

Stock Trading Symbol: 603609

Stock Abbreviation (English): Wellhope

Bond Trading Symbol: 113647

Bond Abbreviation (English): Wellhope bond

Wellhope Foods Co., Ltd.
2023 Annual Report



March 2024

Important Statements

I. The Board of Directors, Supervisory Board, directors, supervisors and senior management of the Company hereby warrant that the contents of this annual report do not contain any false or misstatements or material omissions and are individually and collectively responsible for the truthfulness, accuracy and completeness of its contents.

II. All Directors were present at the Board Meeting.

III. Suyajincheng CPA LLP has issued an audit report with unmodified opinion.

IV. Mr. Jin Weidong, the person in charge of the Company, Mr. Chen Yu, the person in charge of the accounting work and the person in charge of the accounting department(head of accounting), declare that they guarantee the truthfulness, accuracy, and completeness of the financial report in the annual report.

V. Dividend payment proposal for the reporting period approved by the Board of Directors

In view of the negative net profit attributable to equity shareholders of the Company, which did not meet the conditions for cash dividends set out in the Articles of Association of the Company, and taking into account the long-term development plan and capital requirements, and in order to ensure the sustainable and healthy development of the Company and to provide investors with more stable and long-term returns, the Board of Directors of the Company, after careful deliberation, has decided that no profit distribution and no capitalization of additional paid-in capital will be made for FY2023. This proposal is pending to be submitted to the Annual General Meeting.

VI. Risk statement on forward-looking statements

The forward-looking statements contained in this report such as business plans, development strategies and other information, should not be regarded as a commitment by the Company to investors. Please beware of the investment risks.

VII. There has been no occurrence of the Company's non-business capital being appropriated by the controlling shareholder and his related parties.

VIII. There have been no instances where the Company has breached its decision making process when providing external guarantees.

IX. There have been no incidents where more than half of the directors can't guarantee the authenticity, accuracy and completeness of the annual report published by the Company.

X. Material Risk Warning

The Company has described in detail the relevant risks that may exist in this report, please refer to "Potential Risks" in "Section III Business Operations Analysis".

XI. This annual report has been published in both Chinese and English versions. In the event of any discrepancy or inconsistency between the English and Chinese versions, the Chinese version shall prevail. The Chinese version of 2023 Annual Report is available at www.sse.com.cn.

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Reference file directory	Financial statements signed and sealed by the legal representative, the person in charge of the accounts and the person in charge of the accounting department.
Reference file directory	The original copy of the audit report with the seal of the accounting firm and the signature and seal of the CPAs.
Reference file directory	During the reporting period, all the original documents and original announcements of the Company published on the websites designated by the CSRC.

Section I Glossary

I. Glossary

CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shanghai Stock Exchange
Wellhope, the Company	refers to	Wellhope Foods Co., Ltd.
Reporting period, period under review	refers to	January 1, 2023-December 31, 2023
The end of the reporting period	refers to	December 31, 2023
Royal De Heus	refers to	Koninklijke De Heus B.V., the parent company of De Heus Mauritius Ltd., the biggest privately-owned feed company in the Netherlands
Articles of Association	refers to	Articles of Association of Wellhope Foods Co., Ltd.
General Meeting	refers to	The General Meeting of Wellhope Foods Co., Ltd.
Board of Directors	refers to	The Board of Directors of Wellhope Foods Co., Ltd.
Supervisory Board	refers to	The Supervisory Board of Wellhope Foods Co., Ltd.
Corporate Law	refers to	The Corporate Law of the People's Republic of China
Securities Law	refers to	The Securities Law of the People's Republic of China

Section II Company Profile and Key Financial Information

I. Company Information

Company name (English)	Wellhope Foods Co., Ltd.
Abbreviation (English)	Wellhope
Company name (Chinese)	禾丰食品股份有限公司
Abbreviation (Chinese)	禾丰股份
Legal representative	Jin Weidong

II. Contact Person

	Secretary of the Board	Representative of Securities Affairs
Name	Chen Yu (Acting as the Secretary of the Board of Directors)	Zhao Changqing, Ren Kunsong
Address	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China
Tel	024-88081409	024-88081409
Fax	024-88082333	024-88082333
Email	hfmy@wellhope.co	hfmy@wellhope.co

III. Basic Information of the Company

Registered address	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China
Change of the Company's registered address	On December 6, 2016, the registered address of the Company was changed from "No. 67, Hunnan Development Zone, Shenyang " to "No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province". Please refer to the announcement No. 2016-045 published by the Company on the website of Shanghai Stock Exchange
Office address	No. 169, Huishan Street, Shenbei New District, Shenyang, Liaoning Province, China
Postal code	110164
Company website	www.wellhope-ag.com
Email	hfmy@wellhope.co

IV. Place where the Annual Report is Prepared

Media designated by the Company for the disclosure of information	China Securities Journal, Shanghai Securities News, Securities Times
Website designated by the CSRC for the publication of the annual report	www.sse.com.cn
Place where the Company prepares its annual report	Securities Department

V. Stock Information

Stock information			
Stock type	Stock exchange for IPO	Stock abbreviation	Stock trading symbol
A share	Shanghai Stock Exchange	Wellhope(禾丰股份)	603609

VI. Other Information

Accounting firm (local)	Name	SuyaJincheng CPA LLP
	Office address	14th-16th F, Central International Plaza, No. 159 Taishan Road, Nanjing, Jiangsu Province, China
	Name of signatory	Zhou Qiong, Wang Lei
Broker with ongoing supervisory responsibilities during the reporting period	Name	China Galaxy Securities Co., Ltd.
	Office address	Qinghai financial building, Fengtai district, Beijing
	Name of signatory	Zhang Peng, Qiao Na
	Period of ongoing supervision	August 23, 2021-December 31, 2023

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

CNY

Item	2023	2022	Fluctuation YoY(%)	2021
Revenue	35,970,261,909.41	32,811,758,209.54	9.63	29,468,925,899.60
Revenue less unrelated business income and income without commercial nature	35,924,050,473.57	32,779,235,244.83	9.59	29,452,990,772.26
Net profit attributable to equity shareholders of the Company	-457,037,550.28	512,797,304.59	-189.13	118,530,518.15
Net profit attributable to equity shareholders of the Company less extraordinary items	-503,050,322.71	518,898,468.37	-196.95	134,826,072.01
Net cash flow from operating activities	956,152,750.32	196,266,510.34	387.17	299,160,222.36
	As at the end of 2023	As at the end of 2022	Fluctuation YoY(%)	As at the end of 2021
Net assets attributable to equity shareholders of the Company	6,659,295,008.79	7,235,715,361.79	-7.97	6,464,358,869.77
Total assets	14,937,114,834.54	15,427,594,029.54	-3.18	12,971,506,159.72

2. Key financial performance indicators

Item	2023	2022	Fluctuation YoY(%)	2021
Basic earnings per share (CNY per share)	-0.50	0.58	-186.21	0.13
Diluted earnings per share (CNY per share)	-0.50	0.55	-190.91	0.13
Basic earnings per share less extraordinary items (CNY per share)	-0.55	0.58	-194.83	0.15
Weighted average return on equity (%)	-6.58	7.48	Decreased 14.06 percentage points	1.80
Weighted average return on equity less extraordinary items (%)	-7.24	7.57	Decreased 14.81 percentage points	2.05

VIII.Key Financial Figures by Quarters in 2023

CNY

Item	Q1	Q2	Q3	Q4
Revenue	7,843,617,840.18	8,864,354,942.04	10,184,577,327.79	9,077,711,799.40
Net profit attributable to equity shareholders of the Company	19,434,574.57	-44,798,021.88	64,898,140.78	-496,572,243.75
Net profit attributable to equity shareholders of the Company less extraordinary items	-30,439,130.62	-61,391,968.48	69,945,538.70	-481,164,762.31
Net cash flow from operating activities	-288,366,567.32	538,934,539.38	-123,779,013.66	829,363,791.92

IX.Extraordinary Items

CNY

Item	2023	2022	2021
Gains or losses on disposal of non-current assets, including reversal of provision for impairment of assets	17,370,417.70	-4,023,922.69	-13,978,382.83
Government grants recognized in profit or loss for the current period, except for those government grants that are closely related to the ordinary course of business, in line with national policies and in accordance with defined criteria, and that have a sustained impact on the Company's profit or loss	83,115,983.41	43,999,785.07	40,412,773.97
Gains or losses from changes in the fair value of financial assets and liabilities held by non-financial corporations and gains or losses on the disposal of financial assets and liabilities, except for effective hedges in the ordinary course of business	-1,205,993.28	-6,371,590.35	2,552,441.74
Gains arising from the Company's acquisition of subsidiaries, associates and joint ventures where the cost of the investment paid by the Company is less than its share of the fair value of the investee's identifiable net assets	14,299,036.35	58.82	
Write-back of impairment provision for individually assessed impaired receivables	9,122,730.49		
Non-operating income and expense other than those listed above	-49,135,731.60	-36,876,323.54	-42,725,463.13
Other items that meet the definition of extraordinary items	-10,565,822.12	154,001.44	184,353.40
less: Income tax effects	21,574,736.43	4,291,726.21	2,557,348.61
Non-controlling interests' effects (after-tax)	-4,586,887.91	-1,308,553.68	183,928.40
Total	46,012,772.43	-6,101,163.78	-16,295,553.86

X.Item Measured at Fair Value

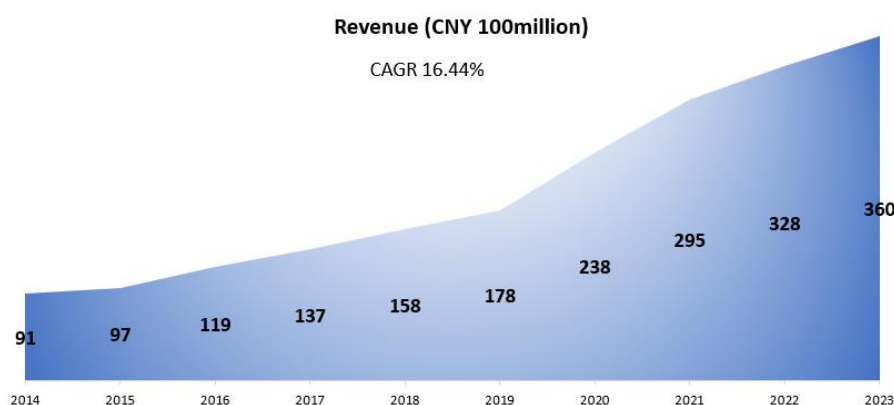
CNY

Item	Opening balance	Closing balance	Fluctuation	Effects on current profit
Derivative financial assets	4,050,071.80	4,296,668.60	246,596.80	-1,205,993.28
Total	4,050,071.80	4,296,668.60	246,596.80	-1,205,993.28

Section III Business Operation Analysis

I. Business Operation Analysis

In FY2023, the Company's revenue amounted to CNY 35.97 billion, an increase of 9.63% over the previous year, the net profit attributable to equity shareholders recorded CNY -457 million, a decrease of 189.13% compared with a year earlier, and the net profit attributable to equity shareholders less extraordinary items amounted to CNY -503 million, a decrease of 196.95% over the previous year. Since the completion of the IPO in 2014, the Company's revenue has continued to grow at a compound annual growth rate of 16.44%.



The progresses of the Company's primary businesses are as blow.

1. Feed business

In FY2023, the consolidated subsidiaries sold 4.31 million tons of feed with a year-on-year growth of 7.88%, of which, premixes increased by 23.54%, concentrate feed decreased by 1.41%, and compound feed increased by 7.86%.

Variety	2023 (10k tons)	Fluctuation(YOY)	Percentage of total
Pig feed	155.65	-0.10%	36.15%
Poultry feed	184.95	22.70%	42.96%
Ruminant feed	74.21	0.87%	17.24%
Other feed	15.70	-17.28%	3.65%
Total	430.52	7.88%	100.00%

A. Paying close attention to operations management, reducing costs and improving quality by working synergistically

In FY2023, the feed material market was complicated and volatile, the downstream farming industry was in sluggish, and the margins of domestic feed companies reminded under pressure. In order to cope with challenges in all aspects, the Company has strengthened operations management, with many departments actively cooperating to strictly control product quality and reduce costs as well as increase efficiency. In terms of technology, the Company's diversified formulation system has become increasingly mature, and effective progress has been made in reducing formulation costs by improving

the accuracy of raw material dosage through continuous comparison of various formulation solutions. In terms of procurement, the Company continued to recruit key personnel to make up for the shortage of some raw materials, and internal experts cooperated with external brains to strengthen research and evaluation of raw material prices. On the production side, the Company intensified its efforts in production inspection, cost analysis and inventory management, continued to upgrade and reconstruct equipment, and optimized the whole process of the pelleting system. As a result, indicators such as production loss, energy consumption, efficiency and stability have all steadily improved. At present, each business area of the feed business has been vigorously strengthening its cross-sector links and collaboration, significantly improving the responsiveness to market changes and strengthening core competitiveness.

B.Focusing on key directions and accelerating business transformation

In FY2023, the Company continued to pursue the transition of its business model from "dealer-led" to "equal emphasis on dealer and large farm direct sales". To this end, each region of the feed business division set up independent large farm marketing service team. The training center of the head office, the marketing center and the business units in each region jointly developed 12 standard courses, carried out 15 training sessions on professional skills of marketing and service of large farms, and the Company's internal benchmark teams shared their experiences via live streaming, with more than 2,000 sales staff completing all the above courses. In terms of business progress, in the northeast region, the Company relied on its regional advantages to integrate resources to support large-scale pig farm customers, while outside the northeast region, the Company set up the "large-scale pig farm value service club", actively introduced technical service experts to improve its technical service for large-scale customers. In 2023, the Company's sales of bulk feed for large-scale farms increased by more than 30% year on year, and the share of large-scale farms was significantly increased.

C.Controlling the risk of bad debts with a focus on strengthening receivables management

In FY2023, consumption remained weak, the livestock and broiler farming markets were in the doldrums, some farms were in the red for long periods with very tight cash flow, and feed companies faced greater challenges in controlling bad debt risk. While vigorously expanding market, the Company has placed increasing emphasis on the accounts receivable, and the departments such as marketing, finance, legal, information technology and human resources cooperated with each other in an effort to reduce the risk of bad debts. In terms of marketing, the Company has strengthened its market research and data analysis to improve the selection of high-quality customers and focused its sales efforts on these customers. On the financial side, the Company has strengthened the analysis and monitoring of accounts receivable, continuously improved customer risk assessment and expanded the third-party financing channels. On the legal side, it has improved the management regulations of accounts receivable, enhanced inspections and actively promoted the progress of default litigation. In terms of information technology, the Company has improved the comprehensive data analysis system and

strengthened data penetration to assist the head office in real-time supervision. In terms of human resources, it has adhered to the performance appraisal principle of focusing on the trinity of "sales volume, net profit and accounts receivable" at the same time for basic-level managers, to promote the business to realize "virtuous growth with speed and quality".

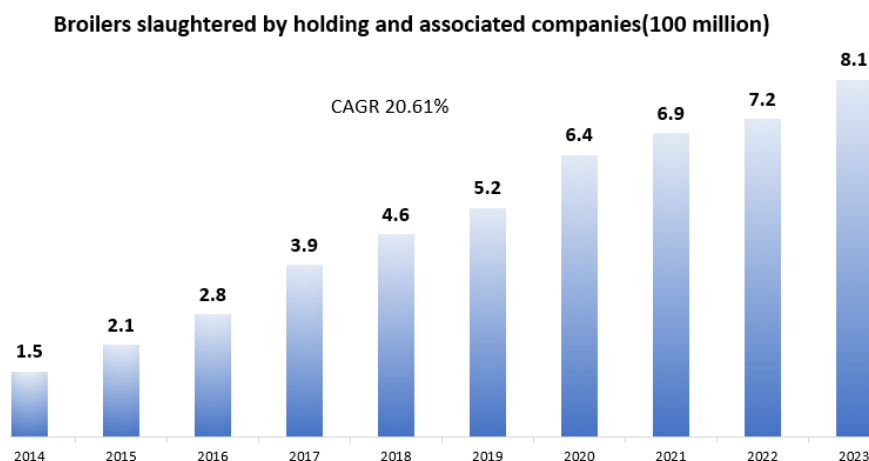
2. Broiler integration

In the year under review, broiler breeder prices were running at a high level, and the recovery speed of consumer demand was not as fast as expected, coupled with the fact that pig prices were still at a low level and chicken prices were also weak, the profit of the industrial chain was concentrated in the breeder side. In FY2023, under the sustained driving force of ensuring safety, controlling expansion pace, adjusting industrial structure, advancing business ecosystem, compressing costs, improving efficiency and increasing profit, the Company steadily expanded its production scale, constantly improved the operations management, which has enhanced the core competencies.

A. Steadily expanding market share and promoting capacity layout

In FY2023, the Company's broiler business promoted production layout in an orderly manner in accordance with the strategic plan, reasonably controlled the expansion pace of each sector, and further expanded market share. In terms of breeding, it continued to expand the size of the parent stock, rationalized the breeding plan, and aimed for rapid full-load production in new plants. On the farming side, the commercial broiler farming, like slaughtering, has always maintained a steady pace of expansion to provide slaughterhouses with a stable, sufficient and high-quality supply of market ready broilers. On the slaughtering side, the production and sales scale of slaughtering and processing business continued to expand, with operating levels and profitability well above the industry average. In the first quarter, a new plant in Hebei was successfully put into operation, bringing the Company's annual slaughtering capacity (including associates) to over 1.1 billion broilers. During the period under review, the Company's holding and associated companies slaughtered a total of 810 million broilers, representing a year-on-year growth of 13%, and produced and sold 2.12 million tons of parts products with a year-on-year growth of 14%.

Broilers slaughtered since the IPO in 2014:



B. Investing in strengthening operation management and steady improving production performance

In FY2023, the broiler integration business, adhering to the development path of lean management, continuously optimized production indexes, improved operational efficiency and strictly controlled product quality, while reasonably compressing costs. On the breeding side, as the quality of domestic breeders declined, the Company paid more and more attention to the quality of breeders, insisted on long-term strategic cooperation with suppliers of excellent breeders, and continuously improved the purification process of chick source and strengthened bio-security system to maximize the protection of the quality of commercial day-old chicks. In terms of farming, the Company has always been committed to building a strict and standard farming management process, and this year set up an inspection department to further strengthen supervision, which has steadily improved production performance, for example, the feed-to-meat ratio dropped to 1.55 and the European production index rose to 415. On the slaughtering side, the Company continued to pay close attention to production efficiency, reduce operating costs, strengthen quality management and rapidly expand economies of scale after commissioning new projects to make money as soon as possible. On the financial side, the Company strictly managed accounts receivable and rationalized capital expenditure to ensure sufficient cash flow.

C. Actively developing end markets to maintain food business growth

In FY2023, the recovery of consumer demand was slow, the growth rate of group consumption and outdoor consumption was significantly lower than expected, and the low price of pork also inhibited the growth of chicken consumption to some extent. In the face of market pressure, the Company further strengthened the quality of chicken products, significantly increased the proportion of fresh products, continued to develop the sales channels for broiler parts products through the "multi-brand strategy", promptly adjusted the product structure according to the fluctuations in market demand and market conditions, optimized the customer structure, and endeavored to increase the proportion of high value-added products. In addition, in the unfavorable environment of generally high inventory in the broiler slaughtering industry, the Company's slaughtering entities have always maintained a high inventory turnover rate and maximized the capacity utilization based on the production and sales balance. As for the food business, the scale of production and sales of new projects has expanded rapidly and the operating capacity has been further consolidated, while the old projects have continuously strengthened product advantages and gradually improved the quality of customers. At present, the Company has reached cooperation agreements with several convenience store chains, such as Lawson, Family Mart and 7-11. During the reporting period, the Company's holding and associated companies produced and sold a total of 32,000 tons of prepared and cooked food, representing a year-on-year increase of 19%.

3. Pig farming business

In FY2023, domestic pig prices continued to fluctuate at a low level, the speed of capacity reduction

and consumption recovery was slower than expected, and the trend of eliminating uncompetitive companies in the industry intensified. Under the guidance of newly revised development strategy of pig business, the Company strictly controlled the scale of pig farming business, continuously optimized investment portfolios, strengthened the management of pig farms and made every effort to promote the process performance management system. During the year, the Company's holding and associated companies sold a total of 1.16 million heads of pig, of which 910,000 were finishers, 210,000 were piglets and 40,000 were breeders.

A. Maintaining stable operation to strictly control scale, enhancing development pillars and optimizing structure

In FY2023, under the environment of heavy losses in the pig farming industry and increased capital pressure on most companies, the Company's pig farming business took scale control and structure adjustment as the main development strategy, strictly controlled the production scale, endeavored to reduce debts and ensure cash flow, making efforts to steadily overcome the industry downturn. In addition, the Company continued to adjust business portfolios, gradually focusing its resources on high-quality projects and regions suitable for pig farming, increasing the capacity utilization and equity share of competitive projects, while reasonably improving the performance appraisal standards of farms and resolutely eliminating backward production capacity, including poorly performing sows, substandard breeding farms and contract farms. Although losses have been incurred in the short term, the overall asset quality of pig business division has been significantly improved, with positive implications for continuous cost reduction and efficiency improvement.

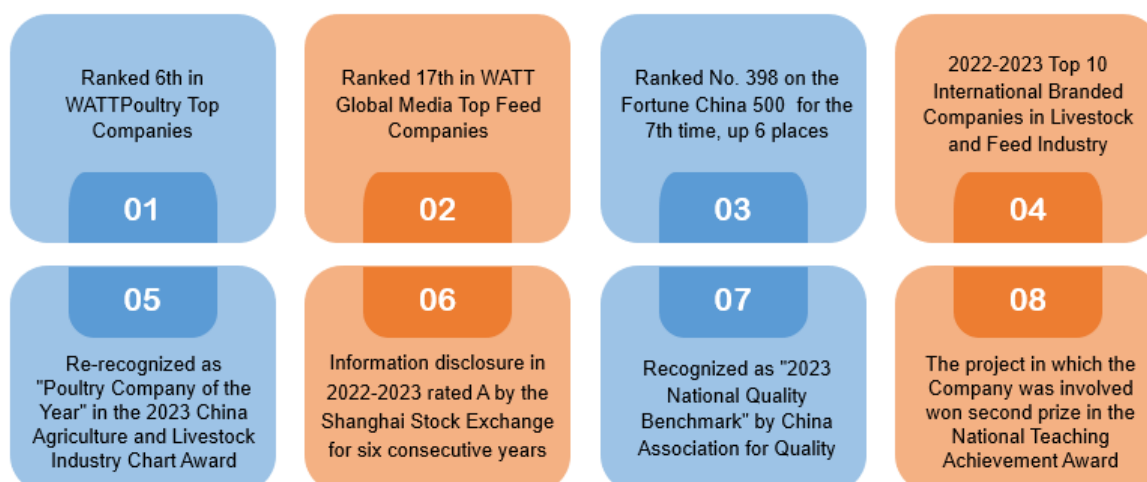
B. Continuously strengthening breeding management and making every effort to ensure bio-security

In FY2023, the Company made great efforts to optimize the core breeding stock, to continuously improve the breeding system. In the northeast region, the nutrition, veterinary medicine and production departments worked together to refine the genetic selection program and further expand the breeding scale, striving to build "the largest high-quality French genetic breeding base in the northeast". Outside the northeast region, the Company steadily promoted the production capacity of the two main breeds of the French and Danish lines and implemented the dynamic selection and grading management program for breeders, timely eliminating the sows with low reproductive performance, and gradually forming the core herds through external introduction and internal selection. In addition, the Company has always attached great importance to bio-security. This year, health management centers have been set up in each region and professional veterinarians have been introduced, establishing an epidemic monitoring and early warning system to provide sufficient data support for epidemic prevention and early warning. At the same time, the reward and punishment mechanism has been further improved to ensure that team members could always maintain a high degree of responsibility and vigilance.

C. Striving to build core competencies, deepening talent team management

In FY2023, the Company continued to implement the process performance management system in its pig farming business, and held monthly business analysis meetings at three levels involving the head office, regions and local farms. Through learning from the competitors and copying from internal benchmarks, the Company constantly identified the core and key issues of each pig farm, established task lists and effectively implemented improvement plans. Under this management mode, the Company's fattening business has made great strides in its production performance this year. In terms of team building, the Company accelerated the introduction of young technical and management backbones, continuously strengthened the training of basic and middle-level managers, and focused on helping young farm managers to grow rapidly through tracking and training with targeted support. At the same time, the Company conducted regular talent analysis, strengthened the performance appraisal of basic and middle-level farm managers to dynamically optimize the talent team, while complementing this with scientific and reasonable salary incentive programs, the initiative of the farm managers has been significantly enhanced.

4. Major awards received by the Company in 2023



II. Industry in which the Company operated during the reporting period

1. Feed industry

In FY2023, the prices of raw materials such as corn and soybean meal were volatile, the downstream farming industry was relatively sluggish, and the upstream feed industry continued to be affected by the dual impact of weak demand and rising costs, with market competition intensifying and overall margins remaining under pressure. The trend towards survival of the fittest in the feed industry has become increasingly evident. Leading feed companies have clear advantages such as technology, sourcing, operation, service and branding, their market shares have further expanded, and industry consolidation has continued to improve.

On the supply side, the total feed production reached a new high in 2023, with total output reaching 321.627 million tons, up 6.6% year-on-year. From the perspective of major varieties, pig feed amounted

to 149.752 million tons, up 10.1% year-on-year, layer feed amounted to 32.744 million tons, up 2.0% year-on-year, broiler feed amounted to 95.108 million tons, up 6.6% year-on-year, ruminant feed amounted to 16.715 million tons, up 3.4% year-on-year, and aquatic feed amounted to 23.444 million tons, down 4.9% year-on-year. From the perspective of sales model, the national bulk feed totaled 130.502 million tons, up 21.9% year-on-year, accounting for 43.7% of the total output of compound feed, 5.4 percentage points higher than the previous year. From the perspective of consolidation, there were 33 large feed groups with annual output of more than one million tons this year, whose feed output together accounted for 56.1% of the national feed output.

On the demand side, although pig prices were low in the first half of the year, demand for pig feed was supported by the high pig stock and the slowdown in the culling of breeding sows. In the second half of the year, pig prices weakened further, pig farming continued to lose money, companies and farms in the industry were still facing financial pressure, which accelerated the cutting of pig production capacity and reduced the demand for pig feed. In the poultry feed sector, layer production was profitable, but external sales from the north-eastern production areas declined, egg production dropped significantly, and the demand for layer feed decreased. White-feathered broiler stock remained high, driving up demand for broiler feed. As for ruminant feed, beef and mutton prices continued to fall, ruminant stocks were adjusted downwards, thus, feed demand weakened significantly.

Overall, under the dual pressure of downstream industry losses and upstream price shocks, competition in feed industry remained fierce in FY2023, with inefficient production capacity being continuously eliminated and market share gradually centralized among outstanding leading enterprises.

Note: The above data was sourced from the China Feed Industry Association Statistical Report and Boyar Industry Analysis Report.

2. Broiler industry

In FY2023, broiler prices showed a trend of high before and low after. In the first half of the year, the prices of products in each link of the industrial chain dropped after a sharp rise, but the prices were more sluggish in the second half of the year. The difference in the profits made by each link in the chain became more obvious, with the profits mainly concentrated in the breeding sector and the losses in the farming and slaughtering sector getting ever greater.

On the supply side, the supply of chicks continued to decline in the first quarter of 2023, due to factors such as the extensive molting of parent stock at the end of the previous year, leading to a decline in the supply of broilers, followed by a sustained increase in the prices of market ready broilers and chicken. After the second quarter, the supply of chicks continued to increase, and the supply of broilers increased with the reproduction of molted parent stock. Affected by high temperatures, the increase in market ready broilers was not obvious in July, but from August to the fourth quarter, market ready broilers increased significantly, broiler and chicken prices fell sharply, thus broiler farming suffered serious losses. For the whole year, the number of market ready broilers in China increased by 10.5%

year-on-year, broiler parts products increased by 9.7% year-on-year, with the supply of broilers rising sharply, putting great pressure on the supply side.

On the demand side, demands for catering, group meals and travel gradually increased as social activities and consumption scenarios resumed in 2023, but the overall recovery in final consumption was not as fast as expected. On the alternative consumption side, the low price of pork hampered the consumption demand for chicken. Due to the lack of confidence, merchants' expectations for holiday stocking weakened and they adopted a low-stock sales strategy, which led to the slow movement of chicken products, and pushed the cooperates' inventory rates to a high level. For the whole year, the comprehensive sales price of broiler part products rose sharply in the first quarter, fell rapidly in the second quarter, weakened again after a slight rebound in the third quarter, and fell to a low level in the fourth quarter, with the average price of CNY 9,270 per ton in December, down 18.0% year-on-year, and significantly lower than the average price of CNY 10,760 per ton for the whole year. Due to the sluggish development of chicken consumption, the broiler slaughtering industry as a whole was in the red, but the profitability level of different enterprises varied greatly due to differences in operation management and production efficiency.

Overall, the broiler market in 2023 showed a trend of strong supply and weak demand, due to lower than expected downstream consumer demand and barriers to the top-down transmission of costs and prices, profits within the industry were unbalanced, with profits mainly concentrated in breeder companies, and losses in the downstream farming and slaughtering segments.

Note: The above data was sourced from Boyar Industry Analysis Report.

3.Pig farming industry

In 2023, the national hog prices were always in the bottoming out phase, during which there was a brief upturn, but the overall market supply and demand pattern was weak and pig farming sector suffered heavy losses throughout the year, which greatly increased the cash flow pressure on the relevant companies.

On the supply side, the high stock of breeding sows and slow capacity culling in the first three quarters of 2023 were partly due to increased industry consolidation and the growing ability of large companies to withstand short-term losses and risks, and partly due to the improving pig production performance. In addition, the prolonged round of price recovery and lucrative profits in the pig market in 2022 forced the interruption of capacity cuts, leading to high supply of pig in 2023. Entering the fourth quarter, piglet prices fell below the break-even cost line due to the weakening of restocking sentiment, losses in the farming business led to increased cash pressure in the industry chain, with large-scale companies tending to have tighter cash flows and rising asset-liability ratio. Meanwhile, under the influence of frequent epidemics, the industry passively accelerated the culling of sows, prematurely eliminated low-weight pigs and accelerated the elimination of underperforming capacity. On balance, the supply side of pig market was under pressure in 2023, with the annual number of market ready pigs up 3.8%

year-on-year and pork production up 4.6% year-on-year. Influenced by low pig prices and epidemics, the industry's losses widened further, and capacity reductions accelerated in the fourth quarter.

On the demand side, the rebound in consumption has led to significant growth in food and drink industry revenues in 2023 compared with last year. Pork consumption continued to grow, but the growth rate of pork demand was weaker than that of supply, the imbalance between supply and demand has persisted, and consumption recovery was less than expected. Factors such as the domestic population gradually peaking and a shift in the meat consumption structure towards diversification have resulted in insufficient growth momentum and space for pork in final consumption. In 2023, the pig-to-pork ratio was at a historically low level, and warm winter temperatures weakened curing consumption demand, market sentiment was poor, the storage rate of frozen products was at a historically high level, the funds of slaughter plants were tightened, further restricting the operating rates of slaughter plants and improving the number of broilers slaughtered. Under the background of a weak recovery in consumption, the pig market performed poorly throughout the year, with insufficient consumer demand.

Overall, in 2023, the pig market supply exceeded demand with low and weak pig prices, the industry entered a long loss cycle, the pressure on company survival has increased significantly, pushing the process of cutting capacity to accelerate, and large companies competed to reduce costs, improve quality and efficiency, further aggravating the survival of the fittest.

Note: The above data was sourced from the official website of the National Bureau of Statistics and Boyar Industry Analysis Report.

III. Circumstance of Primary Businesses in the Reporting Period

Wellhope is one of the well-known large-scale enterprises in the domestic agriculture and animal husbandry industry, whose primary businesses include animal feed, feed raw material trading, broiler integration and pig farming, and also engages in veterinary medicine, farming equipment manufacturing and pet clinic. In 2018, Wellhope identified food business as a strategic business, which is now being implemented on a tight schedule. Since its establishment, Wellhope has always been adhering to the corporate mission, which is, "Through advanced technology, professional service, and high-quality products, Wellhope is dedicated to the development of China's animal husbandry industry, resource conservation, environmental protection, and food security for the benefit of people", and all Wellhope employees are united in striving to realize the objective of becoming one of the world's leading enterprises in agriculture, animal husbandry, and food industries.

During the period under review, the primary businesses of Wellhope have not changed significantly.

Primary business	Primary products	Operation model
Feed	Pig, poultry, ruminant, aquatic feed	Sales model -dealer, direct sales Operation model -R&D, purchasing, production, marketing, service
Broiler integration	Market ready broiler, broiler parts products	Industrial chain -covering broiler breeder raising, day old chick hatching, feed processing, commercial

		broiler farming, slaughtering and processing, further processing of prepared food and cooked food Raising model of commercial broiler -the Company together with contract farms(outsourcing)
Pig farming	Finisher, piglet, pig breeders	Industrial chain -covering a complete pig breeding system, including great grandparent, grandparent and parent stock, piglet, and commercial swine Finisher farming -contract farms(outsourcing), a small number of own farms

1. Animal feed, feed raw materials trade businesses

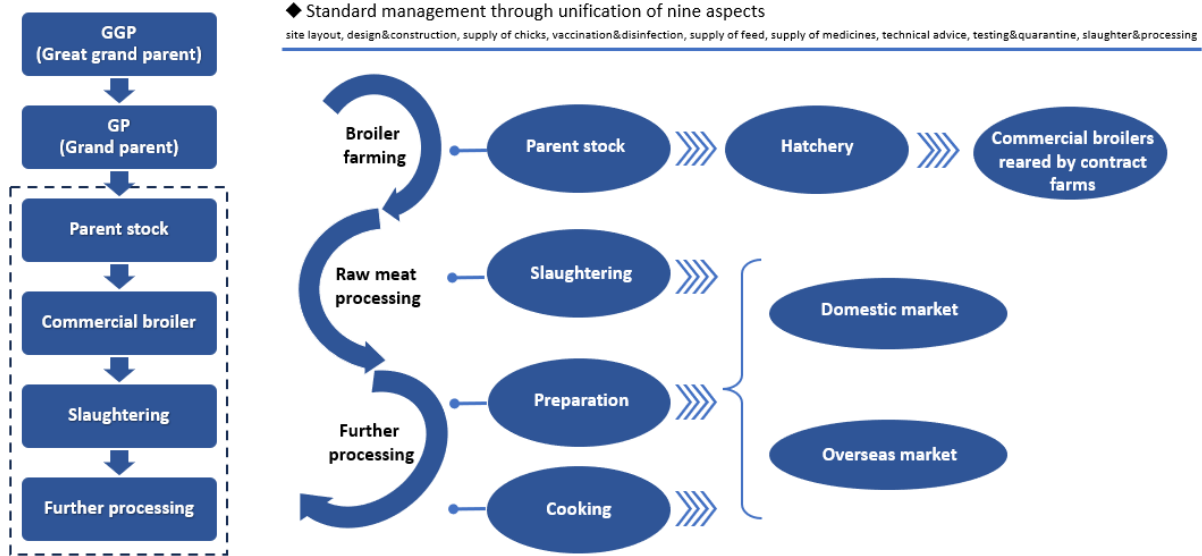
Wellhope produces and sells feeds for pig, poultry, ruminants, aquatic and fur-farmed animals, which are marketed in 29 provinces and regions across China. It has also built feed mills in Nepal, Indonesia and the Philippines, etc. Driven by the philosophy of "constantly pushing the boundaries, not taking the unusual path", Wellhope always insists on customizing products for animals at different stages, and is committed to providing farmers with integrated services such as animal raising, disease prevention and farm management, helping them to achieve ideal economic returns.

The trading subsidiaries trade mainly deal with feed raw materials such as fishmeal, soybean meal and corn by-products, as well as feed additives such as amino acids, antioxidants, fungicides and vitamins. In addition, these trading companies distribute animal health products such as vaccines and veterinary medicines produced by global strategic suppliers. The trading business now operates in the regions of northeast, north, east, south, and southwest regions of China, and some products have been exported to countries such as Nepal and Mongolia.

2. Broiler integration business

The entities of Wellhope's broiler integration business are mainly located in the provinces of Liaoning, Jilin, Heilongjiang, Hebei, Henan and Shandong, and the business is divided into three business sectors, namely, farming, processing and further processing, with a one-stop industrial chain covering parent stock breeding, day-old chick hatching, feed production, commercial broiler rearing, slaughtering and raw meat processing, as well as value-added processing of prepared and cooked food. The integrated operation model ensures sufficient supply of raw materials in each link, and strictly controls the whole process of feed production, broiler farming, slaughtering and meat food processing from the source, and organically integrates bio-security, drug residue control and in-process hygiene through standard management and process operation, ultimately realizing the traceability of food safety. Wellhope's broiler business has developed rapidly in recent years, with rapidly increasing capacity and overall scale, making it a key leader in the domestic broiler industry.

The flow chart of the broiler integration business process is as follows:



◆ **Broiler raising:** This sector includes parent stock breeding, day-old chick hatching, commercial broiler farming and feed processing. The Company provides high quality eggs for its hatcheries by formulating scientific and reasonable feeding programs, light programs and comprehensive disease prevention systems. Meanwhile, it has established thorough management systems in the hatching process and purchased intelligent hatching facilities, which are also equipped with highly efficient and energy-saving hatchers and micro-environment control systems to produce healthy day-old chicks. In terms of commercial broiler, Wellhope mainly rears broilers through contract(out-sourcing) farms under the pattern of standard management by unifying nine aspects. These farms all adopt three-tier cages and automate all the processes from feed intake, water supply, temperature to humidity control. The average weight of the Company’s commercial broilers has reached 2.9-3.0kg with a livability of over 96%, a feed-meat ratio of 1.55, and a European production index of over 415, which is widely recognized by the cooperative farms.

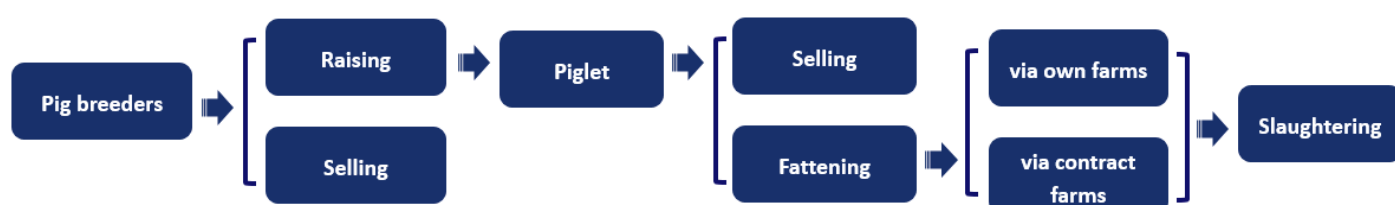
◆ **Raw meat processing:** Wellhope has established 20 holding and associated slaughtering plants equipped with state-of-the-art local production lines with a capacity to slaughter 1.1 billion broilers per year. Driven by strict all-in and all-out inspection and quarantine as well as drug residue detection, each plant has established a total quality assurance system and traceability system to monitor all processes. Meanwhile, Wellhope has continuously strengthened its slaughtering and processing technologies through systematic pre- and in-service training, combined with the implementation of "6S" management (i.e., Seiri, Seiton, Seiketsu, Shitsuke, Seiso, Safety), making its killing out percentage and per capita slaughtering efficiency stand out among companies of the same size. At present, Wellhope’s broiler parts products have entered the supply chain of Shineway Group, Jinluo Group, Yurun Group, China’s McDonalds and KFC, Yoshinoya, Wallace, Dili Fresh Food, Yonghui Superstores, RT-MART, as well as large regional catering companies, fresh markets and food processing factories. Meanwhile, broiler

products have also been sold to the regions of Hong Kong and Macao, and exported to some countries such as Mongolia and Bahrain.

◆**Further processing:** With the advantage of integration, Wellhope uses the high quality chicken from its own slaughterhouses as raw material and installs energy efficient equipment to process the raw meat. At present, it supplies over 100 kinds of further processed products, which are mainly sold offline to central kitchens of restaurant chains, corporate and school canteens, supermarkets and convenience stores. In addition, under the macro situation of increasing consumer demand, Wellhope has vigorously expanded export business of cooked products, which have successfully penetrated the Japanese and Korean markets.

3.Pig farming business

The Company started experimenting with the pig industry in 2016 and identified pig farming business as a strategic business in 2018. It has established farms in Liaoning, Jilin, Heilongjiang, Henan, Hebei and Anhui provinces through wholly-owned investment, joint venture and leasing. At present, the Company's pig farming business mainly includes breeding and sales of pig breeders, sales of commercial piglet and piglet fattening through contract farms and a small number of its own farms. Through the establishment of comprehensive and strict bio-security systems, advanced breeding systems and scientific feed management systems, Wellhope is committed to creating an integrated chain that includes breeding, farming, slaughtering and processing.



A.Building farms to high standard

The Company adheres to the principle of building farms on a modest scale for individual farms, while designing strict bio-security systems. The farms use advanced production processes and farming equipment, as well as intelligent feeding systems, environmental control equipment and production management software to improve production efficiency and create a comfortable environment for pig.

B.All-round system operation

a.In terms of gene selection and breeding. The Company introduces high-quality pig breeders with French, American and Danish genes to match different business areas and provide pure-bred parent stock with clear pedigree. Meanwhile, through the establishment of scientific breeding programs, the Company continuously optimizes the breeding stock structures to ensure the source of excellent breeders, and enhance its competence in the pig farming industry.

b.In terms of feeding management. The Company has established a dynamic feeding management system, including feed nutrition and raw material database, feed processing and product quality

database as well as production performance database, combined with dynamic formulation technology, feeding management technology and bio-security prevention technology to provide systematic nutrition solutions for pig farms. Meanwhile, through continuous measures such as data collection and analysis as well as results tracking, Wellhope is able to accurately optimize nutrition solutions, refine internal management and risk warning to improve feeding performance.

c. In terms of bio-security prevention. Wellhope has established a bio-security system consisting of small group feeding, four-zone control, three-level disinfection, accurate detection and monitoring with alarm system. For example, various levels of security systems, such as service centers and disinfection areas have been set up outside the farms. Professional staff thoroughly disinfect people, vehicles and materials step by step. Inside the farms, all the farms have been divided into zones with different security levels based on quarantine and isolation measures, with AI identification and surveillance cameras installed at key links and points of bio-security. Visualization management helps to ensure the enforcement of bio-security measures. In addition, specialized African swine fever testing laboratories have been established in each business unit to protect pig farms through accurate detection, identification and eradication using technologies such as quantitative PCR.

4. The Company's position in the involved industries

Wellhope has been awarded the honorary titles of National Leading Enterprise in Agricultural Integration Industry, National Recognized Enterprise Technology Center, and National High-Tech Enterprise. Since the completion of IPO in 2014, Wellhope has been selected four times as the Top 100 Most Valuable Corporation of Chinese Public Companies and seven times as China's Top 500 Private Enterprise, also has been selected as the 2022-2023 Top Ten Internationalized Branded Companies in Livestock and Feed Industry. Meanwhile, it holds a leading position in the northeast regions of China, while also becoming a highly influential brand in north, east, central and northwest regions across China. In terms of feed business, Wellhope is the Vice Chairman of China Feed Industry Association and has been recognized as National Top 10 Leading Feed Enterprise with the highest sales volume of commercial feed, and the Company ranked 17th in the WATT Global Media Top Feed Companies in 2023. In terms of broiler business, Wellhope's broiler integration business has developed rapidly in recent years, and the complementary support between broiler farming and slaughtering, as well as the overall scale, has been improved rapidly. Based on the number of broilers slaughtered and processed by holding and associated companies, the Company ranked 6th in WATTPoultry Top Companies in 2023.

IV. Core Competence Analysis within the Reporting Period

The core competencies of Wellhope are embodied in a highly skilled, loyal and entrepreneurial management team, integrated with rationally planned business strategy with focus on sustainable development, a mature and highly developed industrial chain, a systematic, scientific and continuously innovative R&D system, the ever-improving, vertically extended brand influence, coupled with a vibrant and dynamic corporate culture that promotes Wellhope's development.

1.A highly skilled, loyal and entrepreneurial management team

Talented people are the primary resource and the core competence of Wellhope. The core management team has high education and senior professional background, rich management experience and industry practice, they are highly capable of accurately grasping business environment, scientifically formulating development strategy, and have deep insight and high recognition of Wellhope's core values and business philosophy. Almost all the middle and senior managers are selected and cultivated internally by Wellhope, these core members have been rewarded with various incentives, and have a strong sense of ownership. Over the past 29 years, the middle and senior management team has been very stable, with directors and general managers rarely leaving the Company of their own accord, except for transfers to other positions due to poor performance. Meanwhile, newly promoted members of the management team born in the 1985s and 1995s, were selected from key talent cultivation programs such as the "Seedling Plan" and "Sunflower Program". They love the Company, they are active and enterprising, and have become the backbone of the management team. Wellhope also attaches great importance to the continuous learning and skill improvement of these managers, by setting up various training programs such as the EDP (Executive Development Program), Leadership Training Camp, etc. At the same time, it also organizes managers to study in outstanding companies at home and abroad to broaden their horizons and reflect on improvement. The main reason for the failure of some domestic companies is the instability and disunity of the management team. In contrast, the well-trained, loyal and enterprising management team is one of Wellhope's core strengths now and in the future, and the main reason why the Company is so confident about the future.

2.Rationally planned business strategy with focus on sustainable development

With full insight into domestic and international political, economic and industry dynamics, Wellhope has always attached great importance to its sustainable development and risk control, focusing on the operational capability and returns of invested companies and new projects. Driven by the business philosophy of steady growth and healthy development, Wellhope, rationalizes its business layout step by step, maintains the rationality and safety of the industrial chain to mitigate all calculated risks, taking the philosophy of "Built to Last" as an important goal.

Reflecting in the following aspects:

A.Prudent expansion of business areas. Starting off with the premix business, Wellhope has expanded its feed business over the years, and now is one of the top 10 commercial feed producers nationwide. In 2008, after careful research, Wellhope entered broiler integration business. After 16 years of efforts, the number of broilers processed by Wellhope's holding and associated entities ranked 6th in the global broiler industry, and its management and key technical indicators ranked top both domestically and internationally. In 2018, Wellhope decided to formally launch pig farming business to seize market opportunities and control operational risks. Through cooperation and sole proprietorship, it has

mastered the core competitive advantage of this business. From 2023 to 2025, the Company will firmly strengthen the two core businesses of feed and broiler integration, explore and promote two strategic businesses of pig farming and food processing with high quality, gradually build a regional food brand, and to ultimately become a leading enterprise with leading safety, quality, cost and efficiency across agriculture, animal husbandry and food industries.

B.Business model in line with future trends. Wellhope has gradually formed a value chain with high competence and risk resistance in the fields of animal feed, raw material trading, breeding, farming, animal health products, slaughtering and further processing, making each business in the chain closely related and mutually supportive, reducing the cost of intermediate processes, lowering trade risks, effectively resisting the fluctuation of market prices, increasing profit margins and ensuring food safety. Such a set-up has become a future direction for agricultural companies under an increasingly complex and changing economic and industrial environment.

C.Steady market expansion. Rather than expanding rapidly in the nationwide markets, supported by the success of the feed business in the northeastern regions and the broiler integration business, Wellhope, with its rich experience in market expansion, insists on exploring new markets based on comprehensive analysis and research, carefully penetrating the markets in the northeast, northwest, northern China, Henan, Shandong provinces and other areas step by step, while continuing to pursue asset-light operation, taking into account operational efficiency and return on investment.

D.Strict financial risk control. Wellhope has always attached great importance to financial risk control. Since its listing, it has gradually improved the internal control system, regulated the corporate governance structure and raised awareness of risk control. It adopts vertical management methods in dealing with finances, such as centralized financing and credit management, centralized funds and cash management, and centralized decision management for providing guarantees. Considering the socio-economic environment, industry development and operating conditions, the Company effectively controlled the level of debt and financial costs, with an asset-liability ratio of 49.02% at the end of the period under review.

3.A mature and highly developed industrial chain

The advantages of Wellhope's industrial chain are mainly reflected in geographical locations and business portfolios.

A.Preferred geographical location. Wellhope's head office is located in Shenyang, Liaoning Province, with its primary business in northern China, particularly in north-eastern regions. The Northeast a nationally identified potential growth area for livestock farming, characterized by high quality raw materials, suitable climate, low farming density and relatively low labor costs, which is highly conducive to the development of agriculture and animal husbandry businesses. The northeast is China's largest grain producing areas, especially for corn and rice, which are characterized by high quality and large production. Relying on a well-developed further processing industry, the northeast has abundant grain

and its by-products that can be used as feed raw materials, which have the advantages of high-performance, low cost and convenient logistics. After the implementation of the national rice auction policy, the northeast can enjoy a unique advantage supported by large rice supply and comprehensive cost. The use of brown rice in feed formulation has alleviated the pressure of high corn prices on feed costs to a large extent. Meanwhile, broiler production is mainly concentrated in Liaoning, Jilin, Henan, Hebei and Shandong provinces, where Wellhope's broiler integration businesses are mainly located, accounting for over 75% of the national production, and these areas are the most important regions for the development of white broiler industry in China, with a strong foundation for broiler farming and more mature marketing system. The Company's broiler integration and pig farming businesses implement a regional, clustered and centralized layout to gather regional core industrial resources, build industrial scale advantages in local areas to improve operational efficiency and reduce logistics costs. In addition, the Company has been actively developing overseas markets, in countries with greater potential for livestock development, such as the Philippines, Indonesia, Nepal and other countries to build factories, with predictable future development.

B. Constantly optimized business portfolio. Centered on agriculture and animal husbandry industries, the Company is pursuing the expansion strategies of "diversification and integration" to constantly optimize its business portfolio, which has increasingly enhanced its risk resistance and sustainable profitability. In terms of diversification, while strengthening and expanding the feed business, the Company will vigorously promote broiler integration business, and strive to become a domestic and even global leader in the future. Meanwhile, it will stabilize pig farming business to realize the regional leadership in the areas set by the Company. In terms of integration, the integrated model is an inevitable trend for domestic companies engaged in agriculture and animal husbandry. After years of development in raw material trading, feed production, animal raising, slaughtering and further processing businesses, Wellhope has formed a complete industrial chain with high competitive advantage and risk prevention capability, and it is gradually perfecting its support structure for each business sector in the chain, boldly exploring food further processing to rapidly complete the industrial chain, while constantly standardizing and optimizing the division and cooperation system to further enhance the synergies among all business sectors.

4. A systematic, scientific and continuously innovative R&D system

Adhering to the mission of "Through advanced technology, professional services, and high-quality products, Wellhope is devoted to the development of China's animal husbandry industry, resources conservation, environmental protection, as well as food security for the benefit of the people", Wellhope's R&D system always adheres to market-oriented and customer-oriented principles and upholds the goal of "producing safe products, with stable quality, tailor-made nutrition and customer focus", constantly exploring innovative technology and working on new products. The Company has a unique and competitive R&D cooperation model, an excellent and leading R&D team, and has

established a three-level R&D system and a highly efficient performance transformation system, supported by the large platform of Wellhope Research Institute. Meanwhile, the Company also has a nationwide first-class testing capability, an efficient and accurate dynamic raw material database, a distinct product portfolio and a constantly optimized service capability.

A. Excellent R&D team. Relying on a relatively complete industrial chain, Wellhope has built a R&D team specializing in animal raising, product formulation, manufacturing and related technologies to focus on feed, broiler integration, pig farming, biological feed additives, etc. The R&D team's in-depth knowledge have transformed many cutting-edge technologies into actual applications. Meanwhile, these experienced technicians focus on conducting trials and demonstration projects to validate, select and apply the most appropriate technologies. Relying on technical strengths, Wellhope has received many national and local-level accreditation and awards, including the Nationally Recognized Enterprise Technology Center, National and Local Joint Engineering Research Center for the Development and Application of New Biological Feed, the National R&D Branch Center of Feed Processing, the Comprehensive Trial Farm for National Pig Farming Industry Technology System, the R&D Center of Agricultural Products Further Processing and Bio-pharmaceutical Industry Cluster of Liaoning Province, and the Innovation Team for Feed Technology and Safety of Liaoning Province.

B. Competitive R&D collaborations. In 2006, Wellhope partnered with Royal De Heus, a century-old company from the Netherlands. Drawing on its globally advanced technological resources, leading know-how and a century of excellent management practices, Wellhope has made successful breakthroughs and progresses in producing safe and high-quality feed with precise and efficient nutritional contents and, most importantly, using antibiotic-free technologies. Meanwhile, the R&D teams from both sides have maintained frequent exchanges, enabling Wellhope to keep pace with the world's latest technologies in R&D achievements. By combining its own 29 years of technology and experience, Wellhope is committed to providing customers with high quality products and technical service. Adding to these, the Company closely cooperates with research institutes and universities, such as China Agricultural University, Nanjing Agricultural University, Shenyang Agricultural University, Northeast Agricultural University, Hefei University of Technology, Anhui Agricultural University, to develop new technologies for feed products and meat products and jointly train professional talents.

C. World-class testing capability and database. The Company's central laboratory is one of the few CNAS-accredited laboratories among domestic feed companies, and the test results can be recognized by 60 countries or regions worldwide. The laboratory is equipped with advanced testing equipment and is divided into three functional rooms for physical and chemical testing, microbiological testing and precision instrument testing. From the micro to the macro level, the central laboratory is able to maintain consistent quality and plays a vital role in implementing the safety-first concept at every step of the production process. It has also developed an internal raw material database and shares data resources with the Dutch partner. With an accurate net energy database for sows and growing pigs, an

amino acid database, a crude fiber database, a fatty acid database, etc., animal rations can be formulated precisely according to production performance and feed intake to achieve the lowest cost formula and the best cost-performance ratio.

D.Fruitful research and development results. Research and development are the driving force behind the company's sustainable development. Wellhope has made many fruitful achievements in the field of research and development. By the end of the reporting period, Wellhope had obtained 266 approved patents, including 74 invention patents, and won 2 National Science and Technology Progress Awards, 1 National Technology Invention Award and nearly 20 provincial and ministerial science and technology awards.

5.The ever-improving, vertically extended brand influence

Wellhope has successfully established its product and corporate brand in domestic agriculture and animal husbandry industries for the past 29 years. With the constant transformation and upgrading of the animal husbandry industry, its branding will be further strengthened.

A.Product brand. Over the years, relying on the leading technology, high quality products and continuous improvement in customer service, the brand of Wellhope has been widely accepted and trusted by customers in the market coverage areas, especially more prominent in the northern part of China. The "Wellhope" brand has received many honors, such as Liaoning Province Famous-brand Product, Liaoning Province Famous Trademark, China Famous Brand, China's Top 500 Most Valuable Brands, Most Influential Brand in National Animal Husbandry Industry, Trustworthy Product in China's Feed Industry, Governor's Quality Award of Liaoning Province.

B.Corporate brand. Over the years, the Company has adhered to the core values of "Integrity, Responsibility and Double-Win", and many of its businesses are joint ventures with its partners, many of which have been working together for more than ten or even twenty years, including 18 years of friendly cooperation with the Royal De Heus Company, which fully illustrates the acceptance and recognition of the corporate brand of "Wellhope" by its partners. Meanwhile, Wellhope's corporate brand is also manifested in the long-term and friendly strategic partnership with many multinational and domestic suppliers, and all the loans provided by financial institutions for many years are credit loans due to the good reputation of Wellhope's parent company. As a strong employer brand, "Wellhope" has been recognized and favored by employees, and potential job seekers. Wellhope has twice won the "Best Employer" award based on rating by Zhaopin.com, and in the first half of 2022, the Company was honored with the annual Top 10 Best Employer Brands Award in China's animal husbandry and feed industry.

C.Brand extension. Along with the rapid development of the Company's broiler integration and pig farming businesses, and supported by the business layout strategy of horizontal diversification and vertical integration, Wellhope's market shares in raw material trading, animal health products, livestock and poultry breeding and farming, livestock and poultry fresh products, prepared and cooked food have

been gradually increased, and its market reputation and goodwill have also been enhanced. In order to regulate the use of the Wellhope brand and protect the core value of this brand, Wellhope has not used the main brand recklessly in the above businesses. Depending on the business development of each business, the Company will strengthen vertical brand building efforts in mature businesses to further enhance the industry influence and business value of the Wellhope brand.

6. A vibrant and dynamic corporate culture that promote the development of Wellhope

After 29 years of development, Wellhope has established a vibrant and dynamic corporate culture that has been acknowledged by all staff and drives its development. The core value of "Integrity, Responsibility, Double-Win" and the management philosophy of "Innovation, Efficiency, Self-Discipline", have been ingrained in the thinking and behavior of employees, and have been consistently applied in daily management, strategic planning and business decisions. Shared values play a crucial role in improving organizational efficiency, strengthening organizational cohesion and empowering the organization. A good corporate culture is the fundamental principle of business operation that drives the long-term development of Wellhope.

In 2023, the Company restructured and improved its corporate culture management system, clarifying the responsibilities of related managers and duties of culture work at all levels, which laid a good foundation for continuously enriching, developing, and rooting the cooperative culture. The Company also initiated the selection and appointment of corporate culture ambassadors to play a role among employees to further embed the culture in the hearts of employees. In order to raise the awareness of cost reduction and efficiency enhancement, and to involve more employees in the Group's activities, the Head Office held an innovation and efficiency improvement contest with the theme of "Cost Reduction and Efficiency Enhancement", and then expanded the scope of the contest to encourage every employee to think about innovation and efficiency improvement methods in his/her own work, and to practice the culture of innovation and efficiency creation. In addition, the Head Office held a study and exchange competition on "Taiichi Ohno's Ten Management Admonitions", in which each business and functional line used the contents of the book to carry out various forms of study, discussion, and practice in relation to their actual work to achieve cost reduction and efficiency creation, and to enhance corporate efficiency through continuous improvement. In addition, the culture of "process performance", "benchmarking management", "execution", and "criticism and self-criticism" was promoted and implemented. To strengthen physical fitness and enrich leisure time, the Company organized "Run, Wellhope" walking and running activities. Through WeChat applet, individual employees, various subsidiaries and business divisions competed to participate in the event. Nearly 10,000 people took part, strengthening the sense of collective honor while exercising, and the activity was recognized and praised by all employees.

It has been proven that corporate culture is the moat of Wellhope's development, and the continuous strengthening of culture construction will be a lasting and significant work for Wellhope.

V. Operations during the reporting period

During the reporting period, the Company realized revenue of CNY 35.97 billion, an increase of 9.63% year-on-year, the net profit attributable to equity shareholders amounted to CNY -457 million, a decrease of 189.13% year-on-year, and the net profit attributable to equity shareholders less extraordinary items amounted to CNY -503 million, a year-on-year decrease of 196.95%.

1. Analysis of primary business**A. Analysis of changes of income and cash flow**

	CNY		
Item	2023	2022	Change %
Revenue	35,970,261,909.41	32,811,758,209.54	9.63
Costs of revenue	34,540,124,263.81	30,839,271,196.05	12.00
Sales expenses	718,365,669.03	622,444,761.15	15.41
Administrative expenses	614,800,562.62	537,063,858.72	14.47
Financial expenses	171,600,672.91	160,680,329.03	6.80
R&D expenses	83,797,469.99	90,105,075.01	-7.00
Net cash flow from operating activities	956,152,750.32	196,266,510.34	387.17
Net cash flow from investing activities	-402,864,641.04	-743,139,911.44	Not applicable
Net cash flow from financing activities	-308,196,369.71	995,492,458.01	-130.96

Explanation of above changes.

Revenue-the revenue of primary businesses increased.

Cost of revenue-sales volume of primary businesses increased.

Sales expenses-the primary businesses increased, resulting in an increase in sales and operating expenses.

Administrative expenses-the increase in travel and entertainment expenses for management personnel and the increase in headcount and total remuneration.

Financial expenses-the increase in bond interest accrued in the current period as compared with the same period of the previous year.

R&D expenses-the cost of materials and equipment invested in research and development decreased significantly compared to the same period of the previous year.

Net cash flow from operating activities-the increase in net cash provided by operating activities was greater than the increase in net cash used in operating activities.

Net cash flow from investing activities-cash paid for investing activities decreased compared to the same period last year.

Net cash flow from financing activities-cash received from the issuance of convertible bonds in the same period of the previous year.

B. Analysis of revenue and cost

During the reporting period, the Company realized revenue of CNY 35.97 billion, an increase of 9.63% year-on-year, cost of revenue recorded CNY 34.54 billion, an increase of 12.00% year-on-year.

a. Primary business analyzed by industries, product classification and regions

CNY

Analyzed by Industries						
Industry	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %
Feed	16,470,405,515.84	15,083,073,339.98	8.42	5.29	4.57	Increase by 0.62 percentage points
Broiler integration	11,212,127,078.54	11,142,072,143.81	0.62	20.77	25.39	Decrease by 3.66 percentage points
Raw materials trading	5,299,325,244.82	5,153,336,835.63	2.75	2.31	3.19	Decrease by 0.83 percentage points
Pig farming	2,575,952,500.43	2,813,601,769.93	-9.23	25.19	42.33	Decrease by 13.15 percentage points
Other businesses	366,240,133.94	309,584,746.71	15.47	-40.37	-39.82	Decrease by 0.77 percentage points
Analyzed by Product Categories						
Industry	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %
Feed	16,470,405,515.84	15,083,073,339.98	8.42	5.29	4.57	Increase by 0.62 percentage points
Broiler integration	11,212,127,078.54	11,142,072,143.81	0.62	20.77	25.39	Decrease by 3.66 percentage points
Raw materials trading	5,299,325,244.82	5,153,336,835.63	2.75	2.31	3.19	Decrease by 0.83 percentage points
Pig farming	2,575,952,500.43	2,813,601,769.93	-9.23	25.19	42.33	Decrease by 13.15 percentage points
Other businesses	366,240,133.94	309,584,746.71	15.47	-40.37	-39.82	Decrease by 0.77 percentage points
Analyzed by Regions						
Region	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %
East China	5,354,726,958.38	5,254,699,966.36	1.87	26.61	28.79	Decrease by 1.66 percentage points

						percentage points
North China	4,552,937,019.10	4,402,233,842.94	3.31	1.10	4.84	Decrease by 3.45 percentage points
Northeast China	17,434,788,976.85	16,642,821,809.63	4.54	11.56	14.07	Decrease by 2.10 percentage points
Central and South China	6,294,876,958.64	6,075,846,845.14	3.48	6.05	8.25	Decrease by 1.96 percentage points
Southwest China	694,508,220.56	667,655,325.51	3.87	-16.46	-16.50	Increase by 0.04 percentage points
Northwest China	1,177,614,582.92	1,068,728,646.97	9.25	-1.61	-2.44	Increase by 0.78 percentage points
Overseas market	414,597,757.13	389,682,399.51	6.01	-8.84	-6.84	Decrease by 2.02 percentage points
Analyzed by Sales Model						
Sales model	Revenue	Cost of revenue	Gross margin %	Revenue fluctuation YoY %	Cost fluctuation YoY %	Gross margin fluctuation YoY %
Direct sales	23,717,076,110.27	22,785,501,428.95	3.93	6.46	9.07	Decrease by 2.30 percentage points
Sell on commission	12,206,974,363.30	11,716,167,407.11	4.02	16.24	18.29	Decrease by 1.66 percentage points

b. Analysis of sales volume

Product	Production volume (10k tons)	Sales volume (10k tons)	Inventory (10k tons)	Production volume fluctuation YoY %	Sales volume fluctuation YoY %	Inventory fluctuation YoY %
Feed	523.73	430.52	8.17	5.11	7.88	9.89

Sales of feed products are external sales and do not include sales for internal use.

c. Analysis of cost

CNY

By Industry	Item	2023	% of total costs	2022	% of total costs	Fluctuation YoY %
Feed	Raw material	13,760,282,630.25	95.71	13,214,824,240.53	95.90	4.13
Feed	Labor cost	178,359,637.62	1.24	163,741,476.79	1.19	8.93
Feed	Depreciation	134,483,142.61	0.94	120,087,065.95	0.87	11.99
Feed	Energy (electricity, coal, steam)	172,821,323.26	1.20	166,499,265.08	1.21	3.80
Feed	Other	131,452,494.49	0.91	115,070,637.48	0.84	14.24

	manufacturing expenses (energy and depreciation excluded)					
Feed	Total production cost	14,377,399,228.24	100.00	13,780,222,685.83	100.00	4.33
Broiler	Raw material	9,136,127,364.54	82.67	7,888,954,785.20	84.10	15.81
Broiler	Labor cost	515,755,275.59	4.67	425,649,406.15	4.54	21.17
Broiler	Depreciation	80,174,895.32	0.73	74,320,788.91	0.79	7.88
Broiler	Energy (electricity, coal, steam)	118,275,580.27	1.07	109,827,583.49	1.17	7.69
Broiler	Other manufacturing expenses (energy and depreciation excluded)	1,200,822,494.66	10.87	882,037,081.47	9.40	36.14
Broiler	Total production cost	11,051,155,610.38	100.00	9,380,789,645.22	100.00	17.81
By Product	Item	2023	% of total costs	2022	% of total costs	Fluctuation YoY %
Feed	Raw material	13,760,282,630.25	95.71	13,214,824,240.53	95.90	4.13
Feed	Labor cost	178,359,637.62	1.24	163,741,476.79	1.19	8.93
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Broiler	Depreciation	80,174,895.32	0.73	74,320,788.91	0.79	7.88
Broiler	Energy (electricity, coal, steam)	118,275,580.27	1.07	109,827,583.49	1.17	7.69
Broiler	Other manufacturing expenses (energy and depreciation excluded)	1,200,822,494.66	10.87	882,037,081.47	9.40	36.14
Broiler	Total production cost	11,051,155,610.38	100.00	9,380,789,645.22	100.00	17.81

d. Top 5 customers and suppliers

d-1: Major customers

Revenue from the top five customers amounted to CNY 1.68 billion, accounting for 4.66% of revenue, of which revenue from sales to related parties amounted to CNY 763.80 million, accounting for 2.12% of revenue.

d-2: Major suppliers

The purchase from top 5 suppliers amounted to CNY 5.54 billion, accounting for 16.17% of the Company's purchase orders during the reporting period, of which, there were no purchase orders from related parties.

C.Expense

			CNY
Item	2023	2022	Change %
Sales expense	718,365,669.03	622,444,761.15	15.41
Administrative expense	614,800,562.62	537,063,858.72	14.47
R&D expense	83,797,469.99	90,105,075.01	-7.00
Financial expense	171,600,672.91	160,680,329.03	6.80

D.R&D Input**a.R&D input**

		CNY
Expensing R&D input		83,797,469.99
Capitalizing R&D expenditure		0
Total R&D expenditure		83,797,469.99
% of revenue		0.23
Percentage of capitalizing R&D expenditure		0

b.Headcount

Headcount of R&D	308
Percentage of total staff %	3.43
Educational structure	
Item	Headcount
Doctoral candidate	20
Masters	122
Bachelors	106
Junior college	55
High school and below	5
Age structure	
Item	Headcount
30 years old (30 excluded)	120
30-40 (30 included, 40 excluded)	134
40-50 (40 included, 50 excluded)	37
50-60 (50 included, 60 excluded)	17
60 and above	0

c.Circumstances of R&D**(a) Research advances in feed and farming technology**

Pig feed: The Company has made good progress in the areas of creep feed, nursery feed and grower-finisher feed. During the reporting period, the Company has developed a new generation of creep feed that has improved piglet intake and reduced diarrhea rates, further enhancing the company's reputation in the marketplace. It also developed and launched a fishmeal-free nursery feed solution. In addition, the Company promoted highly inclusive premixes and optimized feed formulations to meet market demand, thereby increasing sales.

Ruminant Feed: The Company continued to develop efficient fattening models and optimize farm management for meat sheep and beef cattle, improving meat quality and market competitiveness. For

the dairy product line, the Company leveraged the results of its research base to provide tailor-made products that optimized farm operations and helped customers improve yields and efficiency.

Poultry Feed: Utilizing the data gained from broiler integration into poultry feed, the Company continued to optimize nutritional solutions tailored to different seasons and regions. It strengthened research and development in broiler nutrition to continuously improve broiler production performance. In the layer sector, the Company continued to research and optimize diets for laying and rearing, providing comprehensive solutions for customers.

During this period, the Company made significant progress in multi-grain and multi-protein diets as well as the evaluation of maximum levels of key ingredients, which effectively helped to reduce feed costs and improve product competitiveness. At the same time, the Company continued to carry out formulation comparisons to accurately control the use of raw materials. Within the company, the front, middle and back offices were closely integrated, and coordination meetings were held between the engineering, purchasing, production and sales departments to respond quickly to changes in the raw material market. The Company also took measures to promote centralized product management and optimize product volumes, and implemented various initiatives to improve efficiency and reduce costs. In terms of broiler integration, the Company focused on improving the production performance of commercial broilers and fine-tuning feed nutrition to improve the overall efficiency of the industry chain. The feed conversion ratio has been significantly reduced, which has strengthened the Company's R&D capability in poultry feed. In pig farming, the Company implemented diversified management programs for different regions and farming conditions, which helped to improve farm performance and reproductive efficiency.

(b) Key projects, industry standards participation, awards and patents

Patents Obtained by the Company in 2023							
Number of patents granted in 2023	29	Including: Invention patents	7	Total number of patents granted by the end of the reporting period	266	Including: Invention patents	74
		Utility model patents	22			Utility model and design patents	192
National or industry group standards developed, and technological projects undertaken by the Company in 2023							
Participation in the development of standards	Local Standard of Liaoning Province: Antibiotic-Free Egg Production Technical Specification (Implemented on July 30, 2023) Feed Industry Association Group Standard: Piglet Milk Replacer (Implemented on June 25, 2023) National Ministry of Industry and Information Technology Light Industry Standard: Specifications for Meat Product Safety Information Traceability System (Implemented on November 1, 2023)						
Technology projects carried out or managed by the	Open competition to select the best candidates to undertake key research projects in Liaoning Province: Key Technologies for Breeding Superior Livestock and Poultry Varieties with Liaoning Characteristics and for Production of the Entire Industry Chain						

Company	Rural Science and Technology Special Dispatch Action Plan of Liaoning Province – Shenyang Wellhope Ruminant Animal Feed Science and Technology Special Dispatch Group
	Science and Technology Plan Project of Shenyang City (Open competition to select the best candidates) Research and Development of China Feed Formulation Software System
Awards received by the Company for technical research and development in 2023	
Awards received	First Prize of the Beijing Agricultural Technology Promotion Award for the years 2020-2022 Development and Application of Functional Yeast Products to Reduce Antibiotics in Livestock and Poultry Farming
	Second Prize of Liaoning Province Science and Technology Progress Award in 2022 for Key Technologies and Applications in Quality Evaluation and Control of Meat Prepared Food
	First Prize of the 4th China Technology Market Association Golden Bridge Award for the Integration and Promotion of High Efficiency Green Production Technology for White Feather Broiler
	First Prize in Scientific Research Achievements of the 2022-2023 Shen Nong China Agricultural Science and Technology Award for Innovation of Key Technologies and Application of Biogenic Feed Products
	Third Prize in Scientific Research Achievements of the 2022-2023 Shen Nong China Agricultural Science and Technology Award for Innovation and Application of Key Technologies for Efficient Breeding and Utilization of High Quality Breeding Pigs

E.Cash flow

Item	CNY		
	2023	2022	Change %
Net cash flow from operating activities	956,152,750.32	196,266,510.34	387.17
Net cash flow from investing activities	-402,864,641.04	-743,139,911.44	Not applicable
Net cash flow from financing activities	-308,196,369.71	995,492,458.01	-130.96
Net increase in cash and cash equivalents	246,054,337.82	450,706,660.91	-45.41

2.Assets and liabilities

A.Circumstance of assets and liabilities

CNY

Item	Closing balance of 2023	% of total assets	Closing balance of 2022	% of total assets	YoY change %	Explanation
Trading financial assets	829,591.32	0.01	0.00	0.00	Not applicable	Increase of buying debt in exchange for equity
Prepayments	469,857,003.51	3.15	762,467,440.93	4.94	-38.38	Decrease in advance payments for raw materials
Contract assets	2,432,720.15	0.02	1,186,905.42	0.01	104.96	Increase in warranty deposits
Construction in progress	158,377,935.65	1.06	601,125,529.45	3.90	-73.65	Significant reclassification of construction in progress to property, plant and equipment
Right-of-use assets	525,191,183.39	3.52	328,428,097.10	2.13	59.91	Increase in finance leases
Notes payable	0.00	0.00	600,000.00	0.00	-100.00	Decrease in notes payable due for settlement
Non-current liabilities due within one year	932,730,557.07	6.24	471,328,595.34	3.06	97.89	Mainly due to increase in long-term loans, lease liabilities and long-term liabilities due within one year
Lease liabilities	368,001,422.29	2.46	223,002,370.80	1.45	65.02	Increase in finance leases
Long-term payables	42,542,892.62	0.28	7,685,803.59	0.05	453.53	Increase in loans payable to finance leasing companies
Deferred income tax liabilities	53,459,620.43	0.36	37,698,221.22	0.24	41.81	Mainly due to increase in temporary differences arising on right-of-use assets

B.Overseas assets

CNY 4,922,720.08 of foreign assets, accounting for 0.03% of total assets.

C.Restrictions on major assets as at the end of the reporting period

CNY

Item	Carrying amount at end of period	Reason for restriction
Cash at bank	19,369,409.88	Margin for futures transactions
Cash at bank	974,828.25	Margin for letters of credit
Total	20,344,238.13	/

3.Investment analysis

As at the end of the reporting period, the balance of the Company's long-term equity investment amounted to CNY 2.32 billion, representing a decrease of 6.88% as compared with the end of the previous year, the investment in other equity instruments amounted to CNY 14.83 million, representing a decrease of 14.42% as compared with the end of the previous year.

For details, please refer to "Long-term equity investments" and "Investments in other equity instruments" in "Notes to the consolidated financial statements".

4. Main holding and associated companies

CNY 10k

Company	Primary business	Registered capital	Total assets	Net assets	Net profit	Revenue	Profit
Beijing Sanyuan Wellhope Agri-Tech Company	Feed production and sales	1,000.00	26,900.79	22,365.48	3,652.42	75,576.47	4,213.37
Shenyang Wellhope Agri-Tech Company	Feed production and sales	8,210.00	28,267.88	23,345.85	2,289.47	126,718.50	3,014.65
Xi'an Wellhope Feed Sci-Tech Company	Feed production and sales	500.00	29,539.02	24,795.22	2,828.47	80,639.93	3,268.77
Anshan Jiuguhe Food Company	Broiler slaughtering	4,320.00	108,162.06	55,167.23	3,121.99	216,967.57	3,046.22
Beipiao Hongfa Food Company	Feed processing, broiler breeder farming, hatchery, broiler raising and slaughtering	3,000.00	289,100.90	164,977.35	8,433.30	414,615.24	6,333.03
Dalian Heyuan Agri-Tech Company	Feed processing, broiler breeder farming, hatchery, broiler raising	10,000.00	168,961.94	75,790.24	-8,129.62	385,483.30	-8,126.76
Dalian Chengsan Food Group Company	Feed processing, broiler farming	1,008.61	248,351.90	109,510.48	-22,567.62	547,339.44	-29,189.89
Liaoning Wellhope Agriculture and Animal Husbandry Development	Pig farming	10,000.00	101,254.23	12,054.13	-9,391.88	73,006.93	-9,174.26
Anhui Wellhope Agri-Tech Company	Feed processing, pig farming	16,000.00	61,805.77	-10,625.74	-14,075.25	118,854.66	-13,262.09
Tai'an Jiuguhe Agriculture Development Company	Feed processing, broiler farming	1,060.00	79,117.51	6,682.46	-10,199.30	278,573.40	-10,759.69
Shenyang Wellhope Ruminant Feed Mill	Feed production and sales	550.00	29,196.06	23,707.36	3,358.24	86,605.13	4,219.18
Linghai Jiuguhe Feed Mill	Feed processing, broiler farming	1,755.00	25,855.85	10,760.95	-3,305.94	154,846.50	-3,428.29

VI.Outlook on the Company's Future Development

1.Industry outlook

China is a large agricultural country with a population of 1.4 billion, agriculture in China has always been regarded as a strategic industry to stabilize the world and people's confidence, which lays the foundation for the national economy. This is not only because agriculture is the source of food and clothing for people and the basis for their survival, but also because it is the cornerstone for the independence and development of other industries. China has always attracted great attention to the development of agriculture. The No. 1 Document of the Central Government in 2024 pointed out that "to promote Chinese-style modernization, we must persistently strengthen the foundation of agriculture and promote the comprehensive revitalization of the countryside." In recent years, with the constant changes in international trade, resource environment, technological conditions, industrial structure, policies and regulations, the development of agriculture has shown several new trends.

A.Accelerating the elimination of overcapacity, consolidation in feed industry being increasingly heightened

With fierce competitions in the feed industry, extra-large companies are constantly expanding their scale of operations, medium-sized producers are seeking business opportunities, while the shares of small producers gradually being squeezed. For the large companies, they are using their strengths and advantages in technology, cost, brand, management, capital and logistics to continuously improve their operational efficiency, rapidly expand their production scale and gain market shares through mergers and acquisitions as well as embarking on new projects. These small and medium-sized feed producers have been gradually squeezed out in the increasingly fierce competition due to their lower technical level, higher comprehensive costs, weaker brand reputation, insufficient management ability and higher capital pressure. In recent years, the sharp fluctuation in feed raw material prices, coupled with frequent animal diseases and sluggish meat demand, have increased risks in the agriculture industry, thus, so the backyard farmers are gradually withdrawing from the market, the share of large-scale farms continuing to expand, and they have also significantly increased their demands for the comprehensive strength of feed suppliers, which has accelerated the elimination of backward production capacity and significantly accelerated the consolidation of the feed industry.

B.Vertical integration of resources and continuous extension of industrial chain

The animal husbandry industry consists of several industries such as feed production, animal health product, livestock and poultry farming, slaughtering and processing, etc., where the upstream activities are more related to the plantation industry, and the downstream activities serve the agri-food processing industry, and a variety of related industries form an organic whole. With the elimination of production capacity in the industry, large companies are continuously expanding their business scale. To meet the needs such as risk control, profit growth and food safety, these agricultural giants, apart from mergers and acquisitions, have gradually integrated resources to expand their businesses in both

upstream and downstream industries, and continued to expand vertically, in an effort to penetrate the industry chain and establish a strong competitive advantage and risk-resistant ability. Under the development trend of industrial chain integration, the industrial division of labor of large enterprises engaged in agricultural and animal husbandry industries has gradually weakened, while seizing the resources of the whole industrial chain has become the theme of the development of animal husbandry industry.

C.Constantly strengthened environment protection and promoting the concept of green development being practiced

In recent years, China has issued a series of environmental protection regulations, such as the revision of the Environmental Protection Law, the Environmental Protection Tax Law, the Regulations on Pollution Prevention of Livestock and Poultry Scale Farming, and the Action Plan for Pollution Abatement of Agriculture and Rural Areas, etc. These successive introduction of environmental protection policies demonstrates the state's determination to strengthen the environmental protection supervision of the livestock industry, and local governments have also issued some new regulations on farm dismantling, prohibition of animal husbandry and farm restriction, which will further squeeze out less qualified players and reshape the pattern of the livestock industry.

D.Stricter food safety supervision highlighting the advantages of large companies

Although China's food safety situation has improved in recent years, the current situation of a small and fragmented food industry with low barriers to entry has not changed much, and the industrial chain from farm to table is too long and too large, with many risk points. The new edition of China's Food Safety Regulation, released in October 2019, not only provided clear regulatory initiatives to address specific issues, but also strengthened the penalties for violating the law through the policy of "implementing penalties on individuals". The regulation came into force from December 1, 2019, and since then the market has been under the strongest supervision. In the future, more attention will be paid to the normalization of food safety and industrial system. Stricter food safety supervision will further squeeze out less qualified players, while highlighting the strengths and advantages of large integrated companies.

E.Pig farming industry ending high-dividend period, bio-security remaining a top priority

As the domestic pig production capacity has recovered beyond expectations, but the capacity recovery is out of line with pork consumption, resulting in high-cost pig farming from high profitability to serious losses, those enterprises that had aggressively expanded pig production suffered have been subjected to tremendous financial pressure. It can be seen that the pig industry has taken an important turn, the period of high dividends has ended, the main theme of the industry has shifted from rapid expansion to cost reduction, from investment to financing, which means that China's pig industry has entered a new stage, under the transformation and upgrading of high-quality development, the new pattern of supply and demand of China's pig industry is being reshaped. In addition, due to the frequent occurrence of

animal diseases in recent years, bio-security has become the main issue that the industry has to face, which further raises the entry barriers of the industry, and the economy and effectiveness of the cost of epidemic prevention inputs has become an important factor affecting the total cost of farming.

F.The share of pork consumption gradually decreasing, accelerating the restructuring of meat consumption

After the normalization of African swine fever, the average pork prices in China increased significantly compared to previous cycles, but the remarkable decline in the consumption capacity of residents led to a further reduction in pork consumption, pork purchased by group meals also decreased significantly, food processing companies were forced to shift raw materials to chicken and vegetarian food, which accelerated the adjustment of domestic meat consumption structure, the overall consumption habits of the population are gradually changing. Chicken is characterized by high protein, low fat and low cholesterol, which has been increasingly favored as a viable alternative to pork. Compared with pigs, broilers also have greater advantages in terms of growth rate, farming costs, safety and environmental protection. Looking at the experiences of developed countries, China's per capita chicken consumption still has great growth potential with a huge market space.

2.Development strategy of the Company

The Company's long-term development goal is to become the world's leading enterprise in the fields of agriculture, animal husbandry and food industry. 2023-2025 development strategy: Under the centralized group management mode, firmly strengthen the two strategic core businesses of feed and broiler integration, effectively promote two exploratory businesses of pig farming and food processing, and gradually build a regional food brand, so as to become a leading enterprise with the principles of "safety, quality, cost and efficiency" in agriculture, livestock and food industries.

According to the Company's three-year business plan and combined with the analysis and assessment of the economic and industry development in 2024, the Company has set the specific business strategies for 2024: strictly control investment projects and strengthen cash flow management. Under the premise of ensuring business quality, focus resources on strengthening and expanding feed business, steadily develop broiler integration business, further improve the industrial chain management, consolidate the foundation of pig farming business, promote the improvement of production performance indicators to make money, improve the layout and accelerate the development of the food business. Meanwhile, continue to make efforts to build a competitive and aggressive front office, a cost-effective middle office and an empowering and sharing back office, to implement the synergistic interlocking of technology, purchasing, production and marketing to reduce costs and increase efficiency, continuously optimize the key talent team, improve the incentive mechanism and enhance the strategy implementation and performance evaluation system, accelerate the digital transformation of finance and centralized management while strengthening risk control, and further strengthen the construction of organization and operation capacity.

3.Business plan for 2024

In FY2024, the supply of pigs and broilers is expected to gradually decrease, and consumer demand is expected to gradually increase with the economic recovery. The Company will seize the industry opportunities, further strengthen the core competitiveness, widen the economic moat, focus on the front, middle and back office construction according to plan, rhythmically promote the layout of production capacity and reserve talents, to lay a solid foundation for realizing the Company's long-term plan.

A.Feed business

In FY2024, the Company will further reform the transformation of feed business and accelerate the upgrading of system capability. In terms of technology, it will further transform feed formulation to a "European-style formula", accelerate the multi-grain and multi-protein feed system, and utilize the alternatives of various raw materials to improve the cost-effectiveness of products under the premise of ensuring product quality. In terms of procurement, the Company will pay attention to recruiting high-level talents, refine the division of work responsibilities and performance management, improve the procurement process, and cooperate with internal experts and external brains to make up for our shortages as soon as possible. In terms of products, based on the advantages of concentrate feed, it will accelerate the leading position in complete feed, and further optimize the production process, upgrade equipment and improve production efficiency, gradually shifting to automation, bulk and pellet. In terms of market, it will further strengthen the technical service capacity, improve the bio-security support for feed mills, accelerate the cooperation with third-party financing institutions, consolidate the advantages of dealer sales, make every effort to increase the proportion of large-scale farms on the premise of controllable bad debt risk. In 2024, the Company plans to increase external feed sales by more than 10%.

B.Broiler integration business

The broiler integration business will continue to be guided by the philosophy of ensuring safety, controlling the pace of expansion, adjusting the industrial structure, promoting the business ecosystem, compressing costs, improving efficiency and increasing profit, and taking into account both scale and profit, in order to expand market share in a planned and rhythmic manner. On the breeding side, the Company will continue to expand breeder scale, increase the proportion of self-supplied chicks, while focusing on the quality of DOC sources, maintain long-term strategic cooperation with suppliers of excellent breeds, and continuously improve the cleaning process and biosecurity system to maximize the protection of the quality of commercial chicks. On the farming side, the Company will moderately expand the production according to slaughter layout to ensure a stable supply of chickens to the slaughterhouses and will continue to improve the automation level of farms while ensuring continuous progress in production performance. In 2024, the Company plans to achieve the target of slaughtering more than 860 million broilers(holding and associated companies together).

C. Pig farming business

In FY2024, the pig farming business will continue to adhere to a steady investment philosophy, maintain a safe pace of development, and cautiously expand the scale of farming. In the production process, the Company will continue to deepen the implementation of process performance management system, accelerate the recruitment of talents for key positions, establish a standard and information-based farming system, focus on improving the operational capacity of pig farms, optimize diet and nutrition program, and improve the level of production management. At the same time, it will continue to strengthen the breeding management, optimize the quality of breeding stock, improve the production performance of breeding herd, and reduce production costs in an all-round way. In addition, pay close attention to biosafety management, strengthen the supervision and evaluation of disease prevention, accelerate the construction of veterinary system, focus on the three major diseases of African swine fever, blue ear and diarrhea, strive to solve the problems of disease monitoring, diagnosis and prevention, to ensure the safe and smooth operation of farms. By 2024, the Company aims to achieve the sales of 1.2-1.4 million heads of pig (holding and associated companies).

This business plan cannot be deemed as the Company's performance commitment to investors, please maintain sufficient risk awareness.

4. Potential risks

A. Risks of fluctuations in raw material prices

Raw materials account for the majority of the cost of feed business. Changes in the production in the main raw material production areas, import policies, storage and grants, exchange rate fluctuations, logistics costs and other factors may cause fluctuations in the market price of raw materials, which in turn affect the cost and gross margin of the Company's feed business. With the deepening of internationalization of agricultural trade in recent years, the supply and demand relationship and trading price of raw materials are affected by domestic and international spot and futures markets in many dimensions, and the price trend is becoming increasingly complex and volatile, which further increases the difficulty of cost management of the Company. In addition, the complex changes in the China-US relations, the Russia-Ukraine war and other international political and economic environments have also made the purchase of raw materials more volatile.

Solutions

- a. Wellhope has established strategic partnerships with many leading raw material suppliers at home and abroad. Meanwhile, it adopts a three-level purchasing mode, which includes centralized purchasing by the head office, bidding purchasing by different business regions and local subsidiary purchasing, to clarify the role of purchasing.
- b. Wellhope combines its raw material trading business with purchasing management, i.e., the professional and practical raw materials' purchasing team conducts targeted forward-looking research and real-time tracking on the market to strategically reduce the purchasing price, such as uniformly

managing different variety of raw materials, adopting spot purchasing and futures together.

c. The purchasing team works closely with the R&D, production and sales teams. The R&D team actively develops low-cost homogeneous substitutes for key raw materials, the production team continuously optimizes and transforms the process and equipment performance, the sales team helps the purchasing team to adjust strategy in a timely manner through the wave volume forecast. Each department works together, complementing each other's strengths and sharing information to minimize the risk of raw material price fluctuations.

d. Wellhope has set up a raw material information sharing channel with Royal De Heus, which enables the two sides to exchange information of raw materials and additives. In addition, the two sides have started joint purchasing for vitamins, amino acids and other raw materials, and may further expand the scope of joint procurement in the future to further enhance the overall bargaining power.

B. Risks of fluctuations in livestock and poultry prices

Livestock production is a typically cyclical industry and the hysteresis in supply causes prices to fluctuate periodically. The sharp fluctuations in livestock and poultry prices have undoubtedly increased uncertainty about the performance of companies in the sector.

Solutions

a. In terms of strategy. Wellhope always pays close attention to the price fluctuations of upstream and downstream products, and over the years has continued to deepen market research, accurately predict industry trends, and flexibly adjust its business strategy. Meanwhile, Wellhope's three main business divisions share resources and complement each other's strengths, and each business division promotes the layout of production capacity according to the plan and in a rhythmic manner, so as to effectively control the risk of price fluctuations of livestock and poultry at the strategic level.

b. In terms of business. Wellhope's broiler integration business has established an industrial chain from broiler breeding, day-old chick hatching, feed production, commercial broiler farming, slaughtering, processing and further processing of prepared food and cooked food. Through continuous improvement of the industrial chain, the price fluctuations of each sector in the chain can be fully hedged, thereby minimizing the price fluctuations of the entire industrial chain.

c. In terms of management. Wellhope has always been committed to improving the production standard of each sector, constantly innovating the practical operation technology and management mode of various businesses, reducing the overall operating costs by optimizing the production indicators and improving the per capita efficiency. The costs advantage can mitigate the negative impact of the industry downturn on the Company, while improving the overall profitability in the face of a booming market.

C. Risks of serious animal epidemic

Feed and farming are Wellhope's two core businesses. Epidemics are one of the biggest risks facing livestock businesses. Once an animal disease outbreak occurs, it is certain to cause panic in the

marketplace, which will reduce demand, production and income while increasing costs. The feed industry mainly serves the downstream livestock industry, so the downstream market will directly affect the performance of the feed business. As an unpredictable emergency, an explosive epidemic will undoubtedly have a strong impact on the Company's business.

Solutions

- a. Wellhope places great emphasis on regional distribution and business structure, which is the most direct way to disperse the risk of animal epidemic.
- b. Disease prevention and control must be based on "prevention", and "treatment" as a complement, the Company continues to improve the early warning mechanism for major epidemics, and has established biosecurity testing centers at farm locations, and constantly adjusts the frequency and scope of disease testing according to seasonal, geographical and regional epidemiological trends, and strives to contain the disease before it breaks out.
- c. When the epidemic comes, the speed of response is particularly critical, the faster to response, the less to loss. Wellhope has set an emergency command system for major epidemics to minimize losses when they occur.
- d. Wellhope has continuously conducted post-epidemic analysis and research. Meanwhile, it has continuously strengthened the epidemic prevention capacity from various aspects such as animal nutrition and veterinary services.
- e. For African Swine Fever, Wellhope has established a relatively complete prevention system from product research to farm management.

D. Risks of the industrial pattern adjustment caused by environmental protection policies

In recent years, the State has issued a series of environmental regulations, such as the Revised Environmental Protection Law, the Environmental Protection Tax Law, the Regulations on Pollution Prevention and Control in Livestock and Poultry Farming and the Action Plan on Pollution Prevention in Agriculture and Rural Areas. Relevant environmental policies have been issued one after the other to show the government's determination to strengthen the supervision of environmental protection in animal husbandry. Stricter control of environmental protection is the trend of the industry, the livestock industry as a whole can't avoid the reality.

Solutions

During the start-up period, Wellhope had input "saving resources, being committed to environmental protection" as part of its mission, all Wellhope people have always taken saving resources and protecting environment as the most important mission, taking strict compliance with laws and regulations, and implementing environmental protection requirements as key performance appraisal indicators for subsidiaries and managers.

- a. In terms of animal farming and slaughtering. In the face of increasingly stringent environmental protection requirements, all Wellhope's subsidiaries have carried out comprehensive identification of

environmental risk points and formulated contingency plans for emergent environmental incidents based on actual circumstances and the requirements of local governments at all levels to ensure smooth operation. With regard to the main pollutant discharge entity, Wellhope has established a complete self-monitoring program to identify problems in a timely manner and eliminate hidden hazards, it also constantly increased personnel, capital investment in environmental protection to ensure that the main pollutant discharge units always meet the national standards.

b. In terms of feed processing. Wellhope has always met all government environmental standards with the strictest attitude, and has established complete control measures for exhaust gas, noise, wastewater, solid waste and other pollution generated during the production process. Meanwhile, it uses eco-friendly raw materials and additives in feed formulations and continuously develops safe feed to reduce emissions of heavy metals, nitrogen and phosphorus.

E. Risks of exchange-rate fluctuations

Wellhope's international business started earlier and has developed rapidly, which can be affected by exchange rate fluctuations in raw material purchasing, product export and overseas investment, including the following aspects. Firstly, international development has made the global purchase of raw materials more normal, so the risk of exchange rate fluctuation is particularly acute for raw materials that are largely sourced from overseas. Secondly, Wellhope's export business for broiler parts products is growing rapidly with customers from many countries and regions around the world, and exchange rate fluctuations are inevitably caused by the settlement of multiple currencies. Finally, due to the large overseas investment and overseas operations, the cross-border capital transactions and settlements will also be affected by exchange rate fluctuations.

Solutions

a. Wellhope focuses closely on the dynamic international foreign exchange market, while enhancing the awareness of foreign exchange risk and improving the research and forecasting capabilities of the foreign exchange market.

b. Wellhope continues to improve the bargaining power in foreign trade transaction by enhancing the competitiveness of its own products, while reducing the exchange rate risks by using CNY for settlement, adding the insured value clause and the exchange rate risk allocation clause in the contract.

c. By making full use of foreign exchange forwards, swaps and options (portfolios) and other instruments to maintain the exchange rate for foreign exchange exposure.

d. According to the specific conditions of different countries, based on the principle of "using foreign currencies in foreign trade", Wellhope reasonably manages income and liabilities to control exchange rate risks.

F. Risks of food safety

In recent years, there have been a number of food safety incidents in China that have affected consumer confidence in food safety. China has been continuously improving the legislation on food

safety and food sources, and has taken strong measures to deal with food safety violations. Once the food safety incident happens, it will directly damage the interests of consumers and cause panic, which may greatly affect the downstream demand, affect the brand and performance of enterprises.

Solutions

Since its establishment, Wellhope has always attached great importance to the issues of food safety and quality assurance, adhering to the implementation of the quality policy of "six never" with the most rigorous attitude -never accept unqualified raw material, never use abnormal equipment, never allow nonstandard operation, never produce substandard product, never ignore unsatisfied customer, never tolerate imperfect service. Wellhope's head office has set up a Food and Quality Safety Management Committee, while all business divisions and relevant subsidiaries have set up Food and Quality Safety Management Groups to ensure that the team always maintains a high sense of responsibility and awareness.

a. In terms of feed business. The Company has established a quality management mechanism and inspection system managed at the head office, regional and subsidiary levels, adopted international standards such as ISO9001, ISO22000 and ISO-IEC17025, and thoroughly implemented a series of quality standards such as the Feed Quality and Safety Management Code, the Veterinary Drug Production Quality Management Code and other specifications, the Company has controlled the whole production process and established the traceability system. Meanwhile, it is vigorously popularizing near-infrared detection technology, improving detection efficiency to share data in a timely manner and quickly realize early risk warning, and focusing on the detection of heavy metals, harmful microorganisms and mycotoxins, to provide an important guarantee for the safety of feed products.

b. In terms of farming and slaughtering business. As for production management, the Company strictly monitors and checks drug selection and residue control in broiler integration and pig farming, while constantly strengthening quality management in slaughtering and processing, earnestly implementing all-in and all-out inspection and quarantine, and drug residue detection. As for business model, Wellhope has established a broiler industry chain, including broiler breeding, day-old chick hatching, feed production, commercial broiler farming, slaughtering and processing of raw meat, and further processing of prepared and cooked food. The integrated operation ensures a sufficient supply of raw materials in each sector of the chain and strict control of the whole process of food safety and quality from the source. Through standardized management and streamlined operations, Wellhope consolidates biosecurity, drug residue and in-process hygiene controls to achieve traceable food safety.

Section IV Corporate Governance

I. Overview of Corporate Governance

In strict compliance with the Corporation Law, the Securities Law, the Guidelines for Governance of Listed Company and other requirements, the Company has continuously strengthened and improved its corporate governance and standardized operations. The Board of Directors, the Supervisory Board, the General Meeting and the Management of the Company have a clear division of labor, clear powers and responsibilities, and the systems are designed to be mutually constraining and mutually supportive, so as to gradually establish a set of scientific and highly efficient mechanisms for decision-making, execution and supervision. The Independent Directors, the Supervisory Board and the Special Committees of the Board of Directors have played a key roles in their functions, exercised due care, loyalty and diligence, and provided objective and independent opinions to ensure that the Company's operations are lawful, compliant, fair and transparent, and that the Directors and Supervisors have full played their core role in corporate governance, continuously improved the corporate governance structure, enhanced the transparency of corporate governance, and effectively safeguarded the legitimate rights and interests of the Company and the shareholders.

During the period under review, the Company amended the Articles of Association in accordance with relevant laws and regulations, and actively promoted the revision of the relevant system for independent directors, and commenced preparations for the pre-election of the Board of Directors and the Supervisory Board in the fourth quarter. In FY2024, the Company held 2 general meetings, 4 board meetings, 4 supervisory meetings, 4 audit committee meetings, 1 remuneration and appraisal committee meeting and 1 nomination committee meeting, and the convening, holding and voting procedures of all the meetings were standardized, legal and effective. During the reporting period, the Company continued to strengthen its information disclosure, standardized operation and investor relationship management to continuously enhance the transparency of the Company, ensure investors' right to know and effectively safeguard the legitimate interests of the Company and all shareholders. The Company's information disclosure work for the year 2022-2023 has been awarded Grade A, which has been awarded for six consecutive years. Since the completion of the IPO in 2014, the Company has not been criticized, condemned or punished by regulatory authorities for information disclosure violations.

II. General Meeting Convened during the Reporting Period

Meeting	Date	Query URLs of Resolution	Disclosing Date of Resolution
2022 Annual General Meeting	April 21, 2023	www.sse.com.cn	April 22, 2023
2023 First Extraordinary Shareholders' Meeting	November 13, 2023	www.sse.com.cn	November 14, 2023

III. Information about Directors, Supervisors and Senior Managers

1. Changes in shareholdings and remuneration of incumbent and outgoing directors, supervisors and senior management during the reporting period

Name	Office title	Gender	Age	Start of tenure	End of tenure	Opening shareholding (shares)	Closing shareholding (shares)	Changes in shareholding (shares) in 2023	Reason of changes	Pre-tax remuneration paid by the Company (CNY 10k)	Whether obtain remuneration from related parties of the Company
Jin Weidong	Chairman	male	60	Feb. 3, 2015	Feb. 1, 2027	149,549,498	149,549,498			77.00	No
Qiu Jiahui	Director, President	male	52	Feb. 1, 2021	Feb. 1, 2027					72.50	No
Jacobus Johannes de Heus	Director	male	55	Feb. 3, 2015	Feb. 1, 2027						No
Shao Caimei	Director, Chief Technical Officer	female	58	Feb. 3, 2015	Feb. 1, 2027	49,773,878	49,773,878			70.00	No
Zhang Wenliang	Director	male	63	Feb. 3, 2015	Feb. 1, 2024	8,565,100	8,565,100			31.80	No
Zhao Xin	Director, Chief HR Officer	female	52	Feb. 3, 2015	Feb. 1, 2027	4,420,160	4,420,160			72.00	No
	Board Secretary			Mar. 18, 2016	Feb. 1, 2024						
ZUO XIAOLEI	Independent Director	female	70	Feb. 1, 2021	Feb. 1, 2027					9.82	No
Jiang Yan	Independent Director	female	50	Feb. 1, 2021	Feb. 1, 2027					9.82	No
Zhang Shuyi	Independent Director	male	59	Feb. 1, 2021	Feb. 1, 2027					9.82	No

Wang Fengjiu	Vice President	male	55	Feb. 3, 2015	Feb. 1, 2024	47,964,602	47,964,602			64.00	No
Wang Xueqiang	Vice President	male	57	Feb. 1, 2021	Feb. 1, 2024	9,355,000	9,355,000			72.00	No
Di Guo	Vice President	male	53	Feb. 1, 2021	Feb. 1, 2024	4,908,219	4,908,219			72.00	No
Chen Yu	Financial Director	male	39	Aus. 12, 2022	Feb. 1, 2027					58.00	No
Wang Zhongtao	Chairman of the Supervisory Board	male	60	Feb. 3, 2015	Feb. 1, 2024	46,625,229	46,625,229			51.00	No
Marcus Leonardus van der Kwaak	Supervisor	male	55	Feb. 3, 2015	Feb. 1, 2027						No
Li Jun	Supervisor	male	51	Apr. 27, 2016	Feb. 1, 2027					66.00	No
Ren Bingxin	Supervisor	male	60	Mar. 27, 2019	Feb. 1, 2024	5,429,500	5,429,500			52.00	No
Yuan Minger	Supervisor	female	53	Feb. 3, 2015	Feb. 1, 2024					29.69	No
Total	/	/	/	/	/	326,591,186	326,591,186	/	/	817.45	/

Name	Work experience
Jin Weidong	Male, born in 1963, Chinese nationality, bachelor's degree in veterinary medicine from Shenyang Agricultural University, master's degree in physiology and biochemistry from Jilin University (the former People's Liberation Army Veterinary University), senior animal husbandry expert, Ph.D. supervisor, his research project was supported by the first batch of the National Natural Science Foundation of China. He is the core founder of Wellhope, and has been the Chairman of Wellhope since 1995. After postgraduate studies, he worked in the university for two years, and went into business in 1991. He once served as the regional sales manager, national sales manager and the assistant to the president of Asia-Pacific region of Beijing Continental Grain Company. Now he is the Vice Chairman of China Feed Industry Association, the Vice Chairman of China Animal Agriculture Association, the Chairman of Liaoning Feed Association, the Chairman of Haicheng City's Chamber of Commerce of Shenyang General Federation of Industry and Commerce, also serves as the interviewer of MBA of Peking University and Tsinghua University, the teacher of MBA class, the visiting professor of Renmin University of China, Ocean University of China and Northeast Agricultural University for many years. He has been awarded as China's Outstanding Private Science and Technology Entrepreneur, National Outstanding Builder of the Socialist Cause, Top 10 Economic Figures in China's Feed Industry in the 30 Years of Reform and Opening Up, May Day Labor Medal of Shenyang City, and Model Worker of Liaoning Province. In addition, he was honored as the Outstanding Entrepreneur of Liaoning Province in 2017,

	the Career-creating Talent in Science and Technology Innovation by the Ministry of Science and Technology of China in 2018, and selected as the fourth batch of Leading Talents in Technology Entrepreneurship in the National Ten Thousand Talents Program in 2019, and awarded the honorary title of the National Model Worker in 2020.
Qiu Jiahui	Male, born in 1972, Chinese nationality, bachelor of veterinarian from Shenyang Agricultural University. After graduation from university, he worked in Dalian Broiler Breeder Farm, a state-owned core breeding enterprise, engaged in technical and on-site management. He joined Wellhope in 2000, starting from business representative, and rapidly promoted due to his outstanding ability, and served as General Manager of Haicheng Wellhope Feed Mill and Haicheng Xinzhongxin Feed Mill, Vice President of Former Huakang Feed Group, Marketing Director of Wellhope, President of Broiler Integration Business Division, Vice President of Wellhope. Now he is the Director and President of Wellhope. He also serves as Vice President of Liaoning Chinese and Foreign Entrepreneurs Club, Member of the 9th Liaoning Provincial Agricultural Committee, President of Liaoning White Broiler Association, Vice President of Liaoning Provincial Animal Husbandry Association, Guest Professor of the College of Animal Science and Technology and the College of Veterinary Medicine of Shenyang Agricultural University, and other social positions, received the first prize of the National Agriculture, Animal Husbandry and Fishery Harvest Prize for the year of 2019-2021 (first completer), and was awarded Shenbei New District May 1st Labor Medal in 2022, awarded the honorary title of Shenyang Outstanding Expert of the Eighth Session in 2023. Mr. Qiu Jiahui is the pioneer of Wellhope's broiler integration business. With more than 10 years of leadership, the broiler integration business has achieved rapid development.
Jacobus Johannes de Heus	Male, born in 1969, the Netherlands' nationality, master's degree in Arts in Economics from University of Groningen. He has worked for Royal De Heus since 1992, and is currently the CEO of Royal De Heus and a Director of Wellhope.
Shao Caimei	Female, born in 1966, Chinese nationality, PhD in animal physiology and biochemistry from Nanjing Agricultural University. She is one of the founders of Wellhope. She previously worked as a technician in a poultry breeding center under the Ministry of Agriculture and as a formulation manager at Continental Grain Company. Since founding Wellhope, she has always taken charge of the technology of Wellhope, serving successively as the Technology Director and Vice President. Now she is the Board Director and CTO of Wellhope, also holds the posts of standing director of Animal Nutrition Branch of Chinese Association of Animal Science and Veterinary Medicine, member of Chinese Feed Industrial Standardization Technical Committee, head of the Comprehensive Trial Farm for National Swine Raising Industry Technology System. Meanwhile, she has served as the master supervisor of China Agricultural University and Shenyang Agricultural University. She has won several first and second prizes of provincial-level science and technology progress and applied nearly 30 technical invention patents. In 2022, she was honored as one of Forbes China's Top 50 Sci-Tech Women, and in 2023, she was awarded the honorary title of Shenyang Outstanding Expert of the Eighth Session.
Zhang Wenliang	Male, born in 1960, Chinese nationality, master of quality cost management from Northeastern University, senior auditor, the first batch of China's certified public accountant. He used to work for the Shenyang Office of National Audit Office, mainly engaged in auditing of finance, national tax, customs and large enterprises. He joined Wellhope in 1996 and served successively as Financial Manager of Shenyang Wellhope Feed Mill, Auditing Manager of Wellhope, Financial Manager of Beijing Sanyuan Wellhope Feed Mill, and Financial Director of Wellhope. He is currently the Board Director and CFO of Wellhope. Mr. Zhang Wenliang led and participated in some capital operation projects of Wellhope, such as the shareholding system transformation, IPO and non-public offering new shares.
Zhao Xin	Female, born in 1972, Chinese nationality, bachelor of economics from Shenyang Agricultural University. She joined Wellhope in 1995 after graduation, successively served as the Secretary to general manager, Director of Marketing Department, Director of HR Department, Human Resources Manager and Chief HR Director, Assistant to Chairman, etc. Now holds the posts of Board Director, Board Secretary and CHO of Wellhope. Ms. Zhao Xin has over 20 years of experiences in human resources and enterprise management, she is one of the managers who established Wellhope's human resources management system. In 2020 and 2021, she was awarded as "Outstanding Board Secretary" in the Selection of China's Valuable Public Companies.
ZUO XIAOLEI	Female, born in 1953, Singaporean nationality, famous economist, Ph.D. of International Finance and Econometrics from University of Illinois, USA. She used to be a lecturer in the School of Economic Statistics at the National University of Singapore, associate professor at the Asian Institute of Management in the Philippines, chief economist and chief president adviser of Galaxy Securities, independent director of Tongfang Co., Ltd. and Hubei Bank. Now she serves as the researcher at the Financial Center of Counsellors' Office of the State Council of China. Ms. ZUO XIAOLEI is one of the most influential economists in China, who has published many papers in the fields of econometrics, international finance and securities market. She is the author of "Xiaolei's Perspective: My View on China's Economy" and other books.

Jiang Yan	Female, born in 1973, Chinese nationality, doctor of management from Institute of Fiscal Science of Ministry of Finance, certified public accountant, certified asset appraiser. She worked in the Stock Issuance Supervision Department at China Securities Regulatory Commission from 2002-2016, now holds the posts of core consultant of several investment banks such as Minsheng Securities Co., Ltd., and the independent director of Weichai Power Co., Ltd.
Zhang Shuyi	Male, born in 1964, Chinese nationality, doctor of ecology from Marie Curie University, France, doctoral advisor of Shenyang Agricultural University. Once he held the posts of researcher of the Institute of Zoology of Chinese Academy of Sciences, Dean of Interdisciplinary Institute of Science and Technology of East China Normal University, Dean of the School of Management of Zhejiang Ocean University. Now he is the Dean of the School of Animal Husbandry and Veterinary of Shenyang Agricultural University. In addition to the scientific field, he used to serve as an independent director of Wellhope, vice president of Tiansanqi Group Co., Ltd. (Beijing), etc. Mr. Zhang Shuyi has made great achievements in the field of science. He has been funded by the National Natural Science Foundation of China for Distinguished Young Scholars, supported by the "Changjiang Rive Scholars" team project of the Ministry of Education, and been selected into the first and second levels of the National Millions of Talents Project, the "Hundred Talents Program" of the Chinese Academy of Sciences, and the Climbing Scholars Program of Universities in Liaoning Province. He has been awarded special government allowance of the State Council, second prize of national science and technology progress, first prize of natural science of Shanghai and other awards, etc.
Wang Fengjiu	Male, born in 1969, Chinese nationality, master of animal nutrition and feed science from the Chinese Academy of Agricultural Sciences, one of the founders of Wellhope. He once worked in the teaching office of Shenyang Agricultural University and then worked in Continental Grain Company as the sales manager of Northeast China. After founding Wellhope, he served successively as Business Manager, Deputy General Manager and General Manager of some subsidiaries. He served as the Director and President of Wellhope for more than ten years, and later became the Vice President for developing food processing business. He is now the Chairman of the Supervisory Board of the Company, and also serves as the Executive Vice President of Liaoning Agricultural Industrialization Association, the Vice President of Liaoning Catering and Culinary Industry Association, the Vice President of Shenyang Food Association.
Wang Xueqiang	Male, born in 1967, Chinese nationality, bachelor of animal husbandry from Shenyang Agricultural University. He once worked at Shenyang Institute of Applied Ecology of Chinese Academy of Sciences. He joined Wellhope in 1995 and served successively as Sales Manager and Deputy General Manager, General Managers of some subsidiaries and Vice President of Wellhope. Mr. Wang Xueqiang is one of the important contributors to Wellhope's feed business management system. The Liaoning Region under his leadership is now the benchmark of Wellhope's "quality management", also the base camp of Wellhope's business development and talent growth.
Di Guo	Male, born in 1970, Chinese nationality, master of management from Shenyang Agricultural University. Joining Wellhope in 1996, he served successively as Salesman, Sales Manager, Deputy General Manager and General Manager of some subsidiaries, President of former Huakang Group, Chief Director of feed business in Jilin and Heilongjiang regions, Secretary of the Board of Directors and Vice President of Wellhope. Mr. Di Guo has rich experiences in marketing and enterprise management, who has been appointed to take on important responsibilities in times of crisis. He is an innovator of business development in Jilin and Heilongjiang regions.
Chen Yu	Male, born in 1984, Chinese nationality, master's degree from Shanghai University of Finance and Economics, certified public accountant. From September 2009 to January 2017, he worked at KPMG Huazhen LLP, holding the positions such as auditor and audit department manager. From January 2017 to May 2019, he worked at New Northeast Electric Group, where he was in charge of financial management. From May 2019 to November 2021, he worked at Anhui Hetian Hospital Management Co., Ltd. as the chief financial officer. Now he is the Director and Financial Director of Wellhope.
Wang Zhongtao	Male, born in 1964, Chinese nationality, Bachelor of Animal Husbandry in Shenyang Agricultural University, one of the founders of Wellhope. He once worked in Tianjin Huajin Company as a technical director, a large state-owned enterprise, and the sales manager of six provinces in North China at CONTINENTAL GRAIN COMPANY(the US). After founding Wellhope, he served successively as Purchasing Manager, Financial Manager, General Manager, Chairman of the Supervisory Board, etc. Mr. Wang Zhongtao is the most important contributor to the development and growth of Wellhope's trading business. Over the past 20 years, Wellhope's trading business has flourished, and the business scale is among the top in China.
Marcus Leonardus van der Kwaak	Male, born in 1969, the Netherlands' nationality, master's degree, CFO of Royal De Heus, supervisor of Wellhope.
Li Jun	Male, born in 1972, Chinese nationality, master of business administration from Northeastern University. He used to be the export salesman of Shenyang Grain, Oil and Food Import and Export Company, and the sales manager of Shenyang Tongfeng Trading Company. He joined Wellhope in 2004 and successively served as General Manager of

	several trading subsidiaries. Now he is the Director of Wellhope's trading business, General Manager of Liaoning Expert Trading Company, and Supervisor of Wellhope. Mr. Li Jun has been engaged in international trade for many years, who has rich experience in trading feed raw materials. He has made important contributions to the development of Wellhope's trading business.
Ren Bingxin	Male, born in 1963, Chinese nationality, PhD in cell engineering from Ocean University of China. He joined Wellhope in 1998 and has served as Production Manager, Technical Manager, ISO System Manager and Deputy General Manager. Now he holds the post of Technical Director of Wellhope's broiler feed line. Mr. Ren Bingxin is the chief expert of Wellhope's broiler feed products, with rich experience in feed production and research and development. He is an important participant and contributor to the rapid development of Wellhope's broiler integration business, and has obtained 2 authorized invention patents and 3 utility model patents during his tenure.
Yuan Minger	Female, born in 1970, Chinese nationality, bachelor's degree, senior auditor, joined Wellhope in 2004, served successively as Deputy Financial Manager of Liaoning Wellhope, Financial Manager of Wellhope Aquatic Feed Company and Supervisor of Wellhope. Now she holds the posts of Audit Manager of Wellhope.

Other information notes:

On January 15, 2024, the Company held the 20th meeting of the 7th session of the Board of Directors and the 16th meeting of the 7th session of the Supervisory Board to deliberate and approve the "Proposal on the Election of a New Session of the Board of Directors" and the "Proposal on the Nomination of Candidates for Non-Employee Representative Supervisors for the Eighth Session of the Supervisory Board ", respectively. The Board of Directors agreed to nominate Mr. Jin Weidong, Mr. Jacobus Johannes de Heus, Mr. Qiu Jiahui, Ms. Shao Caimei, Ms. Zhao Xin and Mr. Chen Yu as candidates for non-independent directors of the 8th session of the Board of Directors, and to nominate Ms. ZUO XIAOLEI, Ms. Jiang Yan and Mr. Zhang Shuyi as t candidates for independent directors. The Supervisory Board agreed to nominate Mr. Wang Fengjiu and Mr. Marcus Leonardus van der Kwaak as candidates for non-employee representative supervisors of the 8th session of the Supervisory Board. On January 19, 2024, a general meeting of the employee representatives of the Company was held, at which Mr. Li Jun was elected as the employee representative supervisor of the 8th session of the Supervisory Board.

On February 1, 2024, the First Extraordinary General Meeting of 2024 was held to deliberate and approve the "Proposal on the Election of Non-Independent Directors of the 8th Session of the Board of Directors", "Proposal on the Election of Independent Directors of the 8th Session of the Board of Directors" and "Proposal on the Election of Non-Employee Representatives of the 8th Session of the Supervisory Board ", Mr. Jin Weidong, Mr. Jacobus Johannes de Heus, Mr. Qiu Jiahui, Ms. Shao Caimei, Ms. Zhao Xin and Mr. Chen Yu were elected as non-independent directors, and Ms. ZUO XIAOLEI, Ms. Jiang Yan and Mr. Zhang Shuyi were elected as independent directors. The term of office would be three years from the date of approval at the first extraordinary general meeting of 2024. On the same day, the first meeting of the 8th session of the Board of Directors was convened to deliberate and approve the "Proposal on the Election of the Chairman of the 8th Session of the Board of Directors" and "Proposal on the Appointment of Senior Management of the Company", at which the Board of Directors agreed to

elect Mr. Jin Weidong as the Chairman of the Board, agreed to appoint Mr. Qiu Jiahui as the President of the Company, Ms. Zhao Xin and Mr. Jin Ge as the Vice Presidents, and appointed Mr. Chen Yu as the Financial Director and Secretary of the Board, with the term of office commencing from the date of deliberation and approval by the Board of Directors to the date of expiry of the 8th session of the Board of Directors, of which the appointment of Mr. Chen Yu as the Secretary of the Board will take effect formally upon obtaining the Certificate of Qualification for Secretary of the Board of Directors issued by Shanghai Stock Exchange. On the same day, the first meeting of the 8th session of the Supervisory Board was held to deliberate and approve the "Proposal on the Election of the Chairman of the 8th Session of the Supervisory Committee of the Company". The Supervisory Committee agreed to elect Mr. Wang Fengjiu as the chairman of the 8th session of the Supervisory Board, with a term of office commencing from the date of deliberation and approval by the Supervisory Board to the date of expiry of the 8th session of the Supervisory Board.

2. Post held by ongoing and outgoing directors, supervisors and senior managers in other entity**Post in other entities**

Name	Other entity	Post	Start of tenure	End of tenure
Zhang Shuyi	Shenyang Agricultural University	Head of Animal Husbandry and Veterinary Science	2016	
Zhang Shuyi	Wuxi Kezhiqian Technology Company	Executive director	2012	
Zhang Shuyi	Liaoning Petmate Bio-tech Company	Board director	2016	
Jiang Yan	Weichai Power Co., Ltd.	Independent director	2020	
Jacobus Johannes de Heus	Royal De Heus Company	CEO	2002	
Marcus Leonardus van der Kwaak	Royal De Heus Company	CFO	2001	
Jin Weidong	Beijing Huikezhongda Information Consulting Company	Board director	2020	
Jin Weidong	Changzhou Sangdichuan Agricultural Development Company	Executive director	2021	
Jin Weidong	Liaoning Guowei Industrial Group Company	Board director	2021	

3. Remuneration of Directors, Supervisors and Senior Management

Decision-making procedure for remuneration	According to the Company's performance appraisal management, related regulations and the stipulations of the Remuneration and Performance Appraisal Committee of the Board of Directors.
Whether a director recuses himself/herself from the Board's discussion of his/her own remuneration matters	Yes
Details of the recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors in respect of the remuneration of directors, supervisors and senior management	The Remuneration and Appraisal Committee reviewed the remuneration of directors and executives in conjunction with the Company's remuneration evaluation standards and submitted them to the Board of Directors.
Basis for determining remuneration	According to the remuneration level in the industry, the Company's business performance, job responsibilities, etc., and in accordance with the work plan made by the Board of Directors at the beginning of the year, in combination with individual's work performance and other qualitative and quantitative indicators.
Actual payment	Paying in accordance with the annual performance of the Company, the work performance of senior managers and management ability, etc.
Total remuneration during the reporting period	Totally paid CNY 8.17 million to board directors, supervisory board directors and senior managers.

IV. Board Meetings held in the Reporting Period

Meeting	Date	Resolution
The 15th meeting of the 7th session of Board of Directors	Mar. 29, 2023	No. 2023-005 announcement--meeting resolution
The 16th meeting of the 7th session of Board of Directors	Apr. 26, 2023	No. 2023-025 announcement --meeting resolution
The 17th meeting of the 7th session of Board of Directors	Aug. 14, 2023	No. 2023-044 announcement --meeting resolution
The 18th meeting of the 7th session of Board of Directors	Oct. 26, 2023	No. 2023-054 announcement --meeting resolution

V. Performance of Duties of Directors**1. Circumstance of attending board meeting and shareholders' meeting**

Name	Independent director or not	Attendance of Board Meeting						Shareholders' Meeting
		Number of board meetings required to attend this year	Physical presence	Via Tele-communi	Via proxy	Number of absences	Whether continually fail to physically attend the meeting two times	Number of general meeting attended
Jin Weidong	No	4	4	2	0	0	no	1
Qiu Jiahui	No	4	4	2	0	0	no	1
Jacobus Johannes de Heus	No	4	4	4	0	0	no	0
Shao Caimei	No	4	4	2	0	0	no	2
Zhang Wenliang	No	4	4	3	0	0	no	2
Zhao Xin	No	4	4	0	0	0	no	2
ZUO XIAOLEI	Yes	4	4	4	0	0	no	1
Jiang Yan	Yes	4	4	4	0	0	no	2
Zhang Shuyi	Yes	4	4	1	0	0	no	2

Number of board meetings held this year	4
Including on-site meeting	0
Number of meetings held via telecommunication	0
Number of meetings held via on-site meeting and telecommunication	4

2. Member of Special Committee of Board of Directors

Committee	Member
Audit committee	Jiang Yan(head), ZUO XIAOLEI, Zhang Wenliang
Nominating committee	ZUO XIAOLEI(head), Zhang Shuyi, Shao Caimei
Compensation and appraisal committee	Zhang Shuyi(head), Jiang Yan, Zhao Xin
Strategy committee	Jin Weidong(head), Jacobus Johannes de Heus, Qiu Jiahui, Zhang Wenliang, ZUO XIAOLEI

3. Meetings held by the audit committee in the reporting period

Date	Agenda	Important comments and suggestions	Other circumstance
Mar. 24, 2023	To deliberate 2022	Agree to all proposals	Non

	Annual Report, Renewing Contract with Accounting Firm, 2022 Audit Committee Performance Report, 2022 Internal Control Evaluation Report and 2022 Special Report of the Deposit and Use of Raised Funds	and submit them to the Board of Directors	
Apr. 21, 2023	To deliberate 2023 First Quarter Report	Agree to all proposals and submit them to the Board of Directors	Non
Aug. 10, 2023	To deliberate 2023 Interim Report and Special Report of the Deposit and Use of Raised Funds in the first half of 2023	Agree to all proposals and submit them to the Board of Directors	Non
Oct. 24, 2023	To deliberate 2023 Third Quarter Report and the Extension of Part of Raised Funds Investment Projects	Agree to all proposals and submit them to the Board of Directors	Non

4.Meetings held by the nominating committee in the reporting period

Date	Agenda	Important comments and suggestions	Other circumstance
Dec. 25, 2023	To deliberate Candidates for Independent Directors and Candidates for Non-Independent Directors for the 8th Session of the Board of Directors	Agree to all proposals and submit them to the Board of Directors	Non

5.Meetings held by the compensation and appraisal committee

Date	Agenda	Important comments and suggestions	Other circumstance
Mar. 20, 2023	To deliberate Annual Compensation of Directors and Senior Managers	Agree to all proposals and submit them to the Board of Directors	Non

VI.Employees of the Parent Company and Major Subsidiaries

1.Headcount

Full time employee of parent company	271
Full time employee of major subsidiaries	8,700
Total full-time employees	8,971
The number of retired employees whose expenses are borne by the parent company and major subsidiaries	10
Functions	

Line	Employees
Production	3,622
Sales	2,720
Technology	882
Finance	458
Administration	1,289
Total	8,971
Educational backgrounds	
Educational background	Employees
Master's degree and above	490
Bachelor's degree	2,956
Junior college	2,649
Below junior college	2,876
Total	8,971

2. Remuneration policy

Wellhope always adheres to the human resources strategy of providing a fair, equitable and merit-based remuneration environment for employees, and builds a comprehensive remuneration and performance incentive system based on salary policy, appointment management, short-term and long-term incentive and welfare protection, and implements a remuneration management system with fairness, incentive and competitiveness, and closely link employees' personal remuneration to overall and individual performance, and determine the total amount of individual remuneration according to the results of business performance and individual performance evaluation, so as to encourage employees to continuously exercise their individual motivation and ultimately realize a win-win situation for both the Company and the employees.

In 2023, the overall market environment was sluggish, and the Company endeavored to operate and safeguard employee compensation and benefits. On this basis, the Company further promoted the implementation of comprehensive performance management and applied process tracking to annual performance, with a strong correlation between annual compensation and the annual performance of the organization and individual performance results. The Company continued to promote compensation optimization projects in some business sectors and regions and to standardize basic compensation management. Meanwhile, the Company strengthened internal and external salary surveys and analyses, benchmarked industry pay standards, attracted and retained outstanding talent through sound salary policies. The Company also continued to optimize appointment management measures, selecting better managers through a scientific talent appointment system, demoting and appointing employees ranked in the bottom 10%, and using positive and negative multi-dimensional incentives. The Company formulated a special commendation program for strategic businesses, which provided special commendation according to annual performance, guided and stimulated employees' sense of honor, and promoted their career development and self-realization. The Company provided employees with salaries and benefits that were competitive in the industry and regions, and offered

employees social security and housing funds. It also provided other welfare benefits such as commercial insurance and annual medical checkups for employees and their families, and enriched employees' benefits through the "Wings of Love" charity foundation and other ways to achieve internal resource sharing and improve satisfaction.

3. Training plan

Under the joint guidance of overall strategic planning and the strategic objectives of human resources development, during the reporting period, the Company focused more on the value of training to support and strengthen business and operations and paid more attention on the growth and cultivation of key talents and core businesses, being pragmatic and efficient.

A. Focusing on business and empowerment. The Company implemented result orientation and vigorously promoted the skills development of key personnel. During the year, more than 50 training projects were carried out, covering business skills of large-scale farms, production and operation skills, farming skills, front-line management skills, and back-office support skills, to help each business sector and functional unit to effectively enhance job skills and improve performance.

B. Refining generality and exploring excellence. The Company implemented business orientation, explored several excellent benchmarking cases on strategic issues such as large-scale farm development, cost reduction and efficiency improvement, extracted experience and promoted replication, involving more than 14,000 people. Meanwhile, the Company launched "continuous improvement" within the Group, created 21 improvement projects and promoted their implementation in the field.

C. Strengthening the construction of key talent echelons. Based on the original talent training system, the Company optimized the implementation of a multi-level and more precise training program for new employees to accelerate the integration, adaptation, stability and development of newcomers. It focused on the training of new managers from social recruitment and the training of reserve cadres, covering more than 400 people, and launched a series of special courses in finance, technology and human resources to improve back-office support. It also organized live learning for the middle and senior management team of over 3,600 people to build consensus and synergies interlocking.

VII. Common Stock Profit Distribution or Capital Reserve Converted into Share Capital

1. Cash dividend

Focusing on long-term and sustainable development, the Company has established a sustainable, stable and scientific return mechanism for investor based on a comprehensive analysis of the actual operation, the requirements and wishes of shareholders, the cost of social funds and the external financing environment, while taking full account of the current and future profitability, cash flow situation, development stage, project investment needs, financing, bank loans and debt financing environment, so as to ensure the continuity and stability of the dividend distribution policy. During the reporting period, there was no change in the Company's dividend policy.

On May 26, 2023, the Company implemented the 2022 annual equity distribution and distributed cash

dividend of CNY 1.20 (tax included) per 10 shares to all shareholders based on the total share capital of the Company registered on the date of registration of the implementation of the equity distribution (excluding the shares held in the Company's repurchase special account), for a total payment of CNY 107,817,202.80 cash dividends.

As audited by Suyu Jincheng CPA LLP, the net profit attributable to equity shareholders of the Company for FY2023 amounted to CNY -457,037,550.28. The accumulated undistributed profits of the parent company as of December 31, 2023, amounted to CNY 2,634,168,817.92. In view of the negative net profit attributable to equity shareholders, which did not meet the conditions for payment of cash dividends as set out in the Articles of Association of the Company, and taking into consideration the long-term development plan and capital requirements of the Company, and in order to ensure the sustainable, stable and healthy development of the Company, and to provide more stable and long-term returns to investors, the Board of Directors of the Company has, after prudent consideration, decided not to pay cash dividends for FY2023, and not to make any capitalization of additional paid-in capital.

2.Special note on cash dividend policy

Whether it complies with the provisions of the articles of association or the requirements of the resolution of the general meeting	Yes
Whether the criteria and proportion of dividends are clear and unambiguous	Yes
Whether the relevant decision-making procedures and mechanisms are complete	Yes
Whether the independent directors have performed their duties and played their due roles	Yes
Whether small and medium-sized shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests are fully protected	Yes

VIII.Status of the Company's Share Incentive Scheme, Employee Share Ownership Scheme or other Employee Incentives and their Impacts

1.Appraisal mechanism for senior management personnel and the establishment and implementation of incentive mechanism during the reporting period

The annual performance appraisal of senior management personnel is conducted in accordance with the actual operating conditions of the Company and implemented in accordance with the relevant regulations of the Company.

IX.Internal Control System Construction and Implementation

The Company will disclose the evaluation report of internal control when discloses 2023 Annual Report. Details, please refer to the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

X.Management and Control of Subsidiaries during the Reporting Period

The Company implemented internal control management on its subsidiaries in strict accordance with relevant provisions of laws and regulations. Through the management of the subsidiaries' operations, human resources, finance, internal audit, information disclosure, investment and financing, business

evaluation and other management measures, the Company controlled the risk of subsidiaries. Each subsidiary uniformly implemented the standards and regulations issued by the Company, and established business plans and risk management procedures in accordance with the Company's overall development strategic planning and annual business plan. Each subsidiary reported major business and financial events to the Company's responsible person in a timely manner and reported major events to the Company's Board of Directors or General Meeting, in accordance with the major event reporting rules and review procedures. During the reporting period, the subsidiaries operated stably, the Company has no major deficiencies in the management and control of the subsidiaries, and the internal control of the subsidiaries has been effectively implemented.

XI.Explanation of Audit Report for Internal Control

SuyaJincheng CPA LLP issued the Audit Report, put forward that Wellhope has maintained effective internal control over financial reports in all major aspects on December 31, 2023, in accordance with relevant regulations. Details, please refer to the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

Disclosure of internal control audit reports: Yes

Type of opinion on internal control audit reports: unmodified opinion

Section V Environment and Social Responsibility

I.Environment information

Whether to establish mechanisms related to environmental protection	Yes
Investment in environmental protection during the reporting period (CNY million)	6.99

1.Description of the environmental protection situation of the Company and its principal subsidiaries that are key emission units announced by the environmental protection authorities

A.Pollutant-discharging information

The subsidiaries of the Company, including, Puyang Wellhope Food Company (hereinafter referred to as Puyang Wellhope), Dalian Zhongjia Wellhope Food Company (hereinafter referred to as Zhongjia Food), Dalian Huakang Xinxin Food Company (hereinafter referred to as Dalian Huakang), Shenyang Huakang Broiler Company (hereinafter referred to as Shenyang Huakang), Pingyuan Wellhope Food Processing Company (hereinafter referred to as Pingyuan Wellhope), Changchun Wellhope Food Company (hereinafter referred to as Changchun Wellhope), Chifeng Wellhope Fuxinyuan Food Company (hereinafter referred to as Chifeng Wellhope), Shandong Heyuan Food Company (hereinafter referred to as Shandong Heyuan), Dunhua Fengda Agriculture and Animal Husbandry Development Company (hereinafter referred to as Dunhua Fengda), Daqing Wellhope Food Company (hereinafter referred to as Daqing Wellhope), Hebei Taihang Wellhope Food Company (hereinafter referred to as Taihang Wellhope), and Anhui Wellhope Food Company (hereinafter referred to as Anhui Wellhope), have been designated by local environmental protection bureaus as the pollution dischargers. The details are set below.

Company	Primary pollutants	Way of discharge	Number of discharge outlet	Distribution of outlets	Emission concentration	Pollutant discharge standards	Total emissions	Total approved emissions	Whether discharge excessive pollutants
Puyang Wellhope	Wastewater (COD, ammonia nitrogen, total phosphorus, PH, suspended solids, biochemical oxygen demand, animal and plant oil, total coliform, total nitrogen). Waste gas (SO ₂ , nitric oxide, particulate matter)	Waste gas—directly discharged after treatment, waste water--indirectly discharged	1 outlet for waste gas, 1 for wastewater	1 wastewater emission outlet located in the southeast corner of the sewage monitoring station, 1 waste gas exhaust outlet distributed in the boiler room in the northeast corner of the factory	COD: 40.045mg/L Ammonia nitrogen: 2.037mg/L Total phosphorus: 0.786mg/L Total nitrogen: 16.172mg/L SO ₂ : 0mg/m ³ Nitrogen oxides: 22mg/m ³ Particulate matter: 3.4mg/m ³	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) Boiler Air Pollutant Emission Standard (GB 13271-2014)	COD: 19.254753t/a Ammonia nitrogen: 0.980831t/a	COD: 72.48t/a Ammonia nitrogen: 5.436t/a	No
Zhongjia Food	Wastewater (COD, ammonia nitrogen, total phosphorus, PH, suspended solids, biochemical oxygen demand, total nitrogen). Waste gas (SO ₂ , nitric oxide, particulate matter)	Waste gas—directly discharged after treatment, waste water--discharged into sewage works	1 outlet for waste gas, 1 for wastewater	Wastewater enters the sewage plant through the pump, the exhaust gas outlet is distributed in the boiler house on the north side of the company	COD: 41.35mg/L Ammonia nitrogen: 1.98mg/L Total nitrogen: 21.46mg/L Total phosphorus: 2.64mg/L PH value: 7.27 Particulate matter: 22.9mg/m ³ Sulfur dioxide: 209mg/m ³ Nitrogen oxides: 132mg/m ³	Comprehensive Wastewater Discharge Standard of Liaoning Province (DB 21/1627-2008) Boiler Air Pollutant Emission Standard (GB 13271-2014)	Simplify management without emissions	Non	No
Dalian Huakang	Wastewater (COD, ammonia, total phosphorus, PH, suspended solids, total nitrogen, five-day biochemical oxygen demand, animal and vegetable oils). Waste gas (SO ₂ , nitric oxide, particulate matter)	Waste water—discharged into the network after treatment, waste gas—directly discharged	3 outlets for waste gas, 1 for wastewater	Wastewater discharge outlet is distributed in the southeast corner of the factory's sewage treatment workshop, exhaust gas outlet is located on the roof of the boiler house	COD: 300mg/L Ammonia nitrogen: 25mg/L Total phosphorus: 4mg/L Total nitrogen: 35mg/L PH value: 6.0-8.5 BOD: 250mg/L Suspended matter: 250mg/L Animal and vegetable oil: 50mg/L	Comprehensive Wastewater Discharge Standard of Liaoning Province (DB 21/1627-2008) and Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) Emission Standards for Odor Pollutants (GB14554-93) and Boiler Air Pollutant Emission Standard (GB 13271-2014)	Wastewater discharged into the network, no emissions, used the biomass boiler, no exhaust gas emissions	Non	No

Shenyang Huakang	Wastewater (5 days biochemical oxygen demand, total nitrogen, suspended solids, animal and vegetable oils, ammonia, PH, COD, total phosphorus). Waste gas (particulate matter, sulfur dioxide, nitrogen oxides, smoke blackness, mercury and its compounds)	Waste gas—directly discharged after treatment, waste water--discharged into the municipal network after treatment	1 outlet for waste gas, 1 for wastewater	Wastewater discharge outlet is distributed in the southeast corner of the factory's sewage monitoring base station, exhaust gas outlet is located at the boiler house in the northeast corner of the boiler house	COD: 450mg/L Animal and vegetable oil: 60mg/L Five-day biochemical oxygen demand: 250mg/L Total nitrogen: 50mg/L Ammonia: 30mg/L Suspended solids: 300mg/L PH value: 6.0-8.5 Total phosphorus: 5mg/L Sulfur dioxide: 200mg/m ³ Blackness of flue gas: Grade 1 Mercury and its compounds: 0.05mg/m ³ Particulate matter: 30mg/m ³ Nitrogen oxides: 200mg/m ³	Comprehensive Wastewater Discharge Standard of Liaoning Province (DB 21/1627-2008) and Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) Comprehensive Emission Standards for Air Pollutants (GB 16297-1996) and Emission Standards for Odor Pollutants (GB14554-93)	COD: 7.0846t/a Ammonia nitrogen: 0.419t/a Sulfur dioxide: 0.60415t/a Nitrogen oxides: 1.655t/a	COD: 118.27t/a Ammonia nitrogen: 32.76t/a Sulfur dioxide: 5.268t/a Nitrogen oxides: 5.506t/a	No
Pingyuan Wellhope	Wastewater (COD, ammonia, total phosphorus, PH, suspended solids, biochemical oxygen demand, animal and vegetable oils, total coliforms, total nitrogen). Waste gas (SO ₂ , nitrogen oxides, particulate matter, oily fumes, odors, hydrogen sulfide, ammonia)	Waste gas—directly discharged via natural gas boiler, waste water—indirectly discharged	6 outlets for waste gas, 1 for wastewater	Wastewater outlet is distributed in the old sewage monitoring station on the east side of the station, exhaust gas outlets are distributed in the east side of the boiler room, the roof of the canteen, the north side of the sewage treatment station, and the east side of the feather powder workshop	Ammonia: 4mg/L COD: 50mg/L PH value: 7.6-7.8 Suspended matter: 16mg/L Animal and vegetable oil: 0.73mg/L SO ₂ : 4mg/m ³ Nitrogen oxides: 13mg/m ³ Particulate matter: 4.5mg/m ³ Oil smoke: 1.6mg/m ³ Odor: 531mg/m ³ Hydrogen sulfide: 0.20mg/m ³ Ammonia: 0.14mg/m ³	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) and inlet water quality requirements of Linzhang County Boiler Air Pollutant Emission Standard (GB 13271-2014), Emission Standards for Odor Pollutants (GB14554-93) and Standard for Oil Smoke Emission in Catering Industry (GB18483-2001)	COD: 3.78t/a Ammonia nitrogen: 0.76t/a SO ₂ : 0.07098t/a Nitrogen oxides: 1.1216t/a	COD: 74.488t/a Ammonia: 9.732t/a SO ₂ : 3.395t/a Nitrogen oxides: 3.789t/a	No
Changchun Wellhope	Waste water (COD, ammonia nitrogen, total phosphorus, PH, suspended matter, biochemical oxygen demand, animal and vegetable oils, total nitrogen)	Waste water--discharged after entering the sewage treatment station	1 outlet for wastewater	Wastewater discharge outlet is distributed in the sewage monitoring station	COD: 14mg/L Suspended solids: 8mg/L Coliforms: not detected PH value: 7.96 Ammonia: 0.587mg/L Five-day biochemical oxygen demand: 2.7mg/L Animal and vegetable oil: 0.17mg/L	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) and starting from February 2021, implemented Changchun City's ultra-low emission standards, within 1mg/L for ammonia nitrogen and 0.4mg/L for total phosphorus	COD: 3.487t/a Ammonia nitrogen: 0.104t/a	COD: 12.619t/a Ammonia nitrogen: 2.524t/a	No

Chifeng Wellhope	Wastewater (COD, ammonia nitrogen, total phosphorus, PH, suspended solids, five-day biochemical oxygen demand, animal and plant oil, total coliforms, total nitrogen)	Wastewater--indirectly discharged	1 outlet for wastewater	Wastewater outlet is distributed in the east side of the sewage monitoring base station	COD: 1000mg/L Ammonia nitrogen: unlimited PH value: 6-9	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992)	COD: 3.4t/a Ammonia nitrogen: 0.06t/a	COD: 640.5t/a Ammonia nitrogen: 0.06t/a	No
Shandong Heyuan	Wastewater (COD, suspended solids, coliform count, anionic surfactants, ammonia, total nitrogen, total phosphorus, PH, five-day biochemical oxygen demand, animal and vegetable oils, color). Waste gas (particulate matter, sulfur dioxide, nitrogen oxides)	Wastewater—discharged after entering the sewage treatment plant, waste gas—directly discharged after treatment	1 outlet for waste gas, 1 for wastewater	Wastewater outlet is distributed in the southeast side of the pool of the sewage treatment station, the exhaust gas outlet is distributed in the boiler house on the northwest side of the factory	Anionic surfactant: 10mg/L PH value: 6.5-9.5 Ammonia nitrogen: 35mg/L COD: 500mg/L Total nitrogen: 45mg/L Animal and vegetable oil: 100mg/L Five-day biochemical oxygen demand: 200mg/L Suspended solids: 400mg/L Total phosphorus: 6mg/L Color: 64 Coliforms: 10000/l	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) and Water Quality Standards for Sewage Discharge into Urban Sewers (GB/T 31962-2015) Emission Standards for Odor Pollutants (GB14554-93) and Shandong Province Boiler Air Pollutant Emission Standards (DB 37/2374-2018)	COD: 192.8t/a Ammonia nitrogen: 17.35t/a Total nitrogen: 27t/a	COD: 1485t/a Ammonia nitrogen: 103.95t/a Total nitrogen: 133.65t/a	No
Dunhua Fengda	Wastewater (COD, ammonia, total phosphorus, total nitrogen, PH, suspended solids, five-day biochemical oxygen demand, animal and vegetable oils, total coliforms). Waste gas (SO ₂ , nitrogen oxides, particulate matter, smoke blackness)	Waste gas—directly discharged after treatment, wastewater—discharge after entering the sewage treatment plant	1 outlet for waste gas, 1 for wastewater	The waste gas outlet is located at the boiler room on the southeast side of the plant, the wastewater outlet is located on the north side of the cesspool of the wastewater treatment station	COD: 100mg/L Ammonia nitrogen: 20mg/L PH value: 6-8.5 Animal and vegetable oil: 20mg/L Five-day biochemical oxygen demand: 40mg/L Suspended solids: 100mg/L Coliforms: 10000/l SO ₂ : 300mg/m ³ Nitrogen oxides: 300mg/m ³ Particulate matter: 50mg/m ³	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) Boiler Air Pollutant Emission Standard (GB 13271-2014), Emission Standards for Odor Pollutants (GB 14554-93) and Integrated Emission Standard of Air Pollutants (GB 16297-1996)	COD: 37.8t/a Ammonia nitrogen: 7.56t/a	Non	No
Daqing Wellhope	Wastewater (COD, ammonia, PH, total dissolved solids (all salts), five-day biochemical oxygen demand, suspended solids, total nitrogen, total phosphorus, animal and vegetable oils, coliform counts, anionic surfactants). Waste gas (particulate matter, SO ₂ , nitrogen oxides, flue gas blackness, hydrogen sulphide, ammonia, odour concentration, soot, mercury and its compounds)	Waste gas—directly discharged after treatment, waste water—discharge after entering the sewage treatment plant	1 outlet for waste gas, 1 for wastewater	The waste gas outlet and wastewater outlet are located on the north side of the plant	COD: 80mg/L Five-day biochemical oxygen demand: 15mg/L Suspended solids: 50mg/L Ammonia: 12mg/L Animal and vegetable oil: 5mg/L PH value: 6-8.5 Total phosphorus: 0.5mg/L Coliforms: 10000/l Anionic surfactant: 3mg/L Total nitrogen: 16mg/L Particulate matter: 50mg/m ³ Nitrogen oxides: 300mg/m ³ Sulfur dioxide: 300mg/m ³ Mercury and its compounds: 0.05/m ³	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) Boiler Air Pollutant Emission Standard (GB 13271-2014) and Emission Standards for Odor Pollutants (GB 14554-93)	Particulate matter: 0.51t/a SO ₂ : 2.45t/a Nitrogen oxides: 3.06t/a COD: 56t/a Ammonia nitrogen: 8.4t/a	Non	No
Taihang Wellhope	Wastewater (COD, ammonia, total phosphorus, PH, suspended solids, five-day	Waste gas- directly discharged after treatment,	1 outlet for waste gas, 1 for	Wastewater outlet is distributed in the	COD: 50mg/L Ammonia nitrogen: 8mg/L Total phosphorus: 0.5mg/L	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) Boiler Air Pollutant Emission Standard of Hebei	COD: 1.609t/a Ammonia nitrogen: 0.0382t/a Total nitrogen: 0.898t/a	COD: 97.798t/a Ammonia nitrogen: 15.648t/a	No

	BOD, animal and vegetable oils, total coliforms, total nitrogen); Wastewater (SO ₂ , NO _x , particulate matter)	wastewater-indirectly discharged	wastewater	northwest corner of the sewage monitoring base station, waste gas is distributed in the northwest corner at the boiler room	Total nitrogen: 15mg/L Suspended solids: 10mg/L Five-day biochemical oxygen demand: 10mg/L Animal and vegetable oil: 1mg/L	Province (DB13/5161-2020)	Total phosphorus: 0.017t/a	Total nitrogen: 29.340t/a Total phosphorus: 0.987t/a	
Anhui Wellhope	Wastewater (5-day BOD, suspended solids, animal and vegetable oils, ammonia, PH, COD, E. coli); Wastewater (other characteristic pollutants such as particulate matter, sulfur dioxide, nitrogen oxides, Ringelmann blackness)	Waste gas- directly discharged after treatment, wastewater-discharged after treatment	1 outlet for waste gas, 1 for wastewater	Wastewater outlet is located in the southeast corner of the sewage station, exhaust gas outlet is located in the northwest corner of the sewage station	COD: 46mg/L Ammonia nitrogen: 0.58mg/L Low concentration of particulate matter: 12.3mg/m ³ Nitrogen oxides: 24mg/m ³ Sulfur dioxide: Not detected	Discharge Standard of Water Pollutants for Meat Processing Industry (GB 13457-1992) Boiler Air Pollutant Emission Standard (GB 13271-2014)	COD: 5.8t/a Ammonia nitrogen: 0.78t/a	COD: 381.55t/a Ammonia nitrogen: 22.89t/a	No

B.Circumstance of building and operating pollution control facilities

Puyang Wellhope

a. Wastewater treatment: Puyang Wellhope has a 2,000-ton-per-day treatment station, which uses the "pretreatment-oil separation-A2O-disinfection" treatment process to treat wastewater. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met the required standards.

b. Waste gas treatment: Gas generated from the wastewater tank is collected and purified by alkali scrubbing tower and activated carbon adsorption, and then discharged through a 25-metre-high stack in accordance with relevant standard. The waste gas from the slaughtering shed, and broiler suspension platform is collected and treated by alkali scrubbing tower and activated carbon adsorption and purification and then discharged through a 15-meter-high stack. The traditional coal-fired boilers have been replaced by gas-fired boilers, and low nitrogen upgrading has been carried out, all kinds of pollutants have met the emission standards and discharged through an 8-meter-high stack.

Zhongjia Food

a. Wastewater treatment: Zhongjia Food has a 1,200-ton-per-day treatment station, which uses the "mechanical barrier-oil separator-regulation pool-hydrolysis pool-catalytic oxidation pool-sedimentation pool-sand filter" treatment process to treat wastewater, and the pollutant emission indexes have met the required standards.

b. Waste gas treatment: Waste gas from the company's 4T coal-fired boilers is dedusting smoke and dust by wet method and magnesium oxide desulfurization, and then discharged through a 25-meter-high stack to meet the emission standards.

Dalian Huakang

a. Wastewater treatment: Dalian Huakang has a 1,500-ton-per-day treatment station that adopts the treatment process of "mechanical barrier-oil separator-regulation pool-air flotation-hydrolysis pool-A2O-sedimentation pool-advanced treatment pool-clean water pool", which have met required standards.

b. Waste gas treatment: Waste gas from the company's biomass boiler is dedusting smoke and dust by wet method and magnesium oxide desulfurization, then discharged through a 36-meter-high stack to meet the emission standards. The waste gas generated during the production process of slaughterhouse and wastewater treatment station have complied with emission standards.

Shenyang Huakang

a. Wastewater treatment: Shenyang Huakang has a 2,220-ton-per-day treatment station, which adopts the treatment process of "pretreatment-oil separation-A2O-secondary sedimentation tank-flocculation dephosphorization sedimentation tank (advanced treatment process)" to treat wastewater. Its environmental protection facilities are running normally, and the pollutant emission indexes have met all required standards.

b. Waste gas treatment: Waste gas from the company's 4T biomass boiler is treated by the bag filter, then discharged through a 35-meter-high stack to meet related standards.

Pingyuan Wellhope

a. Wastewater treatment: Pingyuan Wellhope has a 1,000-ton-per-day treatment station, which adopts AO treatment process to treat wastewater. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met all required standards.

b. Waste gas treatment: Gas generated from the wastewater tank is collected and purified by activated carbon adsorption and then discharged through a 15-meter-high stack. The traditional coal-fired boilers have been replaced by low-carbon gas-fired boilers, and the exhaust gas from boilers discharged through a 12-meter-high stack, all types of pollutants have met the emission standards.

Changchun Wellhope

Wastewater treatment: Changchun Wellhope has a 1,000-ton-per-day treatment station, which adopts the treatment process of "air flotation-A2O" to treat wastewater. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met all required standards.

Chifeng Wellhope

Wastewater treatment: Chifeng Wellhope has a 2,400-ton-per-day treatment station, which adopts the A2O treatment process. The equipment and facilities are operating normally, which can automatically monitor the COD, ammonia nitrogen, PH value and flow of wastewater discharge, and it is networked with the city's environmental protection bureau. The company has also constructed a biogas project with a daily output of 8,000 m³, which can ferment wastewater, livestock and poultry gastrointestinal contents, manure and the remaining solids of harmless treatment, the marsh gas can be used for boiler production, biogas residue and slurry used as fertilizer for grain.

Shandong Heyuan

a. Wastewater treatment: Shandong Heyuan has a 2,000-tons-per-day sewage treatment station, which adopts AO treatment process to treat wastewater. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met all required standards.

b. Waste gas treatment: Gas generated from the wastewater tank is collected and purified by activated carbon adsorption and then discharged through a 15-meter-high stack. The traditional coal-fired boilers have been replaced by gas-fired boilers, which discharge gas by a 10-meter-high stack. All kinds of pollutants have met the emission standards.

Dunhua Fengda

a. Wastewater treatment: Dunhua Fengda has an 800-ton-per-day treatment station, which adopts the treatment process of air flotation-A2O to treat wastewater. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met all required standards.

b. Waste gas treatment: The gas produced from the boiler discharged through a 20-meter-high stack after dust removal by cloth bags. The traditional coal-fired boilers have been replaced by biomass

boilers, which discharge gas by a 20-meter-high stack. All types of pollutants have met the emission standards.

Daqing Wellhope

a. Wastewater treatment: Daqing Wellhope has a 500-ton-per-day treatment station, which adopts the A2O treatment process to treat wastewater. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met all required standards.

b. Waste gas treatment: Waste gas from the company's 4T biomass boiler is removed by the bag filter and multi-tube ceramic dust collector, then discharged by exhaust funnel. All types of pollutants have met the emission standards.

Taihang Wellhope

a. Wastewater treatment: Taihang Wellhope has a 3,500-ton-per-day treatment station, the second phase of the plant also has a 3,500-ton-per-day treatment station, the whole treatment scale will reach 7,000 tons per day, which adopts the grate-grease trap-regulation-air flotation-hydrolysis acidification-anoxic-contact oxidation-phosphorus removal and coagulation process. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met all required standards.

b. Waste gas treatment: Based on the treatment of a set of chemical scrubbing and absorption plus biological filtration device, the waste gas is removed through 15-metre-high exhaust pipe emissions. The boiler adopts low-nitrogen and eco-friendly natural gas boiler, and the low-carbon combustion flue gas is discharged through no less than 15-meter-high stack. The pollutant emissions comply with the requirements of the gas boiler emission concentration limits.

Anhui Wellhope

a. Wastewater treatment: Anhui Wellhope has an 1,800-ton-per-day treatment station, which adopts the treatment process of grating pre-treatment -oil separation-hydrolysis acidification-A/O process-disinfection to treat wastewater. Its environmental protection facilities are operating normally, and the pollutant emission indexes have met all required standards.

b. Waste gas treatment: The waste gas is discharged to the standard through a 15-metre-high stack after collection, two-stage treatment of alkali washing tower and active biological mould purification. The company uses low-nitrogen eco-friendly boilers, which discharge gas by an 8-meter-high stack, the pollutants have met the emission standards.

C.Environmental impact assessment of construction projects and other administrative permits for environmental protection

During the reporting period, all the construction projects of the Company met the requirements of environmental impact assessment and other environmental protection administrative licenses. The Company has strictly implemented related environmental protection requirements.

D. Emergency plan for environmental incident

According to the requirements of environmental protection authorities and relevant laws and regulations, each factory of the Company has identified the site with potential environmental risk and formulated the emergency plans for environmental incident. Meanwhile, related companies conducted emergency exercises to improve self-rescue ability and continued to identify the hidden danger to ensure normal operations.

E. Self-monitoring program for environment

In accordance with requirements of self-monitoring environment and information disclosure, the pollutant discharging entities of the Company have formulated self-monitoring programs to monitor environment and disclose information as scheduled.

2. Description of the environmental protection situation of companies other than key emission units**A. Administrative penalties imposed on environmental issues**

On December 11, 2023, Hainan Wellhope Company received an administrative penalty decision letter from the Chengmai County's Comprehensive Administrative Law Enforcement Bureau of Hainan Province, imposing a fine of CNY 200,250 on the Company for putting into operation before acceptance. On July 20, 2023, Wafangdian Huinong Poultry Company. received a decision on administrative penalty from the Ecological Environment Sub-bureau of Wafangdian (Changxing Island) of Dalian City, imposing a fine of CNY 50,000 on the Company for the broiler farms directly discharging untreated livestock and poultry wastes into the environment. Related companies have initiated the rectification work quickly, while comprehensively reviewing and standardizing the management related to environmental protection. The Company will strictly implement environmental protection initiatives in accordance with the relevant national environmental protection policies to prevent the recurrence of such incidents.

B. Description of environmental protection of other subsidiaries**A. Information that is conducive to protecting the ecology, preventing pollution, and fulfilling environmental responsibility**

While strengthening safety production, the Company has always advocated the concept of green environmental protection and effectively fulfilled its responsibility to protect environment. The Company and its holding companies have made long-term efforts to protect the ecology and prevent pollution in farming, slaughtering and food processing. In terms of preventing water pollution, the wastewater treatment plants of the farms and slaughterhouses met all standards and operated stably throughout the year to meet discharge standards and ensure the water environment. With regard to the prevention of air pollution, the abattoirs and farms have been equipped with biomass boilers and natural gas boilers, which produce significantly less carbon oxides and nitrogen oxides than other fuels, and do not require desulphurisation and denitrification technologies, which can fully ensure that pp emissions meet the standards. In terms of preventing the pollution from farming waste emission, the

Company has built the organic fertilizer project, which could quickly and conveniently convert farming waste into efficient organic fertilizer through modern biotechnology, so that farming waste could be resourcefully used to realize recycling.

B.Measures taken to reduce carbon footprint and the result in the reporting period

Whether taking carbon reduction measures	Yes
Types of carbon reduction measures (e.g., using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that contribute to carbon reduction, etc.)	Using carbon reduction technologies in the production process

During the reporting period, the Company focused on the source of carbon emissions and effectively reduced its carbon footprint through practical measures. The Company and its holding companies use natural gas boilers, and the carbon generated by the combustion of natural gas are significantly lower than those of other fuels. In terms of broiler business, the Company adopts refrigeration heat recovery technology, which can recover the waste heat from the exhaust of refrigeration compressors and from oil temperature and heat the water in the workshop and other equipment through heat exchangers, thus saving fuel and effectively reducing carbon footprint. In terms of equipment, the aeration fan at the wastewater treatment plant was changed from a Roots blower to an air suspension fan to save 30% of electricity and reduce carbon emissions from electricity generation. In terms of pig farming, the Company strengthened the energy-saving design of pig house, pre-heated the air during winter ventilation, reduced the use of heating gas through heat exchange, and introduced environmental controllers to precisely control the start and stop of fans, which reduced electricity consumption compared to the long running of fans, and reduced the carbon emissions generated by power generation. In the future, the Company will continue to save energy and reduce carbon emissions, as well as raise awareness of energy conservation and consumption reduction among all employees.

II.Social responsibilities

1. Specifics of social responsibility efforts

External donations, public welfare projects	Amount	Explanation
Total investment (CNY million)	4.339	Scholarship, public welfare, poverty alleviation and other donations
Of which: funds (CNY million)	4.339	
Converted price of materials (CNY 10k)	/	

The upstream of agriculture and animal husbandry industries is connected with the planting industry, and the downstream serves the agricultural and food processing industry, which is related to the food

supply and farmers' income and other national livelihood. As a key leading enterprise of agricultural integration, the Company wrote and announced the Declaration and Mission at the beginning of its establishment in 1995, which indicated and warned all employees of the social responsibility and mission that the Company should shoulder while progressing and developing itself, and further clarified the Company's core values of "Integrity, Responsibility and Win-Win" in 2018, once again emphasizing the importance of responsibility.

1.Living the corporate mission, assuming social responsibility

A.Saving food resources and protecting the ecological environment

The largest raw materials used in animal feed are corn and soybean meal, of which soybean is mainly dependent on imports. In recent years, with the increase in consumption of meat, eggs, milk and other products, the scale of livestock and poultry farming in China continues to expand, and the demand for feed grains continues to grow. Since 2018, China has been vigorously promoting the reduction of the use of corn and soybean meal in feed to ensure national food security. Adhering to the principle of conserving food resources, the Company is actively building a diversified formulation system, promoting multi-grain and multi-protein diets, increasing the amount of other meals by applying amino acid balancing technology, and using wheat and brown rice to replace corn, so as to reduce feed's dependence on food raw materials such as corn and soybean meal, conserve resources and contribute to safeguarding national food security. As the livestock industry has an impact on the environment, the Company has always been rigorous in implementing national environmental protection standards, controlling the feed production process through technological innovation and investment in equipment, while continuing to develop safe and eco-friendly diets to reduce the emission of heavy metals, nitrogen and phosphorus. With regard to farming and slaughtering projects, the Company's subsidiaries have comprehensively identified environmental risks in order to promptly repair and eliminate potential problems, thereby promoting the healthy and sustainable development of the agricultural industry.

B.Remembering corporate responsibility for food safety

In 2018, the Company positioned its long-term development objective as "being committed to becoming the world's leading enterprise across agriculture, animal husbandry and food industries", unswervingly pursuing the quality and safety of feed production and meat processing. For feed production, the Company has established a quality management mechanism and inspection system with three-level management at head office, business region and subsidiary companies, and strictly implemented a series of quality standards such as Feed Quality and Safety Management Code, Veterinary Medicine Production Quality Management Code and other internal standards to control raw materials and feed products at all levels and established a traceability system. The Company has always been committed to providing safe and high-quality products. Before the government officially announced the ban on antibiotics in animal feed, the Company achieved a variety of feed products

without antibiotics. In terms of farming and meat processing, the Company implements process management in the farming process with unified production standards and feeding programs, and constantly strengthens the quality management in the slaughtering and processing process, and effectively implements all-in and all-out inspection and quarantine as well as drug residue testing to ensure quality and safety. In terms of business mode, the Company has established a broiler industry chain, implemented strict control of the whole process starting from feed, day-old chick to the production and sales process. Through standardized management and streamlined operation, the Company has consolidated the control of bio-safety, drug residue and in-process hygiene to achieve traceable food safety. In the future, Wellhope will pay attention to food safety and provide safe and high-quality products with a global vision.

C.Never forgetting the original purpose of entrepreneurship, being enthusiastic about public welfare

Wellhope's corporate culture has always emphasized the mission of serving the society, insisting on doing good to people and giving back to the society. Since its inception, the Company has always supported public welfare and charitable ventures to the best of its ability. The Company and its subsidiaries have made many donations to sudden disaster areas, support projects for the disabled, and relevant educational institutions, either directly or through the Red Cross and other public welfare organizations. The Company has also been actively involved in education and public welfare, donating to build six hope middle and elementary schools, and continuing to provide education funds, scholarships, grants and other support to nearly 30 colleges and universities across the country, encouraging students of related professional colleges and universities to conduct scientific research and innovation in their respective fields, and providing college students with opportunities for company visits and internships during their vocations. In the future, the Company will continue to promote the development of China's animal husbandry industry, support education and talent training, consolidate the local poverty alleviation achievements, and practice the responsibilities of corporate citizenship with down-to-earth actions.

D.Continuously attracting talent, promoting social employment

Talented people are the most important asset and valuable resource of Wellhope. According to the development needs, the Company conducts social and campus recruitment every year to create jobs for the society while promoting its own development. The international situation was complicated and changeable in 2023, economic downward pressure and many other unfavorable factors increased the pressure on social employment, the Company, on the basis of ensuring the employment of its own employees, provided recruitment positions through various channels such as social recruitment and campus recruitment to protect the employment of job seekers, also gave them systematic training to promote the career development of talents.

2.Maintaining compliance and sharing the fruits of development

-For shareholders

A.Improving corporate governance, comply withing information disclosure

In terms of internal governance, the Company has always adhered to honest management, continuously improved its governance structure, and gradually established a scientific and efficient decision-making, strategy implementation and supervision mechanism. With a clear division of labor, authority and responsibility among the General Meeting, the Board of Directors, the Supervisory Board and the Management, the Company has achieved a standardized, orderly and efficient operation. The independent directors, the Supervisory Board and the special committees of the Board of Directors all play key functional roles and perform their duties conscientiously, faithfully and diligently, thereby enhancing the transparency of corporate governance and effectively safeguarding the legitimate rights and interests of the Company and its shareholders. Meanwhile, during the reporting period, the Company revised several internal management regulations to ensure compliance with the corporate governance regulations. In terms of information disclosure, the Company has always attached importance to information disclosure, formulated relevant systems and rules for internal implementation based on information disclosure affairs management system, adhered to high-quality information disclosure, disclosed the Company's annual report, interim report, quarterly report and other important information in a timely manner through regular announcements and temporary announcements, so as to provide investors with the Company's production and operating situation in a fair and timely manner. For the sixth consecutive year, the Company's annual information disclosure work received an A grade rating from the Shanghai Stock Exchange.

B.Enhancing information sharing and making every effort to reward shareholders

Based on the principle of "sharing the results", the Company has actively enhanced investors' returns and shared the results of its operations through cash dividends and share buyback on the basis of conscientiously implementing its development strategy and improving its management level. Since the completion of the IPO in 2014, the Company has paid cash dividends for nine consecutive years, effectively rewarding investors. The cumulative cash dividends amounted to CNY1.157 billion (including the expenditure of CNY200 million in 2021 for the repurchase of the Company's shares, which is deemed to be cash dividends). All funds raised from the IPO and the issuance of new shares to designated shareholders in 2019 were returned to investors in the form of cash dividends. At the same time, during the reporting period, the Company held three performance briefing sessions to provide investors with a comprehensive introduction of the Company's operations, actively answered investors' questions and popularized investor protection-related knowledge on the Company's official website and self-media platforms to enhance information sharing with investors and strengthen investor protection.

-For employees**A.Improving the compensation system, innovating incentives**

In accordance with the human resources policy, the Company has established a comprehensive

compensation and incentive system in terms of compensation policy, appointment management, long-term and short-term incentives, and welfare protection, etc. In addition, the Company mobilizes employees' enthusiasm and ensures internal equity by continuously optimizing the compensation control mode and strengthening the salary research and result application of benchmark companies. At the same time, the Company pays great attention to long-term incentives for high-performing employees, which can fully mobilize the enthusiasm and sense of ownership of key talents and promote the sustainable development of the Company during the industry downturn. The Company has also implemented various incentive schemes in various business areas to continuously tap the internal drive of employees and improve employee satisfaction.

B.Upgrading training system for career development

The Company has continuously improved the training management system in line with the overall strategy and each business division's strategy, providing courses and learning resources that are more up-to-date and better suited to the practical needs of positions, to lead the growth and value enhancement of employees. The Company has implemented a hierarchical training program in each business region, including the Senior Management Training Series, Middle Management Training Camp, Sales Backbone Training Camp, and New Employee Seedling Program, which covers talent growth and learning development from senior management and general managers to middle and backbone employees, helping each employee to achieve all-round improvement in job skills, management ability, and professional knowledge. At the same time, the Company has established an "H-type" dual-channel development plan, in which each employee can choose a management route or a technical route according to his or her professional and future plans, and has the opportunity to switch between channels during the development process, in order to make the best use of his or her talents and promote the career development of employees.

C.Strengthening care and protection, building harmonious families together

In accordance with national laws, the Company provides five types of insurance and one type of pension for its employees, as well as commercial insurance, annual medical examination and other benefits for employees' families. In 2007, the Company established an internal public welfare organization, the "Wings of Love" Foundation, to provide assistance, scholarships and care for employees. For 17 years, the Company has insisted on rewarding employees' children for entering national colleges and universities, encouraging employees to cultivate talents for the country and society, insisting on subsidizing employees who encounter difficulties, and helping employees' families to overcome difficulties. In addition, the Company organizes and arranges various forms of corporate cultural activities every year to enrich the lives of employees and build a harmonious family of Wellhope with care and dedication.

-For customers

A.Providing high quality products close to customers' needs

Adhering to the concept of "constantly developing new products and never sticking to the old ways", the Company strictly controls the quality of its products. Through integrated operation, procurement of high-quality raw materials, optimized formula design, professional quality management and intelligent production, the Company provides society with high-quality and stable products to meet customers' demand for safe and high-quality products. The R&D team always pays attention to market dynamics, constantly upgrades products according to customers' needs and continuously develops new products. All products are rigorously tested for performance by experimental farms before being launched to provide reliable assurance to customers. For example, in response to changes in the pig farming market, the Company has launched economical finisher feeds and high premix feeds, and in response to the sluggish dairy market, the Company continues to develop tailor-made products, while helping customers to implement cost reduction programs to generate revenue and improve efficiency.

B. Innovating technology services to achieve win-win goals

Following the concept of co-development with customers, the Company constantly innovates technical services to vigorously provide farmers with systematic services such as farming technology, feeding process, disease diagnosis and treatment, and market information, as well as integrated comprehensive services and solutions such as farm management to help farmers improve their business philosophy and farming level. In addition, the Company is actively innovating the online and remote service mode, providing customers with efficient and accurate services such as technical guidance and skills training through media tools such as live webcast and short video. By using self-media service platform to provide customers with market analysis and farming tips, the Company helps customers to continuously improve their farming knowledge and keep abreast of the market situation. Through a professional and systematic service system, the Company can achieve a win-win situation with customers.

III. Circumstance of promoting and expanding achievements in poverty alleviation and rural revitalization

Poverty alleviation and rural revitalization projects	Amount/Content	Explanation
Total investment (CNY million)	7.82	See specific instructions below
Of which: funds (CNY million)	7.82	/
Converted price of materials (CNY 10k)	/	/
Forms of assistance (such as poverty alleviation by developing industries, offering job opportunities and supporting education)	poverty alleviation by developing industry	/

China has achieved a comprehensive victory in poverty alleviation, but there is still a long way to go in consolidating and expanding the results of poverty alleviation and effectively linking rural revitalization. The 2024 Work Report of the State Council Government proposes to relentlessly focus on the work of

agriculture, rural areas, and rural residents, and firmly push forward the overall revitalization of the countryside. Industrial revitalization is the top priority of rural revitalization and the starting point of practical work. As an important leading enterprise in agricultural industrialization, the Company actively participates in poverty alleviation by developing industry and helps the country to comprehensively promote rural revitalization and accelerate the construction of a strong agricultural country.

During the reporting period, the Company's subsidiaries, Pingyuan Wellhope Food Processing Company, Dalian Heyuan Animal Husbandry Company and Daqing Wellhope Food Company, cooperated with local government to help revitalize the countryside in the impoverished areas by developing industries, creating jobs for poor households, supporting poor families to participate in the Company's broiler farming business, and helping farmers to increase income through dividends, with a total expenditure of CNY 7.67 million. In addition, the Company's subsidiaries actively undertook tasks to support rural revitalization and participated in the co-construction of local village enterprises to help improve the health of the rural environment and improve rural production and living conditions.

Section VI Important Disclosures

I. Execution of Commitment

Background of making commitment	Type of commitment	Commitment party	Content	Date of making commitment	Whether there is a deadline for fulfillment	Validity of the commitment	Whether performs strictly
Commitment relating to IPO	Horizontal competition management	Nature person shareholders holding more than 5% of the shares	I warrant and commit that I will not directly or indirectly develop, operate or assist in the operation or participate in or engage in any activity that is competitive with the business of Wellhope, if Wellhope will increase any business scope after the date of signing this commitment, I promise to give up the business.	March 2, 2011	Yes	Long-term valid	Yes
	Related party transaction management	Legal person shareholders holding more than 5% of the shares-Heli Investment	Our company warrants and commits that our company will not directly or indirectly develop, operate or assist in the operation or participate in or engage in any activity that is competitive with the business of Wellhope, if Wellhope will increase any business scope after the date of signing this commitment, our company promises to give up the business.	March 2, 2011	Yes	Long-term valid	Yes
	Other	Jin Weidong, Wang Fengjiu, Shao Caimei, Wang Zhongtao, Ding Yunfeng	The controlling shareholder Jin Weidong and persons acting in concert with him undertake that there are no false records, misleading statements or material omissions in the prospectus of IPO and its abstract, and shall bear individual and joint legal liabilities for its authenticity, accuracy and completeness.	March 2, 2011	Yes	Long-term valid	Yes
	Other	Wellhope	The Company undertakes that there are no false records, misleading statements or material omissions in the prospectus of IPO and its abstract, and it shall bear individual and joint legal liabilities for its authenticity, accuracy and completeness.	March 2, 2011	Yes	Long-term valid	Yes
Commitment relating to re-Financing	Other	The Company	Measures taken by the Company for filling dilution resulting from issuing bonds. 1. Accelerating the implementation of fund-raising projects to enhance operational efficiency and profitability and reduce the risk of dilution. 2. Strengthening the management of fund-raising and ensure the standardized and effective use of fund-raising. 3. Further strengthening business management and internal control,	July 2, 2021	Yes	Long-term valid	Yes

			<p>improving the efficiency of the Company's operations, reducing operating costs, comprehensively and effectively controlling the operational and management risks.</p> <p>4. Strictly implementing the Company's dividend policy, strengthening the investor return mechanism to protect the interests of the Company's shareholders, especially the small and medium-sized shareholders. Future operating results are affected by a variety of macro and micro factors and are subject to uncertainty, and the measures taken by the Company for filling dilution are not equivalent to guaranteeing the Company's future profits.</p> <p>5. To establish a more effective incentive and competition mechanism as well as a scientific, reasonable and practical talent introduction and training mechanism, to build a market-oriented talent operation mode, and to provide a reliable talent guarantee for the sustainable development of the Company.</p>				
	Other	Controlling shareholder and actual controller	<p>To ensure that the remedial measures for the dilution of immediate returns resulting from issuing bonds can be effectively implemented, the controlling shareholder and actual controller of the Company make the following commitments.</p> <p>1.I will not interfere in the operation and management activities of the Company beyond its authority, and will not encroach upon the interests of the Company.</p> <p>2.If I violate or refuse to perform the above commitments, I agree to bear the corresponding legal liabilities in accordance with the relevant regulations and rules formulated or issued by CSRC, Shanghai Stock Exchange and other securities regulatory authorities.</p> <p>3.Prior to the completion of the bond, if the regulatory authorities make other detailed provisions on the remedial measures for diluted immediate returns and its undertakings, and when the above undertakings fail to meet the detailed requirements of the regulatory authorities, I will make supplementary undertakings in accordance with the relevant provisions.</p>	July 2, 2021	Yes	Long-term valid	Yes
Commitment relating to re-Financing	Other	All board directors, senior managers	<p>All board directors, senior managers made the following undertakings to ensure that the remedial measures for the dilution of immediate returns resulting from issuing bonds can be effectively implemented.</p> <p>1.I will not transfer any interests to other entities or individuals without consideration or with unfair conditions, nor otherwise damage the interests of the Company.</p> <p>2.I will impose constraints on position-related consumption behavior.</p>	July 2, 2021,	Yes	Long-term valid	Yes

			<p>3. I will not make any investment or consumption activity irrelevant to my performance of duties using the Company's assets.</p> <p>4. I will propel to link the remuneration policy formulated by the Board or the Remuneration Committee with the implementation of the Company's remedial measures for returns.</p> <p>5. In the case that any equity incentive scheme (if any) is introduced hereafter, I will actively support to link the vesting conditions of equity incentive with the implementation of the Company's remedial measures for returns.</p> <p>6. Prior to the completion of the Bond, if the regulatory authorities make other detailed provisions on the remedial measures for diluted immediate returns and its undertakings, and when the above undertakings fail to meet the detailed requirements of the regulatory authorities, I will make supplementary undertakings in accordance with the relevant provisions.</p> <p>7. I promise following the regulations of this commitment. If I fail following the regulations which lead to any financial loss to the company or stockholders, I will take responsibility of compensation.</p> <p>8. The above commitments are my true intentions. I voluntarily accept the supervision of securities regulatory authorities, self regulatory organizations and the public. If I fail to fulfill the above commitments, I will assume corresponding responsibilities in accordance with relevant laws and regulations and the requirements of regulatory authorities.</p>				
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II. Reason for changing in accounting policies, accounting estimates or making corrections of significant accounting errors as well as the analysis of effects on the Company

1. Reason for changing accounting policies and accounting estimates and analysis of effects of changes on the Company

For details, please refer to "Changes in Significant Accounting Policies and Accounting Estimates" in the notes to this report.

2. Approval process and other clarifications

If a listed company is required to change its accounting policies in accordance with laws, administrative regulations or the national unified accounting system, etc., it may be exempted from deliberation and the accountant is not required to issue a separate statement on the change in accounting policies.

III. Accounting Firm Engaged by the Company

CNY 10k

Accounting firm (local)	SuyaJincheng CPA LLP
Payment(CNY million)	1.2
Length of service	13 years
Name of Certified Public Accountant	Zhou Qiong, Wang Lei
Cumulative years of audit services provided by CPAs	Zhou Qiong, 1 year, Wang Lei, 5 years

	Name	Payment (CNY 10k)
Accounting firm of internal control	SuyaJincheng CPA LLP	40

IV. Significant litigation and Arbitration Matters

Non

V. Statement of the Integrity of the Company, its Controlling Shareholder and Actual Controller during the Reporting Period

There were no instances in which the company, its controlling shareholder and ultimate controller failed to comply with the effective judgment of the court and had to pay a large amount of unliquidated debt due.

VI. Significant Related Party Transaction

1. Transactions relating to operating activities

A. Matters not disclosed in the Company's extraordinary announcement

CNY 10k

Related Party	Relationship	Transaction type	Transaction content	Pricing principle	Transaction amount	Settlement mode
Anshan Fengsheng Food Company	Associated company	Selling product	Live broiler	Comparable to non-controlled prices	2,441.06	Transfer of account
Anshan Jiuguhe Food Company	Associated company	Selling product	Live broiler	Comparable to non-controlled prices	7,165.53	Transfer of account
Dalian Chengsan Food Group Company	Associated company	Selling product	Feed raw materials, veterinary medicine	Comparable to non-controlled prices	384.88	Transfer of account
Dandong Wellhope Chengsan Agri-Tech Company	Associated company	Selling product	Feed, feed raw materials	Comparable to non-controlled prices	845.83	Transfer of account
Linghai Jiuguhe Feed Mill	Associated company	Selling product	Feed, feed raw materials	Comparable to non-controlled prices	5,045.20	Transfer of account
Shihaipu (Beijing) Science & Trade Company	Associated company	Selling product	Other products	Comparable to non-controlled prices	181.43	Transfer of account
Tai'an Jiuguhe Agriculture Development Company	Associated company	Selling product	Feed, feed raw materials	Comparable to non-controlled prices	15,081.50	Transfer of account
Dalian Sida Food Company	Associated company	Selling product	Live broiler	Comparable to non-controlled prices	24,892.80	Transfer of account
Shandong Fengkang Food Company	Associated company	Selling product	Live broiler	Comparable to non-controlled prices	51,487.18	Transfer of account
Harbin Weierhao Trading Company	Associated company	Selling product	Feed raw materials	Comparable to non-controlled prices	6,795.61	Transfer of account
Dazhou Wellhope Bio-Tech Company	Associated company	Selling product	Feed, feed raw materials	Comparable to non-controlled prices	3,257.76	Transfer of account
Anshan Jiuguhe Food Company	Associated company	Purchasing product	Broiler parts products	Comparable to non-controlled prices	649.88	Transfer of account
Dalian Chengsan Food Group Company	Associated company	Purchasing product	Live broiler	Comparable to non-controlled prices	1,373.75	Transfer of account
Gongzhuling Corn Purchasing and Storing Company	Associated company	Purchasing product	Feed raw materials	Comparable to non-controlled prices	2,417.26	Transfer of account
Jinzhou Jiufeng Food Company	Associated company	Purchasing product	Broiler parts products	Comparable to non-controlled prices	442.08	Transfer of account
Linghai Jiuguhe Feed Mill	Associated company	Purchasing product	Feed, broiler parts products	Comparable to non-controlled prices	404.09	Transfer of account
Shihaipu (Beijing) Science & Trade Company	Associated company	Purchasing product	Other products	Comparable to non-controlled prices	133.01	Transfer of account
Tai'an Jiuguhe Agriculture Development	Associated	Purchasing	Feed, broiler parts	Comparable to non-controlled	3,206.51	Transfer of account

Company	company	product	products	prices		
Jilin Hengfeng Animal Health Products Company	Associated company	Purchasing product	Veterinary medicine, vaccines	Comparable to non-controlled prices	12.13	Transfer of account
Harbin Weierhao Trading Company	Associated company	Purchasing product	Broiler parts products	Comparable to non-controlled prices	3,334.44	Transfer of account
Beipiao Hongfa Food Company	Associated company	Purchasing product	Feed raw materials	Comparable to non-controlled prices	74.70	Transfer of account
Anshan Fengsheng Food Company	Associated company	Purchasing product	Feed	Comparable to non-controlled prices	12.80	Transfer of account
Hebei Taihang Wellhope Agri-Tech Company	Associated company	Purchasing product	Other products	Comparable to non-controlled prices	4,731.89	Transfer of account
Total				/	134,371.33	/
Details of large sales returns				Non		
Explanation of related party transactions				<p>The Company and its related companies know each other better and have maintained long-term cooperation relationships, which can strengthen trust in the products produced by the partners, reduce transaction costs, improve work efficiency and avoid trade disputes. Meanwhile, purchasing raw materials from related parties can ensure the quality of products. In addition, by participating in the management and exerting influence on related companies, it can help them to maintain long-term and stable supply and help them to reduce marketing pressure. The purpose of conducting related party transactions is to meet the needs of ordinary production and operation, and the purchase or sale price is determined according to the market price of similar products. Such transactions do not violate relevant laws, the Company's Articles of Association, etc. and do not harm the rights and interests of shareholders.</p>		

VII. Major Contracts and Performance

CNY 10k

The guarantee provided by the Company and its subsidiaries to its subsidiaries	
Total amount of guarantee provided to subsidiaries	79,628.45
Balance of guarantee provided to the subsidiaries at the end of reporting period	62,984.28
Total amount of guarantee(including the amount for subsidiaries)	
Total amount of guarantee	62,984.28
Percentage of net assets %	9.46
including	
The amount of guarantee provided to shareholders, actual controller and their affiliates	
The amount of debt guarantee provided directly or indirectly to the subsidiaries whose asset-liability ratio exceeds 70%	16,245.10
Amount of total guarantees exceeding 50% of net assets	
The sum of the above three type of guarantees	16,245.10

VIII. Progress Report on the Use of Raised Funds

1. The use of raised funds

CNY 10k

Source of fund-raising	Raised funds arrival time	Total funds raised	Net raised funds less the issuance expenses	Planned investment	After adjustment	Cumulative amount of investments at the end of the reporting period	Progress of inputs as of the end of the reporting period %	Amount invested in the current year	Percentage of investment in the current year %
Issuance of convertible bonds	April 28, 2022	150,000.00	148,988.35	148,988.35	148,988.35	75,992.88	51.01	0.00	0.00

2. Fund-raising project details

CNY 10k

Projects invested by the raised funds	Source of fund-raising	Raised funds arrival time	Planned investment	After adjustment	Amount invested in the current year	Cumulative amount of investments at the end of the reporting period	Progress of inputs as of the end of the reporting period %	Date when the project reaches its intended operational status	Whether the project has been completed	Whether the progress of input is in line with the planned progress	Margins realized during the year	Whether whether there has been a material change in the feasibility of the project
Wellhope Nongda Feed Company—Complete feed mill with an annual capacity of 300,000 tons	Issuance of convertible bonds	April 28, 2022	8,400.00	8,400.00		7,988.44	95.10	March 2023	No	Yes	Not applicable	No
Anhui Wellhope Agri-Tech Company—Pig feed project with an annual capacity of 300,000 tons, ruminant feed project with an annual capacity of 150,000 tons	Issuance of convertible bonds	April 28, 2022	11,400.00	11,400.00		-	-	December 2025	No	Yes	Not applicable	No
Heilongjiang Wellhope Agri-Tech Company—Creep feed and nursery feed with an annual capacity of 100,000 tons	Issuance of convertible bonds	April 28, 2022	3,900.00	3,900.00		262.40	6.73	December 2025	No	Yes	Not applicable	No
Fuxin Wellhope Agriculture and Animal Husbandry Company—Pig breeding integration project, supplying 150,000 heads of piglet per year	Issuance of convertible bonds	April 28, 2022	17,400.00	17,400.00		12,818.20	73.67	January 2023	No	Yes	-1,625.91	No
Lingyuan Wellhope Agriculture and Animal Husbandry Company—Breeding farm with an annual	Issuance of convertible bonds	April 28, 2022	24,688.35	24,688.35		17.52	0.07	December 2025	No	Yes	Not applicable	No

production of 10,000 heads of pig breeders												
Anhui Wellhope Food Company—Pig integration project capable of slaughtering 1 million heads of live pig and processing 120,000 tons of meat per year, with cold chain logistics	Issuance of convertible bonds	April 28, 2022	14,400.00	14,400.00		9,200.87	63.89	January 2023	No	Yes	-2,015.42	No
Pingyuan Wellhope Food Processing Company—further processing project with an annual capacity of 30,000 tons of prepared food and cooked food	Issuance of convertible bonds	April 28, 2022	23,800.00	23,800.00		705.45	2.96	December 2025	No	Yes	Not applicable	No
Working capital complement	Issuance of convertible bonds	April 28, 2022	45,000.00	45,000.00		45,000.00	100.00	-	No	Yes	Not applicable	No

3. Other use of raised funds during the reporting period

A. Temporary complement of working capital with unused raised funds

The Company held a meeting of the Board of Directors and the Supervisory Board on April 26, 2023, deliberated and approved the use of not more than CNY 600 million of unused raised funds to temporarily complement working capital, and the term of use shall not exceed 12 months from the date of being approved by the Board of Directors. The Company's independent directors, and the broker entered into clear agreements in this regard. As of December 31, 2023, the Company has used CNY 430 million of idle funds to temporarily supplement working capital.

B. Other

The Company held a meeting of the Board of Directors and the Supervisory Board on October 26, 2023, deliberated and approved to postpone the progress of several fund-raising projects, see as follows:

Project	Date when the project reaches its intended operational status (before adjustment)	Date when the project reaches its intended operational status (after adjustment)
Anhui Wellhope Agri-Tech Company—Pig feed project with an annual capacity of 300,000 tons, ruminant feed project with an annual capacity of 150,000 tons	April, 2024	December, 2025

Heilongjiang Wellhope Agri-Tech Company—Creep feed and nursery feed with an annual capacity of 100,000 tons	December, 2023	December, 2025
Lingyuan Wellhope Agriculture and Animal Husbandry Company—Breeding farm with an annual production of 10,000 heads of pig breeders	December, 2023	December, 2025
Pingyuan Wellhope Food Processing Company—further processing project with an annual capacity of 30,000 tons of prepared food and cooked food	December, 2023	December, 2025

For details, please refer to the "Announcement of Wellhope regarding Postponing the Progress of Several Fund-raising Projects" (Announcement No. 2023-057), which was published by the Company on October 28, 2023.

Section VII Changes in Common Shares and Shareholder Information

I.Changes in Common Shares

1.Changes of common share

	Before changing		Increase or decrease in this year		After changing	
	Shares	Percentage %	Issuing new shares	Subtotal	Shares	Percentage %
1. Restricted shares						
A. Shares held by the state						
B. Shares held by state-owned corporation						
C. Shares held by other domestic investors						
including: Shares held by domestic non-state-owned corporation						
Shares held by domestic natural person						
D. Shares held by foreign investor						
including: shares held by foreign corporation						
Shares held by foreign natural person						
2.Non-restricted shares	919,430,450	100.00	3,213	3,213	919,433,663	100.00
A. CNY common shares	919,430,450	100.00	3,213	3,213	919,433,663	100.00
3. Total common shares	919,430,450	100.00	3,213	3,213	919,433,663	100.00

2.Explanation of changes in shares

On April 22, 2022, the Company issued CNY 1.5 billion convertible bonds (bond trading symbol 113647). From January 1, 2023 to December 31, 2023, a total of CNY 33,000 of Wellhope convertible bonds were converted into shares of the Company, resulting in 3,213 shares being converted, and the total number of shares of the Company increasing from 919,430,450 shares to 919,433,663 shares.

II. Issuance and Listing of Securities

1. Changes in the total number of shares and shareholder structure of the Company and changes in the Company's asset and liability structure

During the reporting period, the total share capital of the Company changed from 919,430,450 shares to 919,433,663 shares due to the conversion of convertible bonds, and there was no change in the control of the Company. At the beginning of the reporting period, the Company's total assets amounted to CNY 15.43 billion and total liabilities to CNY 7.07 billion, with an asset-liability ratio of 45.84%. At the end of the reporting period, the Company's total assets amounted to CNY 14.94 billion, and total liabilities amounted to CNY 7.32 billion, with an asset-liability ratio of 49.02%.

III. Shareholder and Actual Controller

1. Total shareholders

Total number of shareholders as of December 31, 2023	26,841
Total number of shareholders at the end of February 2024	26,670

2. Top ten shareholders and top ten shareholders holding unrestricted shares as at the end of the reporting period

Shareholding of top ten shareholders							
Name of shareholder	Changes in this year	Total shares held at the period-end	%	Restricted shares held	Pledged or Frozen		Nature of shareholder
					Status	Shares	
Jin Weidong	0	149,549,498	16.27	0	Pledged	12,030,000	Domestic natural person
DE HEUS MAURITIUS	0	82,303,939	8.95	0			Foreign legal person
Ding Yunfeng	0	81,929,558	8.91	0			Domestic natural person
Shao Caimei	0	49,773,878	5.41	0			Domestic natural person
Zhang Tiesheng	0	48,360,000	5.26	0			Domestic natural person
Changzhou Heli Venture Capital Partnership (Limited Partnership)	0	48,360,000	5.26	0			Other
Wang Fengjiu	0	47,964,602	5.22	0	Pledged	8,040,000	Domestic natural person
Wang Zhongtao	0	46,625,229	5.07	0			Domestic natural person
Special account for buy-back shares of the Company	0	20,956,579	2.28	0			Other
Wang Zhenyong	-3,000	9,800,000	1.07	0			Domestic natural person

Top ten shareholders holding unrestricted shares			
Name of shareholder	Unrestricted shares held	Shares by type	
		Type	Shares
Jin Weidong	149,549,498	CNY common stock	149,549,498
DE HEUS MAURITIUS	82,303,939	CNY common stock	82,303,939
Ding Yunfeng	81,929,558	CNY common stock	81,929,558
Shao Caimei	49,773,878	CNY common stock	49,773,878
Zhang Tiesheng	48,360,000	CNY common stock	48,360,000
Changzhou Heli Venture Capital Partnership (Limited Partnership)	48,360,000	CNY common stock	48,360,000
Wang Fengjiu	47,964,602	CNY common stock	47,964,602
Wang Zhongtao	46,625,229	CNY common stock	46,625,229
Special account for buy-back shares of the Company	20,956,579	CNY common stock	20,956,579
Wang Zhenyong	9,800,000	CNY common stock	9,800,000
Explanation of the special account for repurchasing the Company's stock	In 2021, the Company totally bought back 20,956,579 shares through bidding at stock exchange, accounting for 2.28% of the total share capital of the Company, with the highest price of CNY 10.54 per share and the lowest price of CNY 8.88 per share, and the Company totally paid CNY 200,003,612.37 (excluding commission and other taxes).		
Relationship of above shareholders or statement made by the parties acting in concert	<ol style="list-style-type: none"> 1. Jin Weidong, Ding Yunfeng, Wang Fengjiu, Shao Caimei and Wang Zhongtao perform together. 2. Jin Weidong is the actual controller of Changzhou Huli Venture Capital Partnership (Limited Partnership). 3. There is no relationship or concerted action among the other shareholders. 		

Change in the top ten shareholders from the previous period

Change in the top ten shareholders from the previous period			
Name	Additions/ exits during the reporting period	Number of shares held in shareholders' ordinary accounts and credit accounts and outstanding shares lent on transfer at the end of the period	
		Shares	Percentage %
Hong Kong Securities Clearing Company Limited	Exit	8,549,396	0.93
Wang Zhenyong	Addition	9,800,000	1.07

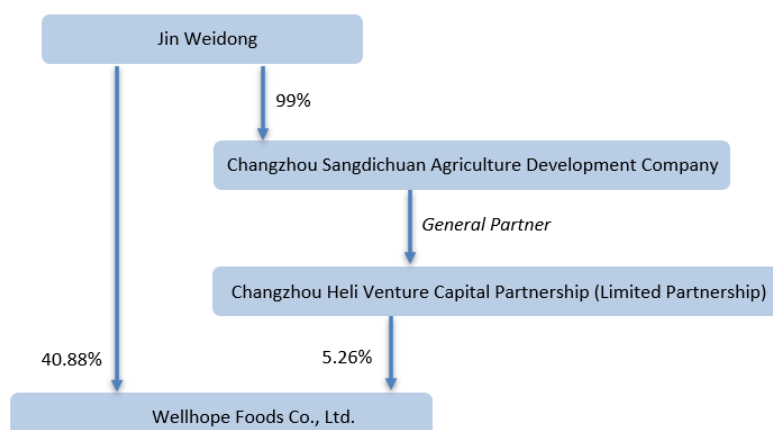
IV. Controlling Shareholder and Actual Controller

1. Controlling shareholder

A. Natural person

Name	Jin Weidong
Nationality	China
Whether acquire the right of abode in other countries or regions	No
Major occupation and position	Chairman of Wellhope Foods Co., Ltd.

B. Block diagram of the ownership and control relationship between the Company and the controlling shareholder



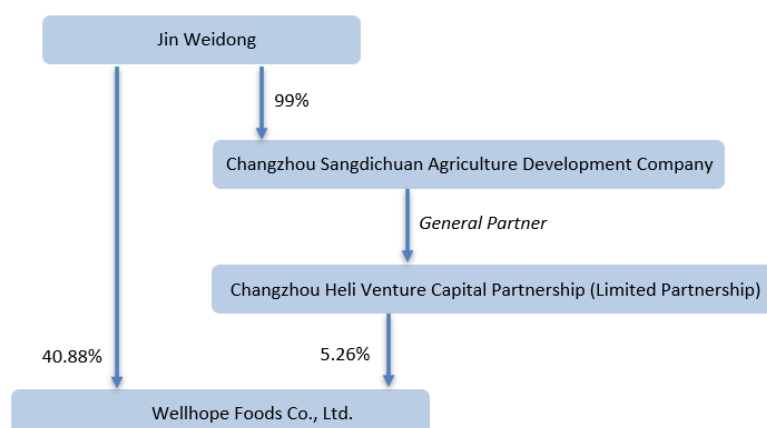
Note: As of December 31, 2023, Jin Weidong directly held 149,549,498 shares of the Company, representing 16.27% of the total share capital, indirectly controlled 5.26% of the voting rights of the Company through the holding of Changzhou Heli, and jointly controlled 24.61% of the voting rights of the Company through the Letter of Confirmation and Undertaking of Concerted Action with Ding Yunfeng (shareholding 8.91%), Wang Fengjiu (shareholding 5.22%), Shao Caimei (shareholding 5.41%) and Wang Zhongtao (shareholding 5.07%). In total, Jin Weidong controls 46.14% of the voting rights of the Company and is the controlling shareholder of the Company.

2. Ultimate controller

A. Natural person

Name	Jin Weidong
Nationality	China
Whether acquire the right of abode in other countries or regions	No
Major occupation and position	Chairman of Wellhope Foods Co., Ltd.

B. Block diagram of the ownership and control relationship between the Company and the ultimate controller



Note: As of December 31, 2023, Jin Weidong directly held 149,549,498 shares of the Company, representing 16.27% of the total share capital, indirectly controlled 5.26% of the voting rights of the Company through the holding of Changzhou Heli, and jointly controlled 24.61% of the voting rights of

the Company through the Letter of Confirmation and Undertaking of Concerted Action with Ding Yunfeng (shareholding 8.91%), Wang Fengjiu (shareholding 5.22%), Shao Caimei (shareholding 5.41%) and Wang Zhongtao (shareholding 5.07%). In total, Jin Weidong controls 46.14% of the voting rights of the Company and is the ultimate controller of the Company.

Section VIII Preference Share

Not Applicable

Section IX Corporate Bond

I. Status of Convertible Bonds

1. Issuance of bonds

With the approval of the China Securities Regulatory Commission, the Company publicly issued 15 million convertible bonds on April 22, 2022, at an issue price of CNY 100.00 per bond for a total issue of CNY 1.5 billion with a term of 6 years. The Company's convertible bonds were listed for trading on the Shanghai Stock Exchange on May 18, 2022, with the trading symbol of 113647.

2. Convertible bond holders and guarantors during the reporting period

Name of convertible bonds	Wellhope convertible bonds	
Number of convertible bond holders at the end of the period	8,844	
Guarantors of the Company's convertible bonds	Not applicable	
The top ten convertible bondholders are as follows:		
Name of bondholders	Bonds held at period end (CNY)	Percentage %
China Minsheng Banking Corporation Limited-Guangda Prudential Credit Plus Bond Fund	105,271,000	7.18
Huaxia Fund Extended Life No. 9 Fixed Income Pension Product-China Merchants Bank Co.	72,953,000	4.97
Efonda Yitian Allocation Mixed Pension Product-Industrial and Commercial Bank of China Ltd.	68,124,000	4.64
Industrial Bank of China Limited-Tianhong Multi-Yield Bond Securities Investment Fund	64,693,000	4.41
CICC Hongtai Convertible Bond Fixed Income Pension Product-Industrial and Commercial Bank of China Ltd.	37,295,000	2.54
Industrial and Commercial Bank of China Limited-Efonda Assured Return Bond Fund	34,879,000	2.38
Bank of Communications Co., Ltd.-Tianhong Hongfeng Enhanced Return Bond Fund	30,185,000	2.06
China Everbright Bank Corporation-Boshi Bond Enhanced Bond Securities Investment Fund	27,695,000	1.89
National Social Security Fund 202 Portfolio	23,340,000	1.59
China Construction Bank Corporation-Efonda Enhanced Bond Securities Investment Fund	22,400,000	1.53

3. Changes in convertible bonds during the reporting period

Bond name	Before changing	Changes (increase or decrease)			After changing
		Bonds converted to shares	Redemption	Repurchase	
Wellhope convertible bonds	1,467,041,000	33,000			1,467,008,000

CNY

Conversion of shares during the reporting period

Name of convertible bonds	Wellhope convertible bonds
Amount of bonds converted into shares during the reporting period (CNY)	33,000
Number of bonds converted into shares during the reporting period (Share)	3,213
Cumulative conversions of convertible bonds (Share)	3,215,467
Percentage of converted shares to the total number of shares issued by the Company before conversion (%)	0.35
Amount of shares yet to be converted (CNY)	1,467,008,000
Proportion of unconverted convertible bonds to total number of convertible bonds issued (%)	97.80

4.Adjustments of the conversion price

Name of convertible bonds		Wellhope convertible bonds		
Conversion price adjustment date	Conversion price after adjustment (CNY)	Disclosure time	Disclosure media	Explanation
June 23, 2022	10.26	June 20, 2022	Securities Journal, Shanghai Securities News, Securities Times and SSE website (www.sse.com.cn)	Due to the buy-back and cancellation of 5.74 million restricted shares by the Company
May 26, 2023	10.14	May 22, 2023	Securities Journal, Shanghai Securities News, Securities Times and SSE website (www.sse.com.cn)	Due to the implementation of the 2022 annual dividend
Latest conversion price as of the end of this reporting period		10.14		

5.The Company's indebtedness, changes in creditworthiness and cash arrangements for debt repayment in future years**A.Liabilities of the Company**

At the end of the reporting period, the total liabilities of the Company amounted to CNY 7.32 billion, including current liabilities of CNY 4.56 billion and non-current liabilities of 2.76 billion, with an asset-liability ratio of 49.02%.

B.Changes in creditworthiness

During the reporting period, Union Credit Appraisal Co., Ltd. issued the 2023 Tracking Rating Report on Publicly Issued Convertible Bonds of Wellhope, with the following rating outcomes: the main corporate credit rating is AA, Wellhope Convertible Bonds' credit rating is AA, and the outlook is stable. The rating outcome is unchanged from the previous one.

C.Cash arrangements for debt repayment in future years

Going forward, the Company's principal and interest repayments on the bonds will be funded mainly from its operating cash flow. The Company has a good debt service coverage and there are no overdue bank loans.

Section X Financial Statements

I. Audit Report

Audit Report

Suya Audit No. [2024]402

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

1. Opinion

We have audited the financial statements of Wellhope Foods Co., Ltd. (hereinafter referred to as "the Company"), which comprise the statement of financial position as of December 31, 2023, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31, 2023, and of its operating performance and cash flow for the year then ended, and have been properly prepared in compliance with the Accounting Standards for Business Enterprises ("the ASBE").

2. Basis for Opinion

We conducted our audits in accordance with China's CPA Auditing Standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with China CPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements in the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Confirmation and recognition of revenue	
Please refer to the accounting policies described in Significant Accounting Policies, Accounting Estimates, and Notes to Major Items in the Consolidated Financial Statements.	
Key audit matters	How our audit addressed key audit matters
The revenue of Wellhope in FY2023 amounted to CNY 35,970,261,909.41, representing an increase of 9.63% over the previous year, of which the sales revenue of broiler integration business increased by 20.77%, and the revenue of swine farming business increased by	Our audit procedures primarily included, a. Understanding and evaluating the design of internal controls in Wellhope's sales process and testing the effectiveness of the implementation of key controls, such as revenue recognition. b. Identifying contractual rights and obligations through sample testing of sales contracts, assessing the timing of

<p>25.19%. As revenue is one of Wellhope's key performance indicators, we consider the recognition of revenue to be the key audit matter.</p>	<p>performance obligations, and evaluating whether the determination of transfer of control in relation to revenue recognition is consistent with the Company's accounting policies and the provisions of the Accounting Standards for Business Enterprises.</p> <p>c. Performing analytical procedures to determine whether there are significant or unusual fluctuations and the reasons for such fluctuations, and to determine the reasonableness of changes in revenue and gross profit.</p> <p>d. Performing the following procedures on a sample basis, principally to confirm the existence and determination of revenue,</p> <p>(a) Examining supporting documentation, such as sales contracts, sales orders, invoices, customer bills of lading, etc., relating to revenue recognition.</p> <p>(b) Performing correspondence procedures to confirm accounts receivable balances and revenue amounts.</p> <p>(c) performing cut-off tests for revenue recognized around the balance sheet date and assessing whether revenue is recognized in the correct period.</p>
<p>B. Income from investments accounted for using the equity method.</p>	
<p>Please refer to the accounting policies described in Significant Accounting Policies, Accounting Estimates, and Notes to Major Items in the Consolidated Financial Statements.</p>	
Key audit matters	How our audit addressed key audit matters
<p>The income from long-term equity investments recorded CNY -133,401,069.07 under the equity method, a decrease of CNY 295700560.49 compared with the same period of the previous year. As the investment income recognized under the equity method had a significant impact on the Company's financial statements, we regarded it as the key audit matter.</p>	<p>Our audit procedures primarily consisted of,</p> <ol style="list-style-type: none"> 1. Understanding and evaluating the design and implementation of Wellhope's internal controls related to the recognition of investment income accounted for using the equity method. 2. Obtaining information about the investee's articles of association, investment agreements and other information to determine whether it has significant influence over the investee and to determine whether the accounting method is appropriate. 3. Inquiring management about the reasons for significant or unusual fluctuations in the results of the investee and analyzing and determining whether the fluctuations are appropriate. 4. Obtaining the financial statements of the investee and review whether the adjustment of unrealized profits from connected transactions, the calculation of investment income is accurate and whether the share of changes in net assets is correct. 5. Performing analytical procedures on the operating revenues and costs, inventories, etc. of investees with significant investment income for the period; obtaining and reviewing the schedules and related information provided by the investees.

4. Other Information

The management of the Company is responsible for the other information. The other information comprises information covered by the Company's 2023 Annual Report, but excludes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work we have executed, we confirm that there is a material misstatement in the other information, we are required to report the fact. We have nothing to report in this regard.

5. Responsibilities of the Management and Those Charged with Governance for Financial Statements

The management team of the Company is responsible for preparing the financial statements that give a fair view in accordance with the ASBE, and for designing, executing, and maintaining requisite internal control to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

B. Obtain an understanding of the internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

D. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the obtained audit evidence, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the auditing standards to draw the statements users' attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient and appropriate audit evidence regarding the financial information of related entities or business activities within the Company to express an opinion on its financial statements. We are responsible for guiding, overseeing, and performing the audit of the Company, and solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement to declare that we have complied with the professional ethics related to independence and communicate with the governance on all relationships and other matters that may reasonably be considered to affect our independence, as well as the relevant precautions.

From the matters communicated with those charged with governance, we determine which matters are the most important for the audit of the current financial statements and thus constitute the key audit matters. We describe these matters in the audit report, unless laws and regulations prohibit the public disclosure of these matters, or in rare cases, if it is reasonably expected that the negative consequences of communicating a matter in the audit report will outweigh the benefits in terms of the public interest, we determine that the matter should not be communicated in the audit report.

SuyaJincheng CPA LLP

CPA: Zhou Qiong (Project Partner)

CPA: Wang Lei

China

Nanjing

March 28, 2024

II. Financial Statements

Consolidated Balance Sheet

December 31, 2023

CNY

Item	Dec. 31, 2023	Dec. 31, 2022
Current Assets		
Cash at bank	1,915,378,798.77	1,688,741,603.60
Tradable financial assets	829,591.32	
Derivative financial assets	4,296,668.60	4,050,071.80
Notes receivable	6,620,586.95	5,778,682.68
Accounts receivable	1,114,486,394.01	1,035,056,761.74
Prepayments	469,857,003.51	762,467,440.93
Other receivables	92,732,094.80	97,791,911.95
including: Interest receivable		
Dividends receivable		27,535,293.35
Inventory	2,686,755,249.88	3,361,552,176.45
Contract assets	2,432,720.15	1,186,905.42
Other current assets	129,436,936.38	149,114,790.69
Total current assets	6,422,826,044.37	7,105,740,345.26
Non-current assets		
Long-term equity investment	2,316,034,522.19	2,487,150,109.37
Other equity instruments investment	14,826,710.99	17,325,896.26
Fixed assets	4,168,026,657.86	3,547,181,704.30
Construction in progress	158,377,935.65	601,125,529.45
Biological assets	199,776,536.89	186,579,922.68
Right-of-use asset	525,191,183.39	328,428,097.10
Intangible assets	363,530,774.64	362,988,059.95
Goodwill	290,425.67	290,425.67
Long-term prepaid expenses	65,324,043.39	64,133,625.16
Deferred income tax assets	102,365,943.34	87,908,932.47
Other non-current assets	600,544,056.16	638,741,381.87
Total non-current assets	8,514,288,790.17	8,321,853,684.28
Total Assets	14,937,114,834.54	15,427,594,029.54

Consolidated Balance Sheet(continue)

CNY

Item	Dec. 31, 2023	Dec. 31, 2022
Current Liabilities		
Short-term borrowings	970,957,309.50	933,785,791.96
Notes payable		600,000.00
Accounts payable	1,629,789,558.94	1,691,652,639.28
Advance receipt	18,172,031.73	17,873,252.23
Contract liabilities	252,530,723.35	336,134,719.84
Payroll	225,357,401.11	182,394,434.59
Taxes and surcharges	42,449,739.70	55,010,343.51
Other payables	479,780,643.59	460,870,503.46
including: Interest payable	5,184,931.51	3,105,236.78
Dividends payable	16,453,038.17	14,943,072.75
Non-current liabilities due within one year	932,730,557.07	471,328,595.34
Other current liabilities	6,656,358.86	5,334,961.22
Total current liabilities	4,558,424,323.85	4,154,985,241.43
Non-current Liabilities		
Long-term borrowings	920,051,517.19	1,312,757,309.28
Bonds payable	1,305,789,795.09	1,257,828,066.86
Lease liabilities	368,001,422.29	223,002,370.80
Long-term payables	42,542,892.62	7,685,803.59
Deferred income	73,419,574.05	78,011,407.06
Deferred income tax liabilities	53,459,620.43	37,698,221.22
Total non-current liabilities	2,763,264,821.67	2,916,983,178.81
Total Liabilities	7,321,689,145.52	7,071,968,420.24
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	919,433,663.00	919,430,450.00
Other equity instruments	233,672,216.24	233,677,472.64
Additional paid-in capital	872,912,049.17	880,746,284.55
less: Treasury stock	200,003,612.37	200,003,612.37
Other comprehensive income	-23,877,064.04	-20,147,742.90
Surplus reserves	457,022,680.97	454,175,320.97
Undistributed profits	4,400,135,075.82	4,967,837,188.90
Total owners' equity attributable to	6,659,295,008.79	7,235,715,361.79

the parent company		
Non-controlling interests	956,130,680.23	1,119,910,247.51
Total owners' equity (or shareholders' equity)	7,615,425,689.02	8,355,625,609.30
Total liabilities and owners' equity (or shareholders' equity)	14,937,114,834.54	15,427,594,029.54

Consolidated Balance Sheet of Parent Company

December 31, 2023

CNY

Item	Dec. 31, 2023	Dec. 31, 2022
Current assets		
Cash at bank	1,691,224,437.05	1,515,847,680.25
Derivative financial assets		558,832.00
Accounts receivable	27,663,635.24	44,246,791.88
Prepayments	3,801,364.20	2,251,482.92
Other receivables	2,344,452,508.57	2,228,913,499.76
including: Interest receivable		
Dividends receivable	54,770,301.77	53,759,486.59
Inventory	49,373,613.63	67,625,995.98
Total current assets	4,116,515,558.69	3,859,444,282.79
Non-current assets		
Long-term equity investment	6,197,179,106.62	5,986,733,076.32
Other equity instruments investment	4,824,017.06	14,849,769.15
Fixed assets	130,562,943.77	136,435,774.98
Construction in progress	4,163,600.00	4,569,791.00
Intangible assets	15,428,979.00	16,321,332.79
Long-term prepaid expenses	2,490,858.28	2,967,008.45
Deferred income tax assets	8,832,488.62	11,001,578.31
Other non-current assets	7,200,000.00	5,454,000.00
Total non-current assets	6,370,681,993.35	6,178,332,331.00
Total assets	10,487,197,552.04	10,037,776,613.79
Current liabilities:		
Short-term borrowings	552,401,555.56	500,513,888.89
Accounts payable	21,019,772.54	48,315,158.17
Advance receipts		1,147,870.00
Contract liabilities	4,647,122.21	4,307,771.41
Payroll	9,642,962.98	11,269,322.85
Taxes and surcharges	5,125,029.13	1,001,650.34
Other payables	2,392,238,692.22	1,752,347,820.38
Non-current liabilities due within one year	775,600,000.00	421,600,000.00
Total current liabilities	3,760,675,134.64	2,740,503,482.04
Non-current liabilities		
Long-term borrowings	481,999,161.11	1,011,998,911.11
Bonds payable	1,305,789,795.09	1,257,828,066.86
Deferred income	38,958,320.00	44,214,300.00
Deferred income tax liabilities	1,365.00	33,390.82
Total non-current liabilities	1,826,748,641.20	2,314,074,668.79
Total liabilities	5,587,423,775.84	5,054,578,150.83
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	919,433,663.00	919,430,450.00
Other equity instruments	233,672,216.24	233,677,472.64
Capital reserves	878,828,709.67	878,256,358.18
less: Treasury stock	200,003,612.37	200,003,612.37
Other Comprehensive income	-23,348,699.23	-18,697,307.25
Surplus reserves	457,022,680.97	454,175,320.97
Undistributed profits	2,634,168,817.92	2,716,359,780.79

Total owners' equity	4,899,773,776.20	4,983,198,462.96
Total liabilities and owners' equity (or shareholders' equity)	10,487,197,552.04	10,037,776,613.79

Consolidated Income Statement
January-December, 2023

CNY

Item	2023	2022
1. Revenue	35,970,261,909.41	32,811,758,209.54
including: Revenue	35,970,261,909.41	32,811,758,209.54
2. Coat of revenue	36,183,648,470.74	32,296,894,302.27
including: Cost of revenue	34,540,124,263.81	30,839,271,196.05
Taxes and surtaxes	54,959,832.38	47,329,082.31
Selling expenses	718,365,669.03	622,444,761.15
Administrative expenses	614,800,562.62	537,063,858.72
R&D expenses	83,797,469.99	90,105,075.01
Financial expenses	171,600,672.91	160,680,329.03
including: Interest expenses	179,236,989.51	167,066,021.40
Interest income	13,127,370.37	13,023,769.68
plus: Other income	34,513,001.48	31,616,130.11
Income from investment	-148,334,501.12	157,467,033.43
including: Income from investments in associated companies and joint ventures	-133,401,069.07	162,299,491.42
Gain or loss from changes in fair value	-490,609.02	-1,700,554.55
Credit impairment loss	-38,716,956.58	-11,686,265.27
Assets impairment loss	-143,836,924.38	-30,098,736.85
Gain or loss from assets disposal	20,674,676.33	-3,862,500.50
3. Operating profit	-489,577,874.62	656,599,013.64
plus: Non-operating income	74,211,372.98	18,003,001.35
less: Non-operating expenditure	65,574,928.07	46,266,509.67
4. Pretax profit	-480,941,429.71	628,335,505.32
less: Income tax expense	107,091,597.63	92,258,009.59
5. Net profit		
Net Profit from continuing operations	-588,033,027.34	536,077,495.73
Net profit attributable to the shareholders of parent company	-457,037,550.28	512,797,304.59
Non-controlling interests income	-130,995,477.06	23,280,191.14
6. Other comprehensive income, net of tax	-4,169,370.03	-2,613,281.46
Attributable to owners of parent company	-3,729,321.14	-3,083,729.52
a. Other comprehensive income that can't be reclassified into gains or losses	-8,486,483.42	-3,076,318.89
(a) Changes in the fair value of other equity instruments	-8,486,483.42	-3,076,318.89

b. Other comprehensive income that will be reclassified into the gains or losses	4,757,162.28	-7,410.63
(a) Other comprehensive income that can be transferred in gains or losses under the equity method	5,344,603.95	-587,636.80
(b) Exchange differences on translation of foreign currency financial statements	-587,441.67	580,226.17
Attributable to non-controlling interests	-440,048.89	470,448.06
7. Total comprehensive income	-592,202,397.37	533,464,214.27
Attributable to the owners of parent company	-460,766,871.42	509,713,575.07
Attributable to non-controlling interests	-131,435,525.95	23,750,639.20
8. EPS		
(1) Basic earnings per share (yuan per share)	-0.50	0.58
(2) Diluted earnings per share (yuan per share)	-0.50	0.55

Consolidated Income Statement of Parent Company
January-December, 2023

CNY

Item	2023	2022
1. Revenue	716,127,171.26	806,587,568.60
less: Cost of revenue	538,676,281.08	620,778,240.03
Taxes and surtaxes	2,005,206.45	2,482,446.75
Selling expenses	13,941,941.52	14,045,030.28
Administrative expenses	54,956,164.98	42,519,575.17
R&D expenses	23,168,745.28	26,442,399.08
Financial expenses	53,893,983.25	75,870,816.26
including: Interest expenses	117,713,796.21	123,813,480.25
Interest income	63,964,147.19	48,021,158.62
add: Other income	5,982,990.84	7,185,222.37
Income from Investment	17,018,412.65	179,711,930.36
including: Income from investments in associated companies and joint ventures	-118,923,656.51	174,704,407.03
Gain or loss from changes in fair value	9,100.00	222,605.45
Credit impairment loss	-11,861,099.83	9,686,576.26
Assets impairment loss		
Gain or loss from assets disposal	87,143.54	
2. Operating profit	40,721,395.90	221,255,395.47
add: Non-operating income	3,731,810.00	1,700.00
deduct: Non-operating expenditure	3,471,507.36	797,232.25
3. Pretax profit	40,981,698.54	220,459,863.22
deduct: Income tax expense	10,807,557.67	1,088,884.17
4. Net profit	30,174,140.87	219,370,979.05
Net profit from continuing operations	30,174,140.87	219,370,979.05
5. Other comprehensive income, net of tax	-4,651,391.98	-3,688,367.46
a. Other comprehensive income that can't be reclassified into gains or losses	-10,025,752.09	-3,059,177.88
(a) Changes in the fair value of other equity instruments	-10,025,752.09	-3,059,177.88
b. Other comprehensive income that will be reclassified into gains or losses	5,374,360.11	-629,189.58
(a) Other comprehensive income that can be transferred in gains or losses under the equity method	5,374,360.11	-629,189.58
6. Total comprehensive income	25,522,748.89	215,682,611.59

Consolidated Statement of Cash Flow
January-December, 2023

CNY

Item	2023	2022
1. Cash flow from operating activities		
Cash received by selling products, providing labor services	37,256,317,508.82	33,699,345,225.81
Tax refunds	56,144,648.50	47,599,364.44
Cash received from other activities related to operating	200,210,649.34	196,572,108.74
Sub-total of cash inflow of operating activities	37,512,672,806.66	33,943,516,698.99
Cash paid for goods purchase and labor services	34,376,170,787.12	31,966,060,633.58
Cash paid to and for employee	1,341,188,891.15	1,104,906,823.52
Tax payments	206,139,366.67	162,294,011.40
Cash paid to other activities related to operating	633,021,011.40	513,988,720.15
Sub-total of cash outflow of operating activities	36,556,520,056.34	33,747,250,188.65
Net cash flow from operating activities	956,152,750.32	196,266,510.34
2. Cash flow from investing activities		
Cash received from disinvestment	31,320,000.00	915,200.00
Cash received from return on investment	75,098,517.32	27,243,680.56
Net cash received from disposal of fixed assets, intangible assets and other long-lived assets	78,944,914.78	100,849,426.02
Net cash received from disposal of subsidiaries and other business units		1,594,899.44
Cash received from other activities related to investment	20,625,440.88	5,685,477.01
Sub-total of cash inflow of investing activities	205,988,872.98	136,288,683.03
Cash paid for acquiring and building fixed assets, intangible assets and other long-lived assets	486,888,624.03	842,818,657.41
Cash paid for investments	87,325,879.79	26,247,136.90
Net cash paid for acquiring subsidiaries and other business units	31,609,074.72	321,545.94
Cash paid to other activities related to investment	3,029,935.48	10,041,254.22
Sub-total of cash outflow of investing activities	608,853,514.02	879,428,594.47
Net cash flow from investing activities	-402,864,641.04	-743,139,911.44
3. Cash flow from financing activities		
Cash received by absorbing investments	80,869,000.00	76,449,000.00
including: Capital contributed by non-controlling interests to subsidiaries	80,869,000.00	76,449,000.00
Cash received from borrowings	1,959,093,175.98	2,056,945,703.41
Cash received from issuing bonds		1,492,100,000.00
Cash received from other activities related to financing	17,502,820.88	52,488,976.77
Sub-total of cash inflow of financing activities	2,057,464,996.86	3,677,983,680.18
Repayments of borrowings	1,913,030,822.71	2,390,674,821.29
Cash paid for dividends, profits, or paid for interests	260,193,609.83	139,539,838.45
including: Dividends or profits paid by subsidiaries	49,681,301.69	24,240,402.26

to non-controlling interests		
Cash paid to other activities related to financing activities	192,436,934.03	152,276,562.43
Sub-total of cash outflow of financing activities	2,365,661,366.57	2,682,491,222.17
Net cash flow from financing activities	-308,196,369.71	995,492,458.01
4. Effect of foreign exchange rate fluctuations on cash and cash equivalents	962,598.25	2,087,604.00
5. Net increase in cash and cash equivalents	246,054,337.82	450,706,660.91
plus: Opening balance of cash and cash equivalents	1,648,980,222.82	1,198,273,561.91
6. Closing balance of cash and cash equivalents	1,895,034,560.64	1,648,980,222.82

Consolidated Statement of Cash Flow of Parent Company
January-December, 2023

CNY

Item	2023	2022
1. Cash flow from operating activities		
Cash received by selling products, providing labor services	729,864,336.81	794,579,846.42
Cash received from other activities related to operating	28,731,129.25	92,780,893.47
Sub-total of cash inflow of operating activities	758,595,466.06	887,360,739.89
Cash paid for goods purchase and labor services	535,935,783.53	582,929,002.90
Cash paid to and for employee	61,839,292.07	47,803,787.13
Tax payments	6,605,925.10	4,581,203.25
Cash paid to other activities related to operating	29,901,683.93	33,968,355.04
Sub-total of cash outflow of operating activities	634,282,684.63	669,282,348.32
Net cash flow from operating activities	124,312,781.43	218,078,391.57
2. Cash flow from investing activities		
Cash received from disinvestment	71,426,938.53	5,980,621.31
Cash received from return on investment	131,796,058.16	31,262,648.33
Net cash received from disposal of fixed assets, intangible assets and other long-lived assets	189,609.57	123,907.06
Cash received from other activities related to investment	1,388,081.74	
Sub-total of cash inflow of investing activities	204,800,688.00	37,367,176.70
Cash paid for acquiring and building fixed assets, intangible assets and other long-lived assets	17,731,144.01	5,007,634.51
Cash paid for investments	496,225,561.83	353,955,584.30
Cash paid to other activities related to investing	25,235,942.34	532,635,932.02
Sub-total of cash outflow of investing activities	539,192,648.18	891,599,150.83
Net cash flow from investing activities	-334,391,960.18	-854,231,974.13
3. Cash flow from financing activities		
Cash received from borrowings	900,000,000.00	894,000,000.00
Cash received from issuing bonds		1,492,100,000.00
Cash received from other activities related to financing	686,397,146.94	275,464,363.91
Sub-total of cash inflow of financing activities	1,586,397,146.94	2,661,564,363.91
Repayments of borrowings	1,023,600,000.00	1,332,500,000.00
Cash paid for dividends, profits, or paid for interests	175,965,032.98	85,884,532.93
Cash paid to other activities related to financing		26,505,160.00
Sub-total of cash outflow of financing activities	1,199,565,032.98	1,444,889,692.93
Net cash flow from financing activities	386,832,113.96	1,216,674,670.98
4. Effect of foreign exchange rate fluctuations on cash and cash equivalents	11,903.33	344.66
5. Net increase in cash and cash equivalents	176,764,838.54	580,521,433.08
plus: Opening balance of cash and cash equivalents	1,505,577,987.70	925,056,554.62
6. Closing balance of cash and cash equivalents	1,682,342,826.24	1,505,577,987.70

Consolidated Statement of Changes in Equity
January-December, 2023

CNY

Item	2023									
	Equity Attributable to the Owners of Parent Company								Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments Other	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Subtotal		
1. Closing balance of prior period	919,430,450.00	233,677,472.64	880,746,284.55	200,003,612.37	-20,147,742.90	454,175,320.97	4,967,837,188.90	7,235,715,361.79	1,119,910,247.51	8,355,625,609.30
plus: Changes in accounting policies										
Other										
2. Opening balance of current period	919,430,450.00	233,677,472.64	880,746,284.55	200,003,612.37	-20,147,742.90	454,175,320.97	4,967,837,188.90	7,235,715,361.79	1,119,910,247.51	8,355,625,609.30
3. Fluctuations of current period	3,213.00	-5,256.40	-7,834,235.38		-3,729,321.14	2,847,360.00	-567,702,113.08	-576,420,353.00	-163,779,567.28	-740,199,920.28
A. Total comprehensive income					-3,729,321.14		-457,037,550.28	-460,766,871.42	-131,435,525.95	-592,202,397.37
B. Capital contributed and reduced by owners	3,213.00	-5,256.40	-7,834,235.38					-7,836,278.78	18,847,225.78	11,010,947.00
a. Common stock invested by owners			-11,391,428.92					-11,391,428.92	22,029,990.09	10,638,561.17
b. Capital contributed by the holders of other equity instruments	3,213.00	-5,256.40	38,669.80					36,626.40		36,626.40
c. Other			3,518,523.74					3,518,523.74	-3,182,764.31	335,759.43
C. Profit distribution						2,847,360.00	-110,664,562.80	-107,817,202.80	-51,191,267.11	-159,008,469.91
a. Withdrawal of surplus reserves						3,017,414.09	-3,017,414.09			
b. Extraction of general risk										

provisions										
c. Dividend to owners (or shareholders)							-107,817,202.80	-107,817,202.80	-51,191,267.11	-159,008,469.91
d. Other						-170,054.09	170,054.09			
D. Internal carry-over of owners' equity										
a. Carry-over of other comprehensive income to retained earnings										
4. Closing balance of current period	919,433,663.00	233,672,216.24	872,912,049.17	200,003,612.37	-23,877,064.04	457,022,680.97	4,400,135,075.82	6,659,295,008.79	956,130,680.23	7,615,425,689.02

Item	2022									
	Equity Attributable to the Owners of Parent Company								Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments Other	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Subtotal		
1. Closing balance of prior period	921,960,196.00		877,984,810.18	224,292,272.37	-17,064,013.38	432,238,223.06	4,473,531,926.28	6,464,358,869.77	1,048,244,773.71	7,512,603,643.48
plus: Changes in accounting policies							-114,984.06	-114,984.06	24,698.41	-90,285.65
Other										
2. Opening balance of current period	921,960,196.00		877,984,810.18	224,292,272.37	-17,064,013.38	432,238,223.06	4,473,416,942.22	6,464,243,885.71	1,048,269,472.12	7,512,513,357.83
3. Fluctuations of current period	-2,529,746.00	233,677,472.64	2,761,474.37	-24,288,660.00	-3,083,729.52	21,937,097.91	494,420,246.68	771,471,476.08	71,640,775.39	843,112,251.47
A. Total comprehensive income					-3,083,729.52		512,797,304.59	509,713,575.07	23,750,639.20	533,464,214.27
B. Capital contributed and reduced by owners	-2,529,746.00	233,677,472.64	2,761,474.37	-24,288,660.00				258,197,861.01	78,664,485.33	336,862,346.34

a. Common stock invested by owners									83,367,623.25	83,367,623.25
b. Capital contributed by the holders of other equity instruments	3,212,254.00	233,677,472.64	30,296,373.97					267,186,100.61		267,186,100.61
c. Amount of share-based payment included in the owner's equity	-5,742,000.00		-22,106,700.00	-24,288,660.00				-3,560,040.00		-3,560,040.00
d. Other			-5,428,199.60					-5,428,199.60	-4,703,137.92	-10,131,337.52
C. Profit distribution						21,937,097.91	-18,377,057.91	3,560,040.00	-30,774,349.14	-27,214,309.14
a. Withdrawal of surplus reserves						21,937,097.91	-21,937,097.91			
b. Extraction of general risk provisions										
c. Dividend to owners (or shareholders)							3,560,040.00	3,560,040.00	-30,774,349.14	-27,214,309.14
D. Internal carry-over of owners' equity										
a. Carry-over of other comprehensive income to retained earnings										
4. Closing balance of current period	919,430,450.00	233,677,472.64	880,746,284.55	200,003,612.37	-20,147,742.90	454,175,320.97	4,967,837,188.90	7,235,715,361.79	1,119,910,247.51	8,355,625,609.30

Statement of Changes in Owner's Equity of Parent Company
January-December, 2023

CNY

Item	2023							
	Share capital	Other equity instruments	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
		Other						
1. Closing balance of prior period	919,430,450.00	233,677,472.64	878,256,358.18	200,003,612.37	-18,697,307.25	454,175,320.97	2,716,359,780.79	4,983,198,462.96
plus: Changes in accounting policies								
Other								
2. Opening balance of current period	919,430,450.00	233,677,472.64	878,256,358.18	200,003,612.37	-18,697,307.25	454,175,320.97	2,716,359,780.79	4,983,198,462.96
3. Fluctuations of current period	3,213.00	-5,256.40	572,351.49		-4,651,391.98	2,847,360.00	-82,190,962.87	-83,424,686.76
A. Total comprehensive income					-4,651,391.98		30,174,140.87	25,522,748.89
B. Capital contributed and reduced by owners	3,213.00	-5,256.40	572,351.49					570,308.09
a. Common stock invested by owners								
b. Capital contributed by the holders of other equity instruments	3,213.00	-5,256.40	38,669.80					36,626.40
c. Amount of share-based payment that included in the owner's equity								
d. Other			533,681.69					533,681.69
C. Profit distribution						2,847,360.00	-112,365,103.74	-109,517,743.74
a. Withdrawal of surplus reserves						3,017,414.09	-3,017,414.09	
b. Dividend to owners (or shareholders)							-107,817,202.80	-107,817,202.80
c. Other						-170,054.09	-1,530,486.85	-1,700,540.94
4. Closing balance of	919,433,663.00	233,672,216.24	878,828,709.67	200,003,612.37	-23,348,699.23	457,022,680.97	2,634,168,817.92	4,899,773,776.20

current period								
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Item	2022							
	Share capital	Other equity instruments	Capital reserve	less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
		Other						
1. Closing balance of prior period	921,960,196.00		870,193,796.83	224,292,272.37	-15,008,939.79	432,238,223.06	2,515,365,859.65	4,500,456,863.38
add: Changes in accounting policies								
Other								
2. Opening balance of current period	921,960,196.00		870,193,796.83	224,292,272.37	-15,008,939.79	432,238,223.06	2,515,365,859.65	4,500,456,863.38
3. Fluctuations of current period	-2,529,746.00	233,677,472.64	8,062,561.35	-24,288,660.00	-3,688,367.46	21,937,097.91	200,993,921.14	482,741,599.58
A. Total comprehensive income					-3,688,367.46		219,370,979.05	215,682,611.59
B. Capital contributed and reduced by owners	-2,529,746.00	233,677,472.64	8,062,561.35	-24,288,660.00				263,498,947.99
a. Common stock invested by owners								
b. Capital contributed by the holders of other equity instruments	3,212,254.00	233,677,472.64	30,296,373.97					267,186,100.61
c. Amount of share-based payment that included in the owner's equity	-5,742,000.00		-22,106,700.00	-24,288,660.00				-3,560,040.00
d. Other			-127,112.62					-127,112.62
C. Profit distribution						21,937,097.91	-18,377,057.91	3,560,040.00
a. Withdrawal of surplus reserves						21,937,097.91	-21,937,097.91	
b. Dividend to owners (or shareholders)							3,560,040.00	3,560,040.00
a. Other								
4. Closing balance of current period	919,430,450.00	233,677,472.64	878,256,358.18	200,003,612.37	-18,697,307.25	454,175,320.97	2,716,359,780.79	4,983,198,462.96

III. Basic Information of the Company

1. Overview of the Company

Wellhope Foods Co., Ltd. (formerly known as Liaoning Wellhope Agri-Tech Co., Ltd., hereinafter referred to as the Company) is a joint-stock company established by 23 individuals, including Jin Weidong and Ding Yunfeng, etc., with the approval of Liaoning Provincial People's Government (Liaozheng [2003] No. 40). The Company was incorporated on 27 March 2003 with a registered capital of CNY 53 million, of which: Jin Weidong contributed CNY 12.19 million, representing 23.00% of the share capital; Ding Yunfeng contributed CNY 7.68 million, representing 14.50% of the share capital; Wang Fengjiu, Zhang Tiesheng, Shao Caimei and Wang Zhongtao each contributed CNY 4.50 million, representing 8.50% of the share capital, other 17 shareholders contributed CNY 15.11 million, representing 28.50% of the share capital.

On 22 August 2006, with the approval of the Ministry of Commerce of the People's Republic of China, the Company issued 5.89 million new shares to De Heus (China) and the total share capital was changed to 58.89 million shares. On 15 November 2007, with the approval of the Liaoning Foreign Trade and Economic Cooperation Department, the Company issued 3.46 million shares to De Heus (China) and the total share capital was increased to 62.35 million shares.

In 2010, with the approval of the Second Extraordinary General Meeting, the Company issued 50 bonus shares for every 10 shares based on the total share capital as at 31 December 2009, which increased the total share capital of the Company to 374.12 million shares. In addition, the Third Extraordinary General Meeting of the Company in 2010 approved the use of capital reserves for the conversion of 100 million shares, which increased the total share capital of the Company to 474.12 million shares.

With the approval of the China Securities Regulatory Commission (CSRC License [2014] No. 675), the Company issued 80 million new shares at a price of CNY 5.88 per share on 4 August 2014, and the total share capital of the Company after IPO increased to 554.12 million shares.

The Second Extraordinary General Meeting of the Company in 2015 approved to the conversion of capital reserve into share capital by issuing 5 bonus shares for every 10 shares, and the total share capital of the Company was increased to 831.18 million shares.

The Second Extraordinary General Meeting of the Company in 2018 approved to issue 14.575 million restricted shares to 372 natural persons at CNY 4.85 per share on 29 December 2018, and the total share capital of the Company was increased to 845.75 million shares.

With the approval of the China Securities Regulatory Commission (CSRC License [2018] No. 1742), the Company privately issued 76.55 million ordinary shares on 18 April 2019, and the total share capital was changed to 922.30 million shares.

On 27 March 2020, the Company repurchased and cancelled 244,500 restricted shares, and the total share capital was changed to 922.06 million shares.

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

On 19 May 2021, the Company repurchased and written off 99,700 restricted shares, and the total share capital was changed to 921.96 million shares.

On 22 June 2022, the Company repurchased and cancelled 5.74 million restricted shares, and the total share capital was changed to 916.22 million shares.

In 2022, the Company increased its shareholding by 3.21 million shares through issuing convertible bonds, and the total share capital was changed to 919.43 million shares.

Social credit code: 9121000074712989XU

Type of company: Company limited by shares (Sino-foreign joint venture, listed)

Legal representative: Jin Weidong

Principal activities of the Company and its subsidiaries: production and sale of feed and feed additives, trade in feed raw materials, broiler farming, slaughtering and processing, livestock farming, frozen food processing, packaging, refrigeration, sales, processing of agricultural and local specialities, etc.

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

The financial statements have been approved by the 2nd meeting of the 8th session of Board of Directors held on March 28, 2024.

IV. Basis of Preparing Financial Statements

1. Basis of preparing

The Company prepares financial statements on a going concern basis.

2. Going concern

The Company's management believes that the Company is a going concern for at least 12 months from the reporting period.

V. Important Accounting Policies and Accounting Estimates

The following important accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. The business that does not mentioned is subject to relevant accounting policies in the Accounting Standards for Business Enterprises.

1. Declaration about compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company are in line with the requirements of Accounting Standards for Business Enterprises, which truly and completely reflect the financial position, operating results, changes in shareholders' equity, cash flow, and other relevant information during the reporting period.

2. Accounting period

The Company's financial year begins on January 1 and ends on December 31 of the Gregorian calendar.

3. Operating cycle

The Company takes a 12-month operating cycle.

4. Bookkeeping base currency

CNY.

5. Method for determining materiality criteria and basis for selection

Item	Criteria for materiality
Significant receivables with a single provision for bad debts	CNY 1 million
Significant receivables written off	CNY 1 million
Significant construction in progress	CNY 10 million
Significant dividends receivable	CNY 10 million

6. Accounting arrangement methods for business combination under the same control or the different control**(1) Accounting arrangement methods for business combination under the same control**

The Company adopts pooling of interest method to deal with the accounting of business combination, which is under the same control.

On the date of combination, the assets and liabilities acquired by the Company in business combination under the same control shall be measured according to the book value of assets and liabilities of the combining party in the consolidated financial statements of the final controlling party. The share of the book value of the owner's equity held by the combining party, which is owned, by the final controlling party in the consolidated statement of the final controlling party is regarded as the initial investment cost of long-term equity investment in the individual financial statements. The balance between initial cost of long-term equity investment and paid combining consideration (including paid cash, non-cash assets transferred, book value of occurred or assumed debt as well as the total face value of issued stocks), capital reserve (equity premium or capital premium) shall be adjusted. If the balance of capital reserve (equity premium or capital premium) is not sufficient for offset, the surplus reserves and undistributed profit shall be offset successively.

(2) Accounting arrangement methods for business combination under the different control

The Company adopts acquisition method to deal with the accounting of business combination, which is under the different control.

① The identifiable assets, liabilities and contingent liabilities acquired in the business combination under the different control are measured at fair value. Based on the fair value of assets, liabilities incurred or assumed and issued equity securities paid out as the combining consideration on the acquisition date, the balance between the fair value and the book value of the Company is included into current gains and losses.

② Combined cost shall be recognized according to the following conditions respectively:

(A) For the business combination realized by one-time transaction, the combined costs shall be recognized by the sum of the fair values, on the acquisition date, of the assets paid, the liabilities occurred or assumed and the equity securities issued by the Company to obtain the control right on the acquiree and the contingent consideration complying with the recognition conditions. Combined cost is

initial investment cost of such long-term equity investment.

(B) For business combination realized step by step through multiple exchange transactions, the combined cost shall be the sum of the amount of equity investments held prior to the acquisition date that are re-measured at fair value on the acquisition date and the investment cost newly increased on the acquisition date. The long-term equity investment in individual financial statements is the sum of the book value of the equity investment held before the acquisition date and the investment cost newly increased on the acquisition date. Exclude package deal.

③ The Company allocates the combined cost between the identifiable assets and liabilities acquired on the acquisition date.

(A) Where other assets other than intangible assets obtained from the Acquiree in the business combination (not only finite to the assets which have been originally recognized by the Acquiree), the future economic benefits are expected to flow into the Company and the fair values reliably measured, they shall be separately recognized and measured at the fair values.

(B) Where the fair value of the intangible assets of the Acquiree acquired by the Company in business combination can be reliably measured, it shall be separately recognized and measured at the fair value.

(C) Where the acquiree's liabilities, other than contingent liabilities, acquired by the Company in business combination, are expected to result in the outflow of economic benefits from the Company and the fair value can be reliably measured, they shall be separately recognized and measured at the fair value.

(D) Where the fair value of the contingent liabilities of the Acquiree acquired by the Company in business combination can be reliably measured, they shall be separately recognized as liabilities and shall be measured at the fair values.

(E) When the Company allocates the cost of business combination and confirms that it has acquired identifiable assets and liabilities in the combination, it shall not consider the goodwill and deferred income tax items that have been recognized by the Acquiree before the combination.

④ Disposal of the balance of the business combination cost and the share of the fair value of the identifiable net assets obtained from the Acquiree in the combination.

(A) The balance between the business combination costs greater than the share of fair value of the identifiable net assets obtained from the Acquiree in the combination, shall be recognized as goodwill.

(B) The balance between the business combination cost less than the share of fair value of the identifiable net assets obtained from the Acquiree in the combination shall be disposed pursuant to the following provisions.

(a) The measurement of the fair values of the identifiable assets, liabilities and contingent liabilities obtained from the Acquiree as well as the combination costs shall be reviewed;

(b) After the review, if the combined costs are still less than the fair value share of the identifiable net assets obtained from the Acquiree in the combination, the balance shall be included into the current

gains and losses.

(3) Disposal of relevant expenses accrued due to business combination by the Company

① All direct related expenses accrued due to business combination of the Company (including audit, legal service, assessment consultation and other agency expense and other relevant administrative expenses accrued due to business combination), shall be included into current gains and losses when accruing.

② The commission and service fee paid by the Company for issuing debt securities for the merger of enterprise shall be included in the initial measurement amount of debt securities.

(A) If the bond is issued at the discount or par value, the amount of discount will be increased.

(B) If the bond is issued at premium, the premium amount shall be reduced in this part of expenses.

③ The commission and service fee paid by the Company for issuing equity securities as consideration for the business combination shall be included in the initial measurement amount of equity securities.

(A) When equity securities are issued at the premium, the cost shall be deducted from the capital reserve (equity premium).

(B) When equity securities are issued at par value or at discount, the retained earnings shall be written down from the fee.

7.Criteria for assessing control and method of preparation of consolidated financial statements

(1) Criteria for assessing control

The scope of consolidation of the consolidated financial statements is determined on the basis of control. Control is defined as the investor's power over the investee to earn variable returns through participation in the investee's relevant activities and the ability to utilize its power to affect the level of the investee's returns. The Company will reappraise control when changes in relevant facts and circumstances result in changes in the relevant elements of control.

(2) Uniformity of accounting policies and accounting periods

All subsidiaries included in the consolidation use accounting policies and reporting periods consistent with those of the Company. Where the accounting policies and periods of the subsidiaries are not consistent with those of the Company, the necessary adjustments are made to the consolidated financial statements in accordance with those of the Company.

(3) Method of preparation of consolidated financial statements

The consolidated financial statements are prepared by the parent company on the basis of the financial statements of the Company and its subsidiaries, with adjustments to long-term equity investments in subsidiaries accounted for under the equity method in accordance with other relevant information, while offsetting the effects of internal transactions between the Company and its subsidiaries or among subsidiaries on the consolidated financial statements.

(4) Reflection of excess losses incurred by subsidiaries in consolidated financial statements

In the consolidated financial statements, if the parent company's share of current losses exceeds its

share of the subsidiary's opening equity, the balance reduces the equity attributable to the parent (undistributed earnings). If the minority interest in the subsidiary's current losses exceeds the minority interest in the subsidiary's opening equity, the balance is further reduced by the minority interest.

(5) Treatment of subsidiaries acquired or disposed during the period

① Treatment of subsidiaries acquired during the period

(A) Treatment of subsidiaries acquired in a business combination under the common control during the reporting period

If a subsidiary is acquired during the reporting period in a business combination under the common control, the opening balance of the consolidated balance sheet will be adjusted, and the revenues, expenses and profits of the consolidated subsidiary from the beginning to the end of the period will be included in the consolidated income statement and the cash flows from the beginning to the end of the period will be included in the consolidated cash flow statement.

(B) Treatment of subsidiaries acquired in a business combination under different control during the reporting period

If a subsidiary is acquired during the reporting period in a business combination that is not under common control, the opening balance of the consolidated balance sheet will not adjust, and the revenues, expenses, and profits of the subsidiary from the date of acquisition to the end of the reporting period will be included in the consolidated income statement and the cash flows from the date of acquisition to the end of the reporting period will be included in the consolidated cash flow statement.

② Treatment of subsidiaries disposed during the period

If the Company disposes of a subsidiary during the reporting period, it does not adjust the opening balance of the consolidated balance sheet, and includes the revenues, expenses and profits of the subsidiary from the beginning of the period to the date of disposal in the consolidated income statement and includes the cash flows from the beginning of the period to the date of disposal in the consolidated cash flow statement.

8. Recognition standard of cash and cash equivalents

Cash shall include cash on hand of the Company, as well as bank deposit and other monetary funds that can be used for payment at any time.

The investments with short term (generally refer to three months from the acquisition date), high liquidity, convenience to convert into known amount of cash and with low risk of change in value owned by Company shall be recognized as cash equivalent.

9. Foreign currency transactions and foreign currency statement translation

(1) Accounting methods of foreign currency transactions

① Initial recognition of foreign currency transaction

For foreign currency transactions, the Company shall convert the amount of foreign currency into the

amount of the book-keeping base currency according to the spot exchange rate (intermediate price) announced by the People's Bank of China on the date of the transaction. Of which, for foreign currency exchange or related transactions, the Company shall convert according to the exchange rate on the date of the transaction.

② Adjustment or settlement of balance sheet date or settlement date

On the balance sheet date or settlement date, the Company shall dispose the foreign currency monetary items and foreign currency non-monetary items according to the following methods:

(A) Accounting arrangement principle for foreign currency monetary item

For foreign currency monetary items, on the balance sheet date or settlement date, the Company adopts spot exchange rate (intermediate price) for conversion on the balance sheet date or settlement date to adjust the amount of the accounting base currency of foreign currency monetary items caused by exchange rate fluctuations, and treat them as exchange balances. Among them, the exchange balance between foreign currency loans related to the acquisition, construction or production of assets eligible for capitalization is included in the cost of assets eligible for capitalization. Other balance of exchange shall be included into current financial expense.

(B) Accounting arrangement principle for foreign currency non-monetary item

(a) For the foreign non-monetary currency asset measured at historical cost, the Company shall convert at spot rate (intermediate price) on transaction date with unchanging its original recording currency amount and without exchange balance.

(b) For inventory measured at a lower cost between the cost and net realizable value, if the net realizable value is recognized in foreign currency, the Company first converts the net realizable value into the accounting standard currency, and then compares it with the inventory cost reflected by the accounting standard currency when determining the end value of the inventory.

(c) For non-monetary items measured at fair values, if the fair value at the end of the period is reflected in foreign currency, the Company shall convert the foreign currency into the amount of recording currency based on the spot exchange rate on the day when fair values are recognized, then compare them with the original amount of recording currency, and the balance shall be treated as gains and losses from the changes in fair value and included into current gains and losses.

(2) Accounting arrangement methods for foreign currency statement translation

① The Company shall conduct translation of the financial statements of overseas operations as the following methods:

(A) The asset and liability items in the balance sheets shall be translated at a spot exchange rate on the balance sheet date, among the equity items of owner, except for the items as "undistributed profits", other items shall be translated at the spot exchange rate at the time when they are incurred.

(B) The income and expense items in the profit statements shall be translated at the spot exchange rate of the transaction date, or at a spot exchange rate which is recognized through a systematic and

rational method and which is approximate to the spot exchange rate on the transaction date.

The balance in the financial statement of foreign currency translated by the above-mentioned methods shall be listed in the owners' equity item "Other Comprehensive Income" of consolidated balance sheet.

②The Company shall translate the financial statements of overseas operations in hyperinflation economy according to the following methods:

(A) The Company shall restate the balance sheet items by utilizing the general price index, restate the items of the income statement by utilizing the variation of the general price index, and then translate them at the spot exchange rate on the recent balance sheet date.

(B) If an overseas business is no longer situated in the hyperinflationary economy, the Company shall stop the restatement and shall translate the restated financial statements at the price of the cessation date.

③When the Company disposes any overseas operation, shall translate the balance of foreign currency financial statements related to the overseas business as shown below under the owner's equity items in the balance sheet, and the balance shall be transferred from the owner's equity items and disposed as current gains and losses. When the Company disposes part of the overseas operations, shall calculate the balance according to the proportion of the disposal of foreign currency financial statements, and record the balance as the current gains and losses.

10. Financial instrument

The financial instrument refers to a contract that forms the financial assets of one party and the financial liabilities or equity instruments of the other party.

(1) Classification of financial instruments

①Classification of financial assets

According to the business model of financial assets management and the contractual cash flow characteristics of financial assets, the Company classifies financial assets into the following three categories: (A) financial assets measured at amortized cost. (B) financial assets measured at fair value and the changes included in other comprehensive income (including financial assets designated to be measured at fair value and the changes are included in other comprehensive income). (C) financial assets measured at fair value and the changes recorded in current gains or losses.

②Classification of financial liabilities

According to business characteristics and risk management requirements, the Company divides the financial liabilities into the following two categories: (A) The financial liabilities measured at fair value and the changes included in current gains and losses (including trading financial liabilities and financial liabilities designated as at fair value through profit or loss). (B) Financial liabilities measured at amortized cost.

(2) Recognition basis and measurement method of financial instruments

① Recognition basis of financial instruments

When becoming one party of financial instrument contract, the Company shall confirm a financial asset or financial liability.

② Measurement method of financial instruments

(A) Financial assets

Financial assets shall be measured at fair value when they are initially recognized.

For financial assets measured at fair value and the changes booked into current gains or losses, relevant transaction expenses shall be directly recorded into current gains or losses; for other financial assets, relevant transaction expenses shall be included in the initial recognized amount. Accounts receivable or notes receivable arising from selling products or providing labor services that do not contain a significant financing component or do not consider the financing component of contracts that do not exceed one year, shall take the amount of consideration to which it is expected to be entitled as the initially recognized amount.

(a) Financial assets measured at amortized cost

After the initial recognition, the real interest method shall be adopted to implement follow-up measurement of such financial assets at amortized cost. Gains or losses of financial assets measured at amortized cost and not belong to part of any hedging relationship shall be recorded into current gains and losses when recognition is terminated, reclassified, amortized or recognized as impairment according to the real interest method.

(b) Financial assets measured at fair value and the changes included in other comprehensive income

After the initial recognition, such financial assets shall be subsequently measured at fair value. The impairment loss or gain, exchange gain or loss and the interest calculated by the real interest method shall be recorded into current gains or losses, other gains or losses shall be booked into other comprehensive income. When the recognition is terminated, the accumulated gains or losses booked into other comprehensive income before shall be transferred out from other comprehensive income and booked into current gains or losses.

Where the Company designates part of non-trading equity instrument investments as the financial assets that measured at fair value and the changes included in other comprehensive income, relevant dividend income of such financial assets shall be included in current gains or losses, and changes in fair value shall be included in other comprehensive income. When the recognition is terminated, the accumulated gains or losses recorded in other comprehensive income shall be transferred to retained income, and not recorded in current gains or losses.

(c) Financial assets measured at fair value and the changes recorded in current gains and losses

Besides the financial assets measured at amortized cost and those measured at fair value and the changes included in other comprehensive income, the Company classifies other financial assets as the assets measured at fair value and the changes included in current gains or losses.

In addition, in the initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company designates some financial assets as the financial assets measured at fair value and the changes recorded into current gains or losses. For such financial assets, the Company adopts fair value for follow-up measurement, and the changes in fair value are recorded into current gains or losses.

(B) Financial liabilities

(a) Financial liabilities measured at fair value and the changes included in current gains or losses

Trading financial liabilities (including derivative instruments belonging to financial liabilities) shall be subsequently measured in accordance with the fair value, and the changes in fair value shall be recorded into current gains or losses except for those related to hedge accounting. For the financial liabilities that are designated to be measured at fair value and the changes included in current gains or losses, in case the changes in the fair value of liabilities are caused by the changes in the Company's own credit risk shall be included in other comprehensive income, and when terminates such liabilities, the accumulated changes in fair value shall be transferred to retained earnings. Other changes in fair value shall be booked into current gains or losses.

(b) Financial liabilities measured at amortized cost

Besides the financial liabilities that do not meet the condition of derecognition or the financial liabilities formed by transferred financial assets or financial guarantee contract, other financial liabilities shall be measured at amortized cost, gains or losses arising from the termination of recognition or amortization shall be booked into current gains or losses.

(3) The recognition basis and measurement method of financial assets transfer

If the Company transfers almost all the risks and rewards in the ownership of financial assets, it shall terminate to recognize the financial assets and separately recognize the rights and obligations generated or retained in the transfer as assets or liabilities; if almost all the risks and rewards in the ownership of financial assets are retained, the transferred financial assets shall continue to be recognized. If the Company neither transfers nor retains almost all the risks and rewards on the ownership of the financial asset, it shall deal with the following situations:

① If it does not retain control of the financial asset, the recognition of the financial asset shall be terminated, and the rights and obligations generated or retained in the transfer shall be separately recognize as assets or liabilities.

② If the control of the financial asset is retained, the relevant financial asset shall be recognized according to the phases of transferred financial asset, and relevant liabilities shall be recognized accordingly.

(4) Terminating the recognition of financial liabilities

When the current obligation of the financial liability (or part thereof) has been discharged, the Company shall terminate the recognition of such financial liability (or part thereof) and record the

difference between its book value and the consideration paid (including non-cash assets transferred or liabilities assumed) into the current gains or losses.

(5) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities shall be listed separately in the balance sheet and shall not be offset mutually. However, if the following conditions are met at the same time, the net offset shall be shown in the balance sheet:

① The Company has the legal right to offset recognized amount, and such legal right is currently enforceable.

② The Company plans to implement net settlement, or simultaneously sell off the financial assets and liquidate such financial liabilities.

If a financial asset is transferred without meeting the conditions for derecognition, the transferor may not offset the transferred financial asset and the associated liabilities.

(6) Equity instrument

Equity instruments are the contracts that prove the ownership of the residual equity in the Company's assets after deducting all liabilities. Instruments issued (including refinancing), repurchased, sold or written off by the Company shall be taken as the disposal of changes in equity. The Company does not recognize changes in the fair value of equity instruments.

Transaction expenses associated with equity transactions shall be deducted from equity.

The Company shall take the distribution of equity instrument holders as profit distribution, and the stock dividends paid will not affect the total equity of shareholders.

(7) The method of recognizing the fair value of financial instruments

When implement initial recognition, if the fair value of the financial asset or financial liability is determined by quoting the same asset or liability in an active market or by other means other than valuation techniques of observable market data, the Company will defer the difference between that fair value and the trading price. After the initial recognition, the Company recognizes the deferred difference as the gain or loss of the corresponding accounting period based on the degree of change of a factor in the corresponding accounting period.

(8) Impairment of financial assets

Regarding the financial assets measured at amortized cost and the debt instrument investment measured at fair value and the changes recorded in other comprehensive income, the Company recognizes loss provision based on expected credit losses.

① Recognition method of impairment provision

(A) General method

At each balance sheet date, the Company measures the expected credit losses of financial instruments at different stages. If the credit risk of the financial instrument has not significantly increased since its initial recognition, it is in the first stage. The Company measures the loss provision according to the

expected credit loss within the next 12 months. If the credit risk of the financial instrument has significantly increased since its initial recognition but no credit impairment has occurred, it is in the second stage, the Company measures the loss provision according to the expected credit loss of the instrument during the whole period. If the financial instrument has experienced credit impairment since its initial recognition, it is in the third stage, and the Company measures the loss provision according to the expected credit loss of the instrument during the whole period. For the financial instruments (such as time deposit in commercial banks with high credit rating, financial instruments with external credit rating of "investment grade" or above), that have lower credit risk in the balance sheet date, assuming that the credit risk has not increased significantly since the initial recognition, the Company measures the loss provision according to expected credit loss within the next 12 month.

(B)Simplified method

For accounts receivable and revenue-related notes receivable that do not contain a significant financing component or do not consider the financing component of contracts that do not exceed one year, the Company measures the loss provision in accordance with the expected credit loss for the entire duration.

②Criteria for determining whether credit risk has increased significantly since the initial recognition

If the probability of default of the financial asset recognized on the balance sheet date is significantly higher than the probability of default at the time of initial recognition, the credit risk of the financial asset is proved to be significantly increased.

No matter which way used by the Company to assess whether a significant increase in credit risk, if the contract payment is overdue more than 30 (included), usually can presume the credit risk of financial assets increase significantly, unless rational and evidence-based information is available to be obtained by the company at reasonable cost to prove that the credit risk does not increase significantly even after 30 days of delay

Except for special cases, the Company uses the change of default risk within the next 12 months as a reasonable estimate of default risk in the whole duration to determine whether the credit risk has increased significantly since the initial recognition.

③ The combination method and determination basis of credit risk assessment based on combination

The Company respectively evaluates the credit risks of notes receivable, accounts receivable and other receivables with the following characteristics. Such as: the receivables in dispute with the other party or involving litigation or arbitration; receivables with a clear indication that the debtor is likely to be unable to repay.

When it is impossible to evaluate the information of the expected credit loss of each financial asset at a reasonable cost, the Company divides the receivables into several portfolios according to the credit risk characteristics and calculates the expected credit loss based on the portfolios.

Portfolio	Accrual method
Bank's acceptance bill, commercial acceptance bill	For the notes receivable divided into portfolios, the expected credit loss shall be calculated based on the default risk exposure and the expected credit loss rate of the entire duration by referring to the experience of past credit losses and combining the current situation and the forecast of future economic conditions. It will not accrue the allowance for doubtful accounts of bank's acceptance bill
Aging	For the accounts receivable divided into aging portfolios, the Company shall, by referring to the experience of past credit loss and combining with the current situation and the prediction of future economic situation, prepare a table comparing the aging of accounts receivable with the expected credit loss rate of the whole period to calculate the expected credit loss.
Other	For receivables that shall be paid by the subsidiary included in the scope of consolidation, the Company shall, by referring to the experience of past credit loss and combining with the current situation and the prediction of future economic situation, prepare a table comparing the aging of accounts receivable with the expected credit loss rate of the whole period to calculate the expected credit loss.

11. Notes receivable

The recognition method and accounting arrangement method for the expected credit loss of the receivables have been shown in "Financial Instruments".

12. Accounts receivable

The recognition method and accounting arrangement method for the expected credit loss of the receivables have been shown in "Financial Instruments".

13. Other receivables

The recognition method and accounting arrangement method for the expected credit loss of the receivables have been shown in "Financial Instruments".

14. Inventory

(1) Classification of inventory

The Company's inventories are categorized as raw materials, supplies (including packaging and low-value consumables), work in progress, finished goods, goods for resale, expendable biological assets and engineering and construction costs. Expendable biological assets include broilers, piglets and fattening pigs.

(2) Valuation method for inventories upon delivery

The delivered materials, delivered finished products, and delivered expendable biological assets shall be calculated by weighted average method.

(3) Inventory system of inventories

The Company uses a perpetual inventory system for its inventory and conducts periodic physical counts.

(4) Amortization method for supplies

① Amortization method for low-value consumables

The Company uses the 50/50 amortization method for ring moulds and wooden pallets and the flat-rate method for other low-value consumables.

② Amortization method for packaging

The Company uses the flat-rate transfer method of amortization for packaging received.

Criteria for the recognition and accrual method of inventory write-downs

(1) Basis for determining net realizable value of inventories and provision of inventory write-downs

① Basis for determining net realizable value of inventories

(A) The net realizable value of inventories of merchandise directly held for sale, such as inventories (finished goods) and materials held for sale, is determined in the normal course of production and operations based on the estimated selling price of these inventories, less estimated selling expenses and related taxes.

(B) The net realizable value of inventories of materials to be processed is recognized in the normal course of production and operations at the estimated selling price of finished goods less the estimated cost at the time of completion of the work, estimated selling expenses and related taxes.

(C) For the inventory hold to execute sale contract or labor contract, its net realizable value shall be calculated based on the contract price. In case inventory quantity hold by the Company is more than the order quantity of the sale contract, the net realizable value of the exceeding part inventory shall be calculated based on general sale price.

(D) But for materials held for production, etc., if the net realizable value of finished products made from the materials is higher than the cost, the materials shall still be measured at the cost; If the decline of material prices indicates that the net realizable value of finished products is lower than the cost, the materials can be measured based on net realizable value.

(E) For expendable biological Assets: on the balance sheet date, the expendable biological assets shall be measured at the lower of cost and net realizable value, and the falling price reserves shall be calculated by the same way as that for recognizing the falling price reserves of inventory. If the influencing factors of impairment have disappeared, the amount of write-down shall be recovered and the amount of write-down shall be reversed back and recorded into the current gains or losses. If the Company changes the use of consumable biological assets, the cost after the change of use shall be determined by the book value at the time of the change of use.

② Provision of inventory write-downs

(A) Provision for individual items

The Company makes provision for inventory write-downs at the lower of cost or net realizable value of individual items of inventories.

(B) Provision by category of inventory

For large quantities of inventories with low unit prices, the Company provides for inventory write-downs provision by category of inventory.

15.Contract assets

The contract assets refer to that, the company has rights to charge consideration for products that have been transferred to the customer, and such rights shall depend on factors other than the passage of

time. The Company's contract assets mainly include completed and unsettled assets, and quality retention money. The contract assets and contract liabilities under the same contract shall be shown on a net amount, and the contract assets and contract liabilities under different contracts shall not be offset.

16. Long-term equity investment

(1) Initial investment cost recognition of long-term equity investment

① The recognition of the initial investment cost of long-term equity investment formed by business combination can be seen in the accounting arrangement of business combination under the same control and under the different control in Note 5.

② Besides the long-term equity investment formed by business combination, the initial investment cost of the long-term equity investment obtained by other means shall be recognized in accordance with the following provisions:

(A) For long-term equity investment acquired through paying cash, the acquisition price actually paid shall be taken as the initial investment cost. The initial investment cost includes the expenses directly related to the long-term equity investment obtained, taxes and other necessary expenses.

(B) The long-term equity investment obtained by issuing equity securities (equity instruments) is regarded as its initial investment cost according to the fair value of equity securities (equity instruments) issued. If there is conclusive evidence that the fair value of long-term equity investment obtained is more reliable than that of equity securities (equity instruments) issued, the initial investment cost is recognized on the basis of the fair value of long-term equity investment invested by investors. If the fees directly related to the issuance of equity securities (equity instruments), including service fees and commissions, are reduced by the issuance premium, and if the premium is insufficient to be reduced, the surplus reserve and undistributed profits are reduced in turn. Long-term equity investment obtained by issuing debt securities (debt instruments) shall be treated by issuing equity securities (equity instruments).

(C) For the long-term equity investment obtained through debt restructuring, the Company takes the fair value of the shares enjoyed by the creditor's rights into equity as its initial investment cost.

(D) For long-term equity investment acquired through non-monetary assets exchange, if non-monetary assets exchange is of commercial substance and fair value of converted assets can be reliably measured. The Company confirms its initial investment cost on the basis of fair value of converted assets, unless there is solid evidence that the fair value of converted assets is more reliable. If the above-mentioned conditions cannot be met, the book value of swap-out assets and related payable taxes shall be taken as the initial investment cost of swap-in long-term equity investments.

The expenses, taxes and other necessary expenses incurred by the Company directly related to the acquisition of long-term equity investment are included in the initial investment cost of long-term equity investment.

No matter how the Company acquires long-term equity investment, the cash dividends or profits declared but not yet paid in actual payments or consideration shall be accounted for separately as the dividend receivable and shall not constitute the cost of long-term equity investment.

(2) The subsequent measurement and loss and profit recognition method of long-term equity investment

① The long-term equity investment checked and calculated by cost method.

(A) The Company shall adopt method to calculate the long-term equity investment can be controlled by the invested unit, that is, investment in subsidiaries.

(B) For long-term equity investment calculated by cost method, except for cash dividends or profits which have been declared but not yet paid in the actual price or consideration at the time of investment, the Company, regardless of whether it belongs to the net profits realized by the invested units before and after investment, shall recognize the investment income according to the cash dividends or profits declared by the invested units.

② The long-term equity investment checked and calculated by equity method

(A) A Company shall adopt the equity method to account for joint venture under the joint control of the invested entity or joint venture with significant influence.

(B) For long-term equity investment adopted equity method, if the initial investment cost is more than the enjoyed share of net asset fair value identified by the invested units when the investment happens, the initial investment cost of the long-term equity interest investment shall not be adjusted; If the initial investment cost is less than the enjoyed share of net asset fair value identified by the invested units when the investment happens, its balance shall be included into the current gains and losses and the initial investment cost of the long-term equity investment shall be adjusted simultaneously.

(C) After obtaining a long-term equity investment, the Company shall confirm the investment losses and profits and other comprehensive income respectively and adjust the book value of the long-term equity investment in terms of the due owned or borne share of the net gains or losses and other comprehensive income achieved by the invested unit. When confirming the net loss and profit of the invested unit that shall be owned or borne, recognition shall be conducted for the net profit of the invested unit upon adjustment based on fair value of net identifiable assets of the invested unit when obtaining the investment. However, if the Company is unable to reasonably confirm the fair value of the identifiable assets of the invested unit at the time of obtaining investment, the balance between the fair value of the identifiable assets of the invested unit at the time of investment and book value is small or it is impossible to obtain relevant information of the invested unit due to other reasons, the Company shall directly calculate and confirm the investment gains and losses on the basis of the net book gains and losses of the invested unit. The Company shall reduce correspondingly the book value of the long-term equity investment according to the deserved portion of assigning cash dividends or profit declared by the invested unit. As for other changes concerning owner's equity of the invested unit

besides net profit or loss, other comprehensive income and profit distribution, the Company shall adjust the book value of the long-term equity investment and include them into the owner's equity.

When affirming the investment income generated by the investment of joint ventures, the Company offsets the unrealized internal transaction income between the Company and the joint venture which belongs to the Company according to the share-holding ratio, and affirms the investment gains and losses. The internal transaction loss occurred between the Company and invested unit belongs to assets impairment loss, which shall be recognized in full amount. The Company shall offset the unrealized internal transaction gains and losses between subsidiaries incorporated into combination and joint ventures in accordance with the above-mentioned principles, and confirm the investment gains and losses.

When net deficiency of the invested entity that recognized to be borne, it shall be disposed as the following orders: The book value of the long-term equity investment shall be offset at first. If the book value of long-term equity investment is not enough to be offset, the investment losses shall be recognized continuously according to the limit that the book value of other long-term equity investments substantially constitutes the net investment in the invested entity, to offset the book value of long-term receivables. After the process above, if the Company still shall share extra duty according to investment contract or the agreement, confirm beforehand liabilities according to estimated duty that shall be undertaken and include it in the current investment loss. If the invested unit realizes to be profitable in the following period, the Company shall process it in the sequence contrary to the mentioned above after deducting the contribution of loss that hasn't been recognized, write down the book value that has been recognized to be estimated liabilities, resume other book values that constitute the long-term interest and long-term equity investment of the invested unit in substance and meanwhile confirm investment income.

(3) The basis recognized to have joint control and significant influence on the invested entity

① The basis recognized to have joint control on the invested entity

The joint control refers to the control jointly performed towards certain arrangement as per the related agreements, and the related activities thereof must be agreed by all the participants who share the control rights before making decisions. The relevant activities generally include sale and purchase of goods or labor services, management of financial assets, acquisition and disposal of asset, R&D activities and financing activities. Joint venture refers to the joint venture arrangement that the Company has the right to arrange the net assets of the Company. The joint venture arrangement in which the joint venture party enjoys assets related to arrangement and bears relevant liabilities is cooperation rather than joint venture.

② The basis recognized to have significant influence on the invested entity

The significant influence refers to having the rights to participate in the decision-making of the financial and business policies of the invested entity, but not being able to control or jointly control the

formulation of these policies together with other parties. When the Company is able to exert significant influence on the invested entity, the invested entity shall be its associated company.

17.Fixed assets

(1) Recognition conditions

The fixed assets refer to the tangible assets held for commodity production, rendering service, lease or operation management with a service life of more than one accounting year. The fixed assets are recognized when the following conditions are met,

- ① The economic interests related to the fixed assets are likely to flow into the Company;
- ② The costs of the fixed assets can be calculated reliably.

(2) Method of depreciation

Item	Method of depreciation	Period of depreciation (year)	RM value rate %	Yearly depreciation %
Office and buildings	straight-line depreciation	10-40	3	2.43-9.70
Machinery equipment	straight-line depreciation	10	3	9.70
Transportation equipment	straight-line depreciation	4	3	24.25
Other equipment	straight-line depreciation	5	3	19.40

18.Construction in progress

(1) Category of construction in process

Construction in process shall be calculated separately according to the approved projects.

(2) Criteria and timing for construction in process carried down fixed assets

All expenditures of the construction in progress that incurred before it reaches the estimated serviceable condition shall be regarded as entry value of the fixed assets. The self-operating engineering shall be measured according to direct materials, direct wages, direct mechanical construction costs, etc. Package project is measured according to the payable project price; The borrowing expenses that meet the capitalization conditions and occur before the project under borrowing reaches its intended usable state shall be capitalized and included in the cost of the project under construction.

If the fixed assets have reached the intended usable state but have not yet completed the final accounts, the Company shall, from the date of reaching the intended usable state, determine its cost according to the project budget, cost or actual cost of the project, as well as the estimated value, transfer it to the fixed assets, and calculate the depreciation of the fixed assets in accordance with the Company's fixed assets depreciation policy; After final account is completed, the Company shall adjust the original provisionally estimated value according to actual cost, but not adjust the previously accrued amount of depreciation.

19.Borrowing costs

(1) Scope of borrowing costs

The Company's borrowing costs include interest on borrowings, amortization of discounts or premiums, transaction costs and exchange rate differences arising on borrowings denominated in foreign currencies.

(2) Principle of recognizing borrowing costs

Where the borrowing costs incurred by the Company are directly attributable to the acquisition, construction, or production of a qualifying asset, they are capitalized and included in the cost of that asset. Other borrowing costs are expensed as incurred and included in current profit or loss.

Assets eligible for capitalization include property, plant and equipment, investment property, inventories and other assets that take a substantial period to acquire, construct or produce to get ready for their intended use or sale.

(3) Recognition of the period for capitalizing borrowing costs

① Recognition of the timing of the capitalization of borrowing costs

Capitalization of borrowing costs may commence after the expenditure on the asset and the borrowing costs have been incurred and the acquisition and construction or production activities necessary to bring the asset to its working or marketable condition have commenced. The cost of an asset includes the cash, transferred property, plant and equipment, or borrowing costs paid for the acquisition and construction or production of assets eligible for capitalization.

② Recognition of the suspension of the capitalization of borrowing costs

If, during acquisition, construction or production, an asset eligible for capitalization is abnormally interrupted and the interruption lasts for more than three months, the capitalization of borrowing costs shall be suspended. The borrowing costs incurred during the interruption shall be recognized as a current gain or loss in the income statement and the capitalization of borrowing costs shall be continued until the commencement of the activities relating to the acquisition, construction or production of the asset. If the interruption is a necessary step for the acquired, constructed, or produced assets eligible for capitalization to reach an estimated usable and marketable status, capitalization of borrowing costs shall continue.

③ Recognition of the discontinuance of the capitalization of borrowing costs

When the assets acquired, constructed or produced that are eligible for capitalization can be expected to be ready for use and sale, the capitalization of borrowing costs shall cease; the borrowing costs incurred thereafter shall be recognized as current gains and losses at their actual amounts.

When each part of an asset acquired, constructed or produced that qualifies for capitalization is completed separately and each individual part is available for use or sale during the continuing construction of other parts, and the acquisition and construction or production activities necessary for that part of the asset to reach the estimated status of being available for use or sale have already been substantially completed, the capitalization of borrowing costs in respect of that part of the asset shall be discontinued. If each part of an asset that is to be acquired, constructed or produced and that is

capable of being capitalized is completed separately, but it cannot be available for use or sale until the whole of the construction has been completed, the entity shall cease capitalizing borrowing costs when the whole of the asset is available for use or sale.

(4) The recognition of the amount of the capitalization of borrowing costs

① The recognition of the amount of the capitalization of borrowing interests

During the capitalization period, the interests' capitalization amount (including the amortization of discounts or premiums) in each accounting period shall be recognized according to the following provisions:

(A) As for special borrowing costs arising from the acquisition and construction or production of assets which are eligible for capitalization, the amount shall be recognized based on the interests cost of the special borrowings costs occurred actually in the current period deducting the interests' income earned from depositing the unused borrowing costs or the income from temporary investment.

(B) Where general borrowing is used to acquire or produce assets that qualify for capitalization, the amount of capitalized general borrowing is determined by multiplying the weighted average amount of expenditure on assets for which cumulative capital expenditure exceeds the capital expenditure on the specific borrowing by the general borrowing capitalization rate. The capitalization rate is based on the weighted average interest rate of the general borrowing costs.

(C) If there is any discount or premium of the borrowings, the effective interest rate method shall be used to recognize the amount of discount or premium amortized in each accounting period, and the amount of interest shall be adjusted in each period.

(D) Within period of the capitalization, the interest capitalization amount of each accounting period shall not exceed the amount of interest actually occurred to the relevant borrowings in the current period.

② The recognition of the amount of the capitalization of borrowing auxiliary expenses

(A) Article For the ancillary expense incurred to a specifically borrowings, those incurred before assets eligible for capitalization under acquisition, construction or production is ready for the intended use or sale shall be capitalized at the incurred amount when they are incurred, and shall be included into the costs of the asset eligible for capitalization those incurred after a qualified asset under acquisition and construction or production is ready for the intended use or sale shall be recognized as expenses on the basis of the incurred amount when they are incurred, and shall be recorded into the gains and losses of the current period.

(B) The auxiliary expenses arising from general borrowings shall be recognized as expenses at the time of occurrence and shall be included into the gains and losses of the current period.

③ The recognition of the amount of the capitalization of the balance of exchange

During the period of capitalization, the exchange balance on foreign currency specific borrowings shall be capitalized, and shall be included in the cost of assets eligible for capitalization.

20. Biological assets

(1) Classification of biological assets

Biological assets refer to live animals and plants. The Company's biological assets are divided into expendable biological assets and productive biological assets.

(2) Conformation conditions of biological assets

The Company confirms the biological assets that satisfy the following conditions at the same time:

- ① The Company possesses or controls the biological asset as a result of past transaction or matter.
- ② The economic benefits or service potential concerning this biological asset are likely to flow into the Company.
- ③ The cost of the biological asset can be measured reliably.

(3) Depreciation of productive biological assets

The Company shall depreciate the productive biological assets that have achieved the predetermined purposes of production and operation, and reasonably confirm their service life, estimated net residual value and depreciation method according to nature, usage and expected realization of the economic benefits involved.

The type, service life, anticipated net residual value and yearly depreciation of the Company's productive biological assets are as follows:

Type	Service life	Anticipated net residual value	Depreciation method
Pig breeder	36 months	20.00%	Straight-line service life
Broiler breeder	30 weeks	CNY 22.50 per broiler	Workload
Laying duck	10 months	CNY 30.00 per duck	Straight-line service life
Layer	14 months	CNY 21.00 per layer	Straight-line service life
Breeding cow	6 years	30%	Straight-line service life

The depreciation rate and depreciation amount of the productive biological assets, which have been prepared for impairment, are recalculated according to the book value, estimated net residual value and usable life of the productive biological assets.

The Company reviews the service life, estimated net residual value and depreciation methods of productive biological assets at regular intervals. If the expected number of service life or estimated net residual value is different from the original estimate, or if there is any significant change in the expected realization of the economic benefits involved, it shall be treated as a change in accounting estimate.

21. Intangible assets

(1) Service life and the basis for its determination, estimation, amortization method or review procedures

① Initial measurement of intangible assets

(A) Initial measurement of outsourcing intangible assets

The cost of outsourcing intangible assets, including acquisition price, relevant taxes and dues as well as other expenditures which is directly attributed to make intangible assets to the estimated purpose. When the payment of purchased intangible assets, price exceeding normal credit conditions is delayed in payment, with financing nature in essence, the intangible assets cost shall be recognized based on the present value of purchase price. The balance between the cost actually paid and the present value of the purchasing cost will be included into the current gains and losses during the credit period except the part that shall be capitalized.

(B) Initial calculation for independently developed intangible assets

The cost of self-developed intangible assets shall be recognized according to the total expenditure incurred from meeting the capitalization conditions to reaching the intended purpose, and the expenditure already expended in the previous period shall not be adjusted.

For the intangible assets researched and developed by the Company, the expenditure during research stage shall be recorded into the current gains and losses as occurring; if the expenditures in development stage which don't meet the conditions of capitalization shall be included into current gains and losses when it occurs. Those meeting the condition of capitalization shall be recognized as intangible assets. When the expenditures occur during research or development stage cannot be distinguished, all the R&D expenditures occurred shall be included into the current gains and losses.

② Subsequent measurement of intangible assets

The service life shall be analyzed and recognized by the Company when obtaining the intangible assets. The intangible assets acquired by the Company include intangible assets with finite service life and indefinite service life.

(A) Subsequent calculation for intangible assets with finite service life

For intangible assets with limited service life, the Company will adopt the straight-line method to amortize them in phases during their service life from the time they reach their intended purpose, without reserving residual value. The amortization amount of intangible assets shall be included into current gains and losses. If the economic benefits of an intangible asset are realized through product or other assets, the amortization amount shall be included into the cost of the relevant assets.

The categories of intangible assets, estimated service life, estimated net residual value and annual amortization rate are listed as follows:

Categories	Estimated service life(year)	Estimated net residual value %	Annual amortization rate %
Land use rights	According to the service life of land license	0	-
Computer software and other	5-10	0	10-20

The Company shall review the service life and the amortization method of intangible assets with the finite service life on the balance sheet date.

(B) The subsequent measurement for intangible assets with indefinite service life

The Company shall not amortize intangible assets with uncertain service life during the holding period.

③ Estimate the service life of intangible assets

(A) The service life of the intangible asset derived from the contractual rights or other statutory rights shall be recognized according to the limit not exceed the contractual rights or other statutory rights; If when the contract rights or other statutory rights are due, they can be extended because of renewal, and there is evidence that the Company does not need to pay a large amount of cost to renew contract, then the renewal period shall be included into the service life.

(B) If the service life is not stipulated in the contract or law, the Company shall confirm the period when intangible assets can bring economic benefits to the Company by employing relevant experts for demonstration or comparing with those in the same industry and referring to the Company's historical experience.

(C) In accordance with the above method, if it is still unable to reasonably confirm the time limit when the intangible assets can bring economic benefits for the Company, the intangible assets shall be deemed as the intangible assets with uncertain service life.

④ Arrangement of land use right

(A) The land use right acquired by the Company is usually recognized as intangible assets, but if the land use right is used to earn rent or capital appreciation, it will be converted into investment real estate.

(B) If the Company develops and constructs buildings such as factory buildings, it shall treat the relevant land use rights and buildings separately.

(C) The price paid for the acquisition of land and buildings shall be allocated between the building and the right to use the land. If they cannot be reasonably distributed, they shall be recognized as fixed assets.

(2) Scope of attribution of R&D expenditures and related accounting treatment

① Scope of attribution of R&D expenditures

It typically includes salary costs of research and development personnel, direct input costs, depreciation and long-term amortization costs, design costs, equipment commissioning costs, amortization of intangible assets, costs of commissioning external research and development, and other costs, including expensed research and development costs and capitalized research and development expenditures.

② Specific criteria for classifying research and development phases

(A) Research stage

The research phase is the phase of original and planned investigation and research activities undertaken to acquire and understand new scientific or technological knowledge, etc. Expenditure on the research phase of internal research and development projects is recognized in the income statement as incurred.

(B) Development stage

The development phase is the phase during which research results or other knowledge are applied to plans or designs for the production of new or substantially improved materials, devices, products and other activities prior to commercial production or use.

③ Specific criteria for the capitalization of expenditures in the development phase

The expenditure of the internal R&D projects at the development stage shall be recognized as the intangible assets when meeting the following conditions simultaneously:

(A) It is technically feasible to complete the intangible asset for use or sale.

(B) There is an intention to complete the intangible asset and use or sell it.

(C) The manner in which the intangible asset will generate economic benefits, including the ability to demonstrate that there is a market for the product to be produced by the application of the intangible asset or a market for the intangible asset itself and, if the intangible asset is to be used internally, the usefulness of the intangible asset.

(D) Whether there is sufficient technical, financial and other resource support to complete the development of the intangible asset and the ability to use or sell the intangible asset.

(E) The expenditures available for the development phase of the intangible asset can be measured.

22. Impairment of long-lived assets

The impairment test shall be made to long-term equity investments, investment property measured by using the cost model, fixed assets, projects under construction, intangible assets with finite service life and other long-term assets with signs of impairment on the balance sheet date. If the impairment test result is indicated that the recoverable amount of assets is lower than its book value, it is withdrawn impairment reserves in accordance with the balance and calculated into the impairment loss. The recoverable amount shall be the higher one of the net amounts of the fair value of the assets deducted by the disposal expenses and the present value of the expected future cash flow of the assets. Calculate and confirm the assets impairment reserves based on single asset; shall it be difficult to estimate the recoverable amount of single asset, the recoverable amount of the asset group shall be recognized based on its belonging asset group. Asset group is the minimum asset portfolio that can generate cash inflow independently.

Each year, the Company performs the impairment test on the goodwill and the intangible assets with uncertain service life, no matter whether there are signs of impairment or not.

When the Company conducts the impairment test on business reputation, as for the book value of goodwill formed due to the business combination, it shall be amortized to related assets groups from the acquisition date according to the reasonable methods; The part that is hard to be allocated to related assets groups shall be amortized to related combined assets groups. When apportioning the book value of the goodwill to the relevant asset groups or combinations of asset groups, it shall be apportioned on the basis of the proportion of the fair value of each asset group or combination of asset groups to the total fair value of the relevant asset groups or combinations of asset groups. Where it is difficult to measure the fair value reliably, it shall be apportioned on the basis of the proportion of the carrying value of each asset group or combination of asset groups to the total carrying value of the relevant asset groups or combinations of asset groups. When making an impairment test on the relevant asset groups or combinations of asset groups including goodwill, if any evidence shows that the impairment of asset groups or combinations of asset groups is possible, the Company first makes an impairment test on the asset groups or combinations of asset groups not including goodwill, calculate the recoverable amount, compare it with the relevant carrying value and confirm the corresponding impairment losses. The Company makes an impairment test of the asset groups or combinations of asset groups containing business reputation, and compares the book value of these relevant asset groups or combinations of asset groups (including the book value of goodwill amortized thereto) and their recoverable amount. Where the recoverable amount of relevant assets or combinations of the asset groups is lower than the book value thereof, the depreciation of the goodwill losses shall be recognized.

Once the impairment loss of above-mentioned asset is recognized, it shall not be reversed in following accounting periods.

23. Long-term prepaid expenses

(1) Scope of long-term prepaid expense

The long-term prepaid expense refers to an expense that has incurred but shall be amortized by the current period and subsequent periods with the time limit of more than 1 year (exclusive), and includes improvement expenditures incurred in fixed assets by way of operating lease.

(2) Initial calculation for long-term prepaid expense

The long-term prepaid expense received initial calculation based on the actual cost.

(3) Amortization of long-term prepaid expense

Long-term prepaid expenses in benefit period will be of amortization average using the straight-line method.

24. Contract liabilities

Recognition method of contract liabilities

Contract liabilities refer to the obligation of the Company to transfer commodities to customers as the Company has received the consideration or needs to receive the consideration from customers. Before

the Company transferring the commodities to the customer, if the customer has paid the contract consideration or the Company has obtained an unconditional right to collect the accounts, the Company shall record the accounts received or needed to receive as the contractual liabilities based on the time when the customer actually pays the accounts or when the accounts become due. The contract assets and contract liabilities under the same contract shall be recorded on a net basis, and the contract assets and contract liabilities under different contracts shall not be offset.

25. Employee remuneration

(1) The accounting arrangement method of short-term remuneration

Short-term remuneration refers to employee remuneration that needs to be paid in full amount within 12 months after the end of annual report period that the employee provides related service, except for the remuneration given for labor relation removing with the employee.

Short-term remuneration includes: Employee salary, bonus, allowance and subsidy, employee welfare expenses, medical insurance premiums, industrial injury insurance premium, birth insurance premium and other social insurance premiums, housing accumulation fund, labor union expenditure and employee education expenditure, short-term compensated absence, short-term profit-sharing plan, non-monetary welfare and other short-term remunerations.

The Company shall confirm the actual short-term remuneration accrued as liabilities and include it into current gains and losses or related asset cost during the accounting period of services provided by staff.

(2) The accounting arrangement method of post-employment welfare

The Company participates in the establishment of withdrawal plans, which include basic pension insurance premiums, unemployment insurance premiums and enterprise annuity payments for employees in accordance with relevant regulations. The amount due for deposit shall be recognized as the debt of employee remuneration on the balance sheet date in order to exchange for the service provided by employees during accounting period, and include into the current gains and losses or relevant asset cost.

(3) Accounting arrangement method of dismissal welfare

Dismissal welfare refers to the remuneration for the employee when the Company terminates the labor relationship with the employee before the labor contract expires or when the Company encourages the employee to receive layoff voluntarily. If the Company provides dismissal welfare for staffs, the staff remuneration liability generating from confirming dismissal welfare on the earlier one of the following two dates shall be included into current gains and losses:

- ① When the Company cannot unilaterally withdraw the dismissal welfare provided by labor relationship relief plan or reduction suggestion.
- ② When the Company confirms cost or expense relevant to the restructuring involved in paying dismissal welfare.

(4) Accounting arrangement method of other long-term employee benefits

Other long-term employee welfare refers to other welfares of all employees other than short-term remuneration, welfare after demission and dismisses welfare. At the end of report period, staff remuneration cost generating from other permanent staff welfare shall be recognized to the following constituent parts:

- ① Cost to serve.
- ② Net interest amount of net liabilities or net asset of other permanent staff welfares.
- ③ The change generating from the recalculation of net liability or net asset of other permanent staff welfares.

In order to simplify the relevant accounting arrangements, the total net amount of above items is recorded into current gains and losses or relevant asset costs.

26. Estimated liabilities**(1) Recognition principles of estimated liabilities**

When the external guarantees, pending litigation or arbitration, product quality assurance, loss of contract, the obligation of restructuring matters or the relevant business meet three of the following conditions, it shall be recognized as estimated liabilities:

- ① That obligation is a current obligation undertaken by the Company.
- ② It is likely to cause the economic benefit to flow out of the Company due to the performance of the obligation.
- ③ The amount of the obligation can be measured reliably.

(2) Calculated method for estimated liabilities

The amount of the estimated liability is measured in accordance with the best estimate of the expenditure required for the contingency.

① If there is a sequent range for the necessary expenses and if all the outcomes within this range are equally likely to occur, the best estimate shall be recognized in accordance with the middle estimate within the range.

② In other cases, the best estimate shall be disposed according to the following cases respectively:

(A) If the contingencies involve a single item, it shall be recognized according to the most likely outcome.

(B) If the contingencies involve two or more items, the best estimate shall be calculated and recognized according to all possible outcomes and the relevant probabilities.

27. Share-based payment

The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

(1) Accounting arrangement on the grant date

In addition to share-based payments of the immediate vesting, regardless of equity-settled share-based

payment or cash-settled share-based payment, the Company shall not accept accounting arrangement on the grant date.

(2) Accounting arrangement on each balance sheet date in the waiting period

In the waiting period of each balance sheet date, services acquired in hiring employees or other parties shall be included in the cost, and the owner's equity or liabilities shall be recognized.

As for share-based payments with market conditions, as long as employees meet all other non-market conditions, the acquired service shall be recognized. When the performance conditions are non-market conditions, after the waiting period is fixed, if the subsequent information indicates that the estimation of feasible rights needs to be adjusted, the earlier estimate shall be modified.

As for equity-settled share-based payment involving employees, according to fair value of equity instruments in the grant date, it shall be included in cost and capital reserve (other capital reserve), and its subsequent changes of fair value shall not be recognized. As for cash-settled share-based payment involving employees, it shall be recounted according to fair value of equity instruments at each balance sheet date to recognize the cost and payable employee remuneration.

On each balance sheet date within the waiting period, the Company shall make the best estimates according to the newly obtained changes in exercisable right staff number variation and other follow-up information, and amend the number of equity instruments of expected exercisable right.

According to the fair value of the above-mentioned equity instruments and the number of equity instruments with predicted feasible rights, the cumulative cost and expense amount that shall be recognized up to the current period is calculated, with the cumulative recognized amount in the previous period subtracted, as the cost and expense amount that shall be recognized in the current period.

(3) Accounting Arrangement on the Vesting Date

① As for equity-settled share-based payment, after vesting date, the recognized cost and the total owner equity shall no longer be adjusted. On the vesting date, the Company shall confirm the share capital and share premium according to the exercise situation, and the capital reserve (other capital reserve) in the waiting period shall be carried forward at the same time.

② As for cash-settled share-based payment, after the vesting date, the Company shall no longer confirm the cost, and changes in fair value of liabilities (staff remuneration) shall be included in current gains and losses (changes of profit or loss in fair value).

(4) Accounting arrangement for using repurchased share as incentive stock option for staff Where the Company rewards its employees in the form of share repurchase, when it repurchases shares, it shall treat all the expenditures of the share repurchase as stock shares, and make a record. On each balance sheet date during the waiting period, according to the fair value of equity instruments on the granting date, the obtained staff services are included in the cost and expenses, and the capital reserve (other capital reserve) is increased. When the employee's right to purchase shares of Company receives the

price, the cost of the stocks in stock delivered to the employee and the accumulated amount of capital reserve (other capital reserve) during the waiting period shall be resold, and the capital reserve (equity premium) shall be adjusted according to its balance.

28.Revenue

(1) Disclosure of accounting policies for revenue recognition and measurement by nature of business

Principles and measurement of revenue recognition

① Revenue recognition

The Company recognizes revenue when it has fulfilled its contractual obligations (i.e., when the customer obtains control of the underlying commodity). At the effective date of the contract, the company evaluates the contract to determine each contractual performance obligation and whether each obligation is satisfied within a specified period or at a specified point in time, and then recognizes revenue separately when each obligation has been satisfied.

When one of the following conditions is met, a contractual obligation is fulfilled within a specified period of time:

(A) When the Company performs its contract obligations, the customer receives and consumes the economic benefits arising from the Company's performance of the contract.

(B) The customer has control over the assets constructed by the Company in the course of performing the contract.

(C) The assets produced by the Company in the course of performing the contract are irreplaceable, and the Company is entitled to payment for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations that are due within a specified period of time, the Company recognizes revenue based on the progress of performance within that period, unless the progress of performance is not reasonably determinable. Depending on the nature of the goods, the Company determines the appropriate progress of performance using either the output method or the input method.

For performance obligations that are to be fulfilled at a point in time rather than over a period of time, the Company recognizes revenue when the customer obtains control of the goods.

In determining whether the customer has obtained control of the goods, the Company considers the following evidence:

(A) The Company has a present right to receive payment for the goods, which means that the customer has a present obligation to pay for the goods.

(B) The Company has transferred legal title to the goods to the customer, i.e. the customer has legal title to the goods.

(C) The Company has physically transferred the goods to the customer, i.e. the customer has physical possession of the goods.

(D) the Company has transferred the principal risks and rewards of ownership of the goods to the

customer, i.e. the customer has acquired the principal risks and rewards of ownership of the goods.

(E) the Customer has accepted the Goods.

② Measurement of revenue

When a contract contains two or more performance obligations, at the inception of the contract the Company allocates the transaction price to each separate performance obligation based on the relative proportion of the individual selling price of the goods or services promised to each performance obligation, and measures revenue based on the transaction price allocated to each separate performance obligation. In determining the transaction price, the Company considers the impact of variable consideration, the presence of significant financing elements in the contract, non-cash consideration and consideration payable to the customer, assuming that the goods will be transferred to the customer as agreed in the existing contract and that the contract will not be cancelled, renewed or amended.

(A) Variable consideration

The Company determines the best estimate of the variable consideration based on the amount expected or most likely to occur, provided that the transaction price that includes the variable consideration does not exceed the amount by which it is more likely than not that the cumulative recognized revenue will not be materially reversed when the related uncertainty is removed. In assessing whether it is more likely than not that the cumulative recognized revenue will not be materially reversed, the probability of a reversal of revenue and its weighting should also be considered.

(B) Significant financing elements

If a significant financing element exists in a contract, the entity shall determine the transaction price based on the amount payable, assuming that the customer pays in cash as soon as control of the goods is obtained. The difference between the transaction price and the contractual consideration is amortized over the life of the contract using the effective interest method.

(C) Non-cash consideration

When a customer pays non-cash consideration, the Company determines the transaction price based on the fair value of the non-cash consideration. If the fair value of the non-cash consideration can't be reasonably estimated, the Company determines the transaction price indirectly by reference to the individual selling prices of the goods it undertakes to transfer to the customer.

(D) Consideration payable to customers

In the case of consideration payable to a customer, the consideration payable is reduced by the transaction price and is recognized as an offset against current revenue when the related revenue is recognized and the customer has paid (or promised to pay) the consideration, whichever is later, unless the consideration payable to the customer is for the purpose of obtaining other clearly distinguishable goods from the customer.

Specific revenue recognition policies

The Company's sales consist primarily of revenue from the sale of feed, feed raw materials, broiler products, commercial pig and other goods. The Company recognizes revenue when payment has been received (cash or prepayment method) or is expected to be received (credit method) and the goods have been delivered to the customer in accordance with the contractual agreement, accepted and confirmed by the customer and the customer has obtained control of the related goods.

29.Contract costs

Contract costs can be divided into contract performance costs and contract acquisition costs.

Costs incurred by the Company in the performance of a contract shall be recognized as an asset when the following conditions are met.

- (1) Such costs are directly related to a current or anticipated contract.
- (2) Such costs increase the Company's resources that will be used in the future to meet performance obligations.
- (3) Such costs are expected to be recovered.

Assets related to contract costs are amortized on the same basis as the revenue recognition of goods or services related to such assets. However, if the amortization period of the contract acquisition costs is less than one year, the Company shall record such amortization into current gains or losses when it is incurred.

If the book value of the assets related to the contract costs is higher than the difference between the following two items, the Company will make provision for impairment of the excess part and recognize it as impairment loss of the assets.

- (1) The residual consideration expected to be realized from the transfer of goods or services related to the asset.
- (2) The estimated costs that will be incurred due to transfer such goods or services.

30.Government grant

- (1) Category of government grant

Government grant refers to the monetary assets or non-monetary assets that the Company obtains from the government free of charge, including the government grant related to assets and income.

The government grants pertinent to assets refer to the government assets that are obtained by enterprises used for purchase or construction, or forming the long-term assets by other ways.

The government grants related to earnings refer to the government grants besides the government grants related to assets.

- (2) Recognition principle and recognition time-point of government grant

Recognition principle of government grant

- ① The Company can meet all attached conditions for governmental grant.
- ② The Company is able to receive governmental grant.

Government grant may be recognized on condition that it meets the above conditions simultaneously.

(3) Measurement for government grant

① If the government grants belong to monetary assets, shall be calculated according to the received or receivable amount.

② Non-monetary assets of government grants shall be measured by the fair value; if the fair value cannot be obtained reliably, it shall be measured according to the nominal amount (the nominal amount is CNY 1).

(4) Accounting arrangement method for government grants

① The government grant related to assets shall, when acquired, be deducted with the book value of the relevant assets or recognized as deferred income. If it is recognized as deferred income, it shall be divided into gains and losses in stages according to a reasonable and systematic method during the service life of the relevant assets. The governmental grants calculated according to the nominal amount shall be directly included in the current gains and losses.

② Government grant related to the incomes shall be disposed separately according to the conditions:

(A) If the grants are used to compensate for related expenses or losses in the later period of the Company, it shall be recognized as deferred income and included in the current gains and losses during recognition of relevant expenses or loss

(B) Those used for compensating the related expenses or losses have been incurred shall be included in current gains and losses directly or relevant offset cost as obtaining.

③ If government grants that include both asset-related and revenue-related parts can be distinguished, they are treated separately in different parts. If it is difficult to distinguish, it shall be wholly recognized as government grants related to incomes.

④ Government grants related to the day-to-day operation of the Company shall be accounted for as other benefits or deducted with relevant costs in accordance with the nature of its economic operations. Government grants unrelated to the daily activities of enterprise are included in the income and expenditure of non-business activities. If the finance allocates the discount funds directly to the Company, the Company will deduct the relevant borrowing costs from the corresponding discount.

⑤ If it is necessary to return governmental grants which have been recognized, it shall be disposed respectively according to the following conditions:

(A) If the book value of the relevant assets is deducted at the time of initial recognition, the book value of the assets shall be adjusted.

(B) If there is the deferred income concerned, the book balance of the deferred income shall be offset against, but the excessive part shall be included in the current gains and losses.

(C) In other circumstances, it shall be directly included in the gains and losses of the current period.

31. Deferred income tax assets or deferred income tax liabilities

The Company adopts the balance sheet debt method to calculate the income tax.

(1) Recognition of the deferred income tax assets and the deferred income tax liabilities

① When the Company obtains the assets or liabilities, it shall determine its tax basis. On the balance sheet date, the Company analyses and compares the book value of assets and liabilities with their tax basis, and the book value of assets and liabilities with their tax basis. If there is temporary balance between the book value of assets and liabilities and their tax basis, the Company shall recognize deferred income tax liabilities or deferred income tax assets respectively for taxable temporary balance or deductible temporary balance if the relevant temporary balance occurs in the current period and meets the recognition conditions.

② Recognition basis of deferred income tax assets

(A) The Company shall confirm the deferred income tax assets arising from a deductible temporary balance to the extent of the amount of the taxable income which it is likely to obtain, and which can be deducted from the deductible temporary balance. The amount of taxable income likely to be obtained in the future period includes the amount of taxable income realized in normal production and operation activities in the future period, and the amount of taxable income increased due to the return of temporary balance of taxable income during the period of deductible temporary balance.

(B) As for any deductible losses and tax deduction that can be carried over to the next years, the corresponding deferred income tax assets shall be recognized to the extent that the amount of future taxable income to be offset for the deductible loss and tax to be likely obtained.

(C) On the balance sheet date, the book value of deferred income tax assets shall be re-checked. If it is unlikely to obtain sufficient taxable income to deduct from the benefit of the deferred income tax asset, the carrying amount of the deferred income tax assets shall be written down. The write-down amount shall be reversed when it is likely that the sufficient taxable income is available.

③ Recognition basis of the deferred income tax liabilities

The Company shall confirm the current or past taxable temporary balance that shall be paid but is not paid as deferred income tax liabilities. But it doesn't include goodwill and transaction formed by non-business combination and the temporary balance neither affects the accounting profit nor taxable income when transaction incurred.

(2) Measurement for the deferred income tax assets and the deferred income tax liabilities

① On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rate of the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

② If the applicable tax rate varies, the deferred income tax assets and deferred income tax liabilities which have been recognized are re-measured, excluding the deferred income tax assets and deferred income tax liabilities arising from any transactions or events directly recognized as the owners' equities, the amount affected by them shall be included into the income tax expenses of the current period during which the change occurs.

③ When measuring deferred income tax assets and deferred income tax liabilities, the Company adopts tax rates and tax basis consistent with the expected way of recovering assets or paying off debts.

④ The Company shall not discount any deferred income tax asset and deferred income tax liability.

32. Lease

The basis of judgement and accounting for the simplified treatment of short-term leases and leases of low-value assets as a lessee.

(1) Accounting for right-of-use assets

A right-of-use asset is the lessee's right to use a leased asset during the lease term. At the commencement of the lease term, the Company, as lessee, recognizes a right-of-use asset and a lease liability for the lease, except for short-term leases and the simplified treatment of leases of low-value assets.

① Initial measurement

On the commencement date of the lease term, the Company initially measures the right-of-use asset at cost. This cost includes the following four items: the amount of the initial measurement of the lease liability. The amount of lease payments to be made on or before the commencement date of the lease term, net of the amount relating to lease incentives already enjoyed, if any. The initial direct costs incurred, which are the incremental costs incurred to enter the lease. And costs that are expected to be incurred such as costs incurred for dismantling and removing the leased asset or restoring the leased asset to the condition agreed under the terms of the lease, except for those incurred to produce inventory.

② Subsequent measurement

Subsequent to the commencement date of the lease term, the Company adopts the cost model for subsequent measurement of the leased assets, which is measured at cost less accumulated depreciation and accumulated impairment losses.

When the Company re-measures the lease liability in accordance with the standard, the carrying amount of the right-of-use asset is adjusted accordingly. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount is recognized in profit or loss for the current period.

The Company depreciates leased assets from the commencement of the lease term. Depreciation of the right-of-use asset is recognized in the month in which the lease commences. Depreciation is charged to the cost of the right-of-use asset or to current profit or loss, depending on the use to which the right-of-use asset is put. In determining the depreciation method for right-of-use assets, the Company depreciates right-of-use assets on a straight-line basis over the expected period of consumption of the economic benefits associated with the right-of-use asset. If the right-of-use assets are impaired, the Company records subsequent depreciation based on the carrying amount of the right-of-use assets net of the impairment loss. The categories, service lives and annual amortization

rates of the right-of-use assets are as follows:

Type of right-of-use asset	Depreciable life	Annual depreciation rate %
Housing & Buildings	5-20	5.00-20.00
Equipment	2-20	5.00-50.00
Land	5-40	2.50-20.00

(2) Accounting treatment of lease liabilities

① Initial measurement

The Company initially measured the lease liability at the present value of the lease payments outstanding at the lease commencement date.

In calculating the present value of the lease payments, the Company uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease can't be determined, the incremental borrowing rate is used as the discount rate. The incremental borrowing rate is the interest rate that the Company would have to pay to borrow funds on similar terms and for a similar period in a similar economic environment to obtain an asset that approximates the value of the right of use. The Company uses bank lending rates, adjusted for relevant factors, as the basis for determining this incremental borrowing rate.

② Subsequent measurement

Subsequent to the commencement date of the lease term, the Company subsequently measures the lease liability as follows: increases the carrying amount of the lease liability when interest is recognized on the lease liability, decreases the carrying amount of the lease liability when lease payments are made, and remeasures the carrying amount of the lease liability when the lease payments are changed as a result of, among other things, a revaluation or lease modification.

After the commencement date of the lease term, the Company re-measures the carrying value of the lease liability at the present value of the changed lease payments and adjusts the carrying value of the right-of-use asset accordingly, if any of the following occurs. If the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability needs to be further reduced, the Company recognizes the remaining amount in profit or loss for the current period.

(A) a change in the amount of a material fixed payment.

(B) a change in the amount expected to be paid for the residual value of the guarantee.

(C) a change in the index or ratio used to determine the amount of lease payments.

(D) changes in the valuation results or actual exercise of purchase options, lease renewal options or lease termination options.

(3) Judgement and accounting policy for short-term leases and leases of low-value assets

A short-term lease is a lease with a term of less than 12 months from the commencement date of the lease. Leases that include a purchase option are not considered to be short-term leases.

A low-value asset lease is a lease that has a low value where the individual leased asset is a new asset. If a leased asset is subleased or is expected to be subleased, the original lease is not a low-value asset

lease.

The Company simplifies the treatment of short-term leases and leases of low-value assets by charging the lease payments for short-term leases and leases of low-value assets to the cost of the related assets or to current profit or loss in each period during the lease term using the straight-line method or other systematic and reasonable methods, and does not recognize right-of-use assets and lease liabilities.

Criteria for classification and accounting treatment of leases as lessors

(1) Lease classification criteria

The Company, as lessor, classifies leases into finance leases and operating leases on the commencement date of the lease.

A finance lease is a lease that transfers substantially all of the risks and rewards associated with ownership of the leased asset. Its ownership may or may not ultimately be transferred.

An operating lease is a lease other than a finance lease.

(2) Accounting treatments

① Finance lease

At the commencement date of the lease term, the Company recognizes the finance lease receivable based on the net investment in the lease and derecognizes the finance lease asset. During each period of the lease term, the Company calculates and recognizes interest income at a fixed periodic rate. Variable lease payments received by the Company, which are not included in the net investment in the lease are recognized in the income statement when they are actually incurred and relate to the future performance or use of the asset.

The Company accounts for changes to finance leases as a separate lease when the amendment occurs and both of the following conditions are met: the amendment extends the scope of the lease by increasing the right to use one or more of the leased assets, and the increase in consideration is equal to the separate price of the part of the lease that extends the scope of the lease, adjusted for contractual circumstance.

② operating lease

The Company recognizes assets held under operating leases in the appropriate balance sheet heading according to the nature of the asset. The Company capitalizes initial direct costs incurred in connection with operating leases as part of the cost of the assets underlying the leases, which are amortized to the income statement over the lease term on the same basis as rental income. At various times during the lease term, the Company recognizes operating lease income as rental income using the straight-line method or other systematic and appropriate methods. For fixed assets under operating leases, the Company depreciates in accordance with the depreciation policy for similar assets, and for other assets under operating leases, the Company depreciates in accordance with a systematic and appropriate method. Variable lease payments received by the Company under operating leases that are not recognized as lease income are recognized in the income statement when they are actually incurred.

When an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable related to the lease prior to the change is considered to be the receipts under the new lease.

33. Other significant accounting policies and accounting estimates

(1) Basis for applying hedge accounting, and accounting treatments

① The hedging relationship is classified into fair value hedge, cash flow hedge and hedge of net investment in foreign operations.

② For hedging that meets the following conditions, hedging accounting methods are used to deal with it: (A) A hedging relationship consists only of qualifying hedging instruments and hedged items. (B) At the inception of a hedge, the Company has formally designated hedging instruments and hedged items, and prepared written documentation about the hedging relationship and the Company's risk management strategy and risk management objectives for engaging in hedging. (C) The hedging relationship meets the requirements for hedge effectiveness.

The Company determines that a hedging relationship meets the requirements for hedging effectiveness when the hedge simultaneously meets all of the following conditions: (A) There is an economic relationship between the hedged item and the hedging instrument. (B) Credit risk does not play a predominant role in the changes in value caused by the economic relationship between hedged items and hedging instruments. (C) Applying an appropriate hedge ratio, which does not create an imbalance in the relative weights of hedged items and hedging instruments that would produce accounting results inconsistent with the objective of hedge accounting. If the hedge ratio is no longer appropriate, but the hedge risk management objective has not changed, the number of hedged items or hedging instruments shall be adjusted so that the hedge ratio again meets the effectiveness requirement.

③ Hedging accounting treatment

(A) Fair value hedge

Gain or loss arising from a hedging instrument shall be recognized in profit and loss of the current period. If the hedging instrument is used to hedge a non-trading equity instrument (or a component thereof) that is chosen to be measured at fair value and whose changes are included in other comprehensive income, the gain or loss arising from the hedging instrument is recognized in other comprehensive income.

The Gain or loss on a hedged item arising from the hedged risk exposure shall be recognized in profit or loss of the current period and the carrying value of the hedged item that is not measured at fair value shall be adjusted in the meantime. If a hedged item is classified as financial assets (or a component thereof) that are measured at fair value and whose changes are recorded in other comprehensive income according to Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, its gains or losses due to hedged risk exposure are recorded in profit and loss of the current period, and its carrying value that has been measured at fair value will not

be adjusted. If the hedged item is a non-trading equity instrument investment (or a component thereof) that the Company chooses to measure at fair value and its changes are recorded in other comprehensive income, the gains or losses arising from the hedged risk exposure are recorded in other comprehensive income, and its carrying value that has been measured at fair value will not be adjusted. If a hedged item is an unrecognized firm commitment (or a component thereof), the cumulative changes in the fair value arising from hedged risk after the designation of hedging relationship shall be recognized as an asset or liability, and the related gain or loss shall be recorded in profit and loss of the respective periods. In case of acquiring assets or bearing liabilities for performing a firm commitment, the initially recognized amount of the assets or liabilities shall be adjusted to include the cumulative changes in the fair value of the recognized hedged item.

If a hedged item is a financial instrument (or a component thereof) at measured amortized cost, the adjustment to the carrying value of the hedged item shall be amortized based on the actual interest rate recalculated on the commencement date of amortization and recorded in profit and loss of the current period. If a hedged item is classified as financial assets (or a component thereof) that are measured at fair value and whose changes are recorded in other comprehensive income according to Article 18 of Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, cumulative recognized hedging gains or losses are amortized in the same manner and recorded in profit or loss of the current period, but the carrying value of financial assets (or their components) is not adjusted.

(B) Cash flow hedge

The part of the gain or loss of the hedging instrument that belongs to the effective hedging is included in the other comprehensive income as a reserve for cash flow hedges, and the invalid part is included in profit or loss of the current period. The amount of reserve for cash flow hedges is recognized as the absolute amount of the lower of the following two items: The cumulative gains or losses of hedging instruments since hedging. The cumulative change in the present value of the estimated future cash flows of the hedged item since hedging.

If a hedged item is a forecast transaction, which leads the Company to subsequently recognize a non-financial asset or non-financial liability, or the forecast transaction of the non-financial asset or non-financial liability forms a recognized commitment to which fair value hedge accounting is applicable, the original amount of reserve for cash flow hedges recognized in other comprehensive income shall be transferred out and recorded in the initially recognized amount of such non-financial asset or non-financial liability.

For other cash flow hedges, the amount of reserve for cash flow hedges originally included in other comprehensive income is transferred out during the same period when the hedged expected transaction affects the profit and loss, and is recorded in the profit or loss of the current profit.

(C) Net investment hedge in a foreign operation

The portion of the gain or loss on the hedging instrument that is part of an effective hedge is recognized in other comprehensive income, and when disposing of foreign operations, it is transferred out and recorded in the profit and loss of the current profit. The portion of the gain or loss on the hedging instrument that is determined to be an ineffective hedge is recognized in the current period income statement.

(2) Accounting treatment related to the buyback of the Company's shares

If the Company's shares are acquired for reasons such as share capital reduction or employee incentives, the amount actually paid is treated as treasury shares and is recorded as a memorandum item. If the repurchased shares are cancelled, the difference between the total par value of the shares, calculated on the basis of the par value of the shares cancelled and the number of shares cancelled, and the amount actually paid for the repurchase is charged to share premium, or, if there is insufficient share premium, to retained earnings. If the award of the repurchased shares to the Company's employees is an equity-settled share-based payment transaction, the cost of the shares and the accumulated amount of share premium (other capital surplus) during the vesting period are also recognized as treasury shares, and the amount of treasury shares delivered to the employees is written off at the same time. The cost of the shares delivered to the employees and the accumulated amount of share premium during the vesting period are reversed when the employees receive the purchase price of the Company's shares by exercising their options, and share premium is adjusted for the difference.

34.Changes of important accounting policies and estimates

A. Significant changes in accounting policies

CNY

Content and reason for the changes of accounting policies	statement item materially affected	Amount affected
See other notes for details	Deferred income tax assets (consolidated)	34,278,629.78
	Deferred tax liabilities (consolidated)	35,374,697.44
	Undistributed earnings (consolidated)	-850,061.49
	Minority interest (consolidated)	-246,006.17
	Income tax expense (consolidated)	1,005,782.01

Other explanations:

On November 30, 2022, the Ministry of Finance issued Interpretation No. 16 of the Accounting Standards for Business Enterprises ([2022] No. 31, hereinafter referred to as "Interpretation No. 16"), which states that "Accounting for assets arising from a single transaction and deferred income taxes relating to liabilities for which the initial recognition exemption does not apply" has been effective from January 1, 2023. The Company applied the cumulative effect retrospectively in accordance with Interpretation No. 16 and the income tax regulations, adjusting retained earnings and other related financial statement items. The impact of this change in accounting policy on the financial statements is set out below:

Consolidated balance sheet

CNY

Item	December 31, 2022		
	Before adjustment	After adjustment	Adjustment
Deferred income tax assets	53,630,302.69	87,908,932.47	34,278,629.78
Deferred tax liabilities	2,323,523.78	37,698,221.22	35,374,697.44
Undistributed earnings	4,968,687,250.39	4,967,837,188.90	-850,061.49
Minority interest	1,120,156,253.68	1,119,910,247.51	-246,006.17

Consolidated income statement

CNY yuan

Item	2022		
	Before adjustment	After adjustment	Adjustment
Income tax expense	91,252,227.58	92,258,009.59	1,005,782.01

VI. Tax

1. Categories of taxes and tax rate

Categories	Taxation basis	Tax rate
Value-added tax	Output VAT--deductible input VAT	1%, 3%, 9%, 13%
Urban maintenance and construction tax	Turnover tax	1%, 5%, 7%
Corporate income tax	Income tax	15%, 20%, 25%
Extra charges of education funds	Turnover tax	3%
Extra charges of local education funds	Turnover tax	2%

Taxpayer	Income tax rate%
Wellhope Foods Co., Ltd., Beijing Sanyuan Wellhope Agri-Tech Company, Xi'an Wellhope Feed Sci-Tech Company, Gansu Wellhope Agri-Tech Company, Guangzhou Xiangshun Livestock Equipment Company, Shenyang Fame Bio-Tech Company, Yangling Wellhope Agriculture and Animal Husbandry Company, Yunnan Wellhope Feed Mill, Lankao Wellhope Agri-Tech Company	15
66 subsidiaries, such as Dalian Huakang Xinxin Food Company, Kaifeng Wellhope Meat Products Company, Dalian Heyuan Agri-Tech Company, Wafangdian Yifeng Agri-Tech Company and Shandong Heyuan Food Company, etc.	Enterprises that engaged in primary processing of agricultural products, livestock and poultry raising businesses exempt from levying corporate income tax
Russia Wellhope Agri-Tech Company	20
Other companies	25

2. Tax preference

A. Value-added tax

In accordance with the provisions of the Circular on Exemption of Feed Products from Value Added Tax (Caishui [2001] No. 121) and other documents, the sales of feed products by the Company and its relevant subsidiaries are exempt from Value Added Tax ("VAT").

Pursuant to the Announcement on Policy on Reduction and Exemption of VAT for Small-Scale Taxpayers (No. 19 of the Ministry of Finance and the State Administration of Taxation [2023]), small-scale taxpayers with monthly turnover of less than CNY 100,000 (inclusive) are exempted from VAT. Small VAT taxpayers applying a 3% tax rate on their taxable sales revenue are subject to a reduced VAT tax rate of 1%, prepaid VAT items subject to a 3% prepayment rate are subject to a reduced prepayment rate of 1%, and the policy has been extended until December 31, 2027.

B. Income tax

The Company and related subsidiaries, which are suitable to related government policies, such as receiving the certificates of High-Tech enterprise, the applicable corporate income tax rate is 15% in the valid period.

VII. Notes to the Items of Consolidated Financial Statements

1. Cash at bank

CNY

Item	Closing balance	Opening balance
Cash on hand	202,957.16	695,108.20
Cash deposit	1,894,831,603.48	1,648,285,114.62
Other cash equivalents	20,344,238.13	39,761,380.78
Total	1,915,378,798.77	1,688,741,603.60
including: total amount deposited abroad	3,051,960.87	1,992,589.38

Other explanation:

At the end of the period, other monetary funds included CNY 974,828.25 of margin for letters of credit, and CNY 19,369,409.88 of margin for futures transactions.

2. Trading financial assets

CNY

Item	Closing balance	Opening balance
Financial assets measured at fair value and the changes recorded in current profits and losses	829,591.32	
including		
Others	829,591.32	
Total	829,591.32	

Other explanation:

Others are shares of listed company that have been acquired in exchange for debt.

3. Derivative financial assets

CNY

Item	Closing balance	Opening balance
Futures	4,296,668.60	4,050,071.80
Total	4,296,668.60	4,050,071.80

Explanation: The accounting method of futures refer to fair value disclosure.

4. Notes receivable**A. Classification**

CNY

Item	Closing balance	Opening balance
Bank's acceptance bill	6,620,586.95	5,778,682.68
Total	6,620,586.95	5,778,682.68

B. Bad debt provision

Not applicable.

5. Accounts receivable**A. Categorized by aging**

CNY

Aging	Closing book balance	Opening book balance
Within 1 year	1,068,503,974.72	975,504,766.68
1-2 years	74,841,466.32	92,727,459.46
2-3 years	35,466,407.80	19,276,853.32
Over 3 years	109,873,833.23	130,520,511.25
Total	1,288,685,682.07	1,218,029,590.71

B. Categorized by bad debt provision method

CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage %	Amount	Accrued percentage %		Amount	Percentage %	Amount	Accrued percentage %	
Accruing bad debt provision individually	21,864,441.90	1.70	21,864,441.90	100.00		46,975,455.73	3.86	45,145,551.28	96.10	1,829,904.45
Accruing bad debt provision by portfolio	1,266,821,240.17	98.30	152,334,846.16	12.02	1,114,486,394.01	1,171,054,134.98	96.14	137,827,277.69	11.77	1,033,226,857.29
including										
Aging portfolio	1,266,821,240.17	98.30	152,334,846.16	12.02	1,114,486,394.01	1,171,054,134.98	96.14	137,827,277.69	11.77	1,033,226,857.29
Total	1,288,685,682.07	/	174,199,288.06	/	1,114,486,394.01	1,218,029,590.71	/	182,972,828.97	/	1,035,056,761.74

➤ Accruing bad debt provision individually

CNY

Name	Closing balance			
	Book balance	Bad debt provision	Accrued percentage %	Reason
Customer 1	4,734,285.00	4,734,285.00	100.00	uncollectible
Customer 2	2,348,413.70	2,348,413.70	100.00	uncollectible
Customer 3	1,631,640.00	1,631,640.00	100.00	uncollectible
Customer 4	1,395,549.91	1,395,549.91	100.00	uncollectible
Other bad debt provision accrued individually	11,754,553.29	11,754,553.29	100.00	uncollectible
Total	21,864,441.90	21,864,441.90	100.00	/

➤ Accruing bad debt provision according to aging

CNY

Aging	Closing balance		
	Account receivable	Bad debt provision	Accrued percentage %
Within 1 year	1,068,034,546.62	31,753,571.26	2.97
1-2 years	71,746,147.62	10,761,922.14	15.00
2-3 years	34,442,386.34	17,221,193.17	50.00
Over 3 years	92,598,159.59	92,598,159.59	100.00
Total	1,266,821,240.17	152,334,846.16	12.02

c.Bad debt provision

CNY

Category	Opening balance	Fluctuations in 2023				Closing balance
		Accrual	Recovered	Charged off or written off	Other fluctuations	
Accruing bad debt provision individually	45,145,551.28	771,427.05	9,122,730.49	14,929,805.94		21,864,441.90
Accruing bad debt provision by portfolio	137,827,277.69	36,426,627.05		4,250,396.12	-17,668,662.46	152,334,846.16
Total	182,972,828.97	37,198,054.10	9,122,730.49	19,180,202.06	-17,668,662.46	174,199,288.06

D.Accounts receivables written off in the current period

CNY

Item	Write-off amount
Write-off of accounts receivable	19,180,202.06

Circumstances of other important accounts receivable written off:

CNY

Name	Nature	Written off amount	Reason	Whether generated by related party transactions
Customer 1	Payment for products	14,875,625.34	Uncollectible	No
Customer 2	Payment for products	2,736,718.12	Uncollectible	No
Total	/	17,612,343.46	/	/

E. Top 5 accounts receivable and contract assets at the end of the reporting period

CNY

Debtor	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of combined accounts receivable and contract assets closing balance	Closing balance of bad debt provision
1	95,579,063.79		95,579,063.79	7.41	1,911,581.28
2	25,112,815.51		25,112,815.51	1.95	3,509,110.42
3	22,898,173.18		22,898,173.18	1.78	457,963.46
4	21,529,109.17		21,529,109.17	1.67	430,582.18
5	21,168,208.52		21,168,208.52	1.64	423,364.17
Total	186,287,370.17		186,287,370.17	14.45	6,732,601.51

6. Contract assets**A. Information of contract assets**

CNY

Aging	Closing balance			Opening balance		
	Carrying balance	Provision for bad debt	Book value	Carrying balance	Provision for bad debt	Book value
Margin	2,482,367.50	49,647.35	2,432,720.15	1,256,805.00	69,899.58	1,186,905.42
Total	2,482,367.50	49,647.35	2,432,720.15	1,256,805.00	69,899.58	1,186,905.42

B. Categorized by bad debt accrual method

CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage %	Amount	Accrued percentage %		Amount	Percentage %	Amount	Accrued percentage %	
Accruing bad debt provision individually										
Accruing bad debt provision by portfolio	2,482,367.50	100.00	49,647.35	2.00	2,432,720.15	1,256,805.00	100.00	69,899.58	5.56	1,186,905.42
										including
Aging portfolio	2,482,367.50	100.00	49,647.35	2.00	2,432,720.15	1,256,805.00	100.00	69,899.58	5.56	1,186,905.42
Total	2,482,367.50	/	49,647.35	/	2,432,720.15	1,256,805.00	/	69,899.58	/	1,186,905.42

Provision for bad debts made on a portfolio basis:

CNY

Aging	Closing balance		
	Contractual assets	Bad debt provision	Accrued percentage %
Aging portfolio	2,482,367.50	49,647.35	2.00
Total	2,482,367.50	49,647.35	2.00

C.Provision for bad debts on contract assets during the period

CNY

Item	Accrued in 2023	Recovered	Charged off or written off	Other fluctuations	Reason
Margin	31,391.19			-51,643.42	
Total	31,391.19			-51,643.42	/

7.Prepayments**A.Presenting by aging**

CNY

Aging	Closing balance		Opening balance	
	Amount	Percentage %	Amount	Percentage %
Within 1 year	464,654,321.65	98.89	760,310,068.40	99.72
Over 1 year	5,202,681.86	1.11	2,157,372.53	0.28
Total	469,857,003.51	100.00	762,467,440.93	100.00

B.Top 5 prepayments at the end of the reporting period

CNY

Company	Closing balance	Percentage of the closing balance of total prepayments %
1	31,113,454.50	6.62
2	23,947,522.45	5.10
3	21,011,568.43	4.47
4	20,462,930.10	4.36
5	18,219,417.25	3.88
Total	114,754,892.73	24.42

8.Other receivables

CNY

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		27,535,293.35
Other receivables	92,732,094.80	70,256,618.60
Total	92,732,094.80	97,791,911.95

A.Dividends receivable

CNY

Item	Closing balance	Opening balance
Dividends from long-term investment under the equity method		27,535,293.35
Total		27,535,293.35

B.Other receivables**a.Presenting by aging**

CNY

Aging	Closing book balance	Opening book balance
Within 1 year	92,235,945.08	44,686,949.41
1-2 years	6,461,849.91	9,835,874.78
2-3 years	2,239,316.81	1,120,189.00
Over 3 years	16,035,831.47	28,041,960.29
Total	116,972,943.27	83,684,973.48

b.Presenting by nature

CNY

Nature	Closing book balance	Opening book balance
General operating receivables	30,370,169.36	38,356,333.90
Deposits and margins	42,957,773.91	38,978,639.58
Receivables from disposal of investments	39,295,000.00	2,000,000.00
Other	4,350,000.00	4,350,000.00
Total	116,972,943.27	83,684,973.48

c.Bad debt provision

CNY

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment)	
Balance on January 1, 2023	4,196,194.30		9,232,160.58	13,428,354.88
-recorded in the second stage				
- recorded in the third stage	-1,580,583.57		1,580,583.57	
-recovered in the second stage				
- recovered in the first stage				
Accrued in the reporting period	5,382,832.84		5,258,800.13	10,641,632.97
Recovered				
Write-off			261,667.48	261,667.48
Other fluctuations	432,528.10			432,528.10
Balance on December 31, 2023	8,430,971.67		15,809,876.80	24,240,848.47

Basis of classification of stages and percentage of provision for bad debts

Stage	Carrying balance	Accrued percentage of provision for bad debts %	Provision for bad debts	Carrying value
Stage 1	101,163,066.47	8.33	8,430,971.67	92,732,094.80
Stage 2				
Stage 3	15,809,876.80	100.00	15,809,876.80	
Total	116,972,943.27	20.72	24,240,848.47	92,732,094.80

d.Bad debt provision

CNY

Category	Opening balance	Fluctuations in 2023			Closing balance
		Accruing	Charged off or written off	Other fluctuations	
Other receivables	13,428,354.88	10,641,632.97	261,667.48	432,528.10	24,240,848.47
total	13,428,354.88	10,641,632.97	261,667.48	432,528.10	24,240,848.47

e.Other receivables written off during the period

CNY

Item	Amount written off
Other receivables written off	261,667.48

f.Top 5 other receivables at the end of the reporting period

CNY

Company	Closing balance	Percentage of closing balance of other receivables %	Nature	Aging	Closing balance of bad debt provision
1	33,400,000.00	28.55	Equity transfer	less than 1 year	3,340,000.00
2	10,000,000.00	8.55	Deposit	less than 1 year	200,000.00
3	6,000,000.00	5.13	Security Deposit	less than 1 year	
4	4,350,000.00	3.72	Temporary loans	over 3 years	4,350,000.00
5	2,014,874.40	1.72	Operating receivables	over 3 years	2,014,874.40
Total	55,764,874.40	47.67	/	/	9,904,874.40

9.Inventory**A. Category of inventory**

CNY

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/impairment of contractual performance costs	Book value	Book balance	Provision for decline in value of inventories/impairment of contractual performance costs	Book value
Raw materials	899,627,530.69	613,737.64	899,013,793.05	1,375,671,622.26	2,068,802.37	1,373,602,819.89
Work-in-progress	64,101,323.01		64,101,323.01	70,241,872.06	2,467.69	70,239,404.37
Inventories	915,053,061.24	33,437,376.01	881,615,685.23	1,129,292,339.70	5,663,491.75	1,123,628,847.95

Expendable biological assets	830,749,973.43	42,645,221.93	788,104,751.50	750,801,994.48	12,755,035.13	738,046,959.35
Low-value consumables	33,924,805.09		33,924,805.09	30,261,679.70		30,261,679.70
Packaging	19,994,892.00		19,994,892.00	25,772,465.19		25,772,465.19
Total	2,763,451,585.46	76,696,335.58	2,686,755,249.88	3,382,041,973.39	20,489,796.94	3,361,552,176.45

B. Provision for decline in value of inventories and impairment of contractual performance costs

CNY

Item	Opening balance	Increased amount		Decreased amount		Closing balance
		Accrued	Recovered or charged off	Other		
Raw materials	2,068,802.37	331,699.92	1,786,764.65			613,737.64
Work-in-progress	2,467.69		2,467.69			
Inventories	5,663,491.75	69,122,906.34	41,349,022.08			33,437,376.01
Expendable biological assets	12,755,035.13	74,350,926.93	44,354,240.23	106,499.90		42,645,221.93
Total	20,489,796.94	143,805,533.19	87,492,494.65	106,499.90		76,696,335.58

10. Other current assets

CNY

Item	Closing balance	Opening balance
Deductible input VAT	124,309,514.95	148,360,679.74
Other	5,127,421.43	754,110.95
Total	129,436,936.38	149,114,790.69

11. Long-term equity investment

Investee	Opening balance	Fluctuations in the current period							Closing balance	Closing balance of impairment provision
		Additional investments	Decrease in investment	Gains or losses on investments recognized under the equity method	Adjustment of other comprehensive income	Other changes in equity	Declared payment of dividends or profits	Other		
1. Joint Venture										
Unphung Joint Venture Company	4,167,616.44								4,167,616.44	
Nepal Wellhope Agri-tech Pvt. Ltd.	7,501,575.10								7,501,575.10	
NEXUS WELL-HOPE AGRITECH INTERNATIONAL LIMITED	17,900,000.00								17,900,000.00	17,900,000.00
Subtotal	29,569,191.54								29,569,191.54	17,900,000.00
2. Associated Company										
Qingdao Shenfeng Agri-Tech Company	12,101,282.20			267,353.82					12,368,636.02	
Anshan Jiuguhe Food Company	222,480,035.09			12,971,864.02			6,232,950.00		229,218,949.11	
Tai'an Jiuguhe Agriculture Development Company	69,517,616.35			-42,964,246.14					26,553,370.21	
Linghai Jiuguhe Feed Mill	52,208,347.50			-12,170,470.78					40,037,876.72	
Huludao Jiuguhe Food Company	73,434,526.26			-38,546,579.78					34,887,946.48	
Dandong Wellhope Chengsan Food Company	92,558,083.55			8,790,225.46					101,348,309.01	
Dandong Wellhope Chengsan Agri-Tech Company	119,912,053.78			-9,810,061.13					110,101,992.65	
Beipiao Hongfa Food Company	558,684,161.53			29,516,556.32			10,780,000.00		577,420,717.85	
Beijing Dahong Hengfeng Sci-Tech Company	23,109,320.82			658,936.18					23,768,257.00	
Tai'an Jiufeng Agri-Tech Company	-								-	

Shihaipu (Beijing) Technology and Trade Company	2,019,189.52			176,290.82					2,195,480.34	
Shenyang Wenjie Bio-Tech Company	13,892,988.26			41,686.98					13,934,675.24	
Huludao Jiuguhe Feed Mill	3,086,991.16		3,363,000.00	1,348,446.13					1,072,437.29	
Jinzhou Jiufeng Food Company	99,223,747.11			14,190,556.29			15,200,000.00		98,214,303.40	
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	85,541,195.49			-27,126,914.44				-58,414,281.05		
Tai'an Fengjiu Agri-Tech Company	63,831,058.70			6,650,489.04			9,120,000.00		61,361,547.74	
Anshan Fengsheng Food Company	62,212,780.56			-6,917,155.10					55,295,625.46	
Dalian Chengsan Food Group Company	380,725,325.09			-45,135,248.96					335,590,076.13	
Tailai Wellhope Animal Husbandry Company	37,799,463.33			1,366,094.23		533,681.69		-39,699,239.25		
Gongzhuling Corn Purchasing and Storing Company	61,468,416.32			-8,606,335.72					52,862,080.60	
Lankao Skyland Duck Industry Company	35,036,743.87			-4,769,464.50					30,267,279.37	
Hainan Nongken Wenfeng Wenchang Chicken (Group) Company	1,090,744.95			-1,153.85					1,089,591.10	
PT SEKAR GOLDEN HARVESTA INDONESIA	34,913,989.58			-1,891,080.84	1,102,413.68				34,125,322.42	
GOLDEN HARVESTA INC.	104,065,497.55			12,018,351.54	2,642,030.95				118,725,880.04	
PT. Mulia Harvest Agritech	55,074,231.84			4,531,234.35	1,629,915.48				61,235,381.67	
Shulan Fengtai Organic Fertilizer Company	1,843,405.61			-182,095.42					1,661,310.19	
Shenyang Zhongwenjie Bio-Tech Company	7,826,097.46			2,532,378.50					10,358,475.96	
Liaoning Mubang Animal Husbandry Equipment Manufacturing Company	17,205,527.99			1,104,500.53			6,080,000.00		12,230,028.52	

Liaoning Yufeng Bio-Tech Company	1,364,492.92	30,471,043.00		-15,555,298.96					16,280,236.96	
Weifang Wellhope Xinhesheng Feed Mill	6,033,351.79			227,443.04					6,260,794.83	
Dunhua Fengda Broiler Breeding Company	5,824,442.48			-180,755.02					5,643,687.46	
Tai'an Huijun Biomass Energy Company	4,245,780.44			-3,736,054.16					509,726.28	
Dazhou Wellhope Bio-Tech Company	12,676,748.43			1,467,135.13					14,143,883.56	
Anshan Jiuguhe Paper Packaging Company	5,081,091.38			555,033.83					5,636,125.21	
Anshan Antai Plastic Products Company	3,613,395.52			642,668.96					4,256,064.48	
Wudalianchi Shengda Ranch Professional Cooperative Society	13,102,980.87			-1,968,592.70					11,134,388.17	
Heilongjiang Beian Agricultural Reclamation Zongwang Dairy Farming Professional Cooperative	764,814.03			131.10					764,945.13	
Jinzhou Xinfeng Food Company		11,400,000.00		-235,061.64					11,164,938.36	
Jiyuan Sunshine Rabbit Technology Company	12,174,873.39			334,618.62					12,509,492.01	
Hebei Taihang Wellhope Livestock Company		31,252,330.76		1,714,574.95				60,169.24	33,027,074.95	
Jilin Jinfeng Livestock Company		4,500,000.00		-3,215.52					4,496,784.48	
Chongqing Kuizhou Rabbit Industry Company		7,000,000.00		544,722.25					7,544,722.25	
Huludao Jiuguhe Livestock Company		3,363,000.00		-906,763.97					2,456,236.03	
Chongqing Dahong Agricultural and Animal Husbandry Machinery Company		18,235,099.30		-2,481,685.08				-1,360,099.30	14,393,314.92	
Dalian Wellhope Fishery	10,900,230.99			1,874,611.37					12,774,842.36	

Company										
Liaoning Petmate Bio-Tech Company	7,699,653.78			-1,159,849.38					6,539,804.40	
Jilin Hengfeng Animal Health Products Company	6,020,240.96			1,997,467.79					8,017,708.75	
Harbin Weierhao Trading Company	10,653,462.24			3,521,505.06					14,174,967.30	
Shenyang Yihe Enterprise Management Partnership (Limited Partnership)	1,855,062.29			-176.23					1,854,886.06	
Shenyang Wanlitan Agriculture and Animal Husbandry Company	8,359,194.41			1,986,945.42					10,346,139.83	
Daqing Supply and Marketing Wellhope Agri-Tech Company	6,243,781.49			-1,341,790.64					4,901,990.85	
Indonesia Godaji Trading Company		2,395,781.76		-8,069.91	-38,089.30	18,739.61			2,368,362.16	
Indonesia Max Animal Husbandry Technology Company	1,464,174.96				14,880.60				1,479,055.56	
Dalian Sida Food Company	45,940,098.01			-369,372.32					45,570,725.69	
Shandong Fengkang Food Company	18,176,428.05			-18,176,428.05					-	
Shenyang Wellhope Huahu Food Technology Company	282,152.08			-93,269.99					188,882.09	
Dahongda Construction Engineering Chongqing Company	2,141,645.85			-95,700.57				-2,045,945.28	-	
Subtotal	2,475,480,917.83	108,617,254.82	3,363,000.00	-133,401,069.07	5,351,151.41	552,421.30	47,412,950.00	-101,459,395.64	2,304,365,330.65	-
Total	2,505,050,109.37	108,617,254.82	3,363,000.00	-133,401,069.07	5,351,151.41	552,421.30	47,412,950.00	-101,459,395.64	2,333,934,522.19	17,900,000.00

1. In view of the peculiarities of the market and regulatory environment in the locations of Unphung Joint Venture Company, Nepal Wellhope Agri-tech Pvt. Ltd. and NEXUS WELL-HOPE AGRITECH INTERNATIONAL LIMITED., and the extent to which the Company is able to exert its influence over them, the Company's investments in the above three companies are accounted for using the cost method of accounting.

2. The net assets of Tai'an Jiufeng at the end of the period were CNY -9,547,777.39, the book value of long-term equity investment was reduced to CNY 0, and the unrecognized investment loss at the end of the period recorded CNY -3,973,116.61. The net assets of Shandong Fengkang at the end of the period were CNY -16,859,472.57, the book value of long-term equity

investment was reduced to CNY 0, and the unrecognized investment loss at the end of the period recorded CNY -8,261,141.56.

12. Other equity instruments Investment

Item	Opening balance	Fluctuations in the current period					Closing balance	Dividend income recognized during the period	Accumulated gains in other comprehensive income	Accumulated losses in other comprehensive income
		Additional investments	Decrease in investment	Gains included in other comprehensive income during the period	Losses included in other comprehensive income during the period	Other				
Liaoning China-Russia Friendship Association	10,000.00						10,000.00			
Hengshui Heyou Agricultural and Animal Husbandry Company	813,621.88				2,630,632.16	1,817,010.28				3,417,010.28
Xi'an Micro Monkey E-commerce Company										340,000.00
Xinji Heyou Farming & Animal Husbandry Company	1,915,770.37				648,935.41	-1,266,834.96				533,165.04
Shenze Hezhi Farming & Animal Husbandry Company	1,868,551.23				601,311.42	-1,267,239.81				1,732,760.19
Dalian Chengsan Xuelong Wagyu Food Processing Company	10,241,825.67				6,144,873.10		4,096,952.57			10,903,047.43
Henan Shanghui Feed Development Company	156,127.11			8,649.27			164,776.38	50,000.00		335,223.62
Mudanjiang Wanding Dairy Company		9,022,830.49		1,532,151.55			10,554,982.04		1,532,151.55	
Guizhou Pumeixin Agricultural Science and Technology Company	2,320,000.00		2,320,000.00							
Total	17,325,896.26	9,022,830.49	2,320,000.00	1,540,800.82	10,025,752.09	-717,064.49	14,826,710.99	50,000.00	1,532,151.55	17,261,206.56

13.Fixed assets

CNY

Item	Closing balance	Opening balance
Fixed assets	4,168,026,657.86	3,547,181,704.30
Disposal of fixed assets		
Total	4,168,026,657.86	3,547,181,704.30

Circumstance of fixed assets

CNY

Item	Buildings and structures	Machinery equipment	Transportation vehicle	Other equipment	Total
1. Original value					
A. Opening balance	2,968,631,384.13	2,206,614,126.34	130,053,268.24	144,727,647.66	5,450,026,426.37
B. Increased amount	808,564,292.82	424,900,347.08	24,199,159.91	22,212,768.26	1,279,876,568.07
a. Purchased	84,781,828.97	124,851,153.27	8,535,803.87	8,111,814.66	226,280,600.77
b. Construction in progress transferred in	482,921,055.77	209,880,906.95	2,333,943.72	2,756,570.43	697,892,476.87
c. Increased by business combination	240,861,408.08	90,168,286.86	13,329,412.32	11,344,383.17	355,703,490.43
C. Decreased amount	166,091,245.84	117,450,572.51	12,082,665.32	6,483,343.03	302,107,826.70
a. Disposed or retired	70,322,053.77	66,250,078.97	9,683,705.15	5,692,573.78	151,948,411.67
b. Decreased by business combination	82,570,062.62	46,469,894.42	2,269,960.17	790,769.25	132,100,686.46
c. Transferred in construction in progress	13,199,129.45	4,730,599.12	129,000.00		18,058,728.57
D. Closing balance	3,611,104,431.11	2,514,063,900.91	142,169,762.83	160,457,072.89	6,427,795,167.74
2. Accumulated depreciation					
A. Opening balance	689,619,536.88	943,395,542.42	93,830,631.83	86,037,164.04	1,812,882,875.17
B. Increased amount	219,110,087.81	235,064,329.17	22,687,735.47	19,237,689.89	496,099,842.34
a. Accruing	147,766,064.99	204,843,514.85	16,344,492.28	11,673,861.86	380,627,933.98
b. Increased by business combination	71,344,022.82	30,220,814.32	6,343,243.19	7,563,828.03	115,471,908.36
C. Decreased amount	46,401,704.87	60,614,795.89	9,379,790.81	5,145,285.38	121,541,576.95
a. Disposed or retired	35,275,333.94	48,576,761.32	7,696,358.17	4,745,402.75	96,293,856.18
b. Decreased by	10,971,397.81	10,874,815.76	1,665,184.48	399,882.63	23,911,280.68

business combination					
c. Transferred in construction in progress	154,973.12	1,163,218.81	18,248.16		1,336,440.09
D. Closing balance	862,327,919.82	1,117,845,075.70	107,138,576.49	100,129,568.55	2,187,441,140.56
3. Impairment provision					
A. Opening balance	51,481,093.34	37,765,502.28	91,498.28	623,753.00	89,961,846.90
B. Increased amount					
a. Accruing					
C. Decreased amount	11,160,332.02	6,457,760.05		16,385.51	17,634,477.58
a. Disposed or retired	11,160,332.02	6,457,760.05		16,385.51	17,634,477.58
D. Closing balance	40,320,761.32	31,307,742.23	91,498.28	607,367.49	72,327,369.32
4. Book value					
A. Closing book value	2,708,455,749.97	1,364,911,082.98	34,939,688.06	59,720,136.85	4,168,026,657.86
B. Opening book value	2,227,530,753.91	1,225,453,081.64	36,131,138.13	58,066,730.62	3,547,181,704.30

14. Construction in progress

CNY

Item	Closing balance	Opening balance
Construction in progress	158,377,935.65	601,125,529.45
Engineering material		
Total	158,377,935.65	601,125,529.45

A. Circumstance of construction in progress

CNY

Item	Closing balance		Opening balance	
	Book balance	Book value	Book balance	Book value
Hebei Taihang Wellhope-broiler slaughtering and processing			360,243,376.35	360,243,376.35
Hainan Wellhope-feed production line with 200,000 tons capacity per year	2,658,725.44	2,658,725.44	543,876.00	543,876.00
Lingyuan Wellhope-pig farm construction	630,800.00	630,800.00	2,002,418.44	2,002,418.44
Dalian Zhongjia-the second phase of chicken processing and slaughtering project	8,286,191.62	8,286,191.62	7,050,377.03	7,050,377.03
Qingyuan Wellhope-feed production line with 400,000 tons capacity per year			829,817.00	829,817.00

Changchun Wellhope Food-factory renovation	54,455.45	54,455.45	7,814,693.83	7,814,693.83
Fushun Agriculture and Animal Husbandry-pig farm construction	3,753,480.00	3,753,480.00	67,419.00	67,419.00
Shenyang Nongda-the second phase plant construction and renovation			83,291,607.80	83,291,607.80
Liaoning Wellhope Egg Business-production line and related equipment renovation			1,888,058.82	1,888,058.82
Heilongjiang Wellhope-creep feed and nursery feed workshop	4,557,981.00	4,557,981.00	4,755,981.00	4,755,981.00
Baotou Hechen-feed production line with 150,000 tons capacity per year	51,269,819.50	51,269,819.50	480,999.19	480,999.19
Pingyuan Wellhope- Cold storage project	44,377,073.84	44,377,073.84	20,700,310.59	20,700,310.59
Anhui Wellhope Food Company-pig integration project with slaughtering capacity of 1 million heads of live pig per year			25,328,546.45	25,328,546.45
Neihuang County Wellhope-Workshop equipment replacement and upgrading project			17,476,767.29	17,476,767.29
Fuzhou Wellhope- feed production line with 200,000 tons capacity per year	894,389.04	894,389.04	15,690,619.74	15,690,619.74
Daqing Wellhope Food-Plant phase II upgrading project			7,335,512.62	7,335,512.62
Shandong Heyuan-Retrofitting of water reservoirs	9,798,025.36	9,798,025.36	5,748,025.36	5,748,025.36
Haicheng Wellhope-Plant phase II construction project	7,353,647.36	7,353,647.36	3,280,040.00	3,280,040.00
Other incidental projects	24,743,347.04	24,743,347.04	36,597,082.94	36,597,082.94
Total	158,377,935.65	158,377,935.65	601,125,529.45	601,125,529.45

B.Changes of important constructions in progress

CNY

Project	Budget	Opening balance	Increased amount	Amount transferred in fixed assets	Closing balance	Percentage of accumulated input accounting for the budget %	Construction progress	Source of funds
Hebei Taihang Wellhope-broiler slaughtering and processing	400,000,000.00	360,243,376.35	67,056,312.13	427,299,688.48		100.00	100.00%	Self-finance
Hainan Wellhope-feed production line with 200,000 tons capacity per year	72,000,000.00	543,876.00	2,203,649.44	88,800.00	2,658,725.44	90.00	95.00%	Self-finance
Lingyuan Wellhope-pig farm construction	85,000,000.00	2,002,418.44	4,347,271.24	5,718,889.68	630,800.00	100.00	100.00%	Self-finance and raised funds
Dalian Zhongjia-the second phase of chicken processing and slaughtering project	250,000,000.00	7,050,377.03	1,235,814.59		8,286,191.62	15.00	10.00%	Self-finance
Qingyuan Wellhope-feed production line with 400,000 tons capacity per year	100,000,000.00	829,817.00	5,031,393.06	5,861,210.06		100.00	100.00%	Self-finance
Changchun Wellhope Food-factory renovation	97,300,000.00	7,814,693.83	1,772,330.45	9,532,568.83	54,455.45	100.00	100.00%	Self-finance
Fushun Agriculture and Animal Husbandry-pig farm construction	380,300,000.00	67,419.00	5,538,425.54	1,852,364.54	3,753,480.00	100.00	100.00%	Raised funds
Shenyang Nongda-the second phase plant construction and renovation	110,000,000.00	83,291,607.80	771,688.54	84,063,296.34		100.00	100.00%	Self-finance and raised funds

Liaoning Wellhope Egg Business-production line and related equipment renovation	46,685,000.00	1,888,058.82	3,529,632.95	5,417,691.77		100.00	100.00%	Self-finance
Heilongjiang Wellhope-creep feed and nursery feed workshop	50,000,000.00	4,755,981.00	416,000.00	614,000.00	4,557,981.00	34.00	15.00%	Self-finance and raised funds
Baotou Hechen-feed production line with 150,000 tons capacity per year	60,000,000.00	480,999.19	51,175,662.71	386,842.40	51,269,819.50	86.09	95.00%	Self-finance
Pingyuan Wellhope- Cold storage project	88,000,000.00	20,700,310.59	52,996,813.20	29,320,049.95	44,377,073.84	80.00	80.00%	Self-finance
Anhui Wellhope Food Company-pig integration project with slaughtering capacity of 1 million heads of live pig per year	162,000,000.00	25,328,546.45	475,144.48	25,803,690.93		90.00	96.00%	Self-finance and raised funds
Neihuang County Wellhope- Workshop equipment replacement and upgrading project	23,930,262.41	17,476,767.29	1,687,919.55	19,164,686.84		100.00	100.00%	Self-finance
Fuzhou Wellhope- feed production line with 200,000 tons capacity per year	80,000,000.00	15,690,619.74	42,952,677.45	57,748,908.15	894,389.04	76.12	98.00%	Self-finance
Daqing Wellhope Food-Plant phase II upgrading project	25,000,000.00	7,335,512.62	11,131,432.37	18,466,944.99		100.00	100.00%	Self-finance
Shandong Heyuan-Retrofitting of water reservoirs	15,000,000.00	5,748,025.36	4,050,000.00		9,798,025.36	65.32	66.00%	Self-finance
Haicheng Wellhope-Plant phase II construction project	73,500,000.00	3,280,040.00	10,058,206.36	5,984,599.00	7,353,647.36	13.00	13.00%	Self-finance
Total	2,118,715,262.41	564,528,446.51	266,430,374.06	697,324,231.96	133,634,588.61	/	/	/

15. Productive biological asset**Productive biological assets using cost measurement model**

CNY

Item	Livestock industry					Total
	Broiler breeder	Pig breeder	Laying duck	Layer	Cow breeder	
1. Original value						
A. Opening balance	60,196,868.17	147,417,896.64	3,078,437.67	22,284,921.09	1,957,036.79	234,935,160.36
B. Increased amount	81,332,200.65	284,886,304.95		31,216,802.23	19,785,704.14	417,221,011.97
a. Externally purchased	40,529,284.19	91,742,498.88		2,497,526.84	5,835,668.60	140,604,978.51
b. Breeding by own farm	40,802,916.46	122,354,994.40		28,719,275.39	13,950,035.54	205,827,221.79
c. Increased by business combination		70,788,811.67				70,788,811.67
C. Decreased amount	76,629,165.36	283,667,425.80	3,078,437.67	25,458,699.96	16,682,961.94	405,516,690.73
a. Disposed	76,629,165.36	226,705,558.26	3,078,437.67	8,440,060.73	16,682,961.94	331,536,183.96
b. Charged to expendable biological assets		56,961,867.54		17,018,639.23		73,980,506.77
D. Closing balance	64,899,903.46	148,636,775.79		28,043,023.36	5,059,778.99	246,639,481.60
2. Accumulated depreciation						
A. Opening balance	19,517,075.64	19,899,960.34	607,224.57	8,316,966.92	14,010.21	48,355,237.68
B. Increased amount	46,654,099.71	58,271,889.80	513,111.10	9,296,945.38	846,269.61	115,582,315.60
a. Accruing	46,654,099.71	43,290,660.80	513,111.10	9,296,945.38	846,269.61	100,601,086.60
b. Increased by business combination		14,981,229.00				14,981,229.00
C. Decreased amount	47,690,747.15	55,863,703.84	1,120,335.67	11,876,152.78	523,669.13	117,074,608.57
a. Disposed	47,690,747.15	47,734,176.75	1,120,335.67	3,174,321.41	523,669.13	100,243,250.11
b. Charged to expendable biological assets		8,129,527.09		8,701,831.37		16,831,358.46
D. Closing balance	18,480,428.20	22,308,146.30		5,737,759.52	336,610.69	46,862,944.71
3. Impairment provision						
4. Book value						
A. Closing book value	46,419,475.26	126,328,629.49		22,305,263.84	4,723,168.30	199,776,536.89
B. Opening book value	40,679,792.53	127,517,936.30	2,471,213.10	13,967,954.17	1,943,026.58	186,579,922.68

16.Right-of-use asset

CNY

Item	Buildings and structures	Machinery equipment	Land	Total
1. Original value				
A. Opening balance	237,997,265.99	60,673,174.46	86,245,329.44	384,915,769.89
B. Increased amount	347,663,205.96	39,285,015.24	11,797,848.78	398,746,069.98
a. New lease	200,435,621.78	39,285,015.24	9,847,525.55	249,568,162.57
b. Increased by business combination	147,227,584.18		1,950,323.23	149,177,907.41
C. Decreased amount	135,672,549.74		10,769,342.91	146,441,892.65
a. Expiry of tenancy	135,672,549.74		10,769,342.91	146,441,892.65
b. Decreased by business combination				
D. Closing balance	449,987,922.21	99,958,189.70	87,273,835.31	637,219,947.22
2. Accumulated amortization				
A. Opening balance	28,373,659.65	9,237,685.33	18,876,327.81	56,487,672.79
B. Increased amount	68,899,005.33	5,727,835.47	9,476,888.50	84,103,729.30
a. Accruing	45,149,057.50	5,727,835.47	9,072,237.99	59,949,130.96
b. Increased by business combination	23,749,947.83		404,650.51	24,154,598.34
C. Decreased amount	27,528,181.30		1,034,456.96	28,562,638.26
a. Disposed				
b. Expiry of tenancy	27,528,181.30		1,034,456.96	28,562,638.26
D. Closing balance	69,744,483.68	14,965,520.80	27,318,759.35	112,028,763.83
3. Impairment provision				
4. Book value				
A. Closing book value	380,243,438.53	84,992,668.90	59,955,075.96	525,191,183.39
B. Opening book value	209,623,606.34	51,435,489.13	67,369,001.63	328,428,097.10

17.Intangible assets

CNY

Item	Land use rights	Computer software and other	Total
1. Original value			
A. Opening balance	425,884,389.68	18,325,636.17	444,210,025.85
B. Increased amount	23,761,833.99	5,355,428.62	29,117,262.61
a. Purchased	23,761,833.99	5,355,428.62	29,117,262.61
b. Increased by business combination			
C. Decreased amount	15,396,226.98	3,238,872.41	18,635,099.39
a. Disposed	10,193,588.98	3,238,872.41	13,432,461.39
b. Decreased by business combination	5,202,638.00		5,202,638.00
D. Closing balance	434,249,996.69	20,442,192.38	454,692,189.07
2. Accumulated amortization			
A. Opening balance	71,244,926.33	9,977,039.57	81,221,965.90
B. Increased amount	10,640,016.88	3,934,260.70	14,574,277.58
a. Accruing	10,640,016.88	3,934,260.70	14,574,277.58
b. Increased by business combination			
C. Decreased amount	2,451,931.36	2,182,897.69	4,634,829.05

a. Disposed	1,567,116.19	2,182,897.69	3,750,013.88
b. Decreased by business combination	884,815.17		884,815.17
D. Closing balance	79,433,011.85	11,728,402.58	91,161,414.43
3. Impairment provision			
4. Book value			
A. Closing book value	354,816,984.84	8,713,789.80	363,530,774.64
B. Opening book value	354,639,463.35	8,348,596.60	362,988,059.95

18. Goodwill

A. Original value of goodwill

CNY

Invested entity or matters forming goodwill	Opening balance	Increased amount	Decreased amount	Closing balance
		Resulting from business combination	Disposal	
Dalian Zhongjia Food Company	290,425.67			290,425.67
Tianyi Choumei (Beijing) Technology Company	1,844,995.57			1,844,995.57
Total	2,135,421.24			2,135,421.24

B. Impairment provision for goodwill

CNY

Invested entity or matters forming goodwill	Opening balance	Increased amount	Decreased amount	Closing balance
		Accrued	Disposal	
Tianyi Chuwei (Beijing) Technology Company	1,844,995.57			1,844,995.57
Total	1,844,995.57			1,844,995.57

C. Specific determination of recoverable amount

The recoverable amount is determined as the present value of the expected future cash flows.

CNY

Item	Opening balance	Recoverable amount	Impairment amount	Number of years in the forecast period	Key parameters for the forecast period (growth rates, profit margins, etc.)	Basis for determining parameters during the forecast period	Key parameters of the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stabilization period
Dalian Zhongjia Food Company	238,077,526.82	352,715,515.74		5	Profit margin, discount rate, etc.	Determined by reference to historical growth rates, industry growth rates and the Company's current overall capabilities	Profit margin, discount rate, etc.	Determined by reference to historical growth rates, industry growth rates and the Company's current overall capabilities
Total	238,077,526.82	352,715,515.74		/	/	/	/	/

D. Performance commitments and corresponding goodwill impairment**Other explanations:**

Tianyi Choumei (Beijing) Technology Company was canceled in January 2024.

19. Long-term prepaid expenses

CNY

Item	Opening balance	Increased amount	Amortized amount	Closing balance
Land formation costs	15,479,168.31	3,523,906.10	9,440,157.47	9,562,916.94
Fixed assets betterment	42,637,266.05	11,484,021.80	13,894,341.96	40,226,945.89
Other	6,017,190.80	17,274,597.56	7,757,607.80	15,534,180.56
Total	64,133,625.16	32,282,525.46	31,092,107.23	65,324,043.39

20. Deferred tax assets or deferred tax liabilities**A. Deferred tax assets not offset**

CNY

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for the impairment of assets	210,834,718.41	46,027,617.10	199,498,451.76	43,947,379.75
Unrealized profit on internal transactions	14,338,602.28	3,046,834.38	19,215,196.40	4,505,312.11
Deferred income	5,709,166.67	983,925.00	29,693,799.99	4,678,903.33
Fair value changes	234,900.00	58,725.00	1,994,830.00	498,707.50
Lease liabilities	211,468,285.47	52,248,841.86	138,214,519.11	34,278,629.78
Total	442,585,672.83	102,365,943.34	388,616,797.26	87,908,932.47

B. Deferred tax liabilities not offset

CNY

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Carrying value of assets greater than tax basis	217,729,256.18	53,459,620.43	155,130,897.15	37,698,221.22
Total	217,729,256.18	53,459,620.43	155,130,897.15	37,698,221.22

C. Details of unrecognized deferred tax asset

CNY

Item	Closing balance	Opening balance
Deductible temporary difference	67,331,835.17	51,089,203.08
Deductible losses	355,689,965.17	309,691,542.00
Total	423,021,800.34	360,780,745.08

D. The deductible losses of unrecognized deferred tax assets will be due in the following years

CNY

Year	Closing balance	Opening balance
2024	44,012,348.46	51,516,234.05
2025	30,102,261.27	38,711,534.19
2026	56,927,486.74	63,889,215.61

2027	106,163,347.12	135,382,865.67
2028	106,548,400.53	8,255,571.42
2029	4,278,584.71	4,278,584.71
2030	75,655.03	75,655.03
2031	4,299,903.27	4,299,903.28
2032	3,281,978.04	3,281,978.04
Total	355,689,965.17	309,691,542.00

21. Other non-current assets

CNY

Item	Closing balance		Opening balance	
	Book balance	Book value	Book balance	Book value
Prepayments for long-lived assets	76,500,287.28	76,500,287.28	85,901,907.05	85,901,907.05
Prepayments for fees to contract farms	521,843,768.88	521,843,768.88	549,839,474.82	549,839,474.82
Prepayments for house rent	2,200,000.00	2,200,000.00	3,000,000.00	3,000,000.00
Total	600,544,056.16	600,544,056.16	638,741,381.87	638,741,381.87

22. Assets with restricted ownership or use

CNY

Item	Closing balance				Opening balance			
	Book balance	Book value	Type of restriction	Note	Book balance	Book value	Type of restriction	Note
Cash at bank	20,344,238.13	20,344,238.13	Pledge	Futures margin, letter of credit margin	39,761,380.78	39,761,380.78	Pledge	Futures margins, letter of credit margins, bankers' acceptances margins
Total	20,344,238.13	20,344,238.13	/	/	39,761,380.78	39,761,380.78	/	/

23. Short-term borrowing

CNY

Item	Closing balance	Opening balance
Guaranteed loans	208,263,920.52	232,845,975.15
Credit loans	761,240,000.00	699,146,360.00
Interest due	1,453,388.98	1,793,456.81
Total	970,957,309.50	933,785,791.96

Explanation:

The guaranteed loans at the end of the period were bank loans guaranteed by the Company for its subsidiaries, Lingyuan Wellhope, Liaoning Expert Trading, Puyang Wellhope, and Lixin Xiangfeng.

24. Notes payable

CNY

Item	Closing balance	Opening balance
Bank acceptance		600,000.00
Total		600,000.00

25.Accounts payable

CNY

Item	Closing balance	Opening balance
Accounts payable related to purchasing and expenses	1,511,676,623.40	1,607,441,382.04
Accounts payable related to long-lived assets	118,112,935.54	84,211,257.24
Total	1,629,789,558.94	1,691,652,639.28

26.Advance receipt

CNY

Item	Closing balance	Opening balance
Sales receipts in advance	18,172,031.73	17,873,252.23
Total	18,172,031.73	17,873,252.23

27.Contract Liabilities

CNY

Item	Closing balance	Opening balance
Sales receipts in advance	252,530,723.35	336,134,719.84
Total	252,530,723.35	336,134,719.84

28.Payroll**A. Payroll payable**

CNY

Item	Opening balance	Increased amount	Decreased amount	Change in scope of consolidation	Closing balance
1. Short-term compensation	179,647,114.20	1,249,436,263.48	1,228,277,448.72	23,333,024.81	224,138,953.77
2. Post-employment benefits- defined contribution plan	2,747,320.39	98,239,625.52	99,771,384.02	2,885.45	1,218,447.34
3. Termination benefits		1,612,038.34	1,612,038.34		
4. Other benefits due within one year					
Total	182,394,434.59	1,349,287,927.34	1,329,660,871.08	23,335,910.26	225,357,401.11

B. Short-term compensation

CNY

Item	Opening balance	Increased amount	Decreased amount	Change in scope of consolidation	Closing balance
1. Salaries, bonuses, allowances and subsidies	177,218,586.47	1,094,647,836.34	1,073,420,793.52	23,330,940.76	221,776,570.05
2. Employee welfare expenses		68,607,468.39	68,607,468.39		
3. Social insurance premiums	1,082,406.48	55,533,660.62	55,907,659.07	2,084.05	710,492.08
including: Medical insurance premiums	952,586.18	49,234,286.52	49,545,124.83	1,874.05	643,621.92
Employment injury insurance premiums	107,575.87	4,702,687.54	4,766,291.55	210.00	44,181.86
Maternity insurance premiums	22,244.43	1,596,686.56	1,596,242.69		22,688.30
4. Housing provident fund	161,386.76	21,102,393.15	21,113,728.15		150,051.76
5. Labor union funds,	1,184,734.49	9,544,904.98	9,227,799.59		1,501,839.88

employee education expense					
Total	179,647,114.20	1,249,436,263.48	1,228,277,448.72	23,333,024.81	224,138,953.77

C. Defined contribution plan

CNY

Item	Opening balance	Increased amount	Decreased amount	Change in scope of consolidation	Closing balance
Basic endowment insurance	2,658,591.38	94,923,699.63	96,401,744.05	2,720.00	1,183,266.96
Unemployment insurance expense	88,729.01	3,315,925.89	3,369,639.97	165.45	35,180.38
Enterprise annuity					
Other post-employment benefits					
Total	2,747,320.39	98,239,625.52	99,771,384.02	2,885.45	1,218,447.34

29. Tax payable

CNY

Item	Closing balance	Opening balance
Value-added tax	2,693,798.13	2,410,807.08
Enterprise income tax	27,984,343.36	39,651,968.46
Individual income tax	2,511,721.24	5,167,196.20
Urban maintenance and construction tax	128,663.10	215,239.13
Extra surcharge	97,215.04	164,093.37
Property tax	1,641,369.59	1,452,755.25
Urban land use tax	1,729,045.15	1,743,036.67
Stamp duty	5,040,290.51	3,823,586.78
Others	623,293.58	381,660.57
Total	42,449,739.70	55,010,343.51

30. Other payables

CNY

Item	Closing balance	Opening balance
Interest payable	5,184,931.51	3,105,236.78
Dividend payable	16,453,038.17	14,943,072.75
Other payables	458,142,673.91	442,822,193.93
Total	479,780,643.59	460,870,503.46

A. Interest payable

CNY

Item	Closing balance	Opening balance
Interest payable on convertible bonds	5,184,931.51	3,105,236.78
Total	5,184,931.51	3,105,236.78

B. Dividend payable

CNY

Item	Closing balance	Opening balance
Common stock dividends	16,453,038.17	14,943,072.75
Total	16,453,038.17	14,943,072.75

C. Other payables**Other payables presented by nature**

CNY

Item	Closing balance	Opening balance
Operating payables related to expenses and transactions	391,398,162.64	340,661,315.53
Investment-related payables	2,064,978.80	4,885,578.40
Transactions with external parties	64,679,532.47	97,275,300.00
Total	458,142,673.91	442,822,193.93

31. Non-current liability due within 1 year

CNY

Item	Closing balance	Opening balance
Long-term loans due within 1 year	812,076,600.00	429,600,000.00
Long-term payables due within 1 year	63,513,759.91	18,656,882.06
Lease liabilities due within 1 year	57,140,197.16	23,071,713.28
Total	932,730,557.07	471,328,595.34

32. Other non-current liability

CNY

Item	Closing balance	Opening balance
Unamortized output VAT	6,656,358.86	5,334,961.22
Total	6,656,358.86	5,334,961.22

33. Long-term borrowings

CNY

Item	Closing balance	Opening balance
Guaranteed loans	272,667,461.86	178,291,600.00
Credit loans	645,604,210.00	1,132,564,210.00
Interest payable	1,779,845.33	1,901,499.28
Total	920,051,517.19	1,312,757,309.28

The guaranteed loan is the bank loan guaranteed by the Company for its subsidiaries, Anhui Wellhope Food Company and Daqing Wellhope Food Company. The guaranteed loans at the end of the period were bank loans guaranteed by the Company for its subsidiaries Anhui Wellhope, Daqing Wellhope, Dalian Heyuan, Dalian Zhongjia, Liaoning Qingyuan, Hebei Taihang, and Haicheng Wellhope.

34. Bonds payable**A. Bonds payable**

CNY

Item	Closing balance	Opening balance
Wellhope convertible bonds	1,305,789,795.09	1,257,828,066.86
Total	1,305,789,795.09	1,257,828,066.86

B.Details of bonds payable: (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

CNY

Bond name	Par value	Coupon rate%	Issuing date	Bond maturity	Total issuing amount	Opening balance	Issuing in the reporting period	Interest accrued at par value	Amortization of premium and discount	Current period Reimbursement	Amount of bonds converted to shares during the period	Closing balance
Wellhope convertible bond	100	0.3 in year 1, 0.5 in year 2, 1.0 in year 3, 1.5 in year 4, 1.8 in year 5, 2.0 in year 6	Apr. 22, 2022	6 years	1,500,000,000.00	1,257,828,066.86			47,994,728.23	32,959,000.00	33,000.00	1,305,789,795.09
Total	/	/	/	/	1,500,000,000.00	1,257,828,066.86			47,994,728.23	32,959,000.00	33,000.00	1,305,789,795.09

C.Description of convertible corporate bonds

Bond name	Conditions for conversion of shares	Conversion time
Wellhope convertible bond	Convertible bonds may be converted to shares from the first trading day after the expiration of 6 months from the closing date of issuance	October 28, 2022 to April 21, 2028

35. Lease liabilities

CNY

Item	Closing balance	Opening balance
Lease liabilities	425,141,619.45	246,074,084.08
Lease liabilities due within 1 year	-57,140,197.16	-23,071,713.28
Total	368,001,422.29	223,002,370.80

36. Long-term payables

CNY

Item	Closing balance	Opening balance
Long-term payable	42,542,892.62	7,685,803.59
Special payable		
Total	42,542,892.62	7,685,803.59

Long-term payable presented by nature

CNY

Item	Opening balance	Closing balance
Long-term borrowings from non-bank financial institutions	42,542,892.62	7,685,803.59

37. Deferred income

CNY

Item	Opening balance	Increased amount	Decreased amount	Closing balance	Reason
Government grant	78,011,407.06	9,554,300.00	14,146,133.01	73,419,574.05	
total	78,011,407.06	9,554,300.00	14,146,133.01	73,419,574.05	/

38. Share capital

CNY

	Opening balance	Fluctuations (increase or decrease)		Closing balance
		Bonds converted to shares	Subtotal	
Total shares	919,430,450.00	3,213.00	3,213.00	919,433,663.00

Other explanations: In FY2023, a total of CNY 33,000 of Wellhope convertible bonds were converted into shares of the Company, and the number of shares resulting from the conversion was 3,213 shares.

39. Other equity instruments

A. Basic information on other financial instruments such as preferred shares and perpetual bonds issued and outstanding at the end of the period

Approved by China Securities Regulatory Commission of Public Offering of Convertible Bonds (Securities Regulatory Permit [2022] No. 662), the Company issued 15 million convertible bonds on April 22, 2022, with an issue price of CNY 100.00 per bond, total issuance amount of CNY 1.5 billion, and a maturity of 6 years. With the consent of Shanghai Stock Exchange Self-disciplinary Supervision Decision [2022] No. 130, the Company's convertible bonds were listed and traded on SSE from May 18, 2022, with the abbreviation of Wellhope Convertible Bonds and the trading symbol of 113647.

B. Changes in preferred stock, perpetual bonds and other financial instruments issued and outstanding at the end of the period

CNY

Outstanding financial instruments	Opening balance		Increase during the period		Decrease during the period		Closing balance	
	Number	Carrying value	Number	Carrying value	Number	Carrying value	Number	Carrying value
Wellhope convertible bond	14,670,410	233,677,472.64			330	5,256.40	14,670,080	233,672,216.24
Total	14,670,410	233,677,472.64			330	5,256.40	14,670,080	233,672,216.24

40.Capital reserve

CNY

	Opening balance	Increased amount	Decreased amount	Closing balance
Capital premium (share capital premium)	880,792,325.74	5,004,844.88	16,357,604.00	869,439,566.62
Other capital reserves	-46,041.19	3,518,523.74		3,472,482.55
Total	880,746,284.55	8,523,368.62	16,357,604.00	872,912,049.17

Explanation-- The change in capital premium for the period was due to the increase of CNY 38,669.80 yuan in the conversion of convertible bonds into shares of the Company, the increase of CNY 4,966,175.08 in the change of the Company's equity in subsidiaries, and the decrease of CNY 16,357,604.00 in the part of capital premium attributable to the parent company as a result of the reduction of the capital of minority shareholders.

The change in other capital surplus during the period was due to the effect of changes in capital surplus of associated companies accounted for under the equity method of the Company and other changes.

41.Treasury stock

CNY

Item	Opening balance	Increased amount	Decreased amount	Closing balance
Repurchased stock of the Company	200,003,612.37			200,003,612.37
Total	200,003,612.37			200,003,612.37

42.Other comprehensive income

CNY

Item	Opening balance	2023			Closing balance
		Pre-tax	After-tax, attributable to parent company	After-tax, attributable to non-controlling interest	
1. Other comprehensive income that can't be reclassified into gains or losses	-7,244,103.74	-8,484,951.27	-8,486,483.42	1,532.15	-15,730,587.16
Changes in fair value of investments in other equity instruments	-7,244,103.74	-8,484,951.27	-8,486,483.42	1,532.15	-15,730,587.16
2. Other	-12,903,639.16	4,315,581.24	4,757,162.28	-441,581.04	-8,146,476.88

comprehensive income that will be reclassified into gains or losses					
including: Other comprehensive income that can be transferred in gains or losses under the equity method	-11,795,004.96	5,351,151.41	5,344,603.95	6,547.46	-6,450,401.01
Translation balance of foreign currency financial statements	-1,108,634.20	-1,035,570.18	-587,441.67	-448,128.51	-1,696,075.87
Total other comprehensive income	-20,147,742.90	-4,169,370.03	-3,729,321.14	-440,048.89	-23,877,064.04

43.Surplus reserve

CNY

Item	Opening balance	Increased amount	Decrease amount	Closing balance
Statutory surplus reserve	454,175,320.97	3,017,414.09	170,054.09	457,022,680.97
Total	454,175,320.97	3,017,414.09	170,054.09	457,022,680.97

44.Undistributed profit

A.Schedule of deductions from revenue

CNY 10k

Item	2023	Specific deductions	2022	Specific deductions
Revenue	3,597,026.19	/	3,281,175.82	/
Total amount of items deducted revenue	4,621.14	/	3,252.30	/
Total amount of deductions as a percentage of revenue	0.13	/	0.10	/
1. Income from operations not related to the main business				
Income from operations other than normal operations. Income realized from leasing of fixed assets, intangible assets, packaging, sales of materials, non-monetary asset exchange of materials, management of entrusted business, etc., as well as income outside the normal operation of the listed company, although included in the income from the main	4,621.14	Mainly from sales of materials, brokers and technical service fees, testing fees, etc.	3,252.30	Mainly from sales of materials, brokers and technical service fees, testing fees, etc.

business				
Subtotal of revenue from operations not related to the main business	4,621.14	/	3,252.30	/
2.Revenue that does not have commercial nature				
3.Other income that is not related to the main business or does not have commercial nature				
Revenue after deduction	3,592,405.05	/	3,277,923.52	/

CNY

Item	2023	2022
Undistributed profit at the end of prior period before adjustment	4,967,837,188.90	4,473,531,926.28
Adjusting total undistributed profit at the beginning of current period		-114,984.06
Undistributed profit at the beginning of current period after adjustment	4,967,837,188.90	4,473,416,942.22
plus: Net profit attributable to the owners of the parent company in current period	-457,037,550.28	512,797,304.59
less: Extraction of statutory surplus reserve	3,017,414.09	21,937,097.91
Dividends payable on common shares	107,817,202.80	-3,560,040.00
Other	170,054.09	
Undistributed profit at the end of current period	4,400,135,075.82	4,967,837,188.90

Adjustment of undistributed profit at the beginning of the period:

The change of accounting policy affected the undistributed profits at the beginning of the period CNY -850,061.49. Of which CNY -114,984.06 at the beginning of the period in 2022 and CNY -735,077.43 in 2022.

45.Revenue and cost

A.Information of revenue and cost

CNY

Item	2023		2022	
	Revenue	Cost	Revenue	Cost
Primary businesses	35,924,050,473.57	34,501,668,836.06	32,779,235,244.83	30,794,818,901.75
Other businesses	46,211,435.84	38,455,427.75	32,522,964.71	44,452,294.30
Total	35,970,261,909.41	34,540,124,263.81	32,811,758,209.54	30,839,271,196.05

B.Breakdown information on revenues and costs

CNY

Contract classification	Total	
	Revenue	Cost
Commodity type		
Feed products	16,470,405,515.84	15,083,073,339.98
Broiler integration	11,212,127,078.54	11,142,072,143.81
Feed ingredients	5,299,325,244.82	5,153,336,835.63
Pig farming	2,575,952,500.43	2,813,601,769.93
Other businesses	412,451,569.78	348,040,174.46
Categorized by the timing of the transfer of commodity		

Revenue recognized at a point in time	35,967,551,884.73	34,537,429,903.31
Recognize revenue at a period	2,710,024.68	2,694,360.50
Categorized by sales channel		
Direct sales	23,763,287,546.11	22,823,956,856.70
Dealer	12,206,974,363.30	11,716,167,407.11
Total	35,970,261,909.41	34,540,124,263.81

46. Taxes and surtaxes

CNY

Item	2023	2022
City maintenance and construction tax	970,600.29	1,211,228.52
Extra charges of education funds	734,254.67	903,575.64
House property tax	12,885,626.54	12,202,473.48
Land use tax	14,195,273.86	13,964,383.42
Stamp tax	20,649,461.73	14,921,643.21
Other	5,524,615.29	4,125,778.04
Total	54,959,832.38	47,329,082.31

47. Sales expenses

CNY

Item	2023	2022
Payroll	417,073,446.86	370,582,343.28
Travelling expense	132,919,025.74	123,986,949.75
Transportation stevedoring and car expenses	14,969,771.61	16,911,259.03
Labor costs	23,697,073.29	19,630,978.25
Business entertainment expense	32,226,824.44	21,269,353.99
Business promotion expense	13,072,709.74	8,973,524.39
Lease expense	9,267,600.70	7,214,334.31
Meeting expenditure	7,764,762.98	2,261,324.49
Sales service charge	29,594,914.00	19,226,117.24
Office and communication fee	8,047,246.54	9,387,087.31
Subtotal of other items	29,732,293.13	23,001,489.11
Total	718,365,669.03	622,444,761.15

48. Administration expense

CNY

Item	2023	2022
Payroll	336,844,279.87	296,418,682.64
Depreciation	59,304,108.82	55,468,193.25
Office and communication fee	30,843,944.70	27,190,260.46
Travelling expense	21,668,013.42	13,367,047.99
Repair costs	20,831,900.49	17,031,777.04
Lease expense	6,794,333.17	7,718,800.87
Amortization of intangible assets	12,018,541.37	11,708,435.13
Business entertainment expense	21,008,876.49	14,974,999.77
Utilities	10,131,127.79	8,920,820.19
Labor costs	25,117,908.18	19,336,571.21
Heating fee	8,101,572.83	7,804,942.76
Vehicle expenses	9,180,128.38	8,088,330.87
Depreciation of right-of-use assets	16,220,683.05	9,476,539.60

Amortization of long-term amortized expenses	7,685,704.77	7,271,837.07
Other	29,049,439.29	32,286,619.87
Total	614,800,562.62	537,063,858.72

49.R&D expenditure

CNY

Item	2023	2022
Payroll	41,560,993.54	32,577,171.30
Design and experiment fee	23,770,287.44	25,734,570.75
Material and appliance charge	8,500,766.24	22,218,959.19
Travel expense	4,001,887.73	3,570,012.37
Depreciation and amortization expense	4,210,524.77	4,317,828.49
Subtotal of other items	1,753,010.27	1,686,532.91
Total	83,797,469.99	90,105,075.01

50.Financial expense

CNY

Item	2023	2022
Interest expenditure	179,236,989.51	167,066,021.40
Interest income	-13,127,370.37	-13,023,769.68
Exchange loss	1,170,711.85	1,003,506.14
Service charge	4,320,341.92	5,634,571.17
Total	171,600,672.91	160,680,329.03

51.Other income

CNY

Item	2023	2022
Government grant recorded in	34,115,034.44	31,462,128.67
Income tax return	238,308.79	154,001.44
Other	159,658.25	
Total	34,513,001.48	31,616,130.11

52.Income from investment

CNY

Item	2023	2022
Income from long-term equity investment measured by the equity method	-133,401,069.07	162,299,491.42
Investment income from disposal of long-term equity investments	-3,304,258.63	-161,422.19
Investment income from disposal of derivative financial instruments	-815,658.23	-4,671,035.80
Investment income from trading financial assets during the holding period	100,273.97	
Dividend income from investments in other equity instruments during the holding period	50,000.00	
Gain or loss on previously held equity interests remeasured at fair value before the date of purchase	-6,697,756.66	
Other changes in owners' equity accounted for under the equity method	-2,966,102.44	
Gain on remeasurement of remaining equity at fair value after loss of control	-1,299,930.06	
Total	-148,334,501.12	157,467,033.43

53. Gain or loss from changes in fair value

CNY

Source of gain from changes in fair value	2023	2022
Gains on changes in fair value arising from derivative financial instruments	-490,609.02	-1,700,554.55
Total	-490,609.02	-1,700,554.55

54. Credit impairment loss

CNY

Item	2023	2022
Bad debt losses on accounts receivable	-28,075,323.61	-24,687,984.19
Bad debt losses on other receivables	-10,641,632.97	13,001,718.92
Total	-38,716,956.58	-11,686,265.27

55. Asset impairment loss

CNY

Item	2023	2022
Impairment loss on contract assets	-31,391.19	76,029.36
Loss on decline in value of inventories and impairment loss on contractual performance costs	-143,805,533.19	-27,221,526.25
Impairment losses on fixed assets		-1,108,244.39
Impairment loss on goodwill		-1,844,995.57
Total	-143,836,924.38	-30,098,736.85

56. Gain or loss from assets disposal

CNY

Item	2023	2022
Gain or loss on disposal of fixed assets	38,155,370.45	-1,300,520.53
Gain or loss on disposal of productive biological asset	-19,952,257.91	-2,561,979.97
Gain or loss on disposal of right-of-use assets	2,471,563.79	
Total	20,674,676.33	-3,862,500.50

57. Non-operating Income

CNY

Item	2023	2022	Amount included in current extraordinary items
Total gain on disposal of non-current assets	1,380,187.01	128,153.63	1,380,187.01
Government grants	45,214,985.44	8,612,756.40	45,214,985.44
Income from liquidated damages	8,440,256.81	2,807,211.25	8,440,256.81
Business combinations under the different control	14,299,036.35	58.82	14,299,036.35
Other	4,876,907.37	6,454,821.25	4,876,907.37
Total	74,211,372.98	18,003,001.35	74,211,372.98

58. Non-operating expenditure

CNY

Item	2023	2022	Amount included in current extraordinary items
Total losses on disposal of non-current assets	24,035,370.81	20,395,373.87	24,035,370.81
External donations	4,339,033.35	1,995,398.27	4,339,033.35
Extraordinary losses	29,369,640.72	12,532,661.32	29,369,640.72

Expenditure on fines	6,520,211.44	8,625,688.37	6,520,211.44
Other	1,310,671.75	2,717,387.84	1,310,671.75
Total	65,574,928.07	46,266,509.67	65,574,928.07

59. Income tax expense**A. Table of income tax expense**

CNY

Item	2023	2022
Current income tax expense	108,437,292.60	97,531,345.19
Deferred income tax expense	-1,345,694.97	-5,273,335.60
Total	107,091,597.63	92,258,009.59

B. Process of adjusting accounting profit and income tax expense

CNY

Item	2023
Total profit	-480,941,429.71
Income tax expense at statutory or applicable tax rates	-72,141,214.46
Effects of subsidiaries that are subject to different tax rates	165,516,900.10
Effects of adjustments to the income tax on previous periods	2,647,525.69
Effects of non-taxable income	-6,876,979.31
Effects of non-deductible costs, expenses, and losses	12,621,301.91
Effects of using deductible losses of deferred income tax assets that have not been recognized in previous period	-10,914,035.19
Effect of deductible temporary differences or deductible losses for which deferred income tax assets were not recognized in the current period	28,010,213.36
Deduction of research and development expenses	-9,517,679.52
Other	-2,254,434.95
Income tax expense	107,091,597.63

60. Other comprehensive income

See note.

61. Items in cash flow statement**A. Cash related to operating activities**

a. Other cash received related to operating activities

CNY

Item	2023	2022
Government grants	78,524,150.40	61,676,108.80
Interest income	9,341,406.84	9,098,869.68
Subtotal of transactions and other	112,345,092.10	125,797,130.26
Total	200,210,649.34	196,572,108.74

b. Other cash paid related to operating activities

CNY

Item	2023	2022
Travelling expense	158,588,926.89	140,924,010.10
Transportation and handling expense	14,969,771.61	12,647,746.63
R&D expenditure	34,024,063.95	47,953,529.94
Business entertainment expense	53,235,700.93	36,244,353.76
Office and communication fee	38,891,191.24	36,577,347.77

Service fee	48,814,981.47	38,967,549.46
Other operating expenses paid	177,074,919.47	127,414,649.52
Transactions and other paid	107,421,455.84	73,259,532.97
Total	633,021,011.40	513,988,720.15

c. Other cash received related to investing activities

CNY

Item	2023	2022
Decrease in letter of credit deposits	9,505,937.38	
Decrease in futures margin	9,791,205.27	4,772,457.53
Net cash received from acquisition of subsidiaries	1,328,298.23	913,019.48
Total	20,625,440.88	5,685,477.01

d. Other cash paid related to investing activities

CNY

Item	2023	2022
Increase in margin for letters of credit		9,889,618.46
Net cash paid on disposal of subsidiaries	3,029,935.48	151,635.76
Total	3,029,935.48	10,041,254.22

B. Cash related to financing activities

a. Other cash received relating to financing activities

CNY

Item	2023	2022
Borrowings received from external counterparties	10,548,144.88	43,590,224.96
Decrease in bankers' acceptance deposit	120,000.00	660,000.00
Capital increase received in advance from minority shareholders of subsidiaries		1,320,128.56
Cash received from disposal of part of equity interest in subsidiaries	6,834,676.00	6,918,623.25
Total	17,502,820.88	52,488,976.77

b. Other cash paid related to financing activities

CNY

Item	2023	2022
Parent company repurchased shares that did not meet the unlocking conditions		24,288,660.00
Finance lease charges		530,868.88
Cash paid for purchasing non-controlling interests of subsidiaries	62,580,212.37	24,183,999.00
Convertible bond issuance costs		1,766,500.00
Payment of borrowings from external counterparties	47,937,133.19	46,864,924.96
Payment of rent and interest on right-of-use assets	81,919,588.47	54,641,609.59
Total	192,436,934.03	152,276,562.43

c.Changes in liabilities arising from financing activities

Item	Opening balance	CNY				Closing balance
		Increase during the period		Decrease during the period		
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term loans	933,785,791.96	1,356,141,913.31	36,043,383.16	1,344,013,778.93	11,000,000.00	970,957,309.50
Long-term loans	1,312,757,309.28	548,292,461.86	63,014,583.25	191,936,237.20	812,076,600.00	920,051,517.19
Long-term payables	7,685,803.59	54,658,800.81	80,271,344.03	31,513,375.20	68,559,680.61	42,542,892.62
Lease liabilities	223,002,370.80		326,288,098.79	56,581,028.75	124,708,018.55	368,001,422.29
Interest payable	3,105,236.78		6,480,730.73	4,401,036.00		5,184,931.51
Non-current liabilities due within one year	471,328,595.34		935,071,436.11	473,669,474.38		932,730,557.07
Dividends payable	14,943,072.75		159,008,469.91	153,029,090.55	4,469,413.94	16,453,038.17
Other payables - external parties	97,275,300.00	10,548,144.88	4,793,220.78	47,937,133.19		64,679,532.47
Total	3,063,883,480.50	1,969,641,320.86	1,610,971,266.76	2,303,081,154.20	1,020,813,713.10	3,320,601,200.82

62.Supplementary information of cash flow statement

A.Supplementary information

Further information	CNY	
	2023	2022
1. Adjusting net profit to cash flow from operating activities		
Net profit	-588,033,027.34	536,077,495.73
add: Assets impairment provision	143,836,924.38	30,098,736.85
Credit impairment losses	38,716,956.58	11,686,265.27
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	541,136,040.70	435,669,568.47
Amortization of intangible assets	14,198,669.42	10,655,309.84
Amortization of long-term unamortized expense	31,092,107.23	24,710,907.16
Losses on disposal of fixed assets, intangible assets, and other long-lived assets	-20,674,676.33	3,862,500.50
Losses on retirement of fixed assets	22,655,183.80	20,267,220.24
Losses on changes in fair value	490,609.02	1,700,554.55
Financial expense	178,274,391.28	165,747,270.18
Loss on investments	148,334,501.12	-157,467,033.43
Decrease in deferred income tax assets	-14,457,010.87	-29,412,056.78
Increase in deferred income tax liabilities	15,761,399.21	23,957,985.96
Decrease in inventories	520,883,086.77	-817,339,137.15
Decrease in operating receivables	169,895,586.58	-666,578,755.01
Increase in operating payables	-242,357,431.74	550,156,440.68
Other	-3,600,559.49	52,473,237.28
Net cash flow from operating activities	956,152,750.32	196,266,510.34
2. Net changes in cash and cash equivalents		
Closing balance of cash	1,895,034,560.64	1,648,980,222.82
less: Opening balance of cash	1,648,980,222.82	1,198,273,561.91
plus: Closing balance of cash equivalent		

less: Opening balance of cash equivalent		
Net increase in cash and cash equivalents	246,054,337.82	450,706,660.91

B.Net cash paid during the period to acquire subsidiaries

CNY

	Amount
Cash or cash equivalents paid for business combinations occurred in current period	35,199,300.00
Of which: Tailai Wellhope Agricultural and Animal Husbandry Company	34,479,800.00
Zhangjiakou Wellhope Agricultural and Animal Husbandry Company	79,500.00
Dalian Rixin Plumbing and Building Materials Company	640,000.00
less: Cash and cash equivalents held by the subsidiary on the date of acquisition	4,918,523.51
Of which: Tailai Wellhope Agricultural and Animal Husbandry Company	3,505,828.96
Zhangjiakou Wellhope Agricultural and Animal Husbandry Company	1,407,798.23
Dalian Rixin Plumbing and Building Materials Company	4,896.32
add: Cash or cash equivalents paid in the current period for business combinations occurring in prior periods	
Net cash paid for acquisition of subsidiaries	30,280,776.49

C.Net cash received from disposal of subsidiaries during current period

CNY

	Amount
Cash or cash equivalents received during current period for the disposal of subsidiaries	
Of which: Hebei Taihang Wellhope Farming Company	
Chongqing Dahong Farming Machinery Company	
less: Cash and cash equivalents held by the subsidiary on the date of loss of control	3,029,935.48
Of which: Hebei Taihang Wellhope Farming Company	73,458.35
Chongqing Dahong Farming Machinery Company	2,956,477.13
add: Cash or cash equivalents received in current period from the disposal of subsidiaries in prior periods	
Net cash received from disposal of subsidiaries	-3,029,935.48

D.Composition of cash and cash equivalents

CNY

Item	Closing balance	Opening balance
1. Cash	1,895,034,560.64	1,648,980,222.82
of which: Cash on hand	202,957.16	695,108.20
Bank deposits readily available for disbursement	1,894,831,603.48	1,648,285,114.62
2. Cash equivalent		
3. Closing balance of cash and cash equivalents	1,895,034,560.64	1,648,980,222.82
of which: Cash and cash equivalents with restricted use by the parent company or subsidiaries within the group		

63. Notes to the statement of changes in owners' equity items

Indicate the name of the "Other" item and the amount of adjustment made to the closing balance of the previous year:

A.Statement of changes in owners' equity of the parent company

Other adjustments were adjustments to retained earnings amounting to CNY -1,700,540.94, of which CNY -170,054.09 was adjusted to surplus reserves and CNY -1,530,486.85 was adjusted to undistributed profits, which was due to the fact that Wellhope, which originally held a 62% equity interest in Hebei Taihang Wellhope Farming Company, changed its shareholding to 30% after transferring a 32% equity interest in January, 2023, and held a 50% equity interest of Chongqing Dahong Farming Machinery Company, changed the percentage of shareholding to 45% after transferring a 5% equity interest in August, 2023, and long-term equity investment was changed from cost method accounting to equity method accounting.

Adjustments are made in accordance with Article 15 of ASBE No. 2 - Long-term Equity Investments and its related regulations, if the investor loses control of the audited entity due to the disposal of part of the equity investment, at the time of preparation of the individual financial statements, the residual equity interest after the disposal is capable of exercising joint control over the investee, it should be reclassified under the equity method of accounting, and the remaining equity interest should be adjusted as if it had been accounted for by the equity method from the time of acquisition. The adjustment affected retained earnings by CNY -1,700,540.94, of which CNY -170,054.09 was adjusted to surplus reserves and CNY -1,530,486.85 was adjusted to undistributed profits, and at the same time, the amount of the long-term equity investment was adjusted by CNY -1,700,540.94.

B. Consolidated statement of changes in owners' equity

In accordance with the "Interpretation No. 16 of the Accounting Standards for Business Enterprises", "Accounting for Deferred Taxes Related to Assets and Liabilities Arising from Individual Transactions for which the Initial Recognition Exemption Does Not Apply" has been effective from January 1, 2023, the Company retroactively adjusted undistributed profit by CNY -850,061.49, of which CNY -114,984.06 on January 1, 2022, and CNY -735,077.43 in FY2022, adjusted minority interests by CNY -246,006.17, of which CNY 24,698.41 on January 1, 2022, and CNY -270,704.58 in FY2022, adjusted income tax expense by CNY 1,096,067.66, of which CNY 90,285.65 on January 1, 2022, and CNY 1,005,782.01 in FY2022.

Making adjustment of surplus reserve at consolidated statements by CNY -170,054.09 and adjustment of undistributed profit of CNY 170,054.09 for the reasons shown in Note (1).

64. Foreign currency monetary items

A. Foreign currency monetary items

Item	Closing balance of foreign currency	Translating exchange rate	CNY
			Closing balance translated into CNY
Monetary capital	-	-	10,367,023.47
US Dollar	1,337,180.21	7.0827	9,470,846.27
Euro	82.88	7.8592	651.37
Hong Kong Dollar	403,944.55	0.9062	366,054.55
Singapore Dollar	5,215.25	5.3772	28,043.44
Ruble	6,244,431.42	0.0803	501,427.84

Accounts receivable	-	-	30,187,483.86
US dollar	2,027,385.69	7.0827	14,359,364.63
Hong Kong Dollar	16,873,095.60	0.9062	15,290,399.23
Singapore Dollar	100,000.00	5.3772	537,720.00
Short-term borrowing	-	-	63,852,857.39
US Dollar	9,015,327.12	7.0827	63,852,857.39
Advance Receipts	-	-	3,786,535.37
US Dollar	534,617.50	7.0827	3,786,535.37
Other payables	-	-	503,511.78
Ruble	6,270,383.37	0.0803	503,511.78

B. Explanation of overseas operating entity

Operating entity	Business place abroad	Local currency	Currency selection basis
Russia Wellhope Agri-Tech Company	Russia	Ruble	Major currency
Singapore Jinfeng Trading Company	Singapore	Singapore Dollar	Major currency

65. Leases

A. As lessee

Lease costs for short-term leases or low-value assets with simplified treatment:

CNY 16,061,933.87.

Total cash outflows related to leases:

CNY 97,981,522.34.

B. As lessor

Operating leases as lessor:

CNY

Item	Lease income	Of which: Income relating to variable lease payments not recognized as lease receipts
Own property for rent	2,207,029.12	
Other	502,995.56	
Total	2,710,024.68	

VIII. Research and development expenditures

1. Presentation by nature of expenses

CNY

Item	2023	2022
Employee compensation	41,560,993.54	32,577,171.30
Design and experiment fee	23,770,287.44	25,734,570.75
Material and equipment costs	8,500,766.24	22,218,959.19
Travel expenses	4,001,887.73	3,570,012.37
Depreciation and amortization	4,210,524.77	4,317,828.49
Subtotal of other items	1,753,010.27	1,686,532.91
Total	83,797,469.99	90,105,075.01
Of which: Expensed R&D expenditures	83,797,469.99	90,105,075.01
Capitalized R&D expenditures		

IX. Change of Consolidation Scope

1. Business combination under different control

A. Business combination under different control occurred in current period

CNY									
Investee	Time of equity acquisition	Cost of equity acquisition	Shareholding %	Method of equity acquisition	Acquisition date	Basis for determining the acquisition date	Investee's revenue from the acquisition date to the period end	Investee's net profit from the acquisition date to the period end	Investee's cash flow from the acquisition date to the period end
Tailai Wellhope Agricultural and Animal Husbandry Company	May 31, 2023	68,959,600.00	70.00	Purchase of equity	May 31, 2023	Transfer of control	90,791,906.65	-44,895,483.72	2,896,969.70
Zhangjiakou Wellhope Agricultural and Animal Husbandry Company	May 31, 2023	146,406,763.64	90.00	Purchase of equity	May 31, 2023	Transfer of control	74,055,763.12	-36,086,144.64	15,457,324.36
Dalian Rixin Plumbing and Building Materials Company	July 31, 2023	640,000.00	100.00	Purchase of equity	July 31, 2023	Transfer of control		-1,232,850.65	83,092.82

B. Combined cost and goodwill

CNY			
Combined cost	Tailai Wellhope Agricultural and Animal Husbandry Company	Zhangjiakou Wellhope Agricultural and Animal Husbandry Company	Dalian Rixin Plumbing and Building Materials Company
--Cash	34,479,800.00	79,500.00	640,000.00
--Fair value of equity held prior to acquisition date at the acquisition date	34,479,800.00	56,935,963.64	
--Other		89,391,300.00	
Total cost of consolidation	68,959,600.00	146,406,763.64	640,000.00
less: Share of fair value of identifiable net assets acquired	79,398,478.50	150,208,151.28	698,770.21
Amount by which goodwill/cost of combination is less than share of fair value of identifiable net assets acquired	-10,438,878.50	-3,801,387.64	-58,770.21

C. Identifiable assets and liabilities of the investee on the acquisition date

CNY

	Tailai Wellhope Agricultural and Animal Husbandry Company		Zhangjiakou Wellhope Agricultural and Animal Husbandry Company		Dalian Rixin Plumbing and Building Materials Company	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
Assets:	287,485,881.87	287,485,881.87	348,637,969.67	348,637,969.67	38,057,598.32	38,057,598.32
Monetary capital	3,505,828.96	3,505,828.96	1,407,798.23	1,407,798.23	4,896.32	4,896.32
Accounts receivable			1,523,968.60	1,523,968.60		
Prepayments	202,540.45	202,540.45	8,624,640.85	8,624,640.85	10,000.00	10,000.00
Other receivables	14,441,537.01	14,441,537.01	103,974,063.79	103,974,063.79		
Inventories	53,849,685.88	53,849,685.88	45,853,231.02	45,853,231.02		
Long-term receivables			4,832,863.30	4,832,863.30		
Long-term equity investments			7,537,475.89	7,537,475.89		
Fixed assets	159,231,621.79	159,231,621.79	42,957,258.28	42,957,258.28	38,042,702.00	38,042,702.00
Construction in progress			2,712,855.00	2,712,855.00		
Productive biological assets	36,982,795.49	36,982,795.49	18,824,787.18	18,824,787.18		
Right-of-use assets	15,091,657.93	15,091,657.93	109,931,651.14	109,931,651.14		
Long-term unamortized expenses	4,180,214.36	4,180,214.36	457,376.39	457,376.39		
Liabilities:	170,926,294.23	194,610,574.07	177,204,004.34	177,850,377.34	37,358,828.11	37,358,828.11
Payables	54,496,508.55	54,496,508.55	38,395,216.64	38,395,216.64		
Receipts in advance	24,441.00	24,441.00	564,358.80	564,358.80		
Payroll	8,039,020.84	8,039,020.84	16,817,102.70	16,817,102.70		
Taxes payable	9,424.39	9,424.39	5,919.74	5,919.74		
Other payables	22,256,523.92	22,256,523.92	13,632,871.00	13,632,871.00	37,358,828.11	37,358,828.11
Non-current liabilities due within one year			5,141,608.20	5,141,608.20		
Lease liabilities	14,641,539.45	14,641,539.45	97,078,042.61	97,078,042.61		
Long-term payables	71,458,836.08	69,761,291.90	5,568,884.65	5,568,884.65		
Deferred income		25,381,824.02		646,373.00		
Net assets	116,559,587.64	92,875,307.80	171,433,965.33	170,787,592.33	698,770.21	698,770.21
Less: Minority interests	37,161,109.14	30,055,825.19	21,225,814.05	21,161,176.75		
Net assets acquired	79,398,478.50	62,819,482.61	150,208,151.28	149,626,415.58	698,770.21	698,770.21

D. Gains or losses arising from the remeasurement of equity interests held prior to the date of purchase at fair value

CNY

Investee	Time of acquisition of previously held equity interest prior to the date of purchase	Original shareholding %	Acquisition cost of previously held equity interests	Acquisition method of previously held equity interests	Carrying value of previously held equity interests at the date of purchase	Fair value of previously held equity interests at the date of purchase	Gain or loss arising from remeasurement of previously held equity interests	Method of determining the fair value of the previously held equity interest at the date of purchase	Amounts transferred to investment income or retained earnings from other comprehensive
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									income related to previously held equity interests
Tailai Wellhope Agricultural and Animal Husbandry Company	September 20, 2017	35.00	35,000,000.00	Purchase of equity	39,699,239.25	34,479,800.00	-5,219,439.25	Reference transaction price	
Zhangjiakou Wellhope Agricultural and Animal Husbandry Company	November 8, 2016	35.00	50,000,000.00	Purchase of equity	58,414,281.05	56,935,963.64	-1,478,317.41	Reference transaction price	

2. Disposal of subsidiary

CNY										
Subsidiary	Point of loss of control	Disposal price at the point of loss of control	Percentage of disposed shareholding %	Disposal way	Basis for determining the point of loss of control	Difference between the share of the net assets of the subsidiary in the consolidated financial statement, which caused by the disposal of price and the disposal of the investment	Remaining equity interest at the date of losing control %	Carrying value of the remaining equity interest at the date of losing control	Fair value of the remaining equity interest at the date of losing control	Gains or losses arising from the remeasurement of the remaining equity at fair value
Hebei Taihang Wellhope Farming Company	Jan. 1, 2023	33,400,000.00	32.00	Transfer of equity	Loss of control	-3,733,954.87	30.00	31,252,330.76	31,312,500.00	60,169.24
Chongqing Dahong Farming Machinery Company	Aus. 31, 2023	1,875,000.00	5.00	Transfer of equity	Loss of control	-151,122.14	45.00	18,235,099.30	16,875,000.00	-1,360,099.30

Other explanation:

As of December 31, 2023, the Company has not yet recovered the disposal price of its equity interests in Wellhope Farming Company and Chongqing Dahong Farming Machinery Company.

3.Change of consolidation scope caused by other reasons

During the year, the Company newly initiated 10 subsidiaries, cancelled 6 subsidiaries. Details are listed in the notes.

A. New subsidiaries included in the scope of consolidation during the period

Company name	Acquisition method
Hengshui Wellhope Feed Company	Investment
Hebei New Taihang Wellhope Livestock Company	Investment
Siping Huiliang Wellhope Animal Husbandry Company	Investment
Singapore Jinfeng Trading Company	Investment
Tangshan Lekai Animal Husbandry Partnership (Limited Partnership)	Investment
Baicheng Wellhope Animal Husbandry Company	Investment
Dalian Hefengyuan Animal Husbandry Company	Investment
Heilongjiang Wellhope Great Forest Food Company	Investment
Heilongjiang Wellhope Great Forest Pasture Company	Investment
Tianjin Weierhao Trading Company	Investment

B. Subsidiaries no longer included in the scope of consolidation due to write-offs during the period

Company name	Reason
Shenyang Huakang Agriculture and Animal Husbandry Company	Write-off
Hongkong Expert Trading Company	Write-off
Beijing Helai Sci-Tech Company	Write-off
Qiqihar Jiafeng Agricultural and Animal Husbandry Company	Write-off
Anhui Wellhope Haoxiang Swine Breeding Company	Write-off
Inner Mongolia Bifeng Husbandry Technology Development Company	Write-off

X.Equity in other Entities**1.Equity in subsidiaries****A.Composition of the Company**

CNY 10k

Subsidiary	Business site	Registered capital	Registered site	Business type	Shareholding %		Way of acquisition
					Direct	Indirect	
Haicheng Xinzhongxin Wellhope Feed Mill	Haicheng city	600.00	Haicheng city	Production	51.00		Investment
Dalian Huakang Xinxin Food Company	Dalian city	1,600.00	Dalian city	Production	65.00	11.00	Investment
Changchun Hengfeng Agriculture and Animal Husbandry Company	Changchun city	4,700.00	Changchun city	Trade		49.47	Investment
Jinan Xinweita Trading Company	Jinan city	1,500.00	Jinan city	Trade		62.00	Investment
Henan Wellhope Agri-Tech Company	Kaifeng city	5,000.00	Kaifeng city	Production	100.00		Investment
Zhengzhou Wellhope Agri-Tech Company	Zhengzhou city	800.00	Zhengzhou city	Production	100.00		Investment
Zhumadian Wellhope Agri-Tech Company	Zhumadian city	1,000.00	Zhumadian city	Production	90.00		Investment
Jiaozuo Wellhope Feed Mill	Jiaozuo city	5,000.00	Jiaozuo city	Production	100.00		Investment
Nanyang Wellhope Feed Mill	Nanyang city	1,000.00	Nanyang city	Production	100.00		Investment
Zhangwu Wellhope Agriculture Development Company	Zhangwu county	300.00	Zhangwu county	Production	60.00		Investment
Sanjiang Wellhope Agri-Tech Company	Jixian county	2,100.00	Jixian county	Production	61.00		Investment
Jixian Expert Trading Company	Jixian county	500.00	Jixian county	Trade		65.00	Investment
Gongzhuling Wellhope Agri-Tech Company	Gongzhuling city	3,500.00	Gongzhuling city	Production	100.00		Investment
Shenyang Expert Trading Company	Shenyang city	3,000.00	Shenyang city	Trade	100.00		Investment

Liaoning Skyland Livestock Equipment Company	Shenyang city	2,775.00	Shenyang city	Production	100.00		Investment
Shenyang Wellhope Ruminant Feed Mill	Shenyang city	550.00	Shenyang city	Production	100.00		Investment
Shenyang Wellhope Extruded Feed Mill	Shenyang city	3,300.00	Shenyang city	Production	100.00		Investment
Shenyang Wellhope Aquatic Feed Mill	Shenyang city	1,500.00	Shenyang city	Production	100.00		Investment
Shenyang Jiaye Tianfeng Commerce and Trade Company	Shenyang city	1,000.00	Shenyang city	Trade	100.00		Investment
Liaoning Wellhope Food Company	Beipiao city	5,000.00	Beipiao city	Production	60.00		Investment
Haicheng Wellhope Agri-Tech Feed Mill	Haicheng city	1,250.00	Haicheng city	Production	100.00		Investment
Tai'an Wellhope Feed Mill	Tai'an county	3,200.00	Tai'an county	Production	100.00		Investment
Lingyuan Wellhope Agri-Tech Company	Lingyuan city	500.00	Lingyuan city	Production	90.50		Investment
Beijing Wellhope Agri-Tech Company	Beijing	500.00	Beijing	Trade	100.00		Investment
Beijing Sanyuan Wellhope Agri-Tech Company	Beijing	1,000.00	Beijing	Production	70.00		Investment
Jilin Wellhope Agri-Tech Company	Jilin city	1,600.00	Jilin city	Production	100.00		Investment
Jilin Wellhope Swine Breeding Company	Gongzhuling city	1,500.00	Gongzhuling city	Production	100.00		Investment
Daqing Wellhope Bayi Nongda Animal Sci-Tech Company	Daqing city	4,000.00	Daqing city	Production	90.00		Investment
Mudanjiang Wellhope Agri-Tech Company	Mudanjiang city	2,300.00	Mudanjiang city	Production	100.00		Investment
Jinzhou Wellhope Agri-Tech Company	Jinzhou city	1,700.00	Jinzhou city	Production	100.00		Investment

Gongzhuling Wellhope Ruminant Feed Mill	Gongzhuling city	500.00	Gongzhuling city	Production	100.00		Investment
Heilongjiang Wellhope Agri-Tech Company	Harbin city	12,000.00	Harbin city	Production	100.00		Investment
Tangshan Wellhope Feed Mill	Tangshan city	5,000.00	Tangshan city	Production	85.00		Investment
Cangzhou Helai Sci-Tech Company	Cangzhou city	500.00	Cangzhou city	Production	70.00		Investment
Xi'an Wellhope Feed Sci-Tech Company	Xi'an city	500.00	Xi'an city	Production	80.00		Investment
Gansu Wellhope Agri-Tech Company	Wuwei city	4,000.00	Wuwei city	Production	100.00		Investment
Jining Wellhope Agri-Tech Company	Jining city	2,800.00	Jining city	Production	70.00		Investment
Shanghai Wellhope Feed Mill	Shanghai	300.00	Shanghai	Production	65.00		Investment
Shanghai Hehong Trading Company	Shanghai	2,400.00	Shanghai	Trade		70.00	Investment
Zhejiang Pinghu Wellhope Agri-Tech Company	Pinghu city	100.00	Pinghu city	Production	85.00		Investment
Huai'an Wellhope Feed Mill	Huai'an city	3,000.00	Huai'an city	Production	100.00		Investment
Qingdao Wellhope Agri-Tech Company	Pingdu city	3,000.00	Pingdu city	Production	95.00		Investment
Guangzhou Xiangshun Livestock Equipment Company	Guangzhou	500.00	Guangzhou	Production	56.00		Investment
Hainan Wellhope Agri-Tech Company	Chengmai county	9,500.00	Chengmai county	Production	60.00		Investment
Fuyu Wellhope Agri-Tech Company	Fuyu city	4,800.00	Fuyu city	Production	97.00		Investment
Fuyu Wellhope Taolaizhao Poultry Raising Company	Fuyu city	2,620.00	Fuyu city	Production	98.19		Investment
Changchun Wellhope Feed Mill	Nong'an county	8,600.00	Nong'an county	Production	98.00		Investment
Lankao	Lankao	4,300.00	Lankao	Production	100.00		Investment

Wellhope Agri-Tech Company	county		county				
Tongliao Wellhope Tianyi Prataculture Company	Tongliao city	2,000.00	Tongliao city	Production	51.00		Investment
Liaoning Wellhope Purchasing and Trading Company	Shenyang city	3,000.00	Shenyang city	Trade	100.00		Investment
Shenyang Wellhope Agri-Tech Company	Shenyang city	8,210.00	Shenyang city	Production	100.00		Investment
Liaoning Expert Trading Company	Shenyang city	8,000.00	Shenyang city	Trade	100.00		Same-control consolidation
Shenyang Fame Bio-Tech Company	Shenyang city	2,000.00	Shenyang city	Production	100.00		Same-control consolidation
Shenyang Pufeng Commerce and Trade Company	Shenyang city	700.00	Shenyang city	Trade	100.00		Same-control consolidation
Shenyang Huawei Pharmaceutical Company	Shenyang city	1,000.00	Shenyang city	Production		51.00	Same-control consolidation
Liaoning Wellhope Agriculture and Animal Husbandry Development	Shenyang city	10,000.00	Shenyang city	Production	100.00		Non-same-control consolidation
Puyang Wellhope Food Company	Puyang city	3,500.00	Puyang city	Production	60.00		Non-same-control consolidation
Jingzhou Wellhope Agricultural Sci-Tech Company	Jingzhou city	5,000.00	Jingzhou city	Production	86.00		Investment
Dalian Heyuan Agri-Tech Company	Dalian city	10,000.00	Dalian city	Production	57.00		Investment
Shenyang Nongda Wellhope Feed Mill	Shenyang city	4,420.00	Shenyang city	Production	100.00		Investment
Dalian Wellhope Feed Mill	Dalian city	4,710.00	Dalian city	Production	100.00		Investment
Xingcheng Wellhope Feed Mill	Xingcheng city	8,250.00	Xingcheng city	Production	100.00		Investment
Yunnan Wellhope Feed Mill	Kunming city	2,500.00	Kunming city	Production	100.00		Investment
Liaoning Godaji	Shenyang	2,000.00	Shenyang	Trade	100.00		Investment

E-commerce Company	city		city				
Anhui Wellhope Agri-Tech Company	Haozhou city	16,000.00	Haozhou city	Production	70.00		Investment
Shanxi Wellhope Agri-Tech Company	Yuanping city	4,800.00	Yuanping city	Production	100.00		Investment
Pingyuan Wellhope Food Processing Company	Handan city	20,991.70	Handan city	Production	100.00		Investment
Shenyang Huaweida Animal Health Products Company	Shenyang city	50.00	Shenyang city	Trade		100.00	Investment
Dalian Zhongjia Food Company	Dalian city	3,962.80	Dalian city	Production		100.00	Non-same-control consolidation
Wellhope Food(Shenyang) Company	Shenyang city	500.00	Shenyang city	Production	100.00		Investment
Changchun Wellhope Food Company	Changchun city	1,000.00	Changchun city	Production	85.00		Investment
Pingyuan Wellhope Agri-Tech Company	Handan city	13,550.00	Handan city	Production		100.00	Investment
Puyang Wellhope Agri-Tech Company	Puyang city	7,600.00	Puyang city	Production		100.00	Investment
Beijing Brilliant Dragon Commerce and Trade Company	Beijing	800.00	Beijing	Trade		61.00	Investment
Tangshan Hejia Agriculture and Animal Husbandry Company	Tangshan city	3,000.00	Tangshan city	Production	65.00	35.00	Investment
Tangshan Wellhope Sci-Tech Company	Tangshan city	3,000.00	Tangshan city	Production	70.00		Non-same-control consolidation
Shenyang Huakang Xinxin Food Company	Shenyang city	200.00	Shenyang city	Production	85.00		Investment
Kaifeng Wellhope Meat Products Company	Kaifeng city	10,000.00	Kaifeng city	Production	100.00		Investment
Shenyang Huakang Broiler Company	Shenyang city	6,200.00	Shenyang city	Production	95.00		Investment
Kaifeng Wellhope Agriculture and Animal	Kaifeng city	13,100.00	Kaifeng city	Production		100.00	Investment

Husbandry Company							
Fushun Wellhope Agriculture and Animal Husbandry Company	Fushun city	3,000.00	Fushun city	Production		100.00	Investment
Shenyang Wellhope Poultry Industry Company	Shenyang city	5,000.00	Shenyang city	Production		100.00	Investment
Dehui Wellhope Agri-Tech Company	Dehui city	100.00	Dehui city	Production		100.00	Investment
Chongqing Wellhope Agri-Tech Company	Chongqing city	500.00	Chongqing city	Production	65.00		Investment
Russia Wellhope Agri-Tech Company	Overseas	RUB10,074.50	Overseas	Production	55.00		Investment
Suizhong Renhe Fishery Company	Suizhong county	800.00	Suizhong county	Production		90.00	Non-same-control consolidation
Shulan Fengtai Agriculture and Animal Husbandry Company	Shulan city	8,000.00	Shulan city	Production	80.00		Investment
Daqing Bifeng Agriculture and Animal Husbandry Company	Shulan city	1,000.00	Shulan city	Production	51.00		Investment
Linxi Helai Agri-Tech Company	Linyi city	4,000.00	Linyi city	Production	100.00		Investment
Nanchang Wellhope Agri-Tech Company	Nanchang city	1,000.00	Nanchang city	Production	65.00		Investment
Anhui Wellhope Haoxiang Agricultural Development Company	Lixin county	5,000.00	Lixin county	Production		100.00	Investment
Lixin Xiangfeng Agriculture and Animal Husbandry Company	Lixin county	1,000.00	Lixin county	Production		100.00	Investment
Lixin Hongfeng Agriculture and Animal Husbandry Company	Lixin county	5,000.00	Lixin county	Production		100.00	Investment
Guangzhou Dashang Trading	Guangzhou	500.00	Guangzhou	Trade		51.00	Investment

Company							
Shandong Heyuan Food Company	Weihai city	18,000.00	Weihai city	Production		100.00	Investment
Wafangdian Yifeng Agri-Tech Company	Wafangdian city	2,000.00	Wafangdian city	Production		51.00	Investment
Hebei Deheng Farming Company	Handan city	1,700.00	Handan city	Production		100.00	Non-same-control consolidation
Yangling Wellhope Agriculture and Animal Husbandry Company	Xianyang city	4,200.00	Xianyang city	Production		100.00	Non-same-control consolidation
Dunhua Wellhope Agri-Tech Company	Dunhua city	1,000.00	Dunhua city	Production	51.00		Non-same-control consolidation
Dunhua Fengda Agriculture and Animal Husbandry Development Company	Dunhua city	1,000.00	Dunhua city	Production	51.00		Non-same-control consolidation
Anhui Wellhope Food Company	Lixin county	5,000.00	Lixin county	Production		100.00	Investment
Anyang Wellhope Agriculture and Animal Husbandry Company	Anyang city	5,500.00	Anyang city	Production	100.00		Investment
Hebei Taihang Wellhope Food Company	Baoding city	40,850.00	Baoding city	Production	90.00		Investment
Shenyang Xiangmai Electronic Commerce Company	Shenyang city	100.00	Shenyang city	Trade	65.00		Investment
Chifeng Wellhope Fuxinyuan Food Company	Chifeng city	17,000.00	Chifeng city	Production	70.00		Investment
Hainan Expert Trading Company	Chengmai county	1,000.00	Chengmai county	Trade		71.00	Investment
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	Fushun city	12,000.00	Fushun city	Production	95.00		Investment
Nanyang Jinwan Animal Husbandry Company	Nanyang city	1,250.00	Nanyang city	Production		51.00	Investment
Fuzhou	Fuzhou city	8,000.00	Fuzhou city	Production	75.50		Investment

Wellhope Xingyuan Animal Husbandry Development Company							
Tianjin Fullyond Supply Chain Company	Tianjin city	1,000.00	Tianjin city	Other	100.00		Investment
Daqing Wellhope Food Company	Daqing city	1,500.00	Daqing city	Production	51.00		Investment
Zhumadian Wellhope Agricultural Development Company	Zhumadian city	3,191.00	Zhumadian city	Production	94.01		Investment
Datong Hejia Agriculture and Animal Husbandry Company	Datong city	2,000.00	Datong city	Production	65.00	35.00	Investment
Shijiazhuang Hejia Agriculture and Animal Husbandry Company	Shijiazhuang city	2,128.00	Shijiazhuang city	Production	65.00	35.00	Investment
Fuxin Wellhope Agriculture and Animal Husbandry Company	Fuxin city	3,000.00	Fuxin city	Production	100.00		Investment
Dalian Hongtu Agri-tech Company	Dalian city	1,600.00	Dalian city	Production		51.00	Investment
Shandong Heyuan Agri-tech Company	Weihai city	6,000.00	Weihai city	Production		100.00	Investment
Wafangdian Huinong Poultry Industry Company	Wafangdian city	6,800.00	Wafangdian city	Production		52.94	Investment
Luoyang Wellhope Agriculture and Animal Husbandry Company	Luoyang city	7,500.00	Luoyang city	Production	100.00		Investment
Gongzhuling Wellhope Swine Farming Company	Gongzhuling city	678.15	Gongzhuling city	Production		100.00	Investment
Lishu Wellhope Ecological Farming Company	Siping city	1,800.00	Siping city	Production		68.50	Investment
Kaifeng Jiufeng Agriculture and Animal	Kaifeng city	5,319.00	Kaifeng city	Production	94.00		Investment

Husbandry Company							
Tianjin Expert Trading Company	Tianjin city	2,500.00	Tianjin city	Trade		100.00	Investment
Fuyang Wellhope Agriculture and Animal Husbandry Technology Company	Fuyang city	6,000.00	Fuyang city	Production		75.00	Investment
Liaoning Wellhope Egg Industry Company	Anshan city	18,000.00	Anshan city	Production		75.15	Investment
Shenyang Wellhope Agriculture and Animal Husbandry Technology Company	Shenyang city	2,000.00	Shenyang city	Production		100.00	Investment
Lingyuan Wellhope Agriculture and Animal Husbandry Company	Lingyuan city	500.00	Lingyuan city	Production	100.00		Investment
Shenyang Wellhope Swine Farming Company	Shenyang city	500.00	Shenyang city	Production		100.00	Investment
Shenyang Xiaohe Agriculture and Animal Husbandry Company	Shenyang city	500.00	Shenyang city	Production		100.00	Investment
Qingdao Haifeng Animal Husbandry Company	Qingdao city	500.00	Qingdao city	Production		100.00	Non-same-control consolidation
Xi'an Linfeng Shengyi Trading Company	Xi'an city	600.00	Xi'an city	Trade		100.00	Non-same-control consolidation
Beijing Linfeng Shengyi Trading Company	Beijing	500.00	Beijing	Trade		60.00	Investment
Tianyi First Taste (Beijing) Technology Company	Beijing	500.00	Beijing	Production		70.00	Non-same-control consolidation
Inner Mongolia Bifeng Animal Husbandry Technology Development Company	Tongliao city	2,000.00	Tongliao city	Production	48.30		Investment
Dehui Fengyuan Agriculture and	Dehui city	500.00	Dehui city	Production	51.00		Investment

Animal Husbandry Company							
Fame (Shenyang) Biological High-tech Industry Research Institute Company	Shenyang city	1,000.00	Shenyang city	Other	100.00		Investment
Changsha Wellhope Animal Husbandry Company	Changsha city	1,000.00	Changsha city	Production	83.00		Investment
Fuyu Wellhope Layer Company	Fuyu city	1,000.00	Fuyu city	Production	52.00		Investment
Harbin Linfeng Shengyi Trading Company	Harbin city	500.00	Harbin city	Trade		51.00	Investment
Lixin Rongfeng Agriculture and Animal Husbandry Company	Haozhou city	5,000.00	Haozhou city	Production		100.00	Investment
Fuxin Wellhope Agriculture and Livestock Sci-tech Company	Fuxin city	1,000.00	Fuxin city	Production		100.00	Investment
Hebei Linfeng Shengyi Trading Company	Tangshan city	300.00	Tangshan city	Trade		100.00	Investment
Huaren Dazhuang Farming Company	Shuozhou city	150.00	Shuozhou city	Production		70.00	Investment
Harbin Wellhope Agricultural and Animal Husbandry Technology Company	Harbin city	500.00	Harbin city	Production		51.00	Investment
Suihua Wellhope Animal Husbandry Company	Suihua city	5,835.00	Suihua city	Production	47.30	37.70	Investment
Jilin Dalong Wellhope Animal Husbandry Company	Jilin city	1,700.00	Jilin city	Production	24.29	26.71	Investment
Daqing Wellhope Animal Husbandry Company	Daqing city	1,000.00	Daqing city	Production	51.00		Investment
Qiqihar Wellhope	Qiqihar	1,500.00	Qiqihar	Production	51.00		Investment

Animal Husbandry Company							
Lankao Skyland Feed Company	Lankao county	4,000.00	Lankao county	Production	100.00		Non-same-control consolidation
Linyi Wellhope Animal Husbandry Company	Linyi city	1,500.00	Linyi city	Production	100.00		Investment
Jiyuan Helai Feed Company	Jiyuan county	2,300.00	Jiyuan county	Production	100.00		Investment
Wan'an Wellhope Feed Company	Wan'an county	1,500.00	Wan'an county	Production	52.00		Investment
Baotou Hechen Animal Company	Baotou county	3,367.50	Baotou county	Production	46.77		Investment
Haicheng New Hongzunda Animal Husbandry Company	Haicheng city	4,400.00	Haicheng city	Production	51.00		Non-same-control consolidation
Chifeng Wellhope Animal Husbandry Company	Chifeng city	800.00	Chifeng city	Production	85.00		Investment
Neihuang Wellhope Animal Husbandry Company	Anyang city	8,000.00	Anyang city	Production	75.00	20.00	Investment
Tailai Wellhope Agricultural and Animal Husbandry Company	Tailai county	27,000.00	Tailai county	Production	70.00		Non-same-control consolidation
Inner Mongolia New Haoji Agricultural and Animal Husbandry Development Company	Xing'an League	3,000.00	Xing'an League	Production		71.00	Non-same-control consolidation
Zhangjiakou Wellhope Agricultural and Animal Husbandry Company	Zhangjiakou city	7,692.00	Zhangjiakou city	Production	90.00		Non-same-control consolidation
Tangshan Fengnan Heyou Agricultural and Animal Husbandry Company	Tangshan city	3,000.00	Tangshan city	Production		100.00	Non-same-control consolidation
Hengshui Hechen Agricultural and Animal Husbandry	Hengshui city	1,700.00	Hengshui city	Production		100.00	Non-same-control consolidation

Company							
Hengshui Heyou Agricultural and Animal Husbandry Company	Hengshui city	1,000.00	Hengshui city	Production	16.00	73.00	Non-same-control consolidation
Shenze Hezhi Agricultural and Animal Husbandry Company	Shenze county	2,000.00	Shenze county	Production	15.00	80.10	Non-same-control consolidation
Xinji Heyou Agricultural and Animal Husbandry Company	Xinji city	1,200.00	Xinji city	Production	15.00	85.00	Non-same-control consolidation
Hengshui Wellhope Feed Company	Hengshui city	800.00	Hengshui city	Production	80.00		Investment
Hebei New Taihang Wellhope Livestock Company	Baoding city	10,000.00	Baoding city	Production	100.00		Investment
Siping Huiliang Wellhope Animal Husbandry Company	Siping city	1,000.00	Siping city	Production	51.00		Investment
Singapore Jinfeng Trading Company	Singapore	USD1,000.00	Singapore	Trade		100.00	Investment
Tangshan Lekai Animal Husbandry Partnership (Limited Partnership)	Tangshan city	10.00	Tangshan city	Investment		99.90	Investment
Baicheng Wellhope Animal Husbandry Company	Baicheng city	1,000.00	Baicheng city	Production	51.00		Investment
Dalian Hefengyuan Animal Husbandry Company	Dalian city	7,000.00	Dalian city	Production	37.00	28.00	Investment
Dalian Rixin Plumbing & Building Materials Company	Dalian city	4,000.00	Dalian city	Production		100.00	Non-same-control consolidation
Heilongjiang Wellhope Great Forest Food Company	Qitai River City	2,000.00	Qitai River City	Production	51.00		Investment
Heilongjiang Wellhope Great Forest Agri-Tech Company	Qitai River City	2,000.00	Qitai River City	Production	51.00		Investment

Tianjin Weierhao Trading Company	Tianjin city	1,500.00	Tianjin city	Trade		79.00	Investment
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B. Significant non-wholly owned subsidiary

CNY

Subsidiary	Shareholding of non-controlling interests %	Gain or loss attributable to non-controlling interests	Declared dividends to non-controlling interests	Closing balance of non-controlling interests
Dalian Heyuan Agri-Tech Company	43.00	-38,503,047.62		347,292,355.66
Xi'an Wellhope Feed Sci-Tech Company	20.00	5,656,947.23	4,000,000.00	49,590,445.01
Beijing Sanyuan Wellhope Agri-Tech Company	30.00	10,957,270.47	12,000,000.00	67,096,442.74
Tangshan Wellhope Feed Mill	15.00	1,854,945.93		12,507,499.95

C. Financial figures of important non-wholly owned subsidiary

CNY

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Dalian Heyuan Agri-Tech Company	715,240,246.03	974,379,130.37	1,689,619,376.40	760,607,527.85	171,109,410.84	931,716,938.69	738,742,888.64	946,569,429.72	1,685,312,318.36	725,201,733.40	120,911,992.99	846,113,726.39
Xi'an Wellhope Feed Sci-Tech Company	204,843,733.11	90,546,515.63	295,390,248.74	46,753,270.99	684,752.68	47,438,023.67	210,940,240.84	94,843,830.53	305,784,071.37	65,416,997.60	699,584.87	66,116,582.47
Beijing Sanyuan Wellhope Agri-Tech Company	254,811,001.22	14,196,891.17	269,007,892.39	45,353,083.25		45,353,083.25	279,148,717.73	18,468,034.94	297,616,752.67	70,486,178.44		70,486,178.44
Tangshan Wellhope Feed Mill	56,211,338.13	51,687,938.48	107,899,276.61	24,515,943.64		24,515,943.64	45,122,640.07	63,815,230.87	108,937,870.94	37,920,844.17		37,920,844.17

Subsidiary	2023				2022			
	Revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Dalian Heyuan Agri-Tech Company	3,854,833,036.13	-81,296,154.26	-81,296,154.26	240,466,374.04	3,229,796,473.64	7,260,069.05	7,260,069.05	31,462,527.18
Xi'an Wellhope Feed Sci-Tech Company	806,399,333.75	28,284,736.17	28,284,736.17	40,223,965.02	771,733,668.09	20,624,566.49	20,624,566.49	31,021,085.82
Beijing Sanyuan Wellhope Agri-Tech Company	755,764,730.14	36,524,234.91	36,524,234.91	54,995,249.36	871,228,954.22	23,609,747.33	23,609,747.33	20,606,664.14
Tangshan Wellhope Feed Mill	246,382,143.02	12,366,306.20	12,366,306.20	14,570,853.22	211,823,047.29	-2,587,245.78	-2,587,245.78	3,153,153.76

2. Transactions that change the share of owner's equity in a subsidiary but the subsidiary is still controlled

A. Description of changes in share of owner's equity

During the period, the Company transferred 8% equity interest in Jilin Dalong Wellhope Animal Husbandry Co., 8.6% equity interest in Baotou Hechen Animal Husbandry Co., and 49% equity interest in Nanyang Jinwan Animal Husbandry Co.

During the period, the Company respectively increased equity interest in its subsidiaries, of which, 10% in Beijing Brilliant Dragon Commerce and Trade Co., 35% in Suihua Wellhope Animal Husbandry Co., 25.1% in Shenze Hezhi Agricultural and Animal Husbandry Co., 30% in Xinji Heyou Agricultural and Animal Husbandry Co., 31.50% in Gongzhuling Wellhope Swine Farming Co., 10.19% in Puyang Wellhope Food Co., 20% in Daqing Wellhope Bayi Nongda Animal Sci-Tech Co., 0.03% in Jiaozuo Wellhope Feed Mill, 3% in Yunnan Wellhope Feed Mill, 5.5% in Fuzhou Wellhope Xingyuan Animal Husbandry Development Co., and 2.04% in Neihuang Wellhope Animal Husbandry Co.

B. The impact of the transaction on non-controlling interests and the equity attributable to the owners of parent company

CNY

	Nanyang Jinwan Animal Husbandry Co.	Baotou Hechen Animal Husbandry Co.	Jilin Dalong Wellhope Animal Husbandry Co.
Cost of acquisition/disposal considerations			
-Cash		5,474,676.00	1,360,000.00
-Fair value of non-cash assets			
Total cost of acquisition or disposal considerations		5,474,676.00	1,360,000.00
less: Share of net assets in the subsidiary calculated by the percentage of acquired or disposed shareholdings	-1,620,888.84	5,474,409.05	1,551,228.66
Difference	1,620,888.84	266.95	-191,228.66
of which: Adjustment to capital reserve	1,620,888.84	266.95	-191,228.66
Adjustment to surplus reserve			
Adjustment to undistributed profits			

	Beijing Brilliant Dragon Commerce and Trade Co.	Suihua Wellhope Animal Husbandry Co.	Shenze Hezhi Agricultural and Animal Husbandry Co.
Cost of acquisition/disposal considerations			
-Cash	1,327,127.17	15,692,000.00	1,858,666.77
-Fair value of non-cash assets			
Total cost of acquisition or disposal considerations	1,327,127.17	15,692,000.00	1,858,666.77
less: Share of net assets in the subsidiary calculated by the percentage of acquired or disposed shareholdings	1,226,598.88	16,685,074.27	2,094,329.83
Difference	100,528.29	-993,074.27	-235,663.06
of which: Adjustment to capital reserve	-100,528.29	993,074.27	235,663.06
Adjustment to surplus reserve			
Adjustment to undistributed profits			

	Xinji Heyou Agricultural and Animal Husbandry Co.	Gongzhuling Wellhope Swine Farming	Puyang Wellhope Food Co.	Daqing Wellhope Bayi Nongda Animal Sci-Tech Co.
Cost of acquisition/disposal considerations				
-Cash	2,477,974.56			
-Fair value of non-cash assets				8,527,318.83
Total cost of acquisition or disposal considerations	2,477,974.56			8,527,318.83
less: Share of net assets in the subsidiary calculated by the percentage of acquired or disposed shareholdings	2,528,100.39	-2,136,172.51	4,860,811.08	8,556,818.25
Difference	-50,125.83	2,136,172.51	-4,860,811.08	-29,499.42
of which: Adjustment to capital reserve	50,125.83	-2,136,172.51	4,860,811.08	29,499.42
Adjustment to surplus reserve				
Adjustment to undistributed profits				

	Jiaozuo Wellhope Feed Mill	Yunnan Wellhope Feed Mill	Fuzhou Wellhope Xingyuan Animal Husbandry Development Co.	Neihuang Wellhope Animal Husbandry Co.
Cost of acquisition/disposal considerations				
-Cash	263,600.00	787,500.00	4,400,000.00	
-Fair value of non-cash assets				
Total cost of acquisition or disposal considerations	263,600.00	787,500.00	4,400,000.00	
less: Share of net assets in the subsidiary calculated by the percentage of acquired or disposed shareholdings	137,624.29	743,814.57	4,174,726.16	-1,289.93
Difference	125,975.71	43,685.43	225,273.84	1,289.93
of which: Adjustment to capital reserve	-125,975.71	-43,685.43	-225,273.84	-1,289.93
Adjustment to surplus reserve				
Adjustment to undistributed profits				

3. Equity in joint ventures or associated companies**A. Important joint ventures or associated companies**

Company	Business site	Registered site	Business type	Shareholding %		Accounting arrangement method
				Direct	Indirect	
Beipiao Hongfa Food Company	Beipiao city	Beipiao city	Production	35.00		Equity method
Anshan Jiuguhe Food Company	Tai'an county	Tai'an county	Production	41.55		Equity method
Tai'an Jiuguhe Agriculture Development Company	Tai'an county	Tai'an county	Production	41.55		Equity method
Dalian Chengsan Food Group Company	Dalian city	Dalian city	Production	20.00		Equity method

B. Financial figures of important joint ventures or associated companies

CNY

	2023				2022			
	Beipiao Hongfa Food Company	Anshan Jiuguhe Food Company	Tai'an Jiuguhe Agriculture Development Company	Dalian Chengsan Food Group Company	Beipiao Hongfa Food Company	Anshan Jiuguhe Food Company	Tai'an Jiuguhe Agriculture Development Company	Dalian Chengsan Food Group Company
Current assets	1,302,293,418.95	835,334,488.93	695,805,327.33	1,771,343,843.54	1,221,903,313.61	787,915,184.91	677,252,697.26	1,786,787,135.76
Non-current assets	1,588,715,537.01	246,286,145.99	95,369,809.62	712,175,132.58	1,313,933,212.77	155,926,134.02	86,748,298.65	674,735,944.68
Total assets	2,891,008,955.96	1,081,620,634.92	791,175,136.95	2,483,518,976.12	2,535,836,526.38	943,841,318.93	764,000,995.91	2,461,523,080.44
Current liabilities	967,892,510.66	435,777,855.47	724,350,582.67	1,026,034,340.60	740,031,823.24	397,167,516.02	595,169,902.34	799,092,034.01
Non-current liabilities	273,342,965.71	94,170,459.07		128,586,258.43	199,564,241.61	11,221,371.88	13,500.00	41,452,025.80
Total liabilities	1,241,235,476.37	529,948,314.54	724,350,582.67	1,154,620,599.03	939,596,064.85	408,388,887.90	595,183,402.34	840,544,059.81
Non-controlling interests				233,793,554.49				300,197,953.25
Equity attributable to shareholders of parent company	1,649,773,479.59	551,672,320.38	66,824,554.28	1,095,104,822.60	1,596,240,461.53	535,452,431.03	168,817,593.57	1,320,781,067.38
Share of net assets calculated by shareholdings	577,420,717.85	229,219,849.12	27,765,602.30	219,020,964.51	558,684,161.53	222,480,485.09	70,143,710.13	264,156,213.47
Adjustment		-900.00	-1,212,232.10	116,569,111.62		-450.00	-626,093.78	116,569,111.62
--Goodwill				116,569,111.62				116,569,111.62
--Unrealized profit of internal transaction			-1,212,232.10				-626,093.78	
--Other		-900.00				-450.00		
Book value of equity investment in associates	577,420,717.85	229,218,949.11	26,553,370.21	335,590,076.13	558,684,161.53	222,480,035.09	69,517,616.35	380,725,325.09
Revenue	4,146,152,397.83	2,169,675,699.57	2,785,734,022.15	5,473,394,399.20	3,406,895,331.57	1,871,840,202.95	2,515,337,879.70	5,142,391,071.08

Net profit	84,333,018.06	31,219,889.35	-101,993,039.29	-225,676,244.78	202,643,061.43	56,297,728.07	32,211,735.91	151,514,934.91
Total comprehensive income	84,333,018.06	31,219,889.35	-101,993,039.29	-225,676,244.78	202,643,061.43	56,297,728.07	32,211,735.91	151,514,934.91
Dividends received from associates during the year	10,780,000.00	6,232,950.00			5,390,000.00	6,232,950.00		

C. Summarized financial information for immaterial joint ventures and associates

CNY

	2023	2022
Joint ventures:		
Book value of investment	11,669,191.54	11,669,191.54
Aggregate of the following on a percentage of shareholding basis		
--Net profit	-2,540,981.32	4,632,218.03
--Other comprehensive income	1,595,774.57	-105,632.51
--Total comprehensive income	-945,206.75	4,526,585.52
Associates:		
Book value of investment	1,135,582,217.35	1,244,073,779.77
Aggregate of the following on a percentage of shareholding basis		
--Net profit	-87,789,994.31	23,657,703.90
--Other comprehensive income	5,351,151.41	-554,988.18
--Total comprehensive income	-82,438,842.90	23,102,715.72

Note: Unphung Joint Venture Company, Nepal Wellhope Agri-tech Pvt. Ltd., NEXUS WELL-HOPE AGRITECH INTERNATIONAL LIMITED use cost method.

XI. Government grants

1. Liability items involving government grants

CNY

Financial statement items	Opening balance	Amount of new grants during the period	Amount included in non-operating revenue	Transferred to other income during the period	Other changes during the period	Closing balance	Related to assets/revenue
Deferred income	78,011,407.06	9,554,300.00		14,146,133.01		73,419,574.05	Asset-related
Total	78,011,407.06	9,554,300.00		14,146,133.01		73,419,574.05	/

2. Government grants recognized in current profit or loss

CNY

Type	2023	2022
Asset-related	14,146,133.01	13,078,476.27
Revenue-related	68,969,850.40	30,921,308.80
Total	83,115,983.41	43,999,785.07

XII. Risks Related to Financial Instruments

The Company's major financial instruments include equity investments, loans, accounts receivable and accounts payable. A detailed description of each financial instrument is provided in the related item in this document. The Company's management manages and monitors these exposures to ensure that the aforementioned risks are kept within the limits.

The Company engages in risk management with the goal of striking an appropriate balance between risk and return, minimizing the negative impact of risk on the Company's operating performance, and maximizing the interests of shareholders and other equity investors. Based on such risk management objective, the Company's basic strategy for risk management is to identify and analyze various risks to which the Company is exposed, establish appropriate risk tolerance and conduct risk management, and monitor various risks in a timely and reliable manner in order to control the risks within the limits.

1. Market risks

A. Interest rate risk

The Company's risk of cash flow changes in financial instruments due to the changes in interest rates mainly related to floating-rate bank loans. The Company's policy is to maintain the floating-rate of these loans.

B. Foreign exchange risks

Foreign exchange risk refers to the risk of loss caused by exchange rate movement. The Company's main business activities are settled in CNY, with a small amount of import and export business, changes in exchange rate have little impact on the Company.

2. Credit risk

The maximum credit risk exposure that may cause financial losses to the Company mainly comes from financial assets loss caused by the other party of contract failed to perform duty.

In order to reduce credit risk, the Company constantly strengthens the risk management awareness of accounts receivable, and only deals with recognized and reputable third parties. In accordance with the Company's policies, it is necessary to conduct credit audit and approval, carefully confirm the credit limit, implement other monitoring procedures and take necessary measures to recover overdue claims.

3. Liquidity risk

In regard of managing liquidity risk, the Company monitors cash and cash equivalents, to satisfy its operation demand, and to reduce the influence caused by cash flow fluctuation. The management of the Company supervises the usage circumstances of bank loans and ensures the Company complying with the agreement of loan.

XIII. Disclosure of fair value

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

CNY

Item	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Continuous fair value measurement				
1. Trading financial assets	829,591.32			829,591.32
Financial assets measured at fair value and changes recorded into current gains or losses	829,591.32			829,591.32
2. Derivative financial assets	4,296,668.60			4,296,668.60
3. Other equity instrument investment			14,826,710.99	14,826,710.99
Total assets continuously measured at fair value	5,126,259.92		14,826,710.99	19,952,970.91

2. Basis for determining the market value of continuing and discontinued level 1 fair value measurements

For financial instruments traded in an active market, the Company measures them at the unadjusted quoted prices in an active market for identical assets or liabilities at the balance sheet date.

3.Continuing and discontinued Level 3 fair value measurements, valuation techniques used and qualitative and quantitative information on significant parameters

Investments in other equity instruments held by the Company are equity investments in which the Company does not have control, joint control or significant influence and which are not quoted in an active market, and are measured at the cost of the investment combined with a reasonable estimate of the operating conditions of the investee.

XIV.Related Party and Transaction

1.Snapshot of joint ventures and associates

Circumstance of the joint ventures and associates, which had related transactions with the Company in the period.

Company	Relationship
Unphung Joint Venture Company	Joint venture
Nepal Wellhope Agri-tech Pvt. Ltd.	Joint venture
Anshan Fengsheng Food Company	Associated company
Anshan Jiuguhe Food Company	Associated company
Beipiao Hongfa Food Company	Associated company
Dalian Chengsan Food Group Company	Associated company
Dalian Wellhope Fish Meal Company	Associated company
Daqing Supply and Marketing Agri-Tech Company	Associated company
Dandong Wellhope Chengsan Agri-Tech Company	Associated company
Gongzhuling Corn Purchasing and Storing Company	Associated company
Huluodao Jiuguhe Feed Mill	Associated company
Jinzhou Jiufeng Food Company	Associated company
Lankao Skyland Duck Company	Associated company
Linghai Jiuguhe Feed Mill	Associated company
Qingdao Shenfeng Agri-Tech Company	Associated company
Shenyang Wenjie Bio-Tech Company	Associated company
Shihaipu (Beijing) Technology and Trade Company	Associated company
Tai'an Fengjiu Agri-Tech Company	Associated company
Tai'an Jiufeng Agri-Tech Company	Associated company
Tai'an Jiuguhe Agriculture Development Company	Associated company
Tailai Wellhope Agricultural and Animal Husbandry Company[note 1]	Associated company
Zhangjiakou Welhope Agricultural and Animal Husbandry Company[note 2]	Associated company
Shenyang Zhongwenjie Bio-Tech Company	Associated company
Liaoning Mubang Animal Husbandry Equipment Manufacturing Company	Associated company
Dalian Sida Food Company	Associated company
Wudalianchi Shengda Ranch Professional Cooperative [note 3]	Associated company
Shandong Fengkang Food Company	Associated company
Anshan Jiuguhe Paper Packaging Company	Associated company
Anshan Antai Plastic Products Company	Associated company
Harbin Weierhao Trading Company	Associated company
Jiyuan Sunshine Rabbit Technology Company	Associated company
Heilongjiang Bei'an Nongken Zhongwang Dairy Cattle Breeding Specialized Cooperative Society	Associated company
Hebei Taihang Wellhope Animal Husbandry Company[note 4]	Associated company

Other explanation:

[note 1] In May 2023, the Company purchased 35.00% of the minority shareholders of Tailai Wellhope Agricultural and Animal Husbandry Company, and after the purchase, its shareholding in Tailai Wellhope was 70.00%, which changed from an associate to a subsidiary within the scope of consolidation.

[note 2] In May 2023, the Company purchased 55.00% of the minority shareholders of Zhangjiakou Wellhope Agricultural and Animal Husbandry Company, and after the purchase, its shareholding in Zhangjiakou Wellhope was 90.00%, which changed from an associate to a subsidiary within the scope of consolidation.

[note 3] In March 2023, Bei'an Nongken Shengda Pasture Specialized Cooperative changed its name to Wudalianchi Shengda Ranch Professional Cooperative.

[note 4] In January 2023, the Company transferred 32.00% equity interest in Hebei Taihang Wellhope Animal Husbandry Company, and after the transfer, its shareholding in Hebei Taihang Animal Husbandry was 30.00%, which changed from a subsidiary within the scope of consolidation to an associate.

2.Snapshot of other related parties

Related party	Relationship
Associated natural persons	Controlling shareholder, natural person shareholders who hold more than 5% shares of the Company, board directors, supervisors, senior managers and their relatives
Changzhou Heli Venture Capital Partnership (Limited Partnership)	Shareholder who holds more than 5% shares of the Company

3.Snapshot of related party transaction

A.Purchasing and selling products, providing and accepting labor service

CNY

Relate party	Transaction	2023	2022
Dalian Wellhope Fish Meal Company	Feed raw material	95,952,015.50	102,266,988.92
Hebei Taihang Wellhope Animal Husbandry Company	Live broiler	47,318,854.44	
Harbin Weierhao Trading Company	Feed raw material	33,344,376.52	7,397,188.88
Tai'an Jiuguhe Agriculture Development Company	Feed, live broiler	32,065,105.21	60,799,179.98
Daqing Supply and Marketing Agri-Tech Company	Feed raw material	29,703,469.35	26,596,127.86
Huluodao Jiuguhe Animal Husbandry Company	Live broiler	25,242,539.20	
Gongzhuling Corn Purchasing and Storing Company	Feed raw material	24,172,617.21	4,802,114.70
Liaoning Yufeng Bio-tech Company	Feed raw material	17,246,305.00	19,194,394.95
Tai'an Jiufeng Agri-Tech Company	Day old chick	14,710,134.17	19,257,125.96
Dalian Chengsan Food Group Company	Live broiler	13,737,496.97	38,725,935.09
Anshan Jiuguhe Food Company	Broiler product	6,498,786.23	5,762,586.00

Zhangjiakou Welhope Agricultural and Animal Husbandry Company	Piglet	5,062,309.70	22,035,499.40
Jinzhou Jiufeng Food Company	Broiler product	4,420,827.00	12,690,178.50
Linghai Jiuguhe Feed Mill	Feed, live broiler	4,040,920.50	757,085.00
Shenyang Wanlitan Agriculture and Animal Husbandry Company	Veterinary drugs, vaccine	3,098,058.03	2,874,247.91
Tailai Welhope Agricultural and Animal Husbandry Company	Piglet	2,636,965.84	
Anshan Jiuguhe Paper Packaging Company	Other	1,735,573.27	3,114,856.43
Shihaipu (Beijing) Technology and Trade Company	Other	1,330,066.83	2,570,408.93
Beipiao Hongfa Food Company	Broiler product	746,950.00	7,081,994.06
Anshan Antai Plastic Products Company	Other	486,454.92	585,052.50
Anshan Fengsheng Food Company	Feed raw material	128,000.00	53,211.01
Jilin Hengfeng Animal Health Products Company	Veterinary drugs, vaccine	121,340.71	505,577.94
Qingdao Shenfeng Agri-Tech Company	Feed	26,311.00	151,514.24
Shenyang Wenjie Bio-Tech Company	Other		3,135,329.56
Dunhua Fengda Broiler Breeding Company	Day old chick		1,643,845.00
Total	/	363,825,477.60	342,000,442.82

Selling products or providing labor service

CNY

Relate party	Transaction	2023	2022
Shandong Fengkang Food Company	Live broiler	514,871,771.15	318,685,102.91
Dalian Sida Food Company	Live broiler	248,928,031.15	303,008,793.95
Tai'an Jiuguhe Agriculture Development Company	Feed raw material, feed	150,815,000.73	127,676,845.57
Huluodao Jiuguhe Feed Mill	Feed raw material, feed	76,670,460.04	45,685,168.02
Anshan Jiuguhe Food Company	Live broiler	71,655,291.80	73,948,755.57
Harbin Weierhao Trading Company	Feed raw material	67,956,115.31	63,519,205.04
Linghai Jiuguhe Feed Mill	Feed raw material, feed	50,452,041.39	67,403,844.03
Dazhou Wellhope Bio-Tech Company	Feed raw material, feed	32,577,628.84	62,110,129.84
Daqing Supply and Marketing Agri-Tech Company	Feed	27,840,120.00	92,831,460.07
Qingdao Shenfeng Agri-Tech Company	Feed raw material, feed	27,213,619.91	33,989,357.61
Tailai Welhope Agricultural and Animal Husbandry Company	Feed raw material, feed	26,659,659.42	57,067,001.08
Anshan Fengsheng Food Company	Live broiler	24,410,632.68	25,267,017.27
Liaoning Yufeng Bio-tech Company	Broiler product, feed raw material	37,574,749.79	19,102,682.44
Zhangjiakou Welhope Agricultural and Animal Husbandry Company	Feed	12,860,535.87	25,437,678.39
Dandong Wellhope Chengsan Agri-Tech Company	Feed raw material, feed	8,458,299.13	10,645,214.70
Nepal Wellhope Agri-tech Pvt. Ltd.	Feed	8,027,945.95	6,258,226.96
Wudalianchi Shengda Ranch Professional Cooperative Society	Feed	6,863,810.90	1,284,072.43
Dalian Chengsan Food Group Company	Feed raw material, veterinary drugs	3,848,751.84	7,375,666.19

Huluodao Jiuguhe Animal Husbandry Company	Feed	1,865,507.10	
Shihaipu (Beijing) Technology and Trade Company	Other products	1,814,346.16	2,696,970.22
Jilin Jinfeng Animal Husbandry Company	Piglet, feed	1,063,823.04	
Shenyang Wellhope Huahu Food Technology Company	Other products	855,864.19	
Mulia Harvest Indonesia	Feed raw material	531,225.00	
Jiyuan Sunshine Rabbit Technology Company	Other products	305,367.26	535,981.69
Dalian Wellhope Fish Meal Company	Feed raw material	260,031.67	233,628.32
Dunhua Fengda Broiler Breeding Company	Feed	39,000.00	460,500.16
Haicheng New Hongzunda Agri-Tech Company	Feed raw material		5,978,442.02
Huluodao Jiuguhe Food Company	Broiler product		2,253,666.06
Heilongjiang Bei'an Nongken Zhongwang Dairy Cattle Breeding Specialized Cooperative Society	Feed raw material		214,960.00
Tai'an Jiufeng Agri-Tech Company	Feed raw material		80,570.10
Total	/	1,404,419,630.32	1,353,750,940.64

The related party transactions incurred by the Company are necessary for the normal operation, and the pricing of purchases or sales is determined in accordance with the market price of similar products using the comparable uncontrolled price method.

B.Related party guarantee

The Company acted as the guarantor

CNY

Guaranteed party	Amount of guarantee	Guarantee date	Guarantee maturity date	Whether the guarantee has been completed
Liaoning Expert Trading Company	20,112,863.51	December 8, 2023	December 8, 2024	No
Liaoning Expert Trading Company	28,110,656.76	June 13, 2023	June 13, 2024	No
Anhui Wellhope Food Company	15,629,337.46	November 9, 2023	November 8, 2024	No
Lixin Xiangfeng Agriculture and Animal Husbandry Company	25,000,000.00	September 25, 2023	September 24, 2024	No
Lixin Xiangfeng Agriculture and Animal Husbandry Company	10,000,000.00	March 16, 2023	March 16, 2024	No
Puyang Wellhope Food Company	50,000,000.00	March 27, 2023	March 27, 2024	No
Lingyuan Wellhope Animal Husbandry Company	10,000,000.00	September 28, 2023	September 25, 2024	No
Lingyuan Wellhope Animal Husbandry Company	20,000,000.00	June 30, 2023	June 20, 2024	No
Daqing Wellhope Animal Husbandry Company	30,000,000.00	September 7, 2023	September 6, 2024	No
Lingyuan Wellhope Animal	44,291,600.00	March 6, 2021	March 5, 2026	No

Husbandry Company				
Dalian Zhongjia Food Company	49,980,000.00	October 28, 2022	October 27, 2025	No
Dalian Heyuan Agri-Tech Company	49,970,000.00	May 31, 2022	May 30, 2025	No
Daqing Wellhope Food Company	8,000,000.00	September 30, 2021	September 29, 2024	No
Daqing Wellhope Food Company	39,820,000.00	July 27, 2022	July 27, 2025	No
Hebei Taihang Wellhope Food Company	101,084,230.00	April 28, 2023	October 30, 2033	No
Haicheng Wellhope Agri-Tech Feed Mill	5,288,500.00	November 20, 2023	October 25, 2033	No
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	9,709,731.86	August 18, 2023	August 18, 2033	No

C. Borrowings to related party

CNY

Related party	Borrowings	Starting date	Due date	Note
Wudalianchi Shengda Ranch Professional Cooperative	4,350,000.00			Bei'an Nongken Shengda Pasture Specialized Cooperative is an associated company of Wellhope, each member of the cooperative provides funds to the cooperative in proportion to their shareholding under the agreement.

D. Key management compensation

CNY million

Item	2023	2022
Key management compensation	8.17	8.49

4. Unsettled items such as receivables and payables from related parties**A. Receivables**

CNY

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Linghai Jiuguhe Feed Mill	7,649,631.00	526,485.42	8,139,479.10	162,789.58
Accounts receivable	Tai'an Jiuguhe Agriculture Development Company	9,044,419.00	351,349.98	13,081,701.90	261,634.04
Accounts receivable	Anshan Jiuguhe Food Company	19,904,264.00	398,085.28	31,391,484.65	627,829.69
Accounts receivable	Huludao Jiuguhe Feed Mill	4,786,800.00	95,736.00	4,786,800.00	95,736.00
Accounts receivable	Dalian Chengsan Food Group Company	432,000.00	8,640.00	845,840.00	16,916.80
Accounts receivable	Mulia Harvest Indonesia	531,225.00	10,624.50		
Accounts receivable	Liaoning Yufeng Bio-tech Company	1,427,217.50	28,544.35		

Accounts receivable	Wudalianchi Shengda Ranch Professional Cooperative Society	13,652,578.33	273,051.57	6,745,785.43	134,915.71
Accounts receivable	Dazhou Wellhope Bio-Tech Company	3,984,322.80	79,686.46	3,872,726.06	77,454.52
Accounts receivable	Jiyuan Sunshine Rabbit Technology Company	251,840.00	5,036.80		
Accounts receivable	Heilongjiang Bei'an Nongken Zhongwang Dairy Cattle Breeding Specialized Cooperative Society	1,333,862.00	26,677.24	1,333,862.00	26,677.24
Accounts receivable	Shandong Fengkang Food Company	95,579,063.79	1,911,581.28	67,894,560.19	1,357,891.20
Accounts receivable	Dalian Sida Food Company	1,213,980.86	24,279.62	15,391,105.00	307,822.10
Accounts receivable	Zhangjiakou Welhope Agricultural and Animal Husbandry Company			11,418,541.47	228,370.83
Accounts receivable	Tailai Welhope Agricultural and Animal Husbandry Company			12,827,310.23	256,546.20
Accounts receivable	Daqing Supply and Marketing Agri-Tech Company			10,165,125.79	203,302.52
Accounts receivable	Dandong Wellhope Chengsan Agri-Tech Company			783,860.00	15,677.20
Accounts receivable	Harbin Weierhao Trading Company			306,557.00	6,131.14
Accounts receivable	Jilin Jinfeng Animal Husbandry Company	4,950.00	99.00		
Accounts receivable	Nepal Wellhope Agri-tech Pvt. Ltd.	1,941,955.26	38,839.11		
Other receivables	Wudalianchi Shengda Ranch Professional Cooperative Society	4,350,000.00	4,350,000.00	4,350,000.00	652,500.00
Prepayments	Dalian Wellhope Fish Meal Company	303,360.00			
Prepayments	Harbin Weierhao Trading Company	900,010.10		185,600.00	
Prepayments	Zhangjiakou Welhope Agricultural and Animal Husbandry Company			71,250.00	

B. Payables

CNY

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Anshan Jiuguhe Food Company	717,216.00	5,000,000.00
Accounts payable	Qingdao Shenfeng Agri-Tech Company	5,100,000.00	5,100,000.00
Accounts payable	Shihaiyu (Beijing) Technology and Trade Company	5,760.00	
Accounts payable	Tai'an Fengjiu Agri-Tech Company	372,855.52	423,697.23
Accounts payable	Gongzhuling Corn Purchasing and Storing Company	1,120,700.48	
Accounts payable	Liaoning Yufeng Bio-tech Company	5,455,770.00	5,151,573.00
Accounts payable	Anshan Jiuguhe Paper Packaging Company	481,347.54	197,950.36

Accounts payable	Anshan Antai Plastic Products Company	185,909.80	14,161.00
Accounts payable	Dalian Wellhope Fish Meal Company	5,033,880.00	5,366,854.28
Accounts payable	Shenyang Wanlitian Agriculture and Animal Husbandry Company	1,203,434.00	621,656.00
Accounts payable	Harbin Weierhao Trading Company	5,100.00	
Accounts payable	Tai'an Jiuguhe Agriculture Development Company		2,041,726.20
Accounts payable	Zhangjiakou Wellhope Agricultural and Animal Husbandry Company		15,200,000.00
Accounts payable	Shenyang Wenjie Bio-Tech Company		2,057,790.00
Accounts payable	Jilin Hengfeng Animal Health Products Company		315,120.00
Accounts payable	Daqing Supply and Marketing Agri-Tech Company		136,900.40
Accounts payable	Jinzhou Jiufeng Food Company		3,000,000.00
Accounts payable	Huludao Jiuguhe Animal Husbandry Company	4,092,604.40	
Advance receipts	Tai'an Jiuguhe Agriculture Development Company	286,545.49	725,000.00
Advance receipts	Huludao Jiuguhe Feed Mill	285,600.00	46,000.00
Advance receipts	Harbin Weierhao Trading Company	1,221,140.00	
Advance receipts	Nepal Wellhope Agri-tech Pvt. Ltd.		38,700.00
Advance receipts	Liaoning Yufeng Bio-tech Company		47,048.40
Contract liabilities	Linghai Jiuguhe Feed Mill	593,368.16	2,907,700.00
Contract liabilities	Tai'an Jiuguhe Agriculture Development Company	880,438.91	3,807,600.00
Contract liabilities	Huludao Jiuguhe Feed Mill	593,154.45	1,903,800.00
Contract liabilities	Harbin Weierhao Trading Company	500,000.00	
Other payables	Unphung Joint Venture Company	71,682.43	71,682.43
Other payables	Nepal Wellhope Agri-tech Pvt. Ltd.	2,999.41	2,999.41

XV. Notes to major Items of the Parent Company's Financial Statements

1. Accounts receivable

A. Categorized by aging

Aging	CNY	
	Closing book balance	Opening book balance
Within 1 year	28,002,017.00	41,640,129.64
1-2 years	539,258.75	1,297,508.00
2-3 years	1,058,108.00	4,191,691.30
Over 3 years	30,662,435.60	27,370,009.30
Total	60,261,819.35	74,499,338.24

B.Categorized by bad debt provision method

CNY

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Percentage%	Amount	Accruing %		Amount	Percentage%	Amount	Accruing %	
Accruing bad debt provision on an individual basis	686,300.00	1.14	686,300.00	100.00		686,300.00	0.92	686,300.00	100.00	
Accruing bad debt provision by portfolio	59,575,519.35	98.86	31,911,884.11	53.57	27,663,635.24	73,813,038.24	99.08	29,566,246.36	40.06	44,246,791.88
including:										
Aging portfolio	59,470,239.35	98.69	31,911,884.11	53.66	27,558,355.24	60,483,943.90	81.19	29,566,246.36	48.88	30,917,697.54
Other portfolio	105,280.00	0.17			105,280.00	13,329,094.34	17.89			13,329,094.34
Total	60,261,819.35	/	32,598,184.11	/	27,663,635.24	74,499,338.24	/	30,252,546.36	/	44,246,791.88

Accruing bad debt provision by portfolio

CNY

Aging	Closing balance		
	Accounts receivable	Bad debt provision	Accruing percentage %
Within 1 year	27,896,737.00	1,325,805.70	4.75
1 -2 year	539,258.75	80,888.81	15.00
2-3 years	1,058,108.00	529,054.00	50.00
Over 3 years	29,976,135.60	29,976,135.60	100.00
Total	59,470,239.35	31,911,884.11	53.66

C.Bad debt provision

CNY

Category	Opening balance	Fluctuations in current period	Closing balance
		Accruing	
Individual	686,300.00		686,300.00
Portfolio	29,566,246.36	2,345,637.75	31,911,884.11
Total	30,252,546.36	2,345,637.75	32,598,184.11

D.Top five accounts receivable and contract assets

CNY

Name	Closing balance of accounts receivable	Closing balance of accounts receivable and contract assets	Percentage of total closing balance of accounts receivable and contract assets %	Closing balance of bad debt provision
1	9,044,419.00	9,044,419.00	15.01	351,349.98
2	7,649,631.00	7,649,631.00	12.69	526,485.42
3	7,350,077.71	7,350,077.71	12.20	7,350,077.71
4	7,053,335.00	7,053,335.00	11.70	7,053,335.00
5	6,629,161.00	6,629,161.00	11.00	5,199,569.60
Total	37,726,623.71	37,726,623.71	62.60	20,480,817.71

2.Other receivables

CNY

Item	Closing balance	Opening balance
Interests receivable		
Dividends receivable	54,770,301.77	53,759,486.59
Other receivables	2,289,682,206.80	2,175,154,013.17
Total	2,344,452,508.57	2,228,913,499.76

A.Dividends receivable

a. Dividends receivable

CNY

Item	Closing balance	Opening balance
Dividends from long-term investment under cost method	54,770,301.77	26,224,193.24
Dividends from long-term investment under equity method		27,535,293.35
Total	54,770,301.77	53,759,486.59

b. Significant dividends receivable with an age of more than one year

CNY

Item(investee)	Closing balance	Age	Reasons for non-recovery	Whether impairment has occurred and the basis for its determination
Puyang Wellhope Food Company	35,718,182.00	Less than 1 year CNY 18,117,476.00, 1-2 years CNY 8,800,353.00, 2-3 years CNY 8,800,353.00	Not yet paid	No
Daqing Wellhope Bayi Nongda Animal Sci-Tech Company	16,541,119.77	Less than 1 year CNY 10,428,632.53, over 3 years CNY 6,112,487.24 yuan	Not yet paid	No
Total	52,259,301.77		/	/

B. Other receivables**a. Categorized by aging**

CNY

Aging	Closing book balance	Opening book balance
Within 1 year	2,293,011,737.14	2,163,550,850.93
1-2 years	63,143.00	8,043,183.50
2-3 years	398,700.00	198,700.00
Over 3 years	4,593,700.00	4,395,000.00
Total	2,298,067,280.14	2,176,187,734.43

b. Categorized by nature

CNY

Nature	Closing book balance	Opening book balance
Operating receivables	2,466,112.54	1,293,062.89
Deposits and guarantees	900,526.00	257,900.00
Related party- fund transactions	2,256,950,641.60	2,170,286,771.54
Receivables from disposal of investments	33,400,000.00	
Other	4,350,000.00	4,350,000.00
Total	2,298,067,280.14	2,176,187,734.43

c. Bad debt provision accruing

CNY

Bad debt provision	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance on January 1, 2023	849,221.26		184,500.00	1,033,721.26
-charged to phase 2				
- charged to phase 3	-652,500.00		652,500.00	
-recovered in phase 2				
- recovered in phase 1				

Accrued in the reporting period	5,817,962.08		3,697,500.00	9,515,462.08
Written off in the reporting period	2,164,110.00			2,164,110.00
Balance on December 31, 2023	3,850,573.34		4,534,500.00	8,385,078.34

Classification of phases and percentage of bad debt provision

Phase	Carrying balance	Percentage of the accrual of provision for bad debts %	Provision for bad debts	Carrying value
Phase 1	2,293,532,780.14	0.17	3,850,573.34	2,289,682,206.80
Phase 2				
Phase 3	4,534,500.00	100.00	4,534,500.00	
Total	2,298,067,280.14	0.36	8,385,073.34	2,289,682,206.80

d.Bad debt provision

CNY

Category	Opening balance	Fluctuations in current period			Closing balance
		Accruing	Collected or recovered	Charged off or written off	
Other payables	1,033,721.26	9,515,462.08		2,164,110.00	8,385,073.34
Total	1,033,721.26	9,515,462.08		2,164,110.00	8,385,073.34

e.Top five other receivables

CNY

Company	Closing balance	% of closing balance of total other receivables	Nature	Aging	Closing balance of bad debt provision
1	351,206,223.54	15.28	Current accounts	within 1 year	
2	141,288,515.88	6.15	Current accounts	within 1 year	
3	126,662,500.00	5.51	Current accounts	within 1 year	
4	122,747,360.61	5.34	Current accounts	within 1 year	
5	113,079,039.62	4.92	Current accounts	within 1 year	
Total	854,983,639.65	37.20	/	/	

f.Presented in other receivables due to centralized management of funds

CNY

Amounts reported in other receivables due to centralized management of funds	2,256,950,641.60
Information notes	/

3. Long-term equity investment

CNY

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	3,999,638,880.61		3,999,638,880.61	3,628,321,267.36		3,628,321,267.36
Investment in associates and joint ventures	2,215,440,226.01	17,900,000.00	2,197,540,226.01	2,376,311,808.96	17,900,000.00	2,358,411,808.96
Total	6,215,079,106.62	17,900,000.00	6,197,179,106.62	6,004,633,076.32	17,900,000.00	5,986,733,076.32

A. Investment in subsidiaries

CNY

Company	Jan. 1, 2023	Increase in 2023	Decrease in 2023	Dec. 31, 2023
Haicheng Wellhope Feed Mill	12,614,789.85			12,614,789.85
Tai'an Wellhope Feed Mill	33,055,140.93			33,055,140.93
Shenyang Wellhope Ruminant Feed Mill	6,038,738.05			6,038,738.05
Liaoning Wellhope Agriculture and Animal Husbandry Development Company	97,604,896.30			97,604,896.30
Shenyang Nongda Wellhope Feed Mill	44,562,397.18			44,562,397.18
Xingcheng Wellhope Feed Mill	82,794,584.59			82,794,584.59
Dalian Wellhope Feed Mill	42,386,167.87			42,386,167.87
Jinzhou Wellhope Agri-Tech Company	17,260,917.78			17,260,917.78
Shenyang Wellhope Extruded Feed Mill	33,042,083.51			33,042,083.51
Shenyang Wellhope Aquatic Feed Mill	15,286,167.88			15,286,167.88
Shenyang Wellhope Agri-Tech Company	82,988,342.49			82,988,342.49
Shenyang Wellhope Poultry Industry Company	60,565.62			60,565.62
Gongzhuling Wellhope Agri-Tech Company	35,514,907.90			35,514,907.90
Jilin Wellhope Agri-Tech Company	16,241,715.94			16,241,715.94
Gongzhuling Wellhope Ruminant Feed Mill	5,084,167.03			5,084,167.03
Sanjiang Wellhope Agri-Tech Company	13,022,410.76			13,022,410.76
Mudanjiang Wellhope	23,286,048.10			23,286,048.10

Agri-Tech Company				
Heilongjiang Wellhope Agri-Tech Company	120,848,465.45			120,848,465.45
Beijing Helai Sci-Tech Company	25,472,592.05		25,472,592.05	
Beijing Wellhope Agri-Tech Company	5,071,980.16			5,071,980.16
Huai'an Wellhope Feed Mill	30,230,704.60			30,230,704.60
Gansu Wellhope Agri-Tech Company	40,108,690.76			40,108,690.76
Henan Wellhope Agri-Tech Company	52,769,238.99			52,769,238.99
Lankao Wellhope Agri-Tech Company	43,084,167.03			43,084,167.03
Shenyang Huaweida Animal Health Product Company	36,032.42			36,032.42
Jilin Wellhope Swine Breeding Company	15,000,000.00			15,000,000.00
Shenyang Expert Trading Company	30,010,648.28			30,010,648.28
Shenyang Jiahe Tianfeng Commerce and Trade Company	10,143,614.30			10,143,614.30
Liaoning Expert Trading Company	73,771,350.84			73,771,350.84
Shenyang Pufeng Commerce and Trade Company	1,999,788.72			1,999,788.72
Liaoning Wellhope Purchasing & Trading Company	30,278,344.48			30,278,344.48
Liaoning Skyland Livestock Equipment Company	28,667,982.56			28,667,982.56
Shenyang Fame Bio-Tech Company	20,494,308.42			20,494,308.42
Pingyuan Wellhope Food Processing Company	210,203,167.88			210,203,167.88
Pingyuan Wellhope Agri-Tech Company	264,258.47			264,258.47
Kaifeng Wellhope Meat Product Company	100,000,000.00			100,000,000.00
Wellhope Food (Shenyang) Company	5,160,191.67			5,160,191.67
Liaoning Godaji E-commerce Company	20,496,378.16			20,496,378.16
Linxi Helai Agri-Tech Company	33,038,762.97			33,038,762.97
Luoyang Wellhope	75,000,000.00			75,000,000.00

Agriculture and Animal Husbandry Company				
Anyang Wellhope Agriculture and Animal Husbandry Company	55,000,000.00			55,000,000.00
Hainan Expert Trading Company	9,151.86			9,151.86
Tianjin Fullyond Supply Chain Company	10,000,000.00			10,000,000.00
Zhumadian Wellhope Agriculture and Animal Husbandry Development Company	30,000,000.00			30,000,000.00
Linyi Wellhope Agri-Tech Company	15,000,000.00			15,000,000.00
Jiyuan Helai Feed Company	23,000,000.00			23,000,000.00
Lankao Skyland Feed Company	46,069,798.90			46,069,798.90
Fuxin Wellhope Farming & Livestock Company	30,000,000.00			30,000,000.00
Lingyuan Wellhope Farming & Livestock Company	5,000,000.00			5,000,000.00
Fame (Shenyang) Biological High-tech Industry Research Institute Company	10,000,000.00			10,000,000.00
Hebei New Taihang Wellhope Animal Husbandry Company		10,000,000.00		10,000,000.00
Shenyang Pufeng Trading Company		5,500,000.00		5,500,000.00
Lingyuan Wellhope Agri-Tech Company	16,910,917.77			16,910,917.77
Haicheng Xinzhongxin Feed Mill	6,002,315.70			6,002,315.70
Fuyu Wellhope Agri-Tech Company	46,602,083.51			46,602,083.51
Changchun Wellhope Feed Mill	84,597,782.33			84,597,782.33
Daqing Wellhope Bayi Nongda Animal Sci-Tech Company	30,694,098.94	8,527,318.83		39,221,417.77
Beijing Sanyuan Wellhope Agri-Tech Company	8,719,369.88			8,719,369.88
Tangshan Wellhope Feed Mill	43,434,466.04			43,434,466.04
Cangzhou Helai Sci-Tech Company	3,531,614.46			3,531,614.46
Shanxi Wellhope	48,042,083.51			48,042,083.51

Agri-Tech Company				
Tangshan Hejia Agriculture and Animal Husbandry Company	19,634,667.24			19,634,667.24
Tangshan Wellhope Sci-Tech Company	21,033,666.81			21,033,666.81
Shanghai Wellhope Feed Mill	2,295,632.60			2,295,632.60
Pinghu Wellhope Agri-Tech Company	1,026,750.75			1,026,750.75
Anhui Wellhope Agri-Tech Company	112,148,987.28			112,148,987.28
Xi'an Wellhope Feed Sci-Tech Company	4,688,849.43			4,688,849.43
Zhengzhou Wellhope Agri-Tech Company	6,898,005.82	6,000,000.00		12,898,005.82
Zhumadian Wellhope Agri-Tech Company	9,052,956.04			9,052,956.04
Nanyang Wellhope Feed Mill	17,925,324.47			17,925,324.47
Jiaozuo Wellhope Feed Mill	50,441,004.92	263,600.00		50,704,604.92
Jingzhou Wellhope Agricultural Sci-Tech Company	21,432,261.58			21,432,261.58
Qingdao Wellhope Agri-Tech Company	28,887,168.30			28,887,168.30
Jining Wellhope Agri-Tech Company	19,726,723.27			19,726,723.27
Yunnan Wellhope Feed Mill	24,294,994.77	787,500.00		25,082,494.77
Fuyu Wellhope Taolaizhao Poultry Raising Company	25,757,551.60			25,757,551.60
Changchun Hengfeng Agriculture and Animal Husbandry Company	235,667.66			235,667.66
Beijing Brilliant Dragon Commerce and Trade Company	205,085.39			205,085.39
Shanghai Hehong Trading Company	203,454.84			203,454.84
Jinan Xinweita Trading Company	157,757.98			157,757.98
Zhangwu Wellhope Agriculture Development Company	1,800,000.00			1,800,000.00
Tongliao Wellhope Tianyi Prataculture Company	10,200,000.00			10,200,000.00
Chongqing Dahong	117,833.83	10,000,000.00	10,117,833.83	

Agriculture and Animal Husbandry Equipment Company				
Guangzhou Xiangshun Livestock Equipment Company	3,000,500.21			3,000,500.21
Dalian Huakang Xinxin Food Company	11,662,375.47			11,662,375.47
Dalian Heyuan Agri-Tech Company	103,890,054.28			103,890,054.28
Dalian Zhongjia Food Company	155,824.28			155,824.28
Shenyang Huakang Broiler Company	68,558,404.83			68,558,404.83
Shenyang Huakang Xinxin Food Company	1,969,334.47			1,969,334.47
Changchun Wellhope Food Company	8,668,334.04			8,668,334.04
Dehui Wellhope Agri-Tech Company	45,424.21			45,424.21
Puyang Wellhope Food Company	20,210,417.54			20,210,417.54
Puyang Wellhope Agri-Tech Company	45,424.21			45,424.21
Kaifeng Wellhope Agriculture and Animal Husbandry Company	40,348.21			40,348.21
Liaoning Wellhope Food Company	30,041,809.18			30,041,809.18
Chongqing Wellhope Agri-Tech Company	2,230,000.00			2,230,000.00
Nanchang Wellhope Agri-Tech Company	6,500,000.00			6,500,000.00
Shulan Fengtai Agriculture and Animal Husbandry Company	63,394,541.16			63,394,541.16
Shulan Fengtai Farming Company	5,100,000.00			5,100,000.00
Hainan Wellhope Agri-Tech Company	68,155,732.34			68,155,732.34
Russia Wellhope Agri-Tech Company	11,700,000.00			11,700,000.00
Chifeng Wellhope Fuxinyuan Food Company	125,000,000.00			125,000,000.00
Shenyang Xiangmai E-commerce Company	650,000.00			650,000.00
Hebei Taihang Wellhope Food Company	234,150,000.00			234,150,000.00
Dunhua Wellhope Agri-Tech Company	7,652,794.97			7,652,794.97
Dunhua Fengda	13,095,094.63			13,095,094.63

Agriculture and Animal Husbandry Development Company				
Hebei Taihang Agri-Tech Company	74,400,000.00		74,400,000.00	
Nanyang Jinwan Agri-Tech Company	10,000,000.00		10,000,000.00	
Liaoning Qingyuan Wellhope Agriculture and Animal Husbandry Company	114,694,899.21			114,694,899.21
Fuzhou Wellhope Xingyuan Agri-Tech Development Company	43,100,000.00			43,100,000.00
Daqing Wellhope Food Company	7,650,000.00			7,650,000.00
Shandong Heyuan Food Company	37,759.87			37,759.87
Shijiazhuang Hejia Agriculture and Animal Husbandry Company	13,000,000.00			13,000,000.00
Inner Mongolia Bifeng Animal Husbandry Technology Development Company	9,660,000.00		9,660,000.00	
Changsha Wellhope Animal Husbandry Company	8,300,000.00			8,300,000.00
Dehui Fengyuan Agriculture and Animal Husbandry Company	2,550,000.00			2,550,000.00
Fuzhou Wellhope Xingyuan Animal Husbandry Development Company	2,400,000.00	14,900,000.00		17,300,000.00
Wan'an Wellhope Feed Company	7,800,000.00			7,800,000.00
Fuyu Wellhope Layer Company	5,200,000.00			5,200,000.00
Chifeng Wellhope Agri-Tech Company	6,800,000.00			6,800,000.00
Baotou Hechen Agri-Tech Company	4,554,000.00	11,196,000.00		15,750,000.00
Qiqihar Agri-Tech Company	7,650,000.00			7,650,000.00
Neihuang Wellhope Agri-Tech Company	37,500,000.00	22,500,000.00		60,000,000.00
Jilin Dalong Wellhope Feed Company	4,130,000.00			4,130,000.00
Haicheng New Hongzunda Animal Husbandry Company	16,902,841.13	17,340,000.00		34,242,841.13

Kaifeng Jiufeng Farming & Animal Husbandry Company	42,302,615.65			42,302,615.65
Hengshui Wellhope Feed Company		6,400,000.00		6,400,000.00
Suihua Wellhope Agri-Tech Company		27,889,500.00		27,889,500.00
Siping Huiliang Wellhope Agri-Tech Company		5,100,000.00		5,100,000.00
Heilongjiang Wellhope Great Forest Farming Company		10,200,000.00		10,200,000.00
Heilongjiang Wellhope Great Forest Food Company		10,200,000.00		10,200,000.00
Dalian Hefengyuan Agri-Tech Company		37,000,000.00		37,000,000.00
Baicheng Wellhope Agri-Tech Company		5,100,000.00		5,100,000.00
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company		147,885,081.05		147,885,081.05
Tailai Wellhope Agriculture and Animal Husbandry Company		144,179,039.25		144,179,039.25
Total	3,628,321,267.36	500,968,039.13	129,650,425.88	3,999,638,880.61

B. Investment in associated companies and joint ventures

CNY

Company	Opening balance	Fluctuations in 2023						Closing balance	Closing balance of impairment provision
		Additional investment	Gains or losses on investments recognized under equity method	Adjustment of other comprehensive income	Other changes in equity	Declaring of paying dividend or profit	Other		
1. Joint Venture									
Unphung Joint Venture Company	7,501,575.10							7,501,575.10	
Nepal Wellhope Agri-tech Pvt. Ltd.	4,167,616.44							4,167,616.44	
NEXUS WELL-HOPE AGRITECH INTERNATIONAL LIMITED	17,900,000.00							17,900,000.00	17,900,000.00
Subtotal	29,569,191.54							29,569,191.54	17,900,000.00
2. Associated Company									
Qingdao Shenfeng Agri-Tech Company	12,101,282.20		267,353.82					12,368,636.02	
Anshan Jiuguhe Food Company	222,480,035.09		12,971,864.02			6,232,950.00		229,218,949.11	
Tai'an Jiuguhe Agriculture Development Company	70,143,710.13		-42,378,107.82					27,765,602.31	
Linghai Jiuguhe Feed Mill	52,515,262.95		-11,623,666.60					40,891,596.35	
Huludao Jiuguhe Food Company	73,434,526.26		-38,546,579.78					34,887,946.48	
Dandong Wellhope Chengsan Food Company	92,558,083.55		8,790,225.46					101,348,309.01	
Dandong Wellhope Chengsan Agri-Tech	119,912,053.78		-9,810,061.13					110,101,992.65	

Company									
Beipiao Hongfa Food Company	558,684,161.53		29,516,556.32			10,780,000.00		577,420,717.85	
Beijing Dahong Hengfeng Sci-Tech Company	23,109,320.82		658,936.18					23,768,257.00	
Tai'an Jiufeng Agri-Tech Company	-							-	
Shihaipu (Beijing) Technology and Trade Company	2,019,189.52		176,290.82					2,195,480.34	
Shenyang Wenjie Bio-Tech Company	13,892,988.26		41,686.98					13,934,675.24	
Huludao Jiuguhe Feed Mill	3,086,991.16	-3,363,000.00	1,893,093.89					1,617,085.05	
Jinzhou Jiufeng Food Company	99,223,747.11		14,190,556.29			15,200,000.00		98,214,303.40	
Zhangjiakou Wellhope Agriculture and Animal Husbandry Company	85,541,195.49	89,470,800.00	-27,126,914.44				-147,885,081.05		
Tai'an Fengjiu Agri-Tech Company	63,831,058.70		6,650,489.04			9,120,000.00		61,361,547.74	
Anshan Fengsheng Food Company	62,212,780.56		-6,917,155.10					55,295,625.46	
Dalian Chengsan Foods Group Company	380,725,325.09		-45,135,248.96					335,590,076.13	
Tailai Wellhope Animal Husbandry Company	37,799,463.33	34,479,800.00	1,366,094.23		533,681.69		-74,179,039.25		
Gongzhuling Corn Purchasing and Storing Company	49,576,732.35		-8,606,335.72					40,970,396.63	
Lankao Skyland Duck Industry Company	37,813,621.58		-4,769,464.50					33,044,157.08	
Hainan Nongken	1,090,744.95		-1,153.85					1,089,591.10	

Wenfeng Wenchang Chicken (Group) Company									
PT SEKAR GOLDEN HARVESTA INDONESIA	34,913,989.58		-1,891,080.84	1,102,413.68				34,125,322.42	
GOLDEN HARVESTA INC.	104,065,497.55		12,018,351.54	2,642,030.95				118,725,880.04	
PT. Mulia Harvest Agritech	55,074,231.84		4,531,234.35	1,629,915.48				61,235,381.67	
Shulan Fengtai Organic Fertilizer Company	1,843,405.61		-182,095.42					1,661,310.19	
Shenyang Zhongwenjie Bio-Tech Company	7,826,097.46		2,532,378.50					10,358,475.96	
Liaoning Mubang Animal Husbandry Equipment Manufacturing Company	17,205,527.99		1,104,500.53			6,080,000.00		12,230,028.52	
Liaoning Yufeng Bio-Tech Company	1,364,492.92	30,471,043.00	-15,555,298.96					16,280,236.96	
Weifang Wellhope Xinhesheng Feed Mill	5,212,973.52		227,443.04					5,440,416.56	
Dunhua Fengda Broiler Breeding Company	5,824,442.48		-180,755.02					5,643,687.46	
Tai'an Huijun Biomass Energy Company	4,245,780.44		-3,736,054.16					509,726.28	
Dazhou Wellhope Bio-Tech Company	12,676,748.43		1,467,135.13					14,143,883.56	
Anshan Jiuguhe Paper Packaging Company	5,081,091.38		555,033.83					5,636,125.21	
Anshan Antai Plastic Products Company	3,613,395.52		642,668.96					4,256,064.48	

Wudalianchi Shengda Ranch Professional Cooperative Society	13,102,980.87		-1,968,592.70					11,134,388.17	
Jiyuan Sunshine Rabbit Technology Company	12,174,873.39		334,618.62					12,509,492.01	
Heilongjiang Province Beian Agricultural Reclamation Zongwang Dairy Farming Professional Cooperative	764,814.03		131.10					764,945.13	
Jinzhou Xinfeng Food Company		11,400,000.00	-235,061.64					11,164,938.36	
Chongqing Kuizhou Rabbit Industry Company		7,000,000.00	544,722.25					7,544,722.25	
Jilin Jinfeng Livestock Company		4,500,000.00	-3,215.52					4,496,784.48	
Hebei Taihang Wellhope Livestock Company		36,000,000.00	1,714,574.95				-4,747,669.24	32,966,905.71	
Chongqing Dahong Agricultural and Animal Husbandry Machinery Company		10,000,000.00	-1,545,990.23				3,047,128.30	11,501,138.07	
Huludao Jiuguhe Livestock Company		3,363,000.00	-906,763.97					2,456,236.03	
Subtotal	2,346,742,617.42	223,321,643.00	-118,923,656.51	5,374,360.11	533,681.69	47,412,950.00	-223,764,661.24	2,185,871,034.47	-
Total	2,376,311,808.96	223,321,643.00	-118,923,656.51	5,374,360.11	533,681.69	47,412,950.00	-223,764,661.24	2,215,440,226.01	17,900,000.00

4.Revenue and cost

A.Information of revenue and cost

CNY

Item	2023		2022	
	Revenue	Cost	Revenue	Cost
Revenue from primary businesses	712,023,965.19	538,367,572.22	804,332,359.69	620,243,627.16
Revenue from other businesses	4,103,206.07	308,708.86	2,255,208.91	534,612.87
Total	716,127,171.26	538,676,281.08	806,587,568.60	620,778,240.03

B.Split of revenue and cost

CNY

Contract classification	Total	
	Revenue	Cost
Commodity type		
Feed products	712,023,965.19	538,367,572.22
Others	4,103,206.07	308,708.86
Classification by timing of commodity transfer		
Revenue recognized at a point in time	715,851,941.90	538,367,572.22
Revenue recognized at a certain point in time	275,229.36	308,708.86
Classification by sales channel		
Direct sales	4,103,206.07	308,708.86
Dealers' sales	712,023,965.19	538,367,572.22
Total	716,127,171.26	538,676,281.08

5.Income from investment

CNY

Item	2023	2022
Income from long-term equity investments under cost method	155,233,214.54	14,340,353.00
Income from long-term equity investments under equity method	-118,923,656.51	174,704,407.03
Investment income from disposal of long-term equity investments	-17,936,406.61	-4,886,391.00
Investment income from disposal of derivative financial instruments, etc.	-1,455,012.74	-4,446,438.67
Investment income from financial assets held for trading	100,273.97	
Total	17,018,412.65	179,711,930.36

XVI.Supplementary Information**1.Extraordinary items in 2023**

CNY

Item	Amount	Note
Gains or losses on disposal of non-current assets, including reversal of provision for impairment of assets	17,370,417.70	
Government grants recognized in profit or loss for the current	83,115,983.41	

Item	Amount	Note
period, except for those government grants that are closely related to the ordinary course of business, in line with national policies and in accordance with defined criteria, and that have a sustained impact on the Company's profit or loss		
Gains or losses from changes in the fair value of financial assets and liabilities held by non-financial corporations and gains or losses on the disposal of financial assets and liabilities, except for effective hedges in the ordinary course of business	-1,205,993.28	
Write-back of impairment provision for individually assessed impaired receivables	9,122,730.49	
Gains arising from the Company's acquisition of subsidiaries, associates and joint ventures where the cost of the investment paid by the Company is less than its share of the fair value of the investee's identifiable net assets	14,299,036.35	
Non-operating income and expense other than those listed above	-49,135,731.60	
Other items that meet the definition of extraordinary items	-10,565,822.12	
Less: Income tax effects	21,574,736.43	
Non-controlling interests effects	-4,586,887.91	
Total	46,012,772.43	

2. Return on equity and earnings per share

Profit in 2023	Weighted average ROE %	Earnings per share	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders who hold common stock	-6.58	-0.50	-0.50
Net profit attributable to equity shareholders less extraordinary items	-7.24	-0.55	-0.55

Chairman Jin Weidong

Date of approval of Board of Directors—March 30, 2024