

# **Zhejiang NHU Company Ltd.**

## **2025 Semi-Annual Report**



**August 2025**

## **Section I Important Notes, Contents, and Definitions**

**The Board of Directors and its members, Board of Supervisors and its members, and senior executives of the Company hereby guarantee that the information presented in this semi-annual report is authentic, accurate, complete and free of false records, misleading statements or material omissions, and they will bear individual and joint liabilities for such information.**

**胡柏藩（Hu Baifan），the Company’s legal representative, 石观群（Shi Guanqun），the officer in charge of accounting, and 刘芳露（Liu Fanglu），the head of accounting department hereby declare that they guarantee the financial statements in this semi-annual report are authentic, accurate and complete.**

**All members of the Board of Directors have attended the meeting of the Board of Directors for deliberation of this semi-annual report.**

**The future plan and other forward-looking information disclosed in this semi-annual report shall not be regarded as a commitment to investors. We kindly remind investors of all possible risks in investments. The company provides a detailed description of the potential risks and countermeasures that may exist in the company's operations in X. Risks and countermeasures under Section III Management Discussion and Analysis section of this report. We kindly remind investors of all possible risks in investments.**

**Profit distribution proposal deliberated and approved by the meeting of the Board of Directors is as follows: Based on 3,059,121,988 shares [Note] (calculated by excluding 14,299,692 repurchased shares from the total share capital of 3,073,421,680 shares as of July 31, 2025), the Company intends to distribute cash dividend of 2 yuan (tax included) and no bonus shares will be distributed, and the capital reserve will not be converted into share capital.**

**Note: As of July 31, 2025, the Company’s share capital totaled 3,073,421,680 shares, including**

repurchased share of 14,299,692 shares. According to the “Rules on Share Repurchase of Listed Companies”, shares in the special account for repurchase of listed companies carry no right of profit distribution and conversion of capital reserve into share capital.

**If the Company’s total share capital changes due to the conversion of convertible bonds, share repurchase, exercise of equity incentives, refinancing and listing of new shares, etc. before the implementation of the profit distribution proposal, the total distribution will be adjusted accordingly based on the same distribution ratio.**

*This Semi-Annual Report is an English translation of the Chinese Semi-Annual Report. In case the English version does not conform to the Chinese version, the Chinese version prevails.*

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## **Documents Available for Reference**

- I. Financial statements signed and sealed by the Company's legal representative, officer in charge of accounting, and head of accounting department;
- II. Original copy of all the Company's documents and announcements published on the newspapers designated by CSRC within the reporting period;
- III. Other documents for reference.

## Definitions

Abbreviations	Refers to	Contents of definitions
The Company, NHU	Refers to	ZHEJIANG NHU CO., LTD.
CSRC	Refers to	China Securities Regulatory Commission
CSRC, Zhejiang Office	Refers to	China Securities Regulatory Commission, Zhejiang Office
PPS	Refers to	Polyphenylene Sulfide
PPA	Refers to	Polyphthalamide
HSE	Refers to	Health, safety and environment
IPDA	Refers to	Isophorone Diamine
HDI	Refers to	Hexamethylene Diisocyanate

## Section II Company Profile and Key Financial Indicators

### I. Company profile

Stock abbreviation	NHU	Stock code	002001
Stock Exchange	Shenzhen Stock Exchange		
Company Name in Chinese	浙江新和成股份有限公司		
Company Abbreviation in Chinese	新和成		
Company name in foreign language (if any)	ZHEJIANG NHU COMPANY LTD.		
Company Abbreviation in foreign language (if any)	NHU		
Legal representative	Hu Baifan		

### II. Contact information

Items	Board secretary	Securities affairs representative
Name	石观群 (Shi Guanqun)	曾淑颖 (Zeng Shuying)
Contact address	No.418 Xinchang Dadao West Road, Xinchang, Zhejiang, P.R.China	No.418 Xinchang Dadao West Road, Xinchang, Zhejiang, P.R.China
Tel.	+86 575 86017157	+86 575 86017157
Fax	+86 575 86125377	+86 575 86125377
E-mail address	sgq@cnhu.com	002001@cnhu.com

### III. Other Information

#### 1. Company's Contact Information

Whether the Company's registered address, office address, zip code, website and e-mail address has changed during the reporting period

☐ Applicable ☒ Not applicable

The Company's registered address, office address, zip code, website and e-mail address have not changed during the reporting period, which can be found in the 2024 Annual Report.

#### 2. Information Disclosure and Location of Documents for Public Inspection

Whether information disclosure and location of documents for public inspection has changed during the reporting period

☐ Applicable ☒ Not applicable

The name of the Company's selected information disclosure newspaper, the URL of the website designated by the CSRC where the semi-annual report is posted, and the place where the Company's semi-annual report is available have not changed during the reporting period, which can be found in the 2024 Annual Report.

#### 3. Other relevant Information

Whether other relevant information has changed during the reporting period

☐ Applicable ☒ Not applicable

#### IV. Key accounting data and financial indicators

Whether the Company needs to perform retroactive adjustment or restatement on financial data of prior years

☐ Yes ☒ No

Items	Current Reporting Period	Prior-Year Period	Change(%)
Operating revenue (yuan)	11,100,632,836.78	9,844,712,214.36	12.76%
Net profit attributable to shareholders of listed company (yuan)	3,603,323,979.16	2,204,361,642.96	63.46%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (yuan)	3,678,562,540.56	2,157,462,467.70	70.50%
Net cash flows from operating activities (yuan)	3,242,727,802.31	2,138,324,059.35	51.65%
Basic EPS (yuan/share)	1.17	0.71	64.79%
Diluted EPS (yuan/share)	1.17	0.71	64.79%
Weighted average ROE	11.87%	8.58%	Increased by 3.29 percentage points
Items	Jun. 30, 2025	Dec. 31, 2024	Change(%)
Total assets (yuan)	43,728,859,981.08	42,989,132,470.97	1.72%
Net assets attributable to shareholders of listed company (yuan)	30,485,059,536.26	29,324,997,728.95	3.96%

#### V. Differences in accounting data under Chinese accounting standards and overseas accounting standards

##### 1. Difference in net profit and net assets in financial statements disclosed respectively under IFRS Standards and Chinese accounting standards

☐ Applicable ☒ Not Applicable

The Company has no difference in net profit or net assets in financial statements disclosed respectively under IFRS Standards and Chinese accounting standards.

##### 2. Difference in net profit and net assets in financial statements disclosed respectively under overseas accounting standards and Chinese accounting standards

☐ Applicable ☒ Not Applicable

The Company has no difference in net profit or net assets in financial statements disclosed respectively under overseas accounting standards and Chinese accounting standards.

#### VI. Non-recurring profit or loss

☒ Applicable ☐ Not Applicable

Unit: RMB Yuan

Items	Amount	Remarks
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	-1,582,139.69	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity or quota based on certain standards)	53,301,140.51	
Gains or losses on changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets and held-for-trading financial liabilities, excluding those arising from hedging business related to operating activities	-126,732,336.07	
Gains or losses on assets consigned to the third party for investment or management	8,184,998.28	
Other non-operating revenue or expenditures	-1,780,103.34	
Less: Enterprise income tax affected	6,698,630.00	
Non-controlling interest affected (after tax)	-68,508.91	
Total	-75,238,561.40	

Remarks on other profit or loss satisfying the definition of non-recurring profit or loss:

☐ Applicable ☒ Not Applicable

The Company has no other profit or loss satisfying the definition of non-recurring profit or loss.

Remarks on defining non-recurring profit or loss listed in the “*Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss*” as recurring profit or loss.

☐ Applicable ☒ Not Applicable

The Company has no situation of defining non-recurring profit or loss listed in the “*Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss*” as recurring profit or loss.

## Section III Management Discussion and Analysis

### I. Principal Business Activities During the Reporting Period

There were no material changes to the Company's core business operations during the reporting period... For details, please refer to the company's 2024 annual report.

### II. Core Competitiveness analysis

The core competitiveness of the company has not undergone any material change during the reporting period. For details, please refer to the company's 2024 annual report.

### III. Principal Business Activities Analysis

#### Overview

Is it consistent with the disclosure of the company's principal business activities during the reporting period

☒ Yes ☐ No

In the first half of 2025, centering on the annual objectives of "accelerating global market expansion, enhancing innovation for development, improving capabilities and management, and ensuring stable operations to prevent risks", the company proactively responded to the complex and changing domestic and international environment and achieved steady growth in its key operational indicators. During the reporting period, the company recorded operating revenue of 11,100,632,836.78 yuan, an increase of 12.76% compared to the same period last year. The total profit reached 4,229,402,341.10 yuan, an increase of 56.68% compared to the same period last year. The net profit attributable to shareholders of the listed company was 3,603,323,979.16 yuan, an increase of 63.46% compared to the same period last year.

#### 1. Production-Sales Coordination for Market Expansion

During the reporting period, the sales team seized market opportunities in key sectors such as nutritional products, new materials, and fragrances. While consolidating the market advantages of existing products, they actively drove the market expansion of new products including the HA series and tryptophan. On the Production front, the focus remained on cost reduction and efficiency improvement. Operations continuously optimized production capacity utilization, maintaining highly efficient pipeline performance through strategies like co-production lines, centralized start-stop procedures, and high-output low-consumption operations.

#### 2. Orderly Advancement of Project Construction

During the reporting period, the majority of the company's projects progressed steadily, with overall schedules remaining stable and under control. The 180,000-ton/year liquid methionine (converted pure) project, a joint venture with Sinopec Zhenhai Refining & Chemical, commenced trial production operations. The Tianjin nylon new Materials project has completed the compliance approvals for resources such as energy and land use. Other technical upgrade and management enhancement initiatives continued to advance steadily, while reserve projects and new project planning proceeded in an orderly manner.

#### 3. Innovation Initiatives Enhance Endogenous Growth Momentum

During the reporting period, the Company consistently adhered to innovation-driven development, maintaining robust R&D investment to strengthen its endogenous growth momentum. By categorizing and prioritizing various R&D and technical upgrade

initiatives, the Company achieved precise resource allocation for strategic projects. On one hand, it continued to deepen new product development and expand the product portfolio; on the other hand, it systematically organized specialized projects aimed at enhancing the competitiveness of existing products, driving continuous improvement and innovation to steadily boost product competitiveness. Through the establishment of a technical resource library and a modular technology database, the Company enabled "vertical knowledge inheritance and horizontal technology cross-reference," laying a solid foundation for technological innovation.

#### 4. Steady Progress in Global Expansion

During the reporting period, the Company actively expanded its overseas digital footprint, with global operations in sales and R&D accelerating their local implementation.. At the same time, the company established overseas management systems, piloted recruitment in international universities, systematically reviewed and optimized the international employee training program, and continuously improved the global management framework, laying a solid foundation for the company's internationalization strategy.

#### 5. Risk Prevention Enhances Management Efficiency

During the reporting period, the Company implemented targeted measures to address various potential risks. By thoroughly studying and accurately interpreting newly promulgated national standards and policy directives, while extensively incorporating valuable insights from past practices and industry peers, the company advanced the upgrade of its management system framework, strengthened risk prevention and process management, ensured comprehensive protection for compliant and efficient operations, thereby establishing a robust foundation for sustainable long-term development.

#### Year-on-year Changes in Key Financial Data

Unit: RMB Yuan

Item	Current Reporting Period	Prior-Year Period	YoY Change(%)	Reasons for Changes
Operating Revenue	11,100,632,836.78	9,844,712,214.36	12.76%	
Operating Cost	6,006,367,357.09	6,191,379,061.37	-2.99%	
Taxes and surcharges	126,138,622.06	93,982,574.82	34.21%	It was mainly due to an increase in urban maintenance and construction tax and education surcharges resulting from higher operating revenue during the reporting period.
Sales Expenses	88,602,406.65	74,869,581.39	18.34%	
Administration Expenses	309,618,405.74	295,567,957.53	4.75%	
R&D Expenses	522,723,563.18	480,961,724.14	8.68%	
Financial Expenses	-178,098,697.47	71,051,340.26	-350.66%	It was mainly due to increased exchange gains caused by exchange rate fluctuations during the reporting period.
Income Tax Expenses	607,906,795.85	482,498,449.43	25.99%	
Net Cash Flows from Operating Activities	3,242,727,802.31	2,138,324,059.35	51.65%	It was mainly due to the rise in revenue and improved collection of accounts receivable during the

Item	Current Reporting Period	Prior-Year Period	YoY Change(%)	Reasons for Changes
				reporting period.
Net Cash Flows from Investing Activities	-1,108,314,695.05	-745,685,689.42	-48.63%	It was mainly due to an increase in the purchase of wealth management products during the reporting period.
Net Cash Flows from Financing Activities	-2,154,111,363.13	-1,070,263,034.77	-101.27%	It was mainly due an increase in dividend distribution during the reporting period.
Net Increase in Cash and Cash Equivalents	-12,707,478.21	383,746,932.62	-103.31%	It was mainly due to an increase in the purchase of wealth management products and dividend distribution during the reporting period.

Significant changes in the composition of the Company's profit or sources of profit during the reporting period

☐ Applicable ☒ Not applicable

No significant changes in the composition of the Company's profit or sources of profit during the reporting period.

#### Operating Revenue Breakdown

Unit: RMB Yuan

Items	Current Reporting Period		Prior-Year Period		YoY Change(%)
	Amount	% to total	Amount	% to total	
Total	11,100,632,836.78	100%	9,844,712,214.36	100%	12.76%
By industry					
Pharmaceutical chemicals	10,015,550,568.46	90.23%	9,076,866,530.54	92.20%	10.34%
Others	1,085,082,268.32	9.77%	767,845,683.82	7.80%	41.32%
By product					
Nutrition	7,199,720,687.58	64.86%	6,680,260,846.33	67.86%	7.78%
Flavor and fragrance	2,104,560,598.28	18.96%	1,924,696,068.19	19.55%	9.35%
New polymer materials	1,038,207,401.78	9.35%	722,250,116.77	7.34%	43.75%
Others	758,144,149.14	6.83%	517,505,183.07	5.25%	46.50%
By region					
Domestic sales	4,657,675,802.41	41.96%	4,404,308,500.06	44.74%	5.75%
Overseas sales	6,442,957,034.37	58.04%	5,440,403,714.30	55.26%	18.43%
By sales channel					
Direct sales	8,176,473,106.34	73.66%	7,519,499,621.91	76.38%	8.74%
Agent sales	2,924,159,730.44	26.34%	2,325,212,592.45	23.62%	25.76%

Industry, product, or regions accounting for more than 10% of the Company's operating revenue or profit

☒ Applicable ☐ Not applicable

Unit: RMB Yuan

Items	Operating Revenue	Operating Cost	Gross Margin	YoY Change in Operating Revenue(%)	YoY Change in Operating Costs (%)	YoY Change in Gross Margin (Percentage Points)
By industry						
Pharmaceutical	10,015,550,568.46	5,267,675,845.99	47.41%	10.34%	-6.19%	Increased by 9.27 percentage points

Items	Operating Revenue	Operating Cost	Gross Margin	YoY Change in Operating Revenue(%)	YoY Change in Operating Costs (%)	YoY Change in Gross Margin (Percentage Points)
chemicals						
By product						
Nutrition	7,199,720,687.58	3,759,160,396.04	47.79%	7.78%	-12.26%	Increased by 11.93 percentage points
Flavor and fragrance	2,104,560,598.28	967,888,630.25	54.01%	9.35%	-0.04%	Increased by 4.32 percentage points
By region						
Domestic sales	4,657,675,802.41	2,730,782,399.03	41.37%	5.75%	-3.46%	Increased by 5.59 percentage points
Overseas sales	6,442,957,034.37	3,275,584,958.06	49.16%	18.43%	-2.59%	Increased by 10.97 percentage points

The company's statistical methodology for core business data was adjusted during the reporting period. The most recent data has been retroactively adjusted based on the revised methodology at the end of the reporting period.

☐ Applicable ☒ Not applicable

#### IV. Non-Core Business Activities Analysis

☒ Applicable ☐ Not Applicable

Unit: RMB Yuan

Items	Amount	% to total profit before tax	Explanation	Sustainability
Investment income	18,237,922.39	0.43%	It was mainly due to the financial products investment income and profits realized from affiliated enterprises during the reporting period.	No
Gains/Losses from Fair Value Changes (Losses are indicated with a "-")	-106,860,384.44	-2.53%	It was mainly due to the changes in the fair value of forward exchange contracts during the reporting period.	No
Other income	121,765,131.08	2.88%	It was mainly due to government subsidies received during the reporting period.	No
Credit impairment loss (Losses are indicated with a "-")	7,613,141.39	0.18%	It was mainly due to an increase in customer repayments, which led to a decrease in accounts receivable balances and a reduction in bad debt provisions.	No
Asset Impairment Losses (Losses are indicated with a "-")	-33,272,405.82	-0.79%	It was mainly due to the impairment losses recognized in accordance with the Asset Impairment Standards and related accounting principles for various asset classes.	No
Non-operating Income	1,218,592.90	0.03%	It was mainly due to compensation income received	No

Items	Amount	% to total profit before tax	Explanation	Sustainability
			during the reporting period.	
Non-operating Expenses	2,998,696.24	0.07%	It was mainly due to non-operating expenses arising from asset impairment losses from disposal and philanthropic contributions made during the reporting period.	No

## V. Assets and Liabilities Analysis

### 1. Significant changes in asset composition

Unit: RMB Yuan

Items	Jun. 30, 2025		Dec. 31, 2024		Percentage of change	Remarks on significant changes
	Amount	% to total	Amount	% to total		
Cash and bank balances	6,554,229,563.18	14.99%	7,936,504,805.65	18.46%	Decreased by 3.47 percentage points	
Financial Assets at Fair Value Through Profit or Loss	1,950,814,253.31	4.46%	745,816.34	0.00%	Increased by 4.46 percentage points	
Accounts receivable	3,579,302,408.75	8.19%	3,653,676,104.37	8.50%	Decreased by 0.31 percentage points	
Inventories	4,549,697,775.39	10.40%	4,090,096,841.96	9.51%	Increased by 0.89 percentage points	
Long-term equity investments	875,657,371.33	2.00%	865,262,148.36	2.01%	Decreased by 0.01 percentage points	
Fixed assets	21,139,844,047.48	48.34%	21,915,984,823.43	50.98%	Decreased by 2.64 percentage points	
Construction in progress	568,658,217.83	1.30%	571,610,643.68	1.33%	Decreased by 0.03 percentage points	
Right-of-use assets	11,376,617.88	0.03%	13,222,869.09	0.03%	stay level	
Short-term borrowings	1,030,424,607.19	2.36%	1,162,512,239.04	2.70%	Decreased by 0.34 percentage points	
Contract liabilities	309,712,065.18	0.71%	237,013,669.77	0.55%	Increased by 0.16 percentage points	
Non-current liabilities due within one year	3,612,607,139.81	8.26%	2,465,378,913.94	5.73%	Increased by 2.53 percentage points	
Long-term borrowings	4,204,668,204.13	9.62%	5,327,243,721.25	12.39%	Decreased by 2.77 percentage points	
Lease liabilities	2,719,804.76	0.01%	3,584,791.02	0.01%	stay level	

**2. Major overseas assets**

□ Applicable √ Not applicable

**3. Assets and liabilities at fair value**

√ Applicable □ Not Applicable

Unit: RMB Yuan

Items	Opening balance	changes in fair value	Accumulated changes in fair value in equity	Impairment Provision in Current Period	Purchases in Current Period	Sales in Current Period	Other changes	Closing balance
Financial assets								
1. Financial assets at fair value through profit or loss (excluding derivative assets)					1,950,000,000.00			1,950,000,000.00
2. Derivative financial assets	745,816.34	68,436.97						814,253.31
Subtotal	745,816.34	68,436.97			1,950,000,000.00			1,950,814,253.31
Financial liabilities	11,151,258.46	60,182,841.57						71,334,100.03

Whether the Company has significant changes in measurement attributes of main assets during the reporting period

□ Yes √ No

**4. Restrictions on assets as of the end of the reporting period**

Unit: RMB Yuan

Items	Book balance	Carrying amount	Type of restriction	Restrictions
Cash and bank balances	114,720,511.24	114,720,511.24	pledged	Banker's acceptance deposit
	8,800,000.00	8,800,000.00	pledged	Foreign Exchange Option Margin
	9,987,956.83	9,987,956.83	pledged	Guarantee Bond Deposit
	4,201,200.00	4,201,200.00	pledged	Customs Duty Deposit
	691,276.80	691,276.80	pledged	Letter of Credit Deposit
	1,063,583.51	1,063,583.51	pledged	Water Fee deposit
	877,057.74	877,057.74	pledged	Safety Construction deposit
	855,093.79	855,093.79	pledged	Project Labor Wage Deposit
	1,885.57	1,885.57	pledged	Emissions Rights Deposit
	23,500.00	23,500.00	pledged	ETC Deposit
Notes receivable	91,635,728.01	91,635,728.01	pledged	Bank Acceptance Bill Pledge

Items	Book balance	Carrying amount	Type of restriction	Restrictions
Receivables financing	20,451,667.83	20,451,667.83	pledged	Bank Acceptance Bill Pledge
Fixed assets	104,269,302.58	82,617,587.55	mortgaged	Bank Collateral for Loans
Intangible assets	11,013,767.86	11,013,767.86	mortgaged	Bank Collateral for Loans
Total	368,592,531.76	346,940,816.73		

## VI. Investment Activities Analysis

### 1. Overall information

✓ Applicable □ Not Applicable

Investments during the reporting period (yuan)	Investments of the preceding period (yuan)	Percentage of change
817,601,567.39	848,541,432.20	-3.65%

### 2. Significant equity investments made during the reporting period

□ Applicable ✓ Not Applicable

### 3. Significant non-equity investments in progress during the reporting period

□ Applicable ✓ Not Applicable

### 4. Investments in financial assets

#### (1) investments in securities

□ Applicable ✓ Not Applicable

There is no investment in securities during the reporting period.

#### (2) Investments in derivatives

✓ Applicable □ Not Applicable

#### 1) Derivative investments for hedging purposes during the reporting period

✓ Applicable □ Not Applicable

Unit: RMB 0,000 yuan

Investment Type	Initial Investment Amount	Opening Balance	Changes in Fair Value	Cumulative Fair Value Change in Equity	Amount purchased during the reporting period	Amount sold during the reporting period	Closing Balance	Ratio to Net Assets at Period End (%)
Forward contracts	32,201.55	32,201.55	-9,681.79	0	494,785.31	362,103.34	164,883.52	5.41%
structured forward contracts	48,381.10	48,381.10	-1,004.25	0	52,424.00	87,294.00	13,511.10	0.44%
Total	80,582.65	80,582.65	-10,686.04	0	547,209.31	449,397.34	178,394.62	5.85%
Disclosure on Hedge Accounting Policies, Specific Accounting Principles, and Explanation of Significant Changes Compared to the Previous Reporting Period				The Company accounts for the hedging business conducted in accordance with the relevant provisions of the Ministry of Finance's AS 22 - Recognition and AS 23 - Transfer of Financial Assets and AS 37 -				

	Presentation of Financial Instruments and its guidance. There were no significant changes in accounting policies and specific principles of accounting compared with the previous reporting period.
Explanation of Actual Gains/Losses Incurred During the Reporting Period	In order to reduce the impact of exchange rate fluctuations on the Company's operating results, the Company carried out foreign exchange hedging business in accordance with a certain percentage of its export business, with business varieties mainly including forward exchange settlement and other foreign exchange derivative products, all of which were within the expected scale of sales business, and the actual gain or loss on derivatives at the end of the reporting period was -66.62million yuan.
Assessment of Hedging Effectiveness	The Company carries out foreign exchange hedging business based on the principle of exchange rate risk neutrality. By carrying out foreign exchange hedging business, the Company reduces the impact of exchange rate fluctuation on the Company's operation and effectively controls the operation risk.
Derivatives Investment Funding	Self-funded.
Risk analysis and control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	In order to prevent exchange rate risk, the Company and its subsidiaries have carried out derivative business and the Company and its subsidiaries have strictly implemented the "Foreign Exchange Hedging Business Management Regulations".
Disclosure on Fair Value Changes of Derivative Investments During the Reporting Period (Fair value analysis shall disclose specific valuation methodologies, associated assumptions, and parameter settings)	The unrealized loss on derivatives due to fair value fluctuations during the reporting period amounted to 106.8604 million yuan. The fair value changes were determined at the end of each month based on market quotes provided by external financial institutions.
Litigation involved (if applicable)	No
Date of disclosure of board announcement for approval of derivative investments (if any)	April 15, 2025

## 2) Investments in derivatives for speculative purposes during the reporting period

☐ Applicable ☒ Not Applicable

The Company did not engage in any derivative investments for speculative purposes during the reporting period.

## 5. Use of Proceeds from Fundraising

☐ Applicable ☒ Not Applicable

The Company did not utilize any proceeds from fundraising activities during the reporting period.

## VII. Sale of major assets and equities

### 1. Sale of major assets

☐ Applicable ☒ Not Applicable

There is no sale of major assets during the reporting period.

### 2.Sale of Major Equity Interests

☐ Applicable ☒ Not Applicable

## VIII. Analysis of Major Subsidiaries and Associates

✓ Applicable □ Not Applicable

Details of principal subsidiaries and associates whose contribution to the Company's net profit reached 10% or more.

Unit: RMB 0,000 yuan

Entities	Categories	Major Businesses	Registered Capital	Total Assets	Net Assets	Operating Revenue	Operating Profit	Net Profit
Shandong NHU Amino-acids Co., Ltd.	Subsidiary	Production and sales of methionine	1,100 million yuan	1,354,409.75	1,217,345.37	375,807.33	169,535.96	143,821.92
Shandong NHU Pharmaceutical Co., Ltd.	Subsidiary	Production and sales of fragrances	590 million yuan	592,532.39	504,400.71	214,778.69	99,005.15	85,056.46
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	Subsidiary	Production and sales of feed additives	900 million yuan	592,077.39	342,196.56	208,508.34	126,250.16	120,925.14

Details of acquisition and disposal of subsidiaries during the reporting period

✓ Applicable □ Not Applicable

Entities	Method for acquisition and disposal of subsidiaries during the reporting period	Effect on the overall production, operation and performance
Shandong NHU Vitamins Co., Ltd.	Absorbed and subsequently dissolved	No material impact in the initial phase
Zhejiang NHU Holding Group Co., Ltd.	Newly established	No material impact in the initial phase
NHU BESLENME GIDA SANAYİ VE TİCARET LİMİTED ŞİRKETİ	Newly established	No material impact in the initial phase
NHU North America LLC	Newly established	No material impact in the initial phase

Description of major holding and participating companies

Not applicable

## IX. Structured entities controlled by the Company

□ Applicable ✓ Not Applicable

## X. The risks faced by the Company and the countermeasures

The risks faced by the company and the response measures have not undergone significant changes during the reporting period. For specific details, please refer to the company's 2024 annual report.

## XI. Development and implementation of market value management system and valuation enhancement plan

Whether the Company has formulated a market value management system.

☒ Yes ☐ no

Whether the Company has disclosed the valuation enhancement plan.

☐ Yes ☒ no

The Company considered and passed the Market Value Management System at the Eleventh Meeting of the Ninth Session of the Board of Directors of the Company held on April 11, 2025, which specifies the institutions and responsibilities of market value management, the main methods of market value management, the monitoring and early warning mechanism and the contingency measures, etc., as detailed in the announcement of the Company published on the Juchao Information Network (<http://www.cninfo.com.cn>) on April 15, 2025.

## **XII. Implementation of the “Quality-Return dual improvement” action plan**

Whether the Company disclosed the “quality-return dual improvement” action plan.

☒ Yes ☐ no

In alignment with the guiding principles proposed by the Central Political Bureau Meeting to "activate capital markets and boost investor confidence," and the State Council Executive Meeting's directive to "significantly enhance the quality and investment value of listed companies through more robust and effective measures to stabilize markets and confidence," the Company is committed to safeguarding shareholder rights, strengthening investor confidence, and promoting the Company's long-term sustainable development. The Company published the "Announcement on the Action Plan of Double Improvement of Quality and Return" (2024-002) on 9 March 2024 on designated information disclosure media and the Network (<http://www.cninfo.com.cn>). The main contents of the action plan include: 'Innovation-driven development to excel and specialize in core businesses,' 'Putting Contributors First and Sharing the Company's Development Achievements,' 'Deepening Corporate Governance and Enhancing Operational Standards,' and 'Compliant Information Disclosure and Sincere Two-Way Communication.'

During the reporting period, based on confidence in the company's future sustained and stable development and recognition of its value, the company actively implemented the 'Quality and Returns Dual Improvement' action plan to boost investor confidence and maintain market stability. Mr. Shi Guanqun, director, board secretary, vice president, and chief financial officer of the company increased his shareholding by 200,000 through secondary market trading, representing 0.0065% of the company's total issued share capital. Additionally, to effectively protect the interests of all investors and enhance investor confidence, the company issued a 'Share Repurchase Plan' on 15 April 2025, announcing its intention to repurchase a portion of the company's publicly traded shares through centralized bidding with a total value between RMB 300 million to RMB 600 million. As of 30 June 2025, the company had repurchased 14,299,692 shares, at a total cost of RMB 309,114,666.59 (excluding transaction fees). For further details, please refer to the 'Announcement on the Progress of Share Repurchase' (2025-035) published by the company on 1 July 2025 on designated information disclosure media and the China Securities Information Network (<http://www.cninfo.com.cn>). During the reporting period, in order to better reward shareholders and share the company's development achievements with them, the company implemented a special dividend and 2024 annual equity distribution, distributing a total of 2,150,761,326 yuan (including tax) in cash.

The Company will continue to focus on technological development and product innovation, continuously researching and developing functional chemicals to enrich the product lines of its 'Chemical+' and 'Biotech+' platforms, enhancing its core specialty chemicals business, and continuously improving its core competitiveness to achieve steady and sustainable corporate development.

## Section IV Corporate Governance、Environmental and Society

### I.Changes of directors, supervisors and senior executives

☐ Applicable ☒ Not applicable

The Company's directors, supervisors and senior executives remains unchanged during the current reporting period, please refer to the 2024 Annual Report for details.

### II. Profit distribution and conversion of capital reserve into share capital

☒ Applicable ☐ Not applicable

Bonus Shares per 10 shares (shares)	0
Dividends per 10 shares (yuan) (tax included)	2.00
Total Shares as Base for Distribution Plan (shares)	3,059,121,988
Cash Dividend Amount (yuan, pre-tax)	611,824,397.60
Cash Distributed via Other Methods (e.g., Share Repurchase) (yuan)	309,134,899.57
Total Cash Distribution (Including Other Methods) (yuan)	920,959,297.17
Distributable Profit (yuan)	6,457,942,840.65
Proportion of total cash dividends (including those by other methods) to total profit distribution	100%
<b>Cash Dividend Policy Requirement</b>	
For companies in the growth phase with significant capital expenditure arrangements, the cash dividend ratio shall account for at least 20% of the total profit distribution.	
<b>Details on proposals on profit distribution or conversion of capital reserve into share capital</b>	
Temporarily based on 3,059,121,988 shares [Note] (calculated by excluding 14,299,692 repurchased shares from the total share capital of 3,073,421,680 shares as of July 31, 2025), the Company intends to distribute cash dividend of 2 yuan (tax included) and and no bonus shares will be distributed, and the capital reserve will not be converted into share capital. The total cash distribution amounts to RMB 611,824,397.6, with the remaining distributable profit carried forward to the following year.	
Note: As of July 31, 2025, the Company's share capital totaled 3,073,421,680 shares, including repurchased share of 14,299,692 shares. According to the "Rules for Share Repurchase by Listed Companies", shares held in the Company's repurchase account are not eligible for profit distribution or capital reserve capitalization.	
If the Company's total share capital changes due to the conversion of convertible bonds, share repurchase, exercise of equity incentives, refinancing and listing of new shares, etc. before the implementation of the profit distribution proposal, the total distribution will be adjusted accordingly and distribution ratio per share remain unchanged.	

### III. Implementation of equity incentive plans, employee stock ownership plans or other employee incentive programs

☒ Applicable ☐ Not applicable

#### 1. Equity incentive

Not applicable.

## 2. Implementation of employee stock ownership plans

√ Applicable ☐ Not applicable

All active employee stock ownership plans during the reporting period

Scope of employees	Number of employees	Total shares held	Changes	Proportion to total share capital of the Company	Sources of fund to implement the plan
The forth phase of employee stock ownership plan: directors, supervisors, senior executives of the Company, and regular employees of the Company and its holding subsidiaries or wholly-owned subsidiaries who meet the criteria	627	29,528,181	N/A	0.96%	Legal remuneration of the employees, self-raised funds and other methods permitted by laws and administrative regulations

Shareholdings of directors, supervisors and senior executives in the employee stock ownership plan during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Proportion to total share capital of the Company
The fourth phase of employee stock ownership plan: Hu Baifan, Hu Baishan, Shi Guanqun, Wang Xuewen, Wang Zhengjiang, Zhou Guiyang, Shi Fangbin, Lyu Guofeng, Yu Hongwei, Yan Hongyue, Chen Zhaofeng, Wang Xiaobi, Li Huafeng, Zhang Liying	Directors, supervisors and senior executives	8,664,835	0	0.00%

Changes in asset management agency during the reporting period

☐ Applicable ☒ Not applicable

Changes in equity during the reporting period due to disposal of shares by holders

☐ Applicable ☒ Not applicable

Exercise of shareholders' rights during the reporting period

Pursuant to the *Forth Phase of Employee Stock Ownership Plan (Draft)*, such plan voluntarily waives the voting rights of holding shares in the general meeting of the Company, while shares acquired through the employee stock ownership plan carry no voting rights in the general meeting. During the reporting period, the employee stock ownership plan did not exercise the voting rights of holding shares in the general meeting, but still enjoyed the right to profit distribution.

Other relevant situations and remarks of the employee stock ownership plan during the reporting period

☐ Applicable ☒ Not applicable

Change in membership of the management committee of employee stock ownership plan

☐ Applicable ☒ Not applicable

Financial impact of employee stock ownership plan on the Company in the reporting period and related accounting treatments

☐ Applicable ☒ Not applicable

Termination of employee stock ownership plan during the reporting period

☒ Applicable ☐ Not applicable

As of June 26, 2025, the company has fully disposed of all shares held under its fourth-phase Employee Stock Ownership Plan. For details, please refer to the Announcement on the Completion of Disposal and Termination of the Fourth-phase Employee Stock Ownership Plan(Announcement No.2025-034) published on the designated information disclosure media and the Cninfo website (<http://www.cninfo.com.cn>)

### 3.Other employee incentive programs

☐ Applicable ☒ Not applicable

## IV. Environmental Information Disclosure Status

Whether listed companies and their major subsidiaries are included in the List of Enterprises Subject to Mandatory Environmental Information Disclosure

☒ Applicable ☐ Not Applicable

Number of enterprises included in the List of Enterprises Subject to Mandatory Environmental Information Disclosure (units)		10
Serial No.	Enterprise Name	Query Index of Legally Disclosed Environmental Information Reports
1	The Company	The website of Zhejiang Enterprise Environmental Information Legal Disclosure System is: <a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search</a>
2	Shangyu NHU Bio-Chem Co., Ltd.	The website of Zhejiang Enterprise Environmental Information Legal Disclosure System is: <a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search</a>
3	Zhejiang NHU Pharmaceutical Co., Ltd.	The website of Zhejiang Enterprise Environmental Information Legal Disclosure System is: <a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search</a>
4	Zhejiang NHU Special Materials Co.,Ltd.	The website of Zhejiang Enterprise Environmental Information Legal Disclosure System is: <a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search</a>
5	Shaoxing Yuchen New Materials Co., Ltd.	The website of Zhejiang Enterprise Environmental Information Legal Disclosure System is: <a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search</a>
6	Shandong NHU Pharmaceutical Co., Ltd.	The website of Shandong Enterprise Environmental Information Legal Disclosure System is: <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>
7	Shandong NHU Amino-acids Co., Ltd.	The website of Shandong Enterprise Environmental Information Legal Disclosure System is: <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>
8	Shandong NHU Fine Chemical Science and Technology Co., Ltd.	The website of Shandong Enterprise Environmental Information Legal Disclosure System is: <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>
9	Weifang Haicheng Thermal Power Co., Ltd.	The website of Shandong Enterprise Environmental Information Legal Disclosure System is: <a href="http://221.214.62.226:8090/EnvironmentDisclosure/">http://221.214.62.226:8090/EnvironmentDisclosure/</a>
10	Heilongjiang NHU Biotechnology Co., Ltd.	The website of Heilongjiang Enterprise Environmental Information Legal Disclosure System is: <a href="http://111.40.190.123:8082/eps/list">http://111.40.190.123:8082/eps/list</a>

## V. Social responsibilities

Not applicable

## Section V Significant Matters

### 1. Commitment performance fulfilled during the reporting period and overdue commitments as of the end of the reporting period by parties related to commitments including the actual controller of the Company, shareholders, related parties, acquirers and the Company itself.

√ Applicable □ Not Applicable

Commitments	Parties making commitments	Types of commitments	Content of commitments	Time of commitment	Term of commitment	Status
Commitments to share reform	None	None	None	None	None	None
Commitments made in reports on acquisition and changes in equity	None	None	None	None	None	None
Commitments made in asset restructuring	None	None	None	None	None	None
Commitments made in IPO or refinancing	NHU Holding Group Co., Ltd. and Zhang Pingyi, Shi Cheng, Yuan Yizhong, Hu Baishan, Shi Guanqun, Wang Xuewen, Cui Xinrong, Wang Xulin	Commitments on horizontal competition, related party transactions and occupation of funds	The signing of “Commitment on No Engagement in Competing Business” and commitments on no engagement in business activities that would constitute competition with the Company after listing	June 25, 2004	Long-term	Strictly performed
	Hu Baifan; Hu Baishan; Guanqun; Wang Xuewen; Cui Xinrong; Wang Zhengjiang; Zhou Guiyang		The Company's directors and senior executives committed to perform their duties faithfully and diligently to safeguard the legitimate rights and interests of the Company and shareholders, and make the following commitments in accordance with the relevant provisions of the CSRC for the full performance of measures on filling immediate returns: 1. not to transfer benefits to other entities or individuals without compensation or on unfair terms, and not to use other means to harm the benefits of the Company; 2. to impose restrictions on duty consumption of members of the Board of Directors and senior executives; 3. not to use assets of the Company to engage in investment or consumption activities not related to duty performance; 4. to link remuneration system formulated by the Board of Directors or remuneration committee to the implementation of measures on filling immediate returns; 5. to link vesting conditions of	January 12, 2017	Long-term	Strictly performed

Commitments	Parties making commitments	Types of commitments	Content of commitments	Time of commitment	Term of commitment	Status
			equity incentive to be published in the future to the implementation of measures on filling immediate returns.			
	Hu Baifan; NHU Holding Group Co., Ltd.		Not to interfere in the Company's business and management activities in excess of authority; not to encroach on benefits of the Company; to perform measures on filling immediate returns in a practical way.	January 12, 2017	Long-term	Strictly performed
Commitments to equity incentive	None	None	None	None	None	None
Other commitments to small and medium-sized shareholders of the Company	None	None	None	None	None	None
Other commitments to minority shareholders of the Company	None	None	None	None	None	None
Whether commitments are performed on time						Yes
If commitment performance is not fulfilled on time, please explain detailed reasons for it and the next work plans.						N/A

## II. Non-operating occupation of funds over listed companies by controlling shareholders and other related parties

☐ Applicable ☒ Not Applicable

There is no non-operating occupation of funds over listed companies by controlling shareholders and other related parties during the reporting period.

## III. Illegal external guarantees

☐ Applicable ☒ Not Applicable

There is no illegal external guarantee during the reporting period.

## IV. Engagement and dismissal of accounting firms

Whether the semi-annual report has been audited or not

☐ Yes ☒ No

The semi-annual report has not been audited.

## V. Statements by the Board of Directors, the Board of Supervisors on the “Modified Auditor’s Report” issued by the accounting firm during the reporting period

☐ Applicable ☒ Not Applicable

## **VI. Explanations by the Board of Directors on the “Modified Auditor’s Report” issued by the accounting firm last year**

☐ Applicable ☒ Not Applicable

## **VII. Matters related to bankruptcy and restructuring**

☐ Applicable ☒ Not Applicable

There are no matters related to bankruptcy and restructuring during the reporting period.

## **VIII. Lawsuits**

Significant lawsuits and arbitration

☐ Applicable ☒ Not Applicable

There is no significant lawsuit and arbitration during the reporting period.

Other lawsuits

☐ Applicable ☒ Not Applicable

## **IX. Penalties and rectification**

☐ Applicable ☒ Not Applicable

## **X. Integrity of the Company, its controlling shareholders and the actual controller**

☐ Applicable ☒ Not Applicable

## **XI. Significant related party transactions**

### **1. Related party transactions relevant to daily operations**

☐ Applicable ☒ Not Applicable

There is no related party transaction relevant to daily operations during the reporting period.

### **2. Related party transactions in purchase or sale of assets or equities**

☐ Applicable ☒ Not Applicable

There is no related party transaction in purchase or sale of assets or equities during the reporting period.

### **3. Related party transactions in joint external investments**

☐ Applicable ☒ Not Applicable

There is no related party transaction in joint external investments during the reporting period.

### **4. Related party creditor’s rights and debts**

☐ Applicable ☒ Not Applicable

There is no related creditor’s rights or debts during the reporting period.

**5. Transactions with related financial companies**

☐ Applicable ☒ Not Applicable

There is no business of deposits, loans, credit granting or other financial businesses between the Company and its related financial companies.

**6. Transactions between financial companies controlled by the Company and the Company's related parties**

☐ Applicable ☒ Not Applicable

There is no business of deposits, loans, credit granting or other financial businesses between financial companies controlled by the Company and the Company's related parties.

**7. Other significant related party transactions**

☐ Applicable ☒ Not Applicable

There is no other material connected transactions during the reporting period.

**XV. Significant contracts and performance****1. Matters of trusteeship, contracting and leases****(1) Trusteeship**

☐ Applicable ☒ Not Applicable

There is no trusteeship during the reporting period.

**(2) Contracting**

☐ Applicable ☒ Not Applicable

There is no contracting during the reporting period.

**(3) Leases**

☐ Applicable ☒ Not Applicable

There is no lease during the reporting period.

**2. Significant guarantees**

√ Applicable □ Not Applicable

Unit: RMB 0,000 yuan

External guarantees by the Company and its subsidiaries to third parties (guarantees to subsidiaries are excluded)										
Guaranteed parties	Announcem ent date of disclosure of amount guaranteed	Amount guarante ed	Actual commence ment date	Actual amount guarante ed	Types of guarantees	Coll atera ls (if any)	Count er guaran tees (if any)	Period of guarantee	Wheth er the guaran tee is mature	Whether guarante e for related parties
No										
Total amount of guarantees approved during the reporting period (A1)			0		Total amount actually guaranteed during the reporting period (A2)			0		
Total amount of guarantees approved at the end of the reporting period (A3)			0		Total amount actually guaranteed at the end of the reporting period (A4)			0		
The Company’s guarantees to subsidiaries										
Guaranteed parties	Announcem ent date of disclosure of amount guaranteed	Amount guarante ed	Actual commence ment date	Actual amount guarante ed	Types of guarantees	Coll atera ls (if any)	Count er guaran tees (if any)	Period of guarantee	Wheth er the guaran tee is mature	Whether guarante e for related parties
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	5/22/2020	50,000	3/24/2021	50,000	Joint and several liability guarantee			03.24.2021-12.25.2025	No	No
Heilongjiang NHU Biotechnology Co., Ltd.	4/22/2021	40,000	8/26/2021	37,000	Joint and several liability guarantee			08.26.2021-12.21.2025	No	No
Xinchang NHU Vitamins Co., Ltd.	4/22/2021	40,000	12/16/2021	29,000	Joint and several liability guarantee			12.16.2021-12.25.2026	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	6/5/2024	105.95	Joint and several liability guarantee			06.05.2024-02.20.2025	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	8/29/2024	50.75	Joint and several liability guarantee			08.29.2024-05.15.2025	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	11/19/2024	37.22	Joint and several liability guarantee			11.19.2024-08.19.2025	No	No
Zhejiang NHU Pharmaceutical Co., Ltd.	5/11/2022	60,000	6/24/2022	55,000	Joint and several liability guarantee			06.24.2022-06.23.2027	No	No

Xinchang NHU Vitamins Co., Ltd.	5/11/2022	20,000	10/14/2022	18,000	Joint and several liability guarantee			10.14.2022-10.14.2027	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	6/12/2024	7,874.46	Joint and several liability guarantee			06.12.2024-06.12.2025	Yes	No
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	5/20/2023	58,600	6/6/2023	58,600	Joint and several liability guarantee			06.06.2023-03.29.2028	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/20/2023	100,000	11/20/2023	57,268.8	Joint and several liability guarantee			11.08.2023-11.08.2026	No	No
Zhejiang NHU Import & Export Co., Ltd.	5/16/2024	25,000	6/24/2024	15,000	Joint and several liability guarantee			06.24.2024-06.23.2025	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	8/1/2024	35,793	Joint and several liability guarantee			08.01.2024-08.01.2027	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	3/25/2025	68.04	Joint and several liability guarantee			03.25.2025-12.11.2025	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/9/2025	50,000	6/13/2025	11.96	Joint and several liability guarantee			06.13.2025-02.26.2026	No	No
Total amount of guarantees approved for subsidiaries during the reporting period (B1)		240,000.00		Total amount actually guaranteed for subsidiaries during the reporting period (B2)		80.00				
Total amount of guarantees approved for subsidiaries at the end of the reporting period (B3)		580,767.06		Total amount actually guaranteed for subsidiaries at the end of the reporting period (B4)		340,779.02				
Guarantees by subsidiaries to subsidiaries										
Guaranteed parties	Announcement date of disclosure of amount guaranteed	Amount guaranteed	Actual commencement date	Amount actually guaranteed	Types of guarantees	Collaterals (if any)	Counter guarantee (if any)	Period of guarantee	Whether the guarantee is mature	Whether guarantee for related parties
No										
Total amount of guarantees approved for subsidiaries during the reporting period (C1)		0		Total amount actually guaranteed for subsidiaries during the reporting period (C2)		0				
Total amount of guarantees approved for subsidiaries at the end of the reporting period (C3)		0		Total amount actually guaranteed for subsidiaries at the end		0				

		of the reporting period (C4)	
Total amount guaranteed by the Company (namely sum of the above three items)			
Total amount of guarantees approved during the reporting period (A1+B1+C1)	240,000.00	Total amount actually guaranteed during the reporting period (A2+B2+C2)	80.00
Total amount of guarantees approved at the end of the reporting period (A3+B3+C3)	580,767.06	Total amount actually guaranteed at the end of the reporting period (A4+B4+C4)	340,779.02
Proportion of the amount actually guaranteed (A4+B4+C4) to net assets of the Company		11.18%	
Including:			
Balance of guarantees for shareholders, the actual controller and its related parties (D)		0	
Balance of debt guarantee directly or indirectly for guaranteed parties with debt to asset ratio exceeding 70% (E)		177,179.02	
The amount of the total amount guaranteed exceeding 50% of net assets (F)		0	
Total amount guaranteed of three items above (D+E+F)		177,179.02	
Remarks on unexpired guarantee contracts with guarantee liabilities incurred or evidence indicating the possibility of undertaking joint liquidation liabilities during the reporting period (if applicable)		None	
Remarks on external guarantee in violation of provisions (if applicable)		None	

Specific description of the use of composite guarantees:

None

### 3. Entrusted Wealth Management

☒ Applicable ☐ Not Applicable

Unit: RMB 0,000 yuan

Types	Source of entrusted funds	Entrusted amount	Outstanding Balance	Amount overdue and not recovered	Impairment amount accrued for overdue products
Bank Wealth Management Products	Proprietary Funds	265,000.00	195,000.00	0	0
Total		265,000.00	195,000.00	0	0

High-risk entrusted financial products with individual significant amount or low security and poor liquidity

☐ Applicable ☒ Not Applicable

When the principal of entrusted financial products is expected to be irrevocable or there are other conditions result in impairment of entrusted financial products

☐ Applicable ☒ Not Applicable

### 4. Other significant contracts

☐ Applicable ☒ Not Applicable

There is no other significant contract during the reporting period.

**XIII. Other significant matters**√ Applicable ☐ Not Applicable**1. Progress of the fourth employee stock ownership plan**

The fourth Employee stock ownership Plan of the Company was reviewed and approved by the first Shareholders General meeting held on June 26, 2023. This plan is managed by the Company itself, acquired and held by the Company through the secondary market trading, with a duration of not more than 24 months. As of September 25, 2023, a total of 29,528,181 shares of the Company have been purchased under the fourth phase of the employee stock ownership plan through the secondary market bidding transaction, accounting for 0.9553% of the Company's total share capital at that time, with a total transaction amount of 479,442,157.08 yuan (excluding transaction costs). The average transaction price was about 16.2368 yuan per share, and the company completed the target stock purchase of the fourth phase of the employee stock ownership plan. The lock-up period of the underlying shares acquired under the fourth Employee Stock Ownership Plan is 12 months, calculated from the date of the Company's announcement of the transfer of the last underlying shares to the plan. As of June 26, 2025, all shares of the company held under the fourth phase of the Employee Stock Ownership Plan have been sold out. For details, please refer to the "Announcement on the Completion of Sale and Termination of the Fourth Phase of the Employee Stock Ownership Plan" (2025-034) published by the company on designated information disclosure media and on <http://www.cninfo.com.cn>.

(Note: On December 13, 2024, the Company completed the cancellation of 17,485,676 repurchased shares, reducing the total number of shares outstanding from 3,090,907,356 to 3,073,421,680. The proportion of shares held under the fourth-phase employee stock ownership plan was adjusted to 0.9607% of the current total shares outstanding.)

**2. Progress of share repurchase**

On April 11, 2025, the 11th meeting of the 9th Board of Directors held by the company deliberated and approved the "Proposal on the Plan of Repurchasing the Company's Shares", agreeing to the company's use of its own funds or special loans for share repurchases to repurchase a portion of the company's public shares through centralized bidding transactions, for the implementation of equity incentive plans or employee stock ownership plans. The repurchase amount ranges from RMB 300 million to RMB 600 million, with the repurchase price not exceeding RMB 32 per share. The specific number of shares repurchased and its proportion to the total share capital shall be based on the actual number of shares repurchased upon the expiration of the repurchase period. On May 21, 2025, the company implemented the annual equity distribution for 2024, with the repurchase price adjusted from no more than RMB 32 per share to no more than RMB 31.5 per share. The implementation period for this share repurchase is not to exceed 12 months from the date the company's Board of Directors deliberates and approves the share repurchase plan. As of June 30, 2025, the company has repurchased 14,299,692 shares through a dedicated securities account for share repurchases through centralized bidding transactions, accounting for 0.4653% of the company's total share capital. The highest transaction price was RMB 22.23 per share, and the lowest transaction price was RMB 21.25 per share, with a total transaction amount of RMB 309,114,666.59 (excluding transaction costs). This repurchase is in compliance with the company's established share repurchase plan and relevant laws and regulations. For specific details, please refer to the "Announcement on the Progress of Share Repurchases" (2025-035) published by the company on designated information disclosure media and on <http://www.cninfo.com.cn>.

**XIV. Significant matters of the subsidiaries of the Company**√ Applicable ☐ Not Applicable

The Company's wholly owned subsidiary, Shandong NHU Fine Chemical Science and Technology Co., Ltd., has completed the absorption and merger of another wholly owned subsidiary, Shandong NHU Vitamins Co., Ltd. Post-merger, Shandong NHU Fine

Chemical Science and Technology Co., Ltd. continues operations with its registered capital increased from RMB 400 million to RMB 900 million, while Shandong NHU Vitamins Co., Ltd. has been dissolved, with all its assets, liabilities, and obligations transferred to the surviving entity. The relevant industrial and commercial registration procedures were finalized in February 2025. This transaction does not constitute a connected transaction under the Administrative Measures for Major Asset Restructuring of Listed Companies nor a material asset reorganization. Pursuant to the relevant provisions of the Shenzhen Stock Exchange Listing Rules, this absorption merger qualifies for exemption from standard procedural requirements as it constitutes a transaction between entities under the Company's consolidated financial reporting scope.

## Section VI Changes in Share Capital and Shareholders

### I. Changes in Share Capital

#### 1. Details

Unit: Share

Items	Before		Changes					After	
	Quantity	% to total	Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	Quantity	% to total
I. Restricted shares	36,409,752	1.18%				150,000	150,000	36,559,752	1.19%
1. Held by other domestic parties	36,409,752	1.18%				150,000	150,000	36,559,752	1.19%
Including: Held by domestic natural persons	36,409,752	1.18%				150,000	150,000	36,559,752	1.19%
II. Unrestricted shares	3,037,011,928	98.82%				-150,000	-150,000	3,036,861,928	98.81%
1. RMB ordinary shares	3,037,011,928	98.82%				-150,000	-150,000	3,036,861,928	98.81%
III. Total	3,073,421,680	100.00%						3,073,421,680	100.00%

Reason for movements

☒ Applicable ☐ Not Applicable

Based on confidence in the company's sustained and stable future development and recognition of its value, and in active implementation of the 'Quality and Returns Dual Improvement' action plan to boost investor confidence and maintain market stability, Mr. Shi Guanqun, Director, Board Secretary, Vice President, and Chief Financial Officer of the company, purchased an additional 200,000 shares of the company's stock through secondary market trading on 17 June 2025, representing 0.0065% of the company's total issued share capital. Prior to this purchase, Mr. Shi Guanqun directly held 10,477,838 shares of the company, representing 0.34% of the company's total issued share capital. After the completion of this purchase, Mr. Shi Guanqun directly holds 10,677,838 shares of the company, representing 0.35% of the company's total issued share capital.

Approval on movements in shares

☐ Applicable ☒ Not Applicable

Transfer of shares

☐ Applicable ☒ Not Applicable

Actual progress of share repurchase

☒ Applicable ☐ Not Applicable

At its 11th meeting of the 9th Board of Directors held on 11 April 2025, the Company approved the 'Proposal on the Share Repurchase Plan,' agreeing to use its own funds or a special loan for share repurchases to repurchase a portion of its publicly traded shares through centralized auction trading for the purpose of implementing an equity incentive plan or employee stock ownership plan. The repurchase amount is expected to range from RMB 300 million to RMB 600 million. As of 30 June 2025, the Company repurchased shares through a dedicated securities account for share repurchases via centralized auction trading, repurchasing a total of 14,299,692 shares, representing 0.4653% of the Company's total issued share capital. The highest

transaction price was RMB 22.23 per share, and the lowest transaction price was RMB 21.25 per share. The total transaction amount was RMB 309,114,666.59 (excluding transaction fees). This repurchase complies with the Company's established share repurchase plan and relevant laws and regulations. For further details, please refer to the Company's announcement titled 'Notice on the Progress of Share Repurchase' (2025-035) published on the designated information disclosure media and CNINFO website(<http://www.cninfo.com.cn>).

Implementation progress of shareholding reduction for shares repurchased through centralized bidding

☐ Applicable ☒ Not applicable

Effect of changes in shares on financial indicators of preceding year and preceding period such as basic EPS and diluted EPS, net assets per share attributable to shareholders of ordinary shares

☐ Applicable ☒ Not Applicable

Other contents the Company considered as necessary or securities regulatory institutions required disclosure

☐ Applicable ☒ Not applicable

## 2、Changes in restricted shares

☒ Applicable ☐ Not Applicable

Unit: Share

Shareholders	Number of restricted shares at the beginning of the period	Number of restricted shares with lifted restrictions in the current period	Number of restricted shares added in the current period	Number of restricted shares at the end of the period	Reason for restriction	Date of release from restriction
Shi Guanqun	7,858,378	0	150,000	8,008,378	Executive lock-in	Locked in at 75% of total shareholding each year
Total	7,858,378	0	150,000	8,008,378	--	--

## II. Issuance and listing of securities

☐ Applicable ☒ Not applicable

### III. Number of shareholders of the Company and their shareholding conditions

Unit: Share

Total number of ordinary shareholders at the end of the reporting period		80,733		Total number of preferred shareholders whose voting rights were restored at the end of the reporting period			0	
Shareholders with holding proportion over 5% or the top 10 shareholders with largest holding proportions								
Shareholders	Nature of shareholders	Holding proportion	Quantity of ordinary shares at the end of the reporting period	Movements during the reporting period	Quantity of restricted shares	Quantity of unrestricted shares	Shares pledged, marked or frozen	
							Condition	Quantity
NHU Holding Group Co., Ltd.	Domestic non-state-owned legal person	50.08%	1,539,232,431	0	0	1,539,232,431	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	6.24%	191,901,175	54,077,516	0	191,901,175	N/A	0
National Social Security Fund No.503 Portfolio	Others	1.01%	30,999,980	-10,000,020	0	30,999,980	N/A	0
Industrial and Commercial Bank of China Limited – Huatai-PineBridge SSE 300 ETF	Others	0.89%	27,443,541	817,000	0	27,443,541	N/A	0
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund	Others	0.88%	26,930,663	0	0	26,930,663	N/A	0
China Construction Bank Corporation - E Fund Shanghai and Shenzhen 300 Medical and Health Trading Open-end Index Fund	Others	0.82%	25,187,882	-3,310,700	0	25,187,882	N/A	0
China Construction Bank Corporation - E Fund CSI 300 Open-End Index Initiated Fund	Others	0.63%	19,506,431	1,109,200	0	19,506,431	N/A	0
MORGAN STANLEY & CO. INTERNATIONAL	Overseas legal person	0.63%	19,230,181	13,442,904	0	19,230,181	N/A	0

L PLC.								
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Caizhi Fund	Others	0.62%	19,150,780	0	0	19,150,780	N/A	0
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Juzhi Fund	Others	0.49%	15,096,694	0	0	15,096,694	N/A	0
Strategic investors or ordinary legal persons that became one of the top 10 shareholders due to the allotment of new shares		Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund became one of the top 10 shareholders with largest holding proportions due to its participation in private placement of shares in 2017.						
Remarks on relationships or concerted action between the top 10 shareholders with largest holding proportions		The Company does not know whether other shareholders have relationships and whether they are persons acting in concert as defined in <i>Administration of the Takeover of Listed Companies Procedures</i> .						
Remarks on proxy voting and waiver of voting right of the above shareholders		N/A						
Special remarks on top 10 shareholders with special repurchase accounts		N/A						
Top 10 shareholders with unrestricted shares (excluding shares lent through transfer facility and shares locked up by executives)								
Shareholders		Quantity of unrestricted shares at the end of the reporting period			Category of shares			
					Category		Quantity	
NHU Holding Group Co., Ltd.		1,539,232,431			RMB ordinary shares		1,539,232,431	
Hong Kong Securities Clearing Company Limited		191,901,175			RMB ordinary shares		191,901,175	
National Social Security Fund No.503 Portfolio		30,999,980			RMB ordinary shares		30,999,980	
Industrial and Commercial Bank of China Limited – Huatai-PineBridge SSE 300 ETF		27,443,541			RMB ordinary shares		27,443,541	
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund		26,930,663			RMB ordinary shares		26,930,663	
China Construction Bank Corporation - E Fund Shanghai and Shenzhen 300 Medical and Health Trading Open-end Index Fund		25,187,882			RMB ordinary shares		25,187,882	
China Construction Bank Corporation - E Fund CSI 300 Open-End Index		19,506,431			RMB ordinary shares		19,506,431	

Initiated Fund			
MORGAN STANLEY & CO. INTERNATIONAL PLC.	19,230,181	RMB ordinary shares	19,230,181
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Caizhi Fund	19,150,780	RMB ordinary shares	19,150,780
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Juzhi Fund	15,096,694	RMB ordinary shares	15,096,694
Remarks on relationships or concerted action between the top 10 shareholders with unrestricted shares, and between the top 10 shareholders with unrestricted shares and the top 10 shareholders with largest holding proportions.	The Company does not know whether other shareholders have relationships and whether they are persons acting in concert as defined in <i>Administration of the Takeover of Listed Companies Procedures</i> .		
Remarks on top 10 shareholders of ordinary shares participating in securities margin trading	Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund holds 26,930,563 shares through a client account of collateral securities for margin trading of Guotai Haitong Securities Co., Ltd.; Shanghai Chongyang Strategic Investment Co., Ltd - Chongyang Strategic Caizhi Fund holds 19,150,780 shares through a client credit transaction guarantee securities account at China Merchants Securities Co; Shanghai Chongyang Strategic Investment Co., Ltd - Chongyang Strategic Juzhi Fund held 15,096,694 shares through a client credit transaction guarantee securities account of China Merchants Securities Co.		

The participation of shareholders holding more than 5% of shares, the top 10 shareholders and the top 10 shareholders with unlimited shares in circulation in lending of shares in the transfer and financing business

☐ Applicable ☒ Not applicable

Top 10 shareholders and top 10 shareholders with unlimited shares outstanding Change from the previous period due to lending/returning of convertible bonds

☐ Applicable ☒ Not applicable

Did the top 10 common shareholders and the top 10 unrestricted common shareholders of the company engage in any agreed repurchase transactions during the reporting period

☐ Yes ☒ No

The top 10 common shareholders and the top 10 unrestricted common shareholders of the company did not engage in any agreed repurchase transactions during the reporting period.

#### IV.Changes in shareholdings of directors, supervisors and senior management

☒ Applicable ☐ Not Applicable

Name	Position	Employment Status	Number of shares held at the beginning of the period (shares)	Number of shares increased in holdings during the current period (shares)	Number of shares reduced in holdings during the current period (shares)	Number of shares held at the end of the period (shares)	Number of restricted shares granted at the beginning of the period (shares)	Number of restricted shares granted during the current period (shares)	Number of restricted shares granted at the end of the period (shares)
Shi Guanqun	Director, Vice President, Secretary of the Board of Directors, Chief Financial Officer	Current	10,477,838	200,000	0	10,677,838	0	0	0
Total	--	--	10,477,838	200,000	0	10,677,838	0	0	0

## V. Changes in controlling shareholders or actual controllers

Changes of holding shareholders during the reporting period

☐ Applicable ☒ Not applicable

The Company has no changes of holding shareholders during the reporting period.

Changes of actual controller within the reporting period

☐ Applicable ☒ Not applicable

The Company has no changes in actual controller within the reporting period.

Block diagram of title and control relationships between the Company and the actual controller

## VI. Details of Preferred Stock

☐ Applicable ☒ Not Applicable

The Company has no preferred shares during the reporting period.

## Section VII Bonds

☐ Applicable ☒ Not applicable

## Section VIII Financial Report

### I. Audit Reports

Has the semi-annual report been audited

☐ Yes ☒ No

The Company's semi-annual report has not been audited.

### II. Financial Statements

The monetary unit of the financial statements is Renminbi (RMB) Yuan.

#### 1. Consolidated balance sheet

Prepared by Zhejiang NHU Co., Ltd.

June 30, 2025

Unit: RMB Yuan

Items	June 30, 2025	January 1, 2025
Current assets:		
Cash and bank balances	6,554,229,563.18	7,936,504,805.65
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	1,950,814,253.31	745,816.34
Derivative financial assets		
Notes receivable	280,460,227.83	292,562,093.90
Accounts receivable	3,579,302,408.75	3,653,676,104.37
Receivables financing	615,913,861.51	523,913,135.22
Advances paid	205,663,994.48	163,216,512.08
Premiums receivable		
Reinsurance accounts receivable		
Provision for Reinsurance Contracts		
Other receivables	501,788,220.65	225,516,143.49
Including: Interest receivable		
Dividend receivable		
Financial assets under reverse repo		
Inventories	4,549,697,775.39	4,090,096,841.96
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	25,561,234.37	35,969,632.09
Total current assets	18,263,431,539.47	16,922,201,085.10

Items	June 30, 2025	January 1, 2025
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	875,657,371.33	865,262,148.36
Other equity instrument investments	17,790,147.55	19,498,147.55
Other non-current financial assets		
Investment property		
Fixed assets	21,139,844,047.48	21,915,984,823.43
Construction in progress	568,658,217.83	571,610,643.68
Productive biological assets		
Oil & gas assets		
Right-of-use assets	11,376,617.88	13,222,869.09
Intangible assets	2,543,797,744.37	2,482,899,966.19
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	3,622,704.97	3,622,704.97
Long-term prepayments	26,254,846.45	33,059,580.89
Deferred tax assets	5,218,066.85	2,106,046.31
Other non-current assets	273,208,676.90	159,664,455.40
Total non-current assets	25,465,428,441.61	26,066,931,385.87
Total assets	43,728,859,981.08	42,989,132,470.97
Current liabilities:		
Short-term borrowings	1,030,424,607.19	1,162,512,239.04
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities	71,334,100.03	11,151,258.46
Derivative financial liabilities		
Notes payable	132,043,730.49	159,164,822.28
Accounts payable	1,472,714,046.89	1,685,979,157.55
Prepayment received		
Contract liabilities	309,712,065.18	237,013,669.77
Financial liabilities under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	301,962,901.77	473,107,111.45

Items	June 30, 2025	January 1, 2025
Taxes and rates payable	594,076,046.88	538,903,915.30
Other payables	100,273,996.96	122,424,090.50
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	3,612,607,139.81	2,465,378,913.94
Other current liabilities	32,414,011.72	53,564,334.90
Total current liabilities	7,657,562,646.92	6,909,199,513.19
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	4,204,668,204.13	5,327,243,721.25
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,719,804.76	3,584,791.02
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	970,432,959.72	1,025,834,591.04
Deferred tax liabilities	270,237,147.76	277,719,591.54
Other non-current liabilities		
Total non-current liabilities	5,448,058,116.37	6,634,382,694.85
Total liabilities	13,105,620,763.29	13,543,582,208.04
Equity:		
Share capital	3,073,421,680.00	3,073,421,680.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,132,531,649.49	3,132,519,968.42
Less: Treasury shares	309,134,899.57	
Other comprehensive income	72,928,005.59	91,513,343.50
Special reserve	141,556,575.47	106,348,864.91
Surplus reserve	1,545,453,678.00	1,545,453,678.00
General risk reserve		
Undistributed profit	22,828,302,847.28	21,375,740,194.12
Total equity attributable to the parent company	30,485,059,536.26	29,324,997,728.95
Non-controlling interest	138,179,681.53	120,552,533.98
Total equity	30,623,239,217.79	29,445,550,262.93
Total liabilities & equity	43,728,859,981.08	42,989,132,470.97

Legal representative: Hu Baifan    Officer in charge of accounting: Shi Guanqun    Head of accounting department: Liu Fanglu

## 2. Parent company balance sheet

Unit: RMB Yuan

Items	June 30, 2025	January 1, 2025
Current assets:		
Cash and bank balances	2,917,281,917.59	3,810,717,348.40
Held-for-trading financial assets	500,000,000.00	
Derivative financial assets		
Notes receivable	280,460,227.83	292,562,093.90
Accounts receivable	1,139,817,408.98	1,455,089,726.43
Receivables financing		
Advances paid	4,116,061.10	2,099,814.14
Other receivables	1,072,783,699.27	1,008,085,932.79
Including: Interest receivable		
Dividend receivable		
Inventories	438,151,645.56	400,830,486.99
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,366,639.66	3,049,642.27
Total current assets	6,353,977,599.99	6,972,435,044.92
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	11,203,456,708.69	11,488,137,747.99
Other equity instrument investments	657,790,147.55	69,498,147.55
Other non-current financial assets		
Investment property		
Fixed assets	735,769,532.72	757,545,856.68
Construction in progress	30,550,538.31	25,813,815.03
Productive biological assets		
Oil & gas assets		
Right-of-use assets	2,389,188.28	2,469,722.68
Intangible assets	147,397,464.68	146,947,405.16
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		

Items	June 30, 2025	January 1, 2025
Long-term prepayments	177,061.11	389,534.31
Deferred tax assets		605,226.35
Other non-current assets	109,683,728.66	55,399,951.70
Total non-current assets	12,887,214,370.00	12,546,807,407.45
Total assets	19,241,191,969.99	19,519,242,452.37
Current liabilities:		
Short-term borrowings	199,123,255.56	304,056,277.79
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		62,937,989.99
Accounts payable	111,133,577.58	156,311,918.60
Advances received		
Contract liabilities	6,572,219.28	7,720,715.41
Employee benefits payable	56,175,666.64	89,940,402.47
Taxes and rates payable	45,491,805.34	21,422,158.51
Other payables	21,163,060.82	20,443,244.50
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	2,645,064,273.85	1,817,695,895.34
Other current liabilities	490,816.50	6,244,444.91
Total current liabilities	3,085,214,675.57	2,486,773,047.52
Non-current liabilities:		
Long-term borrowings	2,463,549,311.11	3,020,447,965.04
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,428,007.48	2,603,650.85
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	20,702,542.56	18,171,910.38
Deferred tax liabilities	4,599,961.52	
Other non-current liabilities		
Total non-current liabilities	2,491,279,822.67	3,041,223,526.27
Total liabilities	5,576,494,498.24	5,527,996,573.79
Equity:		
Share capital	3,073,421,680.00	3,073,421,680.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		

Items	June 30, 2025	January 1, 2025
Capital reserve	2,871,243,235.01	2,871,231,553.94
Less: Treasury shares	309,134,899.57	
Other comprehensive income	506,954.43	506,954.43
Special reserve	25,263,983.23	19,478,463.14
Surplus reserve	1,545,453,678.00	1,545,453,678.00
Undistributed profit	6,457,942,840.65	6,481,153,549.07
Total equity	13,664,697,471.75	13,991,245,878.58
Total liabilities & equity	19,241,191,969.99	19,519,242,452.37

Legal representative: Hu Baifan    Officer in charge of accounting: Shi Guanqun    Head of accounting department: Liu Fanglu

### 3. Consolidated income statement

Unit: RMB Yuan

Items	2025 Semi-Annual	2024 Semi-Annual
I. Total operating revenue	11,100,632,836.78	9,844,712,214.36
Including: Operating revenue	11,100,632,836.78	9,844,712,214.36
Interest income		
Premiums earned		
Revenue from handling charges and commission		
II. Total operating cost	6,875,351,657.25	7,207,812,239.51
Including: Operating cost	6,006,367,357.09	6,191,379,061.37
Interest expenses		
Handling charges and commission expenditures		
Surrender value		
Net payment of insurance claims		
Net provision of insurance policy reserve		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	126,138,622.06	93,982,574.82
Selling expenses	88,602,406.65	74,869,581.39
Administrative expenses	309,618,405.74	295,567,957.53
R&D expenses	522,723,563.18	480,961,724.14
Financial expenses	-178,098,697.47	71,051,340.26
Including: Interest expenses	112,615,701.07	143,713,361.26
Interest income	39,620,525.39	67,461,973.58
Add: Other income	121,765,131.08	130,215,288.28
Investment income (or less: losses)	18,237,922.39	47,554,398.65
Including: Investment income from associates and joint ventures	24,632,875.74	25,496,597.50

Items	2025 Semi-Annual	2024 Semi-Annual
Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (or less: losses)		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)	-106,860,384.44	-4,445,860.49
Credit impairment loss	7,613,141.39	-98,041,802.36
Assets impairment loss	-33,272,405.82	-10,175,642.76
Gains on asset disposal (or less: losses)	-1,582,139.69	-1,128,442.54
III. Operating profit (or less: losses)	4,231,182,444.44	2,700,877,913.63
Add: Non-operating revenue	1,218,592.90	2,373,545.46
Less: Non-operating expenditures	2,998,696.24	3,797,633.81
IV. Profit before tax (or less: total loss)	4,229,402,341.10	2,699,453,825.28
Less: Income tax	607,906,795.85	482,498,449.43
V. Net profit (or less: net loss)	3,621,495,545.25	2,216,955,375.85
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (or less: net loss)	3,621,495,545.25	2,216,955,375.85
2. Net profit from discontinued operations (or less: net loss)		
(II) Categorized by the portion of equity ownership		
1. Net profit attributable to owners of parent company	3,603,323,979.16	2,204,361,642.96
2. Net profit attributable to non-controlling shareholders	18,171,566.09	12,593,732.89
VI. Other comprehensive income after tax	-19,129,756.45	-768,510.72
Items attributable to the owners of the parent company	-18,585,337.91	2,144,278.96
(I) Not to be reclassified subsequently to profit or loss		
1. Changes in remeasurement on the net defined benefit plan		
2. Items under equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of own credit risk		
5. Others		
(II) To be reclassified subsequently to profit or loss	-18,585,337.91	2,144,278.96
1. Items under equity method that may be reclassified to profit or loss		
2. Changes in fair value of other debt investments		

Items	2025 Semi-Annual	2024 Semi-Annual
3. Profit or loss from reclassification of financial assets into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve	-18,585,337.91	2,144,278.96
7. Others		
Items attributable to non-controlling shareholders	-544,418.54	-2,912,789.68
VII. Total comprehensive income	3,602,365,788.80	2,216,186,865.13
Items attributable to the owners of the parent company	3,584,738,641.25	2,206,505,921.92
Items attributable to non-controlling shareholders	17,627,147.55	9,680,943.21
VIII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	1.17	0.71
(II) Diluted EPS (yuan per share)	1.17	0.71

Legal representative: Hu Baifan    Officer in charge of accounting: Shi Guanqun    Head of accounting department: Liu Fanglu

The net profit realized by the merged entity before the combination in the current period where a same-control business combination occurred is: RMB 0.00, and the net profit realized in the prior period is: RMB 0.00.

#### 4. Parent company income statement

Unit: RMB Yuan

Items	2025 Semi-Annual	2024 Semi-Annual
I. Operating revenue	2,288,910,353.91	1,678,611,503.49
Less: Operating cost	1,621,351,248.43	1,478,674,881.01
Taxes and surcharges	17,236,515.74	1,801,342.29
Selling expenses	21,103,533.89	17,887,398.02
Administrative expenses	89,152,501.14	86,384,680.36
R&D expenses	124,532,788.27	104,631,263.58
Financial expenses	45,720,895.39	36,830,555.80
Including: Interest expenses	65,621,366.30	82,789,341.19
Interest income	19,823,918.91	47,586,057.68
Add: Other income	20,424,472.11	18,076,084.86
Investment income (or less: losses)	1,793,286,828.79	1,586,250,480.59
Including: Investment income from associates and joint ventures	17,307,279.63	13,076,861.11
Gains from derecognition of financial assets at amortized cost		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)		
Credit impairment loss	10,852,149.30	39,523,400.83

Items	2025 Semi-Annual	2024 Semi-Annual
Assets impairment loss	-15,460,631.24	-5,439,745.02
Gains on asset disposal (or less: losses)	-643,654.25	-451,622.70
II. Operating profit (or less: losses)	2,178,272,035.76	1,590,359,980.99
Add: Non-operating revenue	202,867.23	555,050.49
Less: Non-operating expenditures	215,135.17	733,814.28
III. Profit before tax (or less: total loss)	2,178,259,767.82	1,590,181,217.20
Less: Income tax	50,709,150.24	3,861,304.36
IV. Net profit (or less: net loss)	2,127,550,617.58	1,586,319,912.84
(I) Net profit from continuing operations (or less: net loss)	2,127,550,617.58	1,586,319,912.84
(II) Net profit from discontinued operations (or less: net loss)		
V. Other comprehensive income after tax		
(I) Not to be reclassified subsequently to profit or loss		
1. Changes in remeasurement on the net defined benefit plan		
2. Items under equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of own credit risk		
5. Others		
(II) To be reclassified subsequently to profit or loss		
1. Items under equity method that may be reclassified to profit or loss		
2. Changes in fair value of other debt investments		
3. Profit or loss from reclassification of financial assets into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve		
7. Others		
VI. Total comprehensive income	2,127,550,617.58	1,586,319,912.84
VII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)		
(II) Diluted EPS (yuan per share)		

Legal representative: Hu Baifan    Officer in charge of accounting: Shi Guanqun    Head of accounting department: Liu Fanglu

## 5. Consolidated cash flow statement

Unit: RMB Yuan

Items	2025 Semi-Annual	2024 Semi-Annual
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	11,266,097,495.55	8,604,890,987.69

Items	2025 Semi-Annual	2024 Semi-Annual
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash receipts from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	460,059,989.38	366,540,460.23
Other cash receipts related to operating activities	104,830,537.50	153,666,344.64
Subtotal of cash inflows from operating activities	11,830,988,022.43	9,125,097,792.56
Cash payments for goods purchased and services received	5,656,926,781.96	4,967,376,966.76
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling charges and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	1,260,472,740.56	1,135,778,052.77
Cash payments for taxes and rates	1,144,724,413.30	682,887,168.82
Other cash payments related to operating activities	526,136,284.30	200,731,544.86
Subtotal of cash outflows from operating activities	8,588,260,220.12	6,986,773,733.21
Net cash flows from operating activities	3,242,727,802.31	2,138,324,059.35
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	1,708,000.00	1,000,000.00
Cash receipts from investment income	26,149,305.22	16,184,824.86
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	120,800.00	160,774.19
Net cash receipts from the disposal of subsidiaries & other business units		80,930,328.36
Other cash receipts related to investing	2,150,000,000.00	145,000,000.00

Items	2025 Semi-Annual	2024 Semi-Annual
activities		
Subtotal of cash inflows from investing activities	2,177,978,105.22	243,275,927.41
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	634,342,800.27	833,286,216.66
Cash payments for investments		155,675,400.17
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	2,651,950,000.00	
Subtotal of cash outflows from investing activities	3,286,292,800.27	988,961,616.83
Net cash flows from investing activities	-1,108,314,695.05	-745,685,689.42
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		1,927,407.95
Including: Cash received by subsidiaries from non-controlling shareholders as investments		1,927,407.95
Cash receipts from borrowings	1,737,092,525.26	2,383,504,630.93
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	1,737,092,525.26	2,385,432,038.88
Cash payments for the repayment of borrowings	1,305,624,740.38	1,931,710,157.62
Cash payments for distribution of dividends or profits and for interest expenses	2,276,198,922.57	1,523,177,553.77
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		
Other cash payments related to financing activities	309,380,225.44	807,362.26
Subtotal of cash outflows from financing activities	3,891,203,888.39	3,455,695,073.65
Net cash flows from financing activities	-2,154,111,363.13	-1,070,263,034.77
IV. Effect of foreign exchange rate changes on cash & cash equivalents	6,990,777.66	61,371,597.46
V. Net increase in cash and cash equivalents	-12,707,478.21	383,746,932.62
Add: Opening balance of cash and cash equivalents	5,521,452,666.47	4,446,570,415.30
VI. Closing balance of cash and cash equivalents	5,508,745,188.26	4,830,317,347.92

Legal representative: Hu Baifan    Officer in charge of accounting: Shi Guanqun    Head of accounting department: Liu Fanglu

## 6. Parent company cash flow statement

Unit: RMB Yuan		
Items	2025 Semi-Annual	2024 Semi-Annual
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	2,612,605,837.48	1,562,609,239.27
Receipts of tax refund	87,585,823.10	52,439,904.66
Other cash receipts related to operating activities	52,796,332.31	70,576,046.68
Subtotal of cash inflows from operating activities	2,752,987,992.89	1,685,625,190.61
Cash payments for goods purchased and services received	1,822,628,821.22	1,542,197,500.63
Cash paid to and on behalf of employees	235,325,982.05	215,665,834.99
Cash payments for taxes and rates	37,783,744.06	10,889,249.62
Other cash payments related to operating activities	69,964,013.58	86,102,146.54
Subtotal of cash outflows from operating activities	2,165,702,560.91	1,854,854,731.78
Net cash flows from operating activities	587,285,431.98	-169,229,541.17
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	1,708,000.00	83,791,000.00
Cash receipts from investment income	1,766,219,371.71	1,530,581,043.13
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	120,800.00	
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	2,417,850,000.00	2,613,000,000.00
Subtotal of cash inflows from investing activities	4,185,898,171.71	4,227,372,043.13
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	67,230,055.13	56,124,869.55
Cash payments for investments	288,000,000.00	755,672,000.00
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	1,794,550,000.00	1,720,830,000.00
Subtotal of cash outflows from investing activities	2,149,780,055.13	2,532,626,869.55
Net cash flows from investing activities	2,036,118,116.58	1,694,745,173.58
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowings	999,000,000.00	750,000,000.00
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	999,000,000.00	750,000,000.00
Cash payments for the repayment of borrowings	829,000,000.00	676,000,000.00
Cash payments for distribution of	2,220,631,198.81	1,465,505,652.48

Items	2025 Semi-Annual	2024 Semi-Annual
dividends or profits and for interest expenses		
Other cash payments related to financing activities	309,231,676.57	460,205.73
Subtotal of cash outflows from financing activities	3,358,862,875.38	2,141,965,858.21
Net cash flows from financing activities	-2,359,862,875.38	-1,391,965,858.21
IV. Effect of foreign exchange rate changes on cash and cash equivalents	414,212.64	-70,342.71
V. Net increase in cash and cash equivalents	263,954,885.82	133,479,431.49
Add: Opening balance of cash and cash equivalents	1,700,342,936.46	2,903,317,341.85
VI. Closing balance of cash and cash equivalents	1,964,297,822.28	3,036,796,773.34

Legal representative: Hu Baifan    Officer in charge of accounting: Shi Guanqun    Head of accounting department: Liu Fanglu

## 7. Consolidated statement of changes in equity

Current period

Unit: RMB Yuan

Items	2025 Semi-Annual													
	Equity attributable to parent company													Non-controlling interest
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal	
I. Balance at the end of prior year	3,073,421,680.00				3,132,519,968.42		91,513,343.50	106,348,864.91	1,545,453,678.00		21,375,740,194.12		29,324,997,728.95	120,552,533.98
Add: Cumulative changes of accounting policies														
Error correction of prior period														
Others														
II. Balance at the beginning of current year	3,073,421,680.00				3,132,519,968.42		91,513,343.50	106,348,864.91	1,545,453,678.00		21,375,740,194.12		29,324,997,728.95	120,552,533.98
III. Current period increase (or less: decrease)					11,681.07	309,134,899.57	-18,585,337.91	35,207,710.56			1,452,562,653.16		1,160,061,807.31	17,627,147.55
(I) Total comprehensive income							-18,585,337.91				3,603,323,979.16		3,584,738,641.25	33,066,557.55
(II) Capital contributed or withdrawn by owners						309,134,899.57							-309,134,899.57	
1. Ordinary shares contributed by owners														
2. Capital contributed by holders of other equity instruments														
3. Amount of share-based payment included in equity														
4. Others						309,134,899.57							-309,134,899.57	
(III) Profit distribution											-2,150,761,326.00		-2,150,761,326.00	-15,439,410.00
1. Appropriation of surplus reserve														
2. Appropriation of general risk reserve														
3. Appropriation of profit to owners											-2,150,761,326.00		-2,150,761,326.00	-15,439,410.00
4. Others														
(IV) Internal carry-over within equity														
1. Transfer of capital reserve to capital														
2. Transfer of surplus reserve to capital														
3. Surplus reserve to cover losses														
4. Changes in defined benefit plan carried over														

Items	2025 Semi-Annual														
	Equity attributable to parent company													Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
(V) Special reserve								35,207,710.56					35,207,710.56		35,207,710.56
1. Appropriation of current period								59,342,545.02					59,342,545.02		59,342,545.02
2. Application of current period								-24,134,834.46					-24,134,834.46		-24,134,834.46
(VI) Others					11,681.07								11,681.07		11,681.07
IV. Balance at the end of current period	3,073,421,680.00				3,132,531,649.49	309,134,899.57	72,928,005.59	141,556,575.47	1,545,453,678.00		22,828,302,847.28		30,485,059,536.26	138,179,681.53	30,623,239,217.79

Preceding period comparative

Unit: RMB Yuan

Items	2024 Semi-Annual														
	Equity attributable to parent company													Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
Preferred shares		Perpetual bonds	Others												
I. Balance at the end of prior year	3,090,907,356.00				3,613,345,485.13	500,059,711.25	103,920,732.85	60,860,818.76	1,545,453,678.00		16,890,233,961.50		24,804,662,320.99	115,045,831.88	24,919,708,152.87
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Others															
II. Balance at the beginning of current year	3,090,907,356.00				3,613,345,485.13	500,059,711.25	103,920,732.85	60,860,818.76	1,545,453,678.00		16,890,233,961.50		24,804,662,320.99	115,045,831.88	24,919,708,152.87
III. Current period increase (or less: decrease)							2,144,278.96	30,166,768.34			821,321,886.96		853,632,934.26	9,680,943.21	863,313,877.47
(I) Total comprehensive income							2,144,278.96				2,204,361,642.96		2,206,505,921.92	9,680,943.21	2,216,186,865.13
(II) Capital contributed or withdrawn by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity															
4. Others															
(III) Profit distribution											-1,383,039,756.00		-1,383,039,756.00		-1,383,039,756.00
1. Appropriation of surplus reserve															
2. Appropriation of general risk															

Items	2024 Semi-Annual														
	Equity attributable to parent company													Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
Preferred shares		Perpetual bonds	Others												
reserve															
3. Appropriation of profit to owners											-1,383,039,756.00		-1,383,039,756.00		-1,383,039,756.00
4. Others															
(IV) Internal carry-over within equity															
1. Transfer of capital reserve to capital															
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
(V) Special reserve								30,166,768.34					30,166,768.34		30,166,768.34
1. Appropriation of current period								41,724,799.37					41,724,799.37		41,724,799.37
2. Application of current period								-11,558,031.03					-11,558,031.03		-11,558,031.03
(VI) Others															
IV. Balance at the end of current period	3,090,907,356.00				3,613,345,485.13	500,059,711.25	106,065,011.81	91,027,587.10	1,545,453,678.00		17,711,555,848.46		25,658,295,255.25	124,726,775.09	25,783,022,030.34

## 8. Parent company statements of changes in equity

Current period

Unit: RMB Yuan

Items	2025 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of prior year	3,073,421,680.00				2,871,231,553.94		506,954.43	19,478,463.14	1,545,453,678.00	6,481,153,549.07		13,991,245,878.58
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Balance at the beginning of current year	3,073,421,680.00				2,871,231,553.94		506,954.43	19,478,463.14	1,545,453,678.00	6,481,153,549.07		13,991,245,878.58
III. Current period increase (or less:)					11,681.07	309,134,899.57		5,785,520.09		-23,210,708.42		-326,548,406.83

Items	2025 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
decrease)												
(I) Total comprehensive income										2,127,550,617.58		2,127,550,617.58
(II) Capital contributed or withdrawn by owners						309,134,899.57						-309,134,899.57
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others						309,134,899.57						-309,134,899.57
(III) Profit distribution										-2,150,761,326.00		-2,150,761,326.00
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners										-2,150,761,326.00		-2,150,761,326.00
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve								5,785,520.09				5,785,520.09
1. Appropriation of current period								7,156,485.65				7,156,485.65
2. Application of current period								-1,370,965.56				-1,370,965.56
(VI) Others					11,681.07							11,681.07
IV. Balance at the end of current period	3,073,421,680.00				2,871,243,235.01	309,134,899.57	506,954.43	25,263,983.23	1,545,453,678.00	6,457,942,840.65		13,664,697,471.75

Preceding period comparative

Unit: RMB Yuan

Items	2024 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of prior year	3,090,907,356.00				3,353,675,803.74	500,059,711.25	506,954.43	10,583,344.97	1,545,453,678.00	5,137,599,917.63		12,638,667,343.52
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												

Items	2024 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
II. Balance at the beginning of current year	3,090,907,356.00				3,353,675,803.74	500,059,711.25	506,954.43	10,583,344.97	1,545,453,678.00	5,137,599,917.63		12,638,667,343.52
III. Current period increase (or less: decrease)								4,426,769.78		203,280,156.84		207,706,926.62
(I) Total comprehensive income										1,586,319,912.84		1,586,319,912.84
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
(III) Profit distribution										-1,383,039,756.00		-1,383,039,756.00
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners										-1,383,039,756.00		-1,383,039,756.00
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve								4,426,769.78				4,426,769.78
1. Appropriation of current period								5,513,474.04				5,513,474.04
2. Application of current period								-1,086,704.26				-1,086,704.26
(VI) Others												
IV. Balance at the end of current period	3,090,907,356.00				3,353,675,803.74	500,059,711.25	506,954.43	15,010,114.75	1,545,453,678.00	5,340,880,074.47		12,846,374,270.14

### III. Company profile

Zhejiang NHU Co., Ltd. (the “Company”) was jointly established by Xinchang County Synthetic Chemical Plant, renamed as NHU Holding Group Co., Ltd. on November 17, 2009) and 9 natural persons including Zhang Pingyi, Yuan Yizhong, Shi Cheng, Hu Baishan, Shi Guanqun, Wang Xuewen, Shi Sanfu, Cui Xinrong, and Wang Xulin under the document of approval numbered Zhe Zheng Wei [1999] 9 issued by the former Securities Commission of the People’s Government of Zhejiang Province. Headquartered in Shaoxing City, Zhejiang Province, the Company was registered at Zhejiang Administration for Industry and Commerce on April 5, 1999. Currently, the Company holds a business license with unified social credit code of 91330000712560575G, with registered capital of 3,073,421,680.00yuan, total share of 3,073,421,680shares (each with par value of one yuan), of which, 36,559,752 shares are restricted outstanding shares, and 3,036,861,928 shares are unrestricted outstanding shares. The Company’s shares were listed on Shenzhen Stock Exchange on June 25, 2004.

The Company belongs to pharmaceutical manufacturing industry and is mainly engaged in manufacturing and sales of nutrition products, flavor and fragrance, and new polymer materials. This financial statement has been approved for external release by the Board of Directors at its Fourteenth Meeting on August 26, 2025.

### IV. Preparation basis of the financial statements

#### 1. Preparation basis

The financial statements have been prepared on the basis of going concern.

#### 2. Going concern

The Company has no events or conditions that may cast significant doubts upon the Company’s ability to continue as a going concern within the 12 months after the reporting period.

### V. Significant accounting policies and estimates

Note to specific accounting policies and estimates:Based on its actual production and operating characteristics, the Company has formulated specific accounting policies and estimates for transactions and events such as impairment of financial instruments, inventory, depreciation of fixed assets, construction in progress, intangible assets, and revenue recognition.

#### 1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, results of operations and cash flows of the Company.

#### 2. Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

#### 3. Operating cycle

Except for the real estate industry, the Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months. The operating cycle for real estate industry starts from the development of property and ends at sales, which normally extends over 12 months and is subject to specific projects, therefore, an asset or a liability is classified as current if it is expected to be realized or due within such operating cycle.

#### 4. Functional currency

The functional currency of the Company and its domestic subsidiaries is Renminbi (RMB) Yuan, while the functional currency of subsidiaries engaged in overseas operations including NHU (Hong Kong) Trading Co., Ltd., NHU Europe GmbH and NHU Singapore PTE. LTD. , NHU/CHR. OLESEN LATIN AMERICA A/S, NHU LIFE SCIENCE GmbH, CONG TY TNHH NHU VIETNAM, NHU JAPAN CO. LTD. , NHU BESLENME GIDA SANAYİ VE TİCARET LİMİTED ŞİRKETİ ,NHU North America LLC is the currency of the primary economic environment in which they operate.

#### 5. Methodology for determining materiality threshold and basis for selection

✓ applicable ☐ Not applicable

Items	Materiality threshold
Material write-offs of receivables	0.5% of total assets
Material prepayments aged over 1 year	0.5% of total assets
Material construction projects in progress	0.5% of total assets
Material accounts payable aged over 1 year	0.5% of total assets
Material other accounts payable aged over 1 year	0.5% of total assets
Material contractual liabilities older than 1 year	0.5% of total assets
Material cash flows from investing activities	10.00% of total assets
Material offshore operating entities	The Company identifies overseas operating entities whose total assets/total revenues/total profits exceed 15% of the Group's total assets/total revenues/total profits as Material overseas operating entities
Material capitalized R&D projects, outsourced R&D projects	0.5% of total assets
Material subsidiaries, non-wholly owned subsidiaries	The Company identifies subsidiaries with total assets/total revenues/total profits exceeding 15% of the Group's total assets/total revenues/total profits as important subsidiaries, important non-wholly owned subsidiaries
Material Joint Ventures, Associates, Co-Operations	The company identifies joint ventures, associates, and joint operations whose total assets/total revenues/total profits exceed 15% of the group's total assets/total revenues/total profits as Material joint ventures, associates, and joint operations

#### 6. Accounting treatments of business combination under and not under common control

##### (1) Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

##### (2) Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

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

##### (1) Criteria for determine control

A parent company is recognized as controlling if it has power over the investee, enjoys variable returns through participation in the investee's relevant activities, and has the ability to use its power over the investee to affect the amount of its variable returns.

##### (2) Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to “CASBE 33 – Consolidated Financial Statements”, based on relevant information and the financial statements of the parent company and its subsidiaries.

## **8. Classification of joint venture arrangements and accounting treatment of joint operations**

(1) Joint arrangements are categorized as joint operations and joint ventures.

(2) When the company is a joint venture partner in a joint operation, the following items related to the share of interest in the joint operation are recognized:

- 1) Recognize assets held separately and assets held jointly in proportion to the share held;
- 2) Recognize liabilities assumed individually, and liabilities assumed jointly in proportion to the share held;
- 3) Recognize revenues from the sale of the company's share of joint operating outputs;
- 4) Recognize income from joint operations arising from the sale of assets based on the company's share of ownership;
- 5) Recognition of expenses incurred individually, as well as expenses incurred by the joint operation based on the company's share of ownership.

## **9. Recognition criteria of cash and cash equivalents**

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

## **10. Foreign currency translation**

(1) Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the approximate exchange rate similar to the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the approximate exchange rate similar to the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

(2) Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the approximate exchange rate similar to the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

## **11. Financial instruments**

(1) Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: 1) financial assets at amortized cost; 2) financial assets at fair value through other comprehensive income; 3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: 1) financial liabilities at fair value through profit or loss; 2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; 3) financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1); 4) financial liabilities at amortized cost.

(2) Recognition criteria, measurement method and derecognition condition of financial assets and financial liabilities

1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, the Company measures the transaction price in accordance with “CASBE 14 – Revenues”.

2) Subsequent measurement of financial assets

① Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

② Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

③ Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

④ Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

3) Subsequent measurement of financial liabilities

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's

own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

② Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of Financial Assets".

③ Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with "CASBE 14 – Revenues".

④ Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

4) Derecognition of financial assets and financial liabilities

① Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with "CASBE 23 – Transfer of Financial Assets".

② Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

(3) Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: 1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; 2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: 1) the carrying amount of the transferred financial asset as of the date of derecognition; 2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the

changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions to derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: 1) the carrying amount of the portion which is derecognized; 2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

#### (4) Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and information are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

- 1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;
- 3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company's own data, etc.

#### (5) Impairment of financial instruments

The Company uses expected credit losses as the basis for impairment of financial assets measured at amortized cost, investments in debt instruments at fair value through other comprehensive income, contract assets, lease receivables, loan commitments classified as other than financial liabilities at fair value through profit or loss, financial liabilities that are not classified as financial liabilities at fair value through profit or loss, or financial guarantee contracts that do not Financial guarantee contracts for which the transfer of financial assets does not meet the conditions for derecognition or for which there is a continuing involvement in the financial liability arising from the transferred financial asset are treated as impaired and a loss provision is recognized.

Expected credit losses, the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses are the difference between all contractual cash flows receivable by the company under the contract discounted at the original effective interest rate and all cash flows expected to be collected, i.e. the present value of all cash shortfalls. In particular, for financial assets purchased or originated by the company that are credit impaired, they are discounted at the credit-adjusted effective interest rate of the financial asset.

For purchased or originated financial assets that have been subject to credit impairment, the Company recognizes only the cumulative change in expected credit losses over the entire period of existence from initial recognition as a provision for losses at the balance sheet date.

For lease receivables, receivables resulting from transactions regulated by ASBE No. 14 - Revenue and contract assets, the Company applies a simplified measurement approach and measures the allowance for losses at an amount equal to the expected credit losses over the entire duration.

For financial assets other than those measured above, the Company assesses at each balance sheet date whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk since initial recognition, the Company measures the allowance for losses based on the amount of expected credit losses over the entire duration of the financial instrument; if there has not been a significant increase in credit risk since initial recognition, the Company measures the allowance for losses based on the amount of expected credit losses of the financial instrument over the next 12 months.

The company determines whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default of the financial instrument at the balance sheet date with the risk of default at the date of initial recognition, using reasonably available and supportable information, including forward-looking information.

At the balance sheet date, if the company determines that a financial instrument has only a low credit risk, it assumes that the credit risk of the financial instrument has not increased significantly since initial recognition.

The company assesses expected credit risk and measures expected credit losses on the basis of an individual financial instrument or a portfolio of financial instruments. When a portfolio of financial instruments is used as the basis, the company classifies the financial instruments into different portfolios based on common risk characteristics.

The company remeasures expected credit losses at each balance sheet date, and the resulting increase or reversal of the amount of loss provision is recognized as an impairment loss or gain in profit or loss for the period. For financial assets carried at amortized cost, the allowance for losses is offset against the carrying amount of the financial asset as stated in the balance sheet; for debt investments carried at fair value through other comprehensive income, the Company recognizes its allowance for losses in other comprehensive income, without offsetting the carrying amount of the financial asset.

#### (6) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, the company presents them in the balance sheet at the net amount after offsetting each other if the following conditions are simultaneously met: 1) the company has a legal right to offset the recognized amount and such legal right is currently enforceable; 2) the company plans to settle the net amount, or to realize the financial asset and settle the financial liability at the same time.

For transfers of financial assets that do not meet the conditions for derecognition, the company does not offset the transferred financial assets and related liabilities.

## 12. Criteria for recognizing and providing for expected credit losses on receivables

### (1) Receivables with expected credit losses based on a combination of credit risk characteristics

Portfolio Type	Basis for determining the portfolio	Methodology for measuring expected credit losses
Bankers' acceptances receivable	Type of notes	Expected credit losses are calculated by reference to historical credit loss experience, taking into account current conditions and projections of future economic conditions, through default exposures and expected credit loss rates over the entire duration
Commercial acceptances receivable		

Portfolio Type	Basis for determining the portfolio	Methodology for measuring expected credit losses
Accounts receivable – Portfolio grouped with ages	age of accounts	Prepare a table of accounts receivable aging versus expected credit loss rates to calculate expected credit losses, taking into account historical credit loss experience, current conditions and projections of future economic conditions
Other receivables - export tax refund receivable portfolio	Nature of payment	Expected credit losses are calculated by reference to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, through default exposures and expected credit loss rates over the next 12 months or the entire duration
Other receivables - VAT refund receivable portfolio		
Other receivables - land bond receivable portfolio		
Other receivables - portfolio of security deposits receivable from customs and tax authorities		
Other receivables -- special injection portfolio		
Other receivables - ageing portfolio	Ages	Calculate expected credit losses by reference to historical credit loss experience and by preparing a table of the ageing of other receivables against the expected credit loss rate, taking into account current conditions and forecasts of future economic conditions

(2) Accounts receivable – comparison table of ages and lifetime expected credit loss rate of portfolio grouped with ages

Ages	Accounts Receivable Expected credit loss ratio (%)	Other receivables Expected credit loss ratio (%)
Within 1 year (inclusive, the same hereinafter)	5.00	5.00
1-2 years	20.00	20.00
2-3 years	80.00	80.00
Over 3 years	100.00	100.00

The ageing of accounts receivable/other receivables is calculated from the month in which the amounts are actually incurred.

(3) Criteria for identifying receivables for which expected credit losses are provided on an individual basis

For receivables and contract assets with credit risk significantly different from that of the portfolio, the Company accrues expected credit losses on an individual basis.

### 13. Inventories

(1) Classification of inventories

Inventories include finished goods or goods held for sale in the ordinary course of business, work in process in the process of production, materials or supplies, etc. to be consumed in the production process or in the rendering of services.

(2) Accounting method for dispatching inventories:

1) Inventories other than development products are issued using the month-end lump-sum weighted-average method.

2) When a project is developed, the land used for development is included in the development cost of the project by calculating the apportionment based on the floor area of the development products.

3) Issuance of similar development products is accounted for by the average floor area method.

4) If the public ancillary facilities are completed earlier than the relevant development products, after the public ancillary facilities are completed and finalized, they are allocated to the development costs of the relevant development projects according to the budgeted costs of the relevant development projects; if the public ancillary facilities are completed later than the relevant

development products, the public ancillary facilities fees are first withheld from the relevant development products, and then adjusted according to the difference between the actual number of fees incurred and the number of fees withdrawn after the completion and finalization of the public ancillary facilities. If the public facilities are later than the completion of the relevant development products, the public facilities fees will be withheld by the relevant development products first, and the difference between the actual amount incurred and the amount withheld will be adjusted according to the final account after the completion of the public facilities.

### (3) Inventory system

Perpetual inventory method is adopted.

### (4) Amortization method of low-value consumables and packages

#### 1) Low-value consumables

Low-value consumables are amortized with one-off method.

#### 2) Packages

Packages are amortized with one-off method.

### (5) Criteria for recognizing and providing for provision for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost or net realizable value, and provision for decline in value of inventories is made for the difference between cost and net realizable value. The net realizable value of inventories used directly for sale is determined in the normal course of production and operation by the estimated selling price of the inventories less estimated selling expenses and related taxes; the net realizable value of inventories requiring processing is determined in the normal course of production and operation by the estimated selling price of the finished goods produced less estimated costs to be incurred up to the time of completion, estimated selling expenses and related taxes; At the balance sheet date, if there is a contract price agreed for one part of the same inventory and no contract price exists for the other part, the net realizable value is determined separately and compared with its corresponding cost, and the amount of provision or reversal of allowance for decline in value of inventories is determined separately.

## **14 .Long-term equity investments**

### (1) Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

### (2) Determination of investment cost

1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one

transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

a. In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

b. In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”

(3) Subsequent measurement and recognition method of profit or loss

For long-term equity investments with control relationship, it is accounted for with cost method; for long-term equity investments with joint control or significant influence relationship, it is accounted for with equity method.

(4) Disposal of a subsidiary in stages resulting in the Company’s loss of control

1) Principles for determining whether or not a transaction is a "package deal"

In the case of a step-by-step disposal of equity investments in subsidiaries through multiple transactions until loss of control, the Company determines whether a step-by-step transaction is a "package deal" by taking into account the terms and conditions of the transaction agreement for each step of the step-by-step transaction, the respective disposal consideration, the target of the disposal, the method of disposal, and the point of time of the disposal, among other information. If the terms, conditions and economic impacts of each transaction meet one or more of the following conditions, it is generally recognized that multiple transactions are "package deals":

a. The transactions are entered into at the same time or in consideration of the effects of each other;

b. The transactions as a whole achieve a complete business result;

- c. the occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- d. a transaction is uneconomic when viewed in isolation, but is economic when considered in conjunction with other transactions.

## 2) Accounting treatment for transactions that are not "package deals"

### a. Individual financial statements

For equity interests disposed of, the difference between the book value and the actual acquisition price is recognized in profit or loss for the current period. For the remaining equity interest, if it still has significant influence over the investee unit or exercises joint control with other parties, it is transferred to the equity method of accounting; if it can no longer exercise control, joint control or significant influence over the investee unit, it is accounted for in accordance with the relevant provisions of "Accounting Standard for Business Enterprises (ASBE) No. 22 - Recognition and Measurement of Financial Instruments".

### b. Consolidated financial statements

Prior to the loss of control, the difference between the disposal price and the disposal long-term equity investment's corresponding share of the subsidiary's net assets calculated on a continuous basis from the date of purchase or the date of consolidation is adjusted to capital surplus (capital premium), and if capital premium is not sufficient to be eliminated, it is eliminated to retained earnings.

Upon loss of control over Atomics, the remaining equity interest is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration obtained from the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the original subsidiary's net assets continuously measured from the date of purchase or the date of consolidation based on the original shareholding ratio, is recognized as investment income in the period in which control is lost, and goodwill is also eliminated. Other comprehensive income, such as other comprehensive income related to equity investments in the original subsidiaries, should be transferred to investment income in the current period when control is lost.

## 3) Accounting treatment of "package transactions"

### a. Individual financial statements

Each transaction is accounted for as a disposal of a subsidiary and loss of control. However, the difference between the disposal price and the carrying value of the long-term equity investment corresponding to the disposal of the investment in each case before the loss of control is recognized as other comprehensive income in the individual financial statements and transferred to profit or loss in the period of the loss of control when the loss of control occurs.

### b. Consolidated financial statements

Each transaction is accounted for as a disposal of a subsidiary and loss of control. However, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment in each case before the loss of control is recognized as other comprehensive income in the consolidated financial statements and transferred to profit or loss in the period of loss of control when the control is lost.

## 15. Fixed assets

### (1) Recognition principles

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if,

it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

## (2) Depreciation method

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	7-70	5	13.57-1.36
General equipment	Straight-line method	5-10	5	19.00-9.50
Special equipment	Straight-line method	5-15	5	19.00-6.33
Transport facilities	Straight-line method	5-7	5	19.00-13.57

## 16. Construction in progress

(1) Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

(2) Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

Categories	Criteria and point in time for carrying forward construction in progress to fixed assets
Buildings and structures	Construction works reach the state of intended use from the date of reaching the state of intended use
General equipment	After installation and commissioning to meet the design requirements or contractual standards
Special equipment	After installation and commissioning to meet the design requirements or contractual standards

## 17、Borrowing costs

### (1) Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

### (2) Borrowing costs capitalization period

1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

### (3) Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements less the general borrowing by the capitalization rate of the general borrowing used.

## 18. Intangible assets

### (1) Measurement method, useful lives and impairment test

1) Intangible assets include land use right, patent right, non-patented technology, etc. The initial measurement of intangible assets is based on its cost.

2) For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Useful life and the basis for its determination	Amortization method
Land use right	50、70、(Based on the number of years contained in the warrants)	linear method
Software	10、(Based on projected years of benefit)	linear method
Patent right	10、(Based on projected years of benefit)	linear method
Non-patented technology	15、(Based on projected years of benefit)	linear method

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

1) The scope of R&D expenditures to be pooled

#### ① Personnel labor costs

Personnel labor costs include wages and salaries, basic pension insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work injury insurance premiums, maternity insurance premiums and housing fund of the Company's research and development personnel, as well as labor costs of external research and development personnel.

Where research and development personnel serve on multiple research and development projects at the same time, labor costs are recognized on the basis of the records of hours worked by research and development personnel for each research and development project provided by the Company's management, and are allocated on a pro rata basis among the different research and development projects.

Where personnel directly engaged in research and development activities and external research and development personnel are simultaneously engaged in non-research and development activities, the Company allocates the personnel labor costs actually incurred by the research and development personnel between research and development expenses and production and operating expenses based on the records of their working hours in different positions, in accordance with the proportion of their actual working hours and other reasonable methods.

#### ② Direct input costs

Direct input costs refer to the relevant expenditures actually incurred by the Company for the implementation of research and development activities. It includes:

- a. directly consumed materials, fuel and power costs;
- b. the development and manufacturing costs of molds and process equipment used for intermediate tests and product trial production, the purchase costs of samples, prototypes and general testing means that do not constitute fixed assets, and the inspection costs of trial products;
- c.) the costs of operating and maintaining, adjusting, inspecting, testing and repairing instruments and equipment used for research and development activities.

#### ③ Depreciation expense and long-term amortization expense

Depreciation expense refers to the depreciation of instruments, equipment and buildings in use used in research and development activities.

If instruments, equipment and buildings in use are used for research and development activities and are also used for non-research and development activities, necessary records are kept of the use of such instruments, equipment and buildings in use, and the depreciation expense actually incurred is allocated between research and development expenses and production and operating expenses using a reasonable method based on factors such as actual man-hours worked and square footage of space utilized.

Long-term amortized expenses are long-term amortized expenses incurred in the course of alteration, modification, renovation and repair of research and development facilities, which are summarized on the basis of actual expenditures and amortized equally over a specified period of time.

#### ④ Amortization expense of intangible assets

Amortization expense of intangible assets is the amortization expense of software, intellectual property, and non-patented technologies (know-how, licenses, designs and calculation methods, etc.) used in research and development activities.

#### ⑤ Design costs

Design expenses are expenses incurred for the conception, development and manufacture of new products and processes, design of processes, technical specifications, formulation of protocols, operational characteristics, etc., including expenses related to creative design activities for obtaining innovative, creative and breakthrough products.

#### ⑥ Equipment debugging costs and test costs

Equipment debugging costs are costs incurred for research and development activities in the process of preparing workpieces, including costs incurred for activities such as the development of special, specialized production machines, changes in production and quality control procedures, or the development of new methods and standards.

Costs incurred for routine tooling preparation and industrial engineering for mass production and commercialization are not included in the scope of collection.

#### ⑦ Commissioned external research and development costs

Entrusted external research and development expenses are expenses incurred by the Company for research and development activities entrusted to other organizations or individuals inside or outside the country (the results of the research and development activities are owned by the Company and are closely related to the Company's main business operations).

#### ⑧ Other expenses

Other expenses refer to expenses other than those mentioned above that are directly related to research and development activities, including technical library and data fees, data translation fees, expert consultation fees, insurance fees for high-tech research and development, search, demonstration, evaluation, appraisal and acceptance fees for research and development results, application fees, registration fees and agency fees for intellectual property rights, meeting fees, travel fees and communication fees.

2) Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: 1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; 2) its intention to complete the intangible asset and use or sell it; 3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; 4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and 5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

## **19. Impairment of part of long-term assets**

For long-term assets such as long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

## **20. Long-term prepaid expenses**

Long-term prepaid expenses refer to costs that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

## **21. Employee benefits**

### **(1) Short-term employee benefits**

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

### **(2) Post-employment benefits**

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

① In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the

periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

② When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

③ At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

### **(3) Termination benefits**

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

### **(4) Other long-term employee benefits**

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: a. service cost; b. net interest on the net liability or net assets of other long-term employee benefits; and c. changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

## **22. projected liability**

(1) When an obligation arising from contingencies such as guarantees given to others, litigation matters, product quality assurance, loss contracts, etc. becomes a present obligation of the company, and it is probable that the performance of the obligation will result in an outflow of economic benefits to the company and the amount of the obligation can be measured reliably, the company recognizes the obligation as a projected liability.

(2) The company initially measures a projected liability on the basis of the best estimate of the expenditure required to settle the relevant present obligation and reviews the carrying amount of the projected liability at the balance sheet date.

## **23. Revenue**

Accounting policies on revenue recognition and measurement

### **(1) Revenue recognition principles**

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: 1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; 2) the customer can control goods as they are created by the Company's performance; 3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably,

but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: 1) the Company has a present right to payment for the goods, i.e., the customer is presently obliged to pay for the goods; 2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; 3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; 4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; 5) the customer has accepted the goods; 6) other evidence indicating the customer has obtained control over the goods.

## (2) Revenue measurement principle

1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

## **Different operating models for the same type of business involving different revenue recognition and measurement methods**

### (1) Revenue from sales of products

The Company's main products are nutrition, flavor and fragrance, new polymer materials, etc. Sales of products are performance obligations satisfied at a point in time. Revenue from domestic sales is recognized when the Company has delivered goods to the customer as agreed by contract and has obtained delivery note signed by the customer, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company. Revenue from overseas sales is recognized when the Company has declared goods to the customs based on contractual agreements and has obtained a bill of lading, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

### (2) Revenue from real estate sales

Real estate sales are performance obligations satisfied at a point in time. Revenue from real estate sales is recognized when the Company has delivered properties to the customer as agreed by contract and has obtained the client acceptance receipts signed by the customer, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

## **24. Contract assets, contract liabilities**

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be

presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

## 25. Government grants

(1) Government grants shall be recognized if, and only if, the following conditions are all met:

- 1) the Company will comply with the conditions attaching to the grants;
- 2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

(2) Basis of judgment and accounting treatment of government grants related to assets

Government grants that are stipulated in government documents to be used for the purchase, construction or other formation of long-term assets are classified as asset-related government grants. If the government documents are unclear, the government grants are judged on the basis of the basic conditions that must be met in order to obtain the grants, and those that are based on the basic conditions of purchasing, constructing or otherwise forming long-term assets are classified as asset-related government grants. Government grants related to assets are offset against the carrying amount of the related assets or recognized as deferred income. If the government grants related to assets are recognized as deferred income, they are recognized in profit or loss in a reasonable and systematic manner over the useful lives of the related assets. Government grants that are measured at a nominal amount are recognized directly in profit or loss. If the related assets are sold, transferred, retired or destroyed before the end of their useful lives, the unallocated balance of the related deferred income is transferred to profit or loss in the period in which the assets are disposed of.

(3) Basis of judgment and accounting treatment of government grants related to revenues

Government grants other than asset-related government grants are classified as revenue-related government grants. For government grants that contain both asset-related and revenue-related components, if it is difficult to distinguish between asset-related and revenue-related government grants, the entire government grant is categorized as revenue-related government grants. Government grants related to income that are used to compensate for related costs or losses in future periods are recognized as deferred income and are credited to current profit or loss or charged to current cost in the period in which the related costs or losses are recognized; those that are used to compensate for related costs or losses that have already been incurred are directly credited to current profit or loss or charged to current cost.

(4) Government grants that are related to the Company's daily operations are recognized in other income or offset against related costs and expenses in accordance with the substance of the economic operations. Government grants that are not related to the Company's daily activities are recognized as non-operating income or expenses.

(5) Policy interest subvention

- 1) If the treasury disburses the subsidized interest funds to a lending bank, and the lending bank provides loans to the Company at a policy preferential interest rate, the actual amount of the loan received is used as the recorded value of the loan, and the related borrowing costs are calculated based on the principal amount of the loan and the policy preferential interest rate.
- 2) If the subsidized interest rate funds are directly allocated to the company by the treasury, the corresponding subsidized interest rate shall be offset against the relevant borrowing costs.

## 26. Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate

applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

(2) A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

(3) At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

(4) The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: 1) business combination; and 2) the transactions or items directly recognized in equity.

(5) Deferred income tax assets and deferred income tax liabilities are stated at net amounts after offsetting when the following conditions are simultaneously met: 1) there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; 2) the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxpaying entity, or relate to different taxpaying entities but are not realized or settled during each significant future period in which the deferred income tax assets and deferred income tax liabilities are reversed. each future period in which the deferred income tax assets and deferred income tax liabilities are reversed to the extent that the taxable entity involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

## 27. Leases

### (1) Accounting treatment of leases as a lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset.

For all short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method/unit-of-production method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.

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

A right-of-use asset is initially measured at cost, which consists of: ① the initial measurement amount of the lease liability; ② lease payments made on or before the commencement date of the lease term, net of amounts related to lease incentives received, if any; ③ initial direct costs incurred by the lessee; and ④ costs expected to be incurred by the lessee in order to dismantle and remove the leased asset, to rehabilitate the site where the leased asset is located, or to restore the leased asset to the agreed-upon condition under the terms of the lease. ⑤ Costs expected to be incurred by the lessee for dismantling and removing the leased asset or restoring the leased asset to the agreed state under the lease terms.

The Company depreciates right-of-use assets on a straight-line basis. If ownership of the leased assets can be reasonably determined at the end of the lease term, depreciation is provided over the remaining useful life of the leased assets. If it is not reasonably certain that the Company will obtain ownership of the leased asset by the end of the lease term, the Company depreciates the asset over the shorter of the lease term or the remaining useful life of the leased asset.

## 2) Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: a. actual fixed payments; b. amounts expected to be payable under residual value guarantees; c. an index or a rate used to determine lease payments; d. assessment result or exercise of purchase option, extension option or termination option., the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

## **(2) Accounting for leases as lessor**

At the inception date of a lease, the Company classifies leases that transfer substantially all the risks and rewards associated with ownership of the leased asset as finance leases, and all other leases as operating leases.

### 1) Operating leases

The Company recognizes lease receipts as rental income on a straight-line basis in each period of the lease term. Initial direct costs incurred are capitalized and amortized on the same basis as rental income and recognized in profit or loss in the current period. Variable lease payments related to operating leases that are not recognized as lease receipts are recognized in profit or loss when they are actually incurred.

### 2) Finance leases

At the commencement date of the lease term, the Company recognizes a finance lease receivable based on the net investment in the lease (the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease) and derecognizes the asset under a finance lease. During each period of the lease term, the Company calculates and recognizes interest income based on the interest rate embedded in the lease.

Variable lease payments acquired by the Company that are not included in the measurement of the net investment in the lease are recognized in profit or loss when they are actually incurred.

## 28. Work safety fund

Safety production fees extracted by the Company in accordance with the Administrative Measures for the Extraction and Use of Enterprise Production Safety Expenses (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Response are included in the cost of the relevant products or in current profit or loss, and are also recorded in the account of "special reserve". When the safety production fee is used, if it is an expense, it is directly deducted from the special reserve. If a fixed asset is formed, the expenditure incurred is summarized under the "construction in progress" account and recognized as a fixed asset when the safety project is completed and reaches the intended state of use; at the same time, the special reserve is deducted in accordance with the cost of forming the fixed asset and accumulated depreciation of the same amount is recognized, and no depreciation will be provided for the fixed asset in the subsequent period.

## 29. Segment reporting

Operating segments are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

- (1) that engages in business activities from which it may earn revenues and incur expenses;
- (2) whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and
- (3) for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

## 30. Accounting treatment related to share repurchase

When the Company repurchases its shares for the purpose of reducing its registered capital or rewarding its employees, if the purchased shares are to be kept as treasury shares, the treasury shares are recorded at the cash distributed to existing shareholders for repurchase; if the purchased shares are to be retired, the difference between the total par value of shares retired and the cash distributed to existing shareholders for repurchase is to reduce capital reserve, or retained earnings when the capital reserve is not enough to reduce. If the Company repurchases vested equity instruments in equity-settled share-based payment transactions with employees, cost of treasury shares granted to employees and capital reserve (other capital reserve) accumulated within the vesting period are to be written off on the payment made to employees, with a corresponding adjustment in capital reserve (share premium).

## 31. Significant changes in accounting policies and estimates

### (1) Significant changes in accounting policies

☐ Applicable ☒ Not Applicable

**(2) Significant changes in accounting estimates**

□ Applicable √ Not Applicable

**(3) Adjustments to items related to financial statements at the beginning of the year of first-time implementation of new accounting standards from 2025 onwards**

□ Applicable √ Not Applicable

**VI. Taxes****1. Main taxes and tax rates**

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	13%, 9%, 8%, 6%, 5% and 19%; export goods enjoy the “exemption, credit and refund” policy and the refund rate ranges from 0% to 13%; the subsidiary Zhejiang NHU Import & Export Co., Ltd. enjoys the “refund upon collection” policy and the refund rate ranges from 0% to 13%.
Urban maintenance and construction tax	Turnover tax actually paid	5%, 7%
Enterprise income tax	Taxable income	8.25%、8.7%、15%、16.5%、17%、20%、22%、25%、30%、34%、34.59%
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	A four-grade progressive tax system is adopted. The rates are: 30% for appreciated value not over 50% of total deductible amount; 40% for appreciated value over 50% but not over 100% of total deductible amount; 50% for appreciated value over 100% but not over 200% of total deductible amount; and 60% for appreciated value over 200% of total deductible amount.
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%、12%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Solidarity surcharge [Note]	Income tax payable	5.5%
Trade tax [Note]	Taxable income	13.3%

Note: The subsidiaries NHU EUROPE GmbH, NHU PERFORMANCE MATERIALS GMBH and Bardoterminal GmbH are subject to these rates.

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
The Company	15%
Shangyu NHU Bio-Chem Co., Ltd.	15%
Shandong NHU Pharmaceutical Co., Ltd.	15%
Shandong NHU Amino-acids Co., Ltd.	15%

Taxpayers	Income tax rate
Zhejiang NHU Special Materials Co., Ltd.	15%
Heilongjiang NHU Biotechnology Co., Ltd.	15%
Zhejiang NHU Pharmaceutical Co., Ltd	15%
Shandong NHU Fine Chemical Science and Technology Co.	15%
NHU (Hong Kong) Trading Co., Ltd.	Adoption of the territorial source principle of taxation, with profits tax rate of 8.25% for the first HK\$2 million of Hong Kong-sourced profits and 16.5% for the subsequent Hong Kong-sourced profits, while profits sourced elsewhere are not subject to Hong Kong profits tax
NHU EUROPE GMBH	15%
NHU Performance Materials GMBH	15%
Bardoterminal GmbH	15%
NHU LIFE SCIENCE GmbH	15%
NHU Singapore PTE. LTD.	17%
Shandong New Shuang'an Biotechnology Co., Ltd	20%
NHU/Chr.Olesen Latin America A/S	22%
NHU/CHR.OLESEN MEXICO SAPIDE CV	30%
NHU/CHR.OLESEN BRASIL LTDA	34%
CONGTY TNHH NHU VIETNAM	20%
NHU Japan Co., Ltd	34.59%
NHU North America LLC	8.70%
Subjects of taxation other than those mentioned above	25%

## 2. Tax preferential policies

### (1) Enterprise income tax

#### 1) Tax incentives for high-tech enterprises

① According to the Hi-Tech Enterprise Certificate (GR202333009429) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, State Taxation Administration (STA), the Company is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2023 to 2025. It is subject to the rate of 15% for enterprise income tax in 2025.

② According to the Hi-Tech Enterprise Certificate (GR202233002530) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Shangyu NHU Bio-Chem Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2022 to 2024. It is subject to the rate of 15% for enterprise income tax in 2025.

③ According to the Hi-Tech Enterprise Certificate (GR202337003609) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Pharmaceutical Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2023 to 2025. It is subject to the rate of 15% for enterprise income tax in 2025.

④ According to the Hi-Tech Enterprise Certificate (GR202437003425) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Amino Acid Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2024 to 2026. It is subject to the rate of 15% for enterprise income tax in 2025.

⑤ According to the Hi-Tech Enterprise Certificate (GR202433008150) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Zhejiang NHU

Special Materials Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2024 to 2026. It is subject to the rate of 15% for enterprise income tax in 2025.

⑥ According to the Hi-Tech Enterprise Certificate (GR202423000652) issued by Heilongjiang Provincial Department of Science and Technology, Heilongjiang Provincial Department of Finance and Heilongjiang Provincial Tax Service, STA, the subsidiary Heilongjiang NHU Biotechnology Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2024 to 2026. It is subject to the rate of 15% for enterprise income tax in 2025.

⑦ According to the Hi-Tech Enterprise Certificate (GR202233004365) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Zhejiang NHU Pharmaceutical Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2022 to 2024. It is subject to the rate of 15% for enterprise income tax in 2025.

⑧ According to the Hi-Tech Enterprise Certificate (GR202237005690) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Fine Chemical Science and Technology Co. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2022 to 2024. It is subject to the rate of 15% for enterprise income tax in 2025.

## 2) Tax incentives for small and micro enterprises

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Entrepreneurs in Relation to Tax Policies (Announcement of the Ministry of Finance and the State Administration of Taxation No. 12 of 2023): the policy of reducing the calculation of taxable income by 25% for small and micro-profit enterprises, and paying the enterprise income tax at a rate of 20%, was extended to December 31, 2027 for implementation. Ltd., a subsidiary of the Company, is subject to enterprise income tax at the corresponding preferential tax rate.

## 3) Overseas Enterprise income tax

According to Section 14 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong, Hong Kong adopts the territorial source principle of taxation, i.e. only profits derived from Hong Kong are subject to Hong Kong tax, whereas profits derived from elsewhere are not subject to Hong Kong profits tax. The subsidiary, Sun Woo Shing (Hong Kong) Trading Company Limited, is subject to enterprise income tax at the corresponding preferential tax rate.

## (2) VAT

Pursuant to the "Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Value-added Tax Credits for Enterprises in the Advanced Manufacturing Sector" (Announcement of the Ministry of Finance and the State Administration of Taxation No. 43 of 2023), from 1 January 2023 to 31 December 2027, enterprises in the advanced manufacturing sector are permitted to offset the value-added tax payable against the current period's creditable input tax by adding a 5% credit to the current period's creditable input tax amount. The Company and its subsidiaries, Shangyu NHU Bio-Chem Co., Ltd, Zhejiang NHU Pharmaceutical Co., Ltd., Zhejiang NHU Special Materials Co., Ltd., Shaoxing Yuchen New Materials Co., Ltd., Shandong NHU Amino Acid Co., Ltd, Shangdong NHU Pharmaceutical Co., Ltd., Shandong NHU Fine Chemical Science and Technology Co., Ltd, Heilongjiang NHU Biotechnology Co., Ltd., are entitled to the Preferential policy of input tax credit.

## VII. Notes to items of consolidated financial statements

### 1. Cash and bank balances

Unit: RMB Yuan

Items	Closing balance	Opening balance
Cash on hand	12,019.36	12,825.19
Cash in bank	6,166,047,031.04	7,880,453,812.72
Other cash and bank balances	388,170,512.78	56,038,167.74
Total	6,554,229,563.18	7,936,504,805.65
Including: Deposited overseas	272,135,544.97	464,483,762.87

Other remarks: Other cash and bank balances

Unit: RMB Yuan

Items	Closing balance	Opening balance
Banker's acceptance deposit	114,720,511.24	30,809,898.16
Foreign Exchange Option Margin	8,800,000.00	8,800,000.00
Guarantee Bond Deposit	9,987,956.83	8,183,592.83
Letter of Credit Deposit	691,276.80	1,458,021.83
Water Fee deposit	1,063,583.51	1,263,178.80
Safety Construction deposit	877,057.74	875,023.57
Project Labor Wage Deposit	855,093.79	854,699.63
ETC Deposit	23,500.00	22,500.00
Alipay balance	8,401.07	8,401.07
Emissions Rights Deposit	1,885.57	
Deposited investment fund	246,940,046.23	1.85
Customs Margin	4,201,200.00	3,762,850.00
Total	388,170,512.78	56,038,167.74

### 2. Held-for-trading financial assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	1,950,814,253.31	745,816.34
Including:		
Including: Financial products with guaranteed principal and floating income	1,950,000,000.00	
Derivative financial assets	814,253.31	745,816.34
Total	1,950,814,253.31	745,816.34

### 3. Notes receivable

#### (1) Details on categories

Unit: RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance	280,460,227.83	292,562,093.90
Total	280,460,227.83	292,562,093.90

**(2) Disclosure by bad debt accrual method**

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Notes receivable with provision for bad debts made on a collective basis	280,460,227.83	100.00%			280,460,227.83
Including:					
Bank acceptance	280,460,227.83	100.00%			280,460,227.83
Total	280,460,227.83	100.00%			280,460,227.83

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Notes receivable with provision for bad debts made on a collective basis	292,562,093.90	100.00%			292,562,093.90
Including:					
Bank acceptance	292,562,093.90	100.00%			292,562,093.90
Total	292,562,093.90	100.00%			292,562,093.90

Provision for bad debts is made on a portfolio basis: Bank acceptance

Unit: RMB Yuan

Categories	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Bankers' acceptances portfolio	280,460,227.83		
Total	280,460,227.83		

If the allowance for bad debts on notes receivable is based on a general model of expected credit losses:

☐Applicable ☒Not applicable**(3) Pledged notes at the balance sheet date**

Unit: RMB Yuan

Items	Closing balance of pledged notes
Bank acceptance	91,635,728.01
Total	91,635,728.01

**(4) Endorsed or discounted but undue notes at the balance sheet date**

Unit: RMB Yuan

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	96,830,291.00	

Items	Closing balance derecognized	Closing balance not yet derecognized
Total	96,830,291.00	

#### 4. Accounts receivable

##### (1) Age analysis

Unit: RMB Yuan

Ages	Closing balance	Opening balance
Within 1 year (inclusive)	3,758,798,906.28	3,820,258,543.87
1-2 years	10,220,003.56	30,298,898.20
2-3 years	1,337,225.60	956,846.12
Over 3 years	2,120,460.98	2,106,280.80
3-4 years	14,180.18	
4-5 years	57,000.00	57,000.00
Over 5 years	2,049,280.80	2,049,280.80
Total	3,772,476,596.42	3,853,620,568.99

##### (2) Details on categories

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Accounts receivable with provision for bad debts made on a collective basis	3,772,476,596.42	100.00%	193,174,187.67	5.12%	3,579,302,408.75
Total	3,772,476,596.42	100.00%	193,174,187.67	5.12%	3,579,302,408.75

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Accounts receivable with provision for bad debts made on a collective basis	3,853,620,568.99	100.00%	199,944,464.62	5.19%	3,653,676,104.37
Total	3,853,620,568.99	100.00%	199,944,464.62	5.19%	3,653,676,104.37

Provision for bad debts is made on a portfolio basis: Accounts receivable grouped by aging for bad debt provision

Unit: RMB Yuan

Ages	Closing balance		
	Closing balance	Closing balance of provision for bad debts	Closing balance
Within 1 year (inclusive)	3,758,798,906.28	187,939,945.50	5.00%
1-2 years	10,220,003.56	2,044,000.71	20.00%

Ages	Closing balance		
	Closing balance	Closing balance of provision for bad debts	Closing balance
2-3 years	1,337,225.60	1,069,780.48	80.00%
Over 3 years	2,120,460.98	2,120,460.98	100.00%
Total	3,772,476,596.42	193,174,187.67	

A description of the basis for determining the portfolio:

Provision for bad debts using an ageing portfolio

If the allowance for bad debts for accounts receivable is based on the general model of expected credit losses:

☐Applicable ☒ Not applicable

### (3) Provisions made, collected or reversed in the current period

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/ Reversal	Write-off	Others	
Provision made on a collective basis	199,944,464.62	-6,770,276.95				193,174,187.67
Total	199,944,464.62	-6,770,276.95				193,174,187.67

### (4) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Closing balance	Proportion to the total balance of receivables (%)	Closing balance of provision for bad debts
Client A	294,432,643.02	7.80%	14,721,632.15
Client B	200,161,058.89	5.31%	10,530,172.74
Client C	73,341,232.45	1.94%	3,667,061.62
Client D	68,339,982.94	1.81%	3,416,999.15
Client E	53,300,788.02	1.41%	2,665,039.40
Total	689,575,705.32	18.27%	35,000,905.06

## 5. Receivables financing

### (1) Presentation of receivable financing classifications

Unit: RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance	615,913,861.51	523,913,135.22
Total	615,913,861.51	523,913,135.22

**(2) Disclosure by category of bad debt provision method**

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Provision for bad debts by portfolio	615,913,861.51	100.00%			615,913,861.51
Including:					
Bank acceptance	615,913,861.51	100.00%			615,913,861.51
Total	615,913,861.51	100.00%			615,913,861.51

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Provision for bad debts by portfolio	523,913,135.22	100.00%			523,913,135.22
Including:					
Bank acceptance	523,913,135.22	100.00%			523,913,135.22
Total	523,913,135.22	100.00%			523,913,135.22

Provision for bad debts by portfolio: Bank acceptance

Unit: RMB Yuan

Categories	Closing balance		
	Book balance	Provision for bad debts	Book balance
Bank acceptance	615,913,861.51		
Total	615,913,861.51		

**(3) Pledged Financing Receivables at balance sheet date**

Unit: RMB Yuan

Items	Closing balance of pledged notes
Bank acceptance	20,451,667.83
Subtotal	20,451,667.83

**(4) Receivable financing at the end of the period that has been endorsed or discounted by the Company and is not yet due at the balance sheet date**

Unit: RMB Yuan

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	852,136,845.14	
Total	852,136,845.14	

**6. Other receivables**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Other receivables	501,788,220.65	225,516,143.49
Total	501,788,220.65	225,516,143.49

**(1) Dividend receivable****1) Classification of dividends receivable**

Unit: RMB Yuan

Items/Investees	Closing balance	Opening balance
Export tax refund	95,465,174.49	155,510,799.79
Security deposits	332,145,418.85	28,016,052.55
Refundable VAT	58,523,628.36	22,474,837.60
Employee petty cash	16,214,574.14	19,683,594.24
Temporary Accounts Receivable	5,345,211.43	
Special injection		3,698,633.08
Others	5,993,145.54	4,326,094.50
Total	513,687,152.81	233,710,011.76

**2) Ages analysis**

Unit: RMB Yuan

Ages	Closing book balance	Opening book balance
Within 1 year (inclusive)	474,692,330.52	205,033,057.78
1-2 years	12,205,370.60	4,490,776.06
2-3 years	4,309,945.26	3,096,856.11
Over 3 years	22,479,506.43	21,089,321.81
3-4 years	6,214,206.22	5,158,410.73
4-5 years	1,059,068.50	910,984.75
Over 5 years	15,206,231.71	15,019,926.33
Total	513,687,152.81	233,710,011.76

**3) Disclosure by bad debt accrual method**☒Applicable ☐Not applicable

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Provision for bad debts by portfolio	513,687,152.81	100.00%	11,898,932.16	2.32%	501,788,220.65
Total	513,687,152.81	100.00%	11,898,932.16	2.32%	501,788,220.65

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Provision for bad debts by portfolio	233,710,011.76	100.00%	8,193,868.27	3.51%	225,516,143.49
Total	233,710,011.76	100.00%	8,193,868.27	3.51%	225,516,143.49

Category name for bad debt provisions calculated by combination: Other receivables for which bad debt provisions are calculated by combination

Unit: RMB Yuan

Ages	Closing balance		
	Amount	Carrying amount	Amount
Export Refund Receivable Portfolio	95,465,174.49		
VAT refund receivable portfolio	58,523,628.36		
Land deposit receivable portfolio	320,360,243.50		
Ages	39,338,106.46	11,898,932.16	30.25%
Within 1 year (inclusive)	17,697,777.67	884,888.89	5.00%
1-2 years	12,205,370.60	2,441,074.13	20.00%
2-3 years	4,309,945.26	3,447,956.21	80.00%
Over 3 years	5,125,012.93	5,125,012.93	100.00%
Total	513,687,152.81	11,898,932.16	

Provision for bad debts is made on the basis of a general model of expected credit losses:

Unit: RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	1,167,439.35	858,065.81	6,168,363.11	8,193,868.27
Opening balance in the current period				
--Transferred to phase II	-610,268.53	610,268.53		
--Transferred to phase III		-861,989.05	861,989.05	
Provision made in the current period	327,718.07	1,834,728.84	1,542,616.98	3,705,063.89
Closing balance	884,888.89	2,441,074.13	8,572,969.14	11,898,932.16

Classification of stages and bad debt provisioning ratio

The basis of classification by stages: Accounts aged less than one year are classified as stage I, accounts aged 1 to 2 years are classified as stage II, and accounts aged more than 2 years are classified as stage III.

Changes in carrying amounts for which the amount of change in the provision for losses during the period is material.

☐Applicable ☒Not applicable

**4) Provisions made, collected or reversed in the current period**

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/ Reversal	Write-off	Others	
Provision made on a collective basis	8,193,868.27	3,705,063.89				11,898,932.16
Total	8,193,868.27	3,705,063.89				11,898,932.16

**5) Details of the top 5 debtors with largest balances**

Unit: RMB Yuan

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Hangzhou Municipal Bureau of Planning and Natural Resources	Land guarantee deposit	207,370,000.00	Within 1 year (inclusive)	40.37%	
Tianjin Economic and Technological Development Zone Nangang Development Group Co., Ltd.	Land deposit compensation	95,635,750.00	Within 1 year (inclusive)	18.62%	
National Revenue Service (export tax refunds receivable)	export tax rebate	95,465,174.49	Within 1 year (inclusive)	18.58%	
Finanzamt Lüneburg	Refundable VAT	29,825,263.89	Within 1 year (inclusive)	5.81%	
Servicio de Administración Tributaria	Refundable VAT	24,401,473.32	Within 1 year (inclusive)	4.75%	
Total		452,697,661.70		88.13%	

**7. Prepayments****(1) Age analysis**

Unit: RMB Yuan

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Within 1 year	204,759,130.20	99.56%	162,128,120.14	99.33%
1-2 years	443,462.13	0.21%	627,814.76	0.38%
2-3 years	17,356.00	0.01%	369,577.18	0.23%
Over 3 years	444,046.15	0.22%	91,000.00	0.06%
Total	205,663,994.48		163,216,512.08	

**(2) Details of the top 5 debtors with largest balances**

Unit: RMB Yuan

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Supplier A	27,398,179.53	13.32
Supplier B	26,210,899.92	12.74
Supplier C	18,239,159.76	8.87
Supplier D	16,520,144.74	8.03
Supplier E	14,211,155.91	6.91
Subtotal	102,579,539.86	49.87

**8. Inventories**

Is the company subject to disclosure requirements for the real estate industry

No

**(1) Inventory classification**

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Inventory Write-down	Carrying amount	Book balance	Inventory Write-down	Carrying amount
Raw materials	434,625,342.77	6,248,444.25	428,376,898.52	442,728,793.37	6,460,736.28	436,268,057.09
Work in process	1,023,314,735.99	747,568.99	1,022,567,167.00	1,121,647,464.74	6,519,042.73	1,115,128,422.01
Goods on hand	3,060,554,636.57	155,292,603.28	2,905,262,033.29	2,419,984,677.77	140,206,380.43	2,279,778,297.34
Goods dispatched	116,031,009.93		116,031,009.93	100,921,025.52		100,921,025.52
Development cost	54,960,480.22		54,960,480.22	54,960,480.22		54,960,480.22
Materials on consignment for further processing	3,365,787.07		3,365,787.07	4,971,296.82		4,971,296.82
Packages	17,876,088.23		17,876,088.23	18,485,345.27		18,485,345.27
Low-value consumables	1,258,311.13		1,258,311.13	79,583,917.69		79,583,917.69
Total	4,711,986,391.91	162,288,616.52	4,549,697,775.39	4,243,283,001.40	153,186,159.44	4,090,096,841.96

**(2) Inventory Write-down**

Unit: RMB Yuan

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Recovery/ Reversal	Others	
Raw materials	6,460,736.28			212,292.03		6,248,444.25
Work in process	6,519,042.73	-5,771,473.74				747,568.99
Goods on hand	140,206,380.43	39,043,879.56		23,957,656.71		155,292,603.28
Total	153,186,159.44	33,272,405.82		24,169,948.74		162,288,616.52

Specific basis for determining net realizable value, reasons for reversal or write-off of provision for decline in value of inventories in the period

Items	Determination basis of net realizable value	Reasons for write-off of provision for inventory write-down	Reasons for reversal of provision for decline in value of inventories
Raw materials	Net realizable value is determined as the estimated selling price of the relevant finished goods, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in prior periods	Consumption of inventories for which provision for decline in value of inventories has been made during the period
Work in process	Net realizable value is determined as the estimated selling price of the relevant finished goods, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in prior periods	Inventories for which provision for inventory write-downs was made at the beginning of the period were depleted during the period.
Goods on hand	Net realizable value is determined as the estimated selling price of the relevant finished goods, less estimated selling expenses and related taxes.	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in prior periods	Inventories for which provision for decline in value of inventories was made at the beginning of the period were sold during the period

Provision for decline in value of inventories by portfolio: None

### (3) Inventories – Development cost

Unit: RMB Yuan

Items	Estimated total investment	Opening balance	Closing balance
Weifang NHU Town Phase II	398.53 million	54,960,480.22	54,960,480.22
Subtotal		54,960,480.22	54,960,480.22

## 9. Other current assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Prepaid VAT or input VAT to be credited	15,830,723.85	28,566,490.04
Prepaid enterprise income tax	61,699.24	
Prepaid insurance premiums	6,610,266.18	4,885,881.13
Amortized service charges	787,071.72	2,184,667.56
Amortized rent costs	2,271,473.38	332,593.36
Total	25,561,234.37	35,969,632.09

## 10. Other equity instrument investments

Unit: RMB Yuan

Items	Opening balance	Gains recognized in other comprehensive income for the period	Losses recognized in other comprehensive income for the period	Gains accumulated and recognized in other comprehensive income at the end of the period	Losses accumulated and recognized in other comprehensive income at the end of the period	Dividend income recognized in the current period	Closing balance	Reasons for designating as measured at fair value with changes recognized in other comprehensive income
Zhejiang Second Pharma Co., Ltd.	7,790,147.55						7,790,147.55	
Shanghai NewMargin Yongjin Equity Enterprise (LP)	11,708,000.00					5,292,000.00	10,000,000.00	
Total	19,498,147.55					5,292,000.00	17,790,147.55	

## 11. Long-term equity investments

Unit: RMB Yuan

Investees	Opening carrying amount	Closing carrying amount	Increase/Decrease								Closing carrying amount	Closing balance of provision for impairment
			Investments increased	Investments decreased	Investment income/losses recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
I. Joint ventures												
Ningbo ZRCC NHU Biotechnology Co., Ltd.	358,644,929.90				-15,076,323.59						343,568,606.31	
Subtotal	358,644,929.90				-15,076,323.59						343,568,606.31	
II. Associates												
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	302,422,406.40				32,414,200.80					11,681.07	334,848,288.27	
Envalior NHU Engineering Materials (Zhejiang) Co.,Ltd.	36,570,912.79				6,837,431.33					-1,787,149.40	41,621,194.72	
Zhejiang Saiya Chemical Materials Co., Ltd.	129,803,674.22				1,538,444.36			12,250,000.00		-93,749.70	118,998,368.88	
CysBio AnS	28,785,541.95				-254,894.33	-118,434.74					28,412,212.88	

Investees	Opening carrying amount	Closing carrying amount	Increase/Decrease								Closing carrying amount	Closing balance of provision for impairment
			Investments increased	Investments decreased	Investment income/losses recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Shandong Bin'an Vocational Training School Co., Ltd.	4,022,621.53				-795,385.25						3,227,236.28	
Anhui Innovation Technology Co., Ltd.	5,012,061.57				-30,597.58						4,981,463.99	
Subtotal	506,617,218.46				39,709,199.33	-118,434.74		12,250,000.00		-1,869,218.03	532,088,765.02	
Total	865,262,148.36				24,632,875.74	-118,434.74		12,250,000.00		-1,869,218.03	875,657,371.33	

Recoverable amount determined as fair value less costs of disposal, net

☐Applicable ☒Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

☐Applicable ☒Not applicable

## 12. Fixed assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Fixed assets	21,139,844,047.48	21,915,984,823.43
Total	21,139,844,047.48	21,915,984,823.43

### (1) Details

Unit: RMB Yuan

Items	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Cost:					
1. Opening balance	8,454,066,940.85	264,629,823.65	23,279,364,467.73	28,462,249.11	32,026,523,481.34
2. Increase	21,788,906.11	18,860,261.07	294,200,916.81	4,359,422.81	339,209,506.80
(1) Acquisition	21,489,596.11	17,959,742.52	103,536,085.31	4,359,422.81	147,344,846.75
(2) Transferred in from construction in progress	299,310.00	900,518.55	190,664,831.50		191,864,660.05
3. Decrease	363,653.95	1,874,664.91	24,187,953.36	2,784,440.15	29,210,712.37
(1) Disposal/ Scrapping	363,653.95	1,874,664.91	24,187,953.36	2,784,440.15	29,210,712.37
4. Closing balance	8,475,492,193.01	281,615,419.81	23,549,377,431.18	30,037,231.77	32,336,522,275.77
II. Accumulated depreciation					
1. Opening balance	1,307,579,725.86	184,226,362.77	8,542,577,649.57	14,670,898.44	10,049,054,636.64

Items	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
2. Increase	126,181,540.59	16,709,686.84	970,252,721.78	1,962,778.46	1,115,106,727.67
(1) Accrual	126,181,540.59	16,709,686.84	970,252,721.78	1,962,778.46	1,115,106,727.67
3. Decrease	7,435,041.91	1,590,367.49	17,975,064.20	1,966,530.61	28,967,004.21
(1) Disposal/ Scrapping	7,435,041.91	1,590,367.49	17,975,064.20	1,966,530.61	28,967,004.21
4. Closing balance	1,426,326,224.54	199,345,682.12	9,494,855,307.15	14,667,146.29	11,135,194,360.10
III. Provision for impairment					
1. Opening balance	20,975,435.81	7,112.74	40,501,472.72		61,484,021.27
2. Increase					
(1) Accrual					
3. Decrease			153.08		153.08
(1) Disposal/ Scrapping			153.08		153.08
4. Closing balance	20,975,435.81	7,112.74	40,501,319.64		61,483,868.19
IV. Carrying amount					
1. Closing balance	7,028,190,532.66	82,262,624.95	14,014,020,804.39	15,370,085.48	21,139,844,047.48
2. Opening balance	7,125,511,779.18	80,396,348.14	14,696,285,345.44	13,791,350.67	21,915,984,823.43

**(2) Fixed assets temporarily idle**

Unit: RMB Yuan

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Remarks
Buildings and structures	173,902,760.28	54,911,959.85	20,975,435.81	98,015,364.62	
General equipment	135,296.73	115,332.07	2,420.51	17,544.15	
Special equipment	589,174,324.73	456,991,286.57	39,273,709.19	92,909,328.97	
Subtotal	763,212,381.74	512,018,578.49	60,251,565.51	190,942,237.74	

**(3) Fixed assets leased out under operating leases**

Unit: RMB Yuan

Items	Closing carrying amount
Buildings and structures	30,767,732.39

**(4) Fixed assets with certificate of titles being unsettled**

Unit: RMB Yuan

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	915,060,655.98	Relevant procedures have not yet been completed.

**(5) Impairment testing of fixed assets**

□Applicable √ Not applicable

**13. Construction in progress**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Construction in progress	568,658,217.83	571,610,643.68
Total	568,658,217.83	571,610,643.68

**(1) Details**

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Series Aldehyde Switching Production Project of 1500 tons in Workshop 615	74,316,206.46		74,316,206.46	68,706,885.55		68,706,885.55
Process and legitimacy project with annual production capacity of 0.02 million of glufosinate ammonium chloride	50,305,981.40		50,305,981.40	49,623,769.12		49,623,769.12
New Material Industry Chain Project	57,245,864.57		57,245,864.57	24,534,038.09		24,534,038.09
1500 tons/year aniseed brain project				55,770,423.77		55,770,423.77
Citral New Process Expansion Project				37,142,112.68		37,142,112.68
Annual output of 1000 tons of calcium hydroxymethionine project	34,260,717.66		34,260,717.66	33,944,620.16		33,944,620.16
Workshop 520 asset revitalization project	27,710,990.08		27,710,990.08	24,035,797.86		24,035,797.86
2024 Menthol Expansion Technical Reform Project	21,570,515.74		21,570,515.74	16,854,381.08		16,854,381.08
Other miscellaneous projects	303,247,941.92		303,247,941.92	260,998,615.37		260,998,615.37
Total	568,658,217.83		568,658,217.83	571,610,643.68		571,610,643.68

**(2) Changes in significant construction-in-progress projects**

Unit: RMB Yuan

Projects	Budgets RMB 0000 Yuan	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Accumulated input to budget (%)	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Including: Amount of borrowing cost capitalization in current period	Annual capitalization rate	Fund source
Series Aldehyde Switching Production Project of 1500 tons in Workshop 615	11,687.27	68,706,885.55	5,609,320.91			74,316,206.46	63.59	90.00				Others
New Material Industry Chain Project	403,624.00	24,534,038.09	32,711,826.48			57,245,864.57	1.42	5.00				Others
1500 tons/year aniseed brain project	7,966.00	55,770,423.77	9,861,628.99	65,632,052.76			82.39	100.00	622,670.37	413,803.49	2.31	Others
<b>Total</b>	<b>423,277.27</b>	<b>149,011,347.41</b>	<b>48,182,776.38</b>	<b>65,632,052.76</b>	<b>0</b>	<b>131,562,071.03</b>			<b>622,670.37</b>	<b>413,803.49</b>		

**(3) Impairment testing of construction in progress**

□Applicable ✓ Not applicable

**14. Right-of-use assets****(1) Details**

Unit: RMB Yuan

Items	Buildings and structures	Total
<b>I. Cost</b>		
1. Opening balance	16,612,419.88	16,612,419.88
2. Increase	-12,921.85	-12,921.85
3. Decrease		
4. Closing balance	16,599,498.03	16,599,498.03
<b>4. Closing balance</b>		
<b>II. Accumulated depreciation</b>	3,389,550.79	3,389,550.79
1. Opening balance	1,833,329.36	1,833,329.36
(1) Accrual	1,833,329.36	1,833,329.36
4. Closing balance	5,222,880.15	5,222,880.15
<b>III. Carrying amount</b>		
1. Closing balance	11,376,617.88	11,376,617.88
2. Opening balance	13,222,869.09	13,222,869.09

**(2) Impairment testing of right-of-use assets**

□Applicable ✓ Not applicable

## 15. Intangible assets

### (1) Details

Unit: RMB Yuan

Items	Land use right	Patent right	Non-patented technology	Software	Total
I. Cost					
1. Opening balance	2,635,898,144.02	37,568,541.62	90,580,942.21	90,169,674.90	2,854,217,302.75
2. Increase	182,326,337.60	5,216,975.80		5,004,208.46	192,547,521.86
(1) Acquisition	182,326,337.60	5,216,975.80		1,848,904.55	189,392,217.95
(2) Transfer from construction in progress				3,155,303.91	3,155,303.91
3. Decrease	95,635,750.00				95,635,750.00
(1) Disposal	95,635,750.00				95,635,750.00
4.Closing balance	2,722,588,731.62	42,785,517.42	90,580,942.21	95,173,883.36	2,951,129,074.61
II. Accumulated amortization					
1. Opening balance	315,858,841.85	11,137,654.08	13,330,650.90	30,990,189.73	371,317,336.56
2. Increase	26,713,722.46	1,884,777.83	4,448,485.30	4,082,758.51	37,129,744.10
(1) Accrual	26,713,722.46	1,884,777.83	4,448,485.30	4,082,758.51	37,129,744.10
3. Decrease	1,115,750.42				1,115,750.42
(1) Disposal	1,115,750.42				1,115,750.42
4.Closing balance	341,456,813.89	13,022,431.91	17,779,136.20	35,072,948.24	407,331,330.24
III. Carrying amount					
1. Closing balance	2,381,131,917.73	29,763,085.51	72,801,806.01	60,100,935.12	2,543,797,744.37
2. Opening balance	2,320,039,302.17	26,430,887.54	77,250,291.31	59,179,485.17	2,482,899,966.19

Intangible assets formed through in-house research and development accounted for 0.08% of the balance of intangible assets at the end of the period.

### (2) Impairment testing of intangible assets

☐Applicable ☒ Not applicable

## 16. Goodwill

### (1) Original carrying amount of goodwill

Unit: RMB Yuan

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combination	Translation reserve	Disposal	Translation reserve	
Bardoterminal GmbH	2,163,742.00		252,063.28			2,415,805.28
NHU/Chr.Olese	3,622,704.97					3,622,704.97

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combination	Translation reserve	Disposal	Translation reserve	
n LatinAmerica A/S						
Total	5,786,446.97		252,063.28			6,038,510.25

**(2) Provision for impairment**

Unit: RMB Yuan

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Accrual	Translation reserve	Disposal	Translation reserve	
Bardoterminal GmbH	2,163,742.00		252,063.28			2,415,805.28
Total	2,163,742.00		252,063.28			2,415,805.28

**(3) Information about the asset group or combination of asset groups in which goodwill is located**

name (of an organization)	Composition and basis of the asset group or portfolio to which it belongs	Operating segments and basis	Consistency with prior years
Bardoterminal GmbH	Offshore self-accounting warehousing and logistics companies, which management recognizes as an asset group in its entirety from the point of acquisition	Independent warehousing and logistics company	Yes
NHU/Chr.Olesen Latin America A/S	Foreign self-accounting sales entities, which management recognizes in their entirety as an asset group from the point of acquisition	Independent sales agents	Yes

**(4) Specific determination of recoverable amount**

The recoverable amount is determined as the net fair value less costs of disposal

☐Applicable ☒ Not applicable

Recoverable amount is determined as the present value of estimated future cash flows

☐Applicable ☒ Not applicable

**17. Long-term prepayments**

Unit: RMB Yuan

Items	Opening balance	Increase	Amortization	Other decrease	Closing balance
Decoration fees	5,086,726.47	-11,348.34	1,924,269.28		3,151,108.85
Catalysts	27,972,854.42		4,869,116.82		23,103,737.60
Total	33,059,580.89	-11,348.34	6,793,386.10		26,254,846.45

**18. Deferred tax assets and deferred tax liabilities****(1) Deferred tax assets before offset**

Unit: RMB Yuan

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	96,009,246.19	16,636,434.20	82,764,678.65	13,331,701.98
Unrealized profit from internal transactions	217,102,855.14	34,617,443.54	106,224,182.31	15,933,627.32
Deferred income	162,344,281.15	24,351,642.18	182,140,134.06	27,321,020.11
Lease liabilities	2,780,757.13	417,113.57	2,715,619.54	407,342.93
Total	478,237,139.61	76,022,633.49	373,844,614.56	56,993,692.34

**(2) Deferred tax liabilities before offset**

Unit: RMB Yuan

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Difference due to one-off pre-tax deduction of fixed assets	1,406,845,990.72	211,063,741.72	1,544,604,208.17	241,027,455.22
Profit before tax of NHU (Hong Kong) Trading Co., Ltd.	855,734,355.67	128,360,153.35	598,372,110.33	89,755,816.55
usufructuary assets	9,428,373.33	1,414,256.00	10,916,744.74	1,637,511.71
Changes in fair value of trading financial instruments, derivative financial instruments	814,253.32	203,563.33	745,816.34	186,454.09
Total	2,272,822,973.04	341,041,714.40	2,154,638,879.58	332,607,237.57

**(3) Deferred tax assets or liabilities after offset**

Unit: RMB Yuan

Items	Closing balance of deferred tax assets offset by deferred tax liabilities	Closing balance of deferred tax assets/ liabilities after offset	Opening balance of deferred tax assets offset by deferred tax liabilities	Opening balance of deferred tax assets/ liabilities after offset
Deferred tax assets	70,804,566.64	5,218,066.85	54,887,646.03	2,106,046.31
Deferred tax liabilities	70,804,566.64	270,237,147.76	54,887,646.03	277,719,591.54

**(4) Details of unrecognized deferred tax assets**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Deductible temporary difference	1,771,821,172.25	904,662,832.02
Deductible losses	3,254,534,321.49	3,375,918,624.25

Items	Closing balance	Opening balance
Total	5,026,355,493.74	4,280,581,456.27

**(5) Maturity years of deductible losses of unrecognized deferred tax assets**

Unit: RMB Yuan

Maturity years	Closing balance	Opening balance	Remarks
Year 2025		23,414,489.87	
Year 2026		36,440,047.05	
Year 2027	4,380,243.82	165,841,662.42	
Year 2028	30,796,368.80	97,699,902.16	
Year 2029	64,991,691.35	169,350,596.82	
Year 2030	219,563,010.86	198,032,265.79	
Year 2031	274,325,335.16	240,693,205.88	
Year 2032	951,402,378.58	898,257,207.22	
Year 2033	863,890,045.60	781,328,690.97	
Year 2034	845,185,247.32	764,860,556.07	
Total	3,254,534,321.49	3,375,918,624.25	

**19. Other non-current assets**

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Pollution emission trading fees	10,982,987.95		10,982,987.95	12,404,429.26		12,404,429.26
Payments for coal quota	68,888,400.00		68,888,400.00	72,113,200.00		72,113,200.00
Prepayments for long-term assets	193,337,288.95		193,337,288.95	75,146,826.14		75,146,826.14
Total	273,208,676.90		273,208,676.90	159,664,455.40		159,664,455.40

**20. Restrictions on assets as of the end of the reporting period**

Unit: RMB Yuan

Items	Closing balance				Opening balance			
	Book balance	Carrying amount	Type of restriction	Restrictions	Book balance	Carrying amount	Type of restriction	Restrictions
Cash and bank balances	141,222,065.48	141,222,065.48	pledges	Banker's acceptance deposit	56,029,764.82	56,029,764.82	pledges	Banker's acceptance deposit
Notes receivable	91,635,728.01	91,635,728.01	pledges	Opening a pledge of banker's acceptances	99,511,561.32	99,511,561.32	pledges	Opening a pledge of banker's acceptances

Items	Closing balance				Opening balance			
	Book balance	Carrying amount	Type of restriction	Restrictions	Book balance	Carrying amount	Type of restriction	Restrictions
Fixed assets	104,269,302.58	82,617,587.55	collateral	Mortgage to a bank for the purpose of obtaining a loan	93,273,121.97	75,137,838.29	collateral	Mortgage to a bank for the purpose of obtaining a loan
Intangible assets	11,013,767.86	11,013,767.86	collateral	Mortgage to a bank for the purpose of obtaining a loan	9,864,599.74	9,864,599.74	collateral	Mortgage to a bank for the purpose of obtaining a loan
Receivables financing	20,451,667.83	20,451,667.83	pledges	Opening a pledge of banker's acceptances	36,038,583.82	36,038,583.82	pledges	Opening a pledge of banker's acceptances
Total	368,592,531.76	346,940,816.73			294,717,631.67	276,582,347.99		

**21. Short-term borrowings****(1) Details on categories**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Guaranteed borrowings	133,632,940.51	16,626,789.02
Credit borrowings	896,791,666.68	1,145,885,450.02
Total	1,030,424,607.19	1,162,512,239.04

**22. Held-for-trading financial liabilities**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Held-for-trading financial liabilities	71,334,100.03	11,151,258.46
Including:		
Derivative financial liabilities	71,334,100.03	11,151,258.46
Total	71,334,100.03	11,151,258.46

**23. Notes payable**

Unit: RMB Yuan

Categories	Closing balance	Opening balance
Bank acceptance	132,043,730.49	159,164,822.28
Total	132,043,730.49	159,164,822.28

**24. Accounts payable****(1) Details**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Materials and labor costs	878,554,142.31	785,807,160.73
Payments for engineering and equipment	594,159,904.58	900,171,996.82
Total	1,472,714,046.89	1,685,979,157.55

**25. Other payables**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Other payables	100,273,996.96	122,424,090.50
Total	100,273,996.96	122,424,090.50

**(1) Other payables****1) Categorized by nature**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Security deposits	36,645,881.92	19,802,441.12
Unpaid expenses payable	44,887,489.38	83,120,582.74
Temporary receipts payable	5,191,198.33	9,926,159.87
Others	13,549,427.33	9,574,906.77
Total	100,273,996.96	122,424,090.50

**26. Contract liabilities**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Payments for goods received in advance	309,712,065.18	237,013,669.77
Total	309,712,065.18	237,013,669.77

**27. Employee benefits payable****(1) Details**

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	473,107,111.45	1,122,005,019.74	1,293,149,229.42	301,962,901.77
II. Post-employment benefits – defined contribution plan		70,177,579.27	70,177,579.27	
Total	473,107,111.45	1,192,182,599.01	1,363,326,808.69	301,962,901.77

**(2) Details of short-term employee benefits**

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidy	452,079,180.40	964,369,430.23	1,134,748,847.34	281,699,763.29
2. Employee welfare fund		60,444,442.21	60,444,442.21	
3. Social insurance premium		52,927,411.18	52,927,411.18	
Including: Medicare premium		34,380,298.17	34,380,298.17	
Occupational injuries premium		4,128,661.96	4,128,661.96	
4. Housing provident fund		35,147,183.13	35,147,183.13	
5. Trade union fund and employee education fund	21,027,931.05	9,116,552.99	9,881,345.56	20,263,138.48

Items	Opening balance	Increase	Decrease	Closing balance
Total	473,107,111.45	1,122,005,019.74	1,293,149,229.42	301,962,901.77

**(3) Details of defined contribution plan**

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance premium		68,176,530.65	68,176,530.65	
2. Unemployment insurance premium		2,001,048.62	2,001,048.62	
Total		70,177,579.27	70,177,579.27	

**28. Taxes and rates payable**

Unit: RMB Yuan

Items	Closing balance	Opening balance
VAT	136,493,169.29	82,104,457.53
Enterprise income tax	410,875,089.38	383,826,117.39
Individual income tax withheld for tax authorities	7,156,341.87	12,121,593.63
Urban maintenance and construction tax	6,895,937.62	10,830,229.90
Land appreciation tax	14,381,841.18	21,150,454.52
Housing property tax	12,704,345.31	20,979,824.95
Education surcharge (local education surcharge)	5,569,322.23	7,891,237.38
Total	594,076,046.88	538,903,915.30

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

Unit: RMB Yuan

Items	Closing balance	Opening balance
Long-term borrowings due within one year	3,610,790,265.73	2,463,866,907.63
Lease liabilities due within one year	1,816,874.08	1,512,006.31
Total	3,612,607,139.81	2,465,378,913.94

**30. Other current liabilities**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Output VAT to be recognized	32,414,011.72	25,698,183.73
Withholding Rebate		27,866,151.17
Total	32,414,011.72	53,564,334.90

**31. Long-term borrowings****(1) Categories**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Mortgaged borrowings	15,901,538.64	18,036,415.25
Credit borrowings	4,188,766,665.49	5,309,207,306.00
Total	4,204,668,204.13	5,327,243,721.25

**32. Lease liabilities**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Unpaid lease payments	3,664,045.66	4,602,267.00
Less: Unrealized financing expenses	944,240.90	1,017,475.98
Total	2,719,804.76	3,584,791.02

**33. Deferred income**

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Government grants	1,025,834,591.04	14,608,714.00	70,010,345.32	970,432,959.72	The Company received government grants related to assets, which were amortized based on the depreciation progress of corresponding assets.
Total	1,025,834,591.04	14,608,714.00	70,010,345.32	970,432,959.72	--

**34. Share capital**

Unit: RMB Yuan

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	
Total shares	3,073,421,680.00						3,073,421,680.00

**35. Capital reserve**

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Share/capital premium	2,854,024,919.08			2,854,024,919.08
Other capital reserve	278,495,049.34	11,681.07		278,506,730.41
Total	3,132,519,968.42	11,681.07		3,132,531,649.49

Other Notes, Including Changes During the Reporting Period and Reasons for the Changes:

The increase in other capital reserves of RMB 11,681.07 during the reporting period is attributable to the increase in special reserves of Zhejiang Chunhui Environmental Protection Energy Co., Ltd., an associate company of the Company, resulting in changes in the share of net assets attributable to the Company.

### 36. Treasury shares

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Treasury shares		309,134,899.57		309,134,899.57
Total		309,134,899.57		309,134,899.57

Other Notes, Including Changes and Reasons for the Changes During the Reporting Period:

The increase in treasury stock during the reporting period was due to the company repurchasing some of its publicly traded shares for use in equity incentive plans or employee stock ownership plans.

### 37 Other comprehensive income (OCI)

Unit: RMB Yuan

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in current period	Less: OCI previously recognized but transferred to retained earnings in current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Items not to be reclassified subsequently to profit or loss	91,513,343.50	-19,129,756.45				-18,585,337.91	-544,418.54	72,928,005.59
Including: Other comprehensive income to be transferred to profit or loss under equity method	506,954.43							506,954.43
Translation reserves	91,006,389.07	-19,129,756.45				-18,585,337.91	-544,418.54	72,421,051.16
Total	91,513,343.50	-19,129,756.45				-18,585,337.91	-544,418.54	72,928,005.59

### 38. Special reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Work safety fund	106,348,864.91	59,342,545.02	24,134,834.46	141,556,575.47
Total	106,348,864.91	59,342,545.02	24,134,834.46	141,556,575.47

Other remarks, including remarks on current movements and reasons for movements:

According to the “enterprise safety production costs and the use of management practices,” the production and storage of dangerous goods enterprises based on the actual business income of the previous year, the adoption of the regressive approach to the average monthly withdrawal in accordance with the following standards: 1) operating income of up to 10 million yuan, in accordance with 4.5%; 2) operating income of more than 10 million yuan to 100 million yuan, in accordance with 2.25% extraction; 3) operating income of more 100 million to 1 billion yuan, in accordance with 0.55% extraction; 4) 0.2% for the part of business income exceeding RMB 1 billion.

According to the “Electricity production and supply enterprises,” the production and storage of dangerous goods enterprises based on the actual business income of the previous year, the adoption of the regressive approach to the average monthly withdrawal in accordance with the following standards: 1) operating income of up to 10 million yuan, in accordance with 3%; 2) operating income of more than 10 million yuan to 100 million yuan, in accordance with 1.5% extraction; 3) 0.8% for the part of business income exceeding 100 million to 1 billion; 4) 0.6% for the part of business income exceeding RMB 1 billion.

### 39. Surplus reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,545,453,678.00			1,545,453,678.00
Total	1,545,453,678.00			1,545,453,678.00

Other remarks, including remarks on current movements and reasons for movements:

In accordance with the Company Law of the People's Republic of China and the Company's Articles of Incorporation, the Company is required to set aside 10% of the net profit of the parent company as legal reserve, which may be discontinued when the accumulated legal reserve reaches 50% of the registered capital.

### 40. Undistributed profit

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Unallocated earnings at the end of the previous period before adjustment	21,375,740,194.12	16,890,233,961.50
Adjustment to unappropriated earnings at the beginning of the period	21,375,740,194.12	16,890,233,961.50
Add: Net profit attributable to owners of the parent company	3,603,323,979.16	5,868,545,988.62
Less: Dividend payable on ordinary shares	2,150,761,326.00	1,383,039,756.00
Closing balance	22,828,302,847.28	21,375,740,194.12

### 41. Operating revenue/Operating cost

Unit: RMB Yuan

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	11,072,628,572.89	5,996,026,761.47	9,724,806,954.17	6,107,204,399.47
Other operations	28,004,263.89	10,340,595.62	119,905,260.19	84,174,661.90
Total	11,100,632,836.78	6,006,367,357.09	9,844,712,214.36	6,191,379,061.37
Including: Revenue from contracts with customers	11,097,016,365.52	6,006,031,204.71	9,840,985,911.28	6,191,168,443.70

Breakdown of operating revenue and operating costs:

Unit: RMB Yuan

Categories of contracts	Revenue	Cost
By product		
Including:		

Categories of contracts	Revenue	Cost
Nutrition	7,199,720,687.58	3,759,160,396.04
Flavor and fragrance	2,104,560,598.28	967,888,630.25
New materials	1,038,207,401.78	711,427,896.23
Others	754,527,677.88	567,554,282.19
Subtotal	11,097,016,365.52	6,006,031,204.71
By operating region		
Including:		
Domestic	4,654,059,331.15	2,730,446,246.65
Overseas	6,442,957,034.37	3,275,584,958.06
Subtotal	11,097,016,365.52	6,006,031,204.71
By revenue recognition time		
Including:		
Goods (transferred at a point in time)	11,097,016,365.52	6,006,031,204.71
Subtotal	11,097,016,365.52	6,006,031,204.71
By sales channel		
Including:		
Direct sales	8,172,856,635.08	4,343,390,068.56
Agent sales	2,924,159,730.44	1,662,641,136.15
Subtotal	11,097,016,365.52	6,006,031,204.71

Information on Transaction Prices Allocated to Remaining Performance Obligations:

As of June 30, 2025 revenue corresponding to performance obligations for which the Company has entered into contracts but not yet performed or fulfilled amounted to 3,541.22 million yuan, of which, 3,541.22 million yuan is expected to be recognized as revenue in 2025.

## 42. Taxes and surcharges

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	39,551,225.95	27,950,701.13
Education surcharge (local education surcharge)	31,641,245.23	21,044,886.66
Housing property tax	22,065,671.62	17,957,390.24
Land use tax	23,618,662.08	19,771,525.43
Vehicle and vessel use tax	18,249.52	27,613.13
Stamp Duty	7,240,307.89	6,121,701.84
Environmental protection tax	1,965,289.57	1,010,089.72
Land appreciation tax		98,666.67
Water Resources Tax	37,970.20	
Total	126,138,622.06	93,982,574.82

## 43. Administrative expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Employee benefits	169,842,730.77	147,795,992.48
Depreciation, amortization of intangible	57,537,198.65	57,880,982.28

Items	Current period cumulative	Preceding period comparative
assets		
Office expenses, business traveling expenses	24,292,173.92	14,857,158.93
Business entertainment expenses	8,226,105.71	10,334,287.75
Consultancy fee	12,834,499.47	8,965,176.43
Insurance premiums	9,121,780.69	8,250,263.26
Long-term stoppage losses	6,810,846.07	18,229,044.65
Others	20,953,070.46	29,255,051.75
Total	309,618,405.74	295,567,957.53

#### 44. Selling expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Employee benefits	37,142,722.42	39,905,704.51
Sales commission and customs declaration charges	28,787,391.62	10,294,553.22
Office expenses, business traveling expenses	12,935,899.47	10,531,658.41
Advertising and promotion expenses, business entertainment expenses	7,271,760.73	7,467,376.85
Others	2,464,632.41	6,670,288.40
Total	88,602,406.65	74,869,581.39

#### 45. R&D expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Employee benefits	243,369,740.34	212,938,383.40
Direct input	194,855,941.97	198,007,999.74
Depreciation, amortization of intangible assets	45,699,299.17	43,345,244.55
Outsourcing expenses	7,801,144.90	6,414,946.81
Office expenses, business traveling expenses	4,910,364.40	4,938,593.21
Others	26,087,072.40	15,316,556.43
Total	522,723,563.18	480,961,724.14

#### 46. Financial expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Interest expenses	112,615,701.07	143,713,361.26
Less: Interest income	39,620,525.39	67,461,973.58
Losses on foreign exchange (or less: gains)	-261,991,904.62	-18,026,719.38
Others	10,898,031.47	12,826,671.96
Total	-178,098,697.47	71,051,340.26

**47. Other income**

Unit: RMB Yuan

Sources of other income	Current period cumulative	Preceding period comparative
Government grants related to assets	68,463,990.57	67,954,853.18
Government grants related to income	51,815,263.87	61,039,443.38
Refund of handling fees for withholding individual income tax	1,485,876.64	1,220,991.72
Total	121,765,131.08	130,215,288.28

**48. Gains on changes in fair value**

Unit: RMB Yuan

Sources of gains arising from changes in fair value	Current period cumulative	Preceding period comparative
Held-for-trading financial assets	16,328,109.27	11,140,363.10
Including: Gains on changes in fair value arising from financial assets classified as at fair value through profit or loss	16,328,109.27	11,140,363.10
Held-for-trading financial liabilities	-123,188,493.71	-15,586,223.59
Including: Gains on changes in fair value arising from financial liabilities classified as at fair value through profit or loss	-123,188,493.71	-15,586,223.59
Total	-106,860,384.44	-4,445,860.49

**49. Investment income**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	24,632,875.74	25,496,597.50
Investment income from disposal of long-term equity investments		27,067,307.36
Investment income from disposal of financial instruments	-19,871,951.63	-7,317,634.93
Including: Financial assets classified as at fair value through profit or loss	-581,571.44	-5,489,429.09
Financial liabilities classified as at fair value through profit or loss	-19,290,380.19	-1,828,205.84
Investment income from bank financial products and structured deposits	8,184,998.28	808,128.72
Dividend income earned on investments in other equity instruments during the holding period	5,292,000.00	1,500,000.00
Total	18,237,922.39	47,554,398.65

**50. Credit impairment loss**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Bad debts	7,613,141.39	-98,041,802.36
Total	7,613,141.39	-98,041,802.36

**51. Assets impairment loss**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-33,272,405.82	-10,175,642.76
Total	-33,272,405.82	-10,175,642.76

**52. Gains on asset disposal**

Unit: RMB Yuan

Sources of asset disposal gains	Current period cumulative	Preceding period comparative
Gains on disposal of non-current assets	-1,582,139.69	-1,128,442.54
Total	-1,582,139.69	-1,128,442.54

**53. Non-operating revenue**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Indemnity income	689,062.82	2,205,585.34	689,062.82
Others	529,530.08	167,960.12	529,530.08
Total	1,218,592.90	2,373,545.46	1,218,592.90

**54. Non-operating expenditures**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Donation expenditures	157,421.42	290,144.43	157,421.42
Others	2,841,274.82	3,507,489.38	2,841,274.82
Total	2,998,696.24	3,797,633.81	2,998,696.24

**55. Income tax expenses****(1) Schedule of income tax expense**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	618,501,260.17	466,762,110.51
Deferred income tax expenses	-10,594,464.32	15,736,338.92
Total	607,906,795.85	482,498,449.43

**(2) Reconciliation of accounting profit to income tax expenses**

Unit: RMB Yuan

Items	Current period cumulative
Profit before tax	4,229,402,341.10
Income tax expenses based on statutory/applicable tax rate	634,410,351.17
Effect of different tax rate applicable to subsidiaries	8,405,680.41
Effect of prior income tax reconciliation	7,551,756.79
Effect of non-taxable income	-3,245,568.58
Effect of non-deductible costs, expenses and losses	3,427,090.09
Effect of utilization of deductible losses not previously recognized as deferred tax assets	37,906,326.40
Effect of extra deduction of R&D expenses	-74,521,018.22
Additional tax deduction for wages paid to disabled persons and other employees encouraged by the state to be employed	-142,500.00
Tax exemptions for specialized equipment used in environmental protection, energy conservation, water conservation, and occupational safety	-5,885,322.21
Income tax expenses	607,906,795.85

**56. Other comprehensive income**

Please refer to item VII 37 of this section for details.

**57. Notes to items of the cash flow statement****(1) Cash related to operating activities**

Other cash receipts related to operating activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Interest income from cash in bank	46,489,138.86	67,372,735.75
Receipt of government grants	46,323,276.36	79,176,571.17
Recovery of temporary borrowings and security deposits	86,687.91	500.00
Other receipts and net current accounts	11,931,434.37	7,116,537.72
Total	104,830,537.50	153,666,344.64

Other cash payments related to operating activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
R&D expenditures in the form of cash	23,435,352.94	7,704,883.00
Office expenses and business traveling expenses	17,645,221.94	51,265,858.74
Advertising and promotion expenses, business entertainment expenses	14,296,751.97	14,130,735.80
Sales commission and customs declaration charges	36,152,773.52	8,404,749.45

Items	Current period cumulative	Preceding period comparative
Insurance expenses	7,687,775.66	1,140,556.20
Payment of land deposit	207,370,000.00	
Other payments and net current accounts	219,548,408.27	118,084,761.67
Total	526,136,284.30	200,731,544.86

## (2) Cash related to investing activities

Other cash receipts related to investing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Redemption of wealth management products and certificates of deposit	2,150,000,000.00	145,000,000.00
Total	2,150,000,000.00	145,000,000.00

Other cash payments related to investing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Purchase financial products and certificates of deposit	2,651,950,000.00	
Total	2,651,950,000.00	

## (3) Cash related to financing activities

Other cash payments related to financing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Pay bank financing fees	245,325.87	807,362.26
Repurchase company shares	309,134,899.57	
Total	309,380,225.44	807,362.26

Changes in liabilities related to financing activities

☒ Applicable ☐ Not applicable

Unit: RMB Yuan

Items	Opening balance	Increase		Decrease		Closing balance
		Cash movements	Non-cash changes	Cash movements	Non-cash changes	
Short-term borrowings	1,162,512,239.04	695,807,680.56	736,241.67	828,631,554.08		1,030,424,607.19
Long-term borrowings(including long-term loans due within one	7,791,110,628.88	1,000,329,186.00	542,594.63	976,523,939.65		7,815,458,469.86

Items	Opening balance	Increase		Decrease		Closing balance
		Cash movements	Non-cash changes	Cash movements	Non-cash changes	
year)						
Lease liabilities(including lease liabilities due within one year)	5,096,797.33		259,037.01	819,155.50		4,536,678.84
dividend payable			2,164,626,638.85	2,164,626,638.85		
Total	8,958,719,665.25	1,696,136,866.56	2,166,164,512.16	3,970,601,288.08		8,850,419,755.89

#### (4) Net presentation of cash flows

Items	Relevant factual circumstances	Basis for adopting a net presentation	Financial impact
Other cash received related to investing activities	Redemption of financial products and structured deposits	Cash flows related to the Company's investment business are the cash inflows and outflows of fast-turnover, large-amount and short-term projects, and the presentation of the above cash flows on a net basis is more indicative of their impact on the Company's ability to pay and solvency, and is more useful for evaluating the Company's ability to pay and solvency, and for analyzing the Company's future cash flows; thus, the Company has presented the cash flows related to the above business on a net basis.	1,385,000,000.00
Other cash paid related to investing activities	Purchase of financial products and structured deposits		1,385,000,000.00

### 58. Supplement information to the cash flow statement

#### (1) Supplementary information on the statement of cash flows

Unit: RMB Yuan

Supplement information	Current period cumulative	Preceding period comparative
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,621,495,545.25	2,216,955,375.85
Add: Provision for assets impairment loss	25,659,264.43	108,217,445.12
Depreciation of fixed assets, oil and gas assets, productive biological assets	1,115,106,727.67	1,058,316,863.50
Depreciation of right-of-use assets	1,833,329.36	963,876.97
Amortization of intangible assets	37,129,744.10	32,588,600.65
Amortization of long-term prepayments	6,793,386.10	5,679,778.05
Losses on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	1,582,139.69	1,128,442.54
Fixed assets retirement loss (Less: gains)		
Losses on changes in fair value (Less: gains)	106,860,384.44	4,445,860.49

Supplement information	Current period cumulative	Preceding period comparative
Financial expenses (Less: gains)	-145,534,087.33	74,353,659.15
Investment losses (Less: gains)	-18,237,922.39	-47,554,398.65
Decrease of deferred tax assets (Less: increase)	-19,028,941.15	-4,193,435.59
Increase of deferred tax liabilities (Less: decrease)	8,434,476.83	19,929,774.51
Decrease of inventories (Less: increase)	-468,703,390.51	102,731,329.68
Decrease of operating receivables (Less: increase)	-313,836,326.44	-961,441,855.30
Increase of operating payables (Less: decrease)	-716,826,527.74	-473,797,257.62
Others		
Net cash flows from operating activities	3,242,727,802.31	2,138,324,059.35
2. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
3. Net changes in cash and cash equivalents:		
Cash at the end of the period	5,508,745,188.26	4,830,317,347.92
Less: Cash at the beginning of the period	5,521,452,666.47	4,446,570,415.30
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	-12,707,478.21	383,746,932.62

**(2) Composition of cash and cash equivalents**

Unit: RMB Yuan

Items	Closing balance	Opening balance
I. Cash	5,508,745,188.26	5,521,452,666.47
Including: Cash on hand	12,019.36	12,825.19
Cash in bank on demand for payment	5,261,784,721.60	5,521,431,438.36
Other cash and bank balances on demand for payment	246,948,447.30	8,402.92
Deposits held at the central bank that can be used for payments		
II. Cash and cash equivalents at the end of the period	5,508,745,188.26	5,521,452,666.47
Including: use of restricted cash and cash equivalents by the parent company or group subsidiaries	272,135,544.97	464,483,762.87

**(3) Restricted use but still cash and cash equivalents presentation**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Reasons for remaining cash and cash equivalents
Cash and bank balances	272,135,544.97	464,483,762.87	Currency funds held abroad
Total	272,135,544.97	464,483,762.87	

**(4) Monetary funds other than cash and cash equivalents**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Reasons for not being cash and cash equivalents
Cash and bank balances	904,262,309.44	2,359,022,374.36	Large Certificates of Deposit and Interest
	114,720,511.24	30,809,898.16	Banker's acceptance deposit
	8,800,000.00	8,800,000.00	Forex Option Margin
	9,987,956.83	8,183,592.83	Letter of Guarantee Deposit
	4,201,200.00	3,762,850.00	customs Deposit
	691,276.80	1,458,021.83	Letter of Credit Deposit
	1,063,583.51	1,263,178.80	Water deposit
	877,057.74	875,023.57	Safety Construction deposit
	855,093.79	854,699.63	Project works labor wage deposit
	23,500.00	22,500.00	ETC deposit
	1,885.57		Pollution Discharge Rights Security Deposit
Total	1,045,484,374.92	2,415,052,139.18	

**59 Monetary items in foreign currencies****(1) Details**

Unit: RMB Yuan

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			260,795,378.01
Including: USD	20,571,129.20	7.158600	147,260,485.49
EUR	9,609,567.82	8.402400	80,743,432.65
HKD	604,286.77	0.911950	551,079.32
JPY	293,924,123.00	0.049594	14,576,872.96
BRL	10,182,703.11	1.305045	13,288,885.78
MXN	4,197,586.26	0.380880	1,598,776.65
SGD	251,576.85	5.617900	1,413,333.59
VND	3,655,374,894.00	0.000365	1,334,211.84
TRY	157,520.00	0.179658	28,299.73
Accounts receivable			2,720,772,598.77
Including: USD	288,875,610.21	7.158600	2,067,944,943.25
EUR	56,086,870.47	8.402400	471,264,320.44
GBD	1,009,501.19	9.830000	9,923,396.70
BRL	130,366,116.60	1.305045	170,133,648.64
SGD	266,726.40	5.617900	1,498,442.24
VND	21,500,000.00	0.000365	7,847.50
Long-term borrowings			15,901,538.64

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Including: EUR	1,892,499.60	8.402400	15,901,538.64
Other receivables			67,728,441.01
Including: USD	1,572.00	7.158600	11,253.32
EUR	4,696,314.82	8.402400	39,460,315.64
JPY	145,179.00	0.049594	7,200.01
HKD	31,700.00	0.911950	28,908.82
BRL	2,644,168.65	1.305045	3,450,759.08
MXN	64,205,782.59	0.380880	24,454,698.47
SGD	54,728.31	5.617900	307,458.17
VND	21,500,000.00	0.000365	7,847.50
Short-term borrowings			34,553,855.87
Including: USD	1,575,513.87	7.158600	11,278,473.59
EUR	1,800,449.47	8.402400	15,128,096.63
DKK	7,233,974.65	1.126253	8,147,285.65
Accounts payable			1,047,526,832.14
Including: USD	127,040,546.51	7.158600	909,432,456.25
EUR	447,688.01	8.402400	3,761,653.74
JPY	110,000.00	0.049594	5,455.34
BRL	86,992,719.87	1.305045	113,529,414.10
MXN	54,350,084.09	0.380880	20,700,860.03
DKK	86,119.80	1.126253	96,992.68
Other payables			47,568,911.88
Including: USD	3,356,557.73	7.158600	24,028,254.17
EUR	2,710,062.58	8.402400	22,771,029.82
HKD	36,590.00	0.911950	33,368.25
BRL	200,685.81	1.305045	261,904.01
SGD	34,730.31	5.617900	195,111.41
PLN	30.00	1.982600	59.48
CHF	28,424.00	8.764000	249,107.94
VND	16.00	0.000365	-
TRY	167,411.39	0.179658	30,076.80
Non-current liabilities due within one year			9,877,128.42
Including: USD	185,651.93	7.158600	1,329,007.91
EUR	972,923.91	8.402400	8,174,895.86
BRL	285,986.04	1.305045	373,224.65
Lease liabilities			291,803.96
Including: USD	13,699.88	7.158600	98,071.96
BRL	148,448.52	1.305045	193,732.00

**(2) A description of the foreign operating entity, including, in the case of a significant foreign operating entity, a disclosure of its principal place of business outside the country, the local currency of its accounts and the basis for its selection, and the reasons for any change in the local currency of its accounts.**

☐Applicable ☒Not applicable

## 60. Leasing

### (1) The Company as a lessee

☒Applicable ☐Not applicable

Variable lease payments not included in the measurement of lease liabilities

☐Applicable ☒Not applicable

Lease costs for short-term leases or low-value assets with simplified treatment

☒Applicable ☐Not applicable

Situations involving sale and leaseback transactions

1) Information on right-to-use assets Please refer to item VII 14 of this section for details

2) The Company's accounting policies for short-term leases and leases of low-value assets Please refer to item V 27 of this section for details. The amounts of short-term lease charges and lease charges for low-value assets recognized in profit or loss are as follows:

Unit: RMB Yuan

Items	Current period Increase	Preceding period Decrease
Short-term rental costs	865,262.56	8,166,223.97
Total	865,262.56	8,166,223.97

3) Current profit or loss and cash flows related to leases

Unit: RMB Yuan

Items	Current period Increase	Preceding period Decrease
Interest expense on lease liabilities	65,137.59	67,698.96
Total cash outflows related to leases	1,795,192.45	8,736,731.81

4) The maturity analysis of lease liabilities and the corresponding liquidity risk management Please refer to item XII 1 of this section for details.

### (2) The Company as lessor

Operating leases as lessor

☒Applicable ☐Not applicable

Unit: RMB Yuan

Items	Rental income	Of which: Income related to variable lease payments not included in lease receipts
Rental income	3,080,766.87	
Total	3,080,766.87	

Financial leases as lessor

☐Applicable ☒Not applicable

Undiscounted lease receipts for each of the next five years

☒Applicable ☐Not applicable

Unit: RMB Yuan

Items	Annual undiscounted lease receipts	
	Closing balance	Opening balance
First year	1,262,061.30	1,028,642.20
Second year	419,043.30	330,275.23
Third year		330,275.23
Total undiscounted lease receipts after five years	1,681,104.60	1,689,192.66

**(3) Recognition of gains and losses on sales under finance leases as a manufacturer or distributor**

□Applicable √ Not applicable

**VIII. R&D expenses**

Unit: RMB Yuan

Items	Current period Increase	Preceding period Decrease
Employee benefits	243,369,740.34	212,938,383.40
Direct input	194,855,941.97	198,007,999.74
Depreciation, amortization of intangible assets	45,699,299.17	43,345,244.55
Outsourcing expenses	7,801,144.90	6,414,946.81
Office expenses, business traveling expenses	4,910,364.40	4,938,593.21
Others	26,087,072.40	15,316,556.43
Employee benefits	522,723,563.18	480,961,724.14
Of which: Expensed research and development expenditure	522,723,563.18	480,961,724.14

**IX. Changes in the scope of consolidation****1. Changes in the scope of consolidation due to other reasons**

Explain other reasons for changes in the scope of consolidation (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

(1) Increase in scope of consolidation

company identification	Methods of equity acquisition	Point of acquisition	capital contribution	percentage of contribution
NHU North America LLC	establish	January 2, 2025	[Note]	100.00%
NHU BESLENME GIDA SANAYİ VE TİCARET LİMİTED ŞİRKETİ	establish	January 17, 2025	USD 80,000	100.00%
Zhejiang NHU Holding Group Co., Ltd.	establish	April 15, 2025	RMB 500 million	100.00%

[Note] Invest USD 250,000 in July 2025.

## (2) Reduction in scope of consolidation

Company Name	Equity Disposal Method	Equity Disposal Date	Net Assets on Disposal Date	Net Profit on Disposal Date
Shandong NHU Vitamins Co., Ltd.	Absorption merger [Note]	January 1, 2025	2,129.11million yuan	

[Note] The company's wholly-owned subsidiary, Shandong NHU Fine Chemical Science and Technology Co., Ltd., was absorbed in a merger. After the merger, Shandong NHU Fine Chemical Science and Technology Co., Ltd. continued to operate, with its registered capital changed from 400 million yuan to 900 million yuan, while Shandong NHU Vitamins Co., Ltd. was dissolved.

**X. Interest in other entities****1. Interest in subsidiaries****(1) Composition of the group**

Subsidiaries	registered capital	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
					Direct	Indirect	
NHU (Hong Kong) Trading Co., Ltd.	USD2.40millions	Hong Kong, China	Hong Kong, China	Commerce	100.00%		Establishment
Shandong NHU Amino-acids Co., Ltd.	1,100million yuan	Weifang, Shandong	Weifang, Shandong	Manufacturing	100.00%		Establishment
Shandong NHU Pharmaceutical Co., Ltd.	590 million yuan	Weifang, Shandong	Weifang, Shandong	Manufacturing	100.00%		Establishment
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	900 million yuan	Weifang, Shandong	Weifang, Shandong	Manufacturing	33.33%	66.67%	Establishment

**2. Interests in joint arrangements or associates****(1) Aggregated financial information of insignificant joint ventures and associates**

Unit: RMB Yuan

Item	Closing balance/ Current period cumulative	Opening balance/ Preceding period comparative
Joint ventures:		
Total carrying amount of investments	343,568,606.31	358,644,929.90
Total of the following by percentage of shareholding		
-- Net profit	-15,076,323.59	-15,649,565.41
-- Total comprehensive income	-15,076,323.59	-15,649,565.41
Associates:		
Total carrying value of investments	532,088,765.02	506,617,218.46
Total of the following by percentage of shareholding		
-- Net profit	38,312,710.19	39,911,718.06
-- Other comprehensive income	38,312,710.19	39,911,718.06

## XI. Government grants

### 1. Government grants recognized at the end of the reporting period at the amount receivable

☐Applicable ☒ Not applicable

Reasons for not receiving the projected amount of government grants at the projected point in time

☐Applicable ☒ Not applicable

### 2. Government grants related to assets

☒ Applicable ☐ Not applicable

Unit: RMB Yuan

Item	Opening balance	Increase	non-operating income	Decrease	other	Closing balance	Asset/revenue related
Deferred income	1,025,834,591.04	14,608,714.00		68,463,990.57	1,546,354.75	970,432,959.72	Asset related
Total	1,025,834,591.04	14,608,714.00		68,463,990.57	1,546,354.75	970,432,959.72	

### 3. Government grants related to income

☒ Applicable ☐ Not applicable

Unit: RMB Yuan

Item	Current period Increase	Preceding period Decrease
Government grants related to income	120,279,254.44	128,994,296.56

## XII. Risks related to financial instruments

### 1. Various types of risks arising from financial instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on such risk management objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits on a timely and reliable basis.

The Company faces various risks related to financial instruments in its daily activities, mainly including credit risk, liquidity risk, and market risk. Management has reviewed and approved policies for managing these risks, which are summarized below.

#### (I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

#### 1. Credit risk management practice

##### (1) Evaluation method of credit risk

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

- 1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;
- 2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability.

## (2) Definition of default and credit-impaired assets

A financial instrument is defined as defaulted when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

- 1) significant financial difficulty of the debtor;
- 2) a breach of binding clause of contract;
- 3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;
- 4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

## 2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk. The Company develops a model of the probability of default, loss rate of default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g. counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. Please refer to item VII 3、4、5、 and 6 of this section for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument.

## 4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures:

### (1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

### (2) Receivables

The Company performs credit assessment on customers using credit settlement on a continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on balance of receivables, to avoid significant risks in bad debts.

As the Company only conducts business with credible and well-reputed third parties, collateral is not required from customers. The Company manages credit risk aggregated by customers. As of June 30, 2025, the Company has certain concentration of credit risk, and 18.26% (December 31, 2024: 28.57%) of the total accounts receivable was due from the five largest customers of the Company. The Company held no collateral or other credit enhancement on balance of receivables.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

## (II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilized financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Unit: RMB Yuan

Items	June 30, 2025				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	8,845,883,077.05	9,087,588,489.92	4,798,923,241.69	4,285,705,394.61	2,959,853.62
Notes payable	132,043,730.49	132,043,730.49	132,043,730.49		
Accounts payable	1,472,714,046.89	1,472,714,046.89	1,472,714,046.89		
Other payables	100,273,996.96	100,273,996.96	100,273,996.96		
Lease liabilities	4,536,678.84	5,669,652.11	2,005,606.45	773,664.70	2,890,380.96
Subtotal	10,555,451,530.23	10,798,289,916.37	6,505,960,622.48	4,286,479,059.31	5,850,234.58

(Continued)

Unit: RMB Yuan

Items	December 31, 2024				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	8,953,622,867.92	9,265,719,511.92	3,821,786,544.74	5,361,753,527.03	82,179,440.15
Notes payable	159,164,822.28	159,164,822.28	159,164,822.28		
Accounts payable	1,685,979,157.55	1,685,979,157.55	1,685,979,157.55		
Other payables	122,424,090.50	122,424,090.50	122,424,090.50		

Items	December 31, 2024				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Lease liabilities	5,096,797.33	6,313,749.85	1,711,482.85	1,711,886.07	2,890,380.93
Subtotal	10,926,287,735.58	11,239,601,332.10	5,791,066,097.92	5,363,465,413.10	85,069,821.08

### (III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

#### 1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating-rate financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring. The Company's interest risk in cash flows relates mainly to bank borrowings with floating interest rate.

As of June 30, 2025, balance of borrowings with interest accrued at floating interest rate totaled 5,500.65 million yuan (December 31, 2024: 4,534.01 million yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax and equity will not be significantly affected.

#### 2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

Please refer to item VII 59 of the notes to the financial statements for details on foreign currency financial assets and liabilities at the end of the period.

### 2. Hedging

#### (1) The Company conducts hedging business for risk management.

☒Applicable ☐Not applicable

1) During the period under review, the Company carried out foreign exchange hedging business, using forward settlement and other derivative contracts as hedging instruments, and some of the expected purchases and sales transactions involving foreign exchange cash flows as hedged items, as a means of hedging the risk of fluctuations in expected future cash flows arising from expected purchases and sales borne by the Company as the prices in the foreign exchange market fluctuate.

2) During the period under review, the Company conducted foreign exchange hedging business, using forward settlement and other derivative contracts as hedging instruments and certain foreign exchange deposits as hedged items, as a means of hedging the Company's exposure to the risk of fluctuations in existing foreign exchange deposits in response to fluctuations in foreign exchange market prices.

**(2) The Company conducts eligible hedging operations and applies hedge accounting**

□Applicable √ Not applicable

**(3) The Company conducts hedging operations for risk management and expects to achieve its risk management objectives, but does not apply hedge accounting**

√Applicable □Not applicable

Items	Reasons for not applying hedge accounting	Effect on the financial statements
foreign exchange swap (FX) contract	The Company extensively uses foreign exchange forward contracts and other tools for foreign exchange risk management between USD, EUR, CNY, and JPY on a global scale; because there is a certain offsetting relationship between the exchange rate changes between different currencies, which can, to a certain extent, have the same effect as that of hedge accounting, hedge accounting has not been applied.	Derivative financial assets:814,253.31 yuan Derivative financial liabilities:71,334,100.03 yuan Investment income:-19,871,951.63 yuan Gains on changes in fair value:-106,860,384.44 yuan

**3. Financial assets****(1) Classification of transfer methods**

√ Applicable □Not applicable

Unit: RMB Yuan

Items	Nature of financial assets transferred	Amount of financial assets transferred	Status of derecognition	Basis for determining derecognition
Endorsement, discounting	Receivables financing	852,136,845.14	Full derecognition	The main risks and rewards, such as the related interest rate risk and credit risk, have been transferred to banks and third parties
Endorsement, discounting	notes receivable	96,830,291.00	Full derecognition	
Total		948,967,136.14		

**(2) Financial assets derecognized due to transfers**

√ Applicable □Not applicable

Unit: RMB Yuan

Items	Modalities for the transfer of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Receivables financing	Endorsement, discounting	852,136,845.14	
Notes receivable	Endorsement, discounting	96,830,291.00	
Total		948,967,136.14	

**(3) Transfer of financial assets with continuing involvement in assets**

□Applicable √ Not applicable

### XIII. Fair value disclosure

#### 1. Details of fair value of assets and liabilities at fair value at the balance sheet date

Unit: RMB Yuan

Items	Fair value as at the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
(i) Financial assets held for trading		814,253.31	1,950,000,000.00	1,950,814,253.31
1. Financial assets at fair value through profit or loss		814,253.31	1,950,000,000.00	1,950,814,253.31
(i) Derivative financial assets		814,253.31		814,253.31
(ii) Principal-protected floating-rate wealth management product			1,950,000,000.00	1,950,000,000.00
2. Receivables financing			615,913,861.51	615,913,861.51
3. Other investments in equity instruments			17,790,147.55	17,790,147.55
Total assets measured at fair value on an ongoing basis		814,253.31	2,583,704,009.06	2,584,518,262.37
(ii) Trading financial liabilities		71,334,100.03		71,334,100.03
Derivative financial liabilities		71,334,100.03		71,334,100.03
Total liabilities measured at fair value on an ongoing basis		71,334,100.03		71,334,100.03
II. Non-continuing fair value measurements	--	--	--	--

#### 2. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair measurement

Derivative financial assets/liabilities held by the Company for fair value measurement in Level 2 are forward foreign exchange contracts, and the Company uses the present value of the difference between the agreed delivery rate of the forward foreign exchange contract and the forward foreign exchange rate in the market at the balance sheet date to determine its fair value.

#### 3. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

(1) The receivable financing held by the Company for Level 3 fair value measurement is bank acceptance receivables, which have low credit risk and short remaining maturity, and the Company determines the fair value of these receivables based on their face balances.

(2) The Company's investments in other equity instruments measured at fair value in Level 3 are equity in unlisted companies. For unlisted investments in equity instruments, the Company estimates the fair value using a combination of market approach and discounted future cash flows. The Company measures the investment cost as a reasonable estimate of fair value because the business environment and operating conditions and financial conditions of the investee companies, Zhejiang Second Pharma Co., Ltd. and Shanghai NewMargin Yongjin Equity Enterprise (LP), have not undergone any significant changes.

## XIV Related parties and related party transactions

### 1. Parent company

Parent company	Place of registration	Business nature	Registered capital	Holding proportion over the Company	Voting right proportion over the Company
NHU Holding Group Co., Ltd.	Xinchang, Zhejiang	Manufacturing	120.00 million yuan	50.08%	50.08%

Remarks on the parent company

The Company's ultimate controlling party is the natural person Hu Baifan.

### 2. Subsidiaries of the Company

Please refer to item IX 1(1) of the notes to the financial statements for details on the Company's subsidiaries.

### 3. Joint ventures and associates of the Company

Please refer to item VII 11 of the notes to the financial statements for details on the Company's significant joint ventures and associates.

The following is a summary of other joint ventures or associates that have engaged in related party transactions with the Company during the current period or have outstanding balances from related party transactions with the Company in previous periods:

Name of joint venture or joint operation	Relationship with the Company
Ningbo ZRCC NHU Biotechnology Co., Ltd.	The Company's joint venture
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	The Company's Associates
Envalior NHU Engineering Materials (Zhejiang) Co., Ltd.	The Company's Associates
Zhejiang Saiya Chemical Materials Co., Ltd.	The Company's Associates
CysBio ApS	The Company's Associates
Shandong Bin'an Vocational Training School Co., Ltd.	The Company's Associates
Anhui Innovation Technology Co., Ltd.	The Company's Associates

### 4. Other related parties of the Company

Related parties	Relationships with the Company
Beijing Front Pharmaceutical Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Asen Pharmaceutical Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Deli Equipment Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Front Pharmaceutical PLC.	Controlled by NHU Holding Group Co., Ltd.
Weifang NHU Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Qionghai Heyue Property Services Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Heyue Property Services Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Jingshi Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Yuexiu Education Development Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Jinghe Hotel Management Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Shangyu NHU Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Yuexiu University of Foreign Languages	Controlled by NHU Holding Group Co., Ltd.

Related parties	Relationships with the Company
Changbai Mountain Nature Reserve and Yuehe Real Estate Development Co., Ltd	Controlled by NHU Holding Group Co., Ltd.
Heilongjiang Haotian Corn Development Co., Ltd.	Minority shareholders of subsidiaries
Fuyuan Pharmaceutical Co., Ltd. Cangzhou Branch	Branch of Beijing Winsunny Pharmaceutical Co., Ltd.
Shaoxing Heyue Property Service Co., Ltd. Shangyu Branch	Branch of Shaoxing Heyue Property Services Co., Ltd.

Other remarks:

As Client B holds 25% equity of NHU Europe GmbH, the holding subsidiary of the Company's subsidiary NHU (Hong Kong) Trading Co., Ltd., the Company discloses transactions between Client B and NHU Europe GmbH as well as balances in related party transactions for the sake of prudence.

## 5. Related party transactions

### (1) Purchase and sale of goods, rendering and receiving of services

#### Purchase of goods and receiving of services

Unit: RMB Yuan

Related parties	Content of transaction	Current period cumulative	Transaction limit approved	Whether exceeds transaction limit	Preceding period comparative
Zhejiang Deli Equipment Co., Ltd.	Purchase of goods	8,320,553.16	68,000,000.00	No	87,399,810.62
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	Buy Steam	48,597,383.90			53,776,671.24
	Receiving of services	437,189.89			330,547.17
Zhejiang Saiya Chemical Materials Co., Ltd.	Purchase of goods	111,801,148.68	235,000,000.00	No	129,190,831.15
Zhejiang Asen Pharmaceutical Co., Ltd.	Purchase of goods	54,785.84	3,300,000.00	No	103,812.56
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Food and accommodation services	2,288.00			11,565.62
Shaoxing Jinghe Hotel Management Co., Ltd.	No	764,004.04			733,057.43
Qionghai Heyue Property Services Co., Ltd.	Catering and accommodation services				108,074.04
Shaoxing Heyue Property Services Co., Ltd.	Catering and accommodation services	188,264.15			214,360.00
Zhejiang Jingshi Real Estate Co., Ltd.	Receiving of services				43,594.01
Changbai Mountain Nature Reserve and Yuehe Real Estate Development Co., Ltd	Receiving of services				17,368.50
Heilongjiang Haotian Corn Development Co., Ltd.	Purchase of goods	20,125,109.65			700,819.04
Shandong Bin'an Vocational Training School Co., Ltd.	Receiving of services	56,940.57			
Total		190,347,667.88	306,300,000.00		272,630,511.38

## Sale of goods and rendering of services

Unit: RMB Yuan

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Zhejiang Deli Equipment Co., Ltd.	New Materials	589,492.03	77,876.10
Front Pharmaceutical PLC.	Pharmaceutical intermediates, testing fees	398,230.09	353,982.31
Envalior NHU Engineering Materials (Zhejiang) Co., Ltd.	New Materials	74,760,442.59	71,388,365.86
	Labor costs, etc.	4,961.85	12,933.42
	water and electricity charges	857,110.29	
Beijing Front Pharmaceutical Co., Ltd.	testing fee	391,509.43	
Ningbo ZRCC NHU Biotechnology Co., Ltd.	Providing labor services	465,000.00	
	Selling goods	2,484,792.93	
Total		79,951,539.21	71,833,157.69

**(2) Related party leases**

The Company as the lessor:

Unit: RMB Yuan

Lessees	Types of assets leased	Lease income recognized in the current period	Lease income recognized in preceding period
Envalior NHU Engineering Materials (Zhejiang) Co., Ltd.	Land use right and buildings	316,724.37	422,065.14
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Land use right and buildings		156,000.00
Zhejiang Jingshi Real Estate Co., Ltd.	Land use right and buildings	69,357.80	326,238.53
NHU Holding Group Co., Ltd.	Land use right and buildings	13,400.92	16,513.76
Weifang NHU Real Estate Co., Ltd.	Land use right and buildings	5,142.86	5,142.86

The Company as the lessee:

Unit: RMB Yuan

Lessors	Types of assets leased	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)	
		Lease expenses recognized in the current period	Lease expenses recognized in preceding period
NHU Holding Group Co., Ltd.	Land use right and buildings	342,290.74	

**(3) Related party guarantees**

The Company as a guaranteed party

Unit: RMB Yuan

Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
NHU Holding Group Co., Ltd.	128,000,000.00	December 3, 2020	September 21, 2025	No
	200,000,000.00	November 17, 2022	November 14, 2025	No
Total	328,000,000.00			

**(4) Key management's emoluments**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	7,181,369.40	5,926,687.50

**(5) Other related party transactions**

During the current period, the subsidiary NHU Europe GmbH sold goods amounting to RMB 94,555,091.05 (excluding tax) to Client B, with an ending accounts receivable balance of RMB 44,018,389.43 as of the reporting date.

**6. Balance due to or from related parties****(1) Balance due from related parties**

Unit: RMB Yuan

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Envalior NHU Engineering Materials (Zhejiang) Co., Ltd.	41,446,520.62	2,072,326.03	33,814,553.47	1,690,727.67
Subtotal		41,446,520.62	2,072,326.03	33,814,553.47	1,690,727.67
Other receivables	Ningbo ZRCC NHU Biotechnology Co., Ltd.			2,000,000.00	100,000.00
	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	20,000.00	1,000.00	20,000.00	1,000.00
	Envalior NHU Engineering Materials (Zhejiang) Co., Ltd.	1,312,112.90	65,605.65		
Subtotal		1,332,112.90	66,605.65	2,020,000.00	101,000.00

**(2) Balance due to related parties**

Unit: RMB Yuan

Items	Related parties	Closing book balance	Opening book balance
Accounts payable	Zhejiang Deli Equipment Co., Ltd.	5,759,523.53	11,421,085.71
	Zhejiang Saiya Chemical Materials Co., Ltd.	80,509,771.45	
	Zhejiang Second Pharma Co., Ltd.	6,408.00	6,408.00
	Heilongjiang Haotian Corn Development Co., Ltd.	2,061,681.57	852,650.48
	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	9,482,218.08	11,789,009.62
Subtotal		97,819,602.63	24,069,153.81
Contract liabilities	Zhejiang Deli Equipment Co., Ltd.	13,009.64	13,009.64
	Ningbo ZRCC NHU Biotechnology Co., Ltd.	120,037,204.74	119,219,670.23
Subtotal		120,050,214.38	119,232,679.87
Other payables	Zhejiang Deli Equipment Co., Ltd.	3,500.00	4,190.00
	Ningbo ZRCC NHU Biotechnology Co., Ltd.		1,650.00
	Shaoxing Jinghe Hotel Management Co., Ltd.	680.00	

Items	Related parties	Closing book balance	Opening book balance
Subtotal		4,180.00	5,840.00
Other current liabilities	Zhejiang Deli Equipment Co., Ltd.	1,691.25	1,691.25
	Ningbo ZRCC NHU Biotechnology Co., Ltd.	15,604,836.62	15,498,557.13
Subtotal		15,606,527.87	15,500,248.38

## XV. Share-based payments

### 1. Overall situation of share-based payments

☐Applicable ☒ Not applicable

### 2. Share-based payments settled in equity

☐Applicable ☒ Not applicable

### 3. Share-based payments settled in cash

☐Applicable ☒ Not applicable

### 4. Share-based payment expenses for the current period

☐Applicable ☒ Not applicable

## XVI. Commitments and contingencies

### 1. Significant commitments

Significant commitments as at the balance sheet date

#### (1) Forward exchange settlement contracts

Pursuant to “ISDA 2002 MASTER AGREEMENT” entered into between the Company and Bank of China (Hong Kong) Limited, “ISDA 2002 MASTER AGREEMENT” entered into with DBS Bank (China) Limited, the GLOBAL CAPITAL MARKETS TRANSACTION and the related transaction application form entered into with HSBC Bank (China) Limited Hangzhou Branch, the NAFMII Master Agreement and Supplemental Agreement (No. Y161136) with the Bank of China Limited, Zhejiang Branch, NAFMII Master Agreement and Supplemental Agreement (No. Y161136), as of June 30, 2025, the details of the Company's undelivered forward settlement contracts are as follows:

Currency	Forms of settlement and sale of foreign exchange	Amount	Exchange Rate	Settlement Date
EUR	settle foreign exchange	10,000,000.00	7.7045	7/23/2025
	settle foreign exchange	5,000,000.00	7.7880	7/9/2025
	settle foreign exchange	5,000,000.00	7.7890	7/16/2025
	settle foreign exchange	5,000,000.00	7.8372	7/23/2025
	settle foreign exchange	5,000,000.00	7.8396	7/28/2025
	settle foreign exchange	5,000,000.00	7.8647	8/7/2025
	settle foreign exchange	5,000,000.00	7.8743	8/14/2025

Currency	Forms of settlement and sale of foreign exchange	Amount	Exchange Rate	Settlement Date
	settle foreign exchange	5,000,000.00	7.8300	8/19/2025
	settle foreign exchange	5,000,000.00	7.8308	8/21/2025
	settle foreign exchange	10,000,000.00	7.8575	9/4/2025
	settle foreign exchange	10,000,000.00	7.9580	10/16/2025
	settle foreign exchange	10,000,000.00	7.9575	10/23/2025
	settle foreign exchange	10,000,000.00	7.9575	10/28/2025
	settle foreign exchange	10,000,000.00	7.8878	9/25/2025
	settle foreign exchange	5,000,000.00	7.8998	8/27/2025
	settle foreign exchange	10,000,000.00	7.8682	9/18/2025
	settle foreign exchange	5,000,000.00	8.1702	8/27/2025
	settle foreign exchange	5,000,000.00	8.1641	11/12/2025
	settle foreign exchange	5,000,000.00	8.1830	11/19/2025
	settle foreign exchange	5,000,000.00	8.1824	11/26/2025
	settle foreign exchange	5,000,000.00	8.1815	11/25/2025
	settle foreign exchange	5,000,000.00	8.1815	11/26/2025
	settle foreign exchange	5,000,000.00	8.2680	11/12/2025
	settle foreign exchange	5,000,000.00	8.2745	11/26/2025
	settle foreign exchange	1,000,000.00	8.3142	7/24/2025
	settle foreign exchange	1,000,000.00	8.3112	8/26/2025
	settle foreign exchange	1,000,000.00	8.3088	9/25/2025
	settle foreign exchange	1,000,000.00	8.3067	10/28/2025
	settle foreign exchange	1,000,000.00	8.3042	11/25/2025
	settle foreign exchange	1,000,000.00	8.2872	7/24/2025
	settle foreign exchange	1,000,000.00	8.2842	8/26/2025
	settle foreign exchange	1,000,000.00	8.2818	9/25/2025
	settle foreign exchange	1,000,000.00	8.2797	10/28/2025
	settle foreign exchange	1,000,000.00	8.2772	11/25/2025
	settle foreign exchange	5,000,000.00	8.3000	12/10/2025
	settle foreign exchange	5,000,000.00	8.3020	12/17/2025
	settle foreign exchange	5,000,000.00	8.3060	12/23/2025
	settle foreign exchange	5,000,000.00	8.3110	12/23/2025
	settle foreign exchange	1,000,000.00	8.3260	7/24/2025
	settle foreign exchange	1,000,000.00	8.3220	8/26/2025
	settle foreign exchange	1,000,000.00	8.3200	9/25/2025
	settle foreign exchange	1,000,000.00	8.3180	10/28/2025
	settle foreign exchange	1,000,000.00	8.3160	11/25/2025
	settle foreign exchange	5,000,000.00	8.3490	12/23/2025

Currency	Forms of settlement and sale of foreign exchange	Amount	Exchange Rate	Settlement Date
	settle foreign exchange	5,000,000.00	8.3565	12/23/2025
	settle foreign exchange	5,000,000.00	8.3905	9/25/2025
USD	purchase of foreign currency	10,000,000.00	7.0542	12/30/2025
Subtotal		215,000,000.00		

## (2) Letters of guarantee issued but undue

As of June 30, 2025, the undue letters of credit issued by the Company and its subsidiaries are as follows:

Issuing banks	Applicants	Type of L/G	Amount	Conditions for issuing
Bank of China Limited Xinchang Sub-branch	The Company	Performance guarantee	USD52,000.00	Occupying credit line
		Performance guarantee	USD95,050.00	Occupying credit line
		Performance guarantee	USD16,710.00	Occupying credit line
Bank of China Binhai Sub-branch, Weifang	Shandong NHU Amino-acids Co., Ltd.	quality guarantee	CNY8,183,592.83	Deposit of 8,183,592.83yuan
China Construction Bank Binhai Sub-branch, Weifang	Shandong NHU Amino-acids Co., Ltd.	performance bond	CNY1,004,364.00	Deposit of 1,004,364.00yuan
Bank of China Binhai Sub-branch, Weifang	Weifang Haicheng Thermal Power Co., Ltd.	Performance bond	CNY800,000.00	Deposit of 800,000.00yuan

## (3) Letters of credit issued but undue

As of June 30, 2025, the undue letters of credit issued by the Company and its subsidiaries are as follows:

Issuing banks	Applicants	Balance of L/C	Conditions
Bank of Hangzhou Xinchang Sub-branch	The Company	CNY 50,000,000.00	Occupying credit line
Agricultural Bank of China Xinchang Sub-branch	The Company	CNY 100,000,000.00	Occupying credit line
Export-Import Bank of China Zhejiang Provincial Branch	The Company	CNY 200,000,000.00	Occupying credit line
		CNY 100,000,000.00	Occupying credit line
Bank of China Xinchang Sub-branch	The Company	JPY 180,000,000.00	Occupying credit line
		USD 29,526.00	Occupying credit line
		USD 139,153.00	Occupying credit line
		CNY 50,000,000.00	Occupying credit line
		CNY 100,000,000.00	Occupying credit line
		CNY 100,000,000.00	Occupying credit line
China Construction Bank Shangyu New District Sub-branch	Shangyu NHU Bio-Chem Co., Ltd.	USD 96,000.00	Deposit of USD96,000.00

## (4) Bill Pool Agreements

Based on actual operational needs, the Company entered into bill pool agreements with China Zheshang Bank Co., Ltd. and China Merchants Bank Co., Ltd. As of June 30, 2025, the balance of bank acceptance bills pledged by the Company and its subsidiaries

amounted to RMB 112,087,395.84, of which RMB 110,127,395.84 was pledged through the China Zheshang Bank bill pool and RMB 1,960,000.00. through the China Merchants Bank bill pool.

Except for the above matters and those disclosed in the "Assets with Restricted Ownership or Usage Rights" section of the notes to these financial statements, the Company had no other significant commitments as of the balance sheet date.

## 2. Contingencies

### (1) There are no material contingencies that the Company is required to disclose, which should also be explained

In accordance with the Derivative Trading Mandate submitted by the Company and its subsidiaries to China Merchants Bank, the details of outstanding option contracts held by the Company and its subsidiaries as of June 30, 2025 are outlined below:

Authorized Bank	Applicant	Currency	Contingent Notional Amount	Strike Rate	Settlement Date	Collateral Requirement
CMB Hangzhou Branch	The Company	USD	2,000,000.00	7.7600	12/30/2025	Margin deposit: RMB 1,200,000.00
CMB Hangzhou Branch	Shangyu NHU Biochemical Co., Ltd.	USD	2,000,000.00	7.7600	12/30/2025	Margin deposit: RMB 1,200,000.00
CMB Hangzhou Branch	Zhejiang NHU Special Materials Co., Ltd.	USD	2,000,000.00	7.7600	12/30/2025	Margin deposit: RMB 1,200,000.00
CMB Hangzhou Branch	Shandong NHU Amino Acid Co., Ltd.	USD	2,000,000.00	7.7600	12/30/2025	Margin deposit: RMB 1,200,000.00

### (2) Disclosure of Significant Contingencies

The Company hereby confirms that there are no material contingent liabilities requiring disclosure as of the reporting date.

## XVII. Events after the balance sheet date

### 1. Profit distribution

Proposed cash dividend per 10 shares (RMB)	2
Proposed bonus share issue per 10 shares (share)	0
Proposed capital conversion per 10 shares (share)	0
Approved cash dividend per 10 shares (RMB)	2
Approved bonus share issue per 10 shares (share)	0
Approved capital conversion per 10 shares (share)	0
Profit distribution plan	<p>Temporarily based on 3,059,121,988 shares [Note] (calculated by excluding 14,299,692 repurchased shares from the total share capital of 3,073,421,680 shares as of July 31, 2025), the Company intends to distribute cash dividend of 2 yuan (tax included) and no bonus shares will be distributed, and the capital reserve will not be converted into share capital.</p> <p>Note: As of July 31, 2025, the Company's share capital totaled 3,073,421,680 shares, including repurchased share of 14,299,692 shares.</p>

	<p>According to the “Rules on Share Repurchase of Listed Companies”, shares in the special account for repurchase of listed companies carry no right of profit distribution and conversion of capital reserve into share capital.</p> <p>If the Company’s total share capital changes due to the conversion of convertible bonds, share repurchase, exercise of equity incentives, refinancing and listing of new shares, etc. before the implementation of the profit distribution proposal, the total distribution will be adjusted accordingly based on the same distribution ratio.</p>
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## 2. Description of other events after the balance sheet date

As of the date of approval for issuing the financial statements, the Company has no other significant events after the balance sheet date to be disclosed.

## XVIII. Other significant events

### 1. Segment information

#### (1) Identification basis and accounting policies for report table segments

Report table segments are identified according to the structure of the Company’s internal organization, management requirements and internal reporting system, and based on business segments. Assets and liabilities shared by different segments are allocated among segments proportionate to their respective sizes.

#### (2) Financial information of report table segments

Unit: RMB Yuan

Items	Pharmaceutical chemicals	Others	Inter-segment offsetting	Total
Operating revenue	10,776,701,720.67	812,971,612.20	489,040,496.09	11,100,632,836.78
Including: Revenue from contracts with customers	10,776,701,720.67	809,355,140.94	489,040,496.09	11,097,016,365.52
Operating cost	6,007,145,682.64	488,262,170.54	489,040,496.09	6,006,367,357.09
Total assets	40,771,693,204.96	3,173,532,760.98	216,365,984.86	43,728,859,981.08
Total liabilities	12,440,183,622.57	881,803,125.58	216,365,984.86	13,105,620,763.29

### 2. Other important transactions and matters that may affect investors' decisions

Please refer to the explanations in Sections 13 and 14 of Chapter 5 of this periodic report for details.

## XIX. Notes to the main items of the parent company's financial statements

### 1. Accounts receivable

#### (1) Age analysis

Unit: RMB Yuan

Ages	Closing balance	Opening balance
Within 1 year	1,199,807,798.93	1,531,673,396.24
Total	1,199,807,798.93	1,531,673,396.24

**(2) Details on categories**

Unit: RMB Yuan

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion		Amount	% to total	Amount	Provision on proportion	
Including:										
Receivables with provision made on a collective basis	1,199,807,798.93	100.00%	59,990,389.95	5.00%	1,139,817,408.98	1,531,673,396.24	100.00%	76,583,669.81	5.00%	1,455,089,726.43
Total	1,199,807,798.93	100.00%	59,990,389.95	5.00%	1,139,817,408.98	1,531,673,396.24	100.00%	76,583,669.81	5.00%	1,455,089,726.43

Provision made on a collective basis using age analysis method:

Unit: RMB Yuan

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	1,199,807,798.93	59,990,389.95	5.00%
Total	1,199,807,798.93	59,990,389.95	

Provision for bad debts on accounts receivable is made in accordance with the general model of expected credit losses, if any:

☐Applicable ☒Not applicable**(3) Provisions made, collected or reversed in the current period**

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Provision made on a collective basis	76,583,669.81	-16,593,279.86				59,990,389.95
Total	76,583,669.81	-16,593,279.86				59,990,389.95

**(4) Details of the top 5 debtors with largest balances**

Unit: RMB Yuan

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Client 1	818,309,930.15	68.20%	40,915,496.51
Client 2	179,317,069.02	14.95%	8,965,853.45

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Client 3	44,445,350.00	3.70%	2,222,267.50
Client 4	22,757,780.06	1.90%	1,137,889.00
Client 5	13,934,950.00	1.16%	696,747.50
Total	1,078,765,079.23	89.91%	53,938,253.96

## 2. Other receivables

Unit: RMB Yuan

Items	Closing balance	Opening balance
Other receivables	1,072,783,699.27	1,008,085,932.79
Total	1,072,783,699.27	1,008,085,932.79

### (1) Other receivables

#### 1) Details on categories

Unit: RMB Yuan

Nature of receivables	Closing book balance	Opening book balance
loan splitting	1,086,032,637.48	995,850,000.00
Deposit Guarantee	13,271,220.50	13,368,946.50
Export Tax Refund	21,692,624.85	41,117,094.74
Employee reserve fund	6,966,697.00	5,580,822.60
Other	2,063,213.78	3,670,632.73
Total	1,130,026,393.61	1,059,587,496.57

#### 2) Age analysis

Unit: RMB Yuan

Ages	Closing book balance	Opening book balance
Within 1 year (inclusive)	1,110,763,753.73	1,044,830,990.72
1-2 years	4,764,739.67	1,070,952.85
2-3 years	714,738.76	325,560.47
Over 3 years	13,783,161.45	13,359,992.53
3-4 years	423,168.92	
4-5 years		
Over 5 years	13,359,992.53	13,359,992.53
Total	1,130,026,393.61	1,059,587,496.57

## 3) Disclosure by bad debt accrual method

Unit: RMB Yuan

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion		Amount	% to total	Amount	Provision proportion	
Including:										
Receivables with provision made on a collective basis	1,130,026,393.61	100.00%	57,242,694.34	5.07%	1,072,783,699.27	1,059,587,496.57	100.00%	51,501,563.78	4.86%	1,008,085,932.79
Including:										
Total	1,130,026,393.61	100.00%	57,242,694.34	5.07%	1,072,783,699.27	1,059,587,496.57	100.00%	51,501,563.78	4.86%	1,008,085,932.79

Category name for bad debt provisions calculated by combination: Other receivables for which bad debt provisions are calculated by combination

Unit: RMB Yuan

Categories	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Land deposit receivable portfolio	12,518,762.50		
Export Refund Receivable Portfolio	21,692,624.85		
Ages	1,095,815,006.26	57,242,694.34	5.22%
Within 1 year (inclusive)	1,089,071,128.88	54,453,556.45	5.00%
1-2 years	4,764,739.67	952,947.93	20.00%
2-3 years	714,738.76	571,791.01	80.00%
Over 3 years	1,264,398.95	1,264,398.95	100.00%
Total	1,130,026,393.61	57,242,694.34	

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

Unit: RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	50,185,694.80	214,190.57	1,101,678.41	51,501,563.78
Opening balance in the current period				
--Transferred to phase II	-238,236.98	238,236.98		
--Transferred to phase III		-142,947.75	142,947.75	
Provision made in the current period	4,506,098.63	643,468.13	591,563.80	5,741,130.56
Closing balance	54,453,556.45	952,947.93	1,836,189.96	57,242,694.34

The basis for the classification of each stage and the percentage of provision for bad debts:

Accounts aged less than one year are classified as stage I, those aged 1-2 years are classified as stage II, and those aged more than 2 years are classified as stage III.

Changes in the carrying amount of the provision for losses that are significant in terms of the amount of change during the period.

□Applicable √ Not Applicable

#### 4) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	Call loans	383,664,138.86	Within 1 year (inclusive)	33.95%	19,183,206.94
Tianjin NHU Materials Technology Co., Ltd.	Call loans	261,318,236.12	Within 1 year (inclusive)	23.12%	13,065,911.81
Heilongjiang Xinhao Thermal Power Co., Ltd.	Call loans	211,449,306.96	Within 1 year (inclusive)	18.71%	10,572,465.35
Xinchang NHU Vitamins Co.	Call loans	156,942,180.55	Within 1 year (inclusive)	13.89%	7,847,109.03
Shaoxing Nayang Materials Technology Co., Ltd.	Call loans	40,310,000.00	Within 1 year (inclusive)	3.57%	2,015,500.00
Total		1,053,683,862.49		93.24%	52,684,193.13

### 3. Long-term equity investments

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	10,520,058,350.12		10,520,058,350.12	10,822,058,350.12		10,822,058,350.12
Investments in associates and joint ventures	683,398,358.57		683,398,358.57	666,079,397.87		666,079,397.87
Total	11,203,456,708.69		11,203,456,708.69	11,488,137,747.99		11,488,137,747.99

#### (1) Investments in subsidiaries

Unit: RMB Yuan

Investees	Opening carrying amount	Opening balance of provision for impairment	Increase/Decrease				Closing carrying amount	Closing balance of provision for impairment
			Investments increased	Investments decreased	Provision for impairment	Others		
Xinchang NHU Vitamins Co., Ltd.	149,407,990.15		80,000,000.00				229,407,990.15	
Zhejiang NHU Import & Export	13,500,000.00						13,500,000.00	

Investees	Opening carrying amount	Opening balance of provision for impairment	Increase/Decrease				Closing carrying amount	Closing balance of provision for impairment
			Investments increased	Investments decreased	Provision for impairment	Others		
Co., Ltd.								
Zhejiang Vityesun Animal Nutrition and Health Co., Ltd.	5,000,000.00						5,000,000.00	
Shangyu NHU Bio-Chem Co., Ltd.	414,100,091.44						414,100,091.44	
NHU (Hong Kong) Trading Co., Ltd.	16,406,160.00						16,406,160.00	
Zhejiang NHU Pharmaceutical Co., Ltd.	480,000,000.00						480,000,000.00	
Zhejiang NHU Special Materials Co., Ltd.	554,844,108.53						554,844,108.53	
Shandong NHU Amino-acids Co., Ltd.	5,800,000,000.00						5,800,000,000.00	
Shandong NHU Holdings Co., Ltd.	200,000,000.00						200,000,000.00	
Heilongjiang NHU Biotechnology Co., Ltd.	1,900,000,000.00						1,900,000,000.00	
Shandong NHU Pharmaceutical Co., Ltd.	586,000,000.00						586,000,000.00	
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	590,000,000.00					-590,000,000.00		
NHU Singapore PTE. LTD.	12,800,000.00						12,800,000.00	
Tianjin NHU Materials Technology Co., Ltd.	100,000,000.00						100,000,000.00	
ZhejiangNHU Holding Group Co., Ltd.			208,000,000.00				208,000,000.00	
<b>Total</b>	10,822,058,350.12		288,000,000.00			-590,000,000.00	10,520,058,350.12	

**(2) Investments in associates and joint ventures**

Unit: RMB Yuan

Investees	Opening carrying amount	Opening balance of provision for impairment	Increase/Decrease								Closing carrying amount	Closing balance of provision for impairment
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
I. joint venture												
Ningbo ZRCC NHU Biotechnology Co., Ltd.	358,644,929.90				-15,076,323.59						343,568,606.31	
Subtotal	358,644,929.90				-15,076,323.59						343,568,606.31	
II. Associates												
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	302,422,406.40				32,414,200.80					11,681.07	334,848,288.27	
Anhui Yingna Weixun Technology Co., Ltd	5,012,061.57				-30,597.58						4,981,463.99	
Subtotal	307,434,467.97				32,383,603.22					11,681.07	339,829,752.26	
Total	666,079,397.87				17,307,279.63					11,681.07	683,398,358.57	

The recoverable amount is determined as the net of fair value less costs of disposal

☐Applicable ☒Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

☐Applicable ☒Not applicable**4. Operating revenue/Operating cost**

Unit: RMB Yuan

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	2,272,445,803.50	1,608,253,690.17	1,648,027,716.97	1,455,263,461.14
Other operations	16,464,550.41	13,097,558.26	30,583,786.52	23,411,419.87
Total	2,288,910,353.91	1,621,351,248.43	1,678,611,503.49	1,478,674,881.01
Including: Revenue from contracts with customers	2,287,433,972.45	1,620,857,070.99	1,676,857,697.21	1,478,180,865.14

Details of revenue

Unit: RMB Yuan

Contract Classification	Revenue	Cost
By product		
Including:		
Nutrition	2,272,445,803.50	1,608,253,690.17
Others	14,988,168.95	12,603,380.82

Contract Classification	Revenue	Cost
Subtotal	2,287,433,972.45	1,620,857,070.99
By operating region		
Including:		
Domestic	1,119,202,378.36	848,040,501.75
Overseas	1,168,231,594.09	772,816,569.24
Subtotal	2,287,433,972.45	1,620,857,070.99
By revenue recognition time		
Including:		
Transferred at a point in time	2,287,433,972.45	1,620,857,070.99
Subtotal	2,287,433,972.45	1,620,857,070.99

Information related to transaction price allocated to the remaining performance obligations:

As of June 30, 2025, revenue corresponding to performance obligations for which the Company has entered into contracts but not yet performed or fulfilled amounted to 565.89 million yuan, of which, 565.89million yuan is expected to be recognized as revenue in 2025.

## 5. Investment income

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method	1,750,000,000.00	1,500,000,000.00
Investment income from long-term equity investments under equity method	17,307,279.63	13,076,861.11
Investment income from disposal of long-term equity investments		28,770,508.00
Interest income from call loans	16,565,281.42	42,903,111.48
Dividend income earned on investments in other equity instruments during the holding period	5,292,000.00	1,500,000.00
Returns on wealth management products and structured deposits	4,122,267.74	
Subtotal	1,793,286,828.79	1,586,250,480.59

## 6. R&D expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	82,725,549.50	69,875,104.74
Depreciation, amortization of intangible assets	10,733,137.45	14,600,630.38
Outsourcing expenses	6,077,358.50	170,000.00
Direct input	13,547,258.16	10,920,350.03
Office expenses, business traveling expenses	1,285,946.17	890,223.62
Others	10,163,538.49	8,174,954.81
Total	124,532,788.27	104,631,263.58

## XX. Supplementary information

### 1. Schedule of non-recurring profit or loss

√ Applicable □ Not applicable

Unit: RMB Yuan

Items	Amount	Remarks
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	-1,582,139.69	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity or quota based on certain standards)	53,301,140.51	
Gains or losses on changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets and held-for-trading financial liabilities, excluding those arising from hedging business related to operating activities	-126,732,336.07	
Gains or losses on assets consigned to the third party for investment or management	8,184,998.28	
Other non-operating revenue or expenditures	-1,780,103.34	
Less: Enterprise income tax affected	6,698,630.00	
Non-controlling interest affected (after tax)	-68,508.91	
Total	-75,238,561.40	--

Remarks on other profit or loss satisfying the definition of non-recurring profit or loss:

□ Applicable √ Not applicable

The Company has no other profit or loss satisfying the definition of non-recurring profit or loss.

Remarks on defining non-recurring profit or loss listed in the “Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss” as recurring profit or loss

□ Applicable √ Not applicable

### 2. ROE and EPS

Profit of the reporting period	Weighted average ROE (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	11.87%	1.17	1.17

Profit of the reporting period	Weighted average ROE (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	12.11%	1.20	1.20

### 3. Differences in Accounting Data Between Domestic and International Standards

#### (1) Differences in Net Profit and Net Assets Under IFRS and Chinese Accounting Standards (CAS)

☐Applicable ☒ Not Applicable

#### (2) Differences in Net Profit and Net Assets Under Overseas Accounting Standards and CAS

☐Applicable ☒ Not Applicable

#### (3) Explanation of Differences Between Domestic and International Accounting Standards (If the overseas-audited data has been reconciled, the name of the overseas auditing firm shall be specified)

☐Applicable ☒ Not Applicable

## Section IX Other Submitted Data

### I. Other major social security issues

Whether the listed company and its subsidiaries have other major social security issues

☐ Yes ☐ No ☒ Not Applicable

Whether it was subject to administrative penalties during the reporting period

☐ Yes ☐ No ☒ Not Applicable

### II. Researches, communications, and interviews received by the Company during the reporting period

☒ Applicable ☐ Not applicable

Date of reception	Reception site	Way of reception	Type of visitor	Visitors	Major contents of conversation and information provided	Index for basic information of the investigation
27 ,February, 2025	Meeting room of the company	Field research	Institution	1. Shenwan Hongyuan Securities (Song Tao, Shao Jingyu); 2. Southern Fund (Zheng Yong, Li Xinmi, Chen Zhuo); 3. Zhuque Fund (Liu Congcong)	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of February 27, 2025, which was published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for details.
13, March ,2025	NHU Life and Health Industrial Park	Field research	Institution	1. Dongwu Securities (Chen Shuxian, Zhou Shaomei); 2. Taikang Asset Management (Wang Duolin); 3. CCB Insurance Asset Management (Yue Xiaolin, Cao Xinyi, Ban Peiqi); 4. Naxuan Investment (Zhang Qingyun); 5. Kuanyuan Asset Management (Shu Qihang); 6. Haitong Securities (Sun Weirong); 7. Hongshang Asset Management (Sha Zhengjiang); 8. Xincheng Fund (Yao Sizhou); 9. China International Capital Corporation (Hou Yilin); 10. Great Wall Securities (Xiao Yaping, Wang Tong); 11. Shanxi Securities (Ji Yongjie, Wang Rui)	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of March 13, 2025, which was published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for details.

Date of reception	Reception site	Way of reception	Type of visitor	Visitors	Major contents of conversation and information provided	Index for basic information of the investigation
29, April, 2025	“Investor Relations Interactive Platform” of Panorama Network	Network platform online communication	Others	Investors who attended the Company's online annual performance presentation of 2024	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of April 29, 2025 which was published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for details.
7, May, 2025	Meeting room of the company	Field research	Institution	1. Zhesang Securities (Li Hui, Chen Haibo); 2. Chengtong Securities Asset Management (Zhou Hexiang); 3. Chengtong Securities (Zhou Hexiang); 4. Zhongyou Fund (Zhou Daiwei); 5. Harvest Fund Management (Chen Luhua, Chen Jingcheng); 6. Shibe Investment (Zheng Hui); 7. Changsheng Fund Management (Zhao Qichao); 8. Penghua Fund Management (Wang Xiwei); 9. China Life Anbao Fund Management (Li Bowen); 10. ICBC Wealth Management (Si Huajing); 11. Heng'an Standard Life Insurance (Wang Zhiheng); 12. Huaxia Jiuying (Chen Hang); 13. Jinding Capital (Tang Chen Zhuo); 14. Yuance Investment (Li Chao); 15. CITIC Asset Management (Chen Han); 16. Ginkgo Capital (Zhang Haijun); 17. PICC Pension (Xu Kunlun); 18. Yuri Capital (Wang Yutian); 19. Founder Fubon Fund (Liu Meng)	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of May 7, 2025 which was published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for details.
8, May, 2025	Meeting room of the company	Field research	Institution	1. Bohai Securities (You Yue); 2. GF Securities (Wu Xinnan); 3. Sinolink Securities (Li Hanyu); 4. Guolian Securities (Zhang Weihang); 5. SDIC Securities (Feng Yongkun);	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of May 8, 2025, which was

Date of reception	Reception site	Way of reception	Type of visitor	Visitors	Major contents of conversation and information provided	Index for basic information of the investigation
				6. Huaan Securities (Wang Qiangfeng, Liu Tianqi); 7. Great Wall Securities (Xiao Yaping, Wang Tong); 8. Changjiang Securities (Ma Tai, Wang Cheng); 9. Huatai Securities (Zhuang Tingzhou); 10. Shanxi Securities (Ji Yongjie); 11. Zhongtai Securities (Sun Ying, Wang Peng); 12. Minsheng Securities (Zeng Jiachen); 13. Guoxin Securities (Yang Lin, Wang Xinhang); 14. Tianfeng Securities (Tang Jie, Xing Yanning); 15. Bank of China Securities (Fan Qiyang); 16. CITIC Securities (Tian Xiancheng); 17. Minsheng Securities (Zeng Jiachen); 18. Zheshang Securities (Wang Yuan); 19. East Money (Zhang Zhiyang); 20. Huatai Fortune Fund (Liu Gaoxiao); 21. Zhuque Fund (Liu Congcong); 22. SDIC Ruiying (Zhou Sijie); 23. Qianlin Investment (Zeng Lin); 24. Hangzhou Jintou (Zhan Qian); 25. Hongchou Investment (Liu Jianyang); 26. Shengyu Investment (Wu Shengbo); 27. CITIC Securities (Tao Aipu); 28. Junhe Capital (Liu Jian, Ji Liu Yu, Zhang Yujie); 29. Qingyu Capital (Zhang Xinbin); 30. Guohai Franklin (Zhang Rui); 31. Guotai Haitong (Zhou Zhipeng); 32. Huaneng Guicheng (Sun Yu, Zhou Hao); 33. HSBC Qianhai (Huang Qian); 34. TaiPu Bio-Science (Wang Yong, Ye Tingting, Lei Rong); 35. Shanghai Jinglin (Jiang Wenchao); 36. Shanghai Ningquan (Qiu Weijia); 37. Supor Group (Li Yulu); 38. Xizangt Hezhong Yisheng		published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for details.

Date of reception	Reception site	Way of reception	Type of visitor	Visitors	Major contents of conversation and information provided	Index for basic information of the investigation
				(Xu Xingke); 39. Yujian Technology (Lu Zhikai); 40. Shanghai Ruijun (Liu Li); 41. China International Capital Corporation (Jia Xiongwei, Hou Yilin); 42. Huanong Asset Management (Sun Meng); 43. Individual shareholders, etc.		
29,May,2025	Shangri-La Hotel, Pudong, Shanghai	Field research	Institution	1. CITIC Securities (Liu Chang); 2. Dongwu Securities (Yu Yanqiu); 3. Dongfang International (Huang Jiansong); 4. Taikang Fund (Wang Lingli); 5. Ningbo Liangli (Chen Jinzhuan); 6. Allianz Fund (Zhang Zhuyuan); 7. CITIC Asset Management (Sheng Liyang); 8. Xingzheng Global (Ye Fei); 9. Quan Guo Fund (Wei Boyang); 10. Jinglin Asset Management (Jiang Wenchao); 11. Dingtai Sifang (Chen Yongbao); 12. Xueshi Asset Management (Wu Xi); 13. Hongchou Investment (Wang Zhidong); 14. Singapore Baoning Capital (Huang Jing); 15. Bank of China Fund (Zhang Xiangdong); 16. Haifutong Fund (Bai Xiaolan); 17. Yuan Shijie (Huang Tianfu, Chen Zhiqiang); 18. Jiu Zhao Investment (Wang Chu, Li Yuxin); 19. Junhe Capital (Ji Liu Yu, Sun Zhenxin)	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of May 29, 2025, which was published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for details.
5,June,2025	The Ritz-Carlton, Shanghai Pudong, Shanghai Pudong Shangri-La Hotel	Field research	Institution	1. Guotai Haitong (Zhou Zhipeng, Xiao Jie); 2. Huatai Securities (Zhuang Tingzhou, Yang Wentao); 3. Northeast Securities Proprietary Trading (Feng Xiantao); 4. Hongshang Asset Management (Sha Zhengjiang); 5. Fidelity (Yuan Ruipeng); 6. GIC (Liu Zhuoyu); 7. Harvest Fund (Cai Chengfeng); 8.	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of June 5, 2025, which was published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for

Date of reception	Reception site	Way of reception	Type of visitor	Visitors	Major contents of conversation and information provided	Index for basic information of the investigation details.
				China Universal Asset (Hua Xiuning) ; 9. Haitong Asset Management (Li Chen); 10. Boyu Capital (Dou Shuai); 11. Shengyu Investment (Wu Shengbo); 12. Aoxia Investment (Zhou Zhikang); 13. Xingzheng Global (Xia Siheng); 14. Songxi Asset Management (Ge Xinyu); 15. Changjiang Pension (Ma Rui); 16. Ningbo Zetian Investment (Zhang Lujun); 17. Shanghai Kuanyuan Asset Management (Shu Qihang); 18. Heng'an Life Insurance (Wang Zhiheng); 19. Ruiyuan Fund (Zhu Ling); 20. Haifutong (Zong Jingzhen); 21. Taipu Asset Management (Fu He); 22. CCB Insurance Asset Management (Ban Peiqi); 23. Suzhou Junrong Asset Management (Zhang Jiguang); 24. Banxia Investment (Liu Wei); 25. Huatai Baoxing (Li Chen); 26. Shanghai Tianyi Dao (Hu Jia); 27. CITIC Prudential Fund (Yao Sizhou); 28. Yimi Fund (Liu Jiaxi); 29. Manulife Fund (Fan Yaqin)		
26 ,June ,2025	Shangri-La Hotel, Pudong, Shanghai, Tower A, Lujiazui Fuhui Building	Field research	Institution	Tianfeng Securities (Xing Yanning); 2. Huaan Securities (Wang Qiangfeng, Liu Tianqi); 3. China International Capital Corporation (Jin Binbin); 4. Yue Kaichuang (Zhao Qi); 5. Minsheng Tonghui (Ai Mengqi); 6. Supor Group (Li Yulu); 7. Qincheng Asset Management (Yang Jin); 8. Huatai Baoxing (Li Chen); 9. Wanji Fund (Lei Yinjia)	Introduce the operating conditions of the Company and answer questions from investors	Please refer to the Investor Relations Activities Record Sheet of June 26, 2025, which was published on the website <a href="http://irm.cninfo.com.cn/ssessgs/S002001">http://irm.cninfo.com.cn/ssessgs/S002001</a> for details.

### **III. Financial Transactions between Listed Companies and Controlling Shareholders and Other Related Parties**

√Applicable ☐ Not applicable

Please refer to the Summary of Non-operational Capital Occupation and Other Related Capital Transactions for the First Half of 2025 disclosed on the same date. 閱