## VI. TAXATION (CONTINUED)

### 2. Tax preferences

### *(1) VAT preferences*

Pursuant to Article 15 of the "Interim Regulations of the People's Republic of China on Value-Added Tax", agricultural products sold by agricultural producers are exempt from VAT. The Company and its subsidiaries are engaged in the production and sale of live hogs and crops, which qualify as self-produced agricultural products and are exempt from VAT.

Pursuant to the "Notice of the Ministry of Finance and the State Administration of Taxation on the Exemption of Value-Added Tax on Feed Products" (Cai Shui [2001] No. 121), the Company and its subsidiaries are exempt from VAT on the sale of qualified feed and premix products.

Pursuant to the "Announcement of the Ministry of Finance and the State Administration of Taxation on Improving VAT Policies for Comprehensive Utilization of Resources" (Ministry of Finance and State Administration of Taxation Announcement 2021 No. 40) and other relevant regulations, enterprises producing industrial mixed oil specified in the "Catalogue of VAT Preferential Items for Comprehensive Utilization of Resource Products and Services" are entitled to a 70% tax refund rate, and the Company and its subsidiaries enjoy this preferential policy.

Pursuant to the "Announcement of the Ministry of Finance and the State Administration of Taxation on the VAT Additional Deduction Policy for Advanced Manufacturing Enterprises" (Ministry of Finance and State Administration of Taxation Announcement 2023 No. 43), from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are allowed to deduct an additional 5% of the current deductible input tax from the VAT payable. Advanced manufacturing enterprises refer to general VAT taxpayers in the manufacturing industry among high-tech enterprises (including their non-legal person branches). High-tech enterprises refer to enterprises recognized in accordance with the "Administrative Measures for the Recognition of High-tech Enterprises" (Guo Ke Fa Huo [2016] No. 32). Henan Muyuan Smart Technology Co., Ltd. qualifies as a high-tech enterprise and is entitled to this tax preference.

### *(2) Enterprise income tax preferences*

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" and the "Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China", the Company and its subsidiaries are exempt from enterprise income tax on income from livestock and poultry breeding and hog slaughtering operations.

The subsidiary Henan Muyuan Smart Technology Co., Ltd. obtained the High-tech Enterprise Certificate (Certificate No. GR202541002778) jointly issued by the Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance, and Henan Provincial Tax Service of the State Administration of Taxation on December 8, 2025, valid for three years. Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" and the "Administrative Measures for the Recognition of High-tech Enterprises" (Guo Ke Fa Huo [2016] No. 32), Henan Muyuan Smart Technology Co., Ltd. is subject to enterprise income tax at a reduced rate of 15% from 2025 to 2027.

# FINANCIAL REPORT

## VI. TAXATION (CONTINUED)

### 2. Tax preferences (Continued)

#### *(2) Enterprise income tax preferences* (Continued)

The subsidiary Henan Muyuan Ecology Environment Technology Co., Ltd. obtained the High-tech Enterprise Certificate (Certificate No. GR202541001766) jointly issued by the Henan Provincial Department of Science and Technology, Henan Provincial Department of Finance, and Henan Provincial Tax Service of the State Administration of Taxation on November 4, 2025, valid for three years. Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" and the "Administrative Measures for the Recognition of High-tech Enterprises" (Guo Ke Fa Huo [2016] No. 32), Henan Muyuan Ecology Environment Technology Co., Ltd. is subject to enterprise income tax at a reduced rate of 15% from 2025 to 2027.

Pursuant to the "Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Preferential Policies for the Hengqin Guangdong-Macao In-Depth Cooperation Zone" (Cai Shui [2022] No. 19), enterprises established in the Hengqin Guangdong-Macao In-Depth Cooperation Zone that are in industries listed in the "Enterprise Income Tax Preferential Catalogue for the Hengqin Guangdong-Macao In-Depth Cooperation Zone" (2021 version) and have actually commenced operations are subject to enterprise income tax at a reduced rate of 15%. The subsidiary Guangdong Hengqin Muyuan Modern Technology Co., Ltd. enjoyed this tax preference.

Pursuant to relevant regulations including the "Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Enterprise Income Tax Preferential Policies for Small and Micro Enterprises" (Ministry of Finance and State Administration of Taxation Announcement 2022 No. 13), from January 1, 2023 to December 31, 2027, for small and micro enterprises, the portion of annual taxable income not exceeding RMB3 million shall be reduced by 25% before computing taxable income, and enterprise income tax shall be levied at 20%. The subsidiaries Shenzhen Muyuan Digital Technology Co., Ltd., Zhengzhou Muyuan Digital Technology Co., Ltd., Nanyang Wolong District Muyuan New Energy Co., Ltd. and other new energy companies enjoyed this tax preference.

#### *(3) Other tax preferences*

Pursuant to the "Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households" (State Administration of Taxation Announcement 2023 No. 12), from January 1, 2023 to December 31, 2027, resource tax (excluding water resource tax), urban maintenance and construction tax, real estate tax, urban land use tax, stamp tax (excluding stamp tax on securities transactions), farmland occupation tax, education surcharge and local education surcharge are reduced by 50% for small-scale VAT taxpayers, small and micro enterprises and individual industrial and commercial households.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash at bank and on hand

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Bank deposits | **13,474,601,443.14** | 12,724,372,265.41 |
| Other monetary funds | **3,071,952,339.56** | 1,138,025,353.47 |
| Total | **16,546,553,782.70** | 13,862,397,618.88 |
| Of which: Total amount deposited overseas | **180,207,347.68** | 1,424,063.75 |

Details of restricted cash are as follows:

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Deposits for bank acceptance bills, loan deposits, futures margin, letter of credit deposits, etc. | **2,917,447,226.25** | 1,084,341,527.01 |

### 2. Financial assets held for trading

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Financial assets at fair value through profit or loss | **1,005,423,169.55** | 1,622,460.00 |
| Of which: | | |
| Futures and option contracts | **198,395.07** | 1,622,460.00 |
| Bank wealth management products | **1,005,224,774.48** | |
| Total | **1,005,423,169.55** | 1,622,460.00 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Bills receivable

### *(1) Bills receivable by category*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Bank acceptance bills | **10,836,390.00** | 107,940,000.00 |
| Total | **10,836,390.00** | 107,940,000.00 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Bills receivable (Continued)

#### *(2) Bills receivable endorsed or discounted at June 30, 2026 that have not yet matured at balance sheet date*

Unit: RMB

| Item | Amount derecognized at the end of the period | Amount not derecognized at the end of the period |
|---|---|---|
| Bank acceptance bills | 175,615,000.00 | |
| Total | 175,615,000.00 | |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable

### *(1) Disclosure by aging*

Unit: RMB

| Aging | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|
| Within 1 year (inclusive) | **578,954,560.28** | 617,068,478.84 |
| 1 to 2 years | **3,236,236.27** | 2,634,911.84 |
| 2 to 3 years | **592,356.68** | 1,012,140.46 |
| Over 3 years | **954,146.94** | 822,613.97 |
| Total | **583,737,300.17** | 621,538,145.11 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

### *(2) Disclosure by method of provision for bad debts*

Unit: RMB

| | Balance at the end of the period | | | | | Balance at the beginning of the period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book value | | Provision for bad and doubtful debts | | | Book value | | Provision for bad and doubtful debts | | |
| Category | Amount | Proportion | Amount | Provision ratio | Carrying amount | Amount | Proportion | Amount | Provision ratio | Carrying amount |
| Accounts receivable with individually assessed provision | 129,952.08 | 0.02% | 129,952.08 | 100.00% | | 369,952.08 | 0.06% | 369,952.08 | 100.00% | |
| Of which: | | | | | | | | | | |
| Accounts receivable with collectively assessed provision | 583,607,348.09 | 99.98% | 30,715,349.15 | 5.26% | 552,891,998.94 | 621,168,193.03 | 99.94% | 32,524,115.03 | 5.24% | 588,644,078.00 |
| Of which: | | | | | | | | | | |
| Aging portfolio | 583,607,348.09 | 99.98% | 30,715,349.15 | 5.26% | 552,891,998.94 | 621,168,193.03 | 99.94% | 32,524,115.03 | 5.24% | 588,644,078.00 |
| Total | 583,737,300.17 | 100% | 30,845,301.23 | 5.28% | 552,891,998.94 | 621,538,145.11 | 100.00% | 32,894,067.11 | 5.29% | 588,644,078.00 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4. Accounts receivable (Continued)

### *(3) Provision for bad debts accrued, recovered or reversed during the period*

Unit: RMB

| Category | Balance at the beginning of the period | Change during the period | | | | Balance at the end of the period |
|---|---|---|---|---|---|---|
| | | Accrued | Recovered or reversed | Written off | Other | |
| Bad debt provision for accounts receivable | 32,894,067.11 | | -2,048,765.88 | | | 30,845,301.23 |
| Total | 32,894,067.11 | | -2,048,765.88 | | | 30,845,301.23 |

### *(4) Top five accounts receivable and contract assets by debtor at June 30, 2026*

Unit: RMB

| Entity name | Accounts receivable – End balance | Contract assets – End balance | Accounts receivable and contract assets – End balance | Proportion of the total end balance of accounts receivable and contract assets balance | Bad debt provision for accounts receivable and impairment provision for contract assets – End balance |
|---|---|---|---|---|---|
| First | 32,376,090.27 | | 32,376,090.27 | 5.55% | 1,618,804.51 |
| Second | 27,163,025.00 | | 27,163,025.00 | 4.65% | 1,358,151.25 |
| Third | 25,270,206.02 | | 25,270,206.02 | 4.33% | 1,263,510.30 |
| Fourth | 22,644,123.33 | | 22,644,123.33 | 3.88% | 1,132,206.17 |
| Fifth | 17,349,530.15 | | 17,349,530.15 | 2.97% | 867,476.51 |
| Total | 124,802,974.77 | | 124,802,974.77 | 21.38% | 6,240,148.74 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other receivables

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Other receivables | 308,918,019.21 | 118,519,120.43 |
| Total | 308,918,019.21 | 118,519,120.43 |

### *(1) Other receivables*

*1) Classification of other receivables by nature*

Unit: RMB

| Nature of payment | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|
| Deposits | 346,871,971.16 | 146,501,750.16 |
| Reserve fund | 10,876.90 | 191,863.83 |
| Total | 346,882,848.06 | 146,693,613.99 |

*2) Disclosure by aging*

Unit: RMB

| Aging | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|
| Within 1 year (inclusive) | 308,215,860.70 | 105,953,658.26 |
| 1 to 2 years | 18,405,033.73 | 20,562,388.51 |
| 2 to 3 years | 2,777,849.27 | 2,826,468.64 |
| Over 3 years | 17,484,104.36 | 17,351,098.58 |
| Total | 346,882,848.06 | 146,693,613.99 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other receivables (Continued)

### (1) *Other receivables* (Continued)

*3) Disclosure by method of provision for bad debts*

Unit: RMB

| Category | Balance at the end of the period | | | | | Balance at the beginning of the period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book balance | | Bad debt provision | | | Book balance | | Bad debt provision | | |
| | Amount | Proportion(%) | Amount | Provision ratio | Carrying amount | Amount | Proportion(%) | Amount | Provision ratio | Carrying amount |
| Of which: | | | | | | | | | | |
| Collectively assessed provision for bad debts | 346,882,848.06 | 100.00% | 37,964,828.85 | 10.94% | 308,918,019.21 | 146,693,613.99 | 100.00% | 28,174,493.56 | 19.21% | 118,519,120.43 |
| Of which: | | | | | | | | | | |
| Aging portfolio | 346,882,848.06 | 100.00% | 37,964,828.85 | 10.94% | 308,918,019.21 | 146,693,613.99 | 100.00% | 28,174,493.56 | 19.21% | 118,519,120.43 |
| Total | 346,882,848.06 | 100.00% | 37,964,828.85 | 10.94% | 308,918,019.21 | 146,693,613.99 | 100.00% | 28,174,493.56 | 19.21% | 118,519,120.43 |

Provision for bad debts based on the expected credit loss general model:

Unit: RMB

| Bad debt provision | Stage 1 – 12-month ECL | Stage 2 – Lifetime ECL (not credit-impaired) | Stage 3 – Lifetime ECL (credit-impaired) | Total |
|---|---|---|---|---|
| Balance at January 1, 2026 | 28,174,493.56 | | | 28,174,493.56 |
| Balance at January 1, 2026 during the period | | | | |
| – Transfer to Stage 3 | -76,700.10 | | 76,700.10 | |
| Accrued during the period | 9,867,035.39 | | | 9,867,035.39 |
| Written off during the period | | | -76,700.10 | -76,700.10 |
| Balance at the end of the period | 37,964,828.85 | | | 37,964,828.85 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other receivables (Continued)

### (1) *Other receivables* (Continued)

*4) Provision for bad debts accrued, recovered or reversed during the period*

Unit: RMB

| Category | Balance at the beginning of the period | Change during the period: Accrued | Recovered or reversed | Written off/ written down | Other | Balance at the end of the period |
|---|---|---|---|---|---|---|
| Bad debt provision for other receivables | 28,174,493.56 | 9,867,035.39 | | -76,700.10 | | 37,964,828.85 |
| Total | 28,174,493.56 | 9,867,035.39 | | -76,700.10 | | 37,964,828.85 |

*5) Details of other receivables written off during the period*

Unit: RMB

| Item | Amount written off |
|---|---|
| Write-off of other receivables | 76,700.10 |

*6) Top five other receivables by debtor at June 30, 2026*

Unit: RMB

| Entity name | Nature of payment | Balance at the end of the period | Aging | Proportion of total balance of other receivables at the end of the period | Bad debt provision – End balance |
|---|---|---|---|---|---|
| First | Security deposits | 62,149,360.00 | Within 1 year | 17.92% | 3,107,468.00 |
| Second | Security deposits | 12,196,160.00 | Within 1 year | 3.52% | 609,808.00 |
| Third | Security deposits | 11,600,000.00 | Within 1 year | 3.34% | 580,000.00 |
| Fourth | Security deposits | 9,610,000.00 | 1 to 2 years | 2.77% | 1,922,000.00 |
| Fifth | Security deposits | 6,897,980.00 | Within 1 year | 1.99% | 344,899.00 |
| Total | | 102,453,500.00 | | 29.54% | 6,564,175.00 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6. Prepayments

#### *(1) Prepayments by aging*

Unit: RMB

| Aging | Balance at the end of the period | | Balance at the beginning of the period | |
|---|---|---|---|---|
| | Amount | Proportion | Amount | Proportion |
| Within 1 year | **942,677,077.33** | **96.22%** | 669,698,210.48 | 95.62% |
| 1 to 2 years | **20,579,076.63** | **2.10%** | 17,718,946.20 | 2.53% |
| 2 to 3 years | **7,149,086.35** | **0.73%** | 4,600,327.01 | 0.66% |
| Over 3 years | **9,340,546.13** | **0.95%** | 8,321,841.09 | 1.19% |
| Total | **979,745,786.44** | | 700,339,324.78 | |

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

#### *(2) Top five prepayments by prepaid party at June 30, 2026*

The total amount of the five largest prepayments at the end of the period were RMB217,815,985.62, representing 22.23% of the total prepayments.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Inventories

### *(1) Classification of inventories*

Unit: RMB

| Item | Balance at the end of the period: Book balance | Balance at the end of the period: Inventory impairment provision or contract cost impairment provision | Balance at the end of the period: Carrying amount | Balance at the beginning of the period: Book balance | Balance at the beginning of the period: Inventory impairment provision or contract cost impairment provision | Balance at the beginning of the period: Carrying amount |
|---|---|---|---|---|---|---|
| Raw materials | 7,936,042,126.60 | | 7,936,042,126.60 | 6,244,110,503.83 | | 6,244,110,503.83 |
| Finished goods | 1,999,946,135.67 | | 1,999,946,135.67 | 1,156,835,584.27 | 15,559,942.85 | 1,141,275,641.42 |
| Consumable biological assets | 28,361,870,782.03 | | 28,361,870,782.03 | 29,845,918,312.77 | 53,866,038.62 | 29,792,052,274.15 |
| Total | 38,297,859,044.30 | | 38,297,859,044.30 | 37,246,864,400.87 | 69,425,981.47 | 37,177,438,419.40 |

### *(2) Inventory impairment provision and contract cost impairment provision*

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period: Accrued | Increase during the period: Other | Decrease during the period: Reversed or written off | Decrease during the period: Other | Balance at the end of the period |
|---|---|---|---|---|---|---|
| Finished goods | 15,559,942.85 | 23,167,280.04 | | 38,727,222.89 | | |
| Consumable biological assets | 53,866,038.62 | 300,164,149.89 | | 354,030,188.51 | | |
| Total | 69,425,981.47 | 323,331,429.93 | | 392,757,411.40 | | |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8. Other current assets

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Rental fees | **36,903,152.01** | 53,542,178.89 |
| Insurance premiums | **332,097,959.42** | 289,027,723.82 |
| Financing issuance costs | | 47,312,883.66 |
| Other | **539,876,679.55** | 548,069,030.34 |
| Input tax to be deducted | **1,182,627,044.62** | 1,081,369,107.46 |
| Total | **2,091,504,835.60** | 2,019,320,924.17 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. Investments in other equity instruments

Unit: RMB

| Item | Balance at the beginning of the period | Gains recognized in other comprehensive income during the period | Losses recognized in other comprehensive income during the period | Accumulated gains recognized in other comprehensive income at the end of the period | Accumulated losses recognized in other comprehensive income at the end of the period | Dividend income recognized during the period | Balance at the end of the period | Reason for designation at FVOCI |
|---|---|---|---|---|---|---|---|---|
| Nanyang Wolong District Rural Credit Cooperative Union | 66,254,387.22 | | | | 76,745,612.78 | | 66,254,387.22 | Held for long-term for strategic purposes |
| Total | 66,254,387.22 | | | | 76,745,612.78 | | 66,254,387.22 | |

Disclosure of non-trading equity instrument investments during the period:

Unit: RMB

| Item | Dividend income recognized | Accumulated gains | Accumulated losses | Amount transferred from other comprehensive income to retained earnings | Reason for designation at FVOCI | Reason for transfer from other comprehensive income to retained earnings |
|---|---|---|---|---|---|---|
| Nanyang Wolong District Rural Credit Cooperative Union | | | 76,745,612.78 | | Held for long-term for strategic purposes | |

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Long-term equity investments

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period | | | | | | | | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Additions | Reductions | Investment income and loss recognized under equity method | Other comprehensive income adjustments | Other equity changes | Cash dividends or profits declared | Impairment provision accrued | Other | | |
| I. Joint ventures | | | | | | | | | | | | |
| II. Associates | | | | | | | | | | | | |
| Henan Longda Longmu Meat Co., Ltd. | 105,177,019.38 | | | | 11,503,248.75 | | | | | | 116,680,268.13 | |
| China Securities Jiaotong Fund Management Co., Ltd. | 25,873,638.44 | | | | -955,989.39 | | | | | | 24,917,649.05 | |
| Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | 337,240,706.58 | | | | -5,128,717.61 | | | 48,589,285.40 | | | 283,522,703.57 | |
| Rongtong Nongfa Muyuan (Chongzhou) Co., Ltd. | 76,904,951.86 | | | | -4,112,379.51 | | | | | | 72,792,572.35 | |
| Rongtong Nongfa Muyuan (Tangshan) Livestock Husbandry Co., Ltd. | 80,706,792.89 | | | | -1,331,995.85 | | | | | | 79,374,797.04 | |
| Rongtong Nongfa Muyuan (Jianyang) Co., Ltd. | 59,575,422.32 | | | | -1,295,766.25 | | | | | | 58,279,656.07 | |
| Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | 127,401,270.00 | | | | -1,790,351.92 | | | | | | 125,610,918.08 | |
| Henan Lianmu Veterinary Medicine Co., Ltd. | 82,918,722.16 | | | | -2,461,493.86 | | | | | | 80,457,228.30 | |
| Nanyang Longyuan New Energy Technology Co., Ltd. | 56,728,342.23 | | | | 14,993,259.11 | | | | | | 71,721,601.34 | |
| Henan Qianmu Biological Pharmaceutical Co., Ltd. | 43,971,533.57 | | | | -1,667,259.55 | | | | | | 42,304,274.02 | |
| Fengyi Muyuan Oil Technology (Nanyang) Co., Ltd. | 13,983,621.18 | | 14,700,000.00 | | -839,664.82 | | | | | | 27,843,956.36 | |
| Fangcheng Yushengyuan Livestock Husbandry Co., Ltd. | 4,585,486.89 | | | | -1,258,217.10 | | | | | | 3,327,269.79 | |
| Henan Zhongyu Green Mu Guang New Energy Co., Ltd. | 8,987,804.48 | | | | 900,904.02 | | | | | | 9,888,708.50 | |
| Subtotal | 1,024,055,311.98 | | 14,700,000.00 | | 6,555,576.02 | | | 48,589,285.40 | | | 996,721,602.60 | |
| Total | 1,024,055,311.98 | | 14,700,000.00 | | 6,555,576.02 | | | 48,589,285.40 | | | 996,721,602.60 | |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Investment properties

### *(1) Investment properties measured using the cost model*

Unit: RMB

| Item | Buildings and structures | Land use rights | Construction in progress | Total |
|---|---|---|---|---|
| **I. Gross carrying amount** | | | | |
| 1. Balance at the beginning of the period | 123,420,989.97 | 5,785,539.69 | | 129,206,529.66 |
| 2. Increase during the period | | | | |
| (1) Purchased | | | | |
| (2) Transferred from inventories/ fixed assets/construction in progress | | | | |
| (3) Increase from business combinations | | | | |
| 3. Decrease during the period | | | | |
| (1) Disposal | | | | |
| (2) Other transfers out | | | | |
| 4. Balance at the end of the period | 123,420,989.97 | 5,785,539.69 | | 129,206,529.66 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Investment properties (Continued)

### *(1) Investment properties measured using the cost model* (Continued)

| Item | Buildings and structures | Land use rights | Construction in progress | Total |
|---|---|---|---|---|
| **II. Accumulated depreciation and amortization** | | | | |
| 1. Balance at the beginning of the period | 30,169,486.63 | 1,841,481.69 | | 32,010,968.32 |
| 2. Increase during the period | 2,930,969.37 | 53,539.32 | | 2,984,508.69 |
| (1) Provision or amortization | 2,930,969.37 | 53,539.32 | | 2,984,508.69 |
| 3. Decrease during the period | | | | |
| (1) Disposal | | | | |
| (2) Other transfers out | | | | |
| 4. Balance at the end of the period | 33,100,456.00 | 1,895,021.01 | | 34,995,477.01 |
| **III. Impairment provision** | | | | |
| 1. Balance at the beginning of the period | | | | |
| 2. Increase during the period | | | | |
| (1) Accrued | | | | |
| 3. Decrease during the period | | | | |
| (1) Disposal | | | | |
| (2) Other transfers out | | | | |
| 4. Balance at the end of the period | | | | |
| **IV. Carrying amount** | | | | |
| 1. Carrying amount at the end of the period | 90,320,533.97 | 3,890,518.68 | | 94,211,052.65 |
| 2. Carrying amount at beginning of the period | 93,251,503.34 | 3,944,058.00 | | 97,195,561.34 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Fixed assets

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Fixed assets | **96,767,918,564.63** | 100,634,104,612.66 |
| Total | **96,767,918,564.63** | 100,634,104,612.66 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Fixed assets (Continued)

### *(1) Fixed assets*

Unit: RMB

| Item | Plant & buildings | Machinery & equipment | Motor vehicles | Others | Total |
|---|---|---|---|---|---|
| **I. Gross carrying amount:** | | | | | |
| 1. Balance at the beginning of the period | 116,477,125,343.93 | 41,697,698,363.05 | 2,037,389,105.10 | 4,828,584,959.65 | 165,040,797,771.73 |
| 2. Increase during the period | 2,838,399,203.95 | 1,518,594,725.94 | 65,870,196.30 | 154,129,106.70 | 4,576,993,232.89 |
| (1) Purchased | 4,218,285.96 | 301,239,229.85 | 65,870,196.30 | 71,816,328.45 | 443,144,040.56 |
| (2) Transferred from construction in progress | 2,834,180,917.99 | 1,217,355,496.09 | | 82,312,778.25 | 4,133,849,192.33 |
| (3) Increase from business combinations | | | | | |
| 3. Decrease during the period | 952,858,024.28 | 634,055,595.95 | 91,220,096.59 | 105,123,362.41 | 1,783,257,079.23 |
| (1) Disposal or retirement | 952,858,024.28 | 634,055,595.95 | 91,220,096.59 | 105,123,362.41 | 1,783,257,079.23 |
| 4. Balance at the end of the period | 118,362,666,523.60 | 42,582,237,493.04 | 2,012,039,204.81 | 4,877,590,703.94 | 167,834,533,925.39 |
| **II. Accumulated depreciation** | | | | | |
| 1. Balance at the beginning of the period | 42,183,343,591.61 | 17,475,679,285.46 | 1,400,427,752.63 | 3,347,242,529.37 | 64,406,693,159.07 |
| 2. Increase during the period | 4,882,937,733.97 | 2,248,248,001.38 | 131,972,358.14 | 326,021,422.35 | 7,589,179,515.84 |
| (1) Accrued | 4,882,937,733.97 | 2,248,248,001.38 | 131,972,358.14 | 326,021,422.35 | 7,589,179,515.84 |
| 3. Decrease during the period | 426,019,347.51 | 337,122,876.61 | 78,563,564.63 | 87,551,525.40 | 929,257,314.15 |
| (1) Disposal or retirement | 426,019,347.51 | 337,122,876.61 | 78,563,564.63 | 87,551,525.40 | 929,257,314.15 |
| 4. Balance at the end of the period | 46,640,261,978.07 | 19,386,804,410.23 | 1,453,836,546.14 | 3,585,712,426.32 | 71,066,615,360.76 |
| **III. Impairment provision** | | | | | |
| 1. Balance at the beginning of the period | | | | | |
| 2. Increase during the period | | | | | |
| (1) Accrued | | | | | |
| 3. Decrease during the period | | | | | |
| (1) Disposal or retirement | | | | | |
| 4. Balance at the end of the period | | | | | |
| **IV. Carrying amount** | | | | | |
| 1. Carrying amount at the end of the period | 71,722,404,545.53 | 23,195,433,082.81 | 558,202,658.67 | 1,291,878,277.62 | 96,767,918,564.63 |
| 2. Carrying amount at the beginning of the period | 74,293,781,752.32 | 24,222,019,077.59 | 636,961,352.47 | 1,481,342,430.28 | 100,634,104,612.66 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Fixed assets (Continued)

### *(2) Fixed assets leased out through operating leases*

Unit: RMB

| Item | Carrying amount at the end of the period |
|---|---|
| Buildings and structures | 11,862,984.23 |
| Machinery & equipment | 1,707,650.64 |
| Motor vehicles | 37,218.92 |
| Others | 98,398.99 |
| Total | 13,706,252.78 |

### *(3) Fixed assets without certificates of title*

Unit: RMB

| Item | Carrying amount | Reason for incomplete title certificates |
|---|---|---|
| Hog slaughtering projects | 518,135,396.14 | Certificates are in progress |
| Feed processing projects | 866,777,954.38 | Certificates are in progress |
| Total | 1,384,913,350.52 | |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Construction in progress

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Total | 2,379,663,198.30 | 2,488,721,356.50 |

### *(1) Construction in progress*

Unit: RMB

| Item | Balance at the end of the period | | | Balance at the beginning of the period | | |
|---|---|---|---|---|---|---|
| | Book balance | Impairment provision | Carrying amount | Book balance | Impairment provision | Carrying amount |
| Hog breeding projects | 1,088,197,422.99 | | 1,088,197,422.99 | 1,480,881,590.21 | | 1,480,881,590.21 |
| Hog slaughtering projects | 716,627,919.54 | | 716,627,919.54 | 654,577,342.53 | | 654,577,342.53 |
| Feed processing projects | 510,477,815.25 | | 510,477,815.25 | 276,436,102.25 | | 276,436,102.25 |
| Others | 64,360,040.52 | | 64,360,040.52 | 76,826,321.51 | | 76,826,321.51 |
| Total | 2,379,663,198.30 | | 2,379,663,198.30 | 2,488,721,356.50 | | 2,488,721,356.50 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Construction in progress (Continued)

### *(2) Changes in significant construction in progress during the period*

Unit: RMB

| Project name | Budget | Balance at the beginning of the period | Increase during the period | Transferred to fixed assets during the period | Other decreases during the period | Balance at the end of the period | Cumulative investment as a percentage of budget | Project progress | Cumulative capitalized interest | Of which: capitalized interest during the period | Capitalization rate during the period | Source of funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Breeding centre pig breeding project | 4,685,932,401.07 | 967,460,169.95 | 1,433,392,273.39 | 1,668,034,636.45 | | 732,817,806.89 | 77.20% | 77.20% | | | | Other |
| Complex meat swine slaughtering project | 800,000,000.00 | 74,923,941.57 | 19,973,844.51 | | | 94,897,786.08 | 11.86% | 11.86% | 6,653,815.76 | | | Loans from financial institutions |
| Huaxian Meat swine slaughtering project | 702,009,100.00 | 394,386,509.91 | 80,117,720.02 | 57,700,648.19 | | 416,803,581.74 | 75.20% | 75.20% | 26,662,765.20 | | | Loans from financial institutions |
| Sixian meat swine slaughtering project | 700,000,000.00 | 86,263,377.70 | 23,011,400.68 | | | 109,274,778.38 | 20.94% | 20.94% | | | | Other |
| Total | 6,887,941,501.07 | 1,523,033,999.13 | 1,556,495,238.60 | 1,725,735,284.64 | | 1,353,793,953.09 | | | 33,316,580.96 | | | |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 14. Productive biological assets

### *(1) Productive biological assets measured using the cost model*

Unit: RMB

| Item | Crop farming | Animal husbandry | Forestry | Aquaculture | Total |
|---|---|---|---|---|---|
| **I. Gross carrying amount** | | | | | |
| 1. Balance at the beginning of the period | | 7,959,057,575.00 | | | 7,959,057,575.00 |
| 2. Increase during the period | | 7,189,844,749.61 | | | 7,189,844,749.61 |
| (1) Purchased | | 120,000.00 | | | 120,000.00 |
| (2) Self-bred | | 7,189,724,749.61 | | | 7,189,724,749.61 |
| 3. Decrease during the period | | 4,866,304,208.26 | | | 4,866,304,208.26 |
| (1) Disposal | | 4,707,750,483.51 | | | 4,707,750,483.51 |
| (2) Other | | 158,553,724.75 | | | 158,553,724.75 |
| 4. Balance at the end of the period | | 10,282,598,116.35 | | | 10,282,598,116.35 |
| **II. Accumulated depreciation** | | | | | |
| 1. Balance at the beginning of the period | | 1,161,837,515.99 | | | 1,161,837,515.99 |
| 2. Increase during the period | | 994,045,332.59 | | | 994,045,332.59 |
| (1) Accrued | | 994,045,332.59 | | | 994,045,332.59 |
| 3. Decrease during the period | | 811,851,555.58 | | | 811,851,555.58 |
| (1) Disposal | | 775,224,103.32 | | | 775,224,103.32 |
| (2) Other | | 36,627,452.26 | | | 36,627,452.26 |
| 4. Balance at the end of the period | | 1,344,031,293.00 | | | 1,344,031,293.00 |
| **III. Impairment provision** | | | | | |
| 1. Balance at the beginning of the period | | | | | |
| 2. Increase during the period | | | | | |
| (1) Accrued | | | | | |
| 3. Decrease during the period | | | | | |
| (1) Disposal | | | | | |
| (2) Other | | | | | |
| 4. Balance at the end of the period | | | | | |
| **IV. Carrying amount** | | | | | |
| 1. Carrying amount at the end of the period | | 8,938,566,823.35 | | | 8,938,566,823.35 |
| 2. Carrying amount at the beginning of the period | | 6,797,220,059.01 | | | 6,797,220,059.01 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Right-of-use assets

### *(1) Right-of-use assets*

Unit: RMB

| Item | Land leases | Buildings and structures leases | Machinery and equipment leases | Total |
|---|---|---|---|---|
| **I. Original carrying amount** | | | | |
| 1. Balance at the beginning of the period | 3,265,343,403.19 | 3,314,985,202.06 | 214,938,330.11 | 6,795,266,935.36 |
| 2. Increase during the period | 124,346,986.77 | 32,564,559.10 | 38,924,629.07 | 195,836,174.94 |
| 3. Decrease during the period | 134,359,339.55 | 30,689,029.81 | 137,411.88 | 165,185,781.24 |
| (1) Disposal | 134,359,339.55 | 30,689,029.81 | 137,411.88 | 165,185,781.24 |
| (2) Repurchase | | | | |
| 4. Balance at the end of the period | 3,255,331,050.41 | 3,316,860,731.35 | 253,725,547.30 | 6,825,917,329.06 |
| **II. Accumulated depreciation** | | | | |
| 1. Balance at the beginning of the period | 1,632,471,185.38 | 1,158,585,629.38 | 102,405,718.55 | 2,893,462,533.31 |
| 2. Increase during the period | 199,228,509.01 | 157,079,813.85 | 13,846,920.52 | 370,155,243.38 |
| (1) Provision | 199,228,509.01 | 157,079,813.85 | 13,846,920.52 | 370,155,243.38 |
| 3. Decrease during the period | 94,263,362.40 | 24,711,708.94 | 47,876.69 | 119,022,948.03 |
| (1) Disposal | 94,263,362.40 | 24,711,708.94 | 47,876.69 | 119,022,948.03 |
| 4. Balance at the end of the period | 1,737,436,331.99 | 1,290,953,734.29 | 116,204,762.38 | 3,144,594,828.66 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Right-of-use assets (Continued)

### (1) *Right-of-use assets* (Continued)

| Item | Land leases | Buildings and structures leases | Machinery and equipment leases | Total |
|---|---|---|---|---|
| **III. Impairment provision** | | | | |
| 1. Balance at the beginning of the period | | | | |
| 2. Increase during the period | | | | |
| (1) Accrued | | | | |
| 3. Decrease during the period | | | | |
| (1) Disposal | | | | |
| 4. Balance at the end of the period | | | | |
| **IV. Carrying amount** | | | | |
| 1. Carrying amount at the end of the period | 1,517,894,718.42 | 2,025,906,997.06 | 137,520,784.92 | 3,681,322,500.40 |
| 2. Carrying amount at the beginning of the period | 1,632,872,217.81 | 2,156,399,572.68 | 112,532,611.56 | 3,901,804,402.05 |

### 16. Intangible assets

### (1) *Intangible assets*

Unit: RMB

| Item | Land use rights | Patent rights | Trademarks | Software | Other | Total |
|---|---|---|---|---|---|---|
| **I. Gross carrying amount** | | | | | | |
| 1. Balance at the beginning of the period | 1,353,462,604.33 | | 219,380.00 | 88,421,406.10 | 1,589,734.35 | 1,443,693,124.78 |
| 2. Increase during the period | 62,137,616.60 | | | 6,291,482.48 | | 68,429,099.08 |
| (1) Purchased | 62,137,616.60 | | | 6,291,482.48 | | 68,429,099.08 |
| (2) Internal R&D | | | | | | |
| (3) Increase from business combinations | | | | | | |
| 3. Decrease during the period | 764,329.04 | | | 120,000.00 | | 884,329.04 |
| (1) Disposal | 764,329.04 | | | 120,000.00 | | 884,329.04 |
| 4. Balance at the end of the period | 1,414,835,891.89 | | 219,380.00 | 94,592,888.58 | 1,589,734.35 | 1,511,237,894.82 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16. Intangible assets (Continued)

### (1) *Intangible assets* (Continued)

| Item | Land use rights | Patent rights | Trademarks | Software | Other | Total |
|---|---|---|---|---|---|---|
| **II. Accumulated amortization** | | | | | | |
| 1. Balance at the beginning of the period | 175,764,216.87 | | 219,380.00 | 21,506,514.17 | 1,036,905.52 | 198,527,016.56 |
| 2. Increase during the period | 13,982,152.88 | | | 4,520,854.62 | 152,004.83 | 18,655,012.33 |
| (1) Amortization | 13,982,152.88 | | | 4,520,854.62 | 152,004.83 | 18,655,012.33 |
| 3. Decrease during the period | 191,862.08 | | | 13,000.00 | | 204,862.08 |
| (1) Disposal | 191,862.08 | | | 13,000.00 | | 204,862.08 |
| 4. Balance at the end of the period | 189,554,507.67 | | 219,380.00 | 26,014,368.79 | 1,188,910.35 | 216,977,166.81 |
| **III. Impairment provision** | | | | | | |
| 1. Balance at the beginning of the period | | | | | | |
| 2. Increase during the period | | | | | | |
| (1) Accrued | | | | | | |
| 3. Decrease during the period | | | | | | |
| (1) Disposal | | | | | | |
| 4. Balance at the end of the period | | | | | | |
| **IV. Carrying amount** | | | | | | |
| 1. Carrying amount at the end of the period | 1,225,281,384.22 | | | 68,578,519.79 | 400,824.00 | 1,294,260,728.01 |
| 2. Carrying amount at the beginning of the period | 1,177,698,387.46 | | | 66,914,891.93 | 552,828.83 | 1,245,166,108.22 |

Proportion of intangible assets formed through internal R&D to total intangible assets at June 30, 2026 is 0%.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16. Intangible assets (Continued)

#### *(2) Land use rights without certificates of title*

Unit: RMB

| Item | Carrying amount | Reason for incomplete title certificates |
|---|---|---|
| Land use rights | 243,462,551.77 | Relevant procedures are being processed |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17. Long-term deferred expenses

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Amortization during the period | Other decreases | Balance at the end of the period |
|---|---|---|---|---|---|
| Leasehold improvements | 48,394,563.46 | 5,953,794.32 | 3,932,003.11 | | 50,416,354.67 |
| Other | 10,273,474.82 | 1,250,000.00 | 1,860,090.87 | | 9,663,383.95 |
| Total | 58,668,038.28 | 7,203,794.32 | 5,792,093.98 | | 60,079,738.62 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 18. Deferred tax assets/Deferred tax liabilities

### *(1) Deferred tax assets before offsetting*

Unit: RMB

| Item | Balance at the end of the period: Deductible temporary differences | Balance at the end of the period: Deferred tax assets | Balance at the beginning of the period: Deductible temporary differences | Balance at the beginning of the period: Deferred tax assets |
|---|---|---|---|---|
| Asset impairment provisions | 13,901,510.94 | 3,400,620.77 | 3,694,786.67 | 894,839.59 |
| Deductible losses | 888,578,926.10 | 152,328,372.26 | 830,271,304.60 | 139,061,911.83 |
| Other | 10,686,291.71 | 2,308,426.26 | 1,374,252.43 | 282,741.13 |
| Total | 913,166,728.75 | 158,037,419.29 | 835,340,343.70 | 140,239,492.55 |

### *(2) Deferred tax assets or liabilities presented on a net basis after offsetting*

Unit: RMB

| Item | Amount of offsetting deferred tax assets or liabilities at the end of the period | Balance of deferred tax assets or liabilities after offsetting at the end of the period | Amount of offsetting deferred tax assets or liabilities at the beginning of the period | Balance of deferred tax assets or liabilities after offsetting at the beginning of the period |
|---|---|---|---|---|
| Deferred tax assets | | 158,037,419.29 | | 140,239,492.55 |

### 19. Other non-current assets

Unit: RMB

| Item | Balance at the end of the period: Book value | Balance at the end of the period: Impairment provision | Balance at the end of the period: Carrying amount | Balance at the beginning of the period: Book value | Balance at the beginning of the period: Impairment provision | Balance at the beginning of the period: Carrying amount |
|---|---|---|---|---|---|---|
| Land deposits | 13,197,593.06 | | 13,197,593.06 | 63,342,272.50 | | 63,342,272.50 |
| Prepaid project and equipment payments | 558,937,447.97 | | 558,937,447.97 | 542,150,364.34 | | 542,150,364.34 |
| Other | 260,207,859.50 | | 260,207,859.50 | 105,942,789.77 | | 105,942,789.77 |
| Total | 832,342,900.53 | | 832,342,900.53 | 711,435,426.61 | | 711,435,426.61 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Assets with restricted ownership or use rights

Unit: RMB

| Item | End – Book value | End – Carrying amount | End – Type of restriction | End – Description of restriction | Beginning – Book value | Beginning – Carrying amount | Beginning – Type of restriction | Beginning – Description of restriction |
|---|---|---|---|---|---|---|---|---|
| Cash at bank and on hand | 2,917,447,226.25 | 2,917,447,226.25 | Deposits, frozen bank funds | Deposits for bank acceptance bills, bank guarantee deposits, futures margin, letter of credit deposits, etc. | 1,084,341,527.01 | 1,084,341,527.01 | Deposits, frozen bank funds | Deposits for bank acceptance bills, bank guarantee deposits, futures margin, letter of credit deposits, etc. |
| Inventories | 28,498,519.74 | 28,498,519.74 | Reserve meat | Reserve meat under agreement with government | 34,911,309.45 | 34,911,309.45 | Reserve meat | Reserve meat under agreement with government |
| Fixed assets | 4,348,935,093.75 | 2,280,849,090.24 | Mortgage, sale-leaseback | Restricted due to mortgage for borrowings and finance sale-leaseback arrangements | 4,421,596,945.81 | 2,537,688,340.28 | Mortgage, sale-leaseback | Restricted due to mortgage for borrowings and finance sale-leaseback arrangements |
| Intangible assets | 69,225,353.66 | 62,940,995.51 | Mortgage | Restricted due to mortgage for borrowings | 69,225,353.66 | 63,627,748.00 | Mortgage | Restricted due to mortgage for borrowings |
| Total | 7,364,106,193.40 | 5,289,735,831.74 | | | 5,610,075,135.93 | 3,720,568,924.74 | | |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 21. Short-term loans

### *(1) Classification of short-term loans*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Pledged loans | **6,847,367,223.63** | 4,668,210,313.64 |
| Guaranteed loans | **16,441,985,859.28** | 32,484,216,355.67 |
| Credit loans | **23,962,935,427.78** | 4,002,949,999.99 |
| Total | **47,252,288,510.69** | 41,155,376,669.30 |

See Note 20 assets with restrictive ownership or use rights for the category and amount of pledged and secured assets for pledged loans and secured loans.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Financial liabilities held for trading

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Financial liabilities held for trading | **2,763,160.00** | 2,050,186.72 |
| Including: | | |
| Futures and options contracts | **2,763,160.00** | 2,050,186.72 |
| Total | **2,763,160.00** | 2,050,186.72 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 23. Bills payable

Unit: RMB

| Category | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Commercial acceptance bills | 6,888,546.93 | |
| Bank acceptance bills | 274,856,000.00 | 706,500,000.00 |
| Letters of credit | | 7,797,105.13 |
| Total | 281,744,546.93 | 714,297,105.13 |

The bills above are all due within one year.

### 24. Accounts payable

#### *(1) Presentation of accounts payable*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Goods payable | 3,427,848,476.19 | 3,160,698,223.23 |
| Construction and equipment payable | 8,507,055,034.30 | 9,286,886,046.54 |
| Other | 187,206,024.85 | 165,747,450.24 |
| Total | 12,122,109,535.34 | 12,613,331,720.01 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 25. Other payables

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Other payables | **2,984,407,558.79** | 5,516,599,106.38 |
| Total | **2,984,407,558.79** | 5,516,599,106.38 |

### *(1) Other payables*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Deposits | **963,383,782.96** | 878,291,587.47 |
| Shares repurchase obligation under shareholding plans | **1,009,591,673.22** | 1,009,591,673.22 |
| Reverse factoring | **937,557,274.44** | 3,362,151,137.65 |
| Others | **73,874,828.17** | 266,564,708.04 |
| Total | **2,984,407,558.79** | 5,516,599,106.38 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26. Contract liabilities

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Advances from customers | **1,250,927,768.48** | 1,106,544,532.20 |
| Total | **1,250,927,768.48** | 1,106,544,532.20 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 27. Employee remuneration payable

#### *(1) Presentation of employee remuneration payable*

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Decrease during the period | Balance at the end of the period |
|---|---|---|---|---|
| I. Short-term benefits | 772,159,386.05 | 7,664,382,430.72 | 7,730,093,131.02 | 706,448,685.75 |
| II. Post-employment remuneration – defined contribution plans | 259,583.58 | 486,216,190.75 | 485,864,410.84 | 611,363.49 |
| Total | 772,418,969.63 | 8,150,598,621.47 | 8,215,957,541.86 | 707,060,049.24 |

#### *(2) Short-term benefits*

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Decrease during the period | Balance at the end of the period |
|---|---|---|---|---|
| 1. Wages, bonuses, allowances and subsidies | 609,217,906.89 | 7,120,129,110.37 | 7,174,671,350.29 | 554,675,666.97 |
| 2. Employee welfare | | 121,512,474.48 | 121,512,474.48 | |
| 3. Social insurance | 1,305,742.96 | 264,639,119.67 | 265,164,908.53 | 779,954.10 |
| Including: Medical insurance | 1,258,864.00 | 239,033,011.42 | 239,555,287.41 | 736,588.01 |
| Work injury insurance | 46,878.96 | 25,606,108.25 | 25,609,621.12 | 43,366.09 |
| 4. Housing provident fund | 1,132,633.30 | 127,878,811.70 | 126,647,500.60 | 2,363,944.40 |
| 5. Labor union fees and employee education expenses | 160,503,102.90 | 30,222,914.50 | 42,096,897.12 | 148,629,120.28 |
| Total | 772,159,386.05 | 7,664,382,430.72 | 7,730,093,131.02 | 706,448,685.75 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 27. Employee remuneration (Continued)

#### *(3) Defined contribution plans*

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Decrease during the period | Balance at the end of the period |
|---|---|---|---|---|
| 1. Basic pension insurance | 234,930.17 | 467,925,102.21 | 467,564,183.90 | 595,848.48 |
| 2. Unemployment insurance | 24,653.41 | 18,291,088.54 | 18,300,226.94 | 15,515.01 |
| Total | 259,583.58 | 486,216,190.75 | 485,864,410.84 | 611,363.49 |

### 28. Taxes payable

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Value-added tax | **7,570,722.93** | 2,174,253.34 |
| Corporate income tax | **1,881,415.98** | 2,497,795.66 |
| Individual income tax | **49,034,066.99** | 15,900,919.86 |
| Property tax | **9,976,474.68** | 9,132,468.75 |
| Land use tax | **4,831,135.61** | 4,598,589.42 |
| Stamp duty | **25,422,283.38** | 25,040,542.46 |
| Other | **3,008,879.33** | 3,071,310.78 |
| Total | **101,724,978.90** | 62,415,880.27 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29. Non-current liabilities due within one year

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Long-term loans due within one year | **5,198,229,145.71** | 4,555,806,605.89 |
| Debentures payable due within one year | **1,668,044,393.02** | 92,120,748.27 |
| Long-term payables due within one year | **722,309,383.20** | 856,620,082.76 |
| Lease liabilities due within one year | **1,991,435,687.94** | 1,981,003,496.83 |
| Total | **9,580,018,609.87** | 7,485,550,933.75 |

### 30. Other current liabilities

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Short-term debentures payable | **1,304,885,325.35** | 303,371,917.84 |
| Output VAT to be transferred | **80,871,770.76** | 48,438,115.33 |
| Endorsed but not derecognized bills receivable | | 60,000,000.00 |
| Total | **1,385,757,096.11** | 411,810,033.17 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 30. Other current liabilities (Continued)

*Changes in short-term debentures payable:*

Unit: RMB

| Bond name | Face value | Coupon rate | Issue date | Term | Issue amount | Balance at the beginning of the period | Issued in H1 2026 | Interest accrued at face value | Premium/ discount amortization | Repaid in H1 2026 | Balance at the end of the period | Default |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25 Muyuan Foods SCP001 | 300,000,000.00 | 1.95% | May 9, 2025 | 270 days | 299,550,000.00 | 303,371,917.84 | | 865,479.42 | 90,000.00 | 304,327,397.26 | | No |
| 26 Muyuan Foods SCP002 | 300,000,000.00 | 1.87% | February 3, 2026 | 270 days | 299,662,500.00 | | 299,662,500.00 | 2,074,931.50 | 168,750.00 | | 301,906,181.50 | No |
| 26 Muyuan Foods SCP003 | 1,000,000,000.00 | 1.65% | April 16, 2026 | 270 days | 999,025,000.00 | | 999,025,000.00 | 3,661,643.85 | 292,500.00 | | 1,002,979,143.85 | No |
| Total | | | | | 1,598,237,500.00 | 303,371,917.84 | 1,298,687,500.00 | 6,602,054.77 | 551,250.00 | 304,327,397.26 | 1,304,885,325.35 | |

### 31. Long-term loans

*(1) Classification of long-term loans*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Mortgage loans | **294,234,078.21** | 373,222,980.43 |
| Guaranteed loans | **4,422,208,017.88** | 11,125,373,087.51 |
| Credit loans | **5,124,921,835.49** | 790,627,611.11 |
| Subtotal | **9,841,363,931.58** | 12,289,223,679.05 |
| Less: Long-term loans due within one year | **5,198,229,145.71** | 4,555,806,605.89 |
| Total | **4,643,134,785.87** | 7,733,417,073.16 |

At the end of the period, the range of interest rates of the Group's long-term loans was 2.25%-4.84%.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Debentures payable

### *(1) Debentures payable*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Convertible corporate bonds (Muyuan Convertible Bonds) | **9,542,950,400.00** | 9,543,030,500.00 |
| 25 Muyuan MTN001 | **1,000,000,000.00** | 1,000,000,000.00 |
| 25 Muyuan MTN002 | **500,000,000.00** | 500,000,000.00 |
| 25 Muyuan MTN003 | **500,000,000.00** | 500,000,000.00 |
| 26 Muyuan MTN001 (Sci-Tech Innovation Bond) | **500,000,000.00** | |
| 26 Muyuan MTN003 (Sci-Tech Innovation Bond) | **500,000,000.00** | |
| Accrued interest not yet due | **166,082,749.23** | 92,120,748.27 |
| Less: Interest adjustment | **255,764,808.77** | 152,048,585.28 |
| Subtotal | **12,964,797,958.00** | 11,787,199,833.55 |
| Less: Debentures payable due within one year | **1,668,044,393.02** | 92,120,748.27 |
| Total | **11,296,753,564.98** | 11,695,079,085.28 |

# VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 32. Debentures payable (Continued)

### (2) *Changes in debentures payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)*

Unit: RMB

| Bond name | Face value | Coupon rate | Issue date | Term | Issue amount | Balance at the beginning of the period | Issued during the period | Interest accrued at face value | Premium/ discount amortization | Repaid during the period | Converted to shares during the period | Balance at the end of the period | Default |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Convertible corporate bonds (Muyuan Convertible Bonds) | 9,550,000,000.00 | Note | August 16, 2021 | 6 years | 8,510,799,604.63 | 9,753,574,833.62 | | 77,462,782.95 | 103,593,044.56 | | 82,703.06 | 9,934,547,958.07 | No |
| 25 Muyuan MTN001 | 1,000,000,000.00 | 2.40% | January 15, 2025 | 2 years | 995,900,000.00 | 1,021,949,999.96 | | 12,000,000.00 | 1,024,999.98 | 24,000,000.00 | | 1,010,974,999.94 | No |
| 25 Muyuan MTN002 | 500,000,000.00 | 2.30% | April 17, 2025 | 2 years | 498,200,000.00 | 507,499,999.97 | | 5,749,999.98 | 450,000.00 | 11,500,000.00 | | 502,199,999.95 | No |
| 25 Muyuan MTN003 | 500,000,000.00 | 2.15% | July 22, 2025 | 2 years | 498,400,000.00 | 504,175,000.00 | | 5,374,999.98 | 400,000.02 | | | 509,950,000.00 | No |
| 26 Muyuan MTN001 (Sci-Tech Innovation Bond) | 500,000,000.00 | 2.23% | January 7, 2026 | 2 years | 499,000,000.00 | | 499,000,000.00 | 5,575,000.02 | 250,000.02 | | | 504,825,000.04 | No |
| 26 Muyuan MTN003 (Sci-Tech Innovation Bond) | 500,000,000.00 | 1.98% | March 12, 2026 | 2 years | 498,800,000.00 | | 498,800,000.00 | 3,300,000.00 | 200,000.00 | | | 502,300,000.00 | No |
| Total | | | | | 11,501,099,604.63 | 11,787,199,833.55 | 997,800,000.00 | 109,462,782.93 | 105,918,044.58 | 35,500,000.00 | 82,703.06 | 12,964,797,958.00 | |

Note: 0.20% in the first year, 0.40% in the second year, 0.80% in the third year, 1.20% in the fourth year, 1.50% in the fifth year and 2.00% in the sixth year.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 32. Debentures payable (Continued)

#### *(3) Description of convertible corporate bonds*

From January to June 2026, due to the conversion of convertible corporate bonds, the Company derecognized the liability component of the convertible corporate bonds of RMB82,703.06 and the other equity instruments component of RMB8,537.45, and recognized share capital of RMB1,827.00 and capital reserve (share premium) of RMB89,012.04.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 33. Lease liabilities

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Lease liabilities | **4,021,343,635.06** | 4,160,280,180.73 |
| Less: Lease liabilities due within one year | **1,991,435,687.94** | 1,981,003,496.83 |
| Total | **2,029,907,947.12** | 2,179,276,683.90 |

### 34. Long-term payables

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Sale-leaseback finance lease payments payable | **1,041,671,318.45** | 1,565,133,532.66 |
| Other payables | **28,625,351.33** | 30,453,204.46 |
| Less: Unrecognized financing expenses | **26,601,590.85** | 62,424,611.98 |
| Subtotal | **1,043,695,078.93** | 1,533,162,125.14 |
| Less: Long-term payables due within one year | **722,309,383.20** | 856,620,082.76 |
| Total | **321,385,695.73** | 676,542,042.38 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 35. Deferred income

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Decrease during the period | Balance at the end of the period | Reason for formation |
|---|---|---|---|---|---|
| Government grants | 770,228,220.30 | 65,069,821.60 | 82,351,828.22 | 752,946,213.68 | Government grants |
| Internal sales VAT | 104,169,529.18 | 1,893,637,748.38 | 1,862,819,610.69 | 134,987,666.87 | Sales of live hogs to internal slaughter companies |
| Total | 874,397,749.48 | 1,958,707,569.98 | 1,945,171,438.91 | 887,933,880.55 | |

### 36. Share capital

Unit: RMB

| | Balance at the beginning of the period | Movements during the period | | | | | Balance at the end of the period |
|---|---|---|---|---|---|---|---|
| | | New shares issued | Bonus shares | Capitalization of reserves | Other | Subtotal | |
| Total shares | 5,462,771,148.00 | 310,223,100.00 | | | 1,827.00 | 310,224,927.00 | 5,772,996,075.00 |

1. 273,951,400 H Shares issued by the Company were listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited on February 6, 2026. On March 5, 2026, the over-allotment option in respect of the H Share offering was partially exercised, and 36,271,700 H Shares issued by the Company were listed and traded on The Stock Exchange of Hong Kong Limited on March 10, 2026.

2. The total number of shares converted from the convertible corporate bonds in 2026 amounted to 1,827 shares, and the total share capital of the Company increased by 310,224,927 shares.

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 37. Other equity instruments

#### *(1) Basic information on outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period*

The Company publicly issued 95,500,000 convertible corporate bonds on August 16, 2021, with a face value of RMB100 per bond, a total issuance of RMB9,550,000,000.00. After deducting issuance fees, the net proceeds actually gained were RMB9,528,685,000.00, of which the equity component of the convertible corporate bonds amounted to RMB1,017,885,395.37.

#### *(2) Changes in outstanding preferred shares, perpetual bonds and other financial instruments at the end of the period*

Unit: RMB

| Outstanding financial instruments | Beginning | | Increase during the period | | Decrease during the period | | Ending | |
|---|---|---|---|---|---|---|---|---|
| | Quantity | Carrying amount | Quantity | Carrying amount | Quantity | Carrying amount | Quantity | Carrying amount |
| Muyuan Convertible Bonds | 95,430,305.00 | 1,017,142,552.25 | | | 801.00 | 8,537.45 | 95,429,504.00 | 1,017,134,014.80 |
| Total | 95,430,305.00 | 1,017,142,552.25 | | | 801.00 | 8,537.45 | 95,429,504.00 | 1,017,134,014.80 |

### 38. Capital reserve

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Decrease during the period | Balance at the end of the period |
|---|---|---|---|---|
| Capital premium (share premium) | 12,624,532,802.08 | 10,276,175,367.82 | | 22,900,708,169.90 |
| Other capital reserve | 414,070,820.11 | 422,259,832.95 | | 836,330,653.06 |
| Total | 13,038,603,622.19 | 10,698,435,200.77 | | 23,737,038,822.96 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 38. Capital reserve (Continued)

Note 1: The increase in capital (share) premium in the H1 2026 was mainly due to the issuance of H shares listed on the Hong Kong Stock Exchange, which increased capital reserve by RMB10,249,941,450.87; conversion of convertible bonds increased capital reserve by RMB89,012.04; acquisition of minority interests increased capital reserve by RMB22,250,678.60.

Note 2: The increase in other capital reserve in the H1 2026 was mainly due to the amortization of expenses recognized for the employee stock ownership plan.

### 39. Treasury shares

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Decrease during the period | Balance at the end of the period |
|---|---|---|---|---|
| Repurchased ordinary shares | 3,001,490,556.94 | | | 3,001,490,556.94 |
| Restricted share repurchase obligation | 1,009,591,673.22 | | | 1,009,591,673.22 |
| Total | 4,011,082,230.16 | | | 4,011,082,230.16 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 40. Other comprehensive income

Unit: RMB

| Item | Balance at the beginning of the period | Amount incurred in current period: Current period before-tax amount | Less: Previously recognized in OCI, transferred to profit or loss during the current period | Less: Previously recognized in OCI, transferred to retained earnings during the current period | Less: Income tax expense | After-tax amount attributable to parent company | After-tax amount attributable to minority interests | Balance at the end of the period |
|---|---|---|---|---|---|---|---|---|
| I. OCI that will not be reclassified to profit or loss | -76,745,612.78 | | | | | | | -76,745,612.78 |
| Changes in fair value of other equity instrument investments | -76,745,612.78 | | | | | | | -76,745,612.78 |
| II. OCI that will be reclassified to profit or loss | 847,460.00 | 1,970,700.00 | 847,460.00 | | | 1,123,240.00 | | 1,970,700.00 |
| Cash flow hedge reserve | 847,460.00 | 1,970,700.00 | 847,460.00 | | | 1,123,240.00 | | 1,970,700.00 |
| Total other comprehensive income | -75,898,152.78 | 1,970,700.00 | 847,460.00 | | | 1,123,240.00 | | -74,774,912.78 |

### 41. Surplus reserve

Unit: RMB

| Item | Balance at the beginning of the period | Increase during the period | Decrease during the period | Balance at the end of the period |
|---|---|---|---|---|
| Statutory surplus reserve | 2,829,190,556.76 | | | 2,829,190,556.76 |
| Total | 2,829,190,556.76 | | | 2,829,190,556.76 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 42. Retained earnings

Unit: RMB

| Item | Current period | Prior period |
|---|---|---|
| Retained earnings at the end of the prior period (before adjustment) | 59,428,517,943.23 | 52,271,396,781.65 |
| Retained earnings at the beginning of the period (after adjustment) | 59,428,517,943.23 | 52,271,396,781.65 |
| Add: Net profit attributable to owners of parent company in current period | -6,077,653,278.94 | 10,530,051,098.42 |
| Ordinary share dividends payable | 2,434,750,114.49 | 3,082,878,914.31 |
| Retained earnings at the end of the period | 50,916,114,549.8 | 59,718,568,965.76 |

### 43. Revenue and operating costs

Unit: RMB

| | Amount incurred in current period | | Amount incurred in prior period | |
|---|---|---|---|---|
| Item | Revenue | Cost | Revenue | Cost |
| Principal business | 57,770,556,120.19 | 58,858,235,945.02 | 76,077,968,386.26 | 60,441,366,896.41 |
| Other business | 1,639,750,264.40 | 1,488,161,425.46 | 384,784,293.48 | 332,658,338.71 |
| Total | 59,410,306,384.59 | 60,346,397,370.48 | 76,462,752,679.74 | 60,774,025,235.12 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 43. Revenue and operating costs (Continued)

***Disaggregation of revenue and operating costs:***

Unit: RMB

| | Farming segment | | Slaughter & meat segment | | Trading segment | | Other segment | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Contract classification** | **Revenue** | **Cost** | **Revenue** | **Cost** | **Revenue** | **Cost** | **Revenue** | **Cost** | **Revenue** | **Cost** |
| By business type | | | | | | | | | | |
| Of which: | | | | | | | | | | |
| Live hogs | 52,430,296,318.87 | 54,795,342,077.43 | | | | | | | 52,430,296,318.87 | 54,795,342,077.43 |
| Slaughter and meat products | | | 22,061,248,684.20 | 21,124,800,426.76 | | | | | 22,061,248,684.20 | 21,124,800,426.76 |
| Feed raw materials | | | | | 4,319,430,543.58 | 4,290,206,790.32 | | | 4,319,430,543.58 | 4,290,206,790.32 |
| Other | | | | | | | 1,621,486,901.35 | 1,469,973,427.13 | 1,621,486,901.35 | 1,469,973,427.13 |
| Less: Elimination between farming and slaughter segments | -21,040,419,426.46 | -21,352,113,349.49 | | | | | | | -21,040,419,426.46 | -21,352,113,349.49 |
| By geographical regions | | | | | | | | | | |
| Of which: | | | | | | | | | | |
| Market or customer type | | | | | | | | | | |
| Of which: | | | | | | | | | | |
| Contract type | | | | | | | | | | |
| Of which: | | | | | | | | | | |
| By timing of goods transfer | | | | | | | | | | |
| Of which: | | | | | | | | | | |
| By contract duration | | | | | | | | | | |
| Of which: | | | | | | | | | | |
| By sales channel | | | | | | | | | | |
| Of which | | | | | | | | | | |
| Total | 31,389,876,892.41 | 33,443,228,727.94 | 22,061,248,684.20 | 21,124,800,426.76 | 4,319,430,543.58 | 4,290,206,790.32 | 1,621,486,901.35 | 1,469,973,427.13 | 59,392,043,021.54 | 60,328,209,372.15 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 44. Taxes and surcharges

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Property tax | **37,203,147.76** | 39,056,256.15 |
| Land use tax | **14,213,591.36** | 14,400,722.34 |
| Stamp duty | **65,296,283.52** | 62,323,563.47 |
| Water resource tax | **8,170,395.46** | 4,550,503.14 |
| Local water conservancy fund | **8,752,494.86** | 12,882,164.28 |
| Other | **3,025,714.08** | 2,186,914.97 |
| Total | **136,661,627.04** | 135,400,124.35 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 45. General and administrative expenses

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Employee remuneration | **686,805,549.29** | 715,084,856.84 |
| Depreciation and amortization | **213,491,370.79** | 224,284,823.57 |
| Business development expenses | **146,702,216.24** | 158,441,081.19 |
| Office expenses | **93,992,215.36** | 99,174,193.68 |
| Service fees | **43,608,341.35** | 83,767,900.51 |
| Vehicle expenses | **32,704,373.77** | 38,881,058.39 |
| Travel expenses | **25,169,734.59** | 21,830,258.47 |
| Other | **518,729,728.56** | 472,358,239.43 |
| Total | **1,761,203,529.95** | 1,813,822,412.08 |

### 46. Selling and distribution expenses

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Employee remuneration | **455,560,580.78** | 447,094,383.19 |
| Depreciation | **72,780,347.72** | 66,069,102.93 |
| Fuel and utilities | **57,533,258.83** | 55,907,718.33 |
| Vehicle expenses | **10,217,674.19** | 10,849,636.38 |
| Other | **64,269,431.76** | 61,085,727.23 |
| Total | **660,361,293.28** | 641,006,568.06 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47. Research and development expenses

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Employee remuneration | 463,467,281.64 | 482,488,264.88 |
| R&D materials consumption expenses | 117,493,369.33 | 247,720,324.56 |
| Service fees | 63,777,699.72 | 120,198,237.56 |
| Depreciation and amortization | 23,698,082.02 | 32,051,275.28 |
| Testing fees | 20,585,649.51 | 21,222,056.75 |
| Other | 19,504,988.02 | 17,382,753.98 |
| Total | 708,527,070.24 | 921,062,913.01 |

### 48. Financial expenses

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Interest expenses on loans and bonds | 936,045,703.92 | 1,273,425,032.79 |
| Interest expenses on lease liabilities and long-term payables | 94,290,122.29 | 170,620,254.25 |
| Exchange losses/(gains) | 92,846,867.89 | 22,921,291.28 |
| Less: Interest income | 45,615,823.52 | 92,528,981.04 |
| Other | 41,984,711.42 | 36,582,399.17 |
| Total | 1,119,551,582.00 | 1,411,019,996.45 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 49. Other income

Unit: RMB

| Source of other income | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Subsidies related to daily operations | **192,321,392.61** | 157,939,734.02 |
| Individual income tax withholding fee refund | **14,187,861.20** | 9,635,556.37 |
| Tax reductions and exemptions | **3,401,430.23** | 4,454,777.85 |
| Total | **209,910,684.04** | 172,030,068.24 |

### 50. Gains from changes in fair value

Unit: RMB

| Source of gains from changes in fair value | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Financial assets held for trading | **5,557,976.27** | 4,691,165.51 |
| Including: Gains from changes in fair value arising from derivative financial instruments | **333,201.79** | -165,520.00 |
| Wealth management products | **5,224,774.48** | 4,856,685.51 |
| Total | **5,557,976.27** | 4,691,165.51 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 51. Investment income

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Income from long-term equity investments accounted for using equity method | **6,045,001.32** | 41,588,612.60 |
| Investment income from purchase of wealth management products | **32,369,773.46** | 24,791,751.95 |
| Other | **1,697,945.16** | 624,887.18 |
| Total | **40,112,719.94** | 67,005,251.73 |

### 52. Credit impairment losses

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Bad debt losses on accounts receivable | **2,048,765.88** | -5,803,568.94 |
| Bad debt losses on other receivables | **-9,867,035.39** | 627,177.66 |
| Total | **-7,818,269.51** | -5,176,391.28 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 53. Asset impairment losses

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| I. Inventory write-down and contract performance cost impairment losses | **-313,531,318.38** | -2,029,601.99 |
| Total | **-313,531,318.38** | -2,029,601.99 |

### 54. Gains from asset disposals

Unit: RMB

| Source of asset disposal gains | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Gains from disposal of non-current assets | **2,832,807.43** | 2,832,460.46 |

### 55. Non-operating income

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period | Amount included in non-recurring profit or loss during the period |
|---|---|---|---|
| Gains from disposal of non-current assets | 1,046,892.97 | 876,355.66 | 1,046,892.97 |
| Other | 74,242,382.65 | 50,329,068.30 | 74,242,382.65 |
| Total | 75,289,275.62 | 51,205,423.96 | 75,289,275.62 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 56. Non-operating expenses

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period | Amount included in non-recurring profit or loss during the period |
|---|---|---|---|
| Donations | 8,028,133.95 | 11,430,987.90 | 8,028,133.95 |
| Losses from damage and scrapping of non-current assets | 143,157,636.72 | 257,109,964.01 | 143,157,636.72 |
| Other | 203,104,713.28 | 18,365,206.18 | 203,104,713.28 |
| Total | 354,290,483.95 | 286,906,158.09 | 354,290,483.95 |

### 57. Income tax expenses

#### *(1) Income tax expense schedule*

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Current income tax expense | **437,855,513.93** | 7,085,640.59 |
| Deferred income tax expense | **-17,743,305.93** | -27,284,611.72 |
| Total | **420,112,208.00** | -20,198,971.13 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 57. Income tax expenses (Continued)

#### *(2) Reconciliation of accounting profit to income tax expense*

Unit: RMB

| Item | Amount incurred in current period |
|---|---|
| Total profit | -5,664,332,696.94 |
| Income tax expense calculated at statutory/applicable tax rate | -1,416,083,174.23 |
| Impact of different tax rates applicable to subsidiaries | 3,590,662.72 |
| Impact of non-taxable income | 1,813,239,248.95 |
| Impact of non-deductible costs, expenses and losses | 19,365,470.56 |
| Income tax expense | 420,112,208.00 |

Other information:

### 58. Other comprehensive income

See Note 40.

### 59. Cash flow statement items

#### *(1) Cash related to operating activities*

Other cash received related to operating activities

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Interest income | **45,615,823.52** | 92,528,981.04 |
| Scrap sales | **32,677,013.49** | 21,057,518.36 |
| Government grants | **220,008,416.79** | 174,061,985.94 |
| Insurance compensation | **1,433,356,628.26** | 1,150,934,926.56 |
| Security deposits | **573,580,609.98** | 1,198,078,984.58 |
| Other | **173,108,230.36** | 140,608,161.86 |
| Total | **2,478,346,722.40** | 2,777,270,558.34 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Cash flow statement items (Continued)

### (1) *Cash related to operating activities* (Continued)

Other cash paid related to operating activities

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Cash disbursements for selling expenses | **130,493,574.15** | 126,426,827.44 |
| Cash disbursements for administrative expenses | **439,278,113.08** | 870,140,571.38 |
| Cash disbursements for R&D expenses | **215,356,719.38** | 402,136,922.74 |
| Security deposits | **1,287,664,200.20** | 1,365,678,442.83 |
| Donation expenditures | **8,028,133.95** | 11,430,987.90 |
| Other | **311,177,951.65** | 100,879,254.91 |
| Total | **2,391,998,692.41** | 2,876,693,007.20 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Cash flow statement items (Continued)

### *(2) Cash related to financing activities*

Other cash received related to financing activities

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Recovery of loan deposits | | 4,180,000.00 |
| Total | | 4,180,000.00 |

Other cash paid related to financing activities

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Financing fees | **93,547,449.25** | 132,338,832.61 |
| Loan security deposits paid | | 450,000,000.00 |
| Long-term lease rental payments | **371,308,576.87** | 340,914,709.13 |
| Restricted share repurchase expenditure | | |
| Payment for acquisition of minority interests | **1,000,000,000.00** | 2,000,000,000.00 |
| Ordinary share repurchase expenditure | | 1,109,877,215.61 |
| Total | **1,464,856,026.12** | 4,033,130,757.35 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 59. Cash flow statement items (Continued)

### *(2) Cash related to financing activities* (Continued)

Changes in liabilities arising from financing activities

Unit: RMB

| Item | Balance at the beginning of the period | Increase in the period | | Decrease in the period | | Balance at the end of the period |
|---|---|---|---|---|---|---|
| | | Cash change | Non-cash change | Cash change | Non-cash change | |
| Short-term loans | 41,155,376,669.30 | 39,307,600,000.00 | 584,001,121.53 | 33,794,689,280.14 | | 47,252,288,510.69 |
| Other payables – Borrowings and interest | | 1,000,000,000.00 | 1,205,555.56 | 1,001,205,555.56 | | |
| Other current liabilities – Short-term sale-leaseback finance lease payments | 303,371,917.84 | 1,300,000,000.00 | 7,153,304.77 | 305,639,897.26 | | 1,304,885,325.35 |
| Long-term loans (Including the part due within one year) | 12,289,223,679.05 | 4,580,000,000.00 | 165,349,853.69 | 7,193,209,601.16 | | 9,841,363,931.58 |
| Debentures payable (Including the part due within one year) | 11,787,199,833.55 | 1,000,000,000.00 | 215,380,827.51 | 37,700,000.00 | 82,703.06 | 12,964,797,958.00 |
| Long-term payables (Including the part due within one year) | 1,533,162,125.14 | | 13,080,782.94 | 502,547,829.15 | | 1,043,695,078.93 |
| Total | 67,068,334,224.88 | 47,187,600,000.00 | 986,171,446.00 | 42,834,992,163.27 | 82,703.06 | 72,407,030,804.55 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Supplementary information on cash flow statement

### *(1) Supplementary information on cash flow statement*

Unit: RMB

| Supplementary information | Amount in current period | Amount in prior period |
|---|---|---|
| 1. Reconciliation of net profit to operating cash flows: | | |
| Net profit | **-6,084,444,904.94** | 10,790,266,620.34 |
| Add: Asset impairment provisions | **313,531,318.38** | 2,029,601.99 |
| Credit impairment losses | **7,818,269.51** | 5,176,391.28 |
| Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets | **7,768,541,544.07** | 7,300,372,045.28 |
| Depreciation of investment properties | **2,984,508.69** | 3,002,400.03 |
| Depreciation of right-of-use assets | **364,379,372.71** | 409,233,705.37 |
| Amortization of intangible assets | **18,422,984.49** | 14,966,633.70 |
| Amortization of long-term deferred expenses | **5,792,093.98** | 5,129,780.39 |
| Losses from disposal of fixed assets, intangible assets and other long-term assets (gains shown with "-") | **-2,832,807.43** | -2,832,460.46 |
| Losses from scrapping of fixed assets (gains shown with "-") | **142,110,743.75** | 256,233,608.35 |
| Losses from changes in fair value (gains shown with "-") | **-5,557,976.27** | -4,691,165.51 |
| Financial expenses (gains shown with "-") | **1,151,754,076.92** | 1,490,157,310.70 |
| Investment losses (gains shown with "-") | **-40,112,719.94** | -67,005,251.73 |
| Decrease in deferred tax assets (increase shown with "-") | **-17,797,926.74** | -27,284,611.72 |
| Increase in deferred tax liabilities (decrease shown with "-") | | |
| Decrease in inventories (increase shown with "-") | **-1,433,951,943.28** | 2,805,173,342.86 |
| Decrease in operating receivables (increase shown with "-") | **-1,146,739,742.51** | -580,926,790.87 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Supplementary information on cash flow statement (Continued)

### (1) *Supplementary information on cash flow statement* (Continued)

| Supplementary information | Amount in current period | Amount in prior period |
|---|---|---|
| Increase in operating payables (decrease shown with "-") | **-3,774,041,059.64** | -5,044,455,209.25 |
| Other | **506,475,785.57** | -3,736,011.35 |
| Net cash flows from operating activities | **-2,223,668,382.68** | 17,350,809,939.40 |
| 2. Significant investing and financing activities not involving cash: | | |
| Conversion of debt to capital | | |
| Convertible corporate bonds due within one year | | |
| Fixed assets acquired under finance leases | | |
| 3. Net changes in cash and cash equivalents: | | |
| Cash balance at the end of the period | **13,629,106,556.45** | 16,401,011,770.80 |
| Less: Cash balance at the beginning of the period | **12,778,056,091.87** | 12,844,551,613.08 |
| Add: Cash equivalents balance at the end of the period | | |
| Less: Cash equivalents balance at the beginning of the period | | |
| Net increase in cash and cash equivalents | **851,050,464.58** | 3,556,460,157.72 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Supplementary information on cash flow statement (Continued)

#### *(2) Composition of cash and cash equivalents*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| I. Cash | **13,629,106,556.45** | 12,778,056,091.87 |
| Bank deposits available on demand | **13,449,191,033.24** | 12,603,444,212.33 |
| Other monetary funds available on demand | **179,915,523.21** | 174,611,879.54 |
| II. Cash and cash equivalents at the end of the period | **13,629,106,556.45** | 12,778,056,091.87 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 60. Supplementary information on cash flow statement (Continued)

#### *(3) Monetary funds not classified as cash and cash equivalents*

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period | Reason for not being classified as cash and cash equivalents |
|---|---|---|---|
| Monetary funds | **2,917,447,226.25** | 1,084,341,527.01 | Not easily realisable |

### 61. Foreign currency monetary items

#### *(1) Foreign currency monetary items*

Unit: RMB

| Item | Foreign currency balance at the end of the period | Exchange rate | RMB equivalent at the end of the period |
|---|---|---|---|
| Monetary funds | | | 1,527,583,264.10 |
| Including: USD | 16,482,595.05 | 6.8109 | 112,261,306.61 |
| HKD | 1,585,116,222.48 | 0.86855 | 1,376,752,695.04 |
| SGD | 275.17 | 5.2605 | 1,447.53 |
| VND | 142,732,744,622.00 | 0.00027021 | 38,567,814.92 |
| Accounts receivable | | | 9,911,827.42 |
| Including: USD | 1,455,288.94 | 6.8109 | 9,911,827.42 |
| Other receivables | | | 8,285,555.48 |
| Including: USD | 304,000.00 | 6.8109 | 2,070,513.60 |
| VND | 23,000,784,171.50 | 0.00027021 | 6,215,041.88 |
| Accounts payable | | | 402,496.54 |
| Including: HKD | 271,038.00 | 0.86855 | 235,410.05 |
| SGD | 3,565.00 | 5.2605 | 18,753.68 |
| VND | 548,953,800.00 | 0.00027021 | 148,332.81 |
| Other payables | | | 439,919.10 |
| Including: VND | 1,628,063,701.47 | 0.00027021 | 439,919.10 |
| Employee remuneration payable | | | 195,254.11 |
| Including: SGD | 1,836.00 | 5.2605 | 9,658.28 |
| VND | 686,857,791.53 | 0.00027021 | 185,595.83 |
| Taxes payable | | | 28,920.70 |
| Including: VND | 107,030,480.09 | 0.00027021 | 28,920.70 |

# FINANCIAL REPORT

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 62. Leases

### *(1) The Company as lessee*

Unit: RMB

| Item | January to June 2026 | January to June 2025 |
|---|---|---|
| Short-term lease expenses and low-value asset lease expenses with simplified treatment | **49,058,544.44** | 48,863,719.13 |
| Total cash outflows related to leases | **417,728,967.57** | 398,223,240.23 |

The Company leases land, buildings, machinery and equipment with lease terms of 1 year or less. These leases are short-term leases, and the Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

## VII. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 62. Leases (Continued)

#### *(2) The Company as lessor*

Operating leases as lessor:

Unit: RMB

| Item | Lease income | Including: Income related to variable lease payments not included in lease receipts |
|---|---|---|
| Lease income | 18,263,363.05 | |
| Total | 18,263,363.05 | |

# FINANCIAL REPORT

## VIII. RESEARCH AND DEVELOPMENT EXPENDITURE

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| R&D expenditure | 708,527,070.24 | 921,062,913.01 |
| Total | 708,527,070.24 | 921,062,913.01 |
| Of which: Expensed R&D expenditure | 708,527,070.24 | 921,062,913.01 |

# FINANCIAL REPORT

## IX. CHANGES IN SCOPE OF CONSOLIDATION

### 1. Changes in Scope of Consolidation Due to Other Reasons

Description of changes in scope of consolidation due to other reasons (e.g., newly established subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

During the Reporting Period, 4 new subsidiaries/sub-subsidiaries were added, including: Langfang Muyuan Meat Food Co., Ltd. (廊坊牧原肉食品有限公司), Guangzhou Muyuan Meat Food Co., Ltd. (廣州牧原肉食品有限公司), Guangdong Hengqin Muyuan Modern Agriculture & Animal Husbandry Technology Co., Ltd.(廣東橫琴牧原現代農牧科技有限公司), and Chengfa Jialai Animal Husbandry Investment Co., Ltd.(成發嘉萊畜牧投資股份公司) and 1 subsidiary was deregistered: Huaibei Muhua Animal Husbandry Industry Development Co., Ltd.

## X. INTERESTS IN OTHER ENTITIES

### 1. Interests in Subsidiaries

#### *(1) Composition of the Enterprise Group*

Unit: RMB

| Subsidiary name | Registered capital | Principal place of business | Place of registration | Business nature | Shareholding ratio – Direct | Shareholding ratio – Indirect | Method of acquisition |
|---|---|---|---|---|---|---|---|
| Nanyang Wolong Muyuan Breeding Co., Ltd. | 800,000,000.00 | Nanyang, Henan | Nanyang, Henan | Livestock breeding | 100.00% | | Established by investment |
| Dengzhou Muyuan Breeding Co., Ltd. | 268,000,000.00 | Dengzhou, Henan | Dengzhou, Henan | Livestock breeding | 100.00% | | Established by investment |
| Hubei Zhongxiang Muyuan Breeding Co., Ltd. | 250,000,000.00 | Zhongxiang, Hubei | Zhongxiang, Hubei | Livestock breeding | 100.00% | | Established by investment |
| Fugou Muyuan Livestock Husbandry Co., Ltd. | 660,000,000.00 | Zhoukou, Henan | Zhoukou, Henan | Livestock breeding | 100.00% | | Established by investment |
| Huaxian Muyuan Livestock Husbandry Co., Ltd. | 870,000,000.00 | Huaxian, Henan | Huaxian, Henan | Livestock breeding | 100.00% | | Established by investment |
| Qixian Muyuan Livestock Husbandry Co., Ltd. | 730,000,000.00 | Qixian, Henan | Qixian, Henan | Livestock breeding | 100.00% | | Established by investment |
| Sheqi Muyuan Livestock Husbandry Co., Ltd. | 1,395,266,700.00 | Sheqi, Henan | Sheqi, Henan | Livestock breeding | 100.00% | | Established by investment |
| Wenxi Muyuan Livestock Husbandry Co., Ltd. | 1,340,000,000.00 | Wenxi, Shanxi | Wenxi, Shanxi | Livestock breeding | 100.00% | | Established by investment |
| Inner Mongolia Kailu Muyuan Livestock Husbandry Co., Ltd. | 1,200,000,000.00 | Kailu, Inner Mongolia | Kailu, Inner Mongolia | Livestock breeding | 100.00% | | Established by investment |
| Jiangsu Tongshan Muyuan Livestock Husbandry Co., Ltd. | 923,475,500.00 | Tongshan, Jiangsu | Tongshan, Jiangsu | Livestock breeding | | 100.00% | Established by investment |
| Ningling Muyuan Livestock Husbandry Co., Ltd. | 846,818,800.00 | Ningling, Henan | Ningling, Henan | Livestock breeding | 100.00% | | Established by investment |

# X. INTERESTS IN OTHER ENTITIES (CONTINUED)

## 1. Interests in Subsidiaries (Continued)

### (1) *Composition of the Enterprise Group* (Continued)

| Subsidiary name | Registered capital | Principal place of business | Place of registration | Business nature | Shareholding ratio – Direct | Shareholding ratio – Indirect | Method of acquisition |
|---|---|---|---|---|---|---|---|
| Heilongjiang Lindian Muyuan Livestock Husbandry Co., Ltd. | 950,000,000.00 | Lindian, Heilongjiang | Lindian, Heilongjiang | Livestock breeding | 100.00% | | Established by investment |
| Jilin Tongyu Muyuan Livestock Husbandry Co., Ltd. | 900,000,000.00 | Tongyu, Jilin | Tongyu, Jilin | Livestock breeding | 100.00% | | Established by investment |
| Shangcai Muyuan Livestock Husbandry Co., Ltd. | 620,000,000.00 | Shangcai, Henan | Shangcai, Henan | Livestock breeding | 100.00% | | Established by investment |
| Anhui Suixi Muyuan Livestock Husbandry Co., Ltd. | 500,000,000.00 | Suixi, Anhui | Suixi, Anhui | Livestock breeding | | 100.00% | Established by investment |
| Henan Muyuan Grain Trading Co., Ltd. | 2,300,000,000.00 | Neixiang, Henan | Neixiang, Henan | Grain procurement and trading | 100.00% | | Established by investment |
| Ningjin Muyuan Livestock Husbandry Co., Ltd. | 910,000,000.00 | Ningjin, Hebei | Ningjin, Hebei | Livestock breeding | 100.00% | | Established by investment |
| Shandong Huimin Muyuan Livestock Husbandry Co., Ltd. | 650,000,000.00 | Huimin, Shandong | Huimin, Shandong | Livestock breeding | 100.00% | | Established by investment |
| Nanyang Muhua Animal Husbandry Industry Development Co., Ltd. | 3,900,000,000.00 | Nanyang, Henan | Nanyang, Henan | Livestock breeding | 100.00% | | Established by investment |
| Huaxian Muhua Animal Husbandry Industry Development Co., Ltd. | 3,700,000,000.00 | Huaxian, Henan | Huaxian, Henan | Livestock breeding | 100.00% | | Established by investment |
| Fugou Muhua Animal Husbandry Industry Development Co., Ltd. | 3,300,000,000.00 | Fugou, Henan | Fugou, Henan | Livestock breeding | 100.00% | | Established by investment |
| Ningling Muhua Animal Husbandry Industry Development Co., Ltd. | 2,900,000,000.00 | Ningling, Henan | Ningling, Henan | Livestock breeding | 100.00% | | Established by investment |
| Neixiang Muyuan Modern Agricultural Complex Co., Ltd. | 2,000,000,000.00 | Neixiang, Henan | Neixiang, Henan | Livestock breeding | 100.00% | | Established by investment |
| Nanning Xixiangtang Muyuan Livestock Husbandry Co., Ltd. | 1,500,000,000.00 | Nanning, Guangxi | Nanning, Guangxi | Livestock breeding | 100.00% | | Established by investment |
| Nanjing Jiangning Muyuan Livestock Husbandry Co., Ltd. | 2,360,000,000.00 | Nanjing, Jiangsu | Nanjing, Jiangsu | Livestock breeding | 100.00% | | Established by investment |
| Neihuang Muyuan Livestock Husbandry Co., Ltd. | 480,000,000.00 | Neihuang, Henan | Neihuang, Henan | Livestock breeding | 100.00% | | Established by investment |

## X. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in Subsidiaries (Continued)

#### (1) *Composition of the Enterprise Group* (Continued)

| Subsidiary name | Registered capital | Principal place of business | Place of registration | Business nature | Shareholding ratio – Direct | Shareholding ratio – Indirect | Method of acquisition |
|---|---|---|---|---|---|---|---|
| Chaohu Muyuan Livestock Husbandry Co., Ltd. | 640,000,000.00 | Chaohu, Anhui | Chaohu, Anhui | Livestock breeding | 100.00% | | Established by investment |
| Henan Muyuan Science and Technology Co., Ltd. | 20,000,000.00 | Nanyang, Henan | Nanyang, Henan | Feed processing | 100.00% | | Established by investment |
| Henan Muyuan Hog Breeding Co., Ltd. | 1,000,000,000.00 | Nanyang, Henan | Nanyang, Henan | Breeding livestock and poultry | 100.00% | | Established by investment |
| Zhengzhou Modern Livestock Husbandry Co., Ltd. | 500,000,000.00 | Zhengzhou, Henan | Zhengzhou, Henan | Livestock breeding | 100.00% | | Established by investment |
| Muyuan Meat Food Co., Ltd. | 4,000,000,000.00 | Nanyang, Henan | Nanyang, Henan | Slaughtering and processing | 100.00% | | Established by investment |
| Zhengyang Muyuan Meat Food Co., Ltd. | 500,000,000.00 | Zhengyang, Henan | Zhengyang, Henan | Slaughtering and processing | | 100.00% | Established by investment |
| Shangshui County Muyuan Meat Food Co., Ltd. | 410,000,000.00 | Shangshui, Henan | Shangshui, Henan | Slaughtering and processing | | 100.00% | Established by investment |
| Tongyu Muyuan Meat Food Co., Ltd. | 610,000,000.00 | Tongyu, Jilin | Tongyu, Jilin | Slaughtering and processing | | 100.00% | Established by investment |
| Tieling Muyuan Meat Food Co., Ltd. | 510,000,000.00 | Tieling, Liaoning | Tieling, Liaoning | Slaughtering and processing | | 100.00% | Established by investment |
| Naimanqi Muyuan Meat Food Production Co., Ltd. | 500,000,000.00 | Naiman, Inner Mongolia | Naiman, Inner Mongolia | Slaughtering and processing | | 100.00% | Established by investment |
| Caoxian Muyuan Meat Food Co., Ltd. | 600,000,000.00 | Caoxian, Shandong | Caoxian, Shandong | Slaughtering and processing | | 100.00% | Established by investment |
| Ningling County Muyuan Meat Food Co., Ltd. | 330,000,000.00 | Ningling, Henan | Ningling, Henan | Slaughtering and processing | | 100.00% | Established by investment |
| Lindian County Muyuan Meat Food Co., Ltd. | 450,000,000.00 | Lindian, Heilongjiang | Lindian, Heilongjiang | Slaughtering and processing | | 100.00% | Established by investment |
| Yingshang Muyuan Meat Food Co., Ltd. | 400,000,000.00 | Yingshang, Anhui | Yingshang, Anhui | Slaughtering and processing | | 100.00% | Established by investment |

# FINANCIAL REPORT

## X. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in Subsidiaries (Continued)

### *(2) Significant Non-wholly-owned Subsidiaries*

Unit: RMB

| Subsidiary name | Minority interest shareholding ratio | Profit or loss attributable to minority shareholders during the period | Dividends declared to minority shareholders during the period | Minority interest Balance at the end of the period |
|---|---|---|---|---|
| Henan Muyuan Anliang Synthetic Biotechnology Co., Ltd.(河南牧元安糧合成生物技術有限公司) | 49.99% | -6,722,797.59 | | 18,037,049.42 |
| Gansu Muyuan Topigs Hog Breeding Co., Ltd.(甘肅牧原託佩克種豬繁育有限公司) | 49.00% | 631,869.77 | | 5,163,508.23 |

## X. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in Subsidiaries (Continued)

### *(3) Key Financial Information of Significant Non-wholly-owned Subsidiaries*

Unit: RMB

| | Balance at the end of the period | | | | | | Balance at the beginning of the period | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Subsidiary name | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities |
| Henan Muyuan Anliang Synthetic Biotechnology Co., Ltd. | 122,019,126.21 | 309,139,438.15 | 431,158,564.36 | 257,871,748.15 | 111,815,133.82 | 369,686,881.97 | 111,733,819.53 | 307,605,765.95 | 419,339,585.48 | 192,375,588.90 | 152,407,444.91 | 344,783,033.81 |
| Gansu Muyuan Topigs Hog Breeding Co., Ltd. | 9,393,985.85 | 18,335,739.28 | 27,729,725.13 | 17,191,953.23 | | 17,191,953.23 | 2,884,577.78 | 18,342,097.42 | 21,226,675.20 | 11,978,433.45 | | 11,978,433.45 |

Unit: RMB

| | Amount incurred in current period | | | | Amount incurred in prior period | | | |
|---|---|---|---|---|---|---|---|---|
| Subsidiary name | Revenue | Net profit | Total comprehensive income | Cash flows from operating activities | Revenue | Net profit | Total comprehensive income | Cash flows from operating activities |
| Henan Muyuan Anliang Synthetic Biotechnology Co., Ltd. | 34,401,841.28 | -13,448,284.84 | -13,448,284.84 | 10,324,976.09 | 26,175,786.57 | -14,220,725.42 | -14,220,725.42 | -956,512.26 |
| Gansu Muyuan Topigs Hog Breeding Co., Ltd. | 1,180,620.00 | 1,289,530.15 | 1,289,530.15 | 1,662,846.22 | | | | |

# FINANCIAL REPORT

## X. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Transactions in Which Ownership Interest in Subsidiary Changed but Control Retained

#### *(1) Description of Changes in Ownership Interest in Subsidiaries*

During the Reporting Period, the Company acquired the minority shareholders' equity of Ningling Muyuan Livestock Husbandry Co., Ltd. Details are shown in the table below.

#### *(2) Impact of Transactions on Minority Interest and Equity Attributable to Owners of the Parent Company*

Unit: RMB

| | **Ningling Muyuan Livestock Husbandry Co., Ltd.** |
|---|---|
| Purchase cost/disposal consideration | 1,000,000,000.00 |
| —Cash | 1,000,000,000.00 |
| —Fair value of non-cash assets | |
| Total purchase cost/disposal consideration | 1,000,000,000.00 |
| Less: Share of subsidiary net assets calculated by acquired/disposed equity ratio | 1,022,250,678.60 |
| Difference | -22,250,678.60 |
| Of which: Adjustment to capital reserve | -22,250,678.60 |
| Adjustment to surplus reserve | |
| Adjustment to retained earnings | |

## X. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 3. Interests in Joint Ventures or Associates

#### *(1) Significant Joint Ventures or Associates*

| Name of joint venture or associate | Principal place of business | Place of registration | Business nature | Shareholding ratio – Direct | Shareholding ratio – Indirect | Accounting treatment of investments in joint ventures or associates |
|---|---|---|---|---|---|---|
| Henan Longda Longmu Meat Food Co., Ltd. | Neixiang, Nanyang | Neixiang, Nanyang | Livestock slaughtering | 40.00% | | Equity method |
| Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | Leizhou, Zhanjiang, Guangdong | Leizhou, Zhanjiang, Guangdong | Livestock breeding | 34.00% | | Equity method |
| Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | Wolong District, Nanyang, Henan | Wolong District, Nanyang, Henan | Pharmaceutical manufacturing | 48.00% | | Equity method |

# X. INTERESTS IN OTHER ENTITIES (CONTINUED)

## 3. Interests in Joint Ventures or Associates (Continued)

### *(2) Key Financial Information of Significant Associates*

Unit: RMB

| | Balance at the end of the period/ Amount incurred in current period – Henan Longda Longmu Meat Food Co., Ltd. | Balance at the end of the period/ Amount incurred in current period – Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | Balance at the end of the period/ Amount incurred in current period – Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | Balance at the beginning of the period/ Amount incurred in prior period – Henan Longda Longmu Meat Food Co., Ltd. | Balance at the beginning of the period/ Amount incurred in prior period – Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | Balance at the beginning of the period/ Amount incurred in prior period – Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. |
|---|---|---|---|---|---|---|
| Current assets | 350,662,694.72 | 276,176,385.09 | 392,968,790.36 | 404,029,590.44 | 375,797,024.93 | 185,180,250.45 |
| Non-current assets | 200,484,116.08 | 745,180,905.26 | 307,983,901.94 | 202,359,714.63 | 769,873,473.05 | 316,032,911.47 |
| Total assets | 551,146,810.80 | 1,021,357,290.35 | 700,952,692.30 | 606,389,305.07 | 1,145,670,497.98 | 501,213,161.92 |
| Current liabilities | 263,426,556.62 | 134,577,946.02 | 364,768,075.35 | 329,368,968.53 | 83,090,359.11 | 75,881,180.21 |
| Non-current liabilities | 431,512.42 | 51,412,035.13 | 76,961,078.19 | 493,157.08 | 69,217,172.49 | 160,384,338.19 |
| Total liabilities | 263,858,069.04 | 185,989,981.15 | 441,729,153.54 | 329,862,125.61 | 152,307,531.60 | 236,265,518.40 |
| Minority interest | | | | | | |
| Equity attributable to shareholders of parent | 287,288,741.76 | 835,367,309.20 | 259,223,538.76 | 276,527,179.46 | 993,362,966.38 | 264,947,643.52 |
| Net asset share calculated by shareholding ratio | 114,915,496.70 | 284,024,885.13 | 124,427,298.60 | 110,610,871.78 | 337,743,408.57 | 127,174,868.89 |
| Adjustments | | | | | | |
| –Goodwill | | | | | | |
| –Unrealized profit from internal transactions | 1,606,414.62 | | | -5,433,852.40 | | |
| –Other | | | | | | |
| Carrying amount of equity investment in associates | 116,680,268.13 | 283,522,703.57 | 125,610,918.08 | 105,177,019.38 | 337,240,706.58 | 127,401,270.00 |
| Fair value of equity investment in associates with publicly quoted price | | | | | | |
| Revenue | 844,074,916.25 | 293,236,921.03 | 474,046,258.90 | 1,117,488,489.75 | 521,025,866.90 | 46,459,756.62 |
| Net profit | 11,157,454.33 | -15,084,463.57 | -3,729,899.83 | -20,155,100.36 | 92,262,521.35 | -1,663,433.29 |
| Net profit from discontinued operations | | | | | | |
| Other comprehensive income | | | | | | |
| Total comprehensive income | 11,157,454.33 | -15,084,463.57 | -3,729,899.83 | -20,155,100.36 | 92,262,521.35 | -1,663,433.29 |
| Dividends received from associates during the year | | 48,589,285.40 | | | 42,432,549.71 | |

# FINANCIAL REPORT

## X. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 3. Interests in Joint Ventures or Associates (Continued)

#### *(3) Summary Financial Information of Insignificant Joint Ventures and Associates*

Unit: RMB

| | Balance at the end of the period/ Amount incurred in current period | Balance at the beginning of the period/ Amount incurred in prior period |
|---|---|---|
| Joint ventures: | | |
| Aggregate amount calculated by shareholding ratio | | |
| Associates: | | |
| Total carrying amount of investments | **470,907,712.82** | 454,236,316.02 |
| Aggregate amount calculated by shareholding ratio | | |
| —Net profit | **3,067,236.72** | 9,417,227.20 |
| —Total comprehensive income | **3,067,236.72** | 9,417,227.20 |

# FINANCIAL REPORT

## XI. GOVERNMENT GRANTS

### 1. Liability Items Involving Government Grants

Unit: RMB

| Accounting item | Balance at the beginning of the period | New grants received in current period | Amount recognized in non-operating income in current period | Amount transferred to other income in current period | Other changes in current period | Balance at the end of the period | Related to assets/income |
|---|---|---|---|---|---|---|---|
| Deferred income | 770,228,220.30 | 65,069,821.60 | | 82,351,828.22 | | 752,946,213.68 | Related to assets/income |

### 2. Government Grants Recognized in Profit or Loss for the Reporting Period

Unit: RMB

| Accounting item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Other income | **192,321,392.61** | 157,939,734.02 |
| Finance costs | **28,570,982.82** | 24,175,041.80 |
| Total | **220,892,375.43** | 182,114,775.82 |

# FINANCIAL REPORT

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS

### 1. Various Risks Arising from Financial Instruments

The Company is exposed to various risks from financial instruments in its daily activities, primarily including:

– Credit risk

– Liquidity risk

– Interest rate risk

– Foreign exchange risk

The Company's objective of risk management is to achieve an appropriate balance between risk and return, striving to reduce the adverse impact of financial risks on the Company's financial performance. Based on this risk management objective, the Company has established risk management policies to identify and analyze the risks faced by the Company, set appropriate risk tolerance levels and designed corresponding internal control procedures to monitor the Company's risk levels. The Company regularly reviews these risk management policies and related internal control systems to adapt to changes in market conditions or the Company's business activities.

### *(1) Credit Risk*

Credit risk refers to the risk of financial loss to one party caused by the other party's failure to perform its obligations under a financial instrument. The Company's credit risk mainly arises from monetary funds, accounts receivable and other receivables. Management continuously monitors the exposure to these credit risks.

The Company's monetary funds other than cash are mainly deposited with financial institutions with good credit standing. Management believes that there is no significant credit risk and expects no losses due to counterparty default.

The Company's credit risk is mainly influenced by the individual characteristics of each customer, rather than the industry or country/region of the customer. Therefore, significant credit risk concentration mainly arises from the Company's significant receivables from individual customers.

For accounts receivable and other receivables, the Company's management has established credit policies based on actual circumstances, conducting credit assessments of customers to determine credit limits and credit periods. Credit assessments are mainly based on customers' financial condition, external ratings and bank credit records (where available). Under normal circumstances, the Company does not require customers to provide collateral.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset (including derivative financial instruments) in the balance sheet.

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Various Risks Arising from Financial Instruments (Continued)

#### *(2) Liquidity Risk*

Liquidity risk refers to the risk of insufficient funds when an enterprise fulfills obligations settled by delivering cash or other financial assets. The Company is responsible for its own cash management, including operating cash inflows and obtaining bank credit lines to meet expected cash needs. Meanwhile, the Company monitors long-term borrowings with covenant conditions to ensure compliance during the borrowing period. The Company's policy is to regularly monitor short-term and long-term liquidity needs, and compliance with borrowing agreement covenants, to ensure maintenance of adequate cash reserves and marketable securities readily convertible to cash, while obtaining committed credit facilities from major financial institutions to meet short-term and longer-term liquidity needs.

#### *(3) Interest Rate Risk*

Fixed-rate and floating-rate interest-bearing financial instruments expose the Company to fair value interest rate risk and cash flow interest rate risk respectively. The Company determines the ratio of fixed-rate to floating-rate instruments based on market conditions, and maintains an appropriate mix of fixed and floating rate instruments through regular review and monitoring.

#### *(4) Foreign Exchange Risk*

For foreign currency assets and liabilities such as monetary funds, accounts receivable, other receivables and long-term borrowings that are not denominated in the functional currency, the Company will buy or sell foreign currencies at market exchange rates when necessary to ensure that the net exposure is maintained at an acceptable level in the event of short-term imbalances.

# FINANCIAL REPORT

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Hedging

### *(1) The Company Conducts Hedging Business for Risk Management*

| Item | Corresponding risk management strategy and objective | Qualitative and quantitative information on hedged risk | Economic relationship between hedged item and related hedging instrument | Expected effectiveness of risk management objective | Impact of corresponding hedging activities on risk exposure |
|---|---|---|---|---|---|
| Commodity price risk | Lock in the Company's commodity price risk. | Fluctuations in raw material and commodity prices cause volatility in the Company's revenue and operating costs. | There is an economic relationship between the hedged item and the hedging instrument. This economic relationship causes the values of the hedging instrument and the hedged item to move in opposite directions due to exposure to the same hedged risk. | The expected risk management objective can be achieved. | Purchase hedging instruments to reduce the impact of commodity price risk exposure. |

# FINANCIAL REPORT

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Hedging (Continued)

### *(2) The Company Conducts Qualifying Hedging Business and Applies Hedge Accounting*

Unit: RMB

| Item | Carrying amount related to hedged item and hedging instrument | Cumulative fair value hedge adjustment on hedged item carrying amount | Hedging effectiveness and source of ineffective portion | Impact of hedge accounting on the Company's financial statements |
|---|---|---|---|---|
| Hedged risk type | | | | |
| Price risk | See Note 1 | Not applicable | The ineffective portion mainly comes from market condition changes, where the fair value change of the hedging instrument fails to offset the fair value change of the hedged item | See Note 1 |
| Hedge category | | | | |
| Cash flow hedge | See Note 1 | Not applicable | The ineffective portion mainly comes from market condition changes, where the fair value change of the hedging instrument fails to offset the fair value change of the hedged item | See Note 1 |

Note 1: The Company is primarily engaged in feed production, hog breeding and sales. In 2026, the Company's main hedging activities included holding several commodity futures contracts to manage the price change risks faced by expected future hog sales and corn and soybean meal purchases. The Company adopts cash flow hedging for highly probable expected hog sales and corn and soybean meal purchases, and designates the futures contracts held as hedging instruments.

Effects of hedging activities on profit or loss for the current period and other comprehensive income

Unit: RMB

| Hedged item | Type of hedging instrument | Balance at the beginning of the period of hedging reserve | Gains or losses on hedging instruments in current period | | Hedging reserve transferred out in current period | Income tax effect | Balance at the end of the period of hedging reserve |
|---|---|---|---|---|---|---|---|
| | | | Effective portion | Ineffective portion | | | |
| Expected purchase of corn and soybean meal and hog sales | Futures | 847,460.00 | 5,870,020.00 | 1,878,055.07 | 4,746,780.00 | – | 1,970,700.00 |
| Total | | 847,460.00 | 5,870,020.00 | 1,878,055.07 | 4,746,780.00 | – | 1,970,700.00 |

# FINANCIAL REPORT

## XII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Financial Assets

### *(1) Classification by Transfer Method*

Unit: RMB

| Transfer method | Nature of transferred financial assets | Amount of transferred financial assets | Derecognition status | Basis for judgment of derecognition |
|---|---|---|---|---|
| Endorsement or discounting of notes | Bank acceptance notes | 175,615,000.00 | Derecognized | Substantially all risks and rewards have been transferred |
| Total | | 175,615,000.00 | | |

### *(2) Financial Assets Derecognized Due to Transfer*

Unit: RMB

| Item | Method of financial asset transfer | Amount of derecognized financial assets | Gain or loss related to derecognition |
|---|---|---|---|
| Notes receivable | Endorsement or discounting of notes | 175,615,000.00 | |
| Total | | 175,615,000.00 | |

# FINANCIAL REPORT

## XIII. FAIR VALUE DISCLOSURE

### 1. Fair Value of Assets and Liabilities Measured at Fair Value at the end of the Period

Unit: RMB

| Item | Level 1 fair value measurement | Level 2 fair value measurement | Level 3 fair value measurement | Total |
|---|---|---|---|---|
| **I. Recurring fair value measurements** | – | – | – | – |
| (I) Financial assets held for trading | 198,395.07 | | 1,005,224,774.48 | 1,005,423,169.55 |
| 1. Financial assets at FVTPL | 198,395.07 | | 1,005,224,774.48 | 1,005,423,169.55 |
| (3) Derivative financial assets | 198,395.07 | | | 198,395.07 |
| (4) Bank wealth management products | | | 1,005,224,774.48 | 1,005,224,774.48 |
| (III) Other equity instrument investments | | | 66,254,387.22 | 66,254,387.22 |
| (VI) Financial liabilities held for trading | 2,763,160.00 | | | 2,763,160.00 |
| Derivative financial liabilities | 2,763,160.00 | | | 2,763,160.00 |
| **II. Non-recurring fair value measurements** | – | – | – | – |

### 2. Basis for Determining Market Price of Level 1 Fair Value Measurement Items (Recurring and Non-recurring)

As of June 30, 2026, the derivative financial assets in financial assets held for trading and derivative financial liabilities in financial liabilities held for trading were futures contracts purchased, recognized based on public quotations in the futures market.

### 3. Valuation Techniques and Qualitative/Quantitative Information of Significant Parameters for Level 2 Fair Value Measurement Items (Recurring and Non-recurring)

As of June 30, 2026, the Company did not hold Level 2 fair value measurement items.

### 4. Valuation Techniques and Qualitative/Quantitative Information of Significant Parameters for Level 3 Fair Value Measurement Items (Recurring and Non-recurring)

The Company's Level 3 fair value measurement of other equity instrument investments represents equity interests held by the Company in unlisted companies. As the investees' operating environment, operating conditions and financial condition have not undergone significant changes, the Company measures them at a reasonable estimate of fair value based on investment cost and operating results of the investees.

The Company's Level 3 fair value measurement of financial assets held for trading represents bank wealth management products held by the Company. The Company uses the expected rate of return to forecast the future cash flows of such financial assets held for trading.

# FINANCIAL REPORT

## XIII. FAIR VALUE DISCLOSURE (CONTINUED)

### 5. Reconciliation Between Beginning and Ending Carrying Amounts and Sensitivity Analysis of Unobservable Parameters for Recurring Level 3 Fair Value Measurement Items

The Company's Level 3 fair value measurement of other equity instrument investments represents equity interests held by the Company in unlisted companies. As the investees' operating environment, operating conditions and financial condition have not undergone significant changes, the Company measures them at a reasonable estimate of fair value based on investment cost and operating results of the investees.

### 6. Reasons for Transfer Between Levels and Policy for Determining Transfer Timing for Recurring Fair Value Measurement Items During the Period

During January to June 2026, there were no transfers between levels for the above assets and liabilities continuously measured at fair value.

### 7. Changes in Valuation Techniques During the Period and Reasons for Changes

During January to June 2026, there were no changes in valuation techniques used for the above recurring and non-recurring fair value measurements.

### 8. Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

As of June 30, 2026, there were no significant difference between the carrying amount and fair value of the Company's financial assets and financial liabilities.

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

### 1. Parent Company Information

| Parent company name | Place of registration | Business nature | Registered capital | Parent's shareholding ratio in the Company | Parent's voting rights ratio in the Company |
|---|---|---|---|---|---|
| Muyuan Industrial | Yangzhai Village, Guanzhang Town, Neixiang County, Henan Province | Technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; fertilizer sales; sewage treatment and reuse (except for projects subject to approval as required by law, business activities are independently conducted in accordance with the law based on business license) Licensed projects: real estate development and operation; alcohol business; food business; tobacco product retail; fertilizer production; import and export of goods; import and export of technology (for projects subject to approval as required by law, business activities shall be conducted after approval from relevant authorities, specific business projects subject to approval documents or licenses from relevant authorities) | RMB 6,000,000,000 | 14.70% | 48.58% |

***Description of parent company information***

The Company's original controlling shareholder was Qin Yinglin. On December 13, 2017 and December 19, 2017, the Company's shareholder Mr. Qin Yinglin and Muyuan Industrial Group Co., Ltd. signed the "Voting Rights Entrustment Agreement" and "Supplementary Voting Rights Entrustment Agreement" (hereinafter referred to as the "Agreement"). The Agreement stipulates that Mr. Qin Yinglin entrusted all shareholder voting rights, director nomination rights and other shareholder rights (excluding shareholder property rights such as dividend rights) corresponding to all 448,667,502 shares (1,922,091,579 shares after ex-rights) held by him to Muyuan Industrial. As of June 30, 2026, Muyuan Industrial held 848,762,153 shares of the Company, accounting for 14.70% of the Company's total shares, with a total of 48.58% voting rights corresponding to the Company's equity (total shares less shares repurchased by the Company), making it the shareholder with the highest proportion of voting rights, and the controlling shareholder of the Company. As of June 30, 2026, the couple Qin Yinglin and Qian Ying directly held 2,150,733,146 shares of the Company, accounting for 37.26% of the Company's total shares; through Muyuan Industrial Group Co., Ltd. held 848,762,153 shares, accounting for 14.70% of the Company's total shares; the couple Qin Yinglin and Qian Ying directly and indirectly held 2,999,495,299 shares, accounting for 51.96% of total shares. The actual controllers remain unchanged as the couple Qin Yinglin and Qian Ying.

The ultimate controlling party of the Company is the couple Qin Yinglin and Qian Ying.

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 2. Subsidiary Information

For details of the Company's subsidiaries, please refer to Financial Report, Section X, Interests in Other Entities, "1. Interests in Subsidiaries".

### 3. Joint Venture and Associate Information

For details of the Company's significant joint ventures or associates, please refer to Financial Report, Section X, Interests in Other Entities, "3. Interests in Joint Ventures or Associates".

Other joint ventures or associates that had related party transactions with the Company during the period, or had balances from related party transactions with the Company during the prior period, are as follows:

| Name of joint venture or associate | Relationship with the Company |
|---|---|
| Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | Associate |
| Henan Longda Longmu Meat Co., Ltd. | Associate |
| Rongtong Nongfa Muyuan (Jianyang) Co., Ltd. | Associate |
| Rongtong Nongfa Muyuan (Tangshan) Livestock Husbandry Co., Ltd. | Associate |
| Rongtong Nongfa Muyuan (Chongzhou) Co., Ltd. | Associate |
| Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | Associate |
| Henan Lianmu Veterinary Medicine Co., Ltd. | Associate |
| Henan Qianmu Biological Pharmaceutical Co., Ltd. | Associate |
| Nanyang Longyuan New Energy Technology Co., Ltd. | Associate |
| Fengyi Muyuan Oil Technology (Nanyang) Co., Ltd. | Associate |
| Fangcheng Yushengyuan Livestock Husbandry Co., Ltd. | Associate |
| Henan Zhongyu Green Mu Guang New Energy Co., Ltd. | Associate |

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties

| Other related party name | Relationship with the Company |
|---|---|
| Henan Juai Digital Technology Co., Ltd. | Under common control, with Muyuan Industrial holding 100% of its shares |
| Henan Juai Travel Agency Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Nanyang Wolong District Juai Digital Technology Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Henan Juai Automobile Sales Service Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Zhengzhou Juai Digital Technology Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Zhoukou Juai Digital Trading Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Henan Juaiyunchao Trading Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Henan Juai Pharmacy Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Nanzhao County Juaishunfa Trading Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Sanmenxia Juaiwangfa Trading Co., Ltd. | Under common control, with Henan Juaiyunchao Trading Co., Ltd., a wholly-owned subsidiary of Henan Juai Digital Technology Co., Ltd. (a wholly-owned subsidiary of Muyuan Industrial), holding 100% of its shares |
| Zhoukou Juaiyijia Food Sales Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Neihuang County Juai Digital Technology Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Henan Juaiwangfa Food Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Henan Muyuan Construction Engineering Co., Ltd. | Under common control, with Muyuan Industrial holding 100% of its shares |
| Henan Longzong Construction Engineering Co., Ltd. | Under common control, with Henan Muyuan Construction Engineering Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Henan Nan'o Construction Engineering Co., Ltd. | Under common control, with Henan Muyuan Construction Engineering Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Binren Construction Engineering Co., Ltd. | Under common control, with Henan Muyuan Construction Engineering Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Juai Construction Engineering Co., Ltd. | Under common control, with Henan Muyuan Construction Engineering Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Zhonghe Construction Engineering (Henan) Co., Ltd. | Under common control, with Henan Muyuan Construction Engineering Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Muyuan Logistics Co., Ltd. | Under common control, with Muyuan Industrial holding 65.4257% of its shares |
| Fangcheng Muyuan Logistics Co., Ltd. | Under common control, with Henan Muyuan Logistics Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Shengda Special Vehicle Co., Ltd. | Under common control, with Henan Muyuan Logistics Co., Ltd., a holding subsidiary of Muyuan Industrial, holding 99.00% of its shares and Zhengzhou Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 1.00% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Henan Shengda Motor Vehicle Inspection Management Co., Ltd. | Under common control, with Henan Muyuan Smart Logistics Park Co., Ltd., a wholly-owned subsidiary of Henan Muyuan Logistics Co., Ltd., a holding subsidiary of Muyuan Industrial, holding 100% of its shares |
| Cnex Fire Vehicle Manufacturing Co., Ltd. | Under common control, with 54.6913% shares held by Jinding Capital Management (Shenzhen) Co., Ltd., and Yuan Hebin, Chief Legal Officer (CLO) of Muyuan Foods, serves as a director of the company. |
| Henan Muyuan Smart Logistics Park Co., Ltd. | Under common control, with Henan Muyuan Logistics Co., Ltd., a holding subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Zhongyou Muyuan Oil and Gas Co., Ltd. | Under common control, with Henan Muyuan Logistics Co., Ltd., a holding subsidiary of Muyuan Industrial, holding 40.00% of its shares |
| Zhejiang Juneng Bao Oil Products Trading Co., Ltd. | Under common control, with Henan Muyuan Logistics Co., Ltd., a holding subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Junengbao Energy Trading Co., Ltd. | Under common control, with Henan Muyuan Logistics Co., Ltd., a holding subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Muyuan Equipment Co., Ltd. | Under common control, with Muyuan Industrial holding 59.83% of its shares |
| Nanyang Jinding Smart Equipment Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Henan Wanmu New Material Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Henan Shengda Development Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Xixia Shengshida Real Estate Co., Ltd. | Under common control, with Henan Shengda Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Neixiang Shengwangda Real Estate Co., Ltd. | Under common control, with Henan Shengda Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Neixiang County Shengrongda Real Estate Co., Ltd. | Under common control, with Henan Shengda Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Fengshengjia (Nanyang) Construction Development Co., Ltd. | Under common control, with Henan Shengda Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Fengshengjia (Ningling County) Construction Development Co., Ltd. | Under common control, with Henan Shengda Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Xingfujia (Zhoukou) Construction Development Co., Ltd. | Under common control, with Henan Shengda Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Muyuan Agricultural Development Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Henan Guigeng Agricultural Development Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 70.00% of its shares |
| Fangcheng Muyuan Agricultural Development Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Xihua Muyuan Agricultural Development Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Caoxian Muyuan West Biotechnology Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Hubei Muyuan Agricultural Development Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Fugou Muyuan Agricultural Development Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Shanxi Muyuan Agricultural Development Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Shaanxi Muyuan West Biotechnology Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Anhui Muyuan West Biotechnology Co., Ltd. | Under common control, with Henan Muyuan Agricultural Development Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Guoran Fengqing Fruit Industry Co., Ltd. | Under common control, with Jinding Capital Management (Shenzhen) Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 71.43% of its shares |
| Neixiang Zhongyi High Efficiency Agricultural Technology Development Co., Ltd. | Under common control, with Neixiang Muyuan Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 66.67% of its shares |
| Dengzhou Shengda Agricultural Development Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Neixiang County Guoxing Construction Labour Subcontracting Co., Ltd. | Under common control, with Neixiang Zhongyi High Efficiency Agricultural Technology Development Co., Ltd., a holding subsidiary of Neixiang Muyuan Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Muyuan Property Management Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Henan Muyuan Hotel Co., Ltd. | Under common control, with Henan Muyuan Property Management Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100% of its shares |
| Mucai Optimum (Henan) Supply Chain Management Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Neixiang County Shengduo Watershed Water Ecological Environment Treatment Co., Ltd. | Under common control, with Muyuan Industrial holding 90.00% of its shares. Yuan Hebin, Chief Legal Officer (CLO) of the Muyuan Industrial, is its director. |
| Henan Zhongying Digital Technology Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Nanyang Zhongying Microloan Co., Ltd. | Under common control, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Nanyang Jinsheng Smart Electrical Appliance Co., Ltd. | Under common control, with Nanyang Jinding Smart Equipment Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Nanyang Jinxiang Smart Equipment Co., Ltd. | Under common control, with Nanyang Jinding Smart Equipment Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Henan Zefu Real Estate Development Co., Ltd. | Under common control, with Henan Muyuan Smart Logistics Park Co., Ltd., a wholly-owned subsidiary of Henan Muyuan Logistics Co., Ltd., a holding subsidiary of Muyuan Industrial, holding 100% of its shares |
| Neixiang Weixin Business Information Service Co., Ltd. | Under common control, with Muyuan Industrial holding 60.00% of its shares |
| Muyuan East District Construction Development (Nanyang) Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Henan Qianhe Architectural Design Co., Ltd. | Under common control, with Muyuan Industrial holding 100.00% of its shares |
| Henan Xinghua Instrument Equipment Co., Ltd. | Other related party, with Muyuan Industrial holding 15% of its shares |
| Neixiang Juai Food Material Sales Co., Ltd. | Other related party, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 40.00% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Neixiang Juai Catering Management Service Co., Ltd. | Other related party, with Neixiang Juai Food Material Sales Co., Ltd., an equity participation subsidiary of Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Nanyang Industry Investment Food Material Sales Co., Ltd. | Other related party, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 25.00% of its shares |
| Nanyang High-tech Zone Juai Food Ingredients Sales Co., Ltd. | Other related party, with Nanyang Industry Investment Food Material Sales Co., Ltd., an equity participation subsidiary of Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 60.00% of its shares |
| Sheqi Wenxin Food Sales Co., Ltd. | Other related party, with Nanyang Industry Investment Food Material Sales Co., Ltd., an equity participation subsidiary of Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 51.00% of its shares |
| Fangcheng Production Investment Food Sales Co., Ltd. | Other related party, with Nanyang Industry Investment Food Material Sales Co., Ltd., an equity participation subsidiary of Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 100.00% of its shares |
| Shenqiu County Chengtou Juai Food Sales Co., Ltd. | Other related party, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 49.00% of its shares |
| Shenqiu County Agricultural Investment Juai Food Sales Co., Ltd. | Other related party, with Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 49.00% of its shares |
| Henan Zhengtai Muyuan Smart Electrical Technology Co., Ltd. | Other related party, with Nanyang Jinsheng Smart Electrical Appliance Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 49% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Huai'an Jinhu Longyuan New Energy Co., Ltd. | Other related party, with Nanyang Longyuan New Energy Technology Co., Ltd., an equity participation subsidiary of the Company, holding 100.00% of its shares |
| Haikou Longmu New Energy Technology Co., Ltd. | Other related party, with Nanyang Longyuan New Energy Technology Co., Ltd., an equity participation subsidiary of the Company, holding 100.00% of its shares |
| Taizhou Longmu New Energy Technology Co., Ltd. | Other related party, with Nanyang Longyuan New Energy Technology Co., Ltd., an equity participation subsidiary of the Company, holding 100.00% of its shares |
| Leizhou Longmu New Energy Co., Ltd. | Other related party, with Nanyang Longyuan New Energy Technology Co., Ltd., an equity participation subsidiary of the Company, holding 100.00% of its shares |
| Mianzhu Longyuan New Energy Power Generation Co., Ltd. | Other related party, with Nanyang Longyuan New Energy Technology Co., Ltd., an equity participation subsidiary of the Company, holding 100.00% of its shares |
| Nanjing Longmu New Energy Co., Ltd. | Other related party, with Nanyang Longyuan New Energy Technology Co., Ltd., an equity participation subsidiary of the Company, holding 100.00% of its shares |
| Xingtai Longyuan New Energy Co., Ltd. | Other related party, with Nanyang Longyuan New Energy Technology Co., Ltd., an equity participation subsidiary of the Company, holding 100.00% of its shares |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 4. Other Related Parties (Continued)

| Other related party name | Relationship with the Company |
|---|---|
| Xixia County Industry Investment Food Sales Co., Ltd. | Other related party, with Nanyang Industry Investment Food Material Sales Co., Ltd., an equity participation subsidiary of Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 60.00% of its shares |
| Nanyang Wancheng District Industry Investment Food Sales Co., Ltd. | Other related party, with Nanyang Industry Investment Food Material Sales Co., Ltd., an equity participation subsidiary of Henan Juai Digital Technology Co., Ltd., a wholly-owned subsidiary of Muyuan Industrial, holding 51.00% of its shares |
| Henan Neixiang Rural Commercial Bank Co., Ltd. | Other related party, with Muyuan Industrial holding 30.00% of its shares. Cao Zhinian, Chairman of the Muyuan Foods, is its director. |
| Nanyang Wolong Rural Credit Cooperative Association | Nanyang Wolong Muyuan Breeding Co., Ltd., a subsidiary of the Company, holds 7.32% of its shares. Cao Zhinian, Chairman of the Muyuan Foods, serves as a member of council of Wolong Rural Commercial Bank |
| Henan Muyuan Agriculture Development Public Welfare Foundation | Other related party, Muyuan Industrial donated the original fund. |
| West Lake University | Actual controller serves as Vice Chairman of the Board and Honorary Director. |
| Nanyang West Lake Muyuan Synthetic Biology Research Institute | Other related party, Muyuan Industrial is one of the sponsors. Wang Chunyan, Chief Human Resources Officer of the Company, serves as Deputy Director. |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related Party Transactions

### *(1) Purchase and Sale of Goods, Provision and Receipt of Services*

*Purchases of goods/Receipt of services*

Unit: RMB

| Related party | Transaction content | Amount incurred in current period | Approved transaction limit | Exceeded limit | Amount incurred in prior period |
|---|---|---|---|---|---|
| Henan Muyuan Construction Engineering Co., Ltd. and its subsidiaries | Receive construction engineering services, purchase of equipment and materials | 2,378,770,861.48 | 3,000,000,000.00 | No | 1,252,657,496.73 |
| Henan Lianmu Veterinary Medicine Co., Ltd. | Veterinary drugs and other materials | 636,755,182.23 | 850,000,000.00 | No | 355,744,582.10 |
| Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | Veterinary drugs and other materials | 507,462,233.60 | 800,000,000.00 | No | 58,618,924.00 |
| Henan Muyuan Logistics Co., Ltd. and its subsidiaries | Receive transportation services | 256,291,561.11 | 500,000,000.00 | No | 188,541,016.41 |
| Zhejiang Juneng Bao Oil Products Trading Co., Ltd. | Refined oil, LNG, petrochemical products, etc. | 146,033,297.68 | 400,000,000.00 | No | 175,858,127.90 |
| Henan Junengbao Energy Trading Co., Ltd. | Refined oil, LNG, petrochemical products, etc. | 102,930,105.69 | 250,000,000.00 | No | |
| Henan Juai Digital Technology Co., Ltd. and its subsidiaries | Purchase of goods | 93,622,995.25 | 210,000,000.00 | No | 140,769,722.47 |
| Muyuan Industrial Group Co., Ltd. and its subsidiaries and joint ventures and associates | Purchase of beverages, agricultural products, organic fertilizer, equipment materials, vehicles, products, etc. | 90,353,931.23 | 435,000,000.00 | No | 216,070,938.37 |
| Henan Muyuan Equipment Co., Ltd. | Purchase of engineering, machinery equipment materials and installation, maintenance, etc. | 90,003,965.16 | 450,000,000.00 | No | 224,616,565.72 |
| Muyuan Industrial Group Co., Ltd. and its subsidiaries and joint ventures and associates | Receive accommodation, catering, conference, property management, platform and other services | 49,629,284.88 | 153,000,000.00 | No | 31,997,950.79 |
| Fangcheng Yushengyuan Livestock Husbandry Co., Ltd. | Purchase of hogs | 43,255,499.60 | | No | |
| Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | Purchase of breeding pigs | 31,212,033.98 | 50,000,000.00 | No | 1,430,300.00 |
| Nanyang Longyuan New Energy Technology Co., Ltd. and its subsidiaries | Electricity, etc. | 14,824,579.48 | 65,000,000.00 | No | 11,281,339.99 |
| Henan Zhongyu Greenlight New Energy Co., Ltd. | Electricity, etc. | 4,297,727.49 | 13,000,000.00 | No | |
| Henan Qianmu Biological Pharmaceutical Co., Ltd. | Receive accommodation, leasing and other services | 274,688.63 | 1,050,000.00 | No | |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related Party Transactions (Continued)

### (1) *Purchase and Sale of Goods, Provision and Receipt of Services* (Continued)

*Sales of goods/Provision of services*

Unit: RMB

| Related party | Transaction content | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|---|
| Henan Longda Longmu Meat Co., Ltd. | Hogs, pork products, etc. | 695,945,921.57 | 912,822,026.44 |
| Henan Qianmu Biological Pharmaceutical Co., Ltd. | Pork products, etc. | 115,501,108.22 | 1,875,677.71 |
| Muyuan Industrial Group Co., Ltd. and its subsidiaries and joint ventures and associates | Pork products, pig manure, products, etc. | 59,452,697.75 | 79,005,919.04 |
| Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | Raw materials, goods, equipment and services, etc. | 55,861,159.53 | 34,149,074.36 |
| Fangcheng Yushengyuan Livestock Husbandry Co., Ltd. | Raw materials, goods, equipment and services, etc. | 29,924,625.98 | 28,537,877.33 |
| Fengyi Muyuan Oil Technology (Nanyang) Co., Ltd. | Raw materials, goods, equipment and services, etc. | 8,288,435.95 | |
| Muyuan Industrial Group Co., Ltd. and its subsidiaries and joint ventures and associates | Testing, platform and other services | 350,711.14 | 59,915.17 |
| Rongtong Nongfa Muyuan (Jianyang) Co., Ltd. | Raw materials, goods, equipment and services, etc. | 226,943.28 | 295,102.59 |
| Rongtong Nongfa Muyuan (Chongzhou) Co., Ltd. | Raw materials, goods, equipment and services, etc. | 210,465.12 | 1,293,048.21 |
| Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | Service fees | 101,806.99 | |
| Rongtong Nongfa Muyuan (Tangshan) Livestock Husbandry Co., Ltd. | Raw materials, goods, equipment and services, etc. | 67,745.43 | 16,622,445.32 |
| Henan Lianmu Veterinary Medicine Co., Ltd. | Pork products, etc. | 1,277.07 | 18,027.52 |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related Party Transactions (Continued)

### *(3) Related Party Leasing*

*The Company as lessor:*

Unit: RMB

| Lessee name | Type of leased asset | Lease income recognized in current period | Lease income recognized in prior period |
|---|---|---|---|
| Muyuan Industrial Group Co., Ltd. and its subsidiaries | Buildings, equipment, etc. | 2,206,491.63 | 2,057,273.81 |

*The Company as lessee:*

Unit: RMB

| Lessor name | Type of leased asset | Short-term/ low-value lease expense – Amount incurred in current period | Short-term/ low-value lease expense – Amount incurred in prior period | Variable lease payments not included in lease liability – Amount incurred in current period | Variable lease payments not included in lease liability – Amount incurred in prior period | Rent paid – Amount incurred in current period | Rent paid – Amount incurred in prior period | Interest expense on lease liabilities – Amount incurred in current period | Interest expense on lease liabilities – Amount incurred in prior period | Right-of-use assets added – Amount incurred in current period | Right-of-use assets added – Amount incurred in prior period |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Muyuan Industrial Group Co., Ltd. and its subsidiaries | Buildings, machinery and equipment, etc. | 1,271,908.04 | 623,505.29 | | | 15,491,908.04 | 13,823,505.29 | 351,503.94 | 4,772,084.74 | | |

### *(4) Related Party Guarantees*

*The Company as guarantor*

Unit: RMB

| Guaranteed party | Guarantee amount | Guarantee start date | Guarantee expiry date | Guarantee fulfilled |
|---|---|---|---|---|
| Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | 40,553,264.84 | February 1, 2024 | March 25, 2028 | No |
| Rongtong Nongfa Muyuan (Chongzhou) Co., Ltd. | 24,500,000.00 | May 12, 2025 | May 11, 2028 | No |

*The Company as guaranteed party*

Unit: RMB

| Guarantor | Guarantee amount | Guarantee start date | Guarantee expiry date | Guarantee fulfilled |
|---|---|---|---|---|
| Qin Yinglin, Qian Ying | 15,322,455,573.07 | September 26, 2023 | March 10, 2028 | No |
| Qin Yinglin | 500,000,000.00 | November 21, 2025 | November 20, 2026 | No |
| Muyuan Industrial Group Co., Ltd. | 56,975,998.56 | September 15, 2019 | April 15, 2035 | No |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related Party Transactions (Continued)

#### (4) *Related Party Guarantees* (Continued)

Notes-type guarantees fulfilled in the Reporting Period: RMB3,297,500,000.00. As of June 30, 2026, unfulfilled notes-type guarantees: RMB500,000,000.00, with details as follows:

| Guarantor | Guaranteed party | Guarantee amount | Guarantee start date | Guarantee expiry date |
|---|---|---|---|---|
| Qin Yinglin | Muyuan Foods Group Co., Ltd. | 10,000,000.00 | December 30, 2025 | July 15, 2026 |
| Qin Yinglin, Qian Ying | Muyuan Foods Group Co., Ltd. | 490,000,000.00 | March 2, 2026 | August 28, 2026 |

#### (5) *Related Party Fund Borrowings*

Unit: RMB

| Related party | Amount | Start date | End date | Description |
|---|---|---|---|---|
| Borrowed in Muyuan Industrial Group Co., Ltd. | 1,000,000,000.00 | March 16, 2026 | March 30, 2026 | Repaid |

#### (6) *Key Management Personnel Compensation*

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Key management personnel compensation | **34,437,306.74** | 18,148,099.11 |

The above compensation statistics cover the compensation received during the period in which the relevant individuals served as Directors, supervisors or senior management. Mr. GAO Tong commenced serving as a senior management member of the Company on January 5, 2026, Mr. QIN Muyuan commenced serving as a senior management member of the Company on March 27, 2026, Mr. WANG Zhiyuan resigned as a senior management member of the Company on March 26, 2026, and Mr. QIN Yinglin resigned as a senior management member of the Company on June 1, 2026.

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 5. Related Party Transactions (Continued)

### *(7) Other Related Party Transactions*

Unit: RMB

| Related party | Transaction content | Amount in current period | Amount in prior period |
|---|---|---|---|
| Henan Neixiang Rural Commercial Bank Co., Ltd. | Deposit interest income | | 3,694,946.85 |
| Nanyang Wolong Rural Credit Cooperative Association | Deposit interest income | | 130,717.77 |
| Henan Neixiang Rural Commercial Bank Co., Ltd. | Settlement fees | | 255.08 |
| Nanyang Wolong Rural Credit Cooperative Association | Settlement fees | | 9.18 |

| Related party | Transaction content | Balance of book value at the end of the period | Balance of book value at the end of the prior year |
|---|---|---|---|
| Henan Neixiang Rural Commercial Bank Co., Ltd. | Deposit balance | | 124,356,549.67 |
| Nanyang Wolong Rural Credit Cooperative Association | Deposit balance | | 802,388.20 |

| Related party | Transaction content | Amount in current period | Amount in prior period |
|---|---|---|---|
| Nanyang Zhongying MicroLoan Co., Ltd. | Entrusted payment of funds | 8,140,000.00 | |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Related Party Receivables and Payables

### *(1) Receivables*

Unit: RMB

| Item | Related party | Balance at the end of the period<br>Book value | Balance at the end of the period<br>Bad debt provision | Balance at the beginning of the period<br>Book value | Balance at the beginning of the period<br>Bad debt provision |
|---|---|---|---|---|---|
| Accounts receivable | Fangcheng Yushengyuan Livestock Husbandry Co., Ltd. | 15,192,829.82 | 759,641.49 | 36,472,705.07 | 1,823,635.25 |
| Accounts receivable | Henan Qianmu Biological Pharmaceutical Co., Ltd. | 10,909,356.10 | 545,467.81 | 7,416,031.32 | 370,801.57 |
| Accounts receivable | Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | 4,384,094.24 | 219,204.71 | 3,938,050.99 | 196,902.55 |
| Accounts receivable | Fengyi Muyuan Oil Technology (Nanyang) Co., Ltd. | 1,328,542.40 | 66,427.12 | | |
| Accounts receivable | Henan Muyuan Property Management Co., Ltd. | 623,459.22 | 31,172.96 | 828,575.51 | 41,428.78 |
| Accounts receivable | Rongtong Nongfa Muyuan (Chongzhou) Co., Ltd. | 528,267.23 | 26,413.36 | 679,475.87 | 33,973.79 |
| Accounts receivable | Henan Muyuan Hotel Co., Ltd. | 178,255.80 | 8,912.79 | 38,021.72 | 1,901.09 |
| Accounts receivable | Henan Muyuan Construction Engineering Co., Ltd. | 165,324.61 | 13,024.55 | 31,991.12 | 1,599.56 |
| Accounts receivable | Rongtong Nongfa Muyuan (Jianyang) Co., Ltd. | 97,180.50 | 4,859.03 | 1,490,255.48 | 74,512.77 |
| Accounts receivable | Henan Binren Construction Engineering Co., Ltd. | 71,337.00 | 14,267.40 | 71,337.00 | 3,566.85 |
| Accounts receivable | Rongtong Nongfa Muyuan (Tangshan) Livestock Husbandry Co., Ltd. | 64,922.40 | 3,246.12 | 61,735.60 | 3,086.78 |
| Accounts receivable | Shanxi Muyuan Agricultural Development Co., Ltd. | 57,050.22 | 2,852.51 | | |
| Accounts receivable | Henan Muyuan Equipment Co., Ltd. | 2,893.71 | 144.69 | | |
| Accounts receivable | Muyuan Industrial Group Co., Ltd. | 747.00 | 37.35 | 279.00 | 13.95 |
| Accounts receivable | Henan Muyuan Logistics Co., Ltd. | 518.00 | 25.90 | 49,269.00 | 2,463.45 |
| Accounts receivable | Henan Muyuan Smart Logistics Park Co., Ltd. | 498.00 | 24.90 | 299.00 | 14.95 |
| Accounts receivable | Nanyang Wolong District Juai Digital Technology Co., Ltd. | 269.00 | 13.45 | | |
| Accounts receivable | Henan Lianmu Veterinary Medicine Co., Ltd. | | | 7.05 | 0.35 |
| Prepayments | Zhejiang Juneng Bao Oil Products Trading Co., Ltd. | 5,385,224.18 | | 5,865,488.79 | |
| Prepayments | Nanjing Longmu New Energy Co., Ltd. | 337,177.34 | | 316,844.90 | |
| Prepayments | Huai'an Jinhu Longyuan New Energy Co., Ltd. | 72,912.59 | | | |
| Prepayments | Henan Xinghua Instrument Equipment Co., Ltd. | 3,420.41 | | | |
| Prepayments | Henan Wanmu New Material Co., Ltd. | 204.75 | | | |
| Prepayments | Henan Juai Digital Technology Co., Ltd. | | | 9,744.00 | |
| Prepayments | Nanyang Jinding Smart Equipment Co., Ltd. | | | 571,230.12 | |
| Other receivables | Rongtong Nongfa Muyuan (Jianyang) Co., Ltd. | | | 100,000.00 | 50,000.00 |
| Notes receivable | Henan Longda Longmu Meat Co., Ltd. | | | 60,000,000.00 | |
| Other non-current assets | Henan Zhengtai Muyuan Smart Electrical Technology Co., Ltd. | | | 2,687,780.00 | |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Related Party Receivables and Payables (Continued)

### *(2) Payables*

Unit: RMB

| Item | Related party | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|---|
| Accounts payable | Henan Muyuan Construction Engineering Co., Ltd. | **3,307,891,888.36** | 4,241,628,609.94 |
| Accounts payable | Zhonghe Construction Engineering (Henan) Co., Ltd. | **781,501,022.91** | 76,187,020.76 |
| Accounts payable | Henan Nan'o Construction Engineering Co., Ltd. | **177,301,737.23** | 103,409,883.12 |
| Accounts payable | Henan Juai Construction Engineering Co., Ltd. | **138,566,129.29** | 83,186,215.64 |
| Accounts payable | Henan Lianmu Veterinary Medicine Co., Ltd. | **136,179,318.67** | 33,123,281.11 |
| Accounts payable | Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | **113,477,799.70** | 8,073,249.15 |
| Accounts payable | Henan Muyuan Logistics Co., Ltd. | **30,557,697.17** | 32,363,837.31 |
| Accounts payable | Henan Muyuan Equipment Co., Ltd. | **20,715,897.88** | 51,582,166.55 |
| Accounts payable | Henan Guigeng Agricultural Development Co., Ltd. | **10,977,177.29** | 40,548.53 |
| Accounts payable | Henan Juai Digital Technology Co., Ltd. | **9,754,650.60** | 8,552,899.03 |
| Accounts payable | Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | **5,732,565.59** | |
| Accounts payable | Henan Zhengtai Muyuan Smart Electrical Technology Co., Ltd. | **3,969,553.14** | 2,415,081.72 |
| Accounts payable | Henan Shengda Special Vehicle Co., Ltd. | **3,946,134.85** | 13,388,788.64 |
| Accounts payable | Zhejiang Juneng Bao Oil Products Trading Co., Ltd. | **3,132,571.35** | 10,715,204.92 |
| Accounts payable | Henan Xinghua Instrument Equipment Co., Ltd. | **2,603,312.08** | 6,794,783.60 |
| Accounts payable | Fangcheng Yushengyuan Livestock Husbandry Co., Ltd. | **1,828,672.76** | 2,432,763.13 |
| Accounts payable | Leizhou Longmu New Energy Co., Ltd. | **1,390,804.88** | 1,589,673.66 |
| Accounts payable | Henan Junengbao Energy Trading Co., Ltd. | **1,293,079.06** | 7,617,011.33 |
| Accounts payable | Mucai Optimum (Henan) Supply Chain Management Co., Ltd. | **970,685.40** | 655,567.69 |
| Accounts payable | Henan Juai Automobile Sales Service Co., Ltd. | **895,100.00** | 2,939,800.00 |
| Accounts payable | Nanyang Jinding Smart Equipment Co., Ltd. | **337,330.21** | |
| Accounts payable | Huai'an Jinhu Longyuan New Energy Co., Ltd. | **303,600.00** | 314,469.67 |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Related Party Receivables and Payables (Continued)

### (2) *Payables* (Continued)

| Item | Related party | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|---|
| Accounts payable | Haikou Longmu New Energy Technology Co., Ltd. | **237,400.00** | 643,654.84 |
| Accounts payable | Xingtai Longyuan New Energy Co., Ltd. | **209,591.95** | |
| Accounts payable | Taizhou Longmu New Energy Technology Co., Ltd. | **163,049.18** | |
| Accounts payable | Nanjing Longmu New Energy Co., Ltd. | **137,978.97** | |
| Accounts payable | Mianzhu Longyuan New Energy Power Generation Co., Ltd. | **32,130.14** | 58,612.82 |
| Accounts payable | Fangcheng Muyuan Logistics Co., Ltd. | **24,734.81** | |
| Accounts payable | Henan Wanmu New Material Co., Ltd. | **2,410.56** | 526,817.31 |
| Accounts payable | Henan Muyuan Property Management Co., Ltd. | **2,210.00** | 1,591,290.75 |
| Accounts payable | Henan Muyuan Smart Logistics Park Co., Ltd. | **595.00** | |
| Accounts payable | Henan Muyuan Agricultural Development Co., Ltd. | | 43,252.40 |
| Accounts payable | Muyuan Industrial Group Co., Ltd. | | 875,358.00 |
| Contract liabilities | Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | **8,075,265.69** | 8,124,895.05 |
| Contract liabilities | Henan Juai Digital Technology Co., Ltd. and its subsidiaries | **7,591,815.17** | 4,389,135.53 |
| Contract liabilities | Sheqi Wenxin Food Sales Co., Ltd. | **262,835.13** | |
| Contract liabilities | Nanyang Industry Investment Food Material Sales Co., Ltd. | **238,608.60** | 1,043,338.12 |
| Contract liabilities | Rongtong Nongfa Muyuan (Chongzhou) Co., Ltd. | **173,094.53** | 173,024.13 |
| Contract liabilities | Henan Muyuan Hotel Co., Ltd. | **150,659.00** | |
| Contract liabilities | Shenqiu Nongtou Juai Food Sales Co., Ltd. | **104,097.37** | 275,922.72 |
| Contract liabilities | Fengyi Muyuan Oil Technology (Nanyang) Co., Ltd. | **74,339.11** | 74,339.11 |
| Contract liabilities | Neixiang Juai Food Material Sales Co., Ltd. | **41,767.99** | 53,053.31 |
| Contract liabilities | Henan Longda Longmu Meat Co., Ltd. | **917.43** | |

# FINANCIAL REPORT

## XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

### 6. Related Party Receivables and Payables (Continued)

### *(2) Payables* (Continued)

| Item | Related party | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|---|
| Contract liabilities | Rongtong Nongfa Muyuan (Tangshan) Livestock Husbandry Co., Ltd. | 135.00 | 135.00 |
| Contract liabilities | Rongtong Nongfa Muyuan (Jianyang) Co., Ltd. | 70.40 | 75,138.00 |
| Contract liabilities | Shenqiu County Chengtou Juai Food Sales Co., Ltd. | 61.63 | 46,746.65 |
| Contract liabilities | Xixia County Industry Investment Food Sales Co., Ltd. | | 661.79 |
| Contract liabilities | Fangcheng Yushengyuan Livestock Husbandry Co., Ltd. | | 1,528.76 |
| Contract liabilities | Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | | 107,915.41 |
| Other payables | Henan Qianmu Biological Pharmaceutical Co., Ltd. | 1,800,000.00 | 800,000.00 |
| Other payables | Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | 1,133,600.00 | 1,133,600.00 |
| Other payables | Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | 1,000,000.00 | 1,000,000.00 |
| Other payables | Henan Lianmu Veterinary Medicine Co., Ltd. | 1,000,000.00 | 1,000,000.00 |
| Other payables | Fengyi Muyuan Oil Technology (Nanyang) Co., Ltd. | 600,000.00 | |
| Other payables | Henan Zhengtai Muyuan Smart Electrical Technology Co., Ltd. | 120,000.00 | 120,000.00 |
| Other payables | Henan Muyuan Construction Engineering Co., Ltd. | 50,000.00 | 50,000.00 |
| Other payables | Nanyang Industry Investment Food Material Sales Co., Ltd. | 39,160.00 | 39,160.00 |

# FINANCIAL REPORT

## XV. SHARE-BASED PAYMENTS

### 1. Equity-settled Share-based Payments

Unit: RMB

| Item | Details |
|---|---|
| Method for determining fair value of equity instruments on grant date | Difference between fair value of stock on grant date and grant price |
| Significant parameters for determining fair value of equity instruments on grant date | Closing stock price on grant date, grant price |
| Basis for determining the number of exercisable equity instruments | The Company estimates based on equity instruments of incentive targets in service and performance conditions of each vesting period. |
| Reason for significant difference between the period estimate and prior period estimate | None |
| Cumulative amount of equity-settled share-based payments recognized in capital reserve | 3,804,278,165.35 |
| Total expenses recognized for equity-settled share-based payments in the Reporting Period | 420,126,973.57 |

***Other notes***

On September 8, 2025, the Company held the First Extraordinary General Meeting of 2025, which approved the "Proposal on the 2025 Operator Stock Ownership Plan (Draft) and its Summary of Muyuan Foods Group Co., Ltd." and the "Proposal on the 2025 Strivers Stock Ownership Plan (Draft) and its Summary of Muyuan Foods Group Co., Ltd."

The 2025 Operator Stock Ownership Plan and the 2025 Strivers Stock Ownership Plan shall have lock-up periods of 12 months, 24 months, and 36 months from the date the plans are approved by the General Meeting and the Company announces the transfer of the last batch of underlying shares to the stock ownership plan. The proportion of underlying shares to be unlocked in each period shall be 40%, 30%, and 30% respectively, and the actual proportion and number of shares unlocked in each year shall be determined based on assessment results.

The 2025 Key Employee Ownership Plan shall have lock-up periods of 12 months and 24 months from the date the plan is approved by the General Meeting and the Company announces the transfer of the last batch of underlying shares to the ownership plan. The proportion of underlying shares to be unlocked in each period shall be 50% and 50% respectively, and the actual proportion and number of shares unlocked in each year shall be determined based on assessment results.

# FINANCIAL REPORT

## XV. SHARE-BASED PAYMENTS (CONTINUED)

### 2. Share-based Payment Expenses for the Reporting Period

Unit: RMB

| Category of grantees | Equity-settled share-based payment expenses | Cash-settled share-based payment expenses |
|---|---|---|
| Core personnel | 420,126,973.57 | |
| Total | 420,126,973.57 | |

## XVI. COMMITMENTS AND CONTINGENCIES

The Company has no significant contingencies that need to be disclosed.

# FINANCIAL REPORT

## XVII. EVENTS AFTER BALANCE SHEET DATE

### 1. Other Events After Balance Sheet Date

None

## XVIII. OTHER SIGNIFICANT MATTERS

### 1. Segment Information

### *(1) Basis for Determining Reportable Segments and Accounting Policies*

The Company determines reportable segments based on its internal organizational structure, management requirements, and internal reporting system, using business segments as the basis. A segment is determined as a reportable segment if it meets any of the following conditions:

(I) The revenue of that segment accounts for 10% or more of the combined revenue of all segments.

(II) For business segments that do not meet condition (I) above, the following provisions apply:

The segment may be directly designated as a reportable segment regardless of its size;

The segment may be combined with one or more other similar segments into one reportable segment if not directly designated as a reportable segment;

# FINANCIAL REPORT

## XVIII. OTHER SIGNIFICANT MATTERS (CONTINUED)

### 1. Segment Information (Continued)

#### (1) *Basis for Determining Reportable Segments and Accounting Policies* (Continued)

If the segment is not designated as a reportable segment and not combined with other segments, it shall be separately disclosed as other items. The Company's segment information is summarized as follows:

(I) Hog business: breeding and sales of hogs;

(II) Slaughtering and meat product business: hog slaughtering and sales of meat products and by-products;

(III) Trading business: sales of raw material for feed; and

(IV) Others: mainly sales of pig manure, feed products, and other businesses.

The accounting policies of each business segment are consistent with those of the Company, with no significant accounting policy differences.

#### (2) *Financial Information of Reportable Segments*

Unit: RMB

| Item | Hog business | Slaughtering and meat product business | Trading business | Others | Inter-segment elimination | Total |
|---|---|---|---|---|---|---|
| Revenue | 52,430,296,318.87 | 22,061,248,684.20 | 4,319,430,543.58 | 1,639,750,264.40 | -21,040,419,426.46 | 59,410,306,384.59 |
| Operating costs | 54,795,342,077.43 | 21,124,800,426.76 | 4,290,206,790.32 | 1,488,161,425.46 | -21,352,113,349.49 | 60,346,397,370.48 |
| Expenses/Taxes | | | | | | 4,386,305,102.51 |
| Other income | | | | | | 209,910,684.04 |
| Investment income | | | | | | 40,112,719.94 |
| Fair value change gains | | | | | | 5,557,976.27 |
| Credit impairment losses | | | | | | -7,818,269.51 |
| Asset impairment losses | | | | | | -313,531,318.38 |
| Asset disposal gains | | | | | | 2,832,807.43 |
| Operating profit | | | | | | -5,385,331,488.61 |
| Non-operating income | | | | | | 75,289,275.62 |
| Non-operating expenses | | | | | | 354,290,483.95 |
| Total profit | | | | | | -5,664,332,696.94 |

# FINANCIAL REPORT

## XVIII. OTHER SIGNIFICANT MATTERS (CONTINUED)

### 1. Segment Information (Continued)

### *(3) Explanation for Companies Without Reportable Segments or Unable to Disclose Total Assets and Total Liabilities of Each Reportable Segment*

The Company's main business is hog breeding and sales, and hog slaughtering. The production process, product nature, customer types, and sales models are basically the same, and there is no obvious difference in the risks and rewards of products provided between different regions. The Company's subordinate enterprises have situations where one company engages in multiple industries, with some assets used jointly. Accordingly, assets and liabilities cannot be easily allocated to each reportable segment, and therefore total assets and total liabilities of each reportable segment cannot be disclosed.

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY)

### 1. Accounts Receivable

### *(1) Disclosure by Aging*

Unit: RMB

| Aging | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|
| Within 1 year (inclusive) | **197,038,275.02** | 559,767,149.68 |
| 1 to 2 years | **119,856,200.72** | 35,933,925.83 |
| 2 to 3 years | **7,110,969.95** | 72,618,760.06 |
| Over 3 years | **22,985,433.84** | 34,171,630.22 |
| Total | **346,990,879.53** | 702,491,465.79 |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 1. Accounts Receivable (Continued)

### *(2) Disclosure by Bad and Doubtful Debt Provision Method*

Unit: RMB

| | Balance at the end of the period | | | | | Balance at the beginning of the period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book value | | Provision for bad and doubtful debts | | | Book value | | Provision for bad and doubtful debts | | |
| Category | Amount | Proportion | Amount | Provision ratio | Carrying amount | Amount | Proportion | Amount | Provision ratio | Carrying amount |
| Of which: | | | | | | | | | | |
| Accounts receivable with collectively assessed provision | 346,990,879.53 | 100.00% | 414,255.06 | 0.12% | 346,576,624.47 | 702,491,465.79 | 100.00% | 350,809.87 | 0.05% | 702,140,655.92 |
| Of which: | | | | | | | | | | |
| Related party portfolio within the consolidation scope | 344,054,125.54 | 99.15% | | | 344,054,125.54 | 700,784,578.59 | 99.76% | | | 700,784,578.59 |
| Aging portfolio | 2,936,753.99 | 0.85% | 414,255.06 | 14.11% | 2,522,498.93 | 1,706,887.20 | 0.24% | 350,809.87 | 20.55% | 1,356,077.33 |
| Total | 346,990,879.53 | 100.00% | 414,255.06 | 0.12% | 346,576,624.47 | 702,491,465.79 | 100.00% | 350,809.87 | 0.05% | 702,140,655.92 |

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

*Category name for portfolio-based bad and doubtful debt provision:*

Unit: RMB

| | Balance at the end of the period | | |
|---|---|---|---|
| Name | Book value | Provision for bad and doubtful debts | Provision ratio |
| Related party portfolio within the consolidation scope | 344,054,125.54 | | |
| Aging portfolio | 2,936,753.99 | 414,255.06 | 14.11% |
| Total | 346,990,879.53 | 414,255.06 | |

Description of basis for determining the portfolio:

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 1. Accounts Receivable (Continued)

### *(3) Bad and Doubtful Debt Provision Provided, Recovered or Reversed during the Period*

*Bad and doubtful debt provision provided during the period:*

Unit: RMB

| | | Movements during the period | | | | |
|---|---|---|---|---|---|---|
| **Category** | **Balance at the beginning of the period** | **Provision** | **Recovery or reversal** | **Write-off** | **Other** | **Balance at the end of the period** |
| Aging portfolio | 350,809.87 | 63,445.19 | | | | 414,255.06 |
| Total | 350,809.87 | 63,445.19 | | | | 414,255.06 |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 1. Accounts Receivable (Continued)

### *(4) Top Five Accounts Receivable and Contract Assets by Debtor at June 30, 2026*

Unit: RMB

| Company name | Balance of accounts receivable at the end of the period | Balance of contract assets at the end of the period | Balance of accounts receivable and contract assets at the end of the period | Proportion of total balance of accounts receivable and contract assets at the end of the period | Balance of provision for bad and doubtful debts on accounts receivable and impairment provision for contract assets at the end of the period |
|---|---|---|---|---|---|
| First | 42,550,736.16 | | 42,550,736.16 | 12.26% | |
| Second | 24,918,973.05 | | 24,918,973.05 | 7.18% | |
| Third | 20,460,347.36 | | 20,460,347.36 | 5.90% | |
| Fourth | 16,717,923.56 | | 16,717,923.56 | 4.82% | |
| Fifth | 16,322,198.84 | | 16,322,198.84 | 4.70% | |
| Total | 120,970,178.97 | | 120,970,178.97 | 34.86% | |

### 2. Other Receivables

Unit: RMB

| Item | Balance at the end of the period | Balance at the beginning of the period |
|---|---|---|
| Other receivables | **55,940,484,119.70** | 50,416,646,059.12 |
| Total | **55,940,484,119.70** | 50,416,646,059.12 |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 2. Other Receivables (Continued)

### *(1) Other Receivables*

*1) Other receivables by nature*

Unit: RMB

| Nature | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|
| Intercompany amounts | **55,886,267,322.00** | 50,398,366,413.52 |
| Deposits | **57,166,129.99** | 20,018,296.75 |
| Petty cash | **4,900.00** | 23,473.83 |
| Total | **55,943,438,351.99** | 50,418,408,184.10 |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 2. Other Receivables (Continued)

### (1) *Other Receivables* (Continued)

2) *Disclosure by aging*

Unit: RMB

| Aging | Balance of book value at the end of the period | Balance of book value at the beginning of the period |
|---|---|---|
| Within 1 year (inclusive) | **49,197,210,493.87** | 44,012,527,680.12 |
| 1 to 2 years | **1,135,475,730.50** | 2,453,185,769.69 |
| 2 to 3 years | **2,350,114,834.38** | 1,122,666,990.73 |
| Over 3 years | **3,260,637,293.24** | 2,830,027,743.56 |
| Total | **55,943,438,351.99** | 50,418,408,184.10 |

3) *Disclosure by bad and doubtful debt provision method*

Unit: RMB

| Category | Balance at the end of the period | | | | | Balance at the beginning of the period | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Book value | | Provision for bad and doubtful debts | | | Book value | | Provision for bad and doubtful debts | | |
| | Amount | Proportion | Amount | Provision ratio | Carrying amount | Amount | Proportion | Amount | Provision ratio | Carrying amount |
| Of which: | | | | | | | | | | |
| Provision by portfolio | **55,943,438,351.99** | **100.00%** | **2,954,232.29** | **0.01%** | **55,940,484,119.70** | 50,418,408,184.10 | 100.00% | 1,762,124.98 | 0.00% | 50,416,646,059.12 |
| Of which: | | | | | | | | | | |
| Aging portfolio | **57,171,029.99** | **0.10%** | **2,954,232.29** | **5.17%** | **54,216,797.70** | 20,041,770.58 | 0.04% | 1,762,124.98 | 8.79% | 18,279,645.60 |
| Related parties within the consolidation scope | **55,886,267,322.00** | **99.90%** | | | **55,886,267,322.00** | 50,398,366,413.52 | 99.96% | | | 50,398,366,413.52 |
| Total | **55,943,438,351.99** | **100.00%** | **2,954,232.29** | | **55,940,484,119.70** | 50,418,408,184.10 | 100.00% | 1,762,124.98 | 0.00% | 50,416,646,059.12 |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 2. Other Receivables (Continued)

### (1) *Other Receivables* (Continued)

*3) Disclosure by bad and doubtful debt provision method* (Continued)

Category name for portfolio-based bad and doubtful debt provision:

Unit: RMB

| | Balance at the end of the period | | |
|---|---|---|---|
| Name | Book value | Provision for bad and doubtful debts | Provision ratio |
| Aging portfolio | 57,171,029.99 | 2,954,232.29 | 5.17% |
| Related parties within the consolidation scope | 55,886,267,322.00 | | |
| Total | 55,943,438,351.99 | 2,954,232.29 | |

Description of the basis for determining the portfolio:

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 2. Other Receivables (Continued)

### (1) *Other Receivables* (Continued)

*4) Bad debt and doubtful provision provided, recovered or reversed in the Reporting Period*

Bad debt and doubtful provision based on expected credit loss general model:

Unit: RMB

| Provision for bad and doubtful debts | Stage 1<br>12-month ECL | Stage 2<br>Lifetime ECL (not credit-impaired) | Stage 3<br>Lifetime ECL (credit-impaired) | Total |
|---|---|---|---|---|
| Balance as at January 1, 2026 | 1,762,124.98 | | | 1,762,124.98 |
| Provision for the period | 1,192,107.31 | | | 1,192,107.31 |
| Balance as at June 30, 2026 | 2,954,232.29 | | | 2,954,232.29 |

Bad debt and doubtful provision provided in the Reporting Period:

Unit: RMB

| Category | Balance at the beginning of the period | Movements during the period<br>Provision | Reversals | Written-offs | Other | Balance at the end of the period |
|---|---|---|---|---|---|---|
| Other receivables bad and doubtful debt provision | 1,762,124.98 | 1,192,107.31 | | | | 2,954,232.29 |
| Total | 1,762,124.98 | 1,192,107.31 | | | | 2,954,232.29 |

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 2. Other Receivables (Continued)

### (1) *Other Receivables* (Continued)

*5) Top five other receivables by debtor at June 30, 2026*

Unit: RMB

| Company name | Nature of the receivable | Balance at the end of the period | Aging | Proportion of total balance of other receivables at the end of the period | Balance of bad debt and doubtful provision at the end of the period |
|---|---|---|---|---|---|
| First | Related party balances | 6,387,360,228.02 | Within 1 year | 11.42% | |
| Second | Related party balances | 5,454,747,223.59 | Within 1 year | 9.75% | |
| Third | Related party balances | 3,275,535,003.66 | Within 1 year<br>1 to 2 years<br>2 to 3 years<br>3 to 4 years | 5.86% | |
| Fourth | Related party balances | 3,021,856,698.11 | Within 1 year<br>1 to 2 years<br>2 to 3 years<br>3 to 4 years<br>4 to 5 years<br>Over 5 years | 5.40% | |
| Fifth | Related party balances | 2,316,382,858.44 | Within 1 year<br>1 to 2 years | 4.14% | |
| Total | | 20,455,882,011.82 | | 36.57% | |

### 3. Long-term Equity Investments

Unit: RMB

| Item | Balance at the end of the period | | | Balance at the beginning of the period | | |
|---|---|---|---|---|---|---|
| | Book value | Impairment provision | Carrying amount | Book value | Impairment provision | Carrying amount |
| Investments in subsidiaries | 93,603,188,597.28 | | 93,603,188,597.28 | 87,164,793,268.53 | | 87,164,793,268.53 |
| Investments in associates and JVs | 915,656,612.77 | | 915,656,612.77 | 956,559,520.88 | | 956,559,520.88 |
| Total | 94,518,845,210.05 | | 94,518,845,210.05 | 88,121,352,789.41 | | 88,121,352,789.41 |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### *(1) Investments in Subsidiaries*

Unit: RMB

(Note: Given the large number of subsidiary investments, a representative summary is presented below. Please refer to the complete Chinese source for the full list of individual subsidiary investments.)

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period | | | | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| | | | Additions | Reductions | Provision for impairment | Other | | |
| Nanyang Wolong Muyuan Breeding Co., Ltd. | 710,219,245.61 | | | | | 4,198,626.61 | 714,417,872.22 | |
| Dengzhou Muyuan Breeding Co., Ltd. | 932,315,657.27 | | 200,000,000.00 | | | 3,090,850.31 | 1,135,406,507.58 | |
| Hubei Zhongxiang Muyuan Breeding Co., Ltd. | 288,360,294.06 | | | | | 6,275,382.94 | 294,635,677.00 | |
| Shandong Caoxian Muyuan Livestock Husbandry Co., Ltd. | 1,332,994,665.48 | | | | | 3,053,923.09 | 1,336,048,588.57 | |
| Tanghe Muyuan Livestock Husbandry Co., Ltd. | 758,300,345.03 | | | | | 2,734,190.20 | 761,034,535.23 | |
| Fugou Muyuan Livestock Husbandry Co., Ltd. | 702,325,271.14 | | | | | 3,489,227.94 | 705,814,499.08 | |
| Huaxian Muyuan Livestock Husbandry Co., Ltd. | 885,207,896.93 | | | | | 4,193,901.55 | 889,401,798.48 | |
| Qixian Muyuan Livestock Husbandry Co., Ltd. | 751,633,264.46 | | | | | 3,597,891.81 | 755,231,156.27 | |
| Zhengyang Muyuan Livestock Husbandry Co., Ltd. | 293,753,681.15 | | | | | 3,941,238.62 | 297,694,919.77 | |
| Tongxu Muyuan Livestock Husbandry Co., Ltd. | 283,796,064.69 | | | | | 1,455,123.33 | 285,251,188.02 | |
| Fangcheng Muyuan Livestock Husbandry Co., Ltd. | 435,004,636.10 | | | | | 1,120,912.25 | 436,125,548.35 | |
| Sheqi Muyuan Livestock Husbandry Co., Ltd. | 1,806,246,699.71 | | | | | 3,273,986.50 | 1,809,520,686.21 | |
| Xihua Muyuan Livestock Husbandry Co., Ltd. | 386,237,369.37 | | | | | 794,517.54 | 387,031,886.91 | |
| Shangshui Muyuan Livestock Husbandry Co., Ltd. | 627,512,142.62 | | | | | 4,283,409.08 | 631,795,551.70 | |
| Wenxi Muyuan Livestock Husbandry Co., Ltd. | 1,386,166,386.22 | | | | | 4,384,588.38 | 1,390,550,974.60 | |
| Taikang Muyuan Livestock Husbandry Co., Ltd. | 473,499,539.25 | | | | | 1,292,559.14 | 474,792,098.39 | |
| Dali Muyuan Livestock Husbandry Co., Ltd. | 568,226,081.22 | | | | | 3,099,860.21 | 571,325,941.43 | |
| Guangzong Muyuan Livestock Husbandry Co., Ltd. | 156,550,461.87 | | | | | 649,249.99 | 157,199,711.86 | |
| Inner Mongolia Naiman Muyuan Livestock Husbandry Co., Ltd. | 902,373,641.70 | | | | | 821,998.38 | 903,195,640.08 | |
| Xichuan Muyuan Livestock Husbandry Co., Ltd. | 20,288,864.78 | | | | | 453,875.73 | 20,742,740.51 | |
| Inner Mongolia Kailu Muyuan Livestock Husbandry Co., Ltd. | 1,606,583,222.10 | | | | | 6,296,871.65 | 1,612,880,093.75 | |
| Guantao Muyuan Livestock Husbandry Co., Ltd. | 322,777,355.20 | | | | | 923,368.09 | 323,700,723.29 | |
| Liaoning Tieling Muyuan Livestock Husbandry Co., Ltd. | 1,455,291,302.41 | | | | | 1,534,053.76 | 1,456,825,356.17 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period | | | | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| | | | Additions | Reductions | Provision for impairment | Other | | |
| Anhui Yingshang Muyuan Livestock Husbandry Co., Ltd. | 583,067,563.35 | | | | | 3,573,560.61 | 586,641,123.96 | |
| Dongying Kenli Muyuan Livestock Husbandry Co., Ltd. | 276,204,134.22 | | | | | 1,044,895.74 | 277,249,029.96 | |
| Jiangsu Guannan Muyuan Livestock Husbandry Co., Ltd. | 421,436,165.99 | | | | | 1,632,410.90 | 423,068,576.89 | |
| Baishui Muyuan Livestock Husbandry Co., Ltd. | 435,662,256.91 | | | | | 1,114,094.34 | 436,776,351.25 | |
| Ningling Muyuan Livestock Husbandry Co., Ltd. | 531,410,584.98 | | 1,000,000,000.00 | | | 3,120,863.77 | 1,534,531,448.75 | |
| Shanxi Yongji Muyuan Livestock Husbandry Co., Ltd. | 144,721,882.00 | | | | | 1,016,505.36 | 145,738,387.36 | |
| Heilongjiang Lindian Muyuan Livestock Husbandry Co., Ltd. | 1,019,826,141.58 | | | | | 4,925,266.78 | 1,024,751,408.36 | |
| Jilin Tongyu Muyuan Livestock Husbandry Co., Ltd. | 926,057,990.77 | | | | | 4,263,467.94 | 930,321,458.71 | |
| Liaoning Fuxin Muyuan Livestock Husbandry Co., Ltd. | 750,500,916.53 | | | | | 1,421,042.92 | 751,921,959.45 | |
| Heilongjiang Mingshui Muyuan Livestock Husbandry Co., Ltd. | 708,029,665.76 | | | | | 723,070.25 | 708,752,736.01 | |
| Mengcheng Muyuan Livestock Husbandry Co., Ltd. | 247,958,840.76 | | | | | 2,209,042.10 | 250,167,882.86 | |
| Xiping Muyuan Livestock Husbandry Co., Ltd. | 361,527,643.17 | | | | | 1,177,329.45 | 362,704,972.62 | |
| Inner Mongolia Zhaqi Muyuan Livestock Husbandry Co., Ltd. | 291,773,662.14 | | | | | 104,392.02 | 291,878,054.16 | |
| Henan Fanxian Muyuan Livestock Husbandry Co., Ltd. | 154,481,864.31 | | | | | 891,890.37 | 155,373,754.68 | |
| Anhui Fengtai Muyuan Livestock Husbandry Co., Ltd. | 301,206,867.61 | | 512,000,000.00 | | | 2,036,509.23 | 815,243,376.84 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period | | | | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| | | | Additions | Reductions | Provision for impairment | Other | | |
| Shandong Dongming Muyuan Livestock Husbandry Co., Ltd. | 443,383,935.09 | | | | | 1,469,853.95 | 444,853,789.04 | |
| Shandong Shenxian Muyuan Livestock Husbandry Co., Ltd. | 667,485,239.77 | | | | | 2,333,779.12 | 669,819,018.89 | |
| Shanxi Fanshi Muyuan Livestock Husbandry Co., Ltd. | 98,619,121.15 | | 750,000,000.00 | | | 809,809.67 | 849,428,930.82 | |
| Heze Shan County Muyuan Livestock Husbandry Co., Ltd. | 454,034,633.39 | | | | | 1,376,548.27 | 455,411,181.66 | |
| Shangcai Muyuan Livestock Husbandry Co., Ltd. | 653,889,755.80 | | | | | 2,287,404.54 | 656,177,160.34 | |
| Hubei Shishou Muyuan Livestock Husbandry Co., Ltd. | 577,537,232.52 | | | | | 1,756,258.54 | 579,293,491.06 | |
| Heze Mudan Muyuan Livestock Husbandry Co., Ltd. | 252,409,997.13 | | | | | 607,007.36 | 253,017,004.49 | |
| Shangqiu Suiyang Muyuan Livestock Husbandry Co., Ltd. | 374,927,120.62 | | | | | 420,915.60 | 375,348,036.22 | |
| Anhui Yingquan Muyuan Livestock Husbandry Co., Ltd. | 190,954,655.61 | | | | | 1,652,072.28 | 192,606,727.89 | |
| Anhui Jieshou Muyuan Livestock Husbandry Co., Ltd. | 146,166,357.40 | | | | | 457,699.86 | 146,624,057.26 | |
| Henan Muyuan Grain Trade Co., Ltd. | 2,318,971,987.73 | | | | | 5,161,749.85 | 2,324,133,737.58 | |
| Heilongjiang Fuyu Muyuan Livestock Husbandry Co., Ltd. | 636,317,197.18 | | | | | 570,773.18 | 636,887,970.36 | |
| Liaoning Yixian Muyuan Livestock Husbandry Co., Ltd. | 887,838,467.01 | | | | | 791,782.06 | 888,630,249.07 | |
| Pingyu Muyuan Livestock Husbandry Co., Ltd. | 453,612,984.70 | | | | | 1,108,418.26 | 454,721,402.96 | |
| Luyi Muyuan Livestock Husbandry Co., Ltd. | 121,219,580.80 | | | | | 1,084,923.44 | 122,304,504.24 | |
| Hengshui Jizhou Muyuan Livestock Husbandry Co., Ltd. | 476,528,697.52 | | | | | 804,002.26 | 477,332,699.78 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period | | | | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| | | | Additions | Reductions | Provision for impairment | Other | | |
| Heilongjiang Kedong Muyuan Livestock Husbandry Co., Ltd. | 775,350,973.26 | | | | | 1,241,923.79 | 776,592,897.05 | |
| Sixian Muyuan Livestock Husbandry Co., Ltd. | 458,546,651.90 | | | | | 2,381,462.24 | 460,928,114.14 | |
| Gansu Liangzhou Muyuan Livestock Husbandry Co., Ltd. | 575,671,794.20 | | | | | 886,651.40 | 576,558,445.60 | |
| Shanxi Yuanping Muyuan Livestock Husbandry Co., Ltd. | 25,548,155.73 | | 600,000,000.00 | | | 1,962,500.25 | 627,510,655.98 | |
| Shenzhen Muyuan Digital Technology Co., Ltd. | 24,478,982.90 | | | | | 513,712.34 | 24,992,695.24 | |
| Henan Xinghua Biotechnology Co., Ltd. | 227,409,062.42 | | | | | 9,851,911.40 | 237,260,973.82 | |
| Henan Hongxin Detection Technology Co., Ltd. | 33,730,946.49 | | | | | 1,732,134.44 | 35,463,080.93 | |
| Muyuan International Limited. | 11,196,365.46 | | | | | | 11,196,365.46 | |
| Muyuan Meat Food Co., Ltd. | 3,126,109,871.41 | | 3,000,000,000.00 | | | 53,841,917.72 | 6,179,951,789.13 | |
| Shandong Pingyuan Muyuan Livestock Husbandry Co., Ltd. | 253,099,687.19 | | | | | 742,630.92 | 253,842,318.11 | |
| Yunnan Shilin Muyuan Livestock Husbandry Co., Ltd. | 281,587,983.04 | | | | | 424,483.32 | 282,012,466.36 | |
| Nanyang Muhua Animal Husbandry Industry Development Co., Ltd. | 4,363,277,561.79 | | | | | 59,659.74 | 4,363,337,221.53 | |
| Xinji Muyuan Livestock Husbandry Co., Ltd. | 395,238,007.39 | | | | | 54,276.62 | 395,292,284.01 | |
| Xiayi Muyuan Livestock Husbandry Co., Ltd. | 50,597,477.98 | | | | | 193,635.05 | 50,791,113.03 | |
| Xiangcheng Muyuan Livestock Husbandry Co., Ltd. | 111,129,273.71 | | | | | 225,033.25 | 111,354,306.96 | |
| Ningjin Muyuan Livestock Husbandry Co., Ltd. | 924,217,618.45 | | | | | 2,673,574.71 | 926,891,193.16 | |
| Heilongjiang Gannan Muyuan Livestock Husbandry Co., Ltd. | 722,391,390.83 | | | | | 381,085.17 | 722,772,476.00 | |
| Zhejiang Linhai Muyuan Livestock Husbandry Co., Ltd. | 250,232,971.85 | | | | | 215,749.50 | 250,448,721.35 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period: Additions | Movements during the period: Reductions | Movements during the period: Provision for impairment | Movements during the period: Other | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| Shandong Huimin Muyuan Livestock Husbandry Co., Ltd. | 4,075,700,844.64 | | | | | 1,646,873.66 | 4,077,347,718.30 | |
| Shandong Qingyun Muyuan Livestock Husbandry Co., Ltd. | 60,749,373.77 | | | | | 207,386.14 | 60,956,759.91 | |
| Shandong Zouping Muyuan Livestock Husbandry Co., Ltd. | 464,385,448.20 | | | | | 903,483.92 | 465,288,932.12 | |
| Anyang Muyuan Livestock Husbandry Co., Ltd. | 111,617,113.20 | | | | | 246,639.66 | 111,863,752.86 | |
| Gansu Jingtai Muyuan Livestock Husbandry Co., Ltd. | 532,170,583.78 | | | | | 535,978.53 | 532,706,562.31 | |
| Shandong Linqing Muyuan Livestock Husbandry Co., Ltd. | 90,130,352.76 | | | | | 8,337.82 | 90,138,690.58 | |
| Liaocheng Chiping Muyuan Livestock Husbandry Co., Ltd. | 40,367,816.84 | | | | | | 40,367,816.84 | |
| Qingdao Jimo Muyuan Livestock Husbandry Co., Ltd. | 330,433,724.35 | | | | | 226,359.70 | 330,660,084.05 | |
| Yanling Muyuan Livestock Husbandry Co., Ltd. | 100,861,413.18 | | | | | 291,027.13 | 101,152,440.31 | |
| Nanzhao Muyuan Livestock Husbandry Co., Ltd. | 30,258,885.94 | | | | | 51,389.10 | 30,310,275.04 | |
| Ruyang Muyuan Livestock Husbandry Co., Ltd. | 10,000,000.00 | | | | | | 10,000,000.00 | |
| Ruzhou Muyuan Livestock Husbandry Co., Ltd. | 513,424,525.89 | | | | | 1,204,794.28 | 514,629,320.17 | |
| Fugou Muhua Animal Husbandry Industry Development Co., Ltd. | 3,688,802,309.82 | | | | | 159,405.83 | 3,688,961,715.65 | |
| Zhecheng Muyuan Livestock Husbandry Co., Ltd. | 170,546,433.56 | | | | | 159,044.46 | 170,705,478.02 | |
| Jingzhou Jiangling Muyuan Livestock Husbandry Co., Ltd. | 60,961,245.87 | | | | | 235,614.09 | 61,196,859.96 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period: Additions | Movements during the period: Reductions | Movements during the period: Provision for impairment | Movements during the period: Other | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| Huaxian Muhua Animal Husbandry Industry Development Co., Ltd. | 5,219,746,829.60 | | | | | 182,593.77 | 5,219,929,423.37 | |
| Shandong Linyi Muyuan Livestock Husbandry Co., Ltd. | 300,402,667.87 | | | | | | 300,402,667.87 | |
| Shandong Gaotang Muyuan Livestock Husbandry Co., Ltd. | 10,051,531.92 | | | | | 77,297.88 | 10,128,829.80 | |
| Guangdong Zhanjiang Leizhou Muyuan Livestock Husbandry Co., Ltd. | 1,310,421,078.09 | | | | | 2,793,718.13 | 1,313,214,796.22 | |
| Qingfeng Muyuan Livestock Husbandry Co., Ltd. | 270,867,982.81 | | | | | 347,598.65 | 271,215,581.46 | |
| Ningling Muhua Animal Husbandry Industry Development Co., Ltd. | 3,755,473,258.22 | | | | | 850,578.37 | 3,756,323,836.59 | |
| Puyang Muyuan Livestock Husbandry Co., Ltd. | 70,227,121.51 | | | | | 161,684.98 | 70,388,806.49 | |
| Gushi Muyuan Livestock Husbandry Co., Ltd. | 120,758,508.55 | | | | | 534,560.29 | 121,293,068.84 | |
| Shandong Dong'emuyuan Livestock Husbandry Co., Ltd. | 100,197,447.34 | | | | | 181,598.94 | 100,379,046.28 | |
| Zhenping Muyuan Livestock Husbandry Co., Ltd. | 282,611,318.82 | | | | | 679,406.38 | 283,290,725.20 | |
| Xixia Muyuan Livestock Husbandry Co., Ltd. | 40,764,190.39 | | | | | 484,263.37 | 41,248,453.76 | |
| Neixiang Muyuan Modern Agricultural Complex Co., Ltd. | 2,764,125,296.28 | | | | | 3,823,261.65 | 2,767,948,557.93 | |
| Haikou Muyuan Livestock Husbandry Co., Ltd. | 301,084,778.88 | | | | | 232,170.04 | 301,316,948.92 | |
| Guzhen Muyuan Livestock Husbandry Co., Ltd. | 262,676,964.25 | | | | | 796,697.09 | 263,473,661.34 | |
| Nanning Xixiangtang Muyuan Livestock Husbandry Co., Ltd. | 1,518,085,195.29 | | | | | 5,034,034.70 | 1,523,119,229.99 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period: Additions | Reductions | Provision for impairment | Other | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| Guizhou Dushan Muyuan Livestock Husbandry Co., Ltd. | 401,435,890.32 | | | | | 544,789.14 | 401,980,679.46 | |
| Nanjing Jiangning Muyuan Livestock Husbandry Co., Ltd. | 2,396,519,601.61 | | | | | 9,865,003.25 | 2,406,384,604.86 | |
| Neihuang Muyuan Livestock Husbandry Co., Ltd. | 736,482,265.73 | | | | | 1,588,614.78 | 738,070,880.51 | |
| Sichuan Muyuan Livestock Husbandry Co., Ltd. | 456,046,980.97 | | | | | 1,178,417.44 | 457,225,398.41 | |
| Shandong Tancheng Muyuan Livestock Husbandry Co., Ltd. | 321,409,682.00 | | | | | 440,931.53 | 321,850,613.53 | |
| Anxiang Muyuan Livestock Husbandry Co., Ltd. | 181,052,612.64 | | | | | 244,153.45 | 181,296,766.09 | |
| Nanchang Muyuan Livestock Husbandry Co., Ltd. | 303,070,899.99 | | | | | 759,791.69 | 303,830,691.68 | |
| Beijing Fangshan Muyuan Livestock Husbandry Co., Ltd. | 386,306,340.26 | | | | | 230,335.15 | 386,536,675.41 | |
| Zaoyang Muyuan Livestock Husbandry Co., Ltd. | 151,387,507.05 | | | | | 369,014.61 | 151,756,521.66 | |
| Zhengzhou Muyuan Digital Technology Co., Ltd. | 24,071,529.32 | | | | | 1,232,208.12 | 25,303,737.44 | |
| Chaohu Muyuan Livestock Husbandry Co., Ltd. | 5,457,740,377.33 | | | | | 5,219,388.07 | 5,462,959,765.40 | |
| Zaozhuang Taierzhuang Muyuan Livestock Husbandry Co., Ltd. | 250,746,066.02 | | | | | 362,813.51 | 251,108,879.53 | |
| Henan Muyuan Smart Technology Co., Ltd. | 245,129,235.59 | | | | | 5,755,067.76 | 250,884,303.35 | |
| Ruzhou Muyuan Modern Agricultural Complex Co., Ltd. | 805,707,036.34 | | | | | 2,357,372.64 | 808,064,408.98 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period: Additions | Reductions | Provision for impairment | Other | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| Minquan Muyuan Livestock Husbandry Co., Ltd. | 60,470,458.70 | | | | | 117,105.78 | 60,587,564.48 | |
| Yongcheng Muyuan Livestock Husbandry Co., Ltd. | 250,880,306.63 | | | | | 538,747.05 | 251,419,053.68 | |
| Qingyuan Yingde Muyuan Livestock Husbandry Co., Ltd. | 20,283,787.68 | | | | | | 20,283,787.68 | |
| Guangdong Heyuan Dongyuan Muyuan Livestock Husbandry Co., Ltd. | 20,000,000.00 | | | | | | 20,000,000.00 | |
| Henan Muyuan Science and Technology Co., Ltd. | 20,281,442.95 | | | | | 3,592,363.26 | 23,873,806.21 | |
| Huojia Muyuan Livestock Husbandry Co., Ltd. | 20,019,362.52 | | | | | 92,590.99 | 20,111,953.51 | |
| Yanjin Muyuan Livestock Husbandry Co., Ltd. | 20,278,830.66 | | | | | 90,131.16 | 20,368,961.82 | |
| Fujian Zhangpu Muyuan Livestock Husbandry Co., Ltd. | 20,301,489.20 | | | | | | 20,301,489.20 | |
| Nanchang Xinjian Muyuan Hog Industry Co., Ltd | 120,089,339.20 | | | | | | 120,089,339.20 | |
| Henan Muyuan Hog Breeding Co., Ltd. | 1,015,642,906.13 | | | | | 8,092,180.34 | 1,023,735,086.47 | |
| Tengzhou Muyuan Livestock Husbandry Co., Ltd. | 40,156,134.60 | | | | | 53,684.00 | 40,209,818.60 | |
| Liaoning Muyuan Livestock Husbandry Co., Ltd. | 40,283,789.54 | | | | | 3,587,474.50 | 43,871,264.04 | |
| Chongzuo Jiangzhou Muyuan Livestock Husbandry Co., Ltd. | 20,000,000.00 | | | | | | 20,000,000.00 | |
| Henan Muyuan Cloud Computing Technology Co., Ltd. | 100,331,201.80 | | | | | 141,693.72 | 100,472,895.52 | |
| Henan Muyuan Ecology Environment Technology Co., Ltd. | 101,370,624.63 | | | | | 1,111,849.18 | 102,482,473.81 | |
| Changyuan Muyuan Livestock Husbandry Co., Ltd. | 20,005,287.04 | | | | | 21,052.90 | 20,026,339.94 | |
| Henan Muyuan New Energy Industry Development Co., Ltd. | 100,000,000.00 | | | | | | 100,000,000.00 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### (1) *Investments in Subsidiaries* (Continued)

Unit: RMB

| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Movements during the period | | | | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
|---|---|---|---|---|---|---|---|---|
| | | | Additions | Reductions | Provision for impairment | Other | | |
| Henan Muyuan Synthetic Biotechnology Co., Ltd. | 100,046,751.68 | | | | | 363,415.56 | 100,410,167.24 | |
| Zhengzhou Modern Livestock Husbandry Co., Ltd. | 502,328,229.76 | | | | | 4,831,219.29 | 507,159,449.05 | |
| Liaoning Fuxin Yuenong Feed Co., Ltd. | 20,036,184.85 | | | | | 58,666.62 | 20,094,851.47 | |
| Hap Grain International Agricultural Trading Pte. Ltd. | 8,018,099.09 | | 102,000,000.00 | | | | 110,018,099.09 | |
| Nanyang Wolong Yuenong Feed Co., Ltd. | 215,716,767.21 | | | | | 210,165.72 | 215,926,932.93 | |
| Guangdong Hengqin Muyuan Modern Agriculture & Animal Husbandry Technology Co., Ltd. | | | 5,000,000.00 | | | | 5,000,000.00 | |
| Total | 87,164,793,268.53 | | 6,169,000,000.00 | | | 269,395,328.75 | 93,603,188,597.28 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 3. Long-term Equity Investments (Continued)

### *(2) Investments in Associates and Joint Ventures*

Unit: RMB

| | | | Movements during the period | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investee | Balance at the beginning of the period (Carrying amount) | Balance of provision for impairment at the beginning of the period | Additions | Reductions | Investment income or loss recognized under equity method | OCI adjustments | Other equity changes | Cash dividends or profits declared | Provision for impairment | Other | Balance at the end of the period (Carrying amount) | Balance of provision for impairment at the end of the period |
| I.Joint ventures | | | | | | | | | | | | |
| II.Associates | | | | | | | | | | | | |
| Henan Longda Longmu Meat Co., Ltd. | 105,177,019.38 | | | | 11,503,248.75 | | | | | | 116,680,268.13 | |
| China Securities Jiaotong Fund Management Co., Ltd. | 25,873,638.44 | | | | -955,989.39 | | | | | | 24,917,649.05 | |
| Guangdong Guangken Muyuan Livestock Husbandry Co., Ltd. | 337,240,706.58 | | | | -5,128,717.61 | | | | 48,589,285.40 | | 283,522,703.57 | |
| Rongtong Nongfa Muyuan (Chongzhou) Co., Ltd. | 76,904,951.86 | | | | -4,112,379.51 | | | | | | 72,792,572.35 | |
| Rongtong Nongfa Muyuan (Tangshan) Livestock Husbandry Co., Ltd. | 83,787,485.61 | | | | -2,567,337.51 | | | | | | 81,220,148.10 | |
| Rongtong Nongfa Muyuan (Jianyang) Co., Ltd. | 60,527,384.62 | | | | -1,793,860.77 | | | | | | 58,733,523.85 | |
| Zhongmu Muyuan (Henan) Biological Pharmaceutical Co., Ltd. | 127,401,270.00 | | | | -1,790,351.92 | | | | | | 125,610,918.08 | |
| Henan Lianmu Veterinary Medicine Co., Ltd. | 82,918,722.16 | | | | -2,461,493.86 | | | | | | 80,457,228.30 | |
| Nanyang Longyuan New Energy Technology Co., Ltd. | 56,728,342.23 | | | | 14,993,259.11 | | | | | | 71,721,601.34 | |
| Subtotal | 956,559,520.88 | | | | 7,686,377.29 | | | | 48,589,285.40 | | 915,656,612.77 | |
| Total | 956,559,520.88 | | | | 7,686,377.29 | | | | 48,589,285.40 | | 915,656,612.77 | |

# FINANCIAL REPORT

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 4. Revenue and Operating Costs

Unit: RMB

| Item | Amount incurred in current period | | Amount incurred in prior period | |
|---|---|---|---|---|
| | Revenue | Cost | Revenue | Cost |
| Main business | **1,354,906,397.42** | **1,372,719,396.70** | 1,750,669,748.73 | 1,364,940,604.96 |
| Other business | **18,992,923.98** | **10,272,536.48** | 13,601,675.52 | 11,018,134.83 |
| Total | **1,373,899,321.40** | **1,382,991,933.18** | 1,764,271,424.25 | 1,375,958,739.79 |

## XIX. NOTES TO COMPANY FINANCIAL STATEMENTS (PARENT COMPANY) (CONTINUED)

### 5. Investment Income

Unit: RMB

| Item | Amount incurred in current period | Amount incurred in prior period |
|---|---|---|
| Long-term equity investment income under cost method | **8,299,000,000.00** | 9,159,622,757.68 |
| Long-term equity investment income under equity method | **7,686,377.29** | 33,779,213.77 |
| Investment income from purchase of wealth management products | **30,743,925.72** | 19,069,093.96 |
| Other | **1,706,104.07** | 628,202.27 |
| Total | **8,339,136,407.08** | 9,213,099,267.68 |

# FINANCIAL REPORT

## XX. SUPPLEMENTARY INFORMATION

### 1. Schedule of Non-recurring Gains and Losses for the Reporting Period

Unit: RMB

| Item | Amount |
|---|---|
| Disposal gains or losses of non-current assets | -139,277,936.32 |
| Government grants recognised in profit or loss (other than government grants closely related to the business of the Company, and in a fixed or quantified amount in conformity with the common standards of the government) | 54,765,786.25 |
| Changes in fair value of financial assets and liabilities held for trading, and disposal of financial assets and liabilities held for trading, other than those held for effective hedging related to normal operations | 39,662,429.73 |
| Other non-operating income and expenses other than the items above | -136,890,464.58 |
| Other items that qualify as extraordinary gains and losses | 3,401,430.23 |
| Less: Tax effect | 1,852,515.92 |
| Effect on non-controlling interests after taxation | 2,158,936.84 |
| Total | -182,350,207.45 |

### 2. Return on Net Assets and Earnings Per Share

| Profit for reporting period | Weighted average return on net assets | Basic earnings per share (RMB/share) | Diluted earnings per share (RMB/share) |
|---|---|---|---|
| Net profit attributable to ordinary shareholders of the Company | -7.48 | -1.10 | -1.10 |
| Net profit excluding extraordinary gains and losses attributable to the Company's ordinary shareholders | -7.25 | -1.07 | -1.07 |

# DEFINITIONS

| | |
|---|---|
| "2025 Key Employee Stock Ownership Plan" | the 2025 key employee stock ownership plan of the Company adopted by the Company on August 22, 2025 and September 8, 2025, respectively |
| "2025 Operator Stock Ownership Plan" | the 2025 Operator Stock Ownership Plan of the Company adopted by the Company on August 22, 2025 and September 8, 2025, respectively |
| "2025 Strivers Stock Ownership Plan" | the 2025 strivers stock ownership plan of the Company adopted by the Company on August 22, 2025 and September 8, 2025, respectively |
| "A Share(s)" | ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB |
| "Audit Committee" | the audit committee of the Board |
| "Board" or "Board of Directors" | the board of directors of the Company |
| "CASBE" | China Accounting Standards for Business Enterprises, the financial reporting standards and interpretations for business enterprises issued by the China Accounting Standards Committee of the China Ministry of Finance |
| "CG Code" | the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules |
| "Chairman" | Chairman of the Board |
| "China" or "the PRC" | the People's Republic of China, which for the purposes of this interim report only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| "Company", "our Company", "the Company" or "Muyuan" | Muyuan Foods Group Co., Ltd. (牧原食品集團股份有限公司), a joint stock company with limited liability established in the PRC on July 13, 2000, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (2714.HK) and the A Shares of which have been listed on the Shenzhen Stock Exchange (002714.SZ) |
| "Controlling Shareholder(s)" | has the meaning ascribed to it under the Hong Kong Listing Rules and unless the context otherwise requires, refers to Mr. Qin Yinglin, Ms. Qian Ying and Muyuan Group, together being the Controlling Shareholders Group |
| "Convertible Bonds" | the convertible bonds issued by our Company and listed on the Shenzhen Stock Exchange on September 10, 2021 under the code "127045" |

# DEFINITIONS

| | |
|---|---|
| "Director(s)" | the director(s) of the Company |
| "Global Offering" | the offer of the H Shares for subscription by the public in Hong Kong and outside the United States in offshore transactions, details of which are set out in the Prospectus |
| "Group" | the Company and its subsidiaries |
| "H1 2025" | For the six months ended 2025 |
| "H Share(s)" | ordinary share(s) issued by the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in HKD |
| "HKD" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Hong Kong Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time |
| "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "independent third party(ies)" | person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons |
| "Listing of H Shares" | the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange on February 6, 2026 |
| "Listing Date" | the date, being February 6, 2026, on which the H Shares were listed on the Hong Kong Stock Exchange and from which dealings in the H Shares are permitted to commence on the Hong Kong Stock Exchange |
| "Main Board" | the Main Board of the Hong Kong Stock Exchange |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules |

# DEFINITIONS

| | |
|---|---|
| "Muyuan Industrial" | Muyuan Industrial Group Co., Ltd. (牧原實業集團有限公司), one of our Controlling Shareholders |
| "Nomination Committee" | the nomination committee of the Board |
| "Prospectus" | the prospectus of the Company in connection with the Global Offering dated January 29, 2026 |
| "Remuneration and Appraisal Committee" | the remuneration and appraisal committee of the Board |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Reporting Period" or "H1 2026" | the six months from January 1, 2026 to June 30, 2026 |
| "Second Employee Stock Ownership Plan" | the second employee stock ownership plan of the Company adopted by the Company on December 12, 2022 and December 28, 2022 |
| "Securities Law" | the Securities Law of the PRC《中華人民共和國證券法》, as amended from time to time |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time |
| "Share(s)" | ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Share(s) and H Share(s) |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Strategy Committee" | the strategy committee of the Board |
| "Sustainable Development Committee" | the sustainable development committee of the Board |
| "treasury share(s)" | has the meaning ascribed thereto under the Hong Kong Listing Rules |
| "%" | per cent |