Stock Code: 600873 Stock Abbreviation: Meihua Bio

MeiHua Holdings Group Co., Ltd.

2026 Semi-Annual Report

This is an English translation from the 2026 Semi-Annual Report, in case of any inconsistency, the Chinese Version shall prevail.

Important Information

I. The Company's board of directors, directors, and officers guarantee that the contents of this semi-annual report are true, accurate, and complete without any false records, misleading statements, or material omissions and bear joint and several legal liability.

II. All of the Company's directors have attended the board meeting.

III. This semi-annual report has not been audited.

IV. Wang Aijun, the principal of the Company, Wang Lihong, the accounting principal, and Wang Ailing, the principal of the accounting body (the accounting officer), hereby declare that they guarantee the truthfulness, accuracy, and completeness of the financial report in this semi - annual report.

V. Profit distribution plan or capital reserve conversion plan for the Reporting Period as approved by the Board

Not Applicable

VI. Risk Disclosure on Forward-Looking Statements

√ Applicable ☐Not applicable

This semi-annual report involves forward-looking descriptions such as future plans, and such statements do not constitute material commitments for investors. Investors are reminded to pay attention to the risk of investment.

VII. Any occupation of funds by the controlling shareholder or other affiliates for non-operating purposes

No

VIII. Any external guarantee that violates the decision-making procedures

No

IX. Is it the case that more than half of the directors cannot guarantee the truthfulness, accuracy, and completeness of the semi-annual report disclosed by the Company?

No

X. Warning of Key Risks

For the details of the risks faced by the Company, refer to the "Potential Risks" part in "Section 3 Discussion and Analysis by the Management" and the "Risks Related to Financial Instruments" part in "Section 8 Financial Report".

XI. Miscellaneous

□ Applicable √Not applicable

Contents

List of documents for reference	Financial statements signed and sealed by the Company's principal, the accounting principal, and the principal of the accounting body (the accounting officer)
	The originals of the Company's documents and announcements disclosed on the website of the Shanghai Stock Exchange during the Reporting Period

Section 1 Definitions

In this report, the terms below have the following meanings, unless the context otherwise requires:

Definitions of common terms		
Company, the Company, the listed company, Meihua Bio, MeiHua Group, or Meihua Company, Meihua	means	MeiHua Holdings Group Co., Ltd., whose stock name is "Meihua Bio" and stock code is 600873.
Tongliao Meihua	means	Tongliao Meihua Biotechnology Co., Ltd., a wholly-owned subsidiary of the Company.
Tongliao Jianlong	means	Tongliao Jianlong Chemical Co., Ltd., a wholly-owned subsidiary of Tongliao Meihua.
Tongliao Base or Tongliao Company	means	the production base located in Tongliao of the Inner Mongolia autonomous region as formed by Tongliao Meihua and Tongliao Jianlong.
Xinjiang Meihua	means	Xinjiang Meihua Amino Acid Co., Ltd., a wholly-owned subsidiary of the Company.
Wujiaqu Jianlong	means	Wujiaqu Jianlong Chemical Co., Ltd., a wholly owned subsidiary of Xinjiang Meihua.
Xinjiang Base or Xinjiang Company	means	the production base in the Wujiaqu Industry Park located in the Xinjiang Uygur autonomous region where Xinjiang Meihua and Wujiaqu Jianlong are located.
Jilin Meihua	means	Jilin Meihua Amino Acid Co., Ltd., a wholly-owned subsidiary of the Company.
Jilin Base, Baicheng Base, or Jilin Company	means	the production base located in Baicheng of Jilin province where Jilin Meihua Amino Acid Co., Ltd. is located.
Three production bases or all production bases	means	the Company's production bases in Tongliao of Inner Mongolia, Wujiaqu of Xinjiang, and Baicheng of Jilin.
Hong Kong Meihua	means	Meihua Group International Trading (Hong Kong) Limited, a wholly-owned subsidiary of the Company.
Lhasa Meihua	means	Lhasa Meihua Bio-investment Holdings Co., Ltd., a wholly-owned subsidiary of the Company.
Hengqin Meihua	means	Zhuhai Hengqin Meihua Biotechnology Co., Ltd., a wholly-owned subsidiary of the Company.
Hong Kong Holdings	means	HONGKONG PLUM HOLDING LIMITED, a wholly-owned subsidiary of Hengqin Meihua.
Cayman Company	means	CAYMAN PLUM HOLDING LIMITED, a wholly-owned subsidiary of Hong Kong Holdings.
Singapore Company	means	PLUM BIOTECHNOLOGY GROUP PTE.LTD., a wholly-owned subsidiary of Cayman Company.
Singapore spv, SPV, Plumino, Plumino Company, Plumino	means	PLUMINO PRECISION FERMENTATION HOLDINGS PTE.LTD., a wholly-owned subsidiary of Singapore Company.
CSRC	means	the China Securities Regulatory Commission.
SSE or the Stock	means	the Shanghai Stock Exchange.

Exchange		
CSDC Shanghai	means	China Securities Depository and Clearing Co., Ltd. Shanghai Branch.
Amino acids for animal nutrition	means	the amino acids used as feed supplement for animal nutrition, which can enhance the effects of feed, improve the utilization of feed, and supplement and balance nutrition. The amino acids for animal nutrition produced by the Company include lysine, threonine, and valine.
Lysine	means	2,6-Diaminohexanoic acid, the only amino acid with side-chain primary amine in proteins. It is an amino acid and ketogenic amino acid essential for mammals. The common L-lysine is one of the 20 amino acids that make up proteins. Depending on content, lysine is classified into L-lysine hydrochloride (commonly known as the 98% lysine) and L-lysine sulfate (commonly known as the 70% lysine). The addition of lysine to feed improves meat quality, increases the ratio of lean, and refines meat texture. It increases the utilization of feed proteins and reduce the dosage of crude protein. It also reduces piglet diarrhea, cuts feeding costs, and increases economic returns.
Threonine	means	2-Amino-3-hydroxybutanoic acid, an aliphatic α-amino acid that contains an alcoholic hydroxyl. It is an amino acid and ketogenic amino acid essential for mammals. The common L-threonine is one of the 20 amino acids that make up proteins. Threonine is an essential amino acid. Threonine is often added to the feed for piglets and poultry. It is the second limiting amino acid in pig feed and the third limiting amino acid in poultry feed.
Valine	means	2-amino-3-methylbutanoic acid, a branched-chain non-polar α-amino acid that contains five carbon atoms. It is an amino acid and glycogenic amino acid essential for mammals. The common L-valine is one of the 20 amino acids that make up proteins. The addition of valine to sow feed can help increase lactation yield. It also helps improve animals' immunity and affects endocrine.
Starch byproduct protein powder, feed fiber, germ, mycoprotein, etc.	means	Corn gluten meal is a byproduct of the manufacture of starch from maize grain in the food industry or its purification in the brewing industry. It is rich in protein nutrients, has a special taste and color, and can be used as feed. Corn husk powder (feed fiber) is a byproduct of the manufacturing process of manufacturers engaged in the deep processing of corn. It is produced from maize grains being soaked, put into starch production, washed, squeezed, and dried. Its main components include fiber, starch, and proteins.
Food taste and trait improving products	means	The food additives (flavor enhancers) produced by the Company. It refers to artificial or natural substances that are added to food for the purpose of improving food quality, color, smell, and taste, as well as for preservation and processing.
MSG	means	99% MSG refers to monosodium glutamate. The key composition of MSG is glutamic acid monosodium salt, which is produced from the microbial fermentation, purification, and refinement of saccharic or starch raw materials. The finished product is white columnar crystal or crystalline powder. As a basic flavoring agent, MSG not only enhances the taste of dishes and stimulates appetite but also stimulates the secretion of digestive juice, thereby helping food digestion and absorption in human bodies.
Disodium 5'-ribonucleotide	means	a substance composed of disodium 5'-inosine (IMP) and disodium 5'-guanosine (GMP) in a 1:1 proportion. It is mostly used in condiments

		or condiment blends with MSG to enhance taste.
Trehalose	means	a safe and reliable natural sugar with the superb ability to maintain cell viability and biomacromolecular activity. It is known as the "sugar of life" in the science community. With a moderately sweet taste, it serves as a unique food ingredient that prevents food deterioration, inhibits nutrient deterioration, preserves food flavors, and improves food quality. It is also an important ingredient for cosmetics that maintain cell viability and preserve moisture. It is generally recognized as safe (GRAS) by the FDA.
Proline	means	L-proline (known as proline for short) is one of the 18 amino acids for the human body to synthesize proteins. It is an important raw material for amino acid transfusions as well as a key intermediate for synthesizing first-line antihypertensive drugs, such as captopril and enalapril. It is widely applied in food and pharmaceutical industries. The Company produces L-proline through corn fermentation, which is free of all the chemical reagents added in synthesis and is thus safer.
Glutamine	means	with the scientific name of 2-amino-4-formamide butyric acid, is the amide of glutamic acid. L-glutamine is the coding amino acid in protein synthesis and an amino acid essential for mammals. In vivo, it can be converted from glucose. Glutamine prevents muscle breakdown and promotes muscle growth. It is an important nutrition supplement for bodybuilders and bodybuilding enthusiasts. It also improves human immunity and antioxidant capacity. It has superb healthcare and even medical effects for the gastrointestinal and digestive systems.
Isoleucine	means	L-isoleucine is one of the 20 common amino acids that make up proteins. It contains two asymmetric carbon atoms and is an amino acid and ketogenic amino acid essential for mammals.
Leucine	means	L-leucine is one of the 20 common amino acids that make up proteins. It is an amino acid and a ketogenic and glycogenic amino acid essential for mammals. Leucine, isoleucine, and valine are all branched-chain amino acids, which help promote muscle recovery after training. In particular, leucine is a very effective branched-chain amino acid that effectively prevents muscle loss as it is able to break down faster into glucose.
Pullulan	means	a water-soluble polysaccharide produced from the fermentation of Aureobasidium pullulans. Pullulan can be processed into a variety of products. With superb film-forming properties, it forms highly stable pullulan film. It also has excellent oxygen isolation performance. In pharmaceutical and food industries, it is widely used in capsule molding agents, thickeners, adhesives, and food packaging. Pullulan has been used as food accessories for more than 20 years in Japan and is generally recognized as safe (GRAS) by the FDA.
Xanthan gum	means	a monospore polysaccharide from the fermentation of pseudoxanthomonas. It offers many functions due to its special macromolecular structure and colloidal characteristics. It is widely used in different fields as emulsifiers, stabilizers, gel thickeners, impregnating compounds, and film molding agents. Xanthan gum is a microbial polysaccharide in mass production with broad applications around the world.
Bio-organic fertilizers	means	the fertilizers containing organic substances that provide multiple inorganic and

		organic nutrients for crops and fertilize and improve soil.
MES	means	The Manufacturing Execution System (MES) is a key component of smart manufacturing. Through functions such as real-time monitoring, data collection and analysis, and production scheduling, an MES optimizes production processes and enhances both efficiency and quality. The core functions of an MES include production planning management, material management, quality control, equipment maintenance, and personnel management. By collecting and providing real-time data feedback, an MES can dynamically adjust production plans, optimize resource allocation, reduce waste, and enable comprehensive traceability of product quality.
AI	means	Artificial Intelligence (AI) is the science of studying, developing, and applying theories, methods, and applications for simulating, extending, and enhancing human intelligence. Its essence lies in using data as fuel, computing power as an engine, and algorithms as a brain, thereby, through machine learning and especially deep learning, endowing machines with the ability to perceive, reason, and generate. Currently, cognitive intelligence—represented by large language models and generative AI—is driving a paradigm shift in technology from ‘discrimination’ to ‘creation’, becoming the core force behind industrial transformation.
HMO	means	Human Milk Oligosaccharides, which are a type of complex oligosaccharide composed of monosaccharides, derivatives, sialic acid, and other structural units linked by glycosidic bonds. Over 150 types of HMO structures have been identified in human milk. As the third most abundant solid component in human breast milk, after lactose and fat, HMO plays a crucial physiological role. HMOs are vital for infant growth and development, both in the short and long term. They promote the balance of the intestinal microecology in infants, stimulate the growth of beneficial bacteria, inhibit the growth of harmful bacteria, prevent the colonization of pathogenic bacteria, regulate the immune system, and support cognitive development in infants.
Kirin Holdings	means	Kirin Holdings Company, Limited, a company listed on the Tokyo Stock Exchange with the stock code 2503.T. Founded in 1907 and headquartered in Tokyo, Japan, it is a global leader in beverage and food manufacturing, with business operations spanning multiple sectors, including beer, soft drinks, health products, and pharmaceuticals.
Kyowa Hakko Bio, Japan Kyowa	means	Kyowa Hakko Bio Co., Ltd., a wholly-owned subsidiary of Kirin Holdings. It is a global leader in the biotechnology and fermentation industries, specializing in the development and production of high-quality amino acids and other novel synthetic biology products for pharmaceutical, food, and industrial applications.
Fermentation	means	a reaction process in which massive metabolites are produced and accumulated through the growth and chemical changes of microorganisms (or animal/plant cells).
Bio-fermentation	means	Bio-fermentation refers to the process by which organic raw materials are converted into target products through metabolic activity carried out by microorganisms or enzymes under suitable conditions. Essentially, it utilises the metabolic mechanisms and biocatalytic action of living organisms to achieve the efficient conversion and synthesis of substances, encompassing industrial applications ranging from traditional food brewing to modern pharmaceuticals and new materials. As a core

		technology of synthetic biology and green manufacturing, bio-fermentation is driving the transition of production models towards low-carbon and sustainable practices, becoming a vital pillar of the bioeconomy era.
Precision fermentation	means	a process that uses microorganisms as cell factories to produce specific functional components. In general terms, precision fermentation is a process of genetic reprogramming. It is synthetic biology. Scientists change the genes of selected microorganisms based on specific designs, and their genes are programmed to produce specific fermentation products.

Section 2 Company Overview and Key Financial Indicators

I. Company Information

Chinese name	MeiHua Holdings Group Co., Ltd.
Short Chinese name	梅花生物、梅花集团
English name	MeiHua Holdings Group Co., Ltd.
Abbreviation	MEIHUABIO, MeiHua Group
Legal representative	Wang Aijun

II. Contact Person and Contact Information

	Board Secretary
Name	Liu Xianfang
Address	66 Huaxiang Road, Langfang Economic and Technological Development Zone, Hebei Province
Tel	0316-2359652
Fax	0316-2359670
Email	mhzqb@meihuagrp.com

III. Summary of Changes in Basic Information

Registered Address	Unit 5, Building 11, Yangguang Xincheng, 158 Jinzhu West Road, Lhasa, Xizang Autonomous Region
Changes in the registered address	In January 2018, the company's registered address was changed from "No. 189, Jinzhu West Road, Lhasa" to "Building 11, Unit 5, Sunshine New City, No. 158, Jinzhu West Road, Lhasa." For details, please refer to the company's Announcement No. 2018-002.
Office address	66 Huaxiang Road, Langfang Economic and Technological Development Zone, Hebei Province
Postal code of the office address	065001
Website	https://www.meihua.group
Email	mhzqb@meihuagrp.com
Index for Changes During the Reporting Period	Not applicable

IV. Summary of Changes in Information Disclosure and Filing Locations

Designated newspapers for information disclosure	Shanghai Securities News (www.cnstock.com), China Securities Journal (www.cs.com.cn), Securities Times (www.stcn.com), Securities Daily (www.zqrb.cn)
Website for publication of the semi-annual report	Shanghai Stock Exchange website (www.sse.com.cn)
Filing locations for the company's semi-annual report	Company Securities Department; Shanghai Stock Exchange
Index for changes during the reporting period	Not Applicable

V. Company's Stock Information

Stock type	Stock Exchange for the listing of the Company's stock	Stock name	Stock code	Stock name before change
A-share	Shanghai Stock Exchange	Meihua Bio	600873	MeiHua Group

VI. Other Relevant Information

□Applicable √Not applicable

VII. Key Accounting Data and Financial Indicators of the Company

(I). Key Accounting Data

Unit: yuan Currency: RMB

Key accounting data	Current Reporting Period (Jan–Jun)	Same Period Last Year	Change Compared to Same Period Last Year (%)
Revenue	12,235,095,339.54	12,280,450,603.53	-0.37
Total Profit	830,402,774.44	2,089,170,850.25	-60.25
Net profit attributable to the shareholders of the listed company	661,862,706.23	1,767,950,116.89	-62.56
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss	451,313,771.78	1,628,363,104.40	-72.28
Net cash flows from operating activities	389,140,084.02	2,312,791,220.63	-83.17
	End of Current Reporting Period	End of Previous Year	Change Compared to End of Previous Year (%)
Net assets attributable to the shareholders of the listed company	15,670,914,430.13	16,347,570,415.56	-4.14
Total assets	26,785,425,436.30	25,915,976,725.38	3.35

(II). Key Financial Indicators

Key financial indicators	Current Reporting Period (Jan–Jun)	Same Period Last Year	Change Compared to Same Period Last Year (%)

Basic earnings per share (yuan/share)	0.24	0.62	-61.29
Diluted earnings per share (yuan/share)	0.24	0.62	-61.29
Basic earnings per share after deducting non-recurring profit or loss (yuan/share)	0.16	0.57	-71.93
Weighted average return on equity (%)	4.03	11.81	Decrease by 7.78 percentage points
Weighted average return on equity after deducting non-recurring profit or loss (%)	2.75	10.88	Decrease by 8.13 percentage points

Notes to the Company's key accounting data and financial indicators
☐Applicable √Not applicable

VIII. Differences in Accounting Data under Domestic and Foreign Accounting Standards

☐Applicable √Not applicable

IX. Non-recurring Items and Amounts

√ Applicable ☐Not applicable

Unit: yuan Currency: RMB

Non-recurring items	Amount	Notes (if applicable)
Gains or losses from the disposal of non-current assets, including the write-offs of the accrued provisions for asset impairment	41,973,047.10	
Government grants recognized in the profit or loss, excluding government grants that are closely related to the Company's normal operations, conform with national policies, are enjoyed in accordance with established standards, and have continuous impact on the Company's profit or loss	132,954,936.58	
Gains or losses from fair value changes arising from the financial assets and financial liabilities held by non-financial enterprises and gains or losses from the disposal of financial assets and financial liabilities, except for the effective hedging associated with the Company's normal operations	36,751,682.38	
Fund possession fees collected from non-financial enterprises that are recognized in the profit or loss		
Gains or losses from the entrusted investment or management of assets		
Gains or losses from external entrusted loans		
Losses on assets due to force majeure factors, such as natural disasters		
Reversal of provisions for the impairment of accounts receivable for which the impairment test is conducted separately		
Gains from the investment costs of the Company for the acquisition of subsidiaries, associates, and joint ventures being less than the fair value of the investees' identifiable net assets due to the Company at the acquisition of investment		
Net profit or loss of subsidiaries formed through business combinations under common control for the period from the beginning of the Reporting Period to the combination date		
Gains or losses from the exchange of non-monetary assets		
Gains or losses from debt restructuring		
Non-recurring expenses of the Company arising from the discontinuation of relevant operating activities, such as expenses for staff resettlement		
Once-off effect of adjustments to tax and accounting laws and regulations on the profit		

Non-recurring items	Amount	Notes (if applicable)
or loss		
Share payment expenses recognized once off due to the cancellation or change of the share incentive plan		
For share payment in cash, gains or losses from changes in the fair value of staff remuneration payable after the vesting date		
Gains or losses from changes in the fair value of investment property that is subsequently measured in the fair value model		
Gains from transactions with obviously unfair transaction prices		
Gains or losses from contingencies irrelevant to the Company's normal operations		
Trusteeship income from trusteeship business		
Other non-operating income and expenditure than the above	23,872,702.76	
Other profit or loss items that fall within the definition of the non-recurring profit or loss		
Less: effect of income tax	25,003,434.37	
effect of minority interest (after tax)		
Total	210,548,934.45	

If the Company defines any items not listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Non-recurring Gains or Losses as non-recurring items which involve significant amounts or defines any non-recurring items listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Non-recurring Gains or Losses as recurring items, the Company should provide the reasons.

☐ Applicable √Not applicable

X. Net Profit Adjusted for Share-Based Payments (Applicable to Companies with Equity Incentive or Employee Stock Ownership Plans)

☐ Applicable √Not applicable

XI. Miscellaneous

☐ Applicable √Not applicable

Section 3 Discussion and Analysis by the Management

I. Industry and Main Business Overview During the Reporting Period

(I) Industry Overview

Based on the Guiding Catalogue of Key Products and Services for Strategic Emerging Industries (2016 Edition) issued by the National Development and Reform Commission (NDRC), Meihua Bio's main products fall within the "bio-manufacturing industry of the biological industry." Therefore, the Company operates in the bio-manufacturing industry.

Biomanufacturing is an advanced production method centered on industrial biotechnology. Based on cutting-edge biological technologies such as genetic engineering and synthetic biology, it uses the physiological and metabolic functions or catalytic activities of microbial strains, cells, and enzymes to produce target products on a large scale through industrial fermentation processes. It covers the full spectrum of categories, including food/additives, biopharmaceuticals, bio-based materials, bulk chemicals, and energy.

Synthetic biology is a disruptive technology that integrates multidisciplinary knowledge and technologies such as biology, engineering, and informatics. Following engineering principles, it designs, modifies, reconstructs, or even artificially synthesizes organisms to construct artificial biological systems with specific functions, enabling innovative applications in fields such as biomedicine and biomanufacturing.

1. Industry Scale

According to data released by the Ministry of Industry and Information Technology at the 2025 Biomanufacturing Conference, China's biomanufacturing industry reached a total scale of RMB 1.1 trillion in 2025. From the perspective of long-term global market potential, McKinsey estimates that from 2030 to 2040, biomanufacturing could generate an annual economic impact of USD 1.7–3.6 trillion, and biomanufactured products could cover approximately 70% of chemically manufactured products. Boston Consulting Group (BCG) predicts that by the end of the 21st century, biomanufacturing is expected to be applied in one-third of global manufacturing, creating USD 30 trillion in economic value.

2. Industry Outlook

Biomanufacturing is entering a development window of comprehensive acceleration during the 15th Five-Year Plan period. During this period, driven by multiple factors including national strategic guidance, technological breakthroughs as a key enabler, and market demand, the industry enjoys broad development prospects:

(1) Policy-driven: top-level strategies lead industrial upgrading

Biomanufacturing has risen to a core position in national strategy. China's first five-year plan for the bioeconomy has already identified biomanufacturing as a key development area, and the country will subsequently formulate a development plan for biomanufacturing. At the same time, supporting policies at the local level have been introduced successively, forming a coordinated support system between central and local governments. Overseas, both the United States and Europe have issued national-level bioeconomy strategies, and the global policy environment is generally improving.

(2) Technology-driven: deep integration of AI and synthetic biology

Core technologies such as synthetic biology and gene editing continue to achieve breakthroughs. Combined with AI empowerment across the entire chain, they are jointly catalyzing a leap in the industry's capability level. AI is driving the industry's transformation from traditional empirical trial-and-error to precise and rational design, significantly shortening R&D cycles and reducing industrialization costs. At the same time, the deployment of new routes such as non-food feedstocks and C1 feedstocks is accelerating, supporting the green and low-carbon transformation of the entire industrial chain.

(3) Demand-driven: diversified markets open up growth space

Downstream rigid demand markets such as food processing, feed additives, and healthcare continue to expand, while emerging tracks such as bio-based materials, daily chemicals and cosmetics, and green energy are growing significantly. As biomanufacturing substitution accelerates, a near-trillion-yuan substitution market is gradually being unleashed. The industry's focus is shifting from substituting bulk chemicals to competing globally in high-value-added products, driving the domestic industry to upgrade from a “supplier of bulk fermentation products” to a “core competitor in high-value-added biological products.”

(II) Core Business Overview

Meihua Bio is a globally leading biomanufacturing enterprise that leverages synthetic biology technologies to achieve large-scale production of amino acids. Through long-term industry cultivation and strategic planning, the Company has built a well-balanced and diversified product matrix, with business operations spanning multiple core segments including animal nutrition amino acids, food flavor enhancers, pharmaceutical ingredients, and colloidal polysaccharides.

During the reporting period, the Company continued to advance the in-depth integration of cross-border acquired assets, completing the alignment and integration of personnel, business, intellectual property, and production bases at home and abroad. The completion of this acquisition expanded the Company’s high-end pharmaceutical amino acid product matrix, helped improve its high-value-added business layout, and enhanced its comprehensive operational capabilities and risk resilience in the global market.

During the reporting period, the Company’s principal products included:

- **Animal Nutrition Amino Acids:** lysine, threonine, tryptophan, feed-grade valine, starch by-product feed fiber, corn germ, microbial protein, MSG by-products, etc.
- **Food Taste-Enhancement Products:** glutamic acid, monosodium glutamate (MSG), disodium inosinate, disodium guanylate, food-grade xanthan gum, trehalose, etc.
- **Human Nutrition and Pharmaceutical Amino Acids and Related Products:** glutamine, proline, leucine, isoleucine, pharmaceutical-grade valine, inosine, guanosine, adenosine, pullulan polysaccharide, vitamin B2, histidine, arginine, etc.
- **Other Products:** industrial-grade xanthan gum and bio-organic fertilizers.

The Company adopts an integrated business model encompassing research and development, production, and sales. During the reporting period, there were no significant changes in the Company’s business model.

(III) Industry Overview of Major Products in the First Half of the Year

1. Key Raw Materials: Corn

Corn is the core raw material for the Company, accounting for more than 50% of production costs. Fluctuations in corn prices have a direct impact on production costs. In the first half of 2026, China’s corn market exhibited a pattern of “rising first and then falling, with high-level volatility.” The national average corn price in the first half was RMB 2,355 per ton, up 2.44% quarter-on-quarter and 5.75% year-on-year. The average price in April rose to a near two-year high, while prices pulled back slightly from May to June due to the auction of designated rice and the impact of sprouted wheat.

During the reporting period, leveraging production bases in the major producing areas of Tongliao, Xinjiang, and Jilin, the Company ensured supply through diversified procurement models such as direct purchases from farmers, grain auctions, and entrusted procurement and storage. By grasping the rhythm of market cycles and building inventory when new grain entered the market at low price levels, the Company effectively mitigated the pressure from rising raw material prices to a certain extent.

2. Major Product Market Conditions

According to the Boyar report, in the first half of 2026, domestic supply of feed amino acids continued to increase, while downstream hog farming suffered deep losses and demand remained weak. As a result, prices of amino acid products declined year-on-year and performance came under pressure. Overseas, anti-dumping measures, tariff barriers, and rising shipping costs added to pressure on export sales.

(1) Lysine

In terms of prices, lysine prices rose first and then fell in the first half of the year. The average price of 98.5% lysine was RMB 7.20/kg, up 3.45% quarter-on-quarter but down 20.97% year-on-year. The average price of 70% lysine was RMB 4.61/kg, down 2.54% quarter-on-quarter and 14.47% year-on-year. Industry profit margins were severely compressed.

In terms of exports, customs data showed that cumulative exports of lysine esters and salts reached 569,600 tonnes in the first half, up 9.22% year-on-year. Exports to Europe and South America increased significantly year-on-year, while exports to North America declined sharply.

In terms of overseas trade barriers, at the end of April, the EU relaunched an anti-absorption investigation into Chinese lysine. In June, Brazil imposed five-year anti-dumping duties of 26.0%–132.6% on Chinese lysine. Export costs to Brazil are expected to rise significantly, limiting future export growth. In July, the United States announced final determinations in anti-dumping and countervailing duty investigations on Chinese lysine, keeping overseas exports under sustained pressure.

(2) Threonine

In the first half, domestic threonine production operated stably, and market prices rose first and then fell, supported by exports. The average price of threonine was RMB 8.47/kg, down 1.74% quarter-on-quarter and 18.95% year-on-year, narrowing industry profitability year-on-year.

In terms of exports, cumulative exports of other amino alcohols and phenols (mainly containing threonine) reached 379,700 tonnes in the first half, up 6.95% year-on-year. Exports to Europe, Asia, and South America increased, while exports to North America declined.

(3) Valine

In the first half, domestic valine supply was excessive, and the decline in soybean meal prices suppressed part of the substitution demand, causing valine prices to fluctuate downward. During the reporting period, the average valine price was RMB 13.59/kg, up 3.74% quarter-on-quarter but down 5.10% year-on-year. By the end of June, transaction prices fell below RMB 10.5/kg, hitting a new stage low.

In terms of overseas trade, in February the EU imposed anti-dumping duties of 31.3%–53.8% on Chinese valine, restricting export volume expansion. The domestic supply-demand imbalance further compressed the industry’s profit margins.

(4) MSG

In the first half, MSG prices rose rapidly and then pulled back slightly. The average price of large-pack MSG was RMB 6,921.1 per tonne, down 1.3% year-on-year, with the price bottom significantly higher than in the second half of 2025. During the reporting period, China's cumulative MSG exports reached 567,000 tonnes, up 9.0% year-on-year.

Explanation of Significant Non-Core Business Additions During the Reporting Period

☐ Applicable √Not applicable

II. Discussion and Analysis of Business Performance

In the first half of 2026, the Company achieved operating revenue of RMB 12.235 billion, representing a decrease of 0.37% compared with the same period of the previous year. During the reporting period, the release of lysine production capacity at the Company's subsidiary Jilin Meihua led to an increase in sales volume of lysine and by-products. However, affected by multiple factors such as increased industry supply and weak end-user demand, prices of the Company's main products including lysine, threonine, and MSG declined year-on-year, resulting in a decrease in revenue from principal operations. During the reporting period, affected by the decline in prices of major products, the Company's overall operating profit declined year-on-year. Net profit attributable to shareholders of the listed company in the first half was RMB 662 million, down 62.56% compared with the same period of the previous year.

During the reporting period, facing the complex situation of loose industry supply and pressure on product prices, the Company focused on the main themes of "globalization, technology-driven development, and digitalization" and made significant progress in four major areas: cross-border M&A integration, R&D innovation, intelligent manufacturing, and coordination across production, supply, and marketing. The Plumino platform achieved profitability ahead of schedule. The Company's competitive advantages in synthetic biology continued to be consolidated, its digital and intelligent transformation advanced in depth, and its global competitive advantages were further enhanced.

(I) Cross-Border M&A Integration Delivered Significant Results, with Plumino Achieving Profitability

In July 2025, the Company completed the delivery of all assets of the amino acid business of Kyowa Hakko in Japan, and all acquired businesses were consolidated under the wholly owned platform Plumino for operation. As the Company entered 2026, business integration advanced comprehensively from the asset stabilization stage to deep integration featuring system integration, operational efficiency improvement, and structural optimization. After six months of dedicated efforts, the former Kyowa Hakko business segment successfully turned losses into profits.

1. Systematic Integration Fully Implemented

Market-oriented operating mechanism: After the handover, Plumino fully implemented a market-oriented operating mechanism, establishing a management model under which each production entity operates independently and is responsible for its own profits and losses. All internal product transfers are conducted at fair market pricing. Through institutional design, the internal impetus of each operating unit has been fully stimulated, driving steady improvement in capacity utilization efficiency.

To focus on the core business and optimize global resource allocation, in April 2026 the Company sold 100% equity interest in Plumino’s Thailand plant to Novonesis, a global biotechnology leader, completing the overall divestiture of non-core businesses and assets such as HMO (human milk oligosaccharides). After the transaction, Plumino’s asset structure was further optimized, its business became more focused, and the efficiency of capital and resource allocation improved significantly. The transaction also laid a solid foundation for broader exchanges and cooperation between the two leading biotechnology companies.

Systematization of management standards: In May 2026, Plumino’s overseas bases officially launched the SAP system. The Company replicated and exported its internal standardized management processes, achieving unified data standards and coordinated internal control approval standards across Plumino’s bases in production, sales, finance, and quality. This launch represents not only the implementation of an information system, but also a firm extension of the Company’s lean operation management system across the entire business chain, laying a solid data foundation for further in-depth business synergy.

Supply chain autonomy: Leveraging the Company’s upstream raw material supply chain advantages, during the reporting period Plumino advanced the independent substitution of pharmaceutical-grade crude raw materials at its Shanghai plant in phases, gradually reducing dependence on external high-priced single-source raw materials. At the same time, mature domestic fermentation and purification processes were exported to overseas bases, promoting a two-way flow of technical capabilities. In the first half of the year, unit production costs of core products such as glutamine and histidine declined significantly, and the results of supply chain autonomy building gradually became evident.

Systematization of quality compliance: Quality management was upgraded from end-product inspection to a full-chain “holistic quality” control model covering incoming raw materials, the entire production process, and finished product release. The Company strictly benchmarks against international GMP standards for pharmaceutical active pharmaceutical ingredients (APIs), improves the product quality traceability system, and effectively mitigates the risk of customer trust erosion caused by API changes. This ensures that quality control standards do not decline during business integration and that the foundation of customer cooperation remains stable.

2.Plumino's Operations Showed Steady Progress and Achieved Profitability Ahead of Schedule

Following systematic integration and excluding the impact of asset disposal, Plumino achieved profitability at the operating level in the first half of 2026, meeting the target of turning losses into profits ahead of schedule for the year. The business has officially entered a stage of stable profitability.

Continuous enrichment of the product matrix: In terms of pharmaceutical-grade amino acids, multiple small-volume products such as histidine, proline, valine, and isoleucine steadily expanded customer channels at home and abroad, while registration and filing in multiple countries continued to be advanced. In terms of food-grade amino acids, products such as arginine and citrulline continued to expand market share, and efforts were made to build differentiated qualifications such as non-GMO certification. At the same time, the Company actively explored emerging application areas such as cosmetic grade, continuously broadening its growth boundaries.

Increasingly well-developed global layout: Currently, Plumino has established a dual-core structure featuring a high-end refining base in Shanghai and a local production and sales base in North America. The Shanghai base focuses on the refining and R&D/testing of high-end pharmaceutical APIs, while the North America base leverages local manufacturing advantages to deepen its presence in the North American sports nutrition and pharmaceutical-grade amino acid markets. On this basis, the Company is actively expanding customers in Europe, Asia, and other regions, with the coverage and penetration of the global production and sales network continuing to improve.

Deepening technological integration: Plumino has fully inherited the pharmaceutical-grade amino acid fermentation and refining processes and the rigorous quality control system cultivated by Kyowa Hakko in Japan over many years, and possesses quality management capabilities that meet international high standards such as FDA and CEP. Leveraging this acquisition, the Company rapidly established a global patent protection network covering core products and key processes. Combined with the Company's own technological accumulation in strain improvement and synthetic biology, this has truly achieved two-way integration and iterative upgrading.

3. Subsequent Plans

In the second half of the year, the Company will continue to deepen the integration of various business lines, accelerate the coordination and connectivity of global processes, supply chains, and sales channels, consolidate the existing achievements in digitalization, cost reduction and efficiency improvement, and quality system upgrading, and further release synergies and integration dividends. At the same time, with a view to long-term global capacity deployment, the Company is conducting feasibility studies for plant construction and verification of production factor safeguards in other key overseas regions, making preliminary preparations for subsequent overseas greenfield investments.

(II) Technological Innovation Accelerated Comprehensively, with the Synthetic Biology Platform's Advantages Becoming Prominent

In the first half of 2026, the Company further consolidated its internal R&D resources, and centered on building its synthetic biology platform, continued to deepen AI-powered intelligent R&D, intellectual property deployment, iteration of core product technologies, and industrialization, continuously reinforcing its technology leadership across the entire industrial chain.

Continuous optimization of the R&D system: During the reporting period, the Company initiated the organizational development of a central research institute, coordinating the construction of the Company-wide R&D system and resource integration, and breaking down R&D resource barriers through top-level design. Meanwhile, the Company iterated and improved its R&D management system, optimizing key control processes such as project approval review and milestone acceptance, reducing ineffective R&D investment from the process side, and enhancing the efficiency of technology commercialization. Intellectual property work shifted from "quantity accumulation" to "quality improvement." As of June 30, 2026, the Company had filed a cumulative total of 382 invention patent applications (45 new applications in the first half) and obtained 140 authorized invention patents (25 new authorizations in the first half), covering core product technology areas such as strains and production processes.

AI empowerment drives a leap in R&D efficiency: Building on the optimization of the R&D system, the introduction of AI technology is fundamentally changing the R&D model. During the reporting period, Phase I of the self-developed bioinformatics intelligent analysis system based on an AI Agent architecture entered trial operation. The system is deeply integrated with the Feishu platform, allowing researchers to invoke gene analysis in real time through natural language commands, significantly lowering the barrier to tool usage. Actual test data showed that compared with traditional methods, the time required for a single round of gene analysis was shortened by 85%, and the cycle for directed evolution and iterative validation of strains was shortened by approximately 10%, significantly improving R&D efficiency.

Significant results in R&D-production integration: During the reporting period, new strains and new processes for core amino acid categories were deployed across various production bases, and a new-generation feed protein product completed pilot validation and is now ready for industrialization. The Tongliao pilot platform was completed and put into operation, providing multi-category process scale-up validation capabilities and serving as a bridge for the rapid commercialization of R&D achievements. Key strain projects rapidly completed the entire process from laboratory to large-scale production, setting a new record for the speed of technology commercialization in the Company's fermentation categories.

Steady progress in global layout: Strain technologies for multiple categories including arginine, histidine, and tryptophan acquired through the cross-border M&A have been assimilated and absorbed, with strain iteration and process optimization progressing as planned. Preparations for regulatory compliance and market access in the EU and North American markets are also advancing simultaneously. In terms of talent development, the Company recruited a number of high-end talents in the field of synthetic biology in the first half, strengthening capabilities in key technology areas. The global layout of talent, technology, and compliance is building a solid foundation for the long-term development of the Company's synthetic biology platform.

(III) Digital-Intelligent Integration Advanced in Depth, with Intelligent Manufacturing Level Continuously Improved

The Company aims to build "data-driven intelligent manufacturing" and continues to promote the full deployment of MES across its three major production bases, establishing a digital management network covering the entire process from incoming raw materials to finished product warehousing. In the first half of 2026, on the basis of the normalized operation of MES, the Company further deepened functional applications, integrated AI technologies to explore intelligent production scenarios, and continued to drive the transformation of production management from "experience-driven" to "data-driven."

Business-finance integration continued to deepen: In the first half, all three major production bases fully realized online MES-based production cost accounting, unified the Company-wide cost accounting rules, and significantly improved the accuracy and efficiency of cost data. This change brought not only efficiency gains, but also a shift in the focus of financial work—from basic data accounting to cost drill-down analysis and business optimization support. Business-finance integration continued to deepen, and financial data became deeply linked with the entire production and operation chain.

AI application implementation delivered cost reductions: During the reporting period, multiple AI application scenarios were successively implemented on the business side, releasing cost-reduction value. The liquid discharge management AI model was launched, enabling automatic generation of discharge plans and early prediction of abnormal fluctuations. The power cost AI model, combined with operating mechanism innovation, drove the transformation of power management from passive control to proactive operation. During the six-month trial run, the three major bases cumulatively saved more than 28 million kWh of electricity and over RMB 10 million in costs, exceeding the cost-reduction target ahead of expectations.

Continued cultivation of a company-wide digital-intelligent innovation atmosphere: In the first half, the Company successfully held the first Feishu AI Pioneer Contest, covering the corporate headquarters and the three major production bases. The contest identified a number of implementable and reusable AI efficiency improvement solutions, promoting the penetration of AI applications into all production and management business scenarios. In the second half of the year, the Company will continue to promote MES function upgrades, expand the scope of AI applications, and build a company-level visualized production scheduling and command screen, empowering production and operations through digital and intelligent technologies and driving continuous improvement in overall management efficiency.

(IV) Deeper Coordination Across Production, Supply, and Marketing, with Global Competitive Advantages Continuously Consolidated

In the first half of 2026, faced with the complex situation of continued industry supply expansion and pressure on product prices, the Company strengthened coordination mechanisms across the entire chain of production, procurement, and sales. On the production side, it stabilized capacity and optimized layout; on the procurement side, it controlled costs and ensured supply; and on the sales side, it expanded markets and increased market share. Operational efficiency across the entire chain continued to improve.

Capacity scale expanded and product structure optimized: In the first half, the Jilin 600,000-tonne lysine project reached full production and achieved its designed benefits, bringing the Company's total lysine capacity to 1.6 million tonnes and further consolidating its strategic market leadership in the lysine segment. Meanwhile, construction of the Tongliao 300,000-tonne threonine project and the Xinjiang 90,000-tonne valine project progressed steadily, and both are expected to come on stream successively in the second half of the year.

Among these, the Xinjiang valine project adopts an independently developed anaerobic new process, with product yield increased by 16 percentage points. After the project comes on stream, the Company's total valine capacity will reach approximately 100,000 tonnes. The application of the new process not only expands capacity scale, but also significantly improves production and operational efficiency, fully demonstrating the Company's core competitive advantage driven by the twin engines of "scale + technology."

In addition, during the reporting period, the Company's Tongliao base launched a small-volume amino acid upgrading and new product expansion project with a total investment of RMB 300–500 million, focusing on production lines for high-value-added products such as pharmaceutical-grade and food-grade products. The project is expected to come on stream in batches from the fourth quarter of 2026 to the first half of 2027, which will further enrich the Company's product matrix, continuously optimize the product structure, and increase the proportion of high-value-added products.

Precise procurement policies and enhanced supply resilience: Centering on the strategy of "in-depth market research, optimized structure, and digital-intelligent empowerment," in corn procurement, the Company relied on its three major bases to hedge price fluctuations through methods such as building inventory at low price levels and entrusted storage cooperation. In coal procurement, it took long-term agreement supply guarantees as the foundation and optimized customer structure and blending plans. The SRM procurement management system operated stably, realizing the online and standardized management of the entire procurement process. The Company is also exploring the independent development of AI models to advance the informatization of the corn market and enhance the scientific nature of procurement decisions through digital means. In terms of supplier management, the Company developed 44 new suppliers in the first half, deepened strategic cooperation with core suppliers, and jointly mitigated risks from market fluctuations.

Deepened expansion in global markets with leadership position further consolidated: In the first half, the Company adhered to the operating strategy of selling all output, continued to deepen its presence in global markets, and consolidated its industry leadership position. During the reporting period, the Company continued to deepen long-term strategic partnerships with customers, proactively empowered downstream customers to expand diversified application channels and end-use scenarios, strengthened formulation application technical service capabilities, collaborated with customers on new product development and application innovation, and jointly tapped incremental space in end-user markets. Faced with a complex and volatile international trade environment, the Company actively responded to various trade frictions, obtained the lowest duty rate in the EU anti-dumping response, and achieved significant year-on-year and quarter-on-quarter growth in sales volume to the EU region during the reporting period. Regarding the Brazil anti-dumping investigation, on the basis of steadily advancing response efforts, the Company orderly adjusted export supply layout, advanced regional market shifts, vigorously explored emerging overseas markets such as Latin America, continuously optimized and improved its global sales network, and enhanced its risk resilience and overall penetration in global markets.

In the second half of the year, the Company will deepen the coordination mechanism across production, supply, and marketing, accelerate the commissioning and full-efficiency operation of key projects, optimize supply chain flexibility, deepen global customer and market development, and continue to consolidate advantages across the entire chain of cost, scale, and market, thereby enhancing its ability to operate through cycles.

Significant changes in the company’s operations during the reporting period, as well as events that occurred during the period that have had, or are expected to have, a material impact on the company’s operations in the future

☐ Applicable √Not applicable

III. Analysis of Core Competitiveness during the Reporting Period

√ Applicable ☐Not applicable

During the reporting period, there were no significant changes in the Company's core competitiveness.

(I) R&D-Production Synergy, Breaking Boundaries

The Company has always placed technological innovation at the top of its development strategy and maintains stable and sufficient R&D investment over the long term. The Company's R&D team recruits numerous professional technical talents from universities at home and abroad, and has independently built specialized experimental platforms for strain selection and genetic modification, capable of performing targeted strain improvement and fermentation process optimization for various target products. Leveraging the massive amount of experimental data accumulated over the years and mature technology reserves, the Company has also built an AI-powered intelligent bioinformatics analysis system, coordinates patent deployment on a global scale, and continuously accelerates the iteration of core technologies.

In terms of R&D management, the Company's central research institute coordinates R&D resources at home and abroad in a unified manner, builds supporting pilot platforms covering multiple product categories, and connects the complete transformation chain from basic laboratory R&D, pilot validation, engineering scale-up, to industrial mass production. On one hand, it can rapidly translate strain improvement results into large-scale production; on the other hand, it efficiently undertakes the industrialization of cutting-edge biotechnology, continuously expanding the development space and boundaries of the bio-fermentation industry.

(II) Efficient Operations, Cost Leadership

The Company has established a complete integrated operation management system, with improving organizational efficiency as the core, and fully implements daily clearing and settlement and full-process closed-loop management. By optimizing business processes, enabling digital collaboration across the entire industrial chain, and implementing closed-loop performance assessment mechanisms, the Company achieves efficient linkage and rapid coordination among upstream and downstream production processes, with overall operational efficiency continuously improving.

The Company's major production bases are located in major producing areas of core raw materials such as corn, naturally enjoying geographical cost advantages in raw materials. Each base has developed a circular industrial chain integrating corn deep processing, self-sufficiency in thermal power and steam, wastewater recycling and treatment, and resource utilization of organic fertilizer. Relying on integrated plant planning to control fixed asset investment, systematically reducing production energy consumption, and flexibly coordinating capacity allocation for multiple product categories, combined with industry-leading economies of scale and full industrial chain synergy advantages, the Company maintains outstanding comprehensive cost competitiveness in the industry over the long term.

(III) Diversified Product Portfolio, Navigating Through Cycles

The Company focuses on the core business of bio-fermented amino acids, and has formed a complete product matrix covering feed-grade bulk amino acids, food additives, and high-end pharmaceutical-grade amino acids. Demand varies across different downstream application markets, which can naturally hedge performance and significantly mitigate the impact of supply-demand and price fluctuations of a single product on the Company's overall operations.

With globally leading production capacity and integrated full industrial chain operational capabilities, the Company has a solid foundation for risk resistance in overall operations. As multiple high-value-added pharmaceutical amino acid production lines are subsequently brought on stream, the Company's product structure will continue to be optimized, and its ability to withstand industry cyclical fluctuations will be further enhanced.

(IV) From "Product Export" to "Capability Export": Building New Advantages in Global Competition

The Company possesses mature global operational capabilities, has established a sales and localized service network covering major markets worldwide, and has developed a standardized and rapidly replicable production and operation management model. Through years of cross-border business operations, it has accumulated extensive experience in responding to international trade frictions and managing overseas market risks.

Relying on mature overseas industrial investment and M&A integration capabilities, as well as a global intellectual property protection system covering the entire chain of strains, processes, and products, the Company's internationalization strategy is upgrading from simply exporting products to exporting industrial capabilities. In the future, the Company will further optimize its global capacity layout by investing in and constructing overseas production bases and implementing localized operations, fully leveraging differentiated resources in various regions to tap growth potential, and continuously consolidating and expanding its international competitive barriers.

(V) Cultural Cohesion, Building a Talent Highland

The Company adheres to the corporate culture of "all-employee management and value creation and sharing," has established a performance incentive mechanism that balances process management and business results, and has continuously launched multiple employee stock ownership plans, deeply binding employees' personal interests to the Company's long-term development and fully stimulating the internal vitality of the organization.

In terms of talent cultivation, the Company insists on both external recruitment of high-end talents and internal talent pipeline development. Relying on systematic training programs such as the "Zhiyuan Program," it builds multiple professional talent teams in technology R&D, production management, and international operations in a tiered and categorized manner, continuously reserving high-quality human resources for the Company's global layout and industrial transformation and upgrading, thereby laying a solid foundation for sustainable development.

IV. Major Business Performance during the Reporting Period

(I). Analysis of Main Business

1. Analysis of Changes in Financial Statement Accounts

Unit: yuan Currency: RMB

Item	Amount for the current period	Amount for the corresponding period in the previous year	Change (%)
Revenue	12,235,095,339.54	12,280,450,603.53	-0.37
Operating costs	10,653,093,825.19	9,433,353,240.09	12.93
Selling expenses	176,534,959.81	167,760,792.02	5.23
General and administrative expenses	424,785,142.26	469,433,561.57	-9.51
Financial expenses	53,599,826.70	-20,660,319.63	359.43
R&D expenses	187,548,443.45	199,958,697.93	-6.21
Net cash flows from operating activities	389,140,084.02	2,312,791,220.63	-83.17
Net cash flows from investing activities	-1,775,149,329.05	-2,943,297,595.88	39.69
Net cash flows from financing activities	22,626,595.48	-810,148,442.73	102.79

Reasons for Change in Revenue: During the Reporting Period, the Company's revenue totaled RMB 12.235 billion, down 0.37% year-on-year. Main reasons: the release of production capacity at the new lysine production line of the Company's subsidiary Jilin Meihua led to an increase in sales volume of lysine and by-products; however, affected by multiple factors such as increased industry supply and weak end-user demand, prices of the Company's main products including threonine, lysine, and MSG declined, resulting in a decrease in revenue from principal operations.

Reasons for Change in Operating Costs: During the Reporting Period, the Company's operating costs totaled RMB 10.653 billion, up 12.93% year-on-year. Main reasons: (1) the increase in sales volume of lysine and by-products during the period drove up costs; (2) raw material prices rose compared with the same period last year, and the Company offset the increase in raw material prices through process optimization and upgrading as well as refined cost control.

Reasons for Change in Selling Expenses: During the Reporting Period, the Company's selling expenses increased by 5.23% year-on-year, mainly due to an increase in expenses of overseas companies compared with the same period last year.

Reasons for Change in General and administrative Expenses: During the Reporting Period, the Company's General and administrative expenses decreased by 9.51% year-on-year, mainly due to a decrease in employee expenses during the period.

Reasons for Change in Financial Expenses: During the Reporting Period, the Company's financial expenses increased by 359.43% year-on-year, mainly because, affected by fluctuations in the foreign exchange market, exchange gains in the same period last year turned into exchange losses in the current period, thereby increasing financial expenses.

Reasons for Change in R&D Expenses: During the Reporting Period, the Company's R&D expenses decreased by 6.21% year-on-year, mainly due to a decrease in R&D investment during the period.

Reasons for Change in Net Cash Flows from Operating Activities: During the Reporting Period, the Company's net cash flows from operating activities decreased by 83.17% year-on-year, mainly due to an increase in the scale of raw material procurement during the period.

Reasons for Change in Net Cash Flows from Investing Activities: During the Reporting Period, the Company's net cash flows from investing activities increased by 39.69% year-on-year, mainly because the same period last year included payment for overseas acquisitions, while the current period included gains from the disposal of a subsidiary.

Reasons for Change in Net Cash Flows from Financing Activities: During the Reporting Period, the Company's net cash flows from financing activities increased by 102.79% year-on-year, mainly due to unpaid dividends during the period.

2. Detailed explanation of significant changes in the Company's business type, profit composition, or profit sources during the Reporting Period

☐ Applicable √ Not applicable

(II). Explanation of Significant Changes in Profit Due to Non-Core Business

☐ Applicable √ Not applicable

(III). Analysis of Assets and Liabilities

√Applicable ☐Not applicable

1. Assets and liabilities

Unit: yuan Currency: RMB

Item	Amount as at the end of the Reporting Period	Percentage in total assets (%)	Amount as at the end of the previous reporting period	Percentage in total assets (%)	Change from the previous reporting period (%)	Explanation
Monetary fund	2,877,767,910.42	10.74	4,288,171,778.59	16.55	-32.89	This was mainly due to an increase

						in the purchase of wealth management products during the period.
Trading Financial Assets	1,977,052,675.20	7.38	1,140,377,416.70	4.40	73.37	This was mainly due to an increase in the purchase of wealth management products during the period.
Notes receivable	36,626,560.85	0.14	107,542,558.59	0.41	-65.94	Decrease in endorsed, unmatured bank acceptance bills with lower credit ratings at the end of the period.
Accounts receivable financing	32,134,493.66	0.12	17,978,363.00	0.07	78.74	Increase in high-credit-rating bills on hand at the end of the period.
Inventories	3,996,122,827.78	14.92	3,021,627,701.05	11.66	32.25	Increase in raw materials and finished goods during the period.
Non-current assets due within one year	606,208,384.81	2.26	75,575,625.48	0.29	702.12	Increase in long-term deposits reclassified to amounts due within one year during the period.
Other Current Assets	376,523,005.53	1.41	214,731,083.57	0.83	75.35	Increase in VAT input tax credits retained for offset during the period.
Long-term equity investments	2,635,435.80	0.01	4,757,925.21	0.02	-44.61	Losses of associates during the period.
Construction in progress	1,285,969,127.79	4.80	343,559,937.21	1.33	274.31	Increase in project investment during the period.
Right-of-use assets	2,330,281.28	0.01	4,007,321.13	0.02	-41.85	Normal depreciation during the period.
Other Non-Current Assets	283,174,780.22	1.06	683,449,155.24	2.64	-58.57	Increase in long-term deposits reclassified to amounts due within one year during the period.
Derivative financial liabilities	42,227.58	-	-	-	Not Applicable	Mainly due to the impact of exchange rate fluctuations on foreign exchange options purchased by the Company.
Other Payables	1,437,537,640.70	5.37	256,349,893.68	0.99	460.77	Increase in declared but unpaid dividends during the period.
Other current liabilities	46,050,129.71	0.17	79,369,933.52	0.31	-41.98	Decrease in endorsed, unmatured bank acceptance bills with lower credit ratings and deferred output VAT at the end of the period.
Lease Liabilities	482,287.52	-	1,012,966.64	-	-52.39	Leases nearing expiry during the period.
Long-Term Payables	23,457,549.63	0.09	10,500,000.00	0.04	123.41	Increase in software service fees during the period.
Long-Term	-	-	7,474,640.65	0.03	Not	Decrease in long-term employee

Employee benefits Payable					Applicable	benefits payable during the period.
Less: Treasury Stock	39,999,676.57	0.15	-	-	Not Applicable	Increase in share repurchases during the period.
Other Comprehensive Income	-258,986,565.20	-0.97	-159,220,172.21	-0.61	62.66	Losses from fair value changes in equity instruments and foreign currency statement translation differences during the period.

Other information

None

2. Overseas assets

√ Applicable ☐Not applicable

(1) Asset size

Of which, overseas assets amounted to RMB 2.091 billion (unit: RMB 100 million; currency: RMB), accounting for 7.81% of total assets.

(2) Explanation of a high proportion of overseas assets

☐ Applicable √ Not applicable

Other information

None

3. Restrictions over major assets as of the end of the Reporting Period

√ Applicable ☐Not applicable

Unit: yuan Currency: RMB

Item	June 30, 2026	Reasons for restriction
Monetary fund	295,271,669.02	Guarantee Deposits and Other
Notes receivable	23,151,726.35	Endorsed or discounted, not yet due, and cannot be derecognized
Total	318,423,395.37	

4. Other information

☐ Applicable √ Not applicable

(IV). Analysis of Investment

1. Overall analysis of external equity investment

√ Applicable ☐Not applicable

Unit: yuan Currency: RMB

Investee	Proportion of shareholding in investee (%)	Book balance			
		Opening balance	Increase	Decrease	Closing balance
Bank of Tibet	4.2414	157,000,000.00			157,000,000.00
AIM Vaccine Corporation	4.1286	144,966,810.00	-72,877,160.00		72,089,650.00
Tongliao Desheng Bio-tech Co., Ltd.	49	4,757,925.21	-2,122,489.41		2,635,435.80
Total		306,724,735.21	-74,999,649.41	0.00	231,725,085.80

(1) Significant equity investment

☐ Applicable √ Not applicable

(2) Significant non-equity investment

☐ Applicable √ Not applicable

(3) Financial assets measured at fair value

√ Applicable ☐Not applicable

Unit: yuan Currency: RMB

Asset type	Opening amount	Gains or losses on changes in fair value for the Reporting Period	Accumulated fair value changes included in equity	Impairment accrued during the Reporting Period	Purchase amount for the Reporting Period	Sales/repurchase amount for the Reporting Period	Other changes	Closing amount
Trust products	131,569,423.75	1,078,064.78			390,000,000.00	180,694,053.15		341,953,435.38
Private equity								
Derivatives	2,061,300.00	10,737,057.95				10,616,704.37		2,181,653.58
Others	1,610,758,165.95	-48,765,706.08	-204,033,190.00	7,103.27	6,005,620,459.99	5,339,049,091.66	14,177,909.99	2,242,734,634.92
Total	1,744,388,889.70	-36,950,583.35	-204,033,190.00	7,103.27	6,395,620,459.99	5,530,359,849.18	14,177,909.99	2,586,869,723.88

Securities investment

☐ Applicable √ Not applicable

Explanation of securities investment

☐ Applicable √ Not applicable

Private equity investment

☐ Applicable √ Not applicable

Derivatives investment

☐ Applicable √ Not applicable

(V). Sale of Material Assets and Equity

☐ Applicable √ Not applicable

(VI). Analysis of Major Holding and Joint Stock Companies

√ Applicable ☐Not applicable

Major subsidiaries and investees whose impact on the company’s net profit reaches or exceeds 10%

√ Applicable ☐Not applicable

Unit: 100 million yuan, Currency: RMB

Company Name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Operating Revenue	Operating Profit	Net Profit
Tongliao Meihua	Subsidiary	Production and sales of MSG and amino acids	18.00	91.27	59.04	46.16	2.74	2.45
Xinjiang Meihua	Subsidiary	Production and sales of MSG and amino acids	25.00	59.54	48.79	23.30	2.47	2.07
Jilin Meihua	Subsidiary	Production and sales of MSG and amino acids	20.00	69.84	35.87	39.79	-0.47	-0.92

Acquisitions and disposals of subsidiaries during the reporting period

√ Applicable □Not applicable

Company Name	Methods of acquiring and disposing of subsidiaries during the reporting period:	Impact on Overall Production, Operations, and Performance
Plumino Precision Fermentation (Thailand) Co., Ltd	Sale	Realized a gain on disposal of 35,066,419.30 yuan

Other explanations

□ Applicable √ Not applicable

(VII). Structured Entities Controlled by the Company

□ Applicable √ Not applicable

V. Other Disclosures

(I). Potential Risks

√ Applicable ☐Not applicable

1. Risks Related to Overseas Market Operations

The Company's overseas revenue accounted for approximately 30% of total revenue. The Company's business spans multiple regions around the world. Overseas production and sales are subject to strict compliance with local laws, product market access requirements, and supplier management rules. Given the heightened uncertainty in the global geopolitical and economic and trade environment, overseas business faces multiple potential risks.

(1) Exchange Rate Fluctuation Risk

Overseas business settlement is mainly denominated in USD. Product exports, procurement, construction, and collection at overseas bases involve multi-currency receipts and payments. Although the Company has established a foreign exchange monitoring mechanism and supports it with hedging operations, sharp and drastic exchange rate fluctuations, or deviations in derivative operations, could still directly affect the Company's profitability.

(2) Tariff and Trade Barrier Risk

Global trade protectionism is on the rise, and China's amino acid products frequently encounter overseas anti-dumping and countervailing investigations. Since 2026, the EU, Brazil, and the United States have successively imposed high anti-dumping and countervailing duties on lysine and valine. If more countries follow suit and introduce restrictive policies, the price competitiveness of the Company's products will be weakened, resulting in the loss of overseas orders. The return of excess supply to the domestic market will also intensify competition in the domestic industry and compress overall profitability.

(3) Overseas Investment and Operational Risk

The Company has already established overseas production bases. If new overseas projects are continuously built, the risks of existing and incremental assets will be compounded. The overseas geopolitical situation is volatile, project construction and localized operation cost control are difficult, and there is uncertainty in matching local supply chains with production capacity, which may increase operating costs and drag down project returns.

Response measures: The Company will continue to improve its global management and control system, track trade and market access policies of various countries in real time, dynamically adjust foreign exchange hedging plans, and proactively communicate with and properly handle various trade investigations. Before making overseas investments, the Company will conduct thorough market and compliance due diligence, manage project construction and operating costs throughout the entire project lifecycle, and build localized supporting supply chains. It will also continue to cultivate an international professional talent team and comprehensively enhance cross-border compliance management capabilities.

2. Industry Competition and Product Price Fluctuation Risk

The amino acid industry is currently in a cycle of capacity expansion and adjustment, with industry leaders and new entrants continuing to release production capacity, leading to periodic oversupply of certain products. If downstream demand recovery falls short of expectations and the elimination of outdated capacity remains slow, the industry supply-demand landscape will continue to weaken, product selling prices will come under downward pressure, and product gross margins will be directly compressed.

Meanwhile, the Company continues to plan new capacity construction. If market absorption capacity is insufficient after new production lines come on stream, compounded by low-price competition in the industry, the investment returns of new projects will fall short of expectations.

Response measures: track industry supply and demand data on a regular basis, and flexibly adjust the pace of project construction and commissioning according to market conditions; leverage the advantages of the integrated industrial chain and scale-based cost leadership to enhance the ability to operate through cycles; continue to expand high-value-added product tracks such as pharmaceuticals, build differentiated competitive barriers, and hedge against the risk of price fluctuations in bulk products.

3. Technology and Intellectual Property Risk

The Company's core competitiveness relies on proprietary process technologies such as in-house strain selection and directed fermentation. Once core technical information is leaked or key R&D personnel are lost, the technological barriers built over the long term will be weakened, and the Company's product competitive advantages will decline.

At the same time, intellectual property disputes occur frequently in the industry. Although the Company has deployed multiple patents across the entire industrial chain, there is both the possibility of its own patents being infringed by peers and the risk of inadvertently infringing third-party intellectual property rights during production and operations. Related litigation and injunctions may restrict normal production and sales and adversely affect business operations.

Response measures: establish a tiered confidentiality management system and strictly control access to and circulation permissions for R&D materials; improve the long-term incentive mechanism for core R&D personnel to stabilize the technical team; establish a regularized intellectual property management mechanism, proactively defend rights, and conduct periodic patent risk screening to avoid intellectual property legal disputes.

4.Compliance and Operational Risks

(1)Environmental Protection Risk

Most of the Company's production bases are designated as key pollutant discharge units, and the production process generates wastewater, waste gas, and solid waste. If equipment failures or management omissions cause excessive pollutant discharge or sudden environmental incidents, the Company may face fines, suspension for rectification, civil claims, and other penalties, damaging its brand image. As global and domestic environmental protection standards continue to tighten, subsequent investment in environmental technology upgrades and operation and maintenance will continue to increase, raising overall production costs.

(2) Production Safety Risk

The Company uses and stores hazardous chemicals such as liquid ammonia and sulfuric acid in its production processes, and operates a large number of special equipment, with stringent safety management standards. If safety systems are not implemented properly, equipment maintenance is not timely, or employee operations do not follow standards, safety accidents may easily occur, causing casualties, property losses, and full-line shutdowns.

(3) Labor Compliance Risk

The Company has a relatively large workforce. As labor and employment regulatory requirements continue to tighten, the Company needs to continuously improve its compliance management in areas such as social insurance contributions, labor contracts, and compensation management. If relevant processes are not implemented properly, situations such as retroactive payments, rectification, or labor disputes may arise, increasing management costs.

Response measures: fully implement the main responsibilities for environmental protection and safety, and continuously upgrade the HSE management system; carry out regular equipment inspection and hazard identification, and organize emergency drills on a regular basis; increase investment in cleaner production and safety technology upgrades, and enhance inherent safety and pollution control capabilities at the source; conduct regular employee safety and environmental protection training and assessment, and consolidate the foundational control line; in terms of labor and employment, continuously improve employment management systems, carry out regular compliance self-inspections, standardize the entire-process management of social insurance, contracts, and compensation, promptly resolve labor disputes, and maintain a harmonious and stable employment environment.

5. Financial and Tax Policy Change Risks

(1) Interest Rate Fluctuation Risk

The Company has floating-rate bank borrowings. If market interest rates continue to rise, interest expenses will increase accordingly, raising overall financial costs.

(2) Tax Incentive Change Risk

Some domestic and overseas subsidiaries rely on preferential income tax policies to reduce their tax burden. If relevant industrial tax policies are adjusted or existing incentives cannot be extended, the Company's overall tax burden will rise, directly compressing profit margins.

Response measures: optimize the financing structure of long-term and short-term, fixed-rate and floating-rate borrowings, and appropriately use fixed-rate financial instruments to lock in financing costs; continuously track changes in domestic and international tax laws and regulations, and optimize the Company's tax planning in advance; strengthen Company-wide cash flow and asset-liability coordination management to ensure the overall financial structure remains sound.

(II). Other Disclosure Matters

☐ Applicable √ Not applicable

Section 4 Corporate Governance, Environment, and Society

I. Changes in directors and officers

☐ Applicable √ Not applicable

Explanation of Changes in directors and officers

☐ Applicable √ Not applicable

II. Plans for Profit Distribution or the Conversion of Capital Reserve

Interim Profit Distribution and Capital Reserve to Share Capital Plan

Whether to distribute or convert	No
Number of bonus shares per 10 shares	0
Cash dividend per 10 shares (including tax)	0
Number of shares for conversion per 10 shares (share)	0
Notes on the Profit Distribution or Capital Reserve Conversion Plan	
Not Applicable	

III. Information of the Company's Share Incentive Plan, Employee Stock Ownership Plan, or Other Staff Incentives and Their Impact

(I). Relevant equity incentive matters have already been disclosed in temporary announcements, with no subsequent progress or changes in implementation.

☐ Applicable √ Not applicable

(II). Incentives that were not disclosed in the provisional announcement or made progress subsequently

Share incentives

☐ Applicable √ Not applicable

Other information

☐ Applicable √ Not applicable

Employee stock ownership plan

√ Applicable ☐Not applicable

1.Employee stock ownership plan for 2024

The Company held the 8th meeting of the tenth board of directors and the first extraordinary general meeting of 2024 on January 16 and February 1, 2024, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2024 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2024, and the Proposal on Requesting Full Authorization from the General Meeting for the Board of Directors to Handle Matters Related to the Company's Employee Stock Ownership Plan were deliberated and approved. For details, refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) on January 17 and February 2, 2024.

As of June 27, 2024, the Company's designated account for the 2024 employee stock ownership plan had purchased a total of 18,527,100 shares of the Company through centralized bidding on the secondary market, with a total transaction amount of 192,049,194 yuan (excluding transaction fees) and an average transaction price of approximately 10.37 yuan per share. The number of shares purchased accounted for 0.65% of the Company's current total share capital of 2,852,788,750 shares. In accordance with the plan approved at the first extraordinary general meeting of 2024, the purchase under the 2024 employee stock ownership plan has been completed. The purchased shares are subject to lock-up and will be unlocked in two phases after 12 and 24 months from the date of the announcement, with the maximum lock-up period being 24 months. The proportions of shares to be unlocked in each phase are 50% and 50%, respectively.

As of the end of the reporting period, all shares under the 2024 employee stock ownership plan had been released from lock-up. The Company's designated account for the 2024 employee stock ownership plan held 9,266,101 shares, accounting for 0.33% of the Company's current total share capital of 2,804,241,650 shares.

2.Employee stock ownership plan for 2025

On February 11, 2025, the Company convened the 17th meeting of the 10th Board of Directors, and on February 27, 2025, the first extraordinary general meeting of shareholders in 2025. At these meetings, the following proposals were reviewed and approved: Proposal on the 2025 Employee Stock Ownership Plan (Draft) and its Summary, Proposal on the Administrative Measures of the 2025 Employee Stock Ownership Plan, and Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Fully Handle Matters Related to the Company's Employee Stock Ownership Plan. For details, please refer to the announcements disclosed by the Company on the Shanghai Stock Exchange website (http://www.sse.com.cn) on February 12, 2025 and February 28, 2025.

As of the market close on August 1, 2025, the special account of the 2025 Employee Stock Ownership Plan had purchased a total of 21,042,422 shares of the Company through centralized bidding transactions on the secondary market, representing 0.74% of the Company's total current share capital of 2,852,788,750 shares. The average transaction price was approximately RMB 10.70 per share, with a total transaction amount of RMB 225,143,665.20 (excluding transaction fees). According to the plan approved by the first extraordinary general meeting of shareholders in 2025, the purchase of Company shares under the 2025 Employee Stock Ownership Plan has been completed. The purchased shares will be subject to lock-up in accordance with regulations. The lock-up period will expire in two phases: after 12 months and 24 months from the date of disclosure of the completion announcement, with a maximum lock-up period of 24 months. The shares will be unlocked in two batches, with 50% released each time.

As of the end of the reporting period, the Company's 2025 Employee Stock Ownership Plan had not yet been released from lock-up.

3.Employee stock ownership plan for 2026

On December 11, 2025, the Company convened the 23rd meeting of the 10th Board of Directors, and on December 29, 2025, the second extraordinary general meeting of shareholders in 2025. At these meetings, the following proposals were reviewed and approved: Proposal on the 2026 Employee Stock Ownership Plan (Draft) and its Summary, Proposal on the Administrative Measures of the 2026 Employee Stock Ownership Plan, and Proposal on Requesting the General Meeting of Shareholders to

Authorize the Board of Directors to Fully Handle Matters Related to the Company's Employee Stock Ownership Plan. For details, please refer to the announcements disclosed by the Company on the Shanghai Stock Exchange website (http://www.sse.com.cn) on December 12, 2025 and December 30, 2025.

As of the market close on April 23, 2026, the special account of the 2026 Employee Stock Ownership Plan had purchased a total of 6,271,100 shares of the Company through centralized bidding transactions on the secondary market, representing 0.22% of the Company's total current share capital of 2,804,241,650 shares. The average transaction price was approximately RMB 10.03 per share, with a total transaction amount of RMB 62,890,725 (excluding transaction fees). According to the plan approved by the second extraordinary general meeting of shareholders in 2025, the purchase of Company shares under the 2026 Employee Stock Ownership Plan has been completed. The purchased shares will be subject to lock-up in accordance with regulations. The lock-up period will expire in two phases: after 12 months and 24 months from the date of disclosure of the completion announcement, with a maximum lock-up period of 24 months. The shares will be unlocked in two batches, with 50% released each time.

Other incentives

☐ Applicable √ Not applicable

IV. Environmental Information Disclosure of Listed Companies and Their Major Subsidiaries Included in the Mandatory Environmental Information Disclosure List

√ Applicable ☐Not applicable

Number of enterprises included in the list of entities required by law to disclose environmental information (units)		5
No.	Enterprise Name	Index for Inquiry of Legally Mandated Environmental Information Disclosure Report
1	Tongliao Meihua Biotechnology Co., Ltd.	System on Corporate Environmental Information Disclosed in accordance with the Law (Inner Mongolia) http://111.56.142.62:40010//support-yfpl-web/web/viewRunner.html?viewId =http://111.56.142.62:40010//support-yfpl-web/web/sps/views/yfpl/views/ yfplHomeNew/index.js&cantonCode=150000 National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action
2	Tongliao Jianlong Chemical Co., Ltd.	System on Corporate Environmental Information Disclosed in accordance with the Law (Inner Mongolia) http://111.56.142.62:40010/support-yfpl-web/web/viewRunner.html?viewId =http://111.56.142.62:40010/support-yfpl-web/web/sps/views/yfpl/views/ yfplHomeNew/index.js&cantonCode=150000 National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action
3	Xinjiang Meihua Amino Acid Co., Ltd.	National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action

4	Jilin Meihua Amino Acid Co., Ltd.	System on Corporate Environmental Information Disclosed in accordance with the Law (Jilin) http://36.135.7.198:9015/index National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action
5	Shanghai Plumino Amino Acid Co., Ltd.	System on Corporate Environmental Information Disclosed in accordance with the Law (Shanghai) https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action

Other information
√ Applicable ☐Not applicable

Except for the above-mentioned companies, other wholly-owned subsidiaries of the Company, such as Langfang Meihua Condiments Co., Ltd. and Tongliao Meihua Condiments Co., Ltd., which are engaged in the packaging and sales of condiments; Lhasa Meihua, which is engaged in external investment; Hong Kong Meihua, a trading company responsible for exporting the Company’s products; and Meihua (Shanghai) Biotechnology Co., Ltd., which focuses on technology development, are not included in the list of enterprises required to disclose environmental information in accordance with the law.

V. Consolidation and Expansion of Achievements in Poverty Alleviation and Work Related to Rural Revitalization

√ Applicable ☐Not applicable

During the reporting period, the Company consistently upheld the philosophy of "developing the enterprise and giving back to society," actively fulfilled its social responsibilities, and widely participated in and supported various charitable and public welfare activities. All of the Company's public welfare activities were carried out through its Tibet Meihua Public Welfare Foundation. In the first half of 2026, the Foundation made cumulative external donations of RMB 1,668,326, covering multiple fields including education support, assistance to disadvantaged groups and persons with disabilities, child protection, ecological protection, and healthcare, continuously giving back to society through diversified forms of public welfare.

Education Support: Donated RMB 500,000 to the Shanghai Pudong New Area Social Development Foundation, specifically for the education public welfare programs and organizational development of the Chunhe Youth Development Center, helping rural children stimulate innovative thinking and cultivate independent, open, and confident qualities. Donated RMB 150,000 to the Tongliao Horqin District Nuanxin Education Development Foundation to support the development of local education public welfare undertakings. Through the Company's May Cultural Festival charity walk event themed "Walking Toward Goodness, Journeying Together on the Path of Public Welfare," donated RMB 140,063 to the China Social Welfare Foundation. The funds were used to distribute music kits, art kits, and other aesthetic education supplies to students at 155 rural schools in Hebei, Inner Mongolia, Xinjiang, and Jilin, enhancing students' artistic literacy. Donated RMB 78,633 to the Hebei Charity

Federation to distribute dream bags, sports kits, book corners, and other supplies to students at Tongjiakou Primary School in Pingshan County, Shijiazhuang. Donated RMB 29,800 to the Baicheng Charity Federation to support artificial intelligence comprehensive practice programs in local primary and secondary schools.

Assistance to Disadvantaged Groups and Persons with Disabilities: Donated RMB 80,000 to the Baicheng Charity Federation to support assistance to people in need. Donated RMB 50,000 to the Wujiaqu Charity Federation to support assistance to persons with disabilities. Donated goods worth RMB 5,080 to the Hebei Foundation for Disabled Persons. Donated RMB 4,750 to the Baicheng Charity Federation to help low-income groups with medical insurance contributions, covering 19 individuals with special difficulties.

Child Protection and Mental Health: Donated RMB 150,000 to the Beijing Zhongyi Public Welfare Foundation to support projects such as girl child protection, "Legal Aid Buds," and "Heart Aid Buds," safeguarding children's physical and mental health and legitimate rights and interests.

Ecological and Environmental Protection: Donated RMB 200,000 to the Tongliao Biodiversity Conservation Association to support biodiversity conservation. Donated RMB 30,000 to the Hebei Charity Federation to support environmental protection at the Bazhou Ecological Park in Hebei Province and the construction of the "Meihua Low-Carbon Public Welfare Forest," practicing social responsibility and ESG principles through concrete actions.

Community Building and Public Safety: Donated RMB 50,000 to the Hebei Public Security Heroes Foundation to support the families of deceased heroes facing difficulties, as well as police officers and auxiliary police officers who are disabled in the line of duty or suffering from serious illnesses and extreme hardship.

Healthcare: Donated RMB 200,000 to the Nanjing Medical University Education Development Foundation to support the scientific research and talent cultivation work of medical research teams.

The Company will continue to make public welfare a regular practice, integrate social responsibility into daily operations, and maintain sustained efforts in consolidating and expanding poverty alleviation achievements and comprehensively advancing rural revitalization. At the same time, the Company will fulfill its corporate responsibilities, convey warmth and hope through more diversified forms of public welfare, and demonstrate the social responsibility of a listed company.

Section 5 Significant Matters

I. Fulfillment of Commitments

(I). Commitments of relevant parties, including the Company's actual controller, shareholders, related parties, acquirers, and the Company

√ Applicable ☐Not applicable

Commitment background	Type of commitment	Commitment made by	Content of commitment	Date of commitment	Whether there is a deadline	Deadline	Whether it is strictly fulfilled in due course	If it is not fulfilled in due course, state the specific reasons	If it is not fulfilled in due course, state the plan for the next step
Commitments related to the restructuring of major assets	Solving horizontal competition	Meng Qingshan and persons acting in concert	During the period when Mr. Meng Qingshan and the persons acting in concert serve as the Company's controlling shareholder and actual controller, effective measures will be taken, and Mr. Meng Qingshan or the holding subsidiaries under Mr. Meng Qingshan and the persons acting in concert will take effective measures not to engage in any business that may compete with that of the listed company or its subsidiaries.	July 19, 2010	No		Yes	Not Applicable	Not Applicable
	Solving related-party transactions	Meng Qingshan and persons acting in concert	Upon completion of the restructuring, Mr. Meng Qingshan and the persons acting in concert will avoid related-party transactions with the listed company wherever possible. If there is any unavoidable related-party transaction, Mr. Meng Qingshan and the persons acting in concert will enter into agreements with the listed company in accordance with laws, perform lawful procedures, fulfill the duty of information	July 19, 2010	No		Yes	Not Applicable	Not Applicable

Commitment background	Type of commitment	Commitment made by	Content of commitment	Date of commitment	Whether there is a deadline	Deadline	Whether it is strictly fulfilled in due course	If it is not fulfilled in due course, state the specific reasons	If it is not fulfilled in due course, state the plan for the next step
			disclosure, and go through formalities to obtain approval in accordance with relevant laws, regulations, and the Articles of Association. They undertake not to harm the legitimate rights and interests of the listed company and other shareholders through related-party transactions.						
	Others	Meng Qingshan and persons acting in concert	Upon completion of the transaction, they will maintain the independence of the listed company, observe the principle of separation in personnel, finance, institution, and business, and run the listed company in accordance with the relevant CRSC rules.	July 19, 2010	No		Yes	Not Applicable	Not Applicable

II. Use of Funds by Controlling Shareholder and Related Parties for Non-operational Purposes During the Reporting Period

☐ Applicable √ Not applicable

III. Guarantees in Violation of Regulations

☐ Applicable √ Not applicable

IV. Audit Status of the Semi-Annual Report

☐ Applicable √ Not applicable

V. Changes and Handling of Matters Related to Non-Standard Audit Opinions in Last Year’s Annual Report

☐ Applicable √ Not applicable

VI. Bankruptcy and Restructuring-Related Matters

☐ Applicable √ Not applicable

VII. Significant Litigation and Arbitration

√ The company had significant litigation and arbitration matters during the reporting period

□The company had no significant litigation or arbitration matters during the reporting period

(I). Circumstances in which litigation or arbitration was disclosed in provisional announcements but did not subsequently progress

√ Applicable ☐Not applicable

Case Overview and Type	Index Search
The patent infringement lawsuit between the Company and Ajinomoto Co., Inc. of Japan has been accepted by the Guangdong Provincial Higher People’s Court.	For further details, please refer to the “Announcement by MeiHua Holdings Group Co., Ltd. Regarding Litigation Involving the Company and Its Subsidiaries” (Announcement No. 2025-058) disclosed by the Company on November 22, 2025, on the Shanghai Stock Exchange website (www.sse.com.cn).

(II). Circumstance where any litigation or arbitration was not disclosed in provisional announcements or progressed subsequently

☐ Applicable √ Not applicable

(III). Other information

√ Applicable ☐Not applicable

1. Litigation related to Ajinomoto Co., Inc. of Japan

Ajinomoto Co., Inc. of Japan has filed a lawsuit against the Company and its wholly-owned subsidiaries—Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua—alleging patent infringement. The Guangdong Higher People’s Court has accepted the case. For further details, please refer to the relevant announcements issued by the Company.

As of the date of this report, the case has not yet been heard in court. The Company is actively defending itself in accordance with the law and taking necessary legal measures to resolutely safeguard the legitimate rights and interests of the Company and its shareholders. The Company will continue to monitor the progress of the case and fulfill its information disclosure obligations in a timely manner.

VIII. Alleged Violations of and Punishments on the Listed Company as well as its Directors, Officers, Controlling Shareholder, and Actual Controller, and the Rectifications

☐ Applicable √ Not applicable

IX. Credit Statuses of the Company as well as its Controlling Shareholder and Actual Controller during the Reporting Period

☐ Applicable √ Not applicable

X. Significant Related-Party Transactions

(I). Related-party transactions related to day-to-day operations

1. Matters that were disclosed in provisional announcements and did not progress or change subsequently

☐ Applicable √ Not applicable

2. Matters that were disclosed in provisional announcements but progressed or changed subsequently

√ Applicable ☐Not applicable

1) Related-party transactions concerning the purchase of commodities or the receiving of labor services

Related party	Content of related-party transaction	Amount incurred in the current period (yuan)	Amount incurred in the previous period (yuan)
Tongliao Desheng Bio-tech Co., Ltd.	Raw Materials	62,986.28	
Total		62,986.28	

2) Related-party transactions concerning the sale of commodities or the provision of labor services.

Related party	Content of related-party transaction	Amount incurred in the current period (yuan)	Amount incurred in the previous period (yuan)
Tongliao Desheng Bio-tech Co., Ltd.	Goods	27,785,882.43	40,939,356.32
Tongliao Desheng Bio-tech Co., Ltd.	Services and other	264,449.98	468,821.28
Total		28,050,332.41	41,408,177.60

3) Related-party leases

Where the Company is the lessor

Name of lessee	Type of leased asset	Rental income recognized in the current period (yuan)	Rental income recognized in the previous period (yuan)
Tongliao Desheng Bio-tech Co., Ltd.	Housing	511,832.56	754,159.91
Total		511,832.56	754,159.91

Where the Company is the lessee

Name of lessee	Type of leased asset	Rental income recognized in the current	Rental income recognized in the previous period

		period (yuan)	(yuan)
Tongliao Desheng Bio-tech Co., Ltd.	Machinery and Equipment	142,065.64	
Total		142,065.64	

3. Significant related-party transactions not previously disclosed in provisional announcements

☐ Applicable √ Not applicable

(II). Related-party transactions concerning the purchase or sales of assets or shares

1. Matters that were disclosed in provisional announcements and did not progress or change subsequently

☐ Applicable √ Not applicable

2. Matters that were disclosed in provisional announcements but progressed or changed subsequently

☐ Applicable √ Not applicable

3. Significant related-party transactions not previously disclosed in provisional announcements

☐ Applicable √ Not applicable

4. Where it involves agreements on performance targets, the Company should disclose the accomplishment of performance targets during the Reporting Period

☐ Applicable √ Not applicable

(III). Significant related-party transactions concerning joint outbound investment

1. Matters that were disclosed in provisional announcements and did not progress or change subsequently

☐ Applicable √ Not applicable

2. Matters that were disclosed in provisional announcements but progressed or changed subsequently

☐ Applicable √ Not applicable

3. Significant related-party transactions not previously disclosed in provisional announcements

☐ Applicable √ Not applicable

(IV). Related-party dealings of creditor's right and debts

1. Matters that were disclosed in provisional announcements and did not progress or change subsequently

☐ Applicable √ Not applicable

2. Matters that were disclosed in provisional announcements but progressed or changed subsequently

☐ Applicable √ Not applicable

3. Significant related-party transactions not previously disclosed in provisional announcements

☐ Applicable √ Not applicable

(V). Finance business between the Company and related finance companies, the Company's holding finance companies, and related parties

☐ Applicable √ Not applicable

(VI). Other material related-party transactions

☐ Applicable √ Not applicable

(VII). Miscellaneous

☐ Applicable √ Not applicable

XI. Major Contracts and Performance

(I). Trusteeship, contracting, and lease matters

☐ Applicable √ Not applicable

(II). Major guarantees executed during the reporting period and those not yet fulfilled

√Applicable □Not applicable

Unit: yuan Currency: RMB

The Company's external guarantees (excluding guarantees for subsidiaries)	
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	
The Company's guarantee for subsidiaries	
Total amount of guarantees incurred during the Reporting Period	913,208,602.81
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	900,208,602.81
The Company's total guarantees (including guarantees for subsidiaries)	
Total guarantees (A+B)	900,208,602.81
Proportion of total guarantees in the Company's net assets (%)	5.74

(III). Other major contracts

☐ Applicable √ Not applicable

XII. Progress of the use of raised funds

☐ Applicable √ Not applicable

XIII. Other Important Matters

√ Applicable ☐Not applicable

1. Progress of share repurchases

On December 29, 2025, the Company convened the first meeting of its 11th Board of Directors, at which the “Proposal on the Repurchase of Company Shares via Centralized Auction Trading” was reviewed and approved. The Board agreed that the Company may use its own funds to repurchase its shares via centralized auction trading for the purpose of subsequently implementing an employee stock ownership plan or equity incentive program. The total repurchase amount shall be no less than RMB 30 million (inclusive) and no more than RMB 50 million (inclusive), with a repurchase price not exceeding RMB 15 per share. The repurchase period shall not exceed 12 months from the date the Board of Directors approved this share repurchase plan (i.e., December 29, 2025, to December 28, 2026).

As of the market close on April 23, 2026, the Company has actually repurchased 3,999,100 shares through centralized bidding transactions, accounting for 0.14% of the Company’s current total share capital (2,804,241,650 shares). The highest repurchase price was RMB 10.07 per share, and the lowest repurchase price was RMB 9.90 per share, with an average repurchase price of RMB 10.00 per share, and the total amount used was RMB 39,995,900 (excluding transaction fees). The amount of shares repurchased by the Company during the repurchase period has reached the minimum amount specified in the repurchase plan, and the implementation of the share repurchase plan has been completed. For details, refer to the Announcement of MeiHua Holdings Group Co., Ltd. on the Results of Share Repurchase and Changes in Shares (Announcement No.: 2026-028) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on April 24, 2026.

2. Implementation Status of the Shareholding Increase Plan

A total of 76 members, including certain directors, officers, and other key management personnel (or technical leaders) of the Company, driven by their confidence in the Company’s future prospects and recognition of its long-term investment value, and with the aim of maintaining stability in the capital markets and boosting investor confidence, plan to increase their holdings of the Company’s shares through purchases on the secondary market for a period not exceeding 12 months starting from January 14, 2026. The total amount of shares to be purchased is expected to be no less than RMB 303.75 million (including transaction costs) and no more than RMB 350.15 million (including transaction costs). They have committed not to sell any of their existing shares in the Company during the implementation of this share purchase plan, and not to sell the shares acquired through this plan by any means for a period of 24 months following the full completion of the plan and the Company’s lawful public announcement thereof.

As of June 8, 2026, the above-mentioned entities that increased their shareholding had cumulatively increased their shareholding in the Company by a total of 32,018,437 shares through centralized bidding transactions on the secondary market, accounting for 1.142% of the Company’s current total share capital of 2,804,241,650 shares. The cumulative increase amount was RMB 315,626,400.76, which has exceeded the minimum amount specified in this shareholding increase plan, and this shareholding increase plan has been completed. For details, please refer to the Announcement of MeiHua Holdings Group Co., Ltd. on the Completion of the Shareholding Increase Plan and the Results of Shareholding Increase by Directors, Senior Management and Other Core Management of the Company (Announcement No.: 2026-032) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 9, 2026.

In addition, on June 12, 2026, the Company received a notice that Mr. Wang Aimin, a person acting in concert with the Company’s controlling shareholder, had increased his shareholding in the Company by a total of 342,200 shares through centralized bidding transactions on the secondary market, accounting for 0.012% of the Company’s current total share capital of 2,804,241,650 shares. The increase amount was RMB 3,001,516. Mr. Wang Aimin committed that within 24 months after the completion of this shareholding increase and the Company’s announcement in accordance with the law, he will not reduce his shareholding in the Company acquired through this increase in any way. For details, please refer to the Announcement of MeiHua Holdings Group Co., Ltd. on the Shareholding Increase by a Person Acting in Concert with the Controlling Shareholder (Announcement No.: 2026-033) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on June 13, 2026.

Section 6 Share Changes and Shareholders

I. Changes in Share Capital

(I). Table of share changes

1. Table of share changes

During the reporting period, the total number of the company’s shares and its share capital structure remained unchanged.

2. Explanation of Changes in Share Capital

☐ Applicable √ Not applicable

3. Impact of Shareholding Changes Occurring Between the End of the Reporting Period and the Date of Semi-Annual Report Disclosure on Financial Indicators such as Earnings per Share and Net Assets per Share (if applicable)

☐ Applicable √ Not applicable

4. Other information that the Company deems necessary to disclose or as required by the securities regulatory body

☐ Applicable √ Not applicable

(II). Changes in restricted sales

☐ Applicable √ Not applicable

II. Shareholder Information

(I). Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period	81,263

(II). Shares held by the top ten shareholders and the top ten holders of tradable shares (or holders of non-restricted shares) as of the end of the Reporting Period

Unit: Share

Shares held by the top ten shareholders (excluding the shares lent through refinancing)							
Shareholder's name (full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the period	Proportion (%)	Number of restricted shares held	Pledged, marked, or frozen shares		Nature of shareholder
					Share status	Quantity	
Meng Qingshan		854,103,033	30.46		None		Domestic natural person
Hong Kong Securities Clearing Company Limited		86,642,756	3.09		None		Other
Wang Aijun		73,987,374	2.64		None		Domestic natural person
China Construction Bank Corporation – Huatai-PineBridge CSI Dividend Low Volatility ETF		63,922,472	2.28		None		Other
Liang Yubo		54,474,218	1.94		None		Domestic natural person
Hu Jijun		52,678,128	1.88		None		Domestic natural person
Agricultural Bank of China Limited – Southern S&P China A-Share Large-Cap Dividend Low Volatility 50 ETF		43,667,869	1.56		None		Other
Zhejiang Commercial Bank Co., Ltd. – Guotai CSI Livestock and Poultry Farming ETF		43,094,121	1.54		None		Other

National Social Security Fund Portfolio 406		37,588,438	1.34		None		Other
He Jun		28,396,258	1.01		None		Domestic natural person

Shares held by the top ten holders of non-restricted shares (excluding the shares lent through refinancing)			
Name of shareholder	Quantity of non-restricted tradable shares held	Type and quantity of shares	
		Type	Type
Meng Qingshan	854,103,033	RMB ordinary share	854,103,033
Hong Kong Securities Clearing Company Limited	86,642,756	RMB ordinary share	86,642,756
Wang Aijun	73,987,374	RMB ordinary share	73,987,374
China Construction Bank Corporation – Huatai-PineBridge CSI Dividend Low Volatility ETF	63,922,472	RMB ordinary share	63,922,472
Liang Yubo	54,474,218	RMB ordinary share	54,474,218
Hu Jijun	52,678,128	RMB ordinary share	52,678,128
Agricultural Bank of China Limited – Southern S&P China A-Share Large-Cap Dividend Low Volatility 50 ETF	43,667,869	RMB ordinary share	43,667,869
Zhejiang Commercial Bank Co., Ltd. – Guotai CSI Livestock and Poultry Farming ETF	43,094,121	RMB ordinary share	43,094,121
National Social Security Fund Portfolio 406	37,588,438	RMB ordinary share	37,588,438
He Jun	28,396,258	RMB ordinary share	28,396,258
Information on the Repurchase Account Among the Top Ten Shareholders	The Company’s repurchase account is not presented in the “Shares held by the top ten holders of non-restricted shares” section. As of the end of the Reporting Period, there were 3,999,100 of the Company’s shares held in the repurchase account, accounting for 0.14% of the Company’s total (2,804,241,650 shares) shares at present.		
Information of voting trust, voting trusteeship, and abstention of voting rights for the above shareholders	Among the above shareholders, Meng Qingshan, Hu Jijun, Wang Aijun, and Liang Yubo have no voting trust, voting trusteeship, and abstention of voting rights. The information of voting trust, voting trusteeship, and abstention of voting rights for other shareholders is not known.		
Information of relationships or acting in concert of the above shareholders	Among the above shareholders, Meng Qingshan and Wang Aijun are persons acting in concert.		
Information of preferred shareholders with restored voting rights and the number of shares held by them	None		

Participation of shareholders holding 5% or more, top ten shareholders, and top ten holders of unrestricted outstanding shares in securities lending through the stock lending and borrowing (SLB) program.

☐ Applicable √ Not applicable

Changes in the Top Ten Shareholders and Top Ten Holders of Unrestricted Outstanding Shares Due to Stock Lending and Borrowing (SLB) Activities

☐ Applicable √ Not applicable

Number of shares held by the top ten holders of restricted shares and the restrictions
☐ Applicable √ Not applicable

(III). Strategic investors or general legal persons becoming top ten holders due to the allotment of new shares

☐ Applicable √ Not applicable

III. Information of Directors and Officers

(I). Changes in Shareholdings of Current and Resigned Directors and Senior Management During the Reporting Period

√Applicable ☐Not applicable

Unit: share

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Changes in the number of shares during the reporting period	Reasons for the change
Wang Aijun	Chairman	72,452,774	73,987,374	1,534,600	Shareholding Increase on the Secondary Market
He Jun	Director and General Manager	24,584,458	28,396,258	3,811,800	Shareholding Increase on the Secondary Market
Wang Ailing	Senior Deputy General Manager	378,900	1,183,137	804,237	Shareholding Increase on the Secondary Market
Wang Lihong	CFO	117,300	222,300	105,000	Shareholding Increase on the Secondary Market
Liu Xianfang	Board Secretary	187,400	341,400	154,000	Shareholding Increase on the Secondary Market

Other Explanatory Information
☐ Applicable √ Not applicable

(II). Equity Incentives Granted to Director and Senior Management During the Reporting Period
☐ Applicable √ Not applicable

(III). Other information
☐ Applicable √ Not applicable

IV. Changes in Controlling Shareholder or Actual Controller

√Applicable ☐Not applicable

During the reporting period, Meng Qingshan, the controlling shareholder of the Company, remained unchanged. As his children Wang Ailing, Wang Aimin, and Wang Aidi increased their shareholding in the Company through centralized bidding on the secondary market, Wang Ailing, Wang Aimin, and Wang Aidi, together with Meng Qingshan, Wang Aijun, and He Jun, constitute persons acting in concert. For details, please refer to the relevant announcements published by the Company.

V. Information on Preferred Shares

☐ Applicable √ Not applicable

Section 7 Information on Securities

I. Corporate Bonds (including Enterprise Bonds) and Non-Financial Corporate Debt Financing Instruments

☐ Applicable √ Not applicable

II. Information of Convertible Debentures

☐ Applicable √ Not applicable

Section 8 Financial Report

I. Audit Report

☐ Applicable √ Not Applicable

II. Financial Statements

Consolidated Balance Sheet

June 30, 2026

Prepared by: MeiHua Holdings Group Co., Ltd.

Unit: Yuan Currency: RMB

Items	Notes	June 30, 2026	December 31, 2025
Current Assets:			
Monetary assets	Note 1	2,877,767,910.42	4,288,171,778.59
Deposit reservation for balance			
Placements with banks and other financial institutions			
Financial assets held for trading	Note 2	1,977,052,675.20	1,140,377,416.70
Derivative financial assets	Note 3	2,181,653.58	2,061,300.00
Notes receivable	Note 4	36,626,560.85	107,542,558.59
Accounts receivable	Note 5	649,253,228.67	577,371,086.06
Receivables Financing	Note 7	32,134,493.66	17,978,363.00
Prepaid accounts	Note 8	142,397,572.45	171,884,582.59
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	Note 9	62,537,139.77	70,477,156.58
Including: Interest receivable		2,362,500.00	1,575,000.00
Dividend receivable			1,395,866.49
Financial assets purchased under agreements to resell			
Inventories	Note 10	3,996,122,827.78	3,021,627,701.05
Among them: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year	Note 12	606,208,384.81	75,575,625.48
Other current assets	Note 13	376,523,005.53	214,731,083.57
Total Current Assets		10,758,805,452.72	9,687,798,652.21
Non-current Assets:			
Loans and advances			
Debt investments	Note 14	10,500,000.00	10,500,000.00
Other debt investments			
Long-term receivables	Note 16	224,781.42	233,244.15
Long-term equity investments	Note 17	2,635,435.80	4,757,925.21
Investments in other equity instruments	Note 18	229,089,650.00	301,966,810.00
Other non-current financial assets	Note 19	346,396,575.38	282,005,000.00
Investment properties			
Fixed assets	Note 21	12,127,838,360.07	12,768,478,381.36

Construction in progress	Note 22	1,285,969,127.79	343,559,937.21
Productive biological assets			
Oil and gas assets			
Right-of-use assets	Note 25	2,330,281.28	4,007,321.13
Intangible assets	Note 26	1,431,155,275.44	1,557,280,758.01
Among them: Data resources			
Development expenditure			
Among them: Data resources			
Goodwill	Note 27	11,788,911.79	11,788,911.79
Long-term prepaid expenses	Note 28	150,580,694.96	133,781,048.89
Deferred income tax assets	Note 29	144,936,109.43	126,369,580.18
Other non-current assets	Note 30	283,174,780.22	683,449,155.24
Total Non-current Assets		16,026,619,983.58	16,228,178,073.17
Total Assets		26,785,425,436.30	25,915,976,725.38
Current Liabilities:			
Short-term borrowings	Note 32	1,831,796,712.90	1,800,136,227.43
Borrowings from central bank			
Borrowings from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities	Note 34	42,227.58	
Notes payable	Note 35	2,259,312,216.46	1,777,053,969.91
Accounts payable	Note 36	1,819,315,537.05	1,735,184,321.70
Advances from customers			
Contract liabilities	Note 38	656,266,656.92	746,778,983.64
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee benefits payable	Note 39	290,464,932.10	392,494,934.53
Taxes payable	Note 40	212,820,799.37	194,688,876.58
Other payables	Note 41	1,437,537,640.70	256,349,893.68
Including: Interest payable			
Dividends payable		1,200,340,002.04	405,000.00
Handling charges and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	Note 43	234,060,518.78	281,057,349.33
Other current liabilities	Note 44	46,050,129.71	79,369,933.52
Total Current Liabilities		8,787,667,371.57	7,263,114,490.32
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings	Note 45	1,957,357,123.82	1,918,679,223.83
Bonds payable			

Including: Preferred shares			
Perpetual bonds			
Lease liabilities	Note 47	482,287.52	1,012,966.64
Long-term payables	Note 48	23,457,549.63	10,500,000.00
Long-term employee benefits payable	Note 49		7,474,640.65
Estimated liabilities	Note 50		
Deferred income	Note 51	345,546,673.63	367,624,988.38
Deferred income tax liabilities	Note 29		
Other non-current liabilities			
Total Non-current Liabilities		2,326,843,634.60	2,305,291,819.50
Total Liabilities		11,114,511,006.17	9,568,406,309.82
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)	Note 53	2,804,241,650.00	2,804,241,650.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	Note 55	33,749,867.59	33,749,867.59
Less: Treasury stock	Note 56	39,999,676.57	
Other comprehensive income	Note 57	-258,986,565.20	-159,220,172.21
Special reserves	Note 58	6,174,999.62	4,992,619.68
Surplus reserves	Note 59	1,379,865,682.01	1,379,865,682.01
General risk reserves			
Undistributed profits	Note 60	11,745,868,472.68	12,283,940,768.49
Total Owners' Equity (or Shareholders' Equity) Attributable to the Parent Company		15,670,914,430.13	16,347,570,415.56
Minority stockholder's interest			
Total Owners' Equity (or Shareholders' Equity)		15,670,914,430.13	16,347,570,415.56
Total Liabilities and Owners' Equity (or Shareholders' Equity)		26,785,425,436.30	25,915,976,725.38

Head of the Company: Wang Aijun Head of Accounting: Wang Lihong Head of the Accounting Institution: Wang Ailing

Parent Company's Balance Sheet

June 30, 2026

Prepared by: MeiHua Holdings Group Co., Ltd.

Unit: Yuan Currency: RMB

Items	Notes	June 30, 2026	December 31, 2025
Current Assets:			
Monetary assets		1,340,182,231.79	1,748,050,527.78
Financial assets held for trading		767,140,235.96	100,005,361.11
Derivative financial assets			
Notes receivable		36,626,560.85	105,165,138.59
Accounts receivable	Note 1	260,274,248.38	240,104,582.30
Receivables Financing		21,483,014.85	12,103,099.96

Prepaid accounts		786,926,616.09	450,465,635.15
Other receivables	Note 2	1,350,291,213.36	1,311,253,600.04
Including: Interest receivable			
Dividend receivable		900,000,000.00	850,000,000.00
Inventories		132,033,602.64	55,550,241.64
Among them: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year		457,674,680.08	33,099,564.60
Other current assets		119,828,877.62	75,941,868.76
Total Current Assets		5,272,461,281.62	4,131,739,619.93
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables		862,806,893.05	811,519,697.93
Long-term equity investments	Note 3	8,069,915,728.14	8,069,915,728.14
Investments in other equity instruments		157,000,000.00	157,000,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		241,257,846.50	243,075,825.89
Construction in progress		7,781,006.36	10,035,634.61
Productive biological assets			
Oil and gas assets			
Right-of-use assets		1,269,652.93	2,474,935.75
Intangible assets		32,297,799.38	28,405,655.84
Among them: Data resources			
Development expenditure			
Among them: Data resources			
Goodwill			
Long-term prepaid expenses		6,712,185.33	7,013,493.09
Deferred income tax assets		31,272,046.34	30,483,502.04
Other non-current assets		51,319,861.10	504,985,170.13
Total Non-current Assets		9,461,633,019.13	9,864,909,643.42
Total Assets		14,734,094,300.75	13,996,649,263.35
Current Liabilities:			
Short-term borrowings		445,123,611.12	446,161,713.00
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		3,178,864,658.31	2,768,836,932.16
Accounts payable		1,521,703,170.03	1,653,949,501.23
Advances from customers			
Contract liabilities		350,603,380.53	484,101,924.45
Employee benefits payable		135,136,091.70	189,707,400.94

Taxes payable		35,859,035.30	41,369,234.14
Other payables		1,600,501,230.50	93,696,559.66
Including: Interest payable			
Dividends payable		1,200,340,002.04	405,000.00
Liabilities held for sale			
Non-current liabilities due within one year		78,775,571.06	242,728,429.22
Other current liabilities		64,187,447.96	155,747,059.16
Total Current Liabilities		7,410,754,196.51	6,076,298,753.96
Non-current Liabilities:			
Long-term borrowings		782,814,000.00	620,700,000.00
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		261,433.79	331,053.08
Long-term payables			195,270,525.31
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities		783,075,433.79	816,301,578.39
Total Liabilities		8,193,829,630.30	6,892,600,332.35
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)		2,804,241,650.00	2,804,241,650.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves			
Minus:Treasury stock		39,999,676.57	
Other comprehensive income			
Special reserves			
Surplus reserves		1,379,865,682.01	1,379,865,682.01
Undistributed profits		2,396,157,015.01	2,919,941,598.99
Total Owners' Equity (or Shareholders' Equity)		6,540,264,670.45	7,104,048,931.00
Total Liabilities and Owners' Equity (or Shareholders' Equity)		14,734,094,300.75	13,996,649,263.35

Head of the Company: Wang Aijun Head of Accounting: Wang Lihong Head of the Accounting Institution: Wang Ailing

Consolidated Income Statement

January to June 2026

Unit: Yuan Currency: RMB

Items	Notes	2026 Semi-annual	2025 Semi-annual

I. Total Operating Revenue		12,235,095,339.54	12,280,450,603.53
Including: Operating revenue	Note 61	12,235,095,339.54	12,280,450,603.53
Interest revenue			
Earned premiums			
Handling charges and commission revenue			
II. Total Operating Costs		11,604,845,391.33	10,368,912,543.02
Including: Operating Costs	Note 61	10,653,093,825.19	9,433,353,240.09
Interest Expenses			
Handling charges and commission expenses			
Surrender value			
Net claim paid			
Net provision of insurance reserve			
Policy dividends paid			
Reinsurance expenses			
Taxes and surcharges	Note 62	109,283,193.92	119,066,571.04
Sales expenses	Note 63	176,534,959.81	167,760,792.02
Administrative expenses	Note 64	424,785,142.26	469,433,561.57
Research and development expenses	Note 65	187,548,443.45	199,958,697.93
Financing expenses	Note 66	53,599,826.70	-20,660,319.63
Including: Interest expenses		20,836,234.31	27,955,159.53
Interest revenue		20,897,261.18	26,389,977.12
Plus: Other revenues	Note 67	132,481,579.46	148,546,316.33
Investment gains ("-" for loss)	Note 68	57,912,082.18	29,250,766.79
Including: Investment gains from associates and joint ventures		-2,122,489.41	-923,353.98
Gains from derecognition of financial assets measured at amortized cost ("-" for loss)			
Exchange gains ("-" for loss)			
Net exposure hedging gains (Loss indicated by "-")			
Gains from changes in fair value ("-" for loss)	Note 70	21,336,805.37	16,016,844.67
Credit impairment losses ("-" for loss)	Note 71	-4,068,410.89	-154,305.79
Asset impairment losses ("-" for loss)	Note 72	-29,797,994.41	-9,236,606.64
Asset disposal gains ("-" for loss)	Note 73	10,663,776.45	438,552.05
III. Operating Profit ("-" for loss)		818,777,786.37	2,096,399,627.92
Plus: Non-operating revenue	Note 74	22,347,099.23	3,157,136.41
Minus: Non-operating expenses	Note 75	10,722,111.16	10,385,914.08
IV. Total Profit ("-" for total loss)		830,402,774.44	2,089,170,850.25
Minus: Income tax expenses	Note 76	168,540,068.21	321,220,733.36
V. Net Profit ("-" for net loss)		661,862,706.23	1,767,950,116.89
(I) Classified by Operating Continuity			
1. Net profit from continuing operations ("-" for net loss)		661,862,706.23	1,767,950,116.89
2. Net profit from discontinued operations ("-" for net loss)			
(II) Classified by Ownership			

1.Net profit attributable to shareholders of the Parent Company ("-" for net loss)		661,862,706.23	1,767,950,116.89
2.Profit or loss attributable to minority shareholders ("-" for net loss)			
VI. Net After-tax Amount of Other Comprehensive Income		-99,766,392.99	-98,666,362.69
(I) Net After-tax Amount of Other Comprehensive Income Attributable to Owners of the Parent Company		-99,766,392.99	-98,666,362.69
1. Other comprehensive income not reclassified to profit or loss		-54,657,870.00	-96,695,685.50
(1) Changes in the defined benefit plan after remeasurement			
(2) Other comprehensive income under Equity Method that cannot be reclassified to profit or loss			
(3) Changes in fair value of other equity instrument investments		-54,657,870.00	-96,695,685.50
(4) Changes in fair value due to enterprise's own credit risks			
2. Other comprehensive income to be reclassified to profit or loss		-45,108,522.99	-1,970,677.19
(1) Other comprehensive income under Equity Method that can be reclassified to profit or loss			
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified to other comprehensive income			
(4) Credit impairment reserves other debt investments			
(5) Cash flow hedge reserve			
(6) Converted difference in foreign currency statements		-45,108,522.99	-1,970,677.19
(7) Others			
(II) Net After-tax Amount of Other Comprehensive Income Attributable to Minority Shareholders			
VII. Total Comprehensive Income		562,096,313.24	1,669,283,754.20
(I) Total Comprehensive Income Attributable to Owners of the Parent Company		562,096,313.24	1,669,283,754.20
(II) Total Comprehensive Income Attributable to Minority Shareholders			
VIII. Earnings per Share:			
(I) Basic Earnings per Share (Yuan/share)		0.24	0.62
(II) Diluted Earnings per Share (Yuan/share)		0.24	0.62

For the current period, in cases of merger of enterprises under the same control, the net profit realized by the merged entity prior to the merger is: RMB 0 yuan, and the net profit realized by the merged entity in the previous period is: RMB 0 yuan.

Head of the Company: Wang Aijun Head of Accounting: Wang Lihong Head of the Accounting Institution: Wang Ailing

Parent Company's Income Statement

January to June 2026

Unit: Yuan Currency: RMB

Items	Notes	2026 Semi-annual	2025 Semi-annual

I. Operating Revenue	Note 4	7,981,256,202.95	8,400,691,318.67
Minus: Operating costs	Note 4	7,662,390,660.28	7,997,162,336.78
Taxes and surcharges		11,106,143.32	12,708,875.50
Sales expenses		94,765,831.44	110,995,243.01
Administrative expenses		114,774,789.58	215,005,065.00
Research and development Expenses		-	0
Financing expenses		-1,177,799.68	-3,879,142.16
Including: Interest expenses		3,409,373.59	2,082,969.25
Interest revenue		7,268,714.10	8,444,823.38
Plus: Other revenues		97,035,973.84	104,051,615.94
Investment gains ("-" for loss)	Note 5	510,425,285.71	17,655,487.70
Including: Investment gains from associates and joint ventures			0
Gains from derecognition of financial assets measured at amortized cost ("-" for loss)			0
Net exposure hedging gains ("-" for loss)			0
Gains from changes in fair value ("-" for loss)		4,986,763.89	657,054.80
Credit impairment losses ("-" for loss)		-44,352.51	-4,656,505.57
Asset impairment losses ("-" for loss)		-3,004,731.85	0
Asset disposal gains ("-" for loss)		284,640.03	5,092.90
II. Operating Profit ("-" for loss)		709,080,157.12	186,411,686.31
Plus: Non-operating revenue		270,868.42	657,896.77
Minus: Non-operating expenses		43,729.73	461,196.32
III. Total Profit ("-" for total loss)		709,307,295.81	186,608,386.76
Minus: Income tax expenses		33,156,877.75	27,714,210.23
IV. Net Profit ("-" for total loss)		676,150,418.06	158,894,176.53
(I) Net profit from continuing operations ("-" for net loss)		676,150,418.06	158,894,176.53
(II) Net profit from discontinued operations ("-" for net loss)			
V. Net After-tax Amount of Other Comprehensive Income			
(I) Other comprehensive income that cannot reclassified to profit or loss			
1. Changes in the defined benefit plan after remeasurement			
2. Other comprehensive income under Equity Method that cannot be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value due to enterprise's own credit risks			
(II) Other comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income under Equity Method that can be reclassified to profit or loss			
2. Changes in fair value of other debt investments			

3. Amount of financial assets reclassified to other comprehensive income			
4. Credit impairment reserves for other debt investments			
5. Cash flow hedge reserve			
6. Converted difference in foreign currency statements			
7. Others			
VI. Total Comprehensive Income		676,150,418.06	158,894,176.53
VII. Earnings per Share:			
(I) Basic Earnings per Share (Yuan/share)			
(II) Diluted Earnings per Share (Yuan/share)			

Head of the Company: Wang Aijun Head of Accounting: Wang Lihong Head of the Accounting Institution: Wang Ailing

Consolidated Cash Flow Statement

January to June 2026

Unit: Yuan Currency: RMB

Items	Notes	2026 Semi-annual	2025 Semi-annual
I. Cash Flow from Operating Activities :			
Cash received from sales of goods or rendering of services		13,052,263,813.38	13,004,397,294.89
Net increase in customer bank deposits and due to banks and other financial institutions			
Net increase in borrowings from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash received from premiums on original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from insurers			
Cash received from interest, handling charges and commissions			
Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received from securities trading brokerage business			
Refunds of taxes received		297,353,645.61	255,379,073.62
Other cash received related to operating activities	Note 78	152,411,464.55	191,153,397.33
Subtotal cash inflows from operating activities		13,502,028,923.54	13,450,929,765.84
Cash paid for goods and services		11,282,077,575.21	9,083,489,211.25
Net increase in loans and advances to customers			
Net increase in placements with central bank and due to banks			
Cash paid for claims for original insurance contracts			
Net increase in funds lent			

Cash paid for interest, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		1,036,586,807.14	904,015,836.36
Various taxes paid		313,267,323.28	597,189,446.61
Other cash paid related to operating activities	Note 78	480,957,133.89	553,444,050.99
Subtotal cash outflows from operating activities		13,112,888,839.52	11,138,138,545.21
Net cash flow from operating activities		389,140,084.02	2,312,791,220.63
II. Cash Flow from Investing Activities :			
Cash received from recovery of investments		83,631,190.33	73,892,375.14
Cash received from investment income		29,819,638.74	16,498,979.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		11,498,534.54	1,245,921.80
Net cash received from disposal of subsidiaries and other business units		322,188,026.40	
Other cash received related to investing activities	Note 78		
Subtotal cash inflows from investing activities		447,137,390.01	91,637,275.94
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		1,134,643,863.42	1,087,107,997.28
Cash paid for investments		1,084,758,939.83	1,944,967,826.40
Net increase in pledge loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid related to investing activities	Note 78	2,883,915.81	2,859,048.14
Subtotal cash outflows from investing activities		2,222,286,719.06	3,034,934,871.82
Net cash flow from investing activities		-1,775,149,329.05	-2,943,297,595.88
III. Cash Flow from Financing Activities :			
Cash received from capital injections			
Including: cash received from minority shareholders' investments of subsidiaries			
Cash received from borrowings		1,983,278,909.21	2,874,965,205.64
Other cash received related to financing activities	Note 78	277,489,110.71	428,515,211.85
Subtotal cash inflows from financing activities		2,260,768,019.92	3,303,480,417.49
Cash paid for debt repayment		1,876,810,000.01	2,629,070,000.00
Cash paid for distribution of dividends, profits or interest repayment		25,564,775.53	1,228,810,522.76
Including: Dividends or profits paid to minority shareholders by subsidiaries			
Other cash paid related to financing activities	Note 78	335,766,648.90	255,748,337.46
Subtotal cash outflows from financing activities		2,238,141,424.44	4,113,628,860.22
Net cash flow from financing activities		22,626,595.48	-810,148,442.73
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		-61,143,692.42	31,539,177.23
V. Net Increase in Cash and Cash Equivalents		-1,424,526,341.97	-1,409,115,640.75
Plus: Beginning balance of cash and cash equivalents		4,006,435,846.79	4,131,859,602.14

VI. Ending Balance of Cash and Cash Equivalents		2,581,909,504.82	2,722,743,961.39

Head of the Company: Wang Aijun Head of Accounting: Wang Lihong Head of the Accounting Institution: Wang Ailing

Parent Company's Cash Flow Statement

January to June 2026

Unit: Yuan Currency: RMB

Items	Notes	2026 Semi-annual	2025 Semi-annual
I. Cash Flow from Operating Activities:			
Cash received from sales of goods or rendering of services		8,179,146,886.37	8,719,362,545.43
Refunds of taxes received		6,894,786.19	22,441,423.95
Other cash received related to operating activities		245,214,884.22	889,078,511.59
Subtotal cash inflows from operating activities		8,431,256,556.78	9,630,882,480.97
Cash paid for goods and services		8,066,466,282.52	7,841,211,006.39
Cash paid to and on behalf of employees		163,827,374.05	134,053,736.81
Various taxes paid		80,748,769.48	77,552,382.57
Other cash paid related to operating activities		196,508,978.02	852,281,310.95
Subtotal cash outflows from operating activities		8,507,551,404.07	8,905,098,436.72
Net cash flow from operating activities		-76,294,847.29	725,784,044.25
II. Cash Flow from Investing Activities:			
Cash received from recovery of investments			50,000,000.00
Cash received from investment income		458,227,169.21	818,290,843.26
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,223,500.43	5,419,425.56
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities			
Subtotal cash inflows from investing activities		459,450,669.64	873,710,268.82
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		22,250,052.36	28,884,182.60
Cash paid for investments		673,255,722.23	50,000,000.00
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid related to investing activities			
Subtotal cash outflows from investing activities		695,505,774.59	78,884,182.60
Net cash flow from investing activities		-236,055,104.95	794,826,086.22
III. Cash Flow from Financing Activities:			
Cash received from capital injections			
Cash received from borrowings		224,454,000.00	443,000,000.00
Other cash received related to financing activities		752,788,597.34	1,517,112,013.75
Subtotal cash inflows from financing activities		977,242,597.34	1,960,112,013.75
Cash paid for debt repayment		226,300,000.00	1,152,560,000.00
Cash paid for distribution of dividends, profits or interest repayment		9,582,116.25	1,212,907,428.12
Other cash paid related to financing activities		852,497,617.30	1,263,584,662.20

Subtotal cash outflows from financing activities		1,088,379,733.55	3,629,052,090.32
Subtotal cash outflows from financing activities		-111,137,136.21	-1,668,940,076.57
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		-850,066.78	644,850.65
V. Net Increase in Cash and Cash Equivalents		-424,337,155.23	-147,685,095.45
Plus: Beginning balance of cash and cash equivalents		1,469,012,647.25	1,115,336,416.01
VI. Ending Balance of Cash and Cash Equivalents		1,044,675,492.02	967,651,320.56

Head of the Company: Wang Aijun Head of Accounting: Wang Lihong Head of the Accounting Institution: Wang Ailing

Consolidated Statement of Changes in Owner's Equity

January to June 2026

Unit: Yuan Currency: RMB

Items	2026 Semi-annual														
	Equity Attributable to Owners of the Parent Company													Equity of Minority Shareholders	Total Owners' Equity
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profits	Others	Subtotal		
		Preferred Shares	Perpetual Bonds	Others											
I. Balance at End of Last Year	2,804,241,650.00				33,749,867.59		-159,220,172.21	4,992,619.68	1,379,865,682.01		12,283,940,768.49		16,347,570,415.56		16,347,570,415.56
Plus: Changes in accounting policies															
Correction of prior period errors															
Others															
II. Balance at Beginning of the Current Year	2,804,241,650.00				33,749,867.59		-159,220,172.21	4,992,619.68	1,379,865,682.01		12,283,940,768.49		16,347,570,415.56		16,347,570,415.56
III. The Amount Changes during the Current Period ("-" for decrease)						39,999,676.57	-99,766,392.99	1,182,379.94			-538,072,295.81		-676,655,985.43		-676,655,985.43
(I) Total Comprehensive Income							-99,766,392.99				661,862,706.23		562,096,313.24	-	562,096,313.24
(II) Owners' Contributions and Decrease of Capital						39,999,676.57							-39,999,676.57		-39,999,676.57
1．Ordinary shares contributed by owners															
2．Capital contributed by holders of other equity instruments															
3．Amount of share-based payments recognized in owners' equity															
4．Others						39,999,676.57							-39,999,676.57		-39,999,676.57
(III) Profit Distribution											-1,199,935,002.04		-1,199,935,002.04		-1,199,935,002.04
1．Withdrawal of surplus reserve															
2．Withdrawal of General Risk Reserve															
3．Distribution to Owners (or Shareholders)											-1,199,935,002.04		-1,199,935,002.04		-1,199,935,002.04
4．Others															
(IV) Internal Transfer of Owners' Equity															
1．Capital (or stock) increased by capital reserve transfer															

2．Capital (or stock) increased by surplus reserve transfer															
3．Transfer of surplus reserve to offset losses															
4．Transfer of changes in defined benefit plans to retained earnings															
5．Transfer of other comprehensive income to retained earnings															
6．Others															
(V) Special Reserves								1,182,379.94					1,182,379.94		1,182,379.94
1. Withdrawal during the Current Period								26,082,428.67					26,082,428.67		26,082,428.67
2．Usage during the Current Period								-24,900,048.73					-24,900,048.73		-24,900,048.73
(VI) Others															
IV. Balance at End of the Current Period	2,804,241,650.00				33,749,867.59	39,999,676.57	-258,986,565.20	6,174,999.62	1,379,865,682.01		11,745,868,472.68		15,670,914,430.13		15,670,914,430.13

Items	2025 Semi-annual														
	Equity Attributable to Owners of the Parent Company													Equity of Minority Shareholders	Total Owners' Equity
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profits	Others	Subtotal		
		Preferred Shares	Perpetual Bonds	Others											
I. Balance at End of Last Year	2,852,788,750.00				263,154,867.05	287,771,455.80	-55,004,961.46	4,743,615.67	1,426,394,375.00		10,370,640,110.47		14,574,945,300.93		14,574,945,300.93
Plus: Changes in accounting policies															
Correction of prior period errors															
Others															
II. Balance at Beginning of the Current Year	2,852,788,750.00				263,154,867.05	287,771,455.80	-55,004,961.46	4,743,615.67	1,426,394,375.00		10,370,640,110.47		14,574,945,300.93		14,574,945,300.93
III. The Amount of Changes during the Current Period ("-" for decrease)						64,294,882.98	-98,666,362.69	187,867.36			567,962,791.60		405,189,413.29		405,189,413.29
(I) Total Comprehensive Income							-98,666,362.69				1,767,950,116.89		1,669,283,754.20		1,669,283,754.20
(II) Owners' Contributions and						64,294,882.98							-64,294,882.98		-64,294,882.98

Decrease of Capital															
1．Ordinary shares contributed by owners															
2．Capital contributed by holders of other equity instruments															
3．Amount of share-based payments recognized in owners' equity															
4．Others						64,294,882.98							-64,294,882.98		-64,294,882.98
(III) Profit Distribution											-1,199,987,325.29		-1,199,987,325.29		-1,199,987,325.29
1．Withdrawal of surplus reserve															
2．Withdrawal of General Risk Reserve															
3．Distribution to Owners (or Shareholders)											-1,199,987,325.29		-1,199,987,325.29		-1,199,987,325.29
4．Others															
(IV) Internal Transfer of Owners' Equity															
1．Capital (or stock) increased by capital reserve transfer															
2．Capital (or stock) increased by surplus reserve transfer															
3．Transfer of surplus reserve to offset losses															
4．Transfer of changes in defined benefit plans to retained earnings															
5．Transfer of other comprehensive income to retained earnings															
6．Others															
(V) Special Reserves								187,867.36					187,867.36		187,867.36
1. Withdrawal during the Current Period								30,484,436.74					30,484,436.74		30,484,436.74
2．Usage during the Current Period								-30,296,569.38					-30,296,569.38		-30,296,569.38
(VI) Others															
IV. Balance at End of the Current Period	2,852,788,750.00				263,154,867.05	352,066,338.78	-153,671,324.15	4,931,483.03	1,426,394,375.00		10,938,602,902.07		14,980,134,714.22		14,980,134,714.22

Head of the Company: Wang Aijun Head of Accounting: Wang Lihong Head of the Accounting Institution: Wang Ailing

Parent Company's Statement of Changes in Owner's Equity

January to June 2026

Unit: Yuan Currency: RMB

Items	2026 Semi-annual										
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Undistributed Profits	Total Owners' Equity
		Preferred Shares	Perpetual Bonds	Others							
I. Balance at End of Last Year	2,804,241,650.00								1,379,865,682.01	2,919,941,598.99	7,104,048,931.00
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at Beginning of the Current Year	2,804,241,650.00								1,379,865,682.01	2,919,941,598.99	7,104,048,931.00
III. The Amount of Changes during the Current Period ("-" for decrease)						39,999,676.57				-523,784,583.98	-563,784,260.55
(I) Total Comprehensive Income										676,150,418.06	676,150,418.06
(II) Owners' Contributions and Decrease of Capital						39,999,676.57					-39,999,676.57
1．Ordinary shares contributed by owners											
2．Capital contributed by holders of other equity instruments											
3．Amount of share-based payments recognized in owners' equity											
4．Others						39,999,676.57					-39,999,676.57
(III) Profit Distribution										-1,199,935,002.04	-1,199,935,002.04
1．Withdrawal of surplus reserve											
2．Distribution to Owners (or Shareholders)										-1,199,935,002.04	-1,199,935,002.04
3．Others											-
(IV) Internal Transfer of Owners' Equity											
1．Capital (or stock) increased by capital reserve transfer											
2．Capital (or stock) increased by surplus reserve transfer											

3．Transfer of surplus reserve to offset losses											
4．Transfer of changes in defined benefit plans to retained earnings											
5．Transfer of other comprehensive income to retained earnings											
6．Others											
(V) Special Reserves											
1．Withdrawal during the Current Period											
2．Usage during the Current Period											
(VI) Others											
IV. Balance at End of the Current Period	2,804,241,650.00					39,999,676.57			1,379,865,682.01	2,396,157,015.01	6,540,264,670.45

Items	2025 Semi-annual										
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Undistributed Profits	Total Owners' Equity
		Preferred Shares	Perpetual Bonds	Others							
I. Balance at End of Last Year	2,852,788,750.00				229,404,999.46	287,771,455.80			1,426,394,375.00	2,611,601,565.13	6,832,418,233.79
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at Beginning of the Current Year	2,852,788,750.00				229,404,999.46	287,771,455.80			1,426,394,375.00	2,611,601,565.13	6,832,418,233.79
III. Amount of Changes during the Current Period ("-" for decrease)						64,294,882.98				-1,041,093,148.76	-1,105,388,031.74
(I) Total Comprehensive Income										158,894,176.53	158,894,176.53
(II) Owners' Contributions and Decrease of Capital						64,294,882.98					-64,294,882.98
1．Ordinary shares contributed by owners											
2．Capital contributed by holders of other equity instruments											
3．Amount of share-based payments recognized in owners' equity											
4．Others						64,294,882.98					-64,294,882.98
(III) Profit Distribution										-1,199,987,325.29	-1,199,987,325.29

1．Withdrawal of surplus reserve											
2．Distribution to Owners (or Shareholders)										-1,199,987,325.29	-1,199,987,325.29
3．Others											
(IV) Internal Transfer of Owners' Equity											
1．Capital (or stock) increased by capital reserve transfer											
2． Capital (or stock) increased by surplus reserve transfer											
3．Transfer of surplus reserve to offset losses											
4．Transfer of changes in defined benefit plans to retained earnings											
5．Transfer of other comprehensive income to retained earnings											
6．Others											
(V) Special Reserves											
1．Withdrawal during the Current Period											
2．Usage during the Current Period											
(VI) Others											
IV. Balance at End of the Current Period	2,852,788,750.00				229,404,999.46	352,066,338.78			1,426,394,375.00	1,570,508,416.37	5,727,030,202.05

Head of the Company: Wang Aijun　　Head of Accounting: Wang Lihong　　Head of the Accounting Institution: Wang Ailing

III. Basic Information of the Company

1. Overview of the Company

√ Applicable □ Not Applicable

MeiHua Holdings Group Co., Ltd. (hereinafter referred to as "Company" or "The Company"), formerly known as Wuzhou Minovo Co., Ltd. (hereinafter referred to as "Wuzhou Minovo"), was listed on Shanghai Stock Exchange on February 17, 1995, underwent a name change from Wuzhou Minovo Co., Ltd. to its current name following the absorption and merger with the original MeiHua Holdings Group Co., Ltd. (hereinafter referred to as "Original MeiHua Group") and completed the business change registration on March 3, 2011. The Company's unified social credit code is 91540000219667563J.

The Original MeiHua Group, formerly known as Hebei Meihua MSG Group Co., Ltd., was established with investment from natural persons Meng Qingshan, Yang Weiyong, and Hu Jijun. It obtained the Business License of Legal Entity No. 131081000002308 issued by the Hebei Administration for Industry and Commerce on April 23, 2002.

Wuzhou Minovo was established as a stock corporation through fundraising, following the issuance of 30 million shares to the public on January 6, 1995, with Chengdu Tibet Hotel, Tibet Autonomous Region Trust Investment Company and Tibet Xingzang Industrial Development Company as sponsors. It was officially registered in Lhasa, Tibet Autonomous Region on February 9, 1995, with a Business License of Legal Entity number of 5400001000327 and a total share capital of 73 million shares. On February 17 of the same year, with the approval of the China Securities Regulatory Commission, the Company's public shares were listed for trading on the Shanghai Stock Exchange, under the stock code 600873.

On August 12, 1995, the Shareholders' Meeting of the Company approved the Dividend Distribution Plan and implemented the 1994 Distribution Plan of granting 3 shares for every 10 shares held to all shareholders on August 21, 1995. Based on a foundation of 73 million shares, a total of 21.9 million shares were distributed, elevating the Company's total share capital to 94.9 million shares.

On December 19, 1996, the Company deliberated and approved the Rights Issue Plan at the Extraordinary Shareholders' Meeting for the Year 1996 and implemented the rights issue plan of granting 3 shares for every 10 shares to all shareholders on August 12, 1997. Based on a foundation of 94.90 million shares, a total of 13,336,603 shares (including 1,436,603 transfer right shares) were distributed, elevating the Company's total share capital to 108,236,603 shares.

On February 16, 2003, Shandong Wuzhou Investment Group Co., Ltd. and Weifang Bohai Industry Co., Ltd. respectively entered into agreements with the Tibet Autonomous Region State-owned Assets Management Company (whose shares were obtained through gratuitous transfer by the Tibet Autonomous Region State-owned Assets Management Bureau), whereby Shandong Wuzhou Investment Group Co., Ltd. acquired 27,102,445 shares of the Company's state-owned legal person shares from Tibet Autonomous Region State-owned Assets Management Company, representing 25.04% of the Company's total share capital, and became the Company's largest shareholder; Weifang Bohai Industry

Co., Ltd. acquired 21,535,555 shares, accounting for 19.90% of the Company's total share capital. The aforementioned equity transfer was formally approved by the State-owned Assets Supervision and Administration Commission of the State Council through document "State-owned Assets Ownership Letter [2003] No. 25" on May 29, 2003. On August 11, 2003, the Company entered into the Asset Exchange Agreement with Shandong Wuzhou Investment Group Co., Ltd. and Shandong Wuzhou Electric Co., Ltd. and executed a significant asset exchange. Following the completion of this exchange, the total share capital remained unchanged.

On May 22, 2006, the Company convened the "Shareholders Meeting Related to the Split-Share Reform," where the Company's split-share reform plan was deliberated and approved. All non-tradable shareholders of the Company granted 2.8 shares for every 10 shares to all tradable shareholders. The Company completed the implementation of the aforementioned split-share reform plan on June 2, 2006.

On December 22, 2010, with the approval of the China Securities Regulatory Commission through the document ZJXK [2010] No. 1888 "Approval of Wuzhou Minovo Co., Ltd.'s Major Asset Sale and Merger with MeiHua Holdings Group Co.,Ltd. by Issuing New Shares," the Company issued 900,000,000 RMB ordinary shares to the Original MeiHua Group for the acquisition of all equity enjoyed by its shareholders. On December 24, 2010, BDO CHINA LI XIN DA HUA. Certified Public Accountants CO., LTD. issued the document LXDHYZ [2010] No. 200 "Capital (Contribution) Verification Report" for this change in the share capital. On December 31, 2010, the Company obtained the Certificate of Securities Change Registration Issued by the Shanghai Branch of China Securities Depository and Clearing Co., Ltd., with the registered share capital for securities of 1,008,236,603 shares.

On March 28, 2011, the Company approved the implementation of the capital reserve conversion to share capital plan during the Annual Shareholders Meeting for the Year 2010. Based on a foundation of 1,008,236,603 shares, every 10 shares were converted into 16.861 shares, leading to a total share capital of 2,708,236,603 shares post-conversion. On April 12, 2011, the Company completed the share change registration at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd., with the registered share capital for securities of 2,708,236,603 shares.

According to the resolutions of the Fifth Meeting of the Sixth Board of Directors on April 22, 2011, the Fourteenth Meeting of the Sixth Board of Directors on February 22, 2012, the 2011 Annual Shareholders Meeting held on March 22, 2012, and the provisions specified in the amended articles of association, along with the approval of the China Securities Regulatory Commission through the document ZJXKZ [2012] No. 1262 "Approval of MeiHua Holdings Group Co., Ltd.'s Private Issuance of Stocks," the Company agreed to privately issue up to 400 million RMB ordinary shares (A shares). On March 26, 2013, the Company privately issued 399,990,000 RMB ordinary shares (A shares) to specific investors, resulting in a total share capital of 3,108,226,603 shares after this issuance. On March 29, 2013, the Company completed the registration and custody procedures at the Shanghai Branch of China Securities Depository and Clearing Co., Ltd.

According to the resolutions of the Fifteenth Meeting of the Eighth Board of Directors on May 30, 2018, the Seventeenth Meeting of the Eighth Board of Directors on June 20, 2018, and the annual shareholders meeting held on June 20, 2018, the Company established a stock incentive plan by offering 34,534,865 treasury shares at a price of 2.46 yuan per share. These shares were granted to a total of 109 incentive recipients including directors, senior executives, key management personnel, and core technical staff working for Meihua Bio, with no change in the registered capital.

According to the resolutions of the 22^{nd} Meeting of the Eighth Board of Directors on December 7, 2018 and the First Extraordinary Shareholders Meeting in 2018, the Company processed the cancellation of 51,565 subscribed shares that were relinquished. After the cancellation, the total share capital of the Company amounted to 3,108,175,038 shares.

According to the resolutions of the 28th Meeting of the Eighth Board of Directors in June 2019 and the 2018 Annual Shareholders Meeting on June 24, 2019, the Company repurchased 3,885,400 restricted shares for cancellation due to the departure of incentive recipients and incomplete individual performance assessments. After the cancellation, the total share capital of the Company amounted to 3,104,289,638 shares.

According to the resolutions of the Fourth Meeting of the Ninth Board of Directors on April 22, 2020, and the 2019 Annual Shareholders Meeting on May 20, 2020, the Company repurchased 4,267,790 restricted shares for cancellation due to the departure of incentive recipients and incomplete individual performance assessments. After the cancellation, the total share capital of the Company amounted to 3,100,021,848.00 shares.

According to the resolutions of the Seventeenth Meeting of the Ninth Board of Directors on May 12, 2021, and the 2020 Annual Shareholders Meeting on May 26, 2021, the Company repurchased 1,401,920 restricted shares for cancellation due to the departure of incentive recipients and incomplete individual performance assessments. After the cancellation, the total share capital of the Company amounted to 3,098,619,928 shares.

According to the resolutions of the 27th Meeting of the Ninth Board of Directors on December 15, 2021, the Second Extraordinary Shareholders Meeting for the year 2021 on December 31, 2021, and the 2021 Annual Shareholders Meeting on June 9, 2022, the Company canceled a total of 56,154,481 shares repurchased previously. After the cancellation, the total share capital of the Company amounted to 3,042,465,447 shares.

According to the resolutions of the Third Meeting of the Tenth Board of Directors on April 8, 2023, and the Second Extraordinary Shareholders Meeting for 2023 held on April 28, 2023, the "Proposal to Change the Company's Registered Capital" was deliberated and approved. According to the "Proposal to Repurchase the Company’s Shares through Centralized Bidding Transactions" deliberated and approved at the 2021 Annual Shareholders Meeting, the repurchased shares were exclusively used for cancellation to reduce the Company's registered capital. The Company has completed the repurchase and has physically repurchased 99,039,345 shares. After the cancellation of these shares, the total share capital of the Company will change from 3,042,465,447 shares to 2,943,426,102 shares.

According to the resolutions passed at the 13th Meeting of the 10th Board of Directors held on September 23, 2024, and the 2024 Second Extraordinary Shareholders' Meeting held on October 11, 2024, the proposal to change the company's registered capital was approved. Based on the relevant resolution from the shareholders' meeting, the company will use 90,637,352 repurchased shares for cancellation to reduce its registered capital. After the cancellation of these shares, the company's total share capital will be reduced from 2,943,426,102 shares to 2,852,788,750 shares.

According to the resolutions of the 23rd Meeting of the 10th Board of Directors on December 11, 2025, and the Second Extraordinary Shareholders Meeting for 2025 held on December 29, 2025, the "Proposal to Change the Company's Registered Capital" was deliberated and approved. According to the "Proposal to Repurchase the Company's Shares through Centralized Bidding Transactions" deliberated and approved at the Second Extraordinary Shareholders Meeting for 2024, the repurchased shares were exclusively used for cancellation to reduce the Company's registered capital. The Company has completed the repurchase and has physically repurchased 48,547,100 shares. After the cancellation of these shares, the total share capital of the Company will change from 2,852,788,750 shares to 2,804,241,650 shares.

After years of issuing bonus shares, allotting new shares, capitalizing retained earnings, and issuing additional shares, as of June 30, 2026, the company's total share capital amounts to 2,804,241,650 shares, with a total share capital of 2,804,241,650 yuan. The registered address is 158 Jinzhu West Road, Sunshine New City, Building 11, Room 5, Lhasa City. The actual controller is Meng Qingshan.

The company is in the food manufacturing industry, with its main products including food flavor enhancement products (such as monosodium glutamate, disodium 5'-nucleotides, xanthan gum food grade, etc.), animal nutrition amino acids (such as lysine, threonine, germinal amino acids, valine, etc.), human medical amino acids (such as glutamine, proline, etc.), and other products (such as xanthan gum petroleum grade, fertilizers, etc.).

IV. Preparation Basis for Financial Statements

1. Preparation Basis

The financial statements of the Company are prepared on a going concern basis. Based on actual transactions and events, the Company recognizes and measures them in accordance with the Accounting Standards for Business Enterprises—Basic Standards issued by the Ministry of Finance, specific Accounting Standards for Business Enterprises, application guidelines for the Accounting Standards for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as "The Accounting Standards for Business Enterprises"), and prepares its financial statements on this basis. In addition, the Company discloses relevant financial information in accordance with the Rules for the Information Disclosure and Compilation by Companies Offering Securities to the Public No.15—General Provisions on Financial Reports (2023 revision) issued by the China Securities Regulatory Commission.

2. Going Concern

✓Applicable □ Not Applicable

The Company has assessed its ability to continue as a going concern for the 12 months from the end of the reporting period and has not identified any matters that may affect its ability to continue as a going concern. Therefore, it is reasonable for the Company to prepare the financial statements on a going concern basis.

V. Significant Accounting Policies and Estimates

Specific accounting policies and estimates indicate:

√Applicable □ Not Applicable

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the company comply with the requirements of the Accounting Standards for Enterprises and truthfully and completely reflect the company’s financial position, operating results, changes in shareholders’ equity, cash flow, and other relevant information for the reporting period.

2. Accounting Period

The Company’s fiscal year runs from January 1 to December 31 of the Gregorian calendar.

3. Operating Cycle

√Applicable □ Not Applicable

The Company’s normal operating cycle is one year.

4. Functional Currency

The Company’s functional currency is the Renminbi. Overseas subsidiaries and branches use the currency of the primary economic environment in which they operate as their functional currency.

5. Determination Method and Selection Basis for Materiality Standards

√Applicable □ Not Applicable

Items	Materiality Standards
Accounts receivable with material individual provision for bad debts	The amount of individual provision for bad debts accounts for more than 10% of the total amount of various accounts receivable with provision for bad debts and exceeds RMB 20 million.
Accounts receivable with provision for bad debts and with material amounts recovered or reversed during the Current Period and	The amount of recovery or reversal of individual provision for bad debts accounts for more than 10% of the total account receivable and exceeds RMB 20 million.
Significant write-offs of accounts receivable	The write-off amount of individual account receivable accounts for more than 10% of the total provision for bad debts for various accounts receivable and exceeds RMB 20 million.
Advance payments, accounts payable, contract liabilities, and other accounts payable with material amounts outstanding for over one year	Individual advance payments, accounts payable, contract liabilities, and other account payable amount to more than 10% of the total amount of such accounts and exceed RMB 20 million.
Material construction in progress	The budget amount for individual construction in progress project exceeds RMB 100 million.

Material cash flows related to investing activities	Individual investing activities account for more than 10% of the total cash inflows or outflows received or paid for the investing activities and exceed RMB 200 million.
Material joint ventures	The book value of long-term equity investments in an individual invested party accounts for more than 5% of the consolidated net assets and exceeds RMB 100 million, or the investment gains or losses recognized under the equity method for long-term equity investments account for more than 10% of the consolidated net profit.
Material contingent matters	Any single type of estimated liability accounts for more than 10% of the total estimated liabilities and exceeds RMB 100 million.

6. Accounting Treatment Method for Merger of Enterprises under the Same Control and Different Controls

✓Applicable □ Not Applicable

(1) Enterprise merger under the same control

Assets and liabilities acquired by the Company in a business combination are measured at the acquisition date at the book value of the acquiree as reported in the consolidated financial statements of the ultimate controlling party. Where the acquiree's accounting policies and reporting periods differ from those of the Company prior to the business combination, the accounting policies and reporting periods are harmonized based on the principle of materiality; that is, the book value of the acquiree's assets and liabilities are adjusted in accordance with the Company's accounting policies and reporting periods. If there is a difference between the book value of the net assets acquired by the Company in a business combination and the book value of the consideration paid, the Company first adjusts capital surplus (share premium or share capital premium). If the balance of capital surplus (share premium or share capital premium) is insufficient to offset the difference, the Company then offsets retained earnings and undistributed profits in that order.

For the accounting treatment of business combinations under the same control achieved through step transactions, see Section 5.7(5) of this chapter.

(2) Enterprise merger not under the same control

The Company measures the identifiable assets and liabilities of the acquiree acquired in a business combination at their fair values as of the acquisition date. Where the acquiree's accounting policies and reporting periods differ from those of the Company prior to the business combination, the Company aligns the accounting policies and reporting periods based on the principle of materiality; that is, the book value of the acquiree's assets and liabilities are adjusted in accordance with the Company's accounting policies and reporting periods. The excess of the Company's acquisition cost as of the acquisition date over the fair value of the acquiree's identifiable assets and liabilities acquired in the business combination is recognized as goodwill; If the cost of the business combination is less than the fair value of the acquiree's identifiable assets and liabilities acquired in the business combination, the

Company first reviews the cost of the business combination and the fair value of the acquiree's identifiable assets and liabilities acquired in the business combination. If, after such review, the cost of the business combination remains less than the fair value of the acquiree's identifiable assets and liabilities acquired, the difference is recognized in profit or loss for the period of the business combination.

For the accounting treatment of business combinations not under the same control using the step-by-step method, see Section 5.7(5) of this chapter.

(3) Treatment of transaction costs in enterprise merger

Intermediary expenses such as audit, legal services, evaluation consultation, and other related administrative expenses incurred to effect the enterprise merger are recognized in the profit and loss for the current period at the time of occurrence. Transaction costs for issuing equity securities or debt securities as consideration for the enterprise merger are included in the initial recognition amount of the equity securities or debt securities.

7. Determination Criteria for Controls and Preparation Method for Consolidated Financial Statements

✓Applicable □ Not Applicable

(1) Criteria for Determining Control and Defining the Scope of Consolidation

Control refers to the Company's power over an investee, its entitlement to variable returns based on its involvement in the investee's activities, and its ability to use that power to influence the amount of those returns. The definition of control comprises three fundamental elements: first, the investor possesses power over the investee; second, the investor receives variable returns based on its involvement in the investee's activities; and third, the investor has the ability to use its power over the investee to affect the amount of those returns. When the Company's investment in the investee meets these three criteria, it indicates that the Company is able to control the investee.

The scope of consolidation in consolidated financial statements is determined on the basis of control and includes not only subsidiaries identified based on voting rights (or similar rights) alone or in conjunction with other arrangements, but also structured entities determined on the basis of one or more contractual arrangements.

A subsidiary refers to an entity controlled by the Company (including enterprises, separable parts of investees, and structured entities controlled by the enterprise, etc.). A structured entity refers to an entity designed such that voting rights or similar rights are not the determining factor in identifying its controlling party (Note: sometimes referred to as a special-purpose entity).

(2) Methods for Preparing Consolidated Financial Statements

The Company prepares the consolidated financial statements based on the financial statements of the Company and its subsidiaries, and other relevant information.

When preparing the consolidated financial statements, the Company views the enterprise group as a single accounting entity and reflects the overall financial position, operating results and cash flows of the enterprise group in accordance with the recognition, measurement, and reporting requirements of relevant Accounting Standards for Business Enterprises and the unified accounting policies and accounting periods.

① Consolidate items such as assets, liabilities, equity, revenue, expenses, and cash flows of the parent company and its subsidiaries.

② Eliminate the parent company's long-term equity investment in the subsidiary against the parent company's share of the subsidiary's equity.

③ Offset the effects of internal transactions between the parent company and its subsidiaries, as well as among the subsidiaries themselves. If internal transactions indicate that related assets have incurred impairment losses, such losses shall be recognized in full.

④ Adjust special transaction items from the perspective of the corporate group.

(3) Treatment of Changes in Subsidiaries During the Reporting Period

① Addition of Subsidiaries or Businesses

A. Subsidiaries or businesses added through a business combination under the same control

(a) When preparing the consolidated balance sheet, adjust the opening balances of the consolidated balance sheet and make corresponding adjustments to the relevant items in the comparative financial statements, treating the combined reporting entity as if it had existed continuously from the date the ultimate controlling party first obtained control.

(b) When preparing the consolidated income statement, the revenue, expenses, and profit of the subsidiary and business from the beginning of the current period to the end of the reporting period shall be included in the consolidated income statement, and the relevant items in the comparative financial statements shall be adjusted accordingly, treating the combined reporting entity as if it had existed continuously from the date the ultimate controlling party assumed control.

(c) When preparing the consolidated statement of cash flows, include the cash flows of the subsidiary and the business from the beginning of the reporting period to the end of the reporting period in the consolidated statement of cash flows, and adjust the relevant items in the comparative financial statements as if the consolidated reporting entity had existed continuously from the date the ultimate controlling party first obtained control.

B. Subsidiaries or businesses acquired in a business combination not under the same control

(a) When preparing the consolidated balance sheet, the opening balances of the consolidated balance sheet are not adjusted.

(b) When preparing the consolidated income statement, the revenue, expenses, and profit of the subsidiary or business from the acquisition date to the end of the reporting period are included in the consolidated income statement.

(c) When preparing the consolidated statement of cash flows, include the cash flows of the subsidiary from the acquisition date to the end of the reporting period in the consolidated statement of cash flows.

② Disposal of a Subsidiary or Business

A. When preparing the consolidated balance sheet, the opening balances of the consolidated balance sheet are not adjusted.

B. When preparing the consolidated income statement, the revenue, expenses, and profit of the subsidiary or business from the beginning of the period to the date of disposal are included in the consolidated income statement.

C. When preparing the consolidated cash flow statement, the cash flows of the subsidiary or business from the beginning of the period to the date of disposal are included in the consolidated cash flow statement.

(4) Special Considerations in Consolidation Offsetting

① Long-term equity investments held by a subsidiary in the parent company shall be treated as treasury stock of the parent company and recognized as a deduction from equity. They shall be presented under the “Equity” section of the consolidated balance sheet as “Less: Treasury Stock.”

Long-term equity investments held by subsidiaries among themselves shall be offset against the parent company’s equity investment in the respective subsidiary, and the long-term equity investment shall be offset against the parent company’s share of the corresponding subsidiary’s equity.

② Since the “Special Reserve” and “General Risk Reserve” items do not constitute paid-in capital (or share capital) or capital surplus, nor are they retained earnings or undistributed profits, they are reinstated based on the parent company’s share after offsetting long-term equity investments against the subsidiary’s equity.

③ Where temporary differences arise between the book value of assets and liabilities in the consolidated balance sheet and their tax bases at the respective taxable entities due to the elimination of unrealized gains or losses on internal sales, deferred tax assets or deferred tax liabilities shall be recognized in the consolidated balance sheet, and income tax expense in the consolidated income statement shall be adjusted accordingly, except for deferred income taxes related to transactions or events recognized directly in equity and business combinations.

④ Unrealized gains or losses arising from the sale of assets by the Company to a subsidiary shall be fully offset against “Net income attributable to owners of the parent.” Unrealized gains or losses arising from the sale of assets by a subsidiary to the Company shall be allocated and offset between “Net income attributable to owners of the parent” and “Minority interest” in proportion to the Company’s ownership interest in that subsidiary. Unrealized gains or losses arising from the sale of assets between subsidiaries shall be allocated and offset between “Net Income Attributable to Owners of the Parent” and “Minority Interest” in proportion to the Company’s ownership interest in the selling subsidiary.

⑤ If the current-period loss allocated to minority shareholders of a subsidiary exceeds the minority shareholders’ share of the subsidiary’s opening equity, the excess amount shall still be offset against minority interest.

(5) Accounting Treatment for Special Transactions

① Acquisition of Minority Interests

When the Company acquires equity interests in a subsidiary held by minority shareholders, the cost of the newly acquired long-term equity investment in the separate financial statements is measured at the fair value of the consideration paid. In the consolidated financial statements, the difference between the long-term equity investment newly acquired through the purchase of minority interests and the share of the subsidiary's net assets that should be recognized from the acquisition date or the consolidation date, calculated based on the new ownership percentage, shall be adjusted against capital surplus (capital premium or share premium). If the capital surplus is insufficient to absorb the difference, it shall be offset against retained earnings and undistributed profits in that order.

② Acquisition of control over a subsidiary through multiple transactions

A. Business combinations under common control achieved through multiple transactions

On the combination date, the Company determines the initial cost of the long-term equity investment in its separate financial statements based on its share of the book value of the subsidiary's net assets in the ultimate controlling party's consolidated financial statements; The difference between the initial investment cost and the sum of the book value of the long-term equity investment prior to the merger and the book value of the additional consideration paid for the acquisition of further shares on the merger date is recognized in capital surplus (capital premium or share premium). If capital surplus (capital premium or share premium) is insufficient to absorb the difference, the remaining amount is offset against retained earnings and undistributed profits, in that order.

In consolidated financial statements, the assets and liabilities of the acquiree acquired by the consolidating entity in the merger are measured at their book value in the ultimate controlling party's consolidated financial statements as of the merger date, except for adjustments made due to differences in accounting policies and reporting periods; The difference between the sum of the book value of the investment held prior to the merger and the book value of the additional consideration paid on the merger date, and the book value of the net assets acquired in the merger, is recognized in capital surplus (share premium/capital premium). If capital surplus is insufficient to absorb the difference, the remaining amount is recognized in retained earnings.

For an equity investment held by the acquirer prior to obtaining control of the acquiree, any gains or losses, other comprehensive income, and changes in other equity recognized between the date of acquisition of the original equity interest and the date on which the acquirer and the acquiree came under the same ultimate control (whichever is later) and the merger date shall be offset against retained earnings at the beginning of the comparative reporting period or against profit or loss for the current period, respectively.

B. Implementing a business combination between entities not under the same control in stages through multiple transactions

On the combination date, in the separate financial statements, the initial cost of the long-term equity investment is determined as the sum of the book value of the previously held long-term equity investment and the cost of the new investment acquired on the combination date.

In the consolidated financial statements, equity interests in the acquiree held prior to the acquisition date are remeasured at their fair value as of the acquisition date. If an equity interest in the acquiree held prior to the acquisition date is designated as a financial asset at fair value through other comprehensive income, the difference between its fair value and book value is recognized in retained earnings; and the cumulative fair value changes previously recognized in other comprehensive income are transferred to retained earnings; if the equity interest in the acquiree held prior to the acquisition date is classified as a financial asset at fair value through other comprehensive income or as a long-term equity investment accounted for using the equity method, the difference between its fair value and book value is recognized as investment income for the period; If the equity interest in the acquiree held prior to the acquisition date relates to other comprehensive income under the equity method and changes in other equity under the equity method (excluding net profit or loss, other comprehensive income, and distributions of profits), the related other comprehensive income is accounted for on the acquisition date using the same basis as if the investee had directly disposed of the relevant assets or liabilities, and the related changes in other equity are reclassified to investment income for the period in which the acquisition date falls.

③ Disposal of Long-Term Equity Investments in Subsidiaries Without Loss of Control

When a parent company disposes of a portion of its long-term equity investment in a subsidiary without losing control, the difference between the disposal proceeds and the parent company’s share of the subsidiary’s net assets—calculated continuously from the acquisition date or the date of consolidation—is recognized in the consolidated financial statements. This amount is recorded in capital surplus (capital premium or share premium). If the capital surplus is insufficient to absorb the difference, the remaining amount is recognized in retained earnings.

④ Disposal of the Company’s Long-Term Equity Investment in a Subsidiary Resulting in Loss of Control

A. One-Time Disposal

If the Company loses control over the investee due to the disposal of a portion of its equity investment or other reasons, the remaining equity interest is remeasured at its fair value as of the date control is lost when preparing the consolidated financial statements. The difference between the sum of the consideration received from the disposal of the equity interest and the fair value of the remaining equity interest, and the sum of the share of the net assets of the former subsidiary calculated based on the original ownership percentage (accrued continuously from the acquisition date or the date of consolidation) and goodwill, is recognized as investment income in the period in which control is lost.

Other comprehensive income related to equity investments in subsidiaries is accounted for upon loss of control on the same basis as if the subsidiary had directly disposed of the relevant assets or liabilities. All other changes in equity related to the former subsidiary that were previously accounted for under the equity method are reclassified to profit or loss upon loss of control.

B. Step-by-Step Disposal of Multiple Transactions

In consolidated financial statements, one should first determine whether the step-by-step transactions constitute a “bundled transaction.”

If the step-by-step transaction does not constitute a “bundled transaction,” in the separate financial statements, for each transaction prior to the loss of control over the subsidiary, the book value of the long-term equity investment corresponding to each disposal of equity interests shall be transferred; the difference between the proceeds received and the book value of the long-term equity investment disposed of shall be recognized as investment income for the current period; In the consolidated financial statements, the transaction should be accounted for in accordance with the relevant provisions for “the parent company’s disposal of a long-term equity investment in a subsidiary without losing control.”

If the step-by-step transactions constitutes a “bundled transaction,” each transaction shall be accounted for as a single transaction involving the disposal of a subsidiary and the loss of control; in the separate financial statements, the difference between each disposal consideration received prior to the loss of control and the book value of the long-term equity investment corresponding to the disposed equity interest shall first be recognized in other comprehensive income and then transferred in full to profit or loss for the period in which control is lost; In the consolidated financial statements, for each transaction prior to the loss of control, the difference between the disposal proceeds and the share of the subsidiary’s net assets corresponding to the disposed investment shall be recognized in other comprehensive income and transferred in full to profit or loss for the period in which control is lost.

Multiple transactions are generally accounted for as a “bundled transaction” if the terms, conditions, and economic effects of the transactions meet one or more of the following criteria:

(a) These transactions are concluded simultaneously or taking into account their mutual impacts.

(b) These transactions collectively achieve a complete business outcome.

(c) The occurrence of one transaction depends on the occurrence of at least one other transaction.

(d) A transaction is uneconomical when considered alone, but becomes economical when considered together with other transactions.

⑤ Dilution of the parent company’s ownership interest due to a capital increase by the subsidiary’s minority shareholders

When other shareholders (minority shareholders) of a subsidiary make a capital contribution to the subsidiary, this dilutes the parent company’s ownership interest in the subsidiary. In the consolidated financial statements, the parent company’s share of the subsidiary’s net book value prior to the capital increase is calculated based on the parent company’s ownership percentage before the increase. The difference between this amount and the parent company’s share of the subsidiary’s net book value after the increase—calculated based on the parent company’s ownership percentage after the increase—is recorded as an adjustment to capital surplus (capital premium or share premium). If the capital surplus (capital premium or share premium) is insufficient to absorb the difference, the remaining amount is recorded as an adjustment to retained earnings.

8. Classification of Joint Arrangements and Accounting Treatment Method for Joint Operations

✓Applicable □ Not Applicable

A joint arrangement is an arrangement that is jointly controlled by two or more parties. The Company’s joint arrangements are classified as joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement in which the Company holds the assets related to the arrangement and bears the liabilities related to the arrangement.

The Company recognizes the following items related to its interests in joint operations and accounts for them in accordance with relevant Accounting Standards for Business Enterprises:

① Recognition of assets held separately and recognition of jointly held assets based on proportional ownership.

② Recognition of liabilities held separately and recognition of jointly held liabilities based on proportional ownership.

③ Recognition of revenue from the sale of its share of output from joint operations.

④ Recognition of revenue from the sale of output from joint operations based on proportional ownership.

⑤ Recognition of expenses incurred separately and recognition of expenses incurred by joint operations based on proportional ownership.

(2) Joint Ventures

A joint venture is a joint arrangement in which the Company has rights only to the net assets of the arrangement.

The Company accounts for its investments in joint ventures in accordance with the provisions for equity method accounting applicable to long-term equity investments.

9. Determination Criteria for Cash and Cash Equivalents

Cash equivalents refer to short-term investments (generally maturing within three months from the purchase date) that are highly liquid, easily convertible into a known amount of cash, and have a minimal risk of changes in value.

10. Translation of Foreign Currency Transactions and Foreign Currency Financial Statements

✓Applicable □ Not Applicable

(1) Method for Determining the Exchange Rate for Foreign Currency Transactions

Upon initial recognition of foreign currency transactions, the Company converts the transaction into the functional currency using an exchange rate that approximates the spot rate on the transaction date (hereinafter referred to as the “approximate spot rate”).

(2) Method for Translating Foreign Currency Monetary Items at the Balance Sheet Date

At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate prevailing on the balance sheet date. Exchange differences arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or on the previous balance sheet date are recognized in profit or loss for the current period. For foreign currency non-monetary items measured at historical cost, the spot exchange rate prevailing on the transaction date continues to be used for translation; For inventory measured at the lower of cost and net realizable value, when inventory is purchased in a foreign currency and its net realizable value at the balance sheet date is expressed in that foreign currency, the net realizable value is first converted into the functional currency amount using the spot exchange rate at the balance sheet date. This amount is then compared with the inventory cost expressed in the functional currency to determine the ending value of the inventory; For non-monetary items denominated in foreign currencies that are measured at fair value, the spot exchange rate on the date the fair value is determined is used for translation. For financial assets measured at fair value with changes recognized in profit or loss, the difference between the translated amount in the functional currency and the original amount in the functional currency is recognized in profit or loss for the period; for non-trading equity instrument investments designated as measured at fair value with changes recognized in other comprehensive income, the difference between the translated amount in the functional currency and the original amount in the functional currency is recognized in other comprehensive income.

(3) Methods for Translating Foreign Currency Financial Statements

Before translating the financial statements of a company’s foreign operations, the accounting periods and accounting policies of those operations must first be adjusted to align with the Company’s accounting periods and policies. Financial statements must then be prepared in the relevant currency (a currency other than the functional currency) based on the adjusted accounting policies and periods. The financial statements of the foreign operations are then translated using the following methods:

① Assets and liabilities on the balance sheet are translated using the spot exchange rate at the balance sheet date. Equity items, with the exception of “retained earnings,” are translated using the spot exchange rate at the date of the transaction.

② Revenue and expense items on the income statement are translated using an approximate spot exchange rate at the date of the transaction.

③ Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the approximate spot exchange rate prevailing on the date the cash flows occurred. The effect of exchange rate changes on cash shall be treated as an adjusting item and presented separately in the statement of cash flows.

④ Foreign currency translation differences arising from the translation of financial statements are presented in the “Other Comprehensive Income” line item under equity in the consolidated balance sheet when preparing consolidated financial statements.

Upon the disposal of a foreign operation and the loss of control, all foreign currency translation differences related to that foreign operation, which were previously presented under the equity section of the balance sheet, shall be transferred to profit or loss for the period of disposal, either in full or in proportion to the disposal of the foreign operation.

11. Financial Instruments

√Applicable □ Not Applicable

The financial instrument is a contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

(1) Recognition and Derecognition of Financial Instruments

When the Company becomes a party to a financial instrument contract, it recognizes the related financial asset or financial liability.

The financial asset is derecognized if it meets any of the following conditions:

① The contractual rights to receive cash flows from the financial asset have terminated;

② The financial asset has been transferred and meets the derecognition criteria for transferred financial assets described below.

If the present obligation under a financial liability (or a portion thereof) has been discharged, the financial liability (or that portion of the financial liability) shall be derecognized. If the Company (the borrower) enters into an agreement with the lender to replace the original financial liability with a new financial liability, and the contractual terms of the new financial liability differ substantially from those of the original financial liability, the original financial liability shall be derecognized and a new financial liability shall be recognized simultaneously. If the Company makes a substantive modification to the contractual terms of the original financial liability (or a portion thereof), the original financial liability shall be derecognized, and a new financial liability shall be recognized in accordance with the modified terms.

Financial assets held for trading are recognized and derecognized on the trade date. Financial assets held for trading are those for which delivery is scheduled in accordance with the terms of the contract and the timing established by regulations or market conventions. The trade date is the date on which the Company commits to purchase or sell a financial asset.

(2) Classification and Measurement of Financial Assets

Upon initial recognition, the Company classifies financial assets based on the business model used to manage them and the contractual cash flow characteristics of the financial assets into the following categories: financial assets measured at amortized cost, financial assets measured at fair value with changes recognized in profit or loss, and financial assets measured at fair value with changes recognized in other comprehensive income. Financial assets shall not be reclassified after initial recognition unless the Company changes the business model for managing financial assets; in such cases, all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value with changes recognized in profit or loss, related transaction costs are recognized directly in profit or loss; for financial assets in other categories, related transaction costs are included in their initial recognition amount. For notes receivable and accounts receivable arising from the sale of goods or the provision of services that do not contain or take into account a significant financing component, the Company measures them initially at the transaction price as defined in the revenue standards.

The subsequent measurement of financial assets depends on their classification:

① Financial assets measured at amortized cost

The financial asset is classified as a financial asset measured at amortized cost if it meets all of the following conditions: the Company's business model for managing the financial asset is aimed at collecting contractual cash flows; and the contractual terms of the financial asset provide that cash flows arising on specific dates consist solely of payments of principal and interest based on the outstanding principal amount. For such financial assets, the effective interest method is applied to measure them at amortized cost. Gains or losses arising from derecognition, amortization using the effective interest method, or impairment are recognized in profit or loss for the current period.

② Financial assets measured at fair value with changes recognized in other comprehensive income

The financial asset is classified as a financial asset measured at fair value with changes recognized in other comprehensive income if it meets all of the following criteria: the Company's business model for managing the financial asset is to collect contractual cash flows as well as to sell the financial asset; and the contractual terms of the financial asset provide that cash flows arising on specific dates consist solely of payments of principal and interest based on the outstanding principal amount. Such financial assets are subsequently measured at fair value. Except for impairment losses or gains and foreign exchange gains or losses, which are recognized in profit or loss, changes in the fair value of such financial assets are recognized in other comprehensive income until the financial asset is derecognized, at which time the cumulative gain or loss is transferred to profit or loss. However, interest income on such financial assets calculated using the effective interest method is recognized in profit or loss.

The Company has irrevocably elected to designate certain non-trading equity instrument investments as financial assets measured at fair value with changes recognized in other comprehensive income, recognizing only the related dividend income in profit or loss for the period and recognizing changes in fair value as other comprehensive income until the financial asset is derecognized, at which time the cumulative gain or loss is transferred to retained earnings.

③ Financial assets measured at fair value with changes recognized in profit or loss

Financial assets other than those measured at amortized cost and those measured at fair value with changes recognized in other comprehensive income are classified as financial assets measured at fair value with changes recognized in profit or loss. For such financial assets, subsequent measurement is based on fair value, and all changes in fair value are recognized in profit or loss.

(3) Classification and Measurement of Financial Liabilities

The Company classifies financial liabilities into financial liabilities measured at fair value with changes recognized in profit or loss, loan commitments and financial guarantee contract liabilities at below-market interest rates, and financial liabilities measured at amortized cost.

The subsequent measurement of financial liabilities depends on their classification:

① Financial liabilities measured at fair value with changes recognized in profit or loss

This category of financial liabilities includes financial liabilities held for trading (including derivatives classified as financial liabilities) and financial liabilities designated as measured at fair value with changes recognized in profit or loss. After initial recognition, these financial liabilities are measured at fair value, and any resulting gains or losses (including interest expense) are recognized in profit or loss, except where related to hedge accounting. However, for financial liabilities designated as measured at fair value through profit or loss, the Company recognizes changes in the fair value of such liabilities arising from changes in their own credit risk in other comprehensive income. Upon derecognition of such financial liabilities, the cumulative gains and losses previously recognized in other comprehensive income shall be reclassified out of other comprehensive income and recognized in retained earnings.

② Loan Commitments and Financial Guarantee Contract Liabilities

The loan commitment is a commitment by the Company to provide a loan to a customer under specified contractual terms during the commitment period. Loan commitments are impaired in accordance with the expected credit loss model.

The financial guarantee contract is a contract that requires the Company to make specified payments to a contract holder that has suffered a loss, when a specified obligor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contract liabilities are subsequently measured at the higher of the loss allowance determined in accordance with the impairment principles for financial instruments, and the initial recognition amount less any cumulative amortisation recognised in accordance with the revenue recognition principles.

③ Financial liabilities measured at amortized cost

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

Except in specific circumstances, financial liabilities and equity instruments are distinguished based on the following principles:

① If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, that contractual obligation meets the definition of a financial liability. Some financial instruments, although they do not explicitly include terms and conditions requiring the delivery of cash or other financial assets, may indirectly give rise to a contractual obligation through other terms and conditions.

② If a financial instrument must be, or may be, settled in the entity’s own equity instruments, consideration must be given to whether the entity’s own equity instruments used to settle the instrument serve as a substitute for cash or other financial assets, or are intended to give the holder of the instrument a residual interest in the assets of the issuer after all liabilities have been deducted. If the former, the instrument is a financial liability of the issuer; if the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract requires or permits the Company to settle the instrument using its own equity instruments, where the amount of the contractual right or obligation equals the number of the Company’s own equity instruments to be received or delivered multiplied by their fair value at settlement, the contract is classified as a financial liability, regardless of whether the amount of the contractual right or obligation is fixed or varies, in whole or in part, based on changes in variables other than the market price of the Company's own equity instruments (such as interest rates, the price of a commodity, or the price of a financial instrument).

(4) Derivative Financial Instruments and Embedded Derivatives

Derivative financial instruments are initially measured at fair value on the date the derivative contract is entered into and are subsequently measured at fair value. Derivative financial instruments with a positive fair value are recognized as assets, while those with a negative fair value are recognized as liabilities.

Except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and reclassified to profit or loss when the hedged item affects profit or loss, gains or losses arising from changes in the fair value of derivatives are recognized directly in profit or loss.

For hybrid instruments containing embedded derivatives, if the host contract is a financial asset, the hybrid instrument as a whole is subject to the relevant provisions for the classification of financial assets. If the host contract is not a financial asset, and the hybrid instrument is not accounted for as a financial asset at fair value through profit or loss, and the embedded derivative has no close relationship with the host contract in terms of economic characteristics and risks, and a standalone instrument with the same terms as the embedded derivative meets the definition of a derivative, the embedded derivative is separated from the hybrid instrument and treated as a separate derivative financial instrument. If the fair value of the embedded derivative cannot be measured separately at the acquisition date or subsequent balance sheet dates, the hybrid instrument as a whole shall be designated as a financial asset or financial liability measured at fair value through profit or loss.

(5) Impairment of Financial Instruments

The Company recognizes loss allowances based on expected credit losses for financial assets measured at amortized cost, debt investments measured at fair value with changes recognized in other comprehensive income, contract assets, lease receivables, loan commitments, and financial guarantee contracts.

① Measurement of Expected Credit Losses

Expected credit losses refer to the weighted average of credit losses on financial instruments weighted by the risk of default. Credit losses represent the difference between all contractual cash flows discounted by the Company at the original effective interest rate and receivable by the Company according to the contract and all cash flows expected to be received by the Company, namely, the present value of all cash shortfalls. For financial assets purchased or originated by the Company with incurred credit impairment, impairment is discounted at the effective interest rate adjusted for credit of such financial assets.

Expected credit losses over the entire life of the financial instrument refer to the expected credit losses resulting from all possible default events that may occur over the entire expected life of the financial instrument.

Expected credit losses over the next 12 months refer to expected credit losses resulting from potential default events on the financial instrument that may occur within 12 months after the balance sheet date (or within the expected life of the financial instrument if it is less than 12 months); they constitute a portion of the expected credit losses over the entire life.

At each balance sheet date, the Company measures expected credit losses separately for financial instruments in different stages. Financial instruments for which credit risk has not increased significantly since initial recognition are classified in Stage 1, and the Company measures loss allowances based on expected credit losses over the next 12 months; financial instruments for which credit risk has increased significantly since initial recognition but have not yet incurred credit impairment are classified in Stage 2, and the Company measures loss allowances based on expected credit losses over the entire remaining life of the instrument; Financial instruments for which credit impairment has occurred since initial recognition are classified in Stage 3, and the Company measures the loss allowance based on the expected credit losses over the entire remaining life of the instrument.

For financial instruments with low credit risk as of the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition and measures the loss allowance based on expected credit losses over the next 12 months.

For financial instruments in Stage 1 and Stage 2, as well as those with low credit risk, the Company calculates interest income based on their book balance (before deducting impairment allowances) and the effective interest rate. For financial instruments in Stage 3, interest income is calculated based on the amortized cost (the book balance less any impairment loss) and the effective interest rate.

For notes receivable, accounts receivable, receivables financing, and contract assets, regardless of whether a significant financing component exists, the Company measures the loss allowance based on the expected credit losses over the entire life of the instrument.

A. Receivables/Contract Assets

For notes receivable, accounts receivable, other receivables, receivables financing, contract assets, and long-term receivables for which there is objective evidence of impairment or other criteria requiring individual assessment, impairment tests are conducted on an individual basis to recognize expected credit losses and record individual impairment allowances. For notes receivable, accounts receivable, other receivables, receivables financing, contract assets, and long-term receivables for which there is no objective evidence of impairment, or when information regarding expected credit losses for an individual financial asset cannot be assessed at a reasonable cost, the Company classifies notes receivable, accounts receivable, other receivables, receivables financing, contract assets, and long-term receivables into several groups based on credit risk characteristics. Expected credit losses are calculated on a group basis, and the basis for determining these groups is as follows:

The basis for determining portfolios for notes receivable is as follows:

Portfolio Name	Basis for Determining Portfolios	Provision Method

Bank Acceptance Bill Portfolio 1	The issuer exhibits a high credit rating, no history of default on bills, a very low credit loss risk, and a strong ability to fulfill its cash flow obligations under payment contracts.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.
Bank Acceptance Bill Portfolio 2	Acceptors other than those in Bank Acceptance Bill Portfolio 1 are bank-type financial institutions.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.
Commercial Acceptance Bill Portfolio	Acceptors are financial companies or non-bank financial institutions or corporate units.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to prepare a table comparing the aging of accounts receivable with the expected credit loss rate over the entire duration (similar to accounts receivable) to calculate expected credit losses.

The basis for determining portfolios for accounts receivable is as follows:

Portfolio Name	Basis for Determining Portfolios	Provision Method
Aging Analysis Portfolio	This portfolio utilizes the aging of receivables as a credit risk characteristic.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions, to measure the provision for bad debts.
Related Party Portfolio within the Consolidation Scope	This portfolio utilizes the related party portfolio within the consolidation scope as a credit risk characteristic.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions, to measure the provision for bad debts.

The basis for determining groups for other receivables is as follows:

Portfolio Name	Basis for Determining Portfolios	Provision Method
Aging Portfolio	Aging is used as the credit risk characteristic	Provision is made according to the table for comparison between aging and expected credit loss rate (same as accounts receivable)
Government Accounts	Government accounts receivable	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the next 12 months or the entire duration.
Portfolio of Account Current between Related Parties within the Consolidation Scope	Related parties within the consolidation scope of the Company	
Portfolio of Account Current between Related Parties within the Consolidation Scope	Related parties within the consolidation scope of the Company	

The basis for determining portfolios for receivables financing is as follows:

Portfolio Name	Basis for Determining Portfolios	Provision Method
Accounts Receivable	This portfolio utilizes the aging of Receivables Financing as a credit risk characteristic	The Company uses aging to assess the expected credit losses of this type of portfolio. This portfolio carries similar risk characteristics, and aging information can reflect the ability of this portfolio to pay when accounts receivable mature. As of the balance sheet date, the Company refers to historical credit loss experience and takes into current conditions and forecasts of future economic conditions to a table comparing the aging of accounts receivable with the expected credit loss rate over the entire duration (similar to accounts receivable) to calculate expected credit losses.
Notes Receivable	This portfolio consists of notes issued by entities with high credit ratings, with no history of note defaults and very low credit loss risks, and with strong ability to fulfill their cash flow obligations under payment contracts in the short term	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.

The basis for determining portfolios for contract assets is as follows:

Portfolio Name	Basis for Determining Portfolios	Provision Method
Portfolio 1	Unmatured Security Deposits	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.

The basis for determining portfolios for long-term receivables is as follows:

Portfolio Name	Basis for Determining Portfolios	Provision Method
Portfolio 1	Finance Leases	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.

The Company's method for calculating aging data to identify credit risk profiles:

Aging	Notes Receivable	Accounts Receivable / Contract Assets	Other Receivables	Receivables Financing	Long-term Receivables
Within 1 year	5%	5%	5%	5%	5%
1–2 years	10%	10%	10%	10%	10%
2–3 years	30%	30%	30%	30%	30%
3–4 years	50%	50%	50%	50%	50%
4–5 years	80%	80%	80%	80%	80%
Over 5 years	100%	100%	100%	100%	100%

B. Debt Investments and Other Debt Investments

For debt investments and other debt investments, the Company calculates expected credit losses based on the nature of the investment, the type of counterparty, and the type of exposure, using default risk exposure and expected credit loss rates over the next 12 months or the entire life of the investment.

② Low Credit Risk

The financial instrument is considered to have low credit risk if the risk of default is low, the borrower has a strong ability to meet its contractual cash flow obligations in the short term, and adverse changes in economic conditions and the operating environment over a longer period do not necessarily impair the borrower's ability to meet its contractual cash flow obligations.

③ Significant Increase in Credit Risk

The Company determines whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the probability of default over the estimated remaining life of the financial instrument as determined at the balance sheet date with the probability of default over the estimated remaining life as determined at initial recognition, thereby assessing the relative change in the probability of default over the estimated remaining life of the financial instrument.

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

A. Whether internal pricing indicators have changed significantly as a result of changes in credit risk;

B. Adverse changes in business, financial, or economic conditions that are expected to result in a significant change in the debtor’s ability to meet its debt obligations;

C. Whether there have been significant changes in the debtor’s actual or expected operating results; or whether there have been significant adverse changes in the regulatory, economic, or technological environment in which the debtor operates;

D. Whether there have been significant changes in the value of collateral securing the debt or in the quality of guarantees or credit enhancements provided by third parties. These changes are expected to reduce the debtor’s economic incentive to repay the debt within the contractually specified timeframe or to affect the probability of default;

E. Whether there has been a significant change in the debtor’s economic incentive to make payments in accordance with the terms of the contract;

F. Anticipated changes to the loan agreement, including whether anticipated breaches of contract are likely to result in the waiver or modification of contractual obligations, the granting of a grace period, an interest rate hike, a request for additional collateral or guarantees, or other changes to the contractual framework of the financial instrument;

G. Whether there has been a significant change in the debtor’s expected performance and repayment behavior;

H. Whether contract payments are past due by 30 days or more.

Depending on the nature of the financial instrument, the Company assesses whether credit risk has increased significantly on an individual financial instrument basis or on a portfolio basis. When conducting an assessment on a portfolio basis, the Company may classify financial instruments based on common credit risk characteristics, such as delinquency information and credit ratings.

Generally, if a financial instrument is past due by more than 30 days, the Company determines that the credit risk has increased significantly. This determination is made unless the Company can obtain, without undue cost or effort, reasonable and supportable evidence that, although the payment is more than 30 days past the contractual due date, the credit risk has not increased significantly since initial recognition.

④ Financial Assets That Have Suffered Credit Impairment

At the balance sheet date, the Company assesses whether financial assets measured at amortized cost and debt investments measured at fair value with changes recognized in other comprehensive income have suffered credit impairment. A financial asset is considered to have suffered credit impairment when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes the following observable information:

The issuer or debtor is experiencing significant financial difficulties; The debtor has breached a contract, such as defaulting on or delaying interest or principal payments; The creditor grants the debtor concessions that would not otherwise be granted, based on economic or contractual considerations related to the debtor’s financial difficulties; It is highly probable that the debtor will enter bankruptcy or undergo other financial restructuring; The disappearance of an active market for the financial asset due to the financial difficulties of the issuer or debtor; The purchase or origination of a financial asset at a significant discount, where the discount reflects the occurrence of credit losses.

⑤ Presentation of Allowance for Expected Credit Losses

To reflect changes in the credit risk of financial instruments since initial recognition, the Company remeasures expected credit losses at each balance sheet date. Any increase or reversal in the allowance for expected credit losses resulting from such remeasurement shall be recognized as an impairment loss or gain in current period profit or loss. For financial assets measured at amortized cost, the loss allowance reduces the book value of the financial asset as presented in the balance sheet; for debt investments measured at fair value with changes recognized in other comprehensive income, the Company recognizes the loss allowance in other comprehensive income and does not reduce the book value of the financial asset.

⑥ Write-off

If the Company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, it shall write down the book balance of that financial asset directly. Such a write-down constitutes the derecognition of the relevant financial asset. This situation typically arises when the Company determines that the debtor has no assets or sources of income capable of generating sufficient cash flows to repay the amount to be written down.

If a financial asset that has been written down is subsequently recovered, the amount is recognized as a reversal of an impairment loss in profit or loss for the period in which the recovery occurs.

(6) Transfer of Financial Assets

The transfer of a financial asset refers to either of the following two situations:

A. Transferring the contractual right to receive cash flows from the financial asset to another party;

B. Transferring all or part of the financial asset to another party, while retaining the contractual right to receive cash flows from the financial asset and assuming the contractual obligation to pay those cash flows to one or more payees.

① Derecognition of Transferred Financial Assets

The financial asset is derecognized when substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee, or when neither substantially all the risks and rewards of ownership have been transferred nor retained, but control over the financial asset has been relinquished.

In determining whether control over the transferred financial asset has been relinquished, the transferee’s actual ability to sell the financial asset is considered. If the transferee is able to unilaterally sell the transferred financial asset in its entirety to an unrelated third party without any additional conditions restricting such a sale, the Company has relinquished control over that financial asset.

When determining whether the transfer of a financial asset meets the criteria for derecognition, the Company focuses on the substance of the transfer.

If the transfer of a financial asset as a whole meets the criteria for derecognition, the difference between the following two amounts is recognized in profit or loss for the current period:

A. The book value of the transferred financial asset;

B. The sum of the consideration received from the transfer and the portion of the cumulative fair value changes previously recognized directly in other comprehensive income that corresponds to the derecognition (in cases where the transferred financial asset is classified as a financial asset measured at fair value with changes recognized in other comprehensive income pursuant to Paragraph 18 of Accounting Standard for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments).

If a partial transfer of a financial asset meets the criteria for derecognition, the book value of the transferred financial asset as a whole shall be allocated between the portion subject to derecognition and the portion not subject to derecognition (in which case, the retained service asset is treated as a continuing part of the financial asset) based on their respective relative fair values as of the transfer date, and the difference between the following two amounts shall be recognized in profit or loss for the current period:

A. The book value of the derecognized portion on the derecognition date.

B. The sum of the consideration for the portion derecognized and the portion of the cumulative fair value changes previously recognized in other comprehensive income corresponding to the portion derecognized (where the transferred financial asset is classified as a financial asset measured at fair value with changes recognized in other comprehensive income in accordance with Paragraph 18 of Accounting Standard for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments).

② Continued involvement in transferred financial assets

Where an entity has neither transferred nor retained substantially all the risks and rewards of ownership of a financial asset, and has not relinquished control over that financial asset, it shall recognize the financial asset to the extent of its continued involvement in the transferred financial asset and recognize a corresponding liability.

The extent of continued involvement in a transferred financial asset refers to the extent to which the entity bears the risk of or reward for changes in the value of the transferred financial asset.

③ Continued Recognition of the Transferred Financial Asset

If the entity retains substantially all the risks and rewards of ownership of the transferred financial asset, it shall continue to recognize the transferred financial asset in its entirety and recognize the consideration received as a financial liability.

The financial asset and the related financial liability recognized shall not be offset against each other. In subsequent accounting periods, the entity shall continue to recognize the revenue (or gain) arising from the financial asset and the expense (or loss) arising from the financial liability.

(7) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are separately presented in the balance sheet without offsetting. However, the net amount after offsetting is presented in the balance sheet if all of the following conditions are met:

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

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

For transfers of financial assets that do not meet the criteria for derecognition, the transferring party shall not offset the transferred financial assets against the related liabilities.

(8) Methods for Determining the Fair Value of Financial Instruments

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

The Company measures the fair value of relevant assets or liabilities using prices from the principal market; where no principal market exists, the Company measures the fair value of relevant assets or liabilities using prices from the most advantageous market. The Company adopts the assumptions that a market participant would use when pricing the asset or liability to maximize its economic benefit.

The principal market refers to the market with the largest trading volume and highest level of trading activity for the relevant asset or liability; a most favorable market refers to the market in which, after considering transaction and transportation costs, the relevant asset can be sold for the highest amount or the relevant liability can be transferred for the lowest amount.

For financial assets or financial liabilities with active markets, the Company determines their fair value using quoted prices in the active market. For financial instruments without active markets, the Company determines their fair value using valuation techniques.

For non-financial assets measured at fair value, consideration is given to the ability of a market participant to generate economic benefits by using the asset for its best use, or to generate economic benefits by selling the asset to another market participant who can use it for its best use.

① Valuation Techniques

The Company employs valuation techniques that are appropriate under current circumstances and supported by sufficient available data and other information. The primary valuation techniques used include the market approach and the cost approach. The Company measures fair value using methods consistent with one or more of these valuation techniques. When multiple valuation techniques are used to measure fair value, the Company considers the reasonableness of each valuation result and selects the amount that best represents fair value under current circumstances as the fair value.

In applying valuation techniques, the Company gives priority to relevant observable inputs and uses unobservable inputs only when relevant observable inputs are unavailable or cannot be obtained in a practical manner. Observable inputs are inputs that can be derived from market data. These inputs reflect the assumptions used by market participants in pricing the relevant assets or liabilities. Unobservable inputs are inputs that cannot be derived from market data. These inputs are derived from the best available information regarding the assumptions used by market participants in pricing the relevant assets or liabilities.

② Fair Value Hierarchy

The Company classifies the inputs used in fair value measurements into three levels, prioritizing Level 1 inputs, followed by Level 2 inputs, and finally Level 3 inputs. Level 1 inputs are unadjusted quotes for identical assets or liabilities available in active markets as of the measurement date. Level 2 inputs are directly or indirectly observable inputs for the relevant asset or liability, other than Level 1 inputs. Level 3 inputs are unobservable inputs for the relevant asset or liability.

12. Notes Receivable

√Applicable □ Not Applicable

Portfolio Categories and Determination Basis for Provision for Bad Debts based on Credit Risk Characteristics

√Applicable □ Not Applicable

For further details, see Section 5.11(5), "Impairment of Financial Instruments."

Aging Calculation Method for Determining Portfolios of Credit Risk Characteristics Based on Aging Analysis

√Applicable □ Not Applicable

For further details, see Section 5.11(5), "Impairment of Financial Instruments."

Criteria for Identifying Individual Provisions for Bad Debts on an Individual-item Basis

√Applicable □ Not Applicable

For further details, see Section 5.11(5), "Impairment of Financial Instruments."

13. Accounts Receivable

√Applicable □ Not Applicable

Portfolio Categories and Determination Basis for Provision for Bad Debts based on Credit Risk Characteristics

√Applicable □ Not Applicable

For further details, see Section 5.11(5), "Impairment of Financial Instruments."

Aging Calculation Method for Determining Portfolios of Credit Risk Characteristics Based on Aging Analysis

√Applicable □ Not Applicable

For further details, see Section 5.11(5), "Impairment of Financial Instruments."

Criteria for Identifying Individual Provisions for Bad Debts on an Individual-item Basis

√Applicable □ Not Applicable

For further details, see Section 5.11(5), "Impairment of Financial Instruments."

14. Receivables Financing

√Applicable □ Not Applicable

Portfolio Categories and Determination Basis for Provision for Bad Debts based on Credit Risk Characteristics

√Applicable □ Not Applicable

For further details, see Section 5.11(5), “Impairment of Financial Instruments.”

Aging Calculation Method for Determining Portfolios of Credit Risk Characteristics Based on Aging Analysis

✓Applicable □ Not Applicable

For further details, see Section 5.11(5), “Impairment of Financial Instruments.”

Criteria for Identifying Individual Provisions for Bad Debts on an Individual-item Basis

✓Applicable □ Not Applicable

For further details, see Section 5.11(5), “Impairment of Financial Instruments.”

15. Other Receivables

✓Applicable □ Not Applicable

Portfolio Categories and Determination Basis for Provision for Bad Debts based on Credit Risk Characteristics

✓Applicable □ Not Applicable

For further details, see Section 5.11(5), “Impairment of Financial Instruments.”

Aging Calculation Method for Determining Portfolios of Credit Risk Characteristics Based on Aging Analysis

✓Applicable □ Not Applicable

For further details, see Section 5.11(5), “Impairment of Financial Instruments.”

Criteria for Identifying Individual Provisions for Bad Debts on an Individual-item Basis

✓Applicable □ Not Applicable

For further details, see Section 5.11(5), “Impairment of Financial Instruments.”

16. Inventory

✓Applicable □ Not Applicable

Categories of Inventory, Issuance Valuation Methods, Inventory Counting Systems, and Amortization Methods for Low-value Consumables and Packaging

✓Applicable □ Not Applicable

(1) Classification of Inventory

Inventory refers to finished products or goods held by the Company for sale, work in progress products, and materials and supplies consumed in the production process or service provision process. It mainly includes raw materials, work in progress products, inventory goods, and issued goods.

(2) Inventory Valuation Method upon Issuance

The Company uses the weighted average method to value inventory at the end of the month when it is shipped.

(3) Inventory Counting System

The Company employs a perpetual inventory system, conducting physical counts at least once a year; any inventory surpluses or shortages are recognized in the current year’s profit or loss.

(4) Amortization Methods for Reusable Supplies

① Amortization method for low-value consumables: The one-time write-off method is used upon issuance.

② Amortization method for packaging materials: The one-time write-off method is used upon issuance.

③ Amortization method for other reusable supplies: The one-time write-off method is used upon issuance.

Recognition Criteria and Provision Method for Inventory Write down

✓Applicable □ Not Applicable

At the balance sheet date, inventory is measured at the lower of cost and net realizable value. If the cost of inventory exceeds its net realizable value, an inventory write-down is recognized and included in profit or loss for the current period.

In determining the net realizable value of inventory, the entity relies on reliable evidence and considers factors such as the purpose for which the inventory is held and the impact of events occurring after the balance sheet date.

① For inventory held for direct sale, such as finished goods, merchandise, and materials held for sale, the net realizable value is determined in the normal course of business as the estimated selling price less estimated selling expenses and related taxes. For inventory held to fulfill a sales contract or service contract, the contract price serves as the basis for measuring net realizable value; if the quantity of inventory held exceeds the quantity ordered under the sales contract, the net realizable value of the excess inventory is measured based on the general market price. For materials held for sale, the market price serves as the basis for measuring net realizable value.

② For inventory consisting of materials requiring further processing, the net realizable value is determined in the normal course of business operations as the estimated selling price of the finished goods produced, less the estimated costs to be incurred until completion, estimated selling expenses, and related taxes. If the net realizable value of the finished goods produced is higher than the cost, the material is measured at cost; If a decline in material prices indicates that the net realizable value of the finished goods will be lower than cost, the material is measured at net realizable value, and an inventory allowance is recognized for the difference.

③ The Company generally recognizes inventory allowances on an item-by-item basis; for inventories with a large quantity and low unit prices, inventory allowances are recognized by inventory category.

The Company’s provision for inventory write-downs on a group basis is as follows:

Category	Basis for determining categories	Method and Basis for Calculating Net Realizable Value
Age-based impairment groups	Age Group	Determining the net realizable value of inventory based on age
Impairment groups based on estimated selling prices	Inventory for which estimated selling prices can be obtained	Determine net realizable value based on the estimated selling price of the finished goods produced, less estimated costs to complete, estimated selling expenses, and related taxes / Determine net realizable value based on the estimated selling price of the inventory, less estimated selling expenses and related taxes

Calculation methods and basis for determining the net realizable value of each age group when recognizing net realizable value based on inventory age:

Inventory Type	Age Group	Calculation of net realizable value
Finished Goods - Feed/Food Amino Acids	Over 1 year	0% of the book balance
Finished Goods - Pharmaceuticals	Over 2.5 years	0% of the book balance
Raw Materials - Coarse Grains	Over 1.5 years	0% of the book balance
Raw Materials - Hardware	Over 1 year	0% of the book balance

④ If, as of the balance sheet date, the factors that previously led to the write-down of inventory have ceased to exist, the amount of the write-down shall be reversed and reclassified against the previously recognized inventory allowance for impairment; the amount of the reversal shall be recognized in profit or loss for the current period.

Portfolio Categories and Determination Basis for the Provision for Inventory Write-Down on a Portfolio Basis and Determination Basis for Net Realizable Values of Different Categories of Inventories

□Applicable √Not Applicable

Calculation Method and Determination Basis for Net Realizable Values of Various Inventory Age Portfolios Based on Inventory Age

□Applicable √Not Applicable

17. Contract Assets

√Applicable □ Not Applicable

Method and Criteria for Recognizing Contract Assets

√Applicable □ Not Applicable

The Company presents contract assets or contract liabilities on the balance sheet based on the relationship between the fulfillment of performance obligations and customer payments. Consideration to which the Company is entitled for goods transferred or services rendered to customers (and where that entitlement depends on factors other than the passage of time) is presented as a contract asset.

For details on the Company's methodology for determining expected credit losses on contract assets and the related accounting treatment, please refer to Section 5.11 of this document.

Contract assets and contract liabilities are presented separately on the balance sheet. Contract assets and contract liabilities under the same contract are presented on a net basis; if the net amount is a debit balance, it is presented under "Contract Assets" or "Other Non-current Assets" depending on its liquidity; if the net amount is a credit balance, it is presented under "Contract Liabilities" or "Other Non-current Liabilities" depending on its liquidity. Contract assets and contract liabilities under different contracts cannot be offset against each other.

Portfolio Categories and Determination Basis for Provision for Bad Debts based on Credit Risk Characteristics

√Applicable □ Not Applicable

For further details, see Section 5.11(5), "Impairment of Financial Instruments."

Aging Calculation Method for Determining Portfolios of Credit Risk Characteristics Based on Aging Analysis

□Applicable √Not Applicable

Criteria for Identifying Individual Provisions for Bad Debts on an Individual-item Basis

□Applicable √Not Applicable

18. Non-current Asset or Disposal Portfolio Held for Sale

□Applicable √Not Applicable

Recognition Criteria and Accounting Treatment Method for Non-current Assets or Disposal Portfolios Held for Sale

□Applicable √Not Applicable

Recognition Criteria and Presentation Method for Business Termination

□Applicable √Not Applicable

19. Long-term Equity Investments

√Applicable □ Not Applicable

The Company's long-term equity investments include equity investments in which the Company exercises control or significant influence over the investee, as well as equity investments in joint ventures. Entities over which the Company is able to exercise significant influence are classified as the Company's associates.

(1) Basis for determining joint control or significant influence over an investee

Joint control refers to the shared control over an arrangement pursuant to relevant agreements, whereby decisions regarding the arrangement's activities must be made with the unanimous consent of the parties sharing control. When determining whether joint control exists, one must first assess whether all parties or a combination of parties collectively control the arrangement. If all parties or a group of parties must act in concert to decide on the arrangement's activities, it is deemed that all parties or that group of parties collectively control the arrangement. Second, it must be determined whether decisions regarding the arrangement's activities require the unanimous consent of the parties collectively controlling the arrangement. If two or more groups of parties are capable of collectively controlling an arrangement, this does not constitute joint control. Protective rights are not considered when determining whether joint control exists.

Significant influence means that the investor has the power to participate in the decision-making regarding the investee's financial and operating policies, but does not have the ability to control or jointly control the formulation of those policies with other parties. In determining whether significant influence can be exercised over the investee, consideration is given to the voting shares held directly or indirectly by the investor, as well as the impact of current exercisable contingent voting rights held by the investor and other parties, assuming such rights are converted into equity interests in the investee. This includes the impact of currently convertible warrants, stock options, and convertible bonds issued by the investee.

When the Company holds, either directly or indirectly through a subsidiary, 20% (inclusive) or more but less than 50% of the voting shares of an investee, it is generally considered to have significant influence over the investee, unless there is clear evidence that, under such circumstances, the Company cannot participate in the investee's production and operational decision-making and therefore does not exert significant influence.

(2) Determination of Initial Investment Cost

① The cost of a long-term equity investment arising from a business combination shall be determined in accordance with the following provisions:

A. In a business combination under common control, where the combining party provides cash, transfers non-cash assets, or assumes liabilities as consideration for the combination, the initial cost of the long-term equity investment shall be the combining party's share of the book value of the acquiree's equity in the ultimate controlling party's consolidated financial statements as of the combination date. Any difference between the initial cost of the long-term equity investment and the book value of the cash paid, non-cash assets transferred, and liabilities assumed shall be recorded in capital surplus; if capital surplus is insufficient to absorb such difference, the remaining amount shall be recorded in retained earnings;

B. In a business combination under common control where the combining party issues equity securities as consideration for the combination, the initial cost of the long-term equity investment is determined on the combination date based on the combining party's share of the book value of the acquiree's equity as reported in the ultimate controlling party's consolidated financial statements. The total par value of the shares issued shall be recognized as share capital. The difference between the initial investment cost of the long-term equity investment and the total par value of the shares issued shall be recorded as an adjustment to capital surplus; if capital surplus is insufficient to absorb the difference, retained earnings shall be adjusted;

C. For business combinations not under common control, the initial investment cost of the long-term equity investment is determined as the fair value of the assets given up, liabilities incurred or assumed, and equity securities issued to obtain control of the acquiree as of the acquisition date. The acquirer recognizes audit, legal, valuation, and other professional fees, as well as other related administrative expenses incurred in connection with the business combination, in profit or loss in the period in which they are incurred.

② Except for long-term equity investments arising from business combinations, the cost of long-term equity investments acquired through other means shall be determined in accordance with the following provisions:

A.For long-term equity investments acquired via cash payment, the initial investment cost is the actually paid purchase price. It encompasses expenses directly associated with the acquisition of the long-term equity investments, as well as taxes and other necessary expenditures.

B. For long-term equity investments acquired through the issuance of equity securities, the initial investment cost is the fair value of the equity securities issued.

C. For long-term equity investments acquired through an exchange of non-monetary assets, if the exchange has commercial substance and the fair value of the assets received or given up can be measured reliably, the initial investment cost shall be the fair value of the assets given up plus related taxes; the difference between the fair value and the book value of the assets given up shall be recognized in profit or loss for the current period; If the non-monetary asset exchange does not simultaneously meet both of the above conditions, the initial investment cost shall be the book value of the assets given up and related taxes.

D. For long-term equity investments acquired through debt restructuring, the book value shall be determined based on the fair value of the debt waived and other costs directly attributable to the asset, such as taxes. The difference between the fair value and the book value of the debt waived shall be recognized in profit or loss for the current period.

(3) Subsequent Measurement and Profit/Loss Recognition

The Company accounts for long-term equity investments in entities over which it has control using the cost method; long-term equity investments in associates and joint ventures are accounted for using the equity method.

① Cost Method

For long-term equity investments accounted for using the cost method, the cost of the investment is adjusted upon additional investments or the recovery of investments; cash dividends or profits declared by the investee are recognized as investment income for the current period.

② Equity Method

For long-term equity investments accounted for using the equity method, the general accounting treatment is as follows:

If the cost of the Company's long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the initial cost of the long-term equity investment is not adjusted; if the initial cost of the long-term equity investment is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognized in profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

The Company recognizes investment income and other comprehensive income based on its share of the investee's net profit or loss and other comprehensive income, and simultaneously adjusts the book value of the long-term equity investment; The Company calculates its share of the investee's declared profits or cash dividends and reduces the book value of the long-term equity investment accordingly; other changes in the investee's equity, excluding net profit or loss, other comprehensive income, and profit distributions, are recognized by adjusting the book value of the long-term equity investment and recording the adjustment in equity. When recognizing the Company's share of the investee's net profit or loss, the investee's net profit is adjusted based on the fair value of the investee's identifiable net assets at the time of investment. If the investee's accounting policies or reporting periods differ from those of the Company, the investee's financial statements shall be adjusted in accordance with the Company's accounting policies and reporting periods, and investment income and other comprehensive income shall be recognized accordingly. Unrealized gains or losses arising from internal transactions between the Company and its associates and joint ventures are eliminated to the extent attributable to the Company based on its ownership interest, and investment gains or losses are recognized on this basis. Unrealized losses arising from internal transactions between the Company and its investees that constitute asset impairment losses shall be recognized in full.

Where an entity is able to exercise significant influence over, or exercise joint control over, an investee—but does not have control—due to additional investments or other reasons, the initial investment cost for accounting under the equity method shall be the sum of the fair value of the previously held equity investment and the cost of the new investment. If the previously held equity investment was classified as an investment in other equity instruments, the difference between its fair value and book value, as well as the cumulative gains or losses previously recognized in other comprehensive income, shall be reclassified from other comprehensive income to retained earnings in the period in which the investment is reclassified to the equity method.

If joint control or significant influence over an investee is lost due to the disposal of a portion of the equity investment or other reasons, the remaining equity interest after the disposal shall be measured at fair value, and the difference between its fair value and book value, as of the date of loss of joint control or significant influence shall be recognized in profit or loss for the current period. Other comprehensive income previously recognized in respect of the equity investment under the equity method shall be accounted for on the same basis as the direct disposal of assets or liabilities by the investee when the entity ceases to apply the equity method.

(4) Equity Investments Held for Sale

For remaining equity investments not classified as held-for-sale assets, the equity method is applied.

For equity investments in associates or joint ventures that have been classified as held for sale but no longer meet the criteria for classification as held-for-sale assets, retrospective adjustments using the equity method are applied from the date of classification as held-for-sale assets. Financial statements for the period during which the investments were classified as held for sale are adjusted accordingly.

(5) Impairment Testing Methods and Recognition of Impairment Losses

For investments in subsidiaries, associates, and joint ventures, the methods for recognizing asset impairment are described in Section V, 27 of this document.

20. Investment Properties

Not Applicable

21. Fixed Assets

(1) Recognition Conditions

√Applicable □ Not Applicable

Fixed assets are recognized at their actual cost at the time of acquisition when all of the following conditions are met:

①Economic benefits related to the fixed assets are likely to flow into the enterprise.

②The cost of the fixed assets can be reliably measured.

Subsequent expenditures related to fixed assets are recorded in the cost of fixed assets if they meet the recognition conditions for fixed assets; or recorded in the profit or loss for the current period if they do not meet the recognition conditions for fixed assets.

(2) Depreciation Method

✓Applicable □ Not Applicable

Category	Depreciation Method	Depreciation Period	Residual Value Rate (%)	Annual Depreciation Rate (%)
Housing and Structures	Straight-Line Method	Housing and Structures 20-40 years Architectures 10-20 years	0-5	2.375-10.00
Machinery and Equipment	Straight-Line Method	3-20 years	0-5	4.75-33.33
Transportation Tools	Straight-Line Method	3-5 years	0-5	19.00-33.33
Office and Other Equipment	Straight-Line Method	3-15 years	0-5	6.33-33.33

For fixed assets for which an impairment allowance has already been recognized, the amount of the impairment allowance is deducted when calculating depreciation.

At the end of each year, the Company reviews the useful lives, estimated net salvage values, and depreciation methods of its fixed assets. If the estimated useful life differs from the original estimate, the useful life of the fixed asset is adjusted.

22. Construction in Progress

✓Applicable □ Not Applicable

(1) Construction in progress is accounted for by project.

(2) Criteria and timing for transferring construction in progress to fixed assets

The entry value of a construction-in-progress project is determined by the total expenditures incurred prior to the asset reaching its intended usable condition. This includes construction costs, the original cost of machinery and equipment, other necessary expenditures incurred to bring the construction-in-progress to its intended usable condition, as well as borrowing costs incurred for loans specifically raised for the project and borrowing costs incurred for general borrowings used for the project prior to the asset reaching its intended usable condition. The Company transfers construction in progress to fixed assets upon completion of installation or construction and attainment of the intended usable condition. For fixed assets that have reached their intended usable condition but for which final settlement has not yet been completed, the Company will transfer them to fixed assets at an estimated value based on the project budget, cost estimate, or actual project cost, effective from the date they reach their intended usable condition. Depreciation will be accrued in accordance with the Company’s fixed asset depreciation policy. Upon completion of the final settlement, the original estimated value will be adjusted to reflect the actual cost; however, the depreciation already accrued will not be adjusted.

23. Borrowing Costs

✓Applicable □ Not Applicable

(1) Recognition criteria and capitalization period for borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition, construction, or production of assets that meet the criteria for capitalization shall be capitalized and included in the cost of the relevant assets when all of the following conditions are met:

①Expenditure for the asset has been incurred;

②Borrowing costs have been incurred;

③The necessary acquisition, construction, or production activities to bring the asset to its intended usable or saleable state have commenced.

Other borrowing costs, discounts or premiums, and foreign exchange differences are recognized in profit or loss in the period in which they occur.

If the construction or production of an asset eligible for capitalization is abnormally interrupted, and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs shall be suspended.

When the construction or production of an asset eligible for capitalization reaches a stage where it is ready for use or sale, the capitalization of borrowing costs shall cease; borrowing costs incurred thereafter shall be recognized as expenses in the period in which they are incurred.

(2) Capitalization Rate for Borrowing Costs and Method for Calculating the Capitalized Amount

Where a specific loan is borrowed for the acquisition, construction, or production of assets that meet the criteria for capitalization, the capitalized amount of interest expenses on the specific loan shall be determined as the actual interest expenses incurred during the current period, less any interest income earned from depositing unused loan funds in a bank or investment income earned from temporary investments.

Where general loans are used to acquire, construct, or produce assets that meet the criteria for capitalization, the amount of interest on the general loan to be capitalized shall be calculated by multiplying the weighted average of asset expenditures exceeding the amount of the specific loan by the capitalization rate of the general loan used. The capitalization rate shall be determined based on the weighted average interest rate of the general loan.

24. Biological Assets

□Applicable ✓Not Applicable

25. Oil and Gas Assets

□Applicable ✓Not Applicable

26. Intangible Assets

(1) Useful life and its Determination Basis, Estimation, Amortization Method, or Review Procedures

✓Applicable □ Not Applicable

(1) Valuation Method for Intangible Assets

Intangible assets are recorded at their actual cost at the time of acquisition.

(2) Useful Lives and Amortization of Intangible Assets

①Estimation of the useful lives of intangible assets with finite useful lives:

Item	Estimated Useful Life	Basis
Land Use Rights	46-50 years	Statutory rights
Software	2-10 years	The useful life is determined based on the period during which the asset is expected to generate economic benefits for the Company
Licenses for Patent Usage	5 years	The useful life is determined based on the period during which the asset is expected to generate economic benefits for the Company
Rights to use drug approvals	30years	The useful life is determined based on the period during which the asset is expected to generate economic benefits for the Company

At the end of each year, the Company reviews the useful lives and amortization methods of intangible assets with finite useful lives. Upon review, the useful lives and amortization methods of intangible assets as of the end of the current period remain unchanged from previous estimates.

② Intangible assets for which the period over which the entity will derive economic benefits cannot be estimated are treated as having an indefinite useful life. For intangible assets with an indefinite useful life, the Company reviews their useful lives at the end of each fiscal year. If the useful life remains indefinite after such review, an impairment test is performed as of the balance sheet date.

③Amortization of Intangible Assets

For intangible assets with finite useful lives, the Company determines their useful lives upon acquisition and amortizes them systematically and reasonably using the straight-line method over their useful lives. The amortization expense is recognized in current period profit or loss or included in the cost of the related asset, depending on the source of benefit. The specific amount to be amortized is the cost of the asset less its estimated residual value. For intangible assets for which an impairment loss has been recognized, the cumulative amount of the impairment loss provision must also be deducted. For intangible assets with finite useful lives, the residual value is assumed to be zero, except in the following circumstances: a third party has committed to purchase the intangible asset at the end of its useful life, or information regarding the estimated residual value is available from an active market, and it is probable that such a market will exist at the end of the intangible asset’s useful life.

Intangible assets with indefinite useful lives are not amortized. At the end of each fiscal year, the useful life of intangible assets with indefinite useful lives is reviewed; if there is evidence that the useful life of an intangible asset is finite, its useful life is estimated and the asset is amortized systematically and on a reasonable basis over its estimated useful life.

(2) Aggregation Scope of Research and Development Expenditures and Relevant Accounting Treatment Methods

√Applicable □ Not Applicable

The Company classifies all expenses directly related to its research and development activities as R&D expenses, including employee compensation for R&D personnel, direct input costs, depreciation expenses, amortization of intangible assets, expenses for outsourced research and development, and other expenses.

1. Specific criteria for differentiating research and development phases in the Company's internal research and development projects

① The Company classifies activities related to the preparation of materials and other aspects of future development activities as the research phase, and expenses incurred during the research phase of intangible assets are recognized in profit or loss as incurred.

② Development activities undertaken after the Company has completed the research phase are classified as the development phase.

2. Specific Criteria for Capitalizing Development Phase Expenditures

Development phase expenditures may be recognized as intangible assets only if they meet all of the following criteria:

A. Completion of the intangible asset to enable its use or sale is technically feasible;

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

C. The intangible asset generates economic benefits, either by demonstrating the presence of a market for products produced using the asset or by demonstrating the presence of a market for the asset itself, or by demonstrating its usefulness if it will be used internally;

D. There are adequate technical, financial, and other resources to complete the development of the intangible asset and the Company is able to use or sell it;

E. Expenditures attributable to the development stage of the intangible asset can be reliably measured.

27. Impairment of Long-term Assets

√Applicable □ Not Applicable

Impairment of assets such as long-term equity investments in subsidiaries, associates, and joint ventures; investment property measured using the cost model; property, plant, and equipment; construction in progress; right-of-use assets; intangible assets; and goodwill (excluding inventory, investment property measured at fair value, deferred tax assets, and financial assets) is determined as follows:

At the balance sheet date, the Company assesses whether there are any indications that an asset may be impaired. If such indications exist, the Company estimates the asset's recoverable amount and performs an impairment test. Goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets not yet ready for use are tested for impairment annually, regardless of whether there are indications of impairment.

Recoverable amount is determined as the higher of an asset's fair value less costs of disposal and the present value of its estimated future cash flows. The Company estimates the recoverable amount on an individual asset basis; where it is not practicable to estimate the recoverable amount of an individual asset, the recoverable amount is determined on the basis of the asset group to which the asset belongs.

The identification of an asset group is based on whether the primary cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is lower than its book value, the Company writes down the book value to the recoverable amount. The amount of the write-down is recognized in profit or loss for the current period, and a corresponding impairment loss is recognized.

For the purpose of goodwill impairment testing, the book value of goodwill arising from a business combination shall be allocated to the relevant asset groups using a reasonable method from the acquisition date; where it is not practicable to allocate the goodwill to the relevant asset groups, it shall be allocated to the relevant group of asset groups. The relevant asset group or group of asset groups is an asset group or group of asset groups that benefits from the synergies of the business combination and does not exceed the reporting segments identified by the Company.

When performing impairment tests, if there are indications of impairment for an asset group or a portfolio of asset groups related to goodwill, the impairment test is first conducted on the asset group or portfolio of asset groups that do not include goodwill to calculate the recoverable amount and recognize the corresponding impairment loss. Then, the impairment test is performed on the asset group or portfolio of asset groups that include goodwill, comparing their book value with the recoverable amount; if the recoverable amount is lower than the book value, an impairment loss on goodwill is recognized.

Once an impairment loss on an asset is recognized, it is not reversed in subsequent accounting periods.

28. Long-term Deferred Expenses

✓Applicable □ Not Applicable

Long-term Deferred Expenses represent various expenses that have been incurred by the Company and should be borne by the current and future periods, with an amortization period of more than one year.

The Company's long-term deferred expenses are amortized on a straight-line basis over the benefit period. The amortization periods for each type of expense are as follows:

Items	Amortization Period
Field usage rights	20 years
Housing subsidies	9 years
Employee rewards	5 years
Production materials	1.5-5 years
Leasehold improvements	5 years
One-time expansion fee	11.77-21.33 years
Software service fee	5 years

29. Contract Liabilities

✓Applicable □ Not Applicable

The Company’s obligation to transfer goods or provide services to customers in exchange for consideration received or receivable from them is recognized as a contract liability.

30. Employee Compensation

(1) Method for Accounting Treatment of Short-term Compensation

✓Applicable □ Not Applicable

①Basic employee compensation (salaries, bonuses, allowances, and subsidies)

The Company recognizes short-term compensation as a liability and records it in current period profit or loss during the accounting period in which the employees render their services, unless other accounting standards require or permit its inclusion in the cost of assets.

②Employee Benefits

Employee benefits incurred by the Company are recognized in current period profit or loss or included in the cost of the relevant assets at the time they are incurred, based on the actual amount incurred. Employee benefits in the form of non-monetary benefits are measured at fair value.

③ Social insurance premiums (including medical, work-related injury, and maternity insurance premiums) and housing provident fund contributions, as well as union dues and employee education funds

Social insurance premiums (including medical, work-related injury, and maternity insurance premiums) and housing provident fund contributions paid by the Company on behalf of employees, as well as union dues and employee education funds allocated in accordance with regulations, are recognized as employee compensation during the accounting period in which the employees provide services. The amounts are calculated based on the prescribed accrual bases and rates, and corresponding liabilities are recognized, with the amounts included in current period profit or loss or the cost of related assets.

④Short-term paid leave

The Company recognizes employee compensation related to accrued paid leave when employees render service that increases their future entitlement to paid leave, measuring it at the expected future payment amount based on the accrued unused entitlement. The Company recognizes employee compensation related to non-accrued paid leave in the accounting period in which the employee actually takes the leave.

⑤Short-Term Profit-Sharing Plans

The Company recognizes the related employee benefit liability for a profit-sharing plan if all of the following conditions are met:

A. The entity has a legal or constructive obligation to pay employee benefits as a result of past events;

B. The amount of the employee benefit liability arising from the profit-sharing plan can be reliably estimated.

(2) Method for Accounting Treatment of Post-Employment Benefits

✓Applicable □ Not Applicable

①Defined Contribution Plans

During the accounting period in which employees render services to the Company, the Company recognizes as a liability the amount due under a defined contribution plan, and includes it in current profit or loss or in the cost of the related asset.

If, under the defined contribution plan, the Company does not expect to pay the full amount of the contribution liability within twelve months after the end of the reporting period in which the employees render the related services, the Company measures the total contribution liability as a discounted amount using an appropriate discount rate (determined based on the market yield of government bonds or high-quality corporate bonds in an active market that match the term and currency of the defined contribution plan obligation as of the balance sheet date).

②Defined Benefit Plans

A. Determining the Present Value of Defined Benefit Plan Obligations and Current Service Cost

Under the projected unit credit method, the Company measures the obligations arising from defined benefit plans and determines the periods to which those obligations relate by making estimates of relevant demographic and financial variables using unbiased and consistent actuarial assumptions. The Company discounts the obligations arising from the defined benefit plan using an appropriate discount rate (determined based on the market yields of government bonds or high-quality corporate bonds in active markets that match the term and currency of the defined benefit plan obligations as of the balance sheet date) to determine the present value of the defined benefit plan obligations and the current service cost.

B. Recognition of a Defined Benefit Plan's Net Liability or Net Asset

If a defined benefit plan holds assets, the Company recognizes the deficit or surplus resulting from the present value of the defined benefit plan's obligations minus the fair value of the plan's assets as a defined benefit plan's net liability or net asset.

If a defined benefit plan has a surplus, the Company measures the defined benefit plan's net asset as the lower of the plan's surplus and the asset ceiling.

C. Determining the Amount to be Included in the Cost of Assets or in Profit or Loss for the Period

Service costs, including current service costs, past service costs, and settlement gains or losses. Of these, all service costs other than current service costs required or permitted by other accounting standards to be included in the cost of assets are recognized in profit or loss for the period.

Net interest on the net liability or net asset of a defined benefit plan, including interest income on plan assets, interest expense on defined benefit plan obligations, and interest arising from the asset ceiling, is recognized in current profit or loss.

D. Determining the Amount to be Recognized in Other Comprehensive Income

Changes arising from the remeasurement of the net liability or net asset of a defined benefit plan include:

(a) Actuarial gains or losses, which are increases or decreases in the present value of the defined benefit obligation previously measured, resulting from adjustments to actuarial assumptions and experience;

(b) returns on plan assets, net of the amount included in the net interest on the defined benefit plan’s net liability or net asset;

(c) changes in the effect of the asset ceiling, net of the amount included in the net interest on the defined benefit plan’s net liability or net asset.

Changes in the net liability or net asset of the defined benefit plan resulting from the remeasurement described above are recognized directly in other comprehensive income and may not be reclassified to profit or loss in subsequent accounting periods. Upon termination of the original defined benefit plan, the Company transfers the entire amount previously recognized in other comprehensive income to retained earnings within the scope of equity.

(3) Method for Accounting Treatment of Termination Benefits

✓Applicable □ Not Applicable

When the Company provides termination benefits to employees, it recognizes the employee benefit liability arising from such termination benefits and includes it in current period profit or loss on the earlier of the following two dates:

①When the Company cannot unilaterally withdraw the termination benefits offered in connection with a plan to terminate employment relationships or a proposed workforce reduction;

②When the entity recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

If termination benefits are not expected to be settled in full within twelve months after the end of the reporting period, the amount of the termination benefits shall be discounted using an appropriate discount rate (determined based on the market yield of government bonds or high-quality corporate bonds in an active market that match the term and currency of the defined benefit plan obligation as of the balance sheet date), and the accrued employee benefits shall be measured at the discounted amount.

(4) Method for Accounting Treatment of Other Long-term Employee Benefits

✓Applicable □ Not Applicable

①Meeting the criteria for establishing a defined contribution plan

For other long-term employee benefits provided by the Company to employees that meet the criteria for establishing a defined contribution plan, the total amount required to be contributed is measured at its present value and recognized as an accrued employee benefit liability.

②Meeting the criteria for establishing a defined benefit plan

At the end of the reporting period, the Company recognizes employee compensation costs arising from other long-term employee benefits as the following components:

A. Service cost;

B. Net interest on the net liability or net asset for other long-term employee benefits;

C. Changes arising from the remeasurement of the net liability or net asset for other long-term employee benefits.

To simplify the related accounting treatment, the total net amount of the above items is included in current profit or loss or in the cost of the related assets.

31. Estimated Liabilities

✓Applicable □ Not Applicable

(1) Recognition Criteria for Estimated Liabilities

The Company recognizes the estimated Liabilities if the obligation associated with the contingent event meets all of the following criteria:

①The obligation is a present obligation of the Company;

②It is probable that the settlement of the obligation will result in an outflow of economic benefits from the Company;

③The amount of the obligation can be reliably measured.

(2) Measurement Method for Estimated Liabilities

Estimated liabilities are initially measured at the best estimate of the expenditure required to settle the present obligation, taking into account factors such as the risks, uncertainties and the time value of money related to the contingencies. At each balance sheet date, the book value of the estimated liabilities is reviewed. If there is conclusive evidence indicating that the book value does not reflect the current best estimate, the book value is adjusted to the current best estimate.

32. Share-based Payment

✓Applicable □ Not Applicable

(1) Types of Share-based Payment

The share-based payment by the Company is categorized into share-based payment settled by cash and share-based payment settled by equity.

(2) Method for Determining Fair Value of Equity Instruments

①For shares granted to employees, their fair value is measured based on the market price of the Company's shares, adjusted to reflect the terms and conditions under which the shares were granted (excluding vesting conditions other than market conditions). ② For stock options granted to employees, it is often difficult to obtain their market price. If there are no traded options with similar terms and conditions, the Company selects an appropriate option pricing model to estimate the fair value of the options granted.

(3) Basis for Determining the Best Estimate of Exercisable Equity Instruments

At each balance sheet date during the vesting period, the Company makes a best estimate of the number of equity instruments expected to be exercised by adjusting the estimated number of such instruments based on subsequent information, such as changes in the number of eligible employees, as it becomes available.

(4) Accounting Treatment for Share-Based Payment Plans

Cash-settled Share-Based Payments

① Cash-settled share-based payments that vest immediately upon grant are recognized as an expense or cost at the fair value of the liability incurred by the Company on the grant date, with a corresponding increase in liabilities. The fair value of the liability is remeasured at each balance sheet date prior to settlement and on the settlement date, with any changes recognized in profit or loss.

② For cash-settled share-based payments that vest only upon completion of a vesting period or the achievement of specified performance conditions, the services received during the vesting period are recognized as costs or expenses and a corresponding liability at the fair value of the liability assumed by the Company, based on the best estimate of vesting, at each balance sheet date during the vesting period.

Equity-settled Share-based Payment

① An equity-settled share-based payment granted in exchange for employee services that is immediately exercisable is recognized as a cost or expense at the fair value of the equity instrument on the grant date, with a corresponding increase in capital surplus.

② For equity-settled share-based payments in exchange for employee services that become exercisable only after the completion of a vesting period or the satisfaction of specified performance conditions, the services received during the vesting period are recognized as cost or expense and capital surplus at each balance sheet date during the vesting period, based on the best estimate of the number of equity instruments that will become exercisable, using the fair value of the equity instruments at the grant date.

(5) Accounting Treatment for Modifications to Share-Based Payment Plans

When the Company modifies a share-based payment plan, if the modification increases the fair value of the equity instruments granted, the increase in services received is recognized in proportion to the increase in the fair value of the equity instruments; if the modification increases the number of equity instruments granted, the fair value of the additional equity instruments is recognized as an increase in services received. The increase in the fair value of the equity instruments refers to the difference between the fair value of the equity instruments before and after the modification as of the modification date. If the modification reduces the total fair value of the equity-settled payment or modifies the terms and conditions of the equity-settled payment plan in a manner that is otherwise disadvantageous to employees, the Company continues to account for the services received as if the change had never occurred, unless the Company cancels some or all of the equity instruments already granted.

(6) Accounting for the Termination of Share-Based Payment Plans

If an equity instrument granted is canceled or settled during the vesting period (except for cancellations due to failure to meet vesting conditions), the Company:

① Treats the cancellation or settlement as an accelerated vesting event and immediately recognizes the amount that would otherwise have been recognized over the remaining vesting period;

② Any payments made to employees upon cancellation or settlement shall be treated as a repurchase of equity; the portion of the repurchase payment that exceeds the fair value of the equity instrument on the repurchase date shall be recognized as an expense in the current period.

If the Company repurchases equity instruments that have become exercisable by its employees, it shall reduce its equity; the portion of the repurchase payment that exceeds the fair value of the equity instrument on the repurchase date shall be recognized in profit or loss for the current period.

33. Preferred Shares, Perpetual Bonds, and Other Financial Instruments

□Applicable √Not Applicable

34. Revenue

(1) Accounting Policies for Disclosure of Revenue Recognition and Measurement by Business Type

√Applicable □ Not Applicable

(1) General Principles

Revenue is the total inflow of economic benefits arising from the Company's ordinary activities that results in an increase in shareholders' equity and is not attributable to contributions of capital by shareholders.

The Company recognizes revenue when it has satisfied the performance obligations under a contract, that is, when the customer obtains control of the relevant goods. Obtaining control of the relevant goods means having the ability to direct the use of the goods and derive substantially all of the economic benefits from them.

If a contract contains two or more performance obligations, the Company allocates the transaction price to each performance obligation at the contract date based on the relative proportion of the separate selling prices of the goods or services promised under each performance obligation, and measures revenue based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for the transfer of goods or services to a customer, excluding amounts collected on behalf of third parties. When determining the transaction price of a contract, if variable consideration exists, the Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, and includes it in the transaction price up to an amount that is unlikely to result in a material reversal of the cumulative revenue recognized when the related uncertainty is resolved. If a contract contains a significant financing component, the Company determines the transaction price based on the amount payable in cash by the customer upon obtaining control of the goods. The difference between this transaction price and the contract consideration is amortized over the contract period using the effective interest method. The Company disregards the financing component if the interval between the transfer of control and the customer's payment of the price does not exceed one year.

If any of the following conditions are met, the performance of the entity's performance obligations is deemed to occur over a period of time; otherwise, it is deemed to occur at a point in time:

① The customer obtains and consumes the economic benefits resulting from the entity's performance at the same time the entity performs;

② The customer is able to control the goods in the process of being produced during the Company’s performance;

③ The goods produced during the Company’s performance have a non-substitutable use, and the Company has the right to collect payment for the portion of performance completed to date throughout the term of the contract.

For performance obligations satisfied over a period of time, the Company recognizes revenue over that period based on the stage of completion, unless the stage of completion cannot be reasonably determined. The Company determines the stage of completion for the provision of services using the input method (or output method). When the stage of completion cannot be reasonably determined, if the costs already incurred by the Company are expected to be recovered, revenue is recognized based on the amount of costs already incurred until the stage of completion can be reasonably determined.

For performance obligations satisfied at a specific point in time, the Company recognizes revenue when the customer obtains control of the relevant goods. In determining whether the customer has obtained control of the goods or services, the Company considers the following indicators:

① The Company has a present right to receive payment for the goods or services, meaning the customer has a present obligation to pay for them;

② The Company has transferred legal title to the goods to the customer, meaning the customer has acquired legal title to the goods;

③ The Company has transferred physical possession of the goods to the customer, meaning the customer has taken physical possession of the goods;

④ The Company has transferred the significant risks and rewards of ownership of the goods to the customer, meaning the customer has assumed the significant risks and rewards of ownership of the goods;

⑤ The customer has accepted the goods.

(2) Specific Methods

The Company’s specific revenue recognition methods are as follows:

The Company's business of selling products such as food flavor and texture optimization products, animal nutrition amino acids and human medical amino acids typically only involves the obligation to transfer goods. The revenue recognition policy primarily makes a distinction between domestic and export customer classifications. The specific methods for revenue recognition are as follows:

Domestic Sales: According to the contracts or orders signed with the customer, revenue realization is recognized by the Company at the moment when goods are delivered to the customer, and the customer takes control over the goods upon receipt.

Exports: After goods are shipped, the timing of revenue recognition is determined based on the specific trade terms:

① Under FOB, FCA, CIF, CFR, CIP, and CPT terms, control of the goods is transferred once the goods have been loaded onto the vessel and cleared for export. The company recognizes revenue based on the export date indicated on the customs declaration.

② Under DAP and DDP terms, revenue is recognized when the goods have been cleared for export, customs formalities have been completed, and the customs declaration has been obtained, and the goods have been delivered to the destination and accepted by the customer.

(2) Different Revenue Recognition and Measurement Methods for Similar Businesses with Different Operating Models

□Applicable √Not Applicable

35. Contract Costs

√Applicable □ Not Applicable

Contract costs are classified into Contract Performance Costs and Contract Obtaining Costs.

Costs incurred by the Company in fulfilling a contract are recognized as an asset as Contract Performance Costs when all of the following conditions are met:

①The cost is directly related to a contract either currently or expected to be obtained, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs explicitly borne by the customer, and other costs incurred solely due to the contract;

②The cost increases the resources available for the Company to fulfill its performance obligations;

③The cost is expected to be recoverable.

The Company recognizes as an asset the incremental costs incurred to secure a contract, provided that such costs are expected to be recovered.

Assets related to contract costs are amortized on the same basis as the revenue from the goods or services to which they relate; however, for contract obtaining costs with an amortization period of one year or less, the Company recognizes them in profit or loss in the period in which they are incurred.

For assets related to contract costs, if the book value exceeds the sum of the following two items, the Company will recognize an impairment loss on the excess amount and further consider whether to recognize a provision for losses related to the onerous contract:

① The remaining consideration expected to be received from the transfer of the goods or services related to the asset;

② The estimated costs to be incurred in transferring the related goods or services.

If an impairment loss provision for the aforementioned assets is subsequently reversed, the book value of the asset after the reversal shall not exceed the book value that the asset would have had on the date of reversal had no impairment loss provision been recognized.

Contract performance costs recognized as assets are classified under “Inventories” if the amortization period upon initial recognition does not exceed one year or one normal operating cycle; if the amortization period upon initial recognition exceeds one year or one normal operating cycle, they are classified under “Other Non-current Assets.”

Contract obtaining costs recognized as assets are classified under “Other Current Assets” if the amortization period at initial recognition does not exceed one year or one normal operating cycle, and under “Other Non-current Assets” if the amortization period at initial recognition exceeds one year or one normal operating cycle.

36. Government Grants

✓Applicable □ Not Applicable

(1) Recognition of Government Grants

Government grants may be recognized only if all of the following conditions are met:

① The Company is able to satisfy the conditions attached to the government grant;

② The Company is able to receive the government grant.

(2) Measurement of Government Grants

Government grants that are monetary assets are measured at the amount received or receivable. Government grants that are non-monetary assets are measured at fair value; if fair value cannot be reliably determined, they are measured at a nominal amount of 1 yuan.

(3) Accounting Treatment of Government Grants

①Asset-Related Government Grants

Government grants received by the Company for the purpose of acquiring, constructing, or otherwise forming long-lived assets are classified as asset-related government grants. Asset-related government grants are recognized as deferred income and are amortized to profit or loss over the useful life of the related asset using a reasonable and systematic method. Government grants measured at their nominal amount are recognized directly in profit or loss for the current period. If the related asset is sold, transferred, scrapped, or destroyed before the end of its useful life, the unamortized balance of the related deferred income is transferred to profit or loss in the period of the asset’s disposal.

②Government Grants Related to Income

Government grants other than those related to assets are classified as government grants related to income. Government grants related to income are accounted for in accordance with the following provisions, depending on the circumstances:

If the grant is intended to compensate for the Company’s related costs, expenses, or losses in future periods, it is recognized as deferred income and is included in current period profit or loss in the period in which the related costs, expenses, or losses are recognized;

If the grant is intended to compensate for the Company’s related costs, expenses, or losses that have already been incurred, it is directly included in current period profit or loss.

For government grants that include both asset-related and income-related components, the components shall be distinguished and accounted for separately; if such distinction is difficult to make, the grant shall be classified in its entirety as an income-related government grant.

Government grants related to the Company’s ordinary activities shall be recognized as other income in accordance with the economic substance of the transaction. Government grants unrelated to the Company’s ordinary activities shall be recognized as non-operating income or expenses.

③Interest Subsidies on Policy-Based Preferential Loans

When the government disburses interest subsidy funds to the lending bank, and the lending bank provides a loan to the Company at a policy-based preferential interest rate, the loan is recorded at the actual amount received, and the related borrowing costs are calculated based on the principal amount and the policy-based preferential interest rate.

When the government disburses interest subsidy funds directly to the Company, the Company offsets the corresponding interest subsidy against the related borrowing costs.

④Return of Government Grants

When a previously recognized government grant must be returned, if the grant was used to reduce the book value of a related asset at the time of initial recognition, the book value of the asset is adjusted; if there is a balance of deferred income related to the grant, the book amount of the deferred income is reduced, and any excess is recognized in profit or loss for the current period; in all other cases, the amount is recognized directly in profit or loss for the current period.

37. Deferred Income Tax Assets / Deferred Income Tax Liabilities

✓Applicable □ Not Applicable

The Company generally recognizes and measures the tax effects of taxable temporary differences or deductible temporary differences as deferred income tax liabilities or deferred income tax assets, respectively, using the balance sheet liability method based on temporary differences between the book value of assets and liabilities at the balance sheet date and their tax bases. The Company does not discount deferred income tax assets or deferred income tax liabilities.

(1) Recognition of Deferred Income Tax Assets

For deductible temporary differences, tax loss carryforwards, and tax credits that can be carried forward to future years, the tax effect is calculated using the income tax rate expected to apply in the period of reversal, and this amount is recognized as a deferred income tax asset, to the extent that it is probable the Company will have future taxable income against which the deductible temporary differences, tax loss carryforwards, and tax credits can be utilized.

For transactions or events that have the following characteristics, the income tax effect of a deductible temporary difference arising from the initial recognition of an asset or liability shall not be recognized as a deferred income tax asset:

A. The transaction is not a business combination;

B. At the time of the transaction, it affects neither accounting profit nor taxable income (or deductible losses).

However, this exemption from the initial recognition of deferred income tax liabilities and deferred income tax assets does not apply to individual transactions that satisfy both of the above conditions and result in taxable temporary differences and deductible temporary differences of equal amounts arising from the initial recognition of assets and liabilities. For taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities in such a transaction, the Company recognizes corresponding deferred income tax liabilities and deferred income tax assets at the time of the transaction.

The Company recognizes deferred income tax assets for the tax effects of deductible temporary differences arising from investments in subsidiaries, associates, and joint ventures only if both of the following conditions are met:

A. It is probable that the temporary difference will reverse in the foreseeable future;

B. It is probable that taxable income will be available in the future against which the deductible temporary differences can be utilized;

At the balance sheet date, if there is clear evidence that sufficient taxable income will likely be available in future periods to utilize the deductible temporary differences, the Company recognizes deferred income tax assets that were not recognized in prior periods.

At the balance sheet date, the Company reviews the book value of deferred income tax assets. If it is probable that sufficient taxable income will not be available in future periods to utilize the benefits of the deferred income tax assets, the book value of the deferred income tax assets is written down. When it becomes probable that sufficient taxable income will be available, the amount of the write-down is reversed.

(2) Recognition of Deferred Income Tax Liabilities

The Company measures the income tax effect of all taxable temporary differences using the income tax rate expected to apply in the period of reversal and recognizes that amount as a deferred income tax liability, except in the following cases:

① The income tax effect of taxable temporary differences arising from the following transactions or events is not recognized as a deferred income tax liability:

A. The initial recognition of goodwill;

B. The initial recognition of assets or liabilities arising from transactions that do not qualify as business combinations and that, at the time of the transaction, affect neither accounting profit nor taxable income or deductible losses.

② The Company generally recognizes the tax effect of taxable temporary differences arising from investments in subsidiaries, joint ventures, and associates as deferred income tax liabilities, except where both of the following conditions are met:

A. The Company is able to control the timing of the reversal of the temporary difference;

B. It is highly probable that the temporary difference will not reverse in the foreseeable future.

(3) Recognition of Deferred Income Tax Liabilities or Assets Arising from Specific Transactions or Events

① Deferred Income Tax Liabilities or Assets Related to Business Combinations

Taxable temporary differences or deductible temporary differences arising from business combinations under non-common control are recognized as deferred income tax liabilities or deferred income tax assets; at the same time, the related deferred tax expense (or income) is generally recognized as an adjustment to the goodwill recognized in the business combination.

②Items recognized directly in equity

Current and deferred income taxes relating to transactions or events recognized directly in equity are recognized in equity. Transactions or events for which the tax effect of temporary differences is recognized in equity include: other comprehensive income arising from changes in the fair value of other debt investments; adjustments to opening retained earnings resulting from changes in accounting policies applied retrospectively or from the retrospective restatement of prior-period (material) accounting errors; and hybrid financial instruments containing both liability and equity components, which are recognized in equity upon initial recognition.

③Tax Loss Carryforwards and Tax Credits

A. Tax Loss Carryforwards and Tax Credits Arising from the Company's Own Operations

The tax loss carryforward refers to a loss that, in accordance with tax laws, is allowed to be offset against taxable income in future years. Unutilized tax loss carryforwards (tax loss carryforwards) and tax credits that may be carried forward to future years in accordance with tax laws are treated as deductible temporary differences. When it is probable that sufficient taxable income will be available in future periods to utilize the net operating loss carryforwards or tax credits, a deferred income tax asset is recognized to the extent of such probable taxable income, and the income tax expense in the current period's income statement is reduced accordingly.

B. Unutilized tax losses of the acquiree arising from a business combination

In a business combination, if the Company acquires deductible temporary differences of the acquiree that do not meet the criteria for recognition as deferred income tax assets as of the acquisition date, such deferred income tax assets shall not be recognized. If, within 12 months after the acquisition date, new or further information is obtained indicating that the relevant circumstances existing at the acquisition date were already present, and it is expected that the economic benefits arising from the acquiree's deductible temporary differences as of the acquisition date will be realized, the related deferred income tax assets shall be recognized, and goodwill shall be reduced accordingly. If the goodwill is insufficient to absorb the reduction, the excess amount shall be recognized in profit or loss for the current period. Except for the circumstances described above, deferred income tax assets related to a business combination shall be recognized and charged to profit or loss for the current period.

④ Temporary differences arising from consolidation eliminations

When preparing consolidated financial statements, if the Company recognizes deferred income tax assets or deferred income tax liabilities in the consolidated balance sheet due to temporary differences arising from the elimination of unrealized gains or losses on internal sales—where the book value of assets and liabilities in the consolidated balance sheet differ from their tax bases in the respective taxable entities— while simultaneously adjusting the income tax expense in the consolidated income statement, except for deferred income taxes related to transactions or events recognized directly in equity and business combinations.

⑤ Dividends on Financial Instruments Classified as Equity Instruments

For financial instruments classified as equity instruments issued by the Company, if the related dividend payments are deductible for corporate income tax purposes in accordance with tax regulations, the Company recognizes the income tax impact associated with the dividends when it recognizes the dividend payable. If the distributed profits arise from transactions or events that generated profit or loss in prior periods, the income tax effect of such dividends is recognized in current profit or loss; if the distributed profits arise from transactions or events previously recognized in equity, the income tax effect of such dividends is recognized in equity.

(4) Basis for presenting deferred income tax assets and deferred income tax liabilities as the net amount

When the following conditions are met simultaneously, deferred income tax assets and deferred income tax liabilities are presented as the net amount after offset:

①The Company has the legal right to settle current income tax assets and liabilities on a net basis;

②Deferred income tax assets and deferred income tax liabilities relate either to income taxes levied by the same tax authority on the same taxable entity or to different taxable entities. However, for each significant period in which deferred income tax assets and deferred income tax liabilities are reversed in the future, the intention of the entity involved is to settle the current income tax assets and liabilities on a net basis or to simultaneously obtain assets and settle liabilities.

38. Leasing

✓Applicable □ Not Applicable

Judgement Basis and Accounting Treatment Method for Simplified Disposal of Short-term Leases and Leases of Low-value Assets as Lessee

✓Applicable □ Not Applicable

At the commencement of the lease term, the Company classifies leases with a term of 12 months or less and that do not include a purchase option as short-term leases; it classifies leases where the value of the individual leased asset is low when new as low-value asset leases. If the Company subleases or intends to sublease the leased asset, the original lease is not classified as a low-value asset lease.

For all short-term leases and low-value asset leases, the Company capitalizes lease payments into the cost of the related asset or recognizes them in profit or loss on a straight-line basis over the lease term.

Except for the short-term leases and low-value asset leases treated under the simplified approach described above, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

①Right-of-Use Assets

The right-of-use asset is the right of the lessee to use a leased asset during the lease term.

At the commencement of the lease term, a right-of-use asset is initially measured at cost. This cost includes:

- The initial measurement amount of the lease liability;
- Lease payments made on or before the commencement of the lease term, net of any lease incentives

already received, if applicable;

- Initial direct costs incurred by the lessee;
- Costs expected to be incurred by the lessee for dismantling and removing the leased asset, restoring the site where the leased asset is located, or returning the leased asset to the condition specified in the lease terms. The Company recognizes and measures these costs in accordance with the criteria and methods for recognizing and measuring contingent liabilities; see Section V, 31 for details. The aforementioned costs, if incurred for the production of inventory, are included in the cost of inventory.

Depreciation of right-of-use assets is calculated using the straight-line method. For leases where it can be reasonably determined that ownership of the leased asset will be obtained at the end of the lease term, the depreciation rate is determined based on the category of the right-of-use asset and the estimated residual value rate over the expected remaining useful life of the leased asset; for leases where it cannot be reasonably determined that ownership of the leased asset will be obtained at the end of the lease term, depreciation is calculated over the shorter of the lease term and the remaining useful life of the leased asset, using the depreciation rate applicable to the category of the right-of-use asset.

The depreciation methods, depreciation periods, residual values, and annual depreciation rates for each category of right-of-use assets are as follows:

Category	Depreciation Method	Depreciation Period (Years)	Residual Value Rate (%)	Annual Depreciation Rate (%)
Housing and Structures	Straight-Line Method	Lease Term	--	20.00-34.55
Transportation Tools	Straight-Line Method	Lease Term	--	20

②Lease Liabilities

Lease liabilities shall be initially measured at the present value of the lease payments not yet paid as of the commencement date of the lease term. Lease payments consist of the following five components:

- Fixed payments and payments that are effectively fixed, net of any lease incentives, if applicable;
- Variable lease payments that depend on an index or rate;
- The exercise price of a purchase option, provided the lessee reasonably expects to exercise that option;
- Amounts payable upon exercising a termination option, provided the lease term reflects that the lessee expects to exercise the termination option;
- Amounts expected to be paid based on the residual value of guarantees provided by the lessee.

The present value of lease payments is calculated using the implicit rate of the lease as the discount rate; if the implicit rate cannot be determined, the Company’s incremental borrowing rate is used as the discount rate. The difference between the lease payments and their present value is considered as unrecognized financing costs. Interest expense is recognized in each period of the lease term using the discount rate applied to determine the present value of the lease payments and is included in profit or loss for the period. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when they are incurred.

After the commencement date of the lease term, if there is a change in the effective fixed payments, a change in the expected amount payable for the guaranteed residual value, a change in the indices or rates used to determine the lease payments, or a change in the valuation or actual exercise of a purchase option, renewal option, or termination option, the Company remeasures the lease liability based on the present value of the revised lease payments and adjusts the book amount of the right-of-use asset accordingly.

Classification Criteria and Accounting Treatment Method for Leases as Lessor

✓Applicable □ Not Applicable

On the lease commencement date, the Company classifies leases that transfer substantially all the risks and rewards incidental to ownership of the leased asset as finance leases; all other leases are classified as operating leases.

①Operating Leases

The Company recognizes lease receipts as rental revenue on a straight-line basis over the lease term. Initial direct costs incurred are capitalized and amortized on the same basis as the recognition of rental revenue, with the amortization charged to current profit or loss. Variable lease payments related to operating leases that are not included in lease receipts are recognized in current profit or loss when incurred.

②Finance Leases

At the commencement of the lease, the Company recognizes a finance lease receivable equal to the net investment in the lease (the sum of the unguaranteed residual value and the present value of lease payments not yet received at the commencement of the lease term, discounted using the implicit interest rate of the lease) and derecognizes the finance lease asset. During each period of the lease term, the Company calculates and recognizes interest income using the implicit interest rate of the lease.

Variable lease payments received by the Company that are not included in the measurement of the net investment in the lease are recognized in profit or loss in the period in which they are incurred.

39. Other Significant Accounting Policies and Estimates

✓Applicable □ Not Applicable

(I) Work Safety Expenses and Maintenance and Renovation Expenses

The Company sets aside work safety expenses in accordance with national regulations, which are included in the cost of related products or in current period profit or loss, and simultaneously recorded under the “Special Reserve” account.

When work safety expenses and maintenance and renovation expenses are used within the prescribed scope, if they constitute expense-type expenditures, they are directly charged to Special Reserves; if they result in fixed assets, the incurred expenditures are first aggregated in the “Construction in Progress” account. Upon completion of the safety project and attainment of its intended usable condition, the assets are recognized as fixed assets; simultaneously, Special Reserves are reduced by the cost of the fixed assets, and accumulated depreciation of the same amount is recognized. No further depreciation is charged on these fixed assets in subsequent periods.

(II) Repurchase of Company Shares

(1) Where the Company reduces its capital by repurchasing its own shares in accordance with statutory procedures and upon approval, the share capital shall be reduced by the total par value of the shares canceled. The difference between the purchase price paid for the repurchased shares (including transaction costs) and the par value of the shares shall be adjusted against equity. Any amount exceeding the total par value shall be offset against capital reserves (share premium), retained earnings, and undistributed profits in that order; if the amount is less than the total par value, the shortfall shall be added to capital reserves (share premium).

(2) Shares repurchased by the Company shall be managed as treasury stock until they are canceled or transferred, and all expenses incurred in repurchasing the shares shall be recorded as the cost of treasury stock.

(3) Upon the transfer of treasury stock, the portion of the transfer proceeds exceeding the cost of treasury stock shall be credited to capital surplus (share premium); the portion below the cost of treasury stock shall be offset against capital surplus (share premium), retained earnings, and undistributed profits in that order.

(III) Debt Restructuring

(1) When the Company acts as a creditor

In cases of debt restructuring through the settlement of debt with assets, the Company initially recognizes assets other than the acquired financial assets at cost. The cost of inventory includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes, transportation costs, loading and unloading costs, and insurance premiums incurred in bringing the asset to its present location and condition. The cost of an investment in an associate or joint venture includes the fair value of the waived claim and other costs directly attributable to the asset, such as taxes. The cost of investment property includes the fair value of the waived claims and other costs directly attributable to the asset, such as taxes. The cost of fixed assets includes the fair value of the waived claims and other costs directly attributable to the asset, such as taxes, transportation costs, loading and unloading costs, installation costs, and professional service fees incurred before the asset reaches its intended usable condition. The cost of intangible assets includes the fair value of the debt waived and other costs directly attributable to bringing the asset to its intended use, such as taxes. The difference between the fair value of the debt waived and the book amount is recognized in profit or loss for the current period.

Where a debt restructuring involving the conversion of debt into equity instruments results in the Company converting a receivable into an equity investment in an associate or joint venture, the Company measures the initial investment cost based on the fair value of the waived receivable and other costs directly attributable to the asset, such as taxes. The difference between the fair value and the book value of the waived receivable is recognized in profit or loss for the current period.

Where a debt restructuring is carried out by modifying other terms, the Company recognizes and measures the restructured debt in accordance with the accounting policies described in Section 5.11 of this chapter.

In the case of a debt restructuring involving the settlement of debt with multiple assets or a combination of assets, the Company first recognizes and measures the acquired financial assets and the restructured receivables in accordance with the provisions of Section 5.11 of this chapter. It then allocates the net amount of the fair value of the waived claim—after deducting the recognized amounts of the acquired financial assets and restructured receivables—proportionally to the fair values of the assets other than the acquired financial assets, and uses this allocation as the basis for determining the cost of each asset separately in accordance with the aforementioned methods. The difference between the fair value and the book value of the waived claim is recognized in profit or loss for the current period.

(2) When the Company acts as the debtor

In the case of debt restructuring through the settlement of debt with assets, the Company derecognizes the relevant assets and the settled debt when they meet the criteria for derecognition; the difference between the book value of the settled debt and the book value of the transferred assets is recognized in profit or loss for the current period.

In the case of debt restructuring by converting debt into equity instruments, the Company derecognizes the debt when it meets the criteria for derecognition. Upon initial recognition of the equity instruments, the Company measures them at fair value; if the fair value of the equity instruments cannot be reliably measured, they are measured at the fair value of the debt being settled. The difference between the book value of the debt being settled and the recognized amount of the equity instruments is recognized in profit or loss for the current period.

In the case of a debt restructuring involving the modification of other terms, the Company recognizes and measures the restructured debt in accordance with the accounting policies described in Section 5.11 of this chapter.

Where debt is restructured by settling the debt with multiple assets or through a combination of methods, the Company recognizes and measures the equity instruments and restructured debt in accordance with the aforementioned methods. The difference between the book value of the debt settled and the sum of the book value of the transferred assets and the recognized amounts of the equity instruments and restructured debt is recognized in profit or loss for the current period.

(IV) Significant Accounting Judgments and Estimates

The Company continuously evaluates its significant accounting estimates and key assumptions based on historical experience and other factors, including reasonable expectations regarding future events. The significant accounting estimates and key assumptions that pose a risk of causing a material adjustment to the book amounts of assets and liabilities in the next fiscal year are listed below:

(1) Classification of Financial Assets

The significant judgments involved in determining the classification of financial assets include an analysis of the business model and the characteristics of contractual cash flows.

The Company determines the business model used to manage financial assets at the portfolio level, taking into account factors such as the manner in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how those risks are managed, and the manner in which relevant business managers are compensated.

In assessing whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement, the Company makes the following key judgments: whether the principal is subject to changes in its timing or amount during the term of the asset due to prepayment or other reasons; and whether the interest solely reflects the time value of money, credit risk, other basic lending risks, and the consideration for costs and profit. For example, whether the prepayment amount reflects only the outstanding principal, interest based on the outstanding principal, and reasonable compensation for the early termination of the contract.

(2) Measurement of Expected Credit Losses on Accounts Receivable

The Company calculates expected credit losses on accounts receivable based on the exposure to default risk and the expected credit loss rate, with the expected credit loss rate determined on the basis of the probability of default and the loss given default. In determining the expected credit loss rate, the Company uses data such as internal historical credit loss experience and adjusts historical data based on current conditions and forward-looking information. When considering forward-looking information, the Company uses indicators such as the risk of an economic downturn, changes in the external market environment, the technological environment, and changes in customer circumstances. The Company regularly monitors and reviews the assumptions related to the calculation of expected credit losses.

(3) Deferred Income Tax Assets

Deferred income tax assets should be recognized for all unused tax losses to the extent that it is probable that sufficient taxable income will be available against which to utilize the losses. This requires management to exercise significant judgment in estimating the timing and amount of future taxable income, taking into account tax planning strategies, to determine the amount of deferred tax assets to be recognized.

40. Changes in Significant Accounting Policies and Estimates

(1) Changes in Significant Accounting Policies

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Changes in accounting policies and the reasons	Name of financial statement item significantly affected	Amount affected
The Company will apply ‘Interpretation No. 20 of the Enterprise Accounting Standards’ (Cai Kui [2026] No. 7), issued by the Ministry of Finance on 4 June 2026, with effect from 1 January 2026.	None	None

Other information

None

(2) Changes in Significant Accounting Estimates

□Applicable √Not Applicable

(3) Financial Statements Involving Adjustments to the First-Time Implementation of New Accounting Standards or Interpretations from 2026 Onward

□Applicable √Not Applicable

41. Others

□Applicable √Not Applicable

VI. Taxes

1. Major Tax Types and Tax Rates

Major Tax Types and Tax Rates

√Applicable □ Not Applicable

Tax Type	Basis of Taxation	Tax Rate
Value-added Tax	Domestic Sales	19%, 13%, 9%, 7%, 0%, tax-free
	Provision of Real Estate Leasing Services	9%
	Other Taxable Sales and Services	6%
	Simplified Tax Calculation Method	5% or 3%
Consumption Tax		
Business Tax		
Urban Maintenance and Construction Tax	Actually Paid Turnover Tax Amount	7%, 5%
Corporate Income Tax	Taxable Income	For details, see *1
Property Tax	The tax base is 70% of the original value of the property (or rental income).	12%, 1.2%
Property Tax	Appraised value of real estate and land	Progressive tax rate (0.3%–0.5%), 4.5931%
Education Surcharge	Actually Paid Turnover Tax Amount	3%
Local Education Surcharge	Actually Paid Turnover Tax Amount	2%

*1 The corporate income tax rates are set out in the table below.

Elaboration on the disclosure of entities taxed at differing corporate income tax rates.

√Applicable □ Not Applicable

Taxpayer Name	Income Tax Rate (%)
The Company	15
Meihua Group International Trading (Hong Kong) Limited (hereinafter referred to as "Hong Kong Meihua")*	16.5
Langfang Meihua Seasoning Co., Ltd. (hereinafter referred to as "Langfang Seasoning")	25
Tongliao Meihua Seasoning Co., Ltd. (hereinafter referred to as "Tongliao Seasoning")	25
Langfang Meihua Bio-Technology Development Co., Ltd. (hereinafter referred to as "Langfang Development")	15
Langfang BAIAN Technology Co., Ltd. (hereinafter referred to as "Langfang BAIAN")	25
Meihua (Shanghai) Biotechnology Co., Ltd. (hereinafter referred to as "Shanghai R & D")	20
Lhasa Meihua Bio-investment Holdings Co., Ltd. (hereinafter referred to as "Lhasa Meihua")	25

Tongliao Meihua Biotechnology Co., Ltd. (hereinafter referred to as "Tongliao Meihua")	15
Tongliao Jianlong Chemical Co., Ltd. (hereinafter referred to as "Tongliao Jianlong")	25
Xinjiang Meihua Amino Acid Co., Ltd. (hereinafter referred to as "Xinjiang Meihua")	15
Xinjiang Meihua Agricultural Development Co., Ltd. (hereinafter referred to as "Xinjiang Agriculture")	25
Wujiaqu Jianlong Chemical Co., Ltd. (hereinafter referred to as "Wujiaqu Jianlong")	25
Jilin Meihua Amino Acid Co., Ltd. (hereinafter referred to as "Jilin Meihua")	15
Zhuhai Hengqin Meihua Biotechnology Co., Ltd. (hereinafter referred to as "Hengqin Meihua")	25
HONG KONG PLUM HOLDING LIMITED (hereinafter referred to as "Hong Kong Holdings")*	16.5
CAYMAN PLUM HOLDING LIMITED (hereinafter referred to as "Cayman Company")	0
PLUM BIOTECHNOLOGY GROUP PTE.LTD. (hereinafter referred to as "Singapore Company")	15
Plumino Precision Fermentation Holdings Pte. Ltd. (hereinafter referred to as "SPV")	17
Shanghai Plumino Amino Acids Co., Ltd. (hereinafter referred to as "SP")	25
Plumino Precision Fermentation(Thailand) Co ., Ltd. (hereinafter referred to as "TP")	20
Plumino Precision Fermentation US Holdings,Inc. (hereinafter referred to as "PUS")	29.7% (including a federal corporate income tax rate of 21% and a state corporate income tax rate of 8.7%)
Plumino Precision Fermentation USA, Inc. (hereinafter referred to as "UP")	25% (including a federal corporate income tax rate of 21% and a state corporate income tax rate of 4%)
Plumino USA lnc. (hereinafter referred to as "PUSA")	29.7% (including a federal corporate income tax rate of 21% and a state corporate income tax rate of 8.7%)
Plumino Precision Fermentation JapanCo., Ltd. (hereinafter referred to as "PJP")	20.42
Plumino Biotechnology Singapore Pte.Ltd. (hereinafter referred to as "PSG")	17
Plumino Precision Fermentation EuropeGmbH (hereinafter referred to as "PEU")	15
Plumino Biotechnology (Guangdong) Co., Ltd. (hereinafter referred to as "PGD")	25

* Subsidiaries of the Company, Hong Kong Meihua, and Hong Kong Holdings are wholly-owned subsidiaries registered with the Companies Registry of Hong Kong. The profits tax is based on a two-tiered tax system, with a tax rate of 8.25% for the first HKD 2 million of profits and 16.5% thereafter.

2. Tax Benefits

✓Applicable □ Not Applicable

(1) Corporate Income Tax

① The Company is registered in Lhasa, Tibet Autonomous Region. Pursuant to the *Announcement on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China*, Announcement No. 23 [2020] jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, from January 1, 2021 to December 31, 2030, enterprises established in the western regions and engaged in encouraged industries are subject to a reduced enterprise income tax rate of 15%.

② Langfang R&D, a subsidiary of the Company, was certified as a high-tech enterprise by the Hebei High-tech Enterprise Certification and Management Working Group on December 2, 2025, with certificate No. GR202513002211. The validity period is three years, and in 2025, the corporate income tax will be levied at a rate of 15%.

③ Jilin Meihua, a subsidiary of the Company, was certified as a high-tech enterprise by the Jilin High-tech Enterprise Certification and Management Working Group on November 1, 2024, with certificate No. GR202422000344. The validity period is three years, and in 2025, the corporate income tax will be levied at a rate of 15%.

④ Tongliao Meihua and Xinjiang Meihua, subsidiaries of the Company, are entitled to a reduced corporate income tax rate of 15% for enterprises engaged in encouraged industries in the western region, as stipulated in the Announcement No. 23 [2020] of the Ministry of Finance - Announcement of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission on the Continuation of the Corporate Income Tax Policy for the Development of the Western Region from January 1, 2021, to December 31, 2030.

⑤ According to the Announcement No. 6 [2023] of the State Taxation Administration and the Ministry of Finance - Announcement of the Ministry of Finance on the Income Tax Preferential Policies for Small and Micro Enterprises and Individual Industrial and Commercial Businesses, Xinjiang Investment and Shanghai R & D, subsidiaries of the Company, are entitled to a tax incentive. For the portion of annual taxable income of small-scale and micro-profit enterprises not exceeding RMB 1 million, a reduced rate of 25% is applied to the taxable income, and the corporate income tax is levied at a rate of 20%.

⑥ A Singapore-incorporated subsidiary of the Company has successfully obtained the "Development and Expansion Incentive" under the International Headquarters Award scheme granted by the Singapore Economic Development Board ("EDB"). In accordance with the relevant provisions, the subsidiary is entitled to a concessionary tax rate of 15% for a period of five years, provided that it continues to meet the requirements stipulated by the EDB.

(2) Value-added tax

①Pursuant to the *Notice of the Ministry of Finance and the State Administration of Taxation on the Exemption of Value-added Tax on Organic Fertilizer Products* (Cai Shui [2008] No. 56) and the *Reply of the State Administration of Taxation on Issues Concerning the Exemption of Value-added Tax on Organic Fertilizer Products* (Guo Shui Han [2008] No. 1020), the Company and its subsidiaries, Tongliao Meihua, Xinjiang Meihua and Jilin Meihua, were exempt from VAT on the production, sale, wholesale and retail of organic fertilizer products during the current year.

②Pursuant to Item 7, Subparagraph (19), Article 1 of Appendix 3 to the *Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner* (Cai Shui [2016] No. 36), the Company and its subsidiary Tongliao Meihua are entitled to a VAT exemption on interest income derived from centralized borrowing and on-lending arrangements.

③Pursuant to the *Announcement of the Ministry of Finance, the State Taxation Administration and the Ministry of Veterans Affairs on Further Supporting the Entrepreneurship and Employment of Self-employed Retired Soldiers* (Cai Shui [2019] No. 21) and the *Announcement of the Ministry of Finance and the State Taxation Administration on Extending the Implementation Period of Certain Preferential Tax Policies* (No. 4 [2022]): From January 1, 2019 to December 31, 2023, enterprises that employ self-employed retired soldiers, enter into labor contracts with a term of more than one year and pay social insurance contributions in accordance with the law may, from the month in which such contracts are executed and contributions are paid, enjoy fixed-amount deductions from VAT, urban maintenance and construction tax, education surcharge, local education surcharge and corporate income tax over a three-year period based on the actual number of employees recruited. From January 1, 2023 to December 31, 2027, the above policy continues to apply. The fixed deduction standard is 6,000 yuan per person per year, which may be increased by up to 50%. The people’s governments of provinces, autonomous regions and municipalities directly under the central government may determine the specific standards within such range based on local conditions. The Company’s subsidiary Xinjiang Meihua is entitled to the above tax credit policy.

3. Others

□Applicable ✓Not Applicable

VII. Notes to Consolidated Financial Statements

1. Monetary Funds

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Cash on Hand	3,420.21	3,267.17
Bank Deposits	2,563,871,614.99	3,866,955,277.83
Other Monetary Funds	313,306,138.64	420,114,528.49
Unexpired Interest Receivable	586,736.58	1,098,705.10
Deposits with Financial Companies		
Total	2,877,767,910.42	4,288,171,778.59
Including: Total Amount Deposited Overseas	976,400,434.19	1,566,229,170.25

Other Explanations

(1) Details of restricted monetary funds are as follows:

Unit: Yuan Currency: RMB

Items	June 30, 2026	December 31, 2025
Bank Acceptance Draft Guarantee Deposit	295,166,459.00	277,489,110.74
Funds in Transit		2,478,943.96
Guarantee Deposits and Other Restricted Funds	105,210.02	669,172.00
Total	295,271,669.02	280,637,226.70

(2) When preparing the statement of cash flow, the Company has excluded restricted cash and interest receivable not yet due from cash and cash equivalents at the end of the period.

2. Financial Assets Held for Trading

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reason and Basis for Designation
Financial Assets Measured at Fair Value with Changes in Fair Value Recorded in the Profit or Loss for the Current Period	1,977,052,675.20	1,140,377,416.70	/
Including:			
Wealth Management Products	1,977,052,675.20	1,140,377,416.70	/
Financial Assets Designated as Being Measured at Fair Value with Changes in Fair Value Recorded in the Profit or Loss for the Current Period			
Including:			
Total	1,977,052,675.20	1,140,377,416.70	/

Other Explanations:

✓Applicable □ Not Applicable

The significant change in financial assets at fair value through profit or loss was mainly attributable to the Company's purchase of wealth management products during the period to improve returns on idle funds.

3. Derivative Financial Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Foreign Exchange Derivative Instruments	2,181,653.58	2,061,300.00
Total	2,181,653.58	2,061,300.00

Other Explanations:
None

4. Notes Receivable

(1) Classified Presentation of Notes Receivable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Bank Acceptance Notes	36,626,560.85	107,542,558.59
Commercial Acceptance Notes		

Total	36,626,560.85	107,542,558.59

(2) Notes receivable that have been pledged by the Company at the end of the period

□Applicable ✓Not Applicable

(3) Notes receivable that have been endorsed or discounted by the Company at the end of the period and are not due as of the balance sheet date

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount derecognized as at the end of the period	Amount not derecognized as at the end of the period
Bank Acceptance Notes		23,151,726.35
Commercial Acceptance Notes		
Total		23,151,726.35

(4) Classified Disclosure by the Bad Debt Provision Method

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable ✓Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves
None
Explanation of Significant Changes in the Book Value of Notes Receivable with Changes in Loss Reserves during the Current Period:

□Applicable ✓Not Applicable

(5) Status of Bad Debt Reserves

□Applicable ✓Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable ✓Not Applicable

Other Explanations:
None

(6) Notes Receivable Actually Written Off during the Current Period

□Applicable ✓Not Applicable

Including write-offs of significant notes receivable:

□Applicable ✓Not Applicable

Explanation of Write-offs of Notes Receivable:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

5. Accounts Receivable

(1) Disclosure by Aging

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Value	Beginning Book Value
Within 1 year (including 1 year)	683,314,127.01	607,648,713.65
Within 1 year	683,314,127.01	607,648,713.65
1 to 2 years	116,453.41	116,453.41
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	683,430,580.42	607,765,167.06

(2) Classified Disclosure by Bad Debt Provision Methods

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value	Book Balance		Bad Debt Reserves		Book Value
	Amount	Ratio(%)	Amount	Provision Ratio (%)		Amount	Ratio(%)	Amount	Provision Ratio (%)	
Provisions for Bad Debt Reserves on an Individual-item Basis										
Including:										
Provisions for Bad Debt Reserves on a Portfolio Basis:	683,430,580.42	100.00	34,177,351.75	5.00	649,253,228.67	607,765,167.06	100.00	30,394,081.00	5.00	577,371,086.06
Including:										
Aging Analysis Portfolio	683,430,580.42	100.00	34,177,351.75	5.00	649,253,228.67	607,765,167.06	100.00	30,394,081.00	5.00	577,371,086.06
Total	683,430,580.42	/	34,177,351.75	/	649,253,228.67	607,765,167.06	/	30,394,081.00	/	577,371,086.06

Provisions for Bad Debt Reserves on an Individual-item:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

✓Applicable □ Not Applicable

Items for Provision on a Portfolio Basic: Aging Analysis Portfolio

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Ratio (%)
Within 1 year	683,314,127.01	34,165,706.41	5.00
1-2 years	116,453.41	11,645.34	10.00
Total	683,430,580.42	34,177,351.75	5.00

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable √Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves
None
Explanation of Significant Changes in the Book Value of Accounts Receivable with Changes in Loss Reserves during the Current Period:

□Applicable √Not Applicable

(3) Status of Bad Debt Reserves

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Aging Analysis Portfolio	30,394,081.00	4,203,885.79			-420,615.04	34,177,351.75
Total	30,394,081.00	4,203,885.79			-420,615.04	34,177,351.75

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable √Not Applicable

Other Explanations:
None

(4) Accounts Receivable Actually Written Off during the Current Period

□Applicable √Not Applicable

Including write-off of significant accounts receivable:

□Applicable √Not Applicable

Explanation of Write-off of Accounts Receivable:

□Applicable √Not Applicable

(5) Overview of Accounts Receivable and Contract Assets Ranking Top Five in Ending Balances Aggregated by Debtors

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Entity Name	Ending Balances of Accounts Receivable	Ending Balances of Contract Assets	Ending Balances of Accounts Receivable and Contract Assets	Proportion in the Total Amount of Ending Balances of Accounts Receivable and Contract Assets (%)	Ending Balances of Bad Debt Reserves
First	144,934,548.62		144,934,548.62	21.21	7,246,727.43
Second	62,259,164.44		62,259,164.44	9.11	3,112,958.22
Third	47,940,642.03		47,940,642.03	7.01	2,397,032.10
Fourth	59,880,251.11		59,880,251.11	8.76	2,994,012.56
Fifth	27,912,883.32		27,912,883.32	4.08	1,395,644.17
Total	342,927,489.52		342,927,489.52	50.17	17,146,374.48

Other Explanations:
None
Other Explanations:

□Applicable √Not Applicable

6. Contract Assets

(1) Status of Contract Assets

□Applicable √Not Applicable

(2) Amount of and Reasons for Significant Changes in Book Value during the Reporting Period

□Applicable √Not Applicable

(3) Classified Disclosure by Bad Debt Provision Methods

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable √Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves
None
Explanation of significant changes in the book balance of contract assets with changes in loss reserves during the current period:

□Applicable √Not Applicable

(4) Status of Provisions for Bad Debt Reserves for Contract Assets during the Current Period

□Applicable √Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable √Not Applicable

Other Explanations:
None

(5) Status of Contract Assets Actually Written Off during the Current Period

□Applicable √Not Applicable

Including write-off of significant contract assets

□Applicable √Not Applicable

Explanation of Write-off of Contract Assets:

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

7. Receivables Financing

(1) Classified Presentation of Receivables Financing

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Notes Receivable	32,002,409.13	17,834,479.91
Accounts Receivable	132,084.53	143,883.09
Total	32,134,493.66	17,978,363.00

(2) Receivables Financing that have been pledged by the Company at the end of the period

□Applicable √Not Applicable

(3) Receivables Financing that have been endorsed or discounted by the Company at the end of the period and are not due as of the balance sheet date

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount derecognized as at the end of the period	Amount not derecognized as at the end of the period
Bank Acceptance Notes	554,259,559.99	
Total	554,259,559.99	

(4) Classified Disclosure by Bad Debt Provision Methods

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value	Book Balance		Bad Debt Reserves		Book Value
	Amount	Ratio(%)	Amount	Provision Ratio (%)		Amount	Ratio(%)	Amount	Provision Ratio (%)	
Provisions for Bad Debt Reserves on an Individual-item Basis										
Including:										

Provisions for Bad Debt Reserves on a Portfolio Basis:	32,149,169.72	100.00	14,676.06	0.05	32,134,493.66	17,985,935.79	100.00	7,572.79	0.04	17,978,363.00
Including:										
Notes Receivable	32,002,409.13	99.54			32,002,409.13	17,834,479.91	99.16			17,834,479.91
Accounts Receivable	146,760.59	0.46	14,676.06	10	132,084.53	151,455.88	0.84	7,572.79	5	143,883.09
Total	32,149,169.72	/	14,676.06	/	32,134,493.66	17,985,935.79	/	7,572.79	/	17,978,363.00

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

√Applicable □ Not Applicable

Items for provisions on a portfolio basis: Accounts receivable

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Rate (%)
Accounts Receivable	146,760.59	14,676.06	10.00
Total	146,760.59	14,676.06	10.00

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis

□Applicable √Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable √Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of Receivables Financing with changes in loss reserves during the current period:

□Applicable √Not Applicable

(5) Status of Bad Debt Reserves

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Notes Receivable						
Accounts Receivable	7,572.79	7,103.27				14,676.06
Total	7,572.79	7,103.27				14,676.06

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable √Not Applicable

Other Explanations:

As at June 30, 2026, the Company measures impairment allowances for receivables financing based on lifetime expected credit losses. The Company considers that the bank acceptance bills held do not carry significant credit risk and that no material loss would arise from bank default.

The criteria and descriptions for recognizing impairment allowances on a portfolio basis are set out in Section V.11 of this note.

(6) Status of Receivables Financing Actually Written Off during the Current Period

□Applicable √Not Applicable

Including write-off of significant Receivables Financing

□Applicable √Not Applicable

Write-off Explanation:

□Applicable √Not Applicable

(7) Fluctuations in Receivables Financing and Changes in Fair Value during the Current Period:

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance		The change amount for this period		Ending Balance	
	Cost	Changes in Fair Value	Cost	Changes in Fair Value	Cost	Changes in Fair Value
Notes Receivable	17,834,479.91		14,167,929.22		32,002,409.13	
Accounts Receivable	151,455.88	-7,572.79	-4,695.29	-7,103.27	146,760.59	-14,676.06
Total	17,985,935.79	-7,572.79	14,163,233.93	-7,103.27	32,149,169.72	-14,676.06

(8) Other Explanations:

□Applicable √Not Applicable

8. Prepayments

(1) Presentation of Prepayments on Aging

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Balance		Beginning Balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	142,169,965.27	99.84	171,509,299.41	99.78
1 to 2 years	227,605.00	0.16	227,605.00	0.13
2 to 3 years				
Over 3 years	2.18	0.00	147,678.18	0.09
Total	142,397,572.45	100.00	171,884,582.59	100

Explanation for significant prepayments with aging exceeding 1 year and not settled timely:

None

(2) Overview of Prepayments Ranking Top Five in Ending Balances Aggregated by Prepayment Recipients

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Entity Name	Ending Balance	Proportion in Total Amount of Ending Balances of Prepayments (%)
First	25,729,314.84	18.07
Second	9,450,417.00	6.64
Third	8,583,906.67	6.03
Fourth	7,831,832.59	5.50
Fifth	7,670,585.27	5.39
Total	59,266,056.37	41.63

Other Explanations:
None
Other Explanations:

□Applicable √Not Applicable

9. Other Receivables

Presentation of Items

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Receivable	2,362,500.00	1,575,000.00
Dividend Receivable		1,395,866.49
Other Receivables	60,174,639.77	67,506,290.09
Total	62,537,139.77	70,477,156.58

Other Explanations:

□Applicable √Not Applicable

Interest Receivable

(1) Classification of Interest Receivable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Fixed Deposits		
Entrusted Loans		
Bond Investments		
Debt Investments	2,362,500.00	1,575,000.00
Total	2,362,500.00	1,575,000.00

(2) Significant Overdue Interest

□Applicable √Not Applicable

(3) Classified Disclosure by Bad Debt Provision Methods

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable √Not Applicable

(4) Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable √Not Applicable

(5) Status of Bad Debt Reserves

□Applicable √Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable √Not Applicable

Other Explanations:

None

(6) Status of Interests Receivable Actually Written Off during the Current Period

□Applicable √Not Applicable

Including write-off of significant interest receivable

□Applicable √Not Applicable

Write-off Explanation:

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

Dividends Receivable

(1) Dividends Receivable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item (or Investee)	Ending Balance	Beginning Balance
Tongliao Desheng Bio-techn Co., Ltd.		1,395,866.49
Total		1,395,866.49

(2) Significant Dividends Receivable with Aging Exceeding 1 Year

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item (or Investee)	Ending Balance	Aging	Reason for Non-receipt	Whether Impairment Has Occurred and Basis for Assessment
Tongliao Desheng Bio-techn Co., Ltd.	1,395,866.49	1-2 years	Financial difficulties	Yes
Total	1,395,866.49	/	/	/

(3) Classified Disclosure by Bad Debt Provision Methods

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance			Beginning Balance		
	Book Balance	Bad Debt Reserves	Book	Book Balance	Bad Debt Reserves	Book Value

	Amount	Ratio(%)	Amount	Provision Ratio (%)	Value	Amount	Ratio(%)	Amount	Provision Ratio (%)	
Provisions for Bad Debt Reserves on an Individual-item Basis	1,395,866.49	100	1,395,866.49	100		1,395,866.49	100		0	1,395,866.49
Including:										
Provisions for Bad Debt Reserves on an Individual-item Basis	1,395,866.49	100	1,395,866.49	100		1,395,866.49	100		0	1,395,866.49
Provisions for Bad Debt Reserves on a Portfolio Basis:										
Including:										
Total	1,395,866.49	/	1,395,866.49	/		1,395,866.49	/		/	1,395,866.49

Provisions for Bad Debt Reserves on an Individual-item Basis:

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name	Ending Balance			
	Book Balance	Bad Debt Reserves	Provision Rate (%)	Reason for provision
Tongliao Desheng Bio-techn Co., Ltd.	1,395,866.49	1,395,866.49	100	Expected to be uncollectible
Total	1,395,866.49	1,395,866.49	100	/

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable √Not Applicable

(4) Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable √Not Applicable

(5) Status of Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Provisions for Bad Debt Reserves on an Individual-item Basis		1,395,866.49				1,395,866.49
Total		1,395,866.49				1,395,866.49

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable ✓Not Applicable

Other Explanations:

None

(6) Status of Dividends Receivable Actually Written off during the Current Period

□Applicable ✓Not Applicable

Including write-off of significant dividends receivable

□Applicable ✓Not Applicable

Write-off Explanation:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

Other Receivables

(1) Disclosure by Aging

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period	Book Balance at the Beginning of the Period
Within 1 year (including 1 year)	59,660,928.42	67,105,934.96
Within 1 year	59,660,928.42	67,105,934.96
1 to 2 years	3,328,936.68	3,180,293.72
2 to 3 years	241,619.45	667,906.00
Over 3 years		
3 to 4 years	435,545.00	778,583.55
4 to 5 years	575,151.89	4,656,413.54
Over 5 years	114,020,949.18	110,825,852.83
Total	178,263,130.62	187,214,984.60

(2) Classification of Accounts by Nature

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Account Nature	Book Balance at the End of the Period	Book Balance at the Beginning of the Period
External Unit Account Current	29,303,258.71	29,727,742.16
Guarantee Deposit	12,695,972.16	8,971,087.73
Land and Real Estate Account Receivable	85,672,687.00	85,672,687.00
Export Tax Refunds Receivable	42,325,665.03	53,078,814.60
Others	8,265,547.72	9,764,653.11
Total	178,263,130.62	187,214,984.60

(3) Provisions for Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Bad Debt Reserves	Stage One	Stage Two	Stage Three	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses for the Entire Duration (Credit Impairment Not Yet Occurred)	Expected Credit Losses for the Entire Duration (Credit Impairment Occurred)	
Balance as of January 1, 2026	6,756,515.08		112,952,179.43	119,708,694.51
Balance as of January 1, 2026 for the Current Period				
-- Transferred to Stage Two				
--Transferred to Stage Three				
-- Reversed to Stage Two				
-- Reversed to Stage One				
Provision for the Current Period				
Reversal for the Current Period	1,538,444.66			1,538,444.66
Write-Off for the Current Period				-
Write-Off for the Current Period				-
Other Changes	-81,759.00			-81,759.00
Balance as of June 30, 2026	5,136,311.42	-	112,952,179.43	118,088,490.85

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of Significant Changes in the Book Balance of Other Receivables with Changes in Loss Reserves during the Current Period:

□Applicable ✓Not Applicable

Basis for the Amount of Provisions for Bad Debt Reserves for the Current Period and for the Assessment of Significant Increase in Credit Risk for Financial Instruments:

□Applicable ✓Not Applicable

(4) Status of Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Provisions for Bad Debt Reserves on an Individual-item Basis	112,952,179.43					112,952,179.43
Provisions for Bad Debt Reserves on a Portfolio Basis	6,756,515.08		1,538,444.66		-81,759.00	5,136,311.42
Including: Aging Analysis Portfolio	6,756,515.08		1,538,444.66		-81,759.00	5,136,311.42
Total	119,708,694.51		1,538,444.66		-81,759.00	118,088,490.85

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable ✓Not Applicable

Other Explanations:

None

(5) Status of Other Receivables Actually Written off during the Current Period

□Applicable ✓Not Applicable

Including write-off of significant other receivables:

□Applicable ✓Not Applicable

Explanation of Write-Off of Other Receivables:

□Applicable ✓Not Applicable

(6) Overview of Other Receivables Ranking Top Five in Ending Balances Aggregated by Debtors

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Entity Name	Ending Balance	Proportion in the Total Amount of Ending Balances of Other Receivables (%)	Account Nature	Aging	Ending Balance of Bad Debt Reserves
Baizhou Metal, Glass and Furniture Industrial Park	85,672,687.00	48.06	Land and Real Estate Account Receivable	Over 5 years	85,672,687.00
Kezuo Zhongqi Jucang Grain Trading Co., Ltd.	22,805,887.09	12.79	External Unit Account Current	Over 5 years	22,805,887.09
First Tax Branch of the Baicheng Tax Bureau, State Administration of Taxation	20,000,000.00	11.22	Export Tax Refunds Receivable	Within 1 year	1,000,000.00
Horqin District Tax Bureau, Tongliao City, State Administration of Taxation	18,000,000.00	10.10	Export Tax Refunds Receivable	Within 1 year	900,000.00

COFCO Trading Baicheng Co., Ltd.	5,798,000.00	3.25	Guarantee Deposit	Within 1 year	289,900.00
Total	152,276,574.09	85.42	/	/	110,668,474.09

(7) Presented under Other Receivables due to Centralized Fund Management

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

10. Inventories

(1) Classification of Inventories

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Inventory Write Down/Contract Performance Cost Write Down	Book Value	Book Balance	Inventory Write down/Contract Fulfillment Cost Write Down	Book Value
Raw Materials	2,176,594,282.94	52,927,524.88	2,123,666,758.06	1,781,556,032.76	99,407,632.81	1,682,148,399.95
Work in Progress	346,341,581.51		346,341,581.51	352,184,164.47	5,003,649.19	347,180,515.28
Inventory Goods	1,321,840,403.78	77,213,695.35	1,244,626,708.43	898,686,454.87	158,239,212.89	740,447,241.98
Turnover Materials						
Consumable Biological Assets						
Contract Performance Cost						
Goods Issued	281,487,779.78		281,487,779.78	251,851,543.84		251,851,543.84
Total	4,126,264,048.01	130,141,220.23	3,996,122,827.78	3,284,278,195.94	262,650,494.89	3,021,627,701.05

(2) Recognition of Data Resources as Inventory

□Applicable ✓Not Applicable

(3) Capitalized Amount of Borrowing Costs Included in Inventory Balance at the End of the Period and Its Calculation Criteria and Basis

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increased Amount for the Current Period		Decreased Amount for the Current Period		Ending Balance
		Provision	Others	Reversed or Written off	Others *	
Raw Materials	99,407,632.81	740,163.73		30,418,896.95	16,801,374.71	52,927,524.88
Work in	5,003,649.19			5,003,649.19		

Progress						
Inventory Goods	158,239,212.89	29,057,830.68		69,535,057.26	40,548,290.96	77,213,695.35
Turnover Materials						
Consumable Biological Assets						
Contract Performance Cost						
Goods in Transit	262,650,494.89	29,797,994.41		104,957,603.40	57,349,665.67	130,141,220.23

*Other refers to the impairment loss recognized in the current period on the Thai subsidiary.

Reason for Reversal or Write-off of Inventory Write-down Provision During the Current Period

□Applicable ✓Not Applicable

Provision for Inventory Write-down on a Portfolio Basis

□Applicable ✓Not Applicable

Provision Criteria for Inventory Write-down on a Portfolio Basis

□Applicable ✓Not Applicable

(4) Explanation of the Amortization Amount of Contract Performance Costs for the Current Period

□Applicable ✓Not Applicable

(5) Explanation of Amortization of Contract Performance Costs for the Current Period

□Applicable ✓Not Applicable

Other Explanation:

□Applicable ✓Not Applicable

11. Assets Held for Sale

□Applicable ✓Not Applicable

12. Non-Current Assets Due within One Year

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Debt Investments Due within One Year		
Other Debt Investments Due within One Year		
Large-Denomination Certificate of Deposit	605,812,598.63	75,186,227.80
Long-Term Receivables Due within One Year	395,786.18	389,397.68
Total	606,208,384.81	75,575,625.48

Debt Investments Due within One Year

□Applicable ✓Not Applicable

Other Debt Investments Due within One Year

□Applicable ✓Not Applicable

Other explanations for non-current assets due within one year:
None

13. Other Current Assets

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Cost of Contract Acquisition		
Cost of Receivable Returns		
Compensatory Assets		
Input Tax Credit for Value-Added Tax	236,792,139.39	108,032,314.02
Prepaid Taxes and Fees	12,006,589.98	22,592,023.99
Deferred Expenses	11,601,331.71	8,660,495.57
Large-denomination Certificate of Deposit	116,122,944.45	75,446,249.99
Total	376,523,005.53	214,731,083.57

Information Related to Compensatory Assets

□Applicable ✓Not Applicable

Other Explanations:
None

14. Debt Investments

(1) Status of Debt Investments

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Tongliao Hailin Biotechnology Co., Ltd.	10,500,000.00		10,500,000.00	10,500,000.00		10,500,000.00
Total	10,500,000.00		10,500,000.00	10,500,000.00		10,500,000.00

Changes in Debt Investment Impairment Reserves for the Current Period

□Applicable ✓Not Applicable

(2) Significant Debt Investments at the End of the Period

□Applicable ✓Not Applicable

(3) Provision for Impairment Reserves

□Applicable ✓Not Applicable

Basis for Staging and Provision Ratios for Impairment Reserves:
None

Explanation of Significant Changes in Book Balance of Debt Investments with Changes in Loss

Reserves during the Current Period:

□Applicable ✓Not Applicable

Basis for the Amount of Provisions for Impairment Reserves and the Assessment of Significant Increase in Credit Risk of Financial Instruments

□Applicable ✓Not Applicable

(4) Status of Debt Investments Actually Written Off during the Current Period

□Applicable ✓Not Applicable

Including the write-off of significant debt investments

□Applicable ✓Not Applicable

Explanation of Write-off of Debt Investments:

□Applicable ✓Not Applicable

Other Explanations:
None

15. Other Debt Investments

(1) Status of Other Debt Investments

□Applicable ✓Not Applicable

Changes in Impairment Reserves for Other Debt Investments for the Current Period

□Applicable ✓Not Applicable

(2) Significant Other Debt Investments at the End of the Period

□Applicable ✓Not Applicable

(3) Provisions for Impairment Reserves

□Applicable ✓Not Applicable

(4) Status of Other Debt Investments Actually Written off during the Current Period

□Applicable ✓Not Applicable

Including the write-off of significant other debt investments

□Applicable ✓Not Applicable

Explanation of write-off of other debt investments:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

16. Long-term Receivables

(1) Status of Long-term Receivables

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance			Range of Discount Rates
	Book Balance	Bad Debt Reserves	Book Value	Book Balance	Bad Debt Reserves	Book Value	
Financing Lease Receivables	620,567.60		620,567.60	622,641.83		622,641.83	
Including: Unrealized Financing Income	4,213.82		4,213.82	10,602.32		10,602.32	
Goods Sold on an			-				

Installment Basis							
Services Provided on an Installment Basis			-				
Less: Long-term Receivables Due within One year	395,786.18		395,786.18	389,397.68		389,397.68	
Total	224,781.42	-	224,781.42	233,244.15	--	233,244.15	/

(2) Classified Disclosure by Bad Debt Provision Methods

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable √Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable √Not Applicable

(3) Status of Bad Debt Reserves

□Applicable √Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable √Not Applicable

Other Explanations:

None

(4) Status of Long-term Receivables Actually Written Off during the Current Period

□Applicable √Not Applicable

Including Write-off of Significant Long-term Receivables

□Applicable √Not Applicable

Explanation of Write-off

□Applicable √Not Applicable

Other Explanations

□Applicable √Not Applicable

17. Long-term Equity Investments

(1) Status of Long-term Equity Investments

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Invested Unit	Beginning Balance (book value)	Beginning Balances of Impairment Reserves	Increase/Decrease during the Current Period								Ending Balance (book value)	Ending Balances of Impairment Reserves
			Increase Investment	Decrease Investment	Investment Profit or Loss Recognized under Equity Method	Adjustments to Other Comprehensive Income	Other Equity Changes	Declaration of Cash Dividend or Profits Distribution	Provisions for Impairment Reserves	Others		
I. Joint Ventures												
Subtotal												
II. Associates												
Tongliao Desheng Bio-Tech Co., Ltd.	4,757,925.21				-2,122,489.41						2,635,435.80	
Subtotal	4,757,925.21				-2,122,489.41						2,635,435.80	
Total	4,757,925.21				-2,122,489.41						2,635,435.80	

(2) Impairment Testing of Long-term Equity Investments

□Applicable ✓Not Applicable

Other Explanations:
None

18. Other Equity Instrument Investments

(1) Status of Other Equity Instrument Investments

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase/Decrease During the Current Period					Ending Balance	Dividend Income Recognized for the Current Period	Gains Cumulatively Recorded in Other Comprehensive Income	Losses Cumulatively Recorded in Other Comprehensive Income	Reasons for Designation as Measured at Fair Value with Changes Recorded in Other Comprehensive Income
		Increase Investment	Decrease Investment	Gains Recorded in Other Comprehensive Income for the Current Period	Losses Recorded in Other Comprehensive Income for the Current Period	Others					
Bank of Tibet Co., Ltd.	157,000,000.00						157,000,000.00	1,689,600.00			Planned for Long-term Holding
AIM Vaccine Co., Ltd.	144,966,810.00				72,877,160.00		72,089,650.00			207,682,762.50	Planned for Long-term Holding
Total	301,966,810.00				72,877,160.00		229,089,650.00	1,689,600.00		207,682,762.50	/

(2) Explanation of Cases Involving Derecognition During the Current Period

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

19. Other Non-Current Financial Assets

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Financial Assets Designated as Being Measured at Fair Value with Changes in Fair Value Recorded in the Profit or Loss for the Current Period	346,396,575.38	282,005,000.00
Total	346,396,575.38	282,005,000.00

Other Explanations:
None

20. Investment Properties

Measurement Model for Investment Properties
Not Applicable

21. Fixed Assets

Presentation of Items

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Fixed Assets	12,127,838,360.07	12,768,478,381.36
Clearance of Fixed Assets		
Total	12,127,838,360.07	12,768,478,381.36

Other Explanations:
None

Fixed Assets

(1) Status of Fixed Assets

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Housing and Structures	Machinery and Equipment	Transportation Tools	Office and Other Equipmet	Total
I. Original Book Value:					
1. Beginning Balance	8,924,714,979.37	21,283,148,492.98	61,393,138.66	309,286,611.05	30,578,543,222.06
2. Increased Amount for the Current Period	95,639,543.22	307,382,866.63	8,493,344.72	80,241,087.71	491,756,842.28
(1) Acquisition	15,436.63	18,906,099.84	214,216.72	11,362,426.29	30,498,179.48
(2) Transfer from Construction in Progress	56,535,536.21	288,476,766.79	4,500.00	22,893,744.34	367,910,547.34
(3) Other	39,088,570.38		8,274,628.00	45,984,917.08	93,348,115.46
3. Decreased Amount for the Current Period	453,773,464.20	1,670,819,287.26	2,144,225.25	14,810,385.14	2,141,547,361.85
(1) Disposal or Scrapping	370,052,973.11	1,380,900,608.91	2,144,225.25	10,773,388.71	1,763,871,195.98
(2) Transfer from Construction in Progress	50,891,009.74	127,708,042.90		50,056.16	178,649,108.80

Items	Housing and Structures	Machinery and Equipment	Transportation Tools	Office and Other Equipmet	Total
(3) Others		84,091,152.08			84,091,152.08
(4) Foreign Currency Translation Differences	32,829,481.35	78,119,483.37		3,986,940.27	114,935,904.99
4. Ending Balance	8,566,581,058.39	19,919,712,072.35	67,742,258.13	374,717,313.62	28,928,752,702.49
II. Accumulated Depreciation					
1. Beginning Balance	3,857,184,442.74	12,860,278,450.75	49,103,570.83	189,028,472.94	16,955,594,937.26
2. Increased Amount for the Current Period	239,473,842.18	524,481,217.74	7,219,672.14	46,157,078.42	817,331,810.48
(1) Provision	200,212,870.23	524,481,217.74	2,081,064.20	17,916,502.91	744,691,655.08
(2) Other	39,260,971.95		5,138,607.94	28,240,575.51	72,640,155.40
3. Decreased Amount for the Current Period	174,489,187.29	1,088,950,575.88	2,062,044.36	14,014,065.00	1,279,515,872.53
(1) Disposal or Scrapping	126,280,698.21	915,077,529.32	1,968,370.39	10,219,735.83	1,053,546,333.75
(2) Transfer from Construction in Progress	33,785,590.90	47,896,826.33		23,370.57	81,705,787.80
(3) Other		72,670,753.52			72,670,753.52
(4) Foreign Currency Translation Differences	14,422,898.18	53,305,466.71	93,673.97	3,770,958.60	71,592,997.46
4. Ending Balance	3,922,169,097.63	12,295,809,092.61	54,261,198.61	221,171,486.36	16,493,410,875.21
III. Impairment Reserves					
1. Beginning Balance	292,523,397.72	560,633,675.84	3,893.95	1,308,935.93	854,469,903.44
2. Increased Amount for the Current Period					
(1) Provision					
3. Decreased Amount for the Current Period	173,937,977.34	372,815,675.40	3,893.95	208,889.54	546,966,436.23
(1) Disposal or Scrapping	172,958,579.54	370,559,277.67	3,893.95	20,451.81	543,542,202.97
(2) Foreign Currency Translation Differences	979,397.80	2,256,397.73		188,437.73	3,424,233.26
4. Ending Balance	118,585,420.38	187,818,000.44		1,100,046.39	307,503,467.21
IV. Book Value					
1. Book Value at the End of the Period	4,525,826,540.38	7,436,084,979.30	13,481,059.52	152,445,780.87	12,127,838,360.07
2. Book Value at the Beginning of the Period	4,775,007,138.91	7,862,236,366.39	12,285,673.88	118,949,202.18	12,768,478,381.36

(2) Status of Temporarily Idle Fixed Assets

□Applicable ✓Not Applicable

(3) Fixed Assets Leased through Operating Leases

□Applicable ✓Not Applicable

(4) Status of Fixed Assets without Property Ownership Certificates

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Book Value	Reasons for Lack of Property Ownership Certificates
Housing and Structures	493,709,862.70	In Process
Total	493,709,862.70	

(5) Impairment Testing of Fixed Assets

√Applicable □ Not Applicable

Recoverable amount is determined as the net amount after deducting disposal costs from fair value

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Book Value	Recoverable amount	Impairment Loss	Determination of Fair Value and Disposal Costs	Key Parameters	Basis for Key Parameters
Housing and Structures	4,644,411,960.76	4,525,826,540.38	118,585,420.38	Fair value is determined based on market quotations, market transaction prices of identical or similar assets after considering adjustment factors, or net realisable value from piecemeal disposal. Disposal costs refer to costs directly attributable to the disposal of assets.	(1) Fair value; (2) Disposal costs	(1) Fair value is determined based on historical transaction prices of assets, market quotations and other relevant data; (2) Disposal costs include handling fees, taxes and other costs related to asset disposal.
Machinery and Equipment	7,623,902,979.74	7,436,084,979.30	187,818,000.44			
Transportation Tools	13,481,059.52	13,481,059.52				
Office and Other Equipmet	153,545,827.26	152,445,780.87	1,100,046.39			
Total	12,435,341,827.28	12,127,838,360.07	307,503,467.21	/	/	/

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

□Applicable √Not Applicable

Reasons for differences between the foregoing information and the information used in impairment tests in previous years or external information

□Applicable √Not Applicable

Reasons for differences between the information used in impairment tests in previous years and the actual situation in the current year

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

Clearance of Fixed Assets

□Applicable √Not Applicable

22. Construction in Progress

Presentation of Items

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Construction in Progress	1,224,070,636.54	331,385,832.85
Engineering Materials	61,898,491.25	12,174,104.36
Total	1,285,969,127.79	343,559,937.21

Other Explanations:
None

Construction in Progress

(1) Status of Construction in Progress

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Tongliao Meihua West Area Technological Renovation Project	34,749,657.84		34,749,657.84	16,888,073.65		16,888,073.65
Tongliao Meihua East Area Technological Renovation Project	11,932,724.43		11,932,724.43	20,820,394.95		20,820,394.95
Technological Upgrade Project of Xinjiang Meihua	3,198,667.57		3,198,667.57	17,779,556.30		17,779,556.30
Technological Upgrade Project of Jilin Meihua	4,452,168.98		4,452,168.98	4,391,627.29		4,391,627.29
Technological Upgrade Project of Tongliao Jianlong	12,440.76		12,440.76	7,632,614.40		7,632,614.40
Reconstruction Project of the Company	7,869,365.36		7,869,365.36	10,035,634.61		10,035,634.61
Other Projects	3,520,668.93		3,520,668.93	1,444,653.64		1,444,653.64

Phase V 600,000-ton Annual L-Lysine Project in Jilin	10,743,436.93		10,743,436.93	12,730,115.50		12,730,115.50
500,000-ton MSG Project in the West Zone of Tongliao	79,261.02		79,261.02	3,570,177.51		3,570,177.51
Expansion Project of the Heating Station in the West Zone of Tongliao	2,828,485.35		2,828,485.35	2,434,539.46		2,434,539.46
Process Optimization Project for Xanthan Gum in Xinjiang	263,771.92		263,771.92	263,771.92		263,771.92
18,000-ton Technological Upgrade Project for L-Isoleucine in Xinjiang	15,067,891.50		15,067,891.50	474,083.23		474,083.23
Tongliao Sulfuric Acid Expansion and Upgrading Project	1,568,852.72		1,568,852.72	115,580,409.75		115,580,409.75
Tongliao Meihua Threonine 300,000 t/a Project	843,084,369.80		843,084,369.80	100,863,088.44		100,863,088.44
Xinjiang Meihua 90,000 t/a Valine Project	284,698,873.43		284,698,873.43	16,477,092.20		16,477,092.20
Total	1,224,070,636.54		1,224,070,636.54	331,385,832.85		331,385,832.85

(2) Changes in Significant Construction in Progress for the Current Period

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Project Name	Budget Amount	Beginning Balance	Increased Amount for the Current Period	Amount Transferred to Fixed Assets for the Current Period	Other Decreased Amounts for the Current Period	Ending Balance	Percentage of Cumulative Investment in Budget (%)	Engineering Progress	Accumulated Amount of Capitalized Interest	Including: Amount of Capitalized Interest for the Current Period	Interest Capitalization Rate for the Current Period (%)	Sources of Fund
Tongliao Meihua Threonine 300,000 t/a Project	1,981,000,000.00	100,863,088.44	742,322,353.07	101,071.71		843,084,369.80	42.60	42.60	2,297,848.28	2,203,980.26	2.39	Bank loans and self-fund

Tongliao Sulfuric Acid Expansion and Upgrading Project	248,075,700.00	115,580,409.75	62,945,442.43	176,956,999.46		1,568,852.72	72.01	72.01				Self-funded
Xinjiang Meihua 90,000 t/a Valine Project	539,300,000.00	16,477,092.20	268,221,781.23			284,698,873.43	52.79	52.79				Self-funded
Total	2,768,375,700.00	232,920,590.39	1,073,489,576.73	177,058,071.17	-	1,129,352,095.95	/	/	2,297,848.28	2,203,980.26	/	/

(3) Provisions for Impairment Reserves for Construction in Progress for the Current Period

□Applicable √Not Applicable

(4) Impairment Testing of Construction in Progress

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

Engineering Materials

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Engineering Materials	61,898,491.25		61,898,491.25	12,174,104.36		12,174,104.36
Total	61,898,491.25	-	61,898,491.25	12,174,104.36		12,174,104.36

Other Explanations:
None

23. Productive Biological Assets

(1) Productive biological assets measured at cost

□Applicable √Not Applicable

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

□Applicable √Not Applicable

(3) Productive biological assets measured at fair value

□Applicable √Not Applicable

Other Explanations

□Applicable √Not Applicable

24. Oil and Gas Assets

(1) Status of Oil and Gas Assets

□Applicable √Not Applicable

(2) Impairment testing of oil and gas assets

□Applicable √Not Applicable

Other Explanations:
None

25. Right-of-Use Assets

(1) Status of Right-of-Use Assets

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Housing and Structures	Transportation Tools	Total
I. Original Book Value			
1. Beginning Balance	10,799,037.87	977,360.58	11,776,398.45
2. Increased Amount for the Current Period			
Lease			--
Increase from Enterprise Merger			
3. Decreased Amount for the Current Period	81,438.03		81,438.03
Expiration of Lease			
Foreign Currency Translation Differences	81,438.03		81,438.03
4. Ending Balance	10,717,599.84	977,360.58	11,694,960.42
II. Accumulated Depreciation			
1. Beginning Balance	7,427,001.15	342,076.17	7,769,077.32
2. Increased Amount for the Current Period	1,538,298.26	97,736.04	1,636,034.30
(1) Provision	1,538,298.26	97,736.04	1,636,034.30
Increase from Enterprise Merger			-
3. Decreased Amount for the Current Period	40,432.48	-	40,432.48
(1) Disposal			
Expiration of Lease			
Foreign Currency Translation Differences	40,432.48		40,432.48
4. Ending Balance	8,924,866.93	439,812.21	9,364,679.14
III. Impairment Reserves			
1. Beginning Balance			
2. Increased Amount for the Current Period			
(1) Provision			
3. Decreased Amount for the Current Period			
(1) Disposal			
4. Ending Balance			
IV. Book Value			
1. Book Value at the End of the Period	1,792,732.91	537,548.37	2,330,281.28
2. Book Value at the	3,372,036.72	635,284.41	4,007,321.13

Items	Housing and Structures	Transportation Tools	Total
Beginning of the Period			

(2) Impairment Testing of Right-of-Use Assets

□Applicable ✓Not Applicable

Other Explanations:

As at the end of the period, there were no indicators of impairment of the Company's right-of-use assets.

26. Intangible Assets

(1) Status of Intangible Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Land Use Right	Patent Right	Non-patent Technology	Software	License for Patent Usage	Rights to use drug approvals	Total
I. Original Book Value							
1. Beginning Balance	1,844,536,740.26			123,002,647.52	238,627,829.31	7,000,000.00	2,213,167,217.09
2. Increased Amount for the Current Period	228,680.49			22,356,379.19			22,585,059.68
(1) Acquisition	228,680.49			22,356,379.19			22,585,059.68
3. Decreased Amount for the Current Period	137,097,963.85			19,481,608.25	677,070.90		157,256,643.00
(1) Disposal	129,536,804.18			18,245,067.15	540,000.00		148,321,871.33
Foreign Currency Translation Differences	7,561,159.67			1,236,541.10	137,070.90		8,934,771.67
4. Ending Balance	1,707,667,456.90			125,877,418.46	237,950,758.41	7,000,000.00	2,078,495,633.77
II. Accumulated Amortization							
1. Beginning Balance	412,894,610.90			75,781,103.60	141,085,391.57	6,299,815.92	636,060,921.99
2. Increased Amount for the Current Period	16,820,622.67			5,782,448.26	3,246,248.59	267,871.11	26,117,190.63
(1) Provision	16,820,622.67			5,782,448.26	3,221,232.82	267,871.11	26,092,174.86
Foreign Currency Translation Differences					25,015.77		25,015.77
3. Decreased Amount for the Current Period				15,900,034.78	81,000.00		15,981,034.78
(1) Disposal				15,028,322.68	81,000.00		15,109,322.68
Foreign Currency Translation Differences				871,712.10			871,712.10
4. Ending Balance	429,715,233.57			65,663,517.08	144,250,640.16	6,567,687.03	646,197,077.84
III. Impairment Reserves							
1. Beginning Balance	17,785,531.82			2,040,005.27			19,825,537.09
2. Increased Amount for the Current Period							
(1) Provision							
3. Decreased Amount for	17,785,531.82			896,724.78			18,682,256.60

Items	Land Use Right	Patent Right	Non-patent Technology	Software	License for Patent Usage	Rights to use drug approvals	Total
the Current Period							
(1) Disposal	16,840,457.63			920,065.68			17,760,523.31
Foreign Currency Translation Differences	945,074.19			-23,340.90			921,733.29
4. Ending Balance				1,143,280.49			1,143,280.49
IV. Book Value							
1. Book Value at the End of the Period	1,277,952,223.33			59,070,620.89	93,700,118.25	432,312.97	1,431,155,275.44
2. Book Value at the Beginning of the Period	1,413,856,597.54			45,181,538.65	97,542,437.74	700,184.08	1,557,280,758.01

The ratio of intangible assets generated from the internal research and development by the Company to the balance of intangible assets at the end of the current period is zero.

(2) Data Resources Recognized as Intangible Assets

□Applicable ✓Not Applicable

(3) Status of Land Use Rights without Property Ownership Certificates

✓Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Book Value	Reason for Pending Title Certificate
Land Use Right	99,741.59	In process
Total	99,741.59	

(4) Impairment Testing of Intangible Assets

✓Applicable □Not Applicable

Recoverable amount is determined as the net amount after deducting disposal costs from fair value

✓Applicable □Not Applicable

Unit: Yuan Currency: RMB

Items	Book Value	Recoverable amount	Impairment Loss	Determination of Fair Value and Disposal Costs	Key Parameters	Basis for Key Parameters
Land Use Right	1,277,952,223.33	1,277,952,223.33		Fair value is determined based on market quotations, or transaction prices of properties in the same or similar locations after considering relevant adjustment	(1) Fair value; (2) Disposal costs	(1) Fair value is determined based on historical transaction prices of assets, market quotations and other relevant data; (2) Disposal costs include handling fees,
Software	60,213,901.38	59,070,620.89	1,143,280.49			
License for Patent Usage	93,700,118.25	93,700,118.25				
Rights to use drug approvals	432,312.97	432,312.97				

				factors, or based on the expected use of the assets. Disposal costs refer to costs directly attributable to the disposal of assets.		taxes and other costs related to asset disposal.
Total	1,432,298,555.93	1,431,155,275.44	1,143,280.49	/	/	/

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

□Applicable √Not Applicable

Reasons for differences between the foregoing information and the information used in impairment tests in previous years or external information

□Applicable √Not Applicable

Reasons for differences between the information used in impairment tests in previous years and the actual situation in the current year

□Applicable √Not Applicable

Other Explanations

□Applicable √Not Applicable

27. Goodwill

(1) Original Book Value of Goodwill

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Name of the Invested Unit or Matters Generating Goodwill	Beginning Balance	Increases during the Current Period	Decreases during the Current Period	Ending Balance
		Arising from Enterprise Merger	Disposal	
Tongliao Jianlong	11,788,911.79			11,788,911.79
Total	11,788,911.79			11,788,911.79

(2) Goodwill Impairment Reserves

□Applicable √Not Applicable

(3) Relevant Information of Asset Portfolio or Asset Portfolios Where Goodwill Belongs to

□Applicable √Not Applicable

Changes in Asset Portfolio or Asset Portfolios

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

(4) Specific Methods for Determining Recoverable Amount

Recoverable amount is determined as the net amount after deducting disposal costs from fair value

□Applicable √Not Applicable

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

□Applicable √Not Applicable

Reasons for differences between the foregoing information and the information used in impairment tests in previous years or external information

□Applicable √Not Applicable

Reasons for differences between the information used in impairment tests in previous years and the actual situation in the current year

□Applicable √Not Applicable

(5) Performance Commitments and Corresponding Goodwill Impairment

When the goodwill was formed, there are performance commitments and the reporting period or the preceding reporting period was within the performance commitment period.

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

28. Long-term Deferred Expenses

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increased Amount for the Current Period	Amortized Amount for the Current Period	Other Decreased Amounts	Ending Balance
Field usage rights	25,574,437.11		766,804.02	-369,100.49	25,176,733.58
Housing Subsidies	60,058,156.01	2,900,000.00	5,483,029.76	225,740.80	57,249,385.45
Production Materials	42,230,335.20	19,266,377.21	13,147,501.17	50,525.71	48,298,685.53
Staff Rewards	25,000.09		25,000.09		
Leasehold Improvements	3,294,548.81		569,930.02	369,100.49	2,355,518.30
One-time expansion fee	2,598,571.67		328,859.34		2,269,712.33
Software service fee		16,988,043.67	1,757,383.90		15,230,659.77
Total	133,781,048.89	39,154,420.88	22,078,508.30	276,266.51	150,580,694.96

Other Explanations:

None

29. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Unoffset Deferred Income Tax Assets

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance		Beginning Balance	
	Deductible Temporary Differences	Deferred Income Tax Assets	Deductible Temporary Differences	Deferred Income Tax Assets
Asset Impairment Reserves - Bad debts	137,327,454.77	20,602,630.01	130,774,330.45	20,132,473.89
Asset Impairment Reserves - Inventory	32,922,281.47	5,093,485.20	21,920,451.88	3,436,100.13
Unrealized Profits from Internal Transactions	8,150,451.26	1,167,637.67		

Government Grants	291,228,424.60	43,684,263.73	311,752,382.95	46,762,857.44
Deductible Losses				
Fair Value Changes	280,796,215.04	70,199,053.74	204,033,190.00	51,008,297.49
Compensation	155,776,218.14	23,366,432.72	154,359,967.03	23,153,995.05
Difference in Depreciation Periods	15,038,851.77	2,255,827.77	15,038,851.77	2,255,827.77
Lease Liabilities				
Total	921,239,897.05	166,369,330.84	837,879,174.08	146,749,551.77

(2) Unoffset Deferred Income Tax Liabilities

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance		Beginning Balance	
	Taxable Temporary Differences	Deferred Income Tax Liabilities	Taxable Temporary Differences	Deferred Income Tax Liabilities
Increment in valuation of assets from enterprise merger not under the same control				
Changes in Fair Value of Other Debt Investments				
Changes in Fair Value of Other Equity Investments				
Unrealized Profits from Internal Transactions			1,072,763.74	147,295.19
Fair Value Changes	18,758,892.19	3,574,429.76	4,777,685.38	882,833.74
Difference in Depreciation Periods	109,195,247.06	17,748,975.97	117,440,920.01	19,073,894.96
Right-of-Use Assets	732,104.56	109,815.68	1,839,651.34	275,947.70
Total	128,686,243.81	21,433,221.41	125,131,020.47	20,379,971.59

(3) Deferred Income Tax Assets or Liabilities Presented as Net Amounts After Offset

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance		Beginning Balance	
	Offsetting Amount Between Deferred Tax Assets and Deferred Tax Liabilities	Net Balance of Deferred Tax Assets or Liabilities After Offsetting	Offsetting Amount Between Deferred Tax Assets and Deferred Tax Liabilities	Net Balance of Deferred Tax Assets or Liabilities After Offsetting
Deferred Income Tax Assets	21,433,221.41	144,936,109.43	20,379,971.59	126,369,580.18
Deferred Income Tax Liabilities	21,433,221.41		20,379,971.59	

(4) Details of Unrecognized Deferred Income TaxAssets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Deductible Temporary Differences		
Deductible Losses	205,354,073.36	118,557,613.15
Bad Debt Reserves	14,953,063.89	19,336,017.85
Inventory Write Down	97,218,938.76	239,122,027.46
Fixed Assets Impairment Reserves	307,503,467.20	854,469,903.44
Intangible Assets Impairment Reserves	1,143,280.49	19,825,537.09
Unrealized Profits from Internal Transactions	-	71,275,838.72
Total	626,172,823.70	1,322,586,937.71

(5) Deductible losses of unrecognized deferred income tax assets will expire in the following years

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Year	Ending Balance	Beginning Balance	Remarks
2026	8,553,866.71	8,553,866.71	
2027	3,629,579.19	3,629,579.19	
2028	4,501,349.79	4,501,349.79	
2029	11,101,638.17	11,101,638.17	
2030	126,850,075.97	90,771,179.29	
2031	50,717,563.53		
Total	205,354,073.36	118,557,613.15	/

Other Explanations:

□Applicable ✓Not Applicable

30. Other Non-current Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Cost of Contract Acquisition						
Cost of Contract Performance						
Cost of Receivable Returns						
Contract Assets						
Compensatory Assets						
Prepaid Equipment and	130,799,855.19		130,799,855.19	76,520,223.54		76,520,223.54

Engineering Payments						
Large-denomination Certificates of Deposit	758,187,523.66		758,187,523.66	682,115,159.50		682,115,159.50
Less: Non-current assets due within one year	605,812,598.63		605,812,598.63	75,186,227.80		75,186,227.80
Total	283,174,780.22		283,174,780.22	683,449,155.24		683,449,155.24

Information Related to Compensatory Assets

□Applicable ✓Not Applicable

Other Explanations:
None

31. Assets with Restricted Ownership Right or Usage Right

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	End of the Period				Beginning of the Period			
	Book Balance	Book Value	Restriction Type	Restricted Situation	Book Balance	Book Value	Restriction Type	Restricted Situation
Monetary Funds	295,271,669.02	295,271,669.02	Frozen	Guarantee Deposits and Others	278,158,282.74	278,158,282.74	Frozen	Guarantee Deposits and Others
Monetary Funds	-	-	Others	Funds in Transit	2,478,943.96	2,478,943.96	Others	Funds in Transit
Notes Receivable	23,151,726.35	23,151,726.35	Others	Endorsed or discounted bills not yet due and not derecognised	99,801,405.25	99,801,405.25	Others	Endorsed or discounted bills not yet due and not derecognised
Other Non-current Assets					80,000.00	80,000.00	Frozen	Others
Total	318,423,395.37	318,423,395.37	/	/	380,518,631.95	380,518,631.95	/	/

Other Explanations:
None

32. Short-Term Borrowings

(1) Classification of Short-Term Borrowings

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Pledged Borrowings		
Mortgaged Borrowings		
Guaranteed Borrowings		
Credit Borrowings	683,800,000.00	704,800,000.00

Discounted Bills Not Yet Matured	1,147,866,746.22	1,095,200,983.25
Unmatured Interest Payable	129,966.68	135,244.18
Total	1,831,796,712.90	1,800,136,227.43

Explanations of Categories of Short-Term Borrowings:

Details of Credit Borrowings

Unit: Yuan Currency: RMB

Lending Institution	Ending Balance	Term of Borrowing
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/9/24-2026/9/24
Tibet Autonomous Region Branch, Bank of China	45,000,000.00	2025/9/30-2026/9/30
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/11/11-2026/11/11
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/11/17-2026/11/17
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/12/24-2026/12/24
Langfang Development Zone Sub-branch of Industrial Bank Corporation	8,800,000.00	2025/9/29-2026/9/28
Langfang Branch, Bank of China	50,000,000.00	2026/4/27-2026/7/27
Langfang Development Zone Sub-branch of China Construction Bank Corporation	100,000,000.00	2026/3/16-2026/9/12
Langfang Development Zone Sub-branch of China Construction Bank Corporation	80,000,000.00	2026/6/11-2026/10/15
Total	683,800,000.00	

(2) Status of Overdue and Unpaid Short-Term Borrowings

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

33. Financial Liabilities Held for Trading

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

34. Derivative Financial Liabilities

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Foreign Exchange Derivative Instruments	42,227.58	
Total	42,227.58	

Other Explanations:

None

35. Notes Payable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Types	Ending Balance	Beginning Balance
Commercial Acceptance Bills		
Bank Acceptance Bills	2,259,312,216.46	1,777,053,969.91
Total	2,259,312,216.46	1,777,053,969.91

The total amount of overdue and unpaid notes payable at the end of the period is RMB 0 yuan. The reason for non-payment upon maturity is: None

36. Accounts Payable

(1) Presentation of Accounts Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Payments for Engineering and Equipment	790,905,815.63	772,692,271.21
Provisional Estimation of Payments	126,827,257.23	220,567,330.50
Payments Payable	521,622,412.79	440,571,645.94
Other Payments	379,960,051.40	301,353,074.05
Total	1,819,315,537.05	1,735,184,321.70

(2) Significant Accounts Payable with an Aging Exceeding 1 Year or Overdue

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Reasons for Being Unpaid or Carried Forward
Jiangsu Grand Drying and Concentrating Equipment Co. Ltd.	4,468,500.00	Not Yet Due for Settlement
Shandong Tianli Energy Co., Ltd.	4,416,000.00	Not Yet Due for Settlement
Inner Mongolia Huomei Yicheng Energy Co., Ltd.	3,999,553.50	Unable to Contact Due to Bankruptcy
Xinjiang Huijia Real Estate Co., Ltd.	3,430,000.00	Not Yet Due for Settlement
Shandong Linsen Biological Products Co., Ltd.	3,334,414.00	Not Yet Due for Settlement
Shandong Jiayuan Construction Engineering Co., Ltd.	3,323,330.00	Not Yet Due for Settlement
Total	22,971,797.50	/

Other Explanations:

□Applicable ✓Not Applicable

37. Advance Receipts

(1) Presentation of Advance Receipts

□Applicable ✓Not Applicable

(2) Significant Advance Receipts with an Aging Exceeding 1 Year

□Applicable ✓Not Applicable

(3) Amount of and Reason for Significant Changes in Book Value During the Reporting Period

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

38. Contract Liabilities

(1) Status of Contract Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Advance Payments for Goods	656,266,656.92	746,778,983.64
Total	656,266,656.92	746,778,983.64

(2) Significant Contract Liabilities with an Aging Exceeding 1 Year

□Applicable ✓Not Applicable

(3) Amount of and Reason for Significant Changes in Book Value During the Reporting Period

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

39. Employee Compensation Payable

(1) Presentation of Employee Compensation Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
I. Short-Term Compensation	389,374,702.46	855,520,184.91	955,970,543.63	288,924,343.74
II. Post-employment Benefits - Defined Contribution Plans	3,120,232.07	78,857,999.48	80,437,643.19	1,540,588.36
III. Termination Benefits				
IV. Other Benefits Due Within One Year				
Total	392,494,934.53	934,378,184.39	1,036,408,186.82	290,464,932.10

(2) Presentation of Short-Term Compensation

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
I. Salaries, Bonuses, Allowances, and Subsidies	382,680,489.90	746,085,540.11	854,120,182.44	274,645,847.57
II. Employee Welfare Expenses		35,181,968.76	27,615,768.65	7,566,200.11
III. Social Insurance Premiums	3,116,690.61	49,675,613.22	48,606,581.65	4,185,722.18
Including: Medical Insurance Premiums	3,101,035.22	44,160,548.91	43,090,919.07	4,170,665.06
Work Injury Insurance Premiums	15,655.39	5,442,937.33	5,443,535.60	15,057.12
Maternity Insurance Premiums		72,126.98	72,126.98	
IV. Housing Provident Fund	22,953.25	11,248,704.99	11,257,717.24	13,941.00
V. Union Funds and Employee Education Funds	3,554,568.70	11,171,492.68	12,213,428.50	2,512,632.88
VI. Short-Term Paid Absence				
VII. Short-Term Profit-Sharing Plans				
VIII. Other Short-Term Compensation		2,156,865.15	2,156,865.15	
Total	389,374,702.46	855,520,184.91	955,970,543.63	288,924,343.74

(3) Presentation of Defined Contribution Plans

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
1. Basic Old-Age Insurance	3,091,833.89	76,223,739.16	77,802,919.02	1,512,654.03
2. Unemployment Insurance Premiums	28,398.18	2,634,260.32	2,634,724.17	27,934.33
1. Corporate Pension Contributions				
Total	3,120,232.07	78,857,999.48	80,437,643.19	1,540,588.36

Other Explanations:

□Applicable √Not Applicable

40. Taxes Payable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Value-added Tax	12,953,409.60	22,017,172.18
Consumption Tax		
Business Tax		
Corporate Income Tax	168,539,811.17	133,145,066.29
Personal Income Tax	2,422,053.71	4,981,844.28
City Maintenance and Construction Tax	3,462,955.51	8,396,974.74
Environmental Protection Tax	989,861.18	1,344,999.63
Education Surcharge	2,539,065.16	6,139,704.53
Water Resource Tax	13,485,241.76	11,690,927.45
Stamp Duty	5,796,134.91	6,074,142.90
Others	2,632,266.37	898,044.58
Total	212,820,799.37	194,688,876.58

Other Explanations:
None

41. Other Payables

(1) Presentation of Items

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Payable		
Dividend Payable	1,200,340,002.04	405,000.00
Other Payables	237,197,638.66	255,944,893.68
Total	1,437,537,640.70	256,349,893.68

(2) Interest Payable

□Applicable √Not Applicable

(3) Dividends Payable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Common Stock Dividends	1,200,340,002.04	405,000.00
Preferred Shares/Perpetual Bond Dividends Classified as Equity Instruments		
Preferred Shares/Perpetual Bond Dividends -XXX		
Total	1,200,340,002.04	405,000.00

Other explanations: For significant dividends payable overdue for more than 1 year, the reasons for non-payment should be disclosed:
None

(4) Other Payables

Presentation of Other Payables by Nature of Payments

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Accrued Expenses	103,996,305.90	120,697,128.08
Guarantee Deposits	108,835,420.66	107,587,506.36
Others	24,365,912.10	27,660,259.24
Total	237,197,638.66	255,944,893.68

Significant other payables with an aging exceeding 1 year or overdue

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Reasons for Being Unpaid or Carried Forward
Disabled Persons' Federation of the 6th Division, Xinjiang Production and Construction Corps	6,952,578.01	Not Yet Due for Payment
Horqin District Tax Bureau, Tongliao City, State Administration of Taxation	3,604,984.22	Not Yet Due for Payment
Total	10,557,562.23	/

Other Explanations:

□Applicable √Not Applicable

42. Liabilities Held for Sale

□Applicable √Not Applicable

43. Non-Current Liabilities Due within 1 Year

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance

Long-term Borrowings Due Within 1 Year	229,612,000.02	280,045,900.02
Bonds Payable Due Within 1 Year		
Long-Term Payables Due Within 1 Year	3,447,580.57	
Lease Liabilities Due Within 1 Year	1,000,938.19	1,011,449.31
Total	234,060,518.78	281,057,349.33

Other Explanations:
None

44. Other Current Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Short-Term Bonds Payable		
Return Refunds Payable		
Long-tern Loan Interest Repayable Within One Year	1,207,745.39	1,332,651.10
Sales Tax to be Carried Forward	43,557,404.19	61,436,860.42
Notes Endorsed But Not Yet Derecognized	1,284,980.13	16,600,422.00
Total	46,050,129.71	79,369,933.52

Increase/Decrease in Short-Term Bonds Payable:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

45. Long-Term Borrowings

(1) Classification of Long-Term Borrowings

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Pledged Borrowings		
Mortgaged Borrowings		
Guaranteed Borrowings	926,208,602.81	1,146,608,602.81
Credit Borrowings	1,260,760,521.03	1,052,116,521.04
Less: Long-Term Borrowings Due Within One Year	229,612,000.02	280,045,900.02
Total	1,957,357,123.82	1,918,679,223.83

Explanation of Classification of Long-Term Borrowings:

(1) Details of Credit Borrowings

Lending Institution	Ending Balance (yuan)	Term of Borrowing
Songyuan Branch, Bank of Communications Co., Ltd.	28,000,000.00	2024/4/23-2027/4/23
Songyuan Branch, Bank of Communications Co., Ltd.	33,000,000.00	2024/6/20-2027/6/17
Songyuan Branch, Bank of Communications Co., Ltd.	39,960,000.00	2024/8/20-2027/8/20

Shengfang Sub-branch of Bazhou, Agricultural Bank of China Limited	168,500,000.00	2025/3/13-2028/3/6
Langfang Branch, Bank of Communications Co., Ltd.	39,600,000.00	2024/9/27-2027/9/24
Langfang Branch, Bank of Communications Co., Ltd.	59,600,000.00	2024/10/22-2027/10/21
Business Department of Baicheng Branch, China Construction Bank Corporation	60,000,000.00	2024/12/28-2027/12/28
Business Department of Baicheng Branch, China Construction Bank Corporation	35,000,000.00	2025/4/24-2027/12/28
Business Department of Baicheng Branch, China Construction Bank Corporation	15,000,000.00	2025/4/29-2028/4/29
Business Department of Baicheng Branch, China Construction Bank Corporation	2,037,368.14	2025/12/11-2035/12/11
Business Department of Baicheng Branch, China Construction Bank Corporation	1,309,152.92	2025/12/22-2035/12/12
Tibet Autonomous Region Branch, Bank of China	45,000,000.00	2025/3/28-2028/3/28
Tibet Autonomous Region Branch, Bank of China	90,000,000.00	2025/4/22-2028/4/22
Tibet Autonomous Region Branch, Bank of China	90,000,000.00	2025/9/23-2028/4/22
Langfang Branch, Huaxia Bank Co., Ltd.	107,800,000.00	2025/3/28-2028/3/27
Changji Hui Autonomous Prefecture Branch, Bank of China	8,499,999.97	2025/2/10-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	20,000,000.00	2025/2/13-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	20,000,000.00	2025/2/14-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	10,000,000.00	2025/2/17-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	40,000,000.00	2025/2/20-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	10,000,000.00	2025/3/11-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	39,500,000.00	2025/4/17-2028/3/19
Changji Hui Autonomous Prefecture Branch, Bank of China	30,000,000.00	2025/4/22-2028/3/19
Changji Hui Autonomous Prefecture Branch, Bank of China	29,000,000.00	2025/4/27-2028/3/19
Langfang Branch, Bank of China	9,000,000.00	2025/4/27-2028/4/10
Bazhou Sub-branch, Industrial and Commercial Bank of China Limited	1,500,000.00	2025/5/16-2028/4/22
Hebei Branch, Export-Import Bank of China	4,454,000.00	2026/2/9-2035/12/21
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2026/3/16-2029/3/16
Tibet Autonomous Region Branch, Bank of China	120,000,000.00	2026/3/17-2039/3/17
Business Department of Baicheng Branch, China Agricultural Development Bank	4,000,000.00	2026/6/29-2029/6/28
Less: Long-Term Borrowings Due Within One Year	124,660,000.02	
Total	1,136,100,521.01	

(2) Details of Guaranteed Borrowings

Lending Institution	Ending Balance (yuan)	Guarantor	Guaranteed Party	Term of Borrowing
Tibet Autonomous Region Branch, Bank of China	26,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/6/11-2027/6/11
Tongliao Branch, China Construction Bank Corporation	95,666,733.34	The Company	Tongliao Meihua	2023/5/22-2038/5/8
Tongliao Branch, China Construction Bank Corporation	18,463,641.09	The Company	Tongliao Meihua	2024/6/6-2038/5/8
Tongliao Branch, China Construction Bank Corporation	9,566,653.41	The Company	Tongliao Meihua	2024/6/13-2038/5/8

Tongliao Branch, China Construction Bank Corporation	5,739,992.04	The Company	Tongliao Meihua	2024/6/19-2038/5/8
Tongliao Branch, China Construction Bank Corporation	14,349,980.12	The Company	Tongliao Meihua	2024/6/26-2038/5/8
Tongliao Branch, China Construction Bank Corporation	44,000,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Tongliao Branch, China Construction Bank Corporation	52,800,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Tongliao Branch, China Construction Bank Corporation	35,200,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Tongliao Branch, China Construction Bank Corporation	44,000,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Tongliao Branch, China Construction Bank Corporation	35,200,000.00	The Company	Tongliao Meihua	2024/11/14-2027/10/21
Tongliao Branch, China Construction Bank Corporation	35,200,000.00	The Company	Tongliao Meihua	2024/11/18-2027/10/21
Tongliao Branch, China Construction Bank Corporation	17,600,000.00	The Company	Tongliao Meihua	2024/11/20-2027/10/21
Tongliao Branch, China Construction Bank Corporation	143,213,000.00	The Company	Tongliao Meihua	2025/5/20-2038/5/8
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	14,819,832.28	Xinjiang Meihua	Tongliao Meihua	2024/12/5-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	4,538,021.20	Xinjiang Meihua	Tongliao Meihua	2024/12/12-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	3,978,347.92	Xinjiang Meihua	Tongliao Meihua	2024/12/19-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	2,095,843.43	Xinjiang Meihua	Tongliao Meihua	2024/12/25-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	40,000,000.00	Xinjiang Meihua	Tongliao Meihua	2024/2/6-2027/2/4
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	73,000,000.00	Xinjiang Meihua	Tongliao Meihua	2023/8/28-2038/6/20
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	20,725,937.66	Xinjiang Meihua	Tongliao Meihua	2025/2/13-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	5,033,161.44	Xinjiang Meihua	Tongliao Meihua	2025/2/20-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	2,618,621.00	Xinjiang Meihua	Tongliao Meihua	2025/3/13-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	17,000,000.00	Xinjiang Meihua	Tongliao Meihua	2025/3/25-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	4,345,889.20	Xinjiang Meihua	Tongliao Meihua	2025/4/10-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	924,221.72	Xinjiang Meihua	Tongliao Meihua	2025/7/4-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	617,779.60	Xinjiang Meihua	Tongliao Meihua	2025/8/6-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	1,786,020.00	Xinjiang Meihua	Tongliao Meihua	2025/8/20-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	6,124,927.36	Xinjiang Meihua	Tongliao Meihua	2025/11/6-2039/11/27

Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	39,000,000.00	Xinjiang Meihua	Tongliao Meihua	2025/12/23-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	14,000,000.00	Xinjiang Meihua	Tongliao Meihua	2025/12/26-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	3,600,000.00	Xinjiang Meihua	Tongliao Meihua	2026/1/9-2039/11/27
Wujiaqu Sub-branch, China Construction Bank Corporation	95,000,000.00	The Company	Xinjiang Meihua	2024/7/25-2027/7/25
Less: Long-term Borrowings Due Within One Year	104,952,000.00			
Total	821,256,602.81			

Other Explanations:

□Applicable ✓Not Applicable

46. Bonds Payable

(1) Bonds Payable

□Applicable ✓Not Applicable

(2) Specific Status of Bonds Payable: (Excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

□Applicable ✓Not Applicable

(3) Explanation of Convertible Corporate Bonds

□Applicable ✓Not Applicable

Accounting Treatment of and Judgement Basis for Rights to Convert Shares

□Applicable ✓Not Applicable

(4) Explanation of Other Financial Instruments Classified as Financial Liabilities

Overview of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period

□Applicable ✓Not Applicable

Table of Changes in Financial Instruments such as Preferred Shares and Perpetual Bonds Outstanding at the End of the Period

□Applicable ✓Not Applicable

Explanation of the Basis for Classifying Other Financial Instruments as Financial Liabilities:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

47. Lease Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Lease Payments	1,566,687.44	2,154,152.79
Less: Unrecognized Financing Costs	83,461.73	129,736.84
Less: Lease Liabilities Due Within One Year	1,000,938.19	1,011,449.31

Total	482,287.52	1,012,966.64

Other Explanations:

None

48. Long-Term Payables

Presentation of Items

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Long-term Payables	23,457,549.63	10,500,000.00
Special Payables		
Total	23,457,549.63	10,500,000.00

Other Explanations:

None

Long-Term Payables

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Guarantee Deposits	10,500,000.00	10,500,000.00
Software service fees	16,405,130.20	
Less: Long-term Payables Due Within One Year	3,447,580.57	
Total	23,457,549.63	10,500,000.00

Other Explanations:

None

Special Payables

□Applicable ✓Not Applicable

49. Long-term Employee Compensation Payable

✓Applicable □ Not Applicable

(1) Schedule of Long-term Employee Benefits Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
I. Post-employment Benefits - Net Defined Benefit Obligation		
II. Termination Benefits		
III. Other Long-Term Benefits		7,474,640.65
Total		7,474,640.65

Severance pay accrued in accordance with relevant provisions of *Thai Labour Protection Act*.

(2) Changes in defined benefit plans

Present value of defined benefit obligation:

□Applicable ✓Not Applicable

Plan assets:

□Applicable √Not Applicable

Net defined benefit obligation (net assets):

□Applicable √Not Applicable

Description of the nature of defined benefit plans, related risks, and their impact on the Company's future cash flows, timing and uncertainty:

□Applicable √Not Applicable

Description of significant actuarial assumptions and results of sensitivity analysis of defined benefit plans:

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

50. Estimated Liabilities

□Applicable √Not Applicable

51. Deferred Revenue

Status of Deferred Revenue

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance	Reasons for Formation
Government Grants	367,624,988.38	3,011,200.00	25,089,514.75	345,546,673.63	Related to assets
Total	367,624,988.38	3,011,200.00	25,089,514.75	345,546,673.63	/

Other Explanations:

√Applicable □ Not Applicable

Refer to Section X for details of government grants for the Company.

52. Other Non-current Liabilities

□Applicable √Not Applicable

53. Share Capital

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

	Beginning Balance	Increase/Decrease (+, -) in the Changes During the Current Period					Ending Balance
		New Shares Issued	Stock Dividend	Capital Reserves Conversion into Shares	Others	Subtotal	
Total Quantity of Shares	2,804,241,650.00						2,804,241,650.00

Other Explanations:

None

54. Other Equity Instruments

(1) Overview of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period

□Applicable ✓Not Applicable

(2) Table of Changes in Financial Instruments such as Preferred Shares and Perpetual Bonds Outstanding at the End of the Period

□Applicable ✓Not Applicable

Explanation of increase/decrease in other equity instruments during the current period, reasons for such changes and basis for relevant accounting treatments:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

55. Capital Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Capital Premiums (Share Premiums)	33,749,867.59			33,749,867.59
Other Capital Reserves				
Total	33,749,867.59			33,749,867.59

Other Explanations: Including explanation of increase/decrease in the current period and reasons for such changes:

None

56. Treasury Shares

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Share Repurchase for Capital Decrease		39,999,676.57	-	39,999,676.57
Total		39,999,676.57	-	39,999,676.57

Other Explanations: Including explanation of increase/decrease in the current period and reasons for such changes:

On December 29, 2025, the Company convened the first meeting of its 11th Board of Directors, at which the “Proposal on the Repurchase of Company Shares via Centralized Auction Trading” was reviewed and approved. The Board agreed that the Company may use its own funds to repurchase its shares via centralized auction trading for the purpose of subsequently implementing an employee stock ownership plan or equity incentive program. The total repurchase amount shall be no less than RMB 30 million (inclusive) and no more than RMB 50 million (inclusive), with a repurchase price not exceeding RMB 15 per share. The repurchase period shall not exceed 12 months from the date the Board of Directors approved this share repurchase plan (i.e., December 29, 2025, to December 28, 2026).

As of the market close on April 23, 2026, the Company has actually repurchased 3,999,100 shares through centralized bidding transactions, accounting for 0.14% of the Company’s current total share capital (2,804,241,650 shares). The highest repurchase price was RMB 10.07 per share, and the lowest repurchase price was RMB 9.90 per share, with an average repurchase price of RMB 10.00 per share, and the total amount used was RMB 39,995,900 (excluding transaction fees). The amount of shares repurchased by the Company during the repurchase period has reached the minimum amount specified in the repurchase plan, and the implementation of the share repurchase plan has been completed.

57. Other Comprehensive Income

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Amounts Incurred during the Current Period						Ending Balance
		Amounts Incurred during the Current Period Before Income Tax	Less: Amount Recorded in Other Comprehensive Income in Previous Periods and Transferred to the Profit or Loss for the Current Period	Less: Amount Recorded in Other Comprehensive Income in Previous Periods and Transferred to Retained Earnings for the Current Period	Less: Income Tax Expenses	Attributable to the Parent Company After Tax	Attributable to the Minority Shareholders After Tax	
I. Other Comprehensive Income That Cannot Be Reclassified to Profit or Loss	-153,024,892.50	-72,877,160.00			-18,219,290.00	-54,657,870.00		-207,682,762.50
Including: Amount of Changes in Remeasured Defined Benefit Plans								
Other Comprehensive Income That Cannot Be Reclassified to Profit or Loss Under Equity Method								
Changes in Fair Value of Other Equity Instrument Investments	-153,024,892.50	-72,877,160.00			-18,219,290.00	-54,657,870.00		-207,682,762.50
Changes in Fair Value of Enterprises’ Own Credit Risk								
II. Other Comprehensive Income to Be Reclassified to Profit or Loss	-6,195,279.71	-45,108,522.99				-45,108,522.99		-51,303,802.70
Including: Other Comprehensive Income That Can Be Transferred to Profit or Loss Under Equity Method								
Changes in Fair Value of Other Debt Investments								
Amount of Financial Assets Reclassified and Recorded in Other Comprehensive Income								
Credit Impairment Reserves for Other Debt Investments								
Cash Flow Hedging Reserves								
Converted Differences in Foreign Currency Financial Statements	-6,195,279.71	-45,108,522.99				-45,108,522.99		-51,303,802.70
Total Other Comprehensive Income	-159,220,172.21	-117,985,682.99			-18,219,290.00	-99,766,392.99	-	-258,986,565.20

Other explanations, including the adjustments to the transfer of effective portion of cash flow hedge profit or loss to initially recognized amount of hedged items: None

58. Special Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the	Decrease during the	Ending Balance

		Current Period	Current Period	
Work Safety Expenses	4,992,619.68	26,082,428.67	24,900,048.73	6,174,999.62
Total	4,992,619.68	26,082,428.67	24,900,048.73	6,174,999.62

Other explanations, including explanation of increase/decrease for the current period and reasons for such changes:

The increase in special reserves during the current period was mainly attributable to the appropriation of safety production expenses in accordance with the *Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds* (Cai Zi [2022] No. 136) issued by the Ministry of Finance.

59. Surplus Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Statutory Surplus Reserves	1,379,865,682.01			1,379,865,682.01
Discretionary Surplus Reserves				
Reserve Funds				
Enterprise Expand Funds				
Others				
Total	1,379,865,682.01			1,379,865,682.01

Explanations of surplus reserves, including explanation of increase/decrease for the current period and reasons for such changes: None

60. Undistributed Profits

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	For the Current Period	For the Previous Year
Undistributed Profits at the End of the Previous Period Before Adjustment	12,283,940,768.49	10,370,640,110.47
Total Amount of Undistributed Profits at the Beginning of the Adjustment (Increase +, decrease－)		
Undistributed Profits at the Beginning of the Post-adjustment	12,283,940,768.49	10,370,640,110.47
Plus: Net Profit Attributable to the Owners of the Parent Company for the Current Period	661,862,706.23	3,280,879,912.10
Minus: Withdrawal of Statutory Surplus Reserves		167,591,928.79
Withdrawal of Discretionary Surplus Reserves		
Withdrawal of General Risk Reserves		
Ordinary Share Dividends Payable	1,199,935,002.04	1,199,987,325.29
Ordinary Share Dividends Transferred to Share Capital		
Undistributed Profits at the End of the Period	11,745,868,472.68	12,283,940,768.49

Details of Undistributed Profits at the Beginning of the Adjustment:

1. Due to retrospective adjustments under the *Accounting Standards for Business Enterprises* and related new regulations, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
2. Due to changes in the accounting standards, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
3. Due to correction of significant accounting errors, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
4. Due to changes in the consolidation scope caused by the same control, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
5. Due to other adjustments, the total amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.

61. Operating Revenues and Operating Costs

(1) Status of Operating Revenues and Operating Costs

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Revenues	Costs	Revenues	Costs
Main Business	12,112,399,387.92	10,556,262,320.52	12,201,006,425.75	9,372,143,881.60
Other Business	122,695,951.62	96,831,504.67	79,444,177.78	61,209,358.49
Total	12,235,095,339.54	10,653,093,825.19	12,280,450,603.53	9,433,353,240.09

(2) Decomposition Information of Operating Revenues and Operating Costs

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

(3) Explanation of Performance Obligations

□Applicable ✓Not Applicable

(4) Explanation of Allocation to Remaining Performance Obligations

□Applicable ✓Not Applicable

(5) Significant Changes in Contracts or Significant Adjustments to Transaction Prices

□Applicable ✓Not Applicable

Other Explanations:

None

62. Taxes and Surcharges

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Consumption Tax		
Business Tax		
Urban Maintenance and Construction Tax	10,820,044.42	17,664,115.33
Education Surcharge	8,059,046.30	13,714,358.88
Resource Tax	26,060,998.16	24,961,004.89
Property Tax	29,190,370.98	26,906,712.05

Land Use Tax	19,563,578.22	18,300,652.02
Vehicle and Vessel Usage Tax	147,090.50	34,243.33
Stamp Duty	12,184,083.78	11,871,317.19
Environmental Protection Tax	1,772,808.03	3,163,481.95
Others	1,485,173.53	2,450,685.40
Total	109,283,193.92	119,066,571.04

Other Explanations:
None

63. Sales Expenses

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Transportation Expenses	83,540,185.94	81,508,805.04
Company Expenses	11,508,390.39	12,024,503.62
Promotion Expenses	4,803,172.44	10,568,077.77
Employee Expenses	45,394,253.62	33,055,518.95
Depreciation and Amortization	9,598,201.85	8,513,752.19
Warehousing Expenses	21,690,755.57	22,090,134.45
Total	176,534,959.81	167,760,792.02

Other Explanations:
None

64. Administrative Expenses

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Company Expenses	96,987,334.79	83,514,810.05
Employee Expenses	263,282,911.12	337,748,536.68
Depreciation and Amortization	64,514,896.35	48,170,214.84
Total	424,785,142.26	469,433,561.57

Other Explanations:
None

65. Research and Development Expenses

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Employee Expenses	29,383,456.83	28,650,440.05
Material Consumption	129,239,958.72	136,825,441.33
Depreciation Expenses	11,965,107.80	12,225,514.37
Other Expenses	16,959,920.10	22,257,302.18
Total	187,548,443.45	199,958,697.93

Other Explanations:
None

66. Financial Expenses

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest Expenses	20,836,234.31	27,955,159.53
Including: Interest Expense on Lease Liabilities	45,212.39	131,263.83
Less: Interest Income	20,897,261.18	26,389,977.12
Net Interest Expense	-61,026.87	1,565,182.41
Exchange Profits and Losses	46,150,945.53	-28,153,343.43
Bank Charges and Other Expenses	7,509,908.04	5,927,841.39
Total	53,599,826.70	-20,660,319.63

Other Explanations:
None

67. Other Income

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Classification by Nature	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Government Subsidies	130,402,361.18	137,644,467.14
Refunds of Personal Income Tax Handling Fees	2,026,718.28	5,404,964.32
Additional Deduction of Value-added Tax		5,496,884.87
Value-added Tax Exemption for Retired Veterans	52,500.00	
Total	132,481,579.46	148,546,316.33

Other Explanations:
None

68. Investment Income

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Investment Income from Long-term Equity Investment Accounted for by the Equity Method	-2,122,489.41	-923,353.98
Investment Income from the Disposal of Long-term Equity Investments	35,066,419.30	
Investment Income from Financial Assets Held for Trading during the Holding Period		
Dividend Income from Other Equity Instrument Investments during the Holding Period	1,689,600.00	3,308,800.00
Dividend Income from Debt Investments during the Holding Period	787,500.00	787,500.00
Dividend Income from other Debt Investments during the Holding Period	7,863,675.28	10,465,773.44
Investment Income from the Disposal of Financial Assets Held for Trading	14,547,543.70	15,723,626.48

Investment Income from the Disposal of Other Equity Instrument Investments		
Investment Income from the Disposal of Debt Investments		
Investment Income from the Disposal of Other Debt Investments	79,833.31	-111,579.15
Debt Restructuring Gains		
Total	57,912,082.18	29,250,766.79

Other Explanations:
None

69. Gains from Net Exposure Hedging

□Applicable ✓Not Applicable

70. Gains from Changes in Fair Value

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Sources of Gains from Changes in Fair Value	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Financial Assets Held for Trading	21,336,805.37	16,016,844.67
Including: Gains from Changes in Fair Value Arising from Derivative Financial Instruments	4,501,600.86	1,200,860.00
Financial Liabilities Held for Trading		
Investment Properties Measured at Fair Value		
Total	21,336,805.37	16,016,844.67

Other Explanations:
None

71. Credit Impairment Losses

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Bad Debt Losses on Notes Receivable		
Bad Debt Losses on Accounts Receivable		
Bad Debt Losses on Other Receivables		
Impairment Losses on Debt Investments		
Impairment Losses on Other Debt Investments		
Bad Debt Losses on Long-term Receivables		
Financial Guarantee-related Impairment Losses		
Bad Debt Losses	-4,068,410.89	-154,305.79
Total	-4,068,410.89	-154,305.79

Other Explanations:
None

72. Asset Impairment Losses

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period

I. Impairment Losses on Contract Assets		
II. Inventory Write-down Losses and Contract Performance Cost Impairment Losses	-29,797,994.41	-451,713.16
III. Impairment Losses on Long-term Equity Investments		
IV. Impairment Losses on Investment Properties		
V. Impairment Losses on Fixed Assets		-8,784,893.48
VI. Impairment Losses on Engineering Materials		
VII. Impairment Losses on Construction in Progress		
VIII. Impairment Losses on Productive Biological Assets		
IX. Impairment Losses on Oil and Gas Assets		
X. Impairment Losses on Intangible Assets		
XI. Impairment Losses on Goodwill		
XII. Others		
Total	-29,797,994.41	-9,236,606.64

Other Explanations:
None

73. Gains from Disposal of Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Fixed Assets	700,199.25	438,552.05
Intangible Assets	9,963,577.20	
Total	10,663,776.45	438,552.05

Other Explanations:

□Applicable ✓Not Applicable

74. Non-operating Revenues

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Amounts Recorded in Non-recurring Profits or Losses for the Current Period
Total Gains from Disposal of Non-current Assets	2,699,677.58		2,699,677.58
Including: Gains from Disposal of Fixed Assets	2,699,677.58		2,699,677.58
Gains from Disposal of Intangible Assets			
Gain on Debt Restructuring			
Gains from Exchange of Non-monetary Assets			

Donation Receipts			
Revenue from Default Compensation	2,996,485.60		2,996,485.60
Insurance Claims		2,458,445.64	
Income from Carbon Emission Rights	14,905,660.38		14,905,660.38
Enterprise Merger Not Under the Same Control			
Others	1,745,275.67	698,690.77	1,745,275.67
Total	22,347,099.23	3,157,136.41	22,347,099.23

Other Explanations:

□Applicable ✓Not Applicable

75. Non-operating Expenditure

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Amounts Recorded in Non-recurring Profits or Losses for the Current Period
Total Losses from Disposal of Non-current Assets	6,456,826.23	6,570,163.08	6,456,826.23
Including: Losses from Disposal of Fixed Assets	6,456,826.23	6,570,163.08	6,456,826.23
Losses from Disposal of Intangible Assets			
External Donations	3,002,645.86	1,542,000.00	3,002,645.86
Others	1,262,639.07	2,273,751.00	1,262,639.07
Total	10,722,111.16	10,385,914.08	10,722,111.16

Other Explanations:

None

76. Income Tax Expenses

(1) Table of Income Tax Expenses

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Current Income Tax Expenses	168,887,307.46	331,522,515.48
Deferred Income Tax Expenses	-347,239.25	-10,301,782.12
Total	168,540,068.21	321,220,733.36

(2) Adjustment Process for Accounting Profits and Income Tax Expenses

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current

	Period
Total Profits	830,402,774.44
Income Tax Expenses Calculated at Statutory/Applicable Tax Rates	124,560,416.21
Impact of Different Tax Rates Applicable to Subsidiaries	92,662,250.42
Impact of Income Tax for the Previous Period Before Adjustment	44,164,832.77
Impact of Non-taxable Income	-81,179,530.88
Impact of Non-deductible Costs, Expenses and Losses	629,842.11
Impact of Deductible Losses from Unrecognized Deferred Income Tax Assets for the Previous Periods Before Usage	-25,869,776.50
Impact of Deductible Temporary Difference or Deductible Losses from Unrecognized Deferred Income Tax Assets for the Current Period	13,572,034.08
Income Tax Expenses	168,540,068.21

Other Explanations:

□Applicable ✓Not Applicable

77. Other Comprehensive Income

✓Applicable □ Not Applicable

Refer to the notes for details.

78. Cash Flow Statement Items

(1) Cash Related to Operating Activities

Other received cash related to operating activities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest Income	19,540,231.78	26,411,390.20
Income from Government Grants	110,876,621.83	132,252,277.39
Others	21,994,610.94	32,489,729.74
Total	152,411,464.55	191,153,397.33

Explanation of other received cash related to operating activities:

None

Other paid cash related to operating activities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Expense Expenditure	454,977,044.30	308,047,443.89
Temporary Borrowings	693,843.86	681,175.17
Other Expenditures	25,286,245.73	244,715,431.93
Total	480,957,133.89	553,444,050.99

Explanation of other paid cash related to operating activities:

None

(2) Cash Related to Investment Activities

Significant received cash related to investment activities

□Applicable ✓Not Applicable

Significant paid cash related to investment activities

□Applicable ✓Not Applicable

Other received cash related to investment activities

□Applicable ✓Not Applicable

Other paid cash related to investment activities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Foreign Exchange Gain	2,883,915.81	2,859,048.14
Total	2,883,915.81	2,859,048.14

Explanation of other paid cash related to investment activities:

None

(3) Cash Related to Financing Activities

Other received cash related to financing activities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Restricted Monetary Funds	277,489,110.71	428,515,211.85
Total	277,489,110.71	428,515,211.85

Explanation of other received cash related to financing activities:

None

Other paid cash related to financing activities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Restricted Monetary Funds	295,166,458.97	190,591,895.44
Repurchased Shares	39,999,676.57	64,294,882.98
Principal and Lease Deposits for Lease Liabilities	600,513.36	861,559.04
Total	335,766,648.90	255,748,337.46

Explanation of other paid cash related to financing activities:

None

Changes in liabilities arising from financing activities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period		Decrease during the Current Period		Ending Balance
		Cash Changes	Non-cash Changes	Cash Changes	Non-cash Changes	
Short-term Borrowings	1,800,136,227.43	1,751,224,909.21	12,483,003.88	1,645,488,281.38	86,559,146.24	1,831,796,712.90
Long-term	2,198,725,123.85	232,054,000.00		243,810,000.01		2,186,969,123.84

Borrowings						
Lease Liabilities	2,024,415.95		85,046.64	582,841.36	43,395.52	1,483,225.71
Total	4,000,885,767.23	1,983,278,909.21	12,568,050.52	1,889,881,122.75	86,602,541.76	4,020,249,062.45

(4) Explanation of Presenting Cash Flows at Net Amount

□Applicable √Not Applicable

(5) Significant events and financial effects that do not involve current cash receipts or payments but may affect the company's financial position or may affect the company’s cash flows in the future

□Applicable √Not Applicable

79. Supplementary Information for Cash Flow Statements

(1) Supplementary Information for Cash Flow Statements

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Supplementary Information	Amount for the Current Period	Amount for the Previous Period
1. Adjusting Net Profit to Cash Flows from Operating Activities:		
Net Profit	661,862,706.23	1,767,950,116.89
Plus: Asset Impairment Reserves	29,797,994.41	9,236,606.64
Credit Impairment Losses	4,068,410.89	154,305.79
Depreciation of Fixed Assets, Depletion of Oil and Gas Assets, and Depreciation of Productive Biological Assets	744,691,655.08	663,310,890.94
Amortization of Right-of-Use Assets	1,636,034.30	1,804,653.82
Amortization of Intangible Assets	25,891,648.42	20,437,708.39
Amortization of Long-term Deferred Expenses	22,078,508.30	18,080,269.41
Losses on Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets ("-" for gains)	-10,663,776.45	-438,552.05
Losses on Scrapping of Fixed Assets ("-" for gains)	6,456,826.23	6,570,163.08
Losses on Changes in Fair Value ("-" for gains)	-21,336,805.37	-16,016,844.67
Financial Expenses ("-" for gains)	65,139,732.01	-737,611.57
Investment Losses ("-" for gains)	-57,912,082.18	-29,250,766.79
Decrease in Deferred Income Tax Assets ("-" for increase)	624,227.00	-19,972,579.93
Increase in Deferred Income Tax Liabilities ("-" for decrease)		-35,060.17
Decrease in Inventories ("-" for increase)	-1,047,278,926.63	208,943,971.20
Decrease in Operating Receivables ("-" for increase)	-216,263,282.68	-3,689,852.79
Increase in Operating Payables ("-" for decrease)	180,347,214.46	-313,556,197.56
Others		
Net Cash Flow Arising from Operating Activities	389,140,084.02	2,312,791,220.63
2. Significant Investment and Financing Activities not Involving Cash Receipts or Payments:		
Debt to Capital		
Convertible Corporate Bonds Due Within One Year		
Financing Leasing Fixed Assets		
3. Net Changes in Cash and Cash Equivalents:		
Ending Cash Balance	2,581,909,504.82	2,722,743,961.39

Minus: Beginning Cash Balance	4,006,435,846.79	4,131,859,602.14
Plus: Ending Cash Equivalent Balance		
Minus: Beginning Cash Equivalent Balance		
Net Increase in Cash and Cash Equivalents	-1,424,526,341.97	-1,409,115,640.75

(2) Net Cash Paid for Acquiring Subsidiaries for the Current Period

□Applicable ✓Not Applicable

(3) Net Cash Received for Disposing Subsidiaries for the Current Period

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents received during the current period from the disposal of a subsidiary	525,834,529.63
Minus: Cash and cash equivalents held by the subsidiary as of the date control was lost	203,646,503.23
Plus: Cash or cash equivalents received during the current period from the disposal of a subsidiary in prior periods	
Net cash received from the disposal of a subsidiary	322,188,026.40

Other Explanations:

None

(4) Composition of Cash and Cash Equivalents

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
I. Cash	2,581,909,504.82	4,006,435,846.79
Including: Cash on Hand	3,420.21	3,267.17
Bank Deposits Available for Immediate Payment	2,563,871,614.99	3,866,955,277.83
Other Monetary Funds Available for Immediate Payment	18,034,469.62	139,477,301.79
Deposits with Central Banks Available for Payment		
Interbank Deposits		
Interbank Placements		
II. Cash Equivalents		
Including: Bond Investment Due within Three Months		
III. Ending Balance of Cash and Cash Equivalents	2,581,909,504.82	4,006,435,846.79
Including: Cash and Cash Equivalents Restricted for Use by the Parent Company or Subsidiaries within the Group		

(5) Instances Where Usage is Restricted but Still Classified as Cash and Cash Equivalents

□Applicable ✓Not Applicable

(6) Monetary Funds Not Classified as Cash and Cash Equivalents

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reason
Margin Deposits for Bank Acceptance Bills	295,166,459.00	277,489,110.74	Not Available for Immediate Withdrawal
Funds in Transit		2,478,943.96	Not Available for Immediate Withdrawal
Guarantee Deposits and Other Restricted Funds	105,210.02	669,172.00	Not Available for Immediate Withdrawal
Unexpired Interest Receivable	586,736.58	1,098,705.10	Not Available for Immediate Withdrawal
Total	295,858,405.60	281,735,931.80	/

Other Explanations:

□Applicable √Not Applicable

80. Notes to Items in the Statement of Changes in Owner's Equity

Explanation of Name of "Other" Items Adjusted Against the Ending Balance for the Previous Year, Adjusted Amount and Other Matters:

□Applicable √Not Applicable

81. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

√Applicable □ Not Applicable

Unit: Yuan

Items	Ending Foreign Currency Balance	Conversion Rate	Ending Balance Converted to Renminbi
Monetary Funds			177,060,422.22
Including: US Dollar	25,555,209.84	6.8110	174,056,057.91
Euro	238,609.69	7.7671	1,853,305.33
Hong Kong Dollar	887.72	0.8686	771.03
British Pound	34.20	9.0146	308.30
Singapore Dollar	217,460.37	5.2605	1,143,943.23
Japanese Yen	143,570.00	0.0420	6,036.42
Accounts Receivable			221,432,039.00
Including: US Dollar	32,510,487.01	6.8111	221,431,728.32
Euro	40.00	7.7670	310.68
Other Receivables			493,893.38
Including: US Dollar	62,581.81	6.8071	426,001.30
Singapore Dollar	12,906.00	5.2605	67,892.08
Other Current Assets			854,793.12
Including: Singapore Dollar	162,492.74	5.2605	854,793.12
Long-term Receivables			329,991.45
Including: Singapore Dollar	62,730.05	5.2605	329,991.45
Accounts Payable			8,049,877.63
Including: US Dollar	1,181,911.00	6.8109	8,049,877.63
Other Payables			9,465,915.81

Including: US Dollar	1,234,902.30	6.8112	8,411,163.01
Singapore Dollar	65,722.00	5.2608	345,747.17
Japanese Yen	16,863,000.00	0.0420	709,005.63
Employee compensation payable			1,349,336.77
Including: Hong Kong Dollar	103,000.00	0.8686	89,460.65
Singapore Dollar	239,497.48	5.2605	1,259,876.12
Lease Liabilities			220,893.08
Including: Singapore Dollar	41,990.89	5.2605	220,893.08
Non-current Liabilities Due Within One Year			865,327.77
Including: Singapore Dollar	164,495.35	5.2605	865,327.77
Long-term Payables			13,790,234.99
Including: Singapore Dollar	2,621,485.07	5.2605	13,790,234.99

Other Explanations:

None

(2) The nature of currency non-convertibility and its financial impact, the spot exchange rates used and the estimation process, as well as the risks the entity faces due to currency non-convertibility

□Applicable ✓Not Applicable

(3) Explanation of overseas operating entities, including disclosure of their main overseas operating locations, functional currencies and selection basis for significant overseas operating entities as well as disclosure of reasons for changes in functional currencies

✓Applicable □ Not Applicable

Company Name	Main Operating Location	Functional Currency	Basis of Determination	Whether Functional Currency Has Changed
Hong Kong Meihua	Hong Kong	CNY	The currency of the primary economic environment in which the entity operates	No
Hong Kong Holdings	Hong Kong	US Dollar	The currency of the primary economic environment in which the entity operates	No
Cayman Company	Cayman Islands	US Dollar	The currency of the primary economic environment in which the entity operates	No
Singapore Company	Singapore	US Dollar	The currency of the primary economic environment in which the entity operates	No
SPV	Singapore	US Dollar	The currency of the primary economic environment in which the entity operates	No
TP	Thailand	Thai Baht	The currency of the primary economic environment in which the entity operates	No
PUS	United States	US Dollar	The currency of the primary economic environment in which the entity operates	No
UP	United States	US Dollar	The currency of the primary economic environment in which the entity operates	No

PUSA	United States	US Dollar	The currency of the primary economic environment in which the entity operates	No
PJP	Japan	Japanese Yen	The currency of the primary economic environment in which the entity operates	No
PSG	Singapore	US Dollar	The currency of the primary economic environment in which the entity operates	No
PEU	Germany	Euro	The currency of the primary economic environment in which the entity operates	No

In preparing the consolidated financial statements, the financial statements of foreign operations are translated into the presentation currency of the Company (i.e., the functional currency of the parent company) using the following exchange rates:

Item	Balance Sheet Items (Assets and Liabilities)	Income Statement Items (Income and Expenses)	Paid-in Capital
Exchange Rate Used for Translation	Spot Exchange Rate at the Balance Sheet Date	Approximate Exchange Rates at the Date of Transactions	Historical Exchange Rates

(4) Cases where the functional currency of a foreign operation is not convertible into the entity's presentation currency

□Applicable √Not Applicable

82. Leases

(1) As Lessee

√Applicable □ Not Applicable

Variable lease payments not included in the measurement of lease liabilities

□Applicable √Not Applicable

Lease expenses on short-term leases or leases of low-value assets with simplified treatment

√Applicable □ Not Applicable

RMB 2972767.41 yuan

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest of Lease Liabilities	45,212.39	582,068.74
Expenses on Short-term Leases	2,927,555.02	858,029.01

Sale-leaseback Transactions and Judgement Basis

□Applicable √Not Applicable

Total cash outflows related to leases: 3,528,068.38 (Unit: Yuan Currency: RMB)

(2) As Lessor

Operating leases as lessor

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Revenue from Leases	Including: Revenue Related to Variable Lease Payments Not Recorded in Lease Receipts

Revenue from Leases	6,660,036.78	
Total	6,660,036.78	

Financing leases as lessor

□Applicable ✓Not Applicable

Adjustment Table for Undiscounted Lease Receipts and Net Lease Investments

□Applicable ✓Not Applicable

Undiscounted Lease Receipts over the Next Five Years

□Applicable ✓Not Applicable

(3) Recognition of Profits and Losses from Financing Leases as Manufacturer or Dealer

□Applicable ✓Not Applicable

Other Explanations:
None

83. Data Resources

□Applicable ✓Not Applicable

84. Others

□Applicable ✓Not Applicable

VIII. Research and Development Expenses

1. Presented by Expense Nature

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Employee Expenses	29,383,456.83	28,650,440.05
Material Consumption	129,239,958.72	136,825,441.33
Depreciation Expenses	11,965,107.80	12,225,514.37
Other Expenses	16,959,920.10	22,257,302.18
Total	187,548,443.45	199,958,697.93
Including: Expensed Research and Development Expenditures	187,548,443.45	199,958,697.93
Capitalized Development Costs		

Other Explanations:
None

2. Development Expenditures on Research and Development Projects Qualifying for Capitalization

□Applicable ✓Not Applicable

Significant Capitalized Research and Development Projects

□Applicable ✓Not Applicable

Development Expenditure Impairment Reserves

□Applicable ✓Not Applicable

Other Explanations:
None

3. Significant Outsourced Research Projects

□Applicable ✓Not Applicable

IX. Changes in Consolidation Scope

1. Enterprise Merger Not Under the Same Control

□Applicable ✓Not Applicable

2. Enterprise Merger Under the Same Control

□Applicable ✓Not Applicable

3. Reverse Acquisitions

□Applicable √Not Applicable

4. Disposal of Subsidiaries

Whether there are transactions or matters resulting in loss of control over subsidiaries during the current period

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name of the subsidiary	Time of loss of control	Disposal consideration at the time of loss of control	Disposal percentage at the time of loss of control (%)	Disposal method at the time of loss of control:	Basis for determining the time of loss of control:	Difference between the disposal consideration and the share of the subsidiary's net assets attributable to the disposed investment at the consolidated financial statements level	Percentage of remaining equity interest at the date of loss of control (%)	Book value of remaining equity interest at the date of loss of control at the consolidated financial statements level	Fair value of remaining equity interest at the date of loss of control at the consolidated financial statements level	Gain or loss arising from remeasurement of remaining equity interest at fair value	Method and key assumptions for determining the fair value of the remaining equity interest at the date of loss of control at the consolidated financial statements level	Amount of other comprehensive income related to the equity investment in the former subsidiary transferred to investment income or retained earnings
Plumino Precision Fermentation (Thailand) Co., Ltd	April 1, 2026	525,834,529.63	100	Transfer by equity agreement	Completion of equity transfer procedures	35,066,419.30	-	-	-	-	Not Applicable	8,743,832.40

Other Explanations:

□Applicable √Not Applicable

Whether there are instances in which the disposal of investment in subsidiaries is conducted through multiple transactions and results in loss of control during the current period

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

5. Changes in Consolidation Scope Due to Other Reasons

Explanation of changes in consolidation scope due to other reasons (such as establishment of new subsidiaries and liquidation of subsidiaries) and related circumstances:

□Applicable √Not Applicable

6. Others

□Applicable √Not Applicable

X. Equity in Other Entities

1. Equity in Subsidiaries

(1) Composition of Business Group

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Names of Subsidiaries	Main Operating Location	Registered Capital	Currency	Place of Registration	Business Nature	Stock Ownership Ratio (%)		Acquisition Method
						Direct	Indirect	
Tongliao Meihua	Tongliao	1,800,000,000	CNY	Tongliao	Manufacturing	100		Investment or Establishment
Tongliao Jianlong	Tongliao	233,000,000	CNY	Tongliao	Manufacturing		100	Merger Not Under the Same Control
Xinjiang Meihua	Wujiaqu	2,500,000,000	CNY	Wujiaqu	Manufacturing	100		Investment or Establishment
Xinjiang Agriculture	Wujiaqu	260,000,000	CNY	Wujiaqu	Manufacturing		100	Merger Not Under the Same Control
Wujiaqu Jianlong	Wujiaqu	160,000,000	CNY	Wujiaqu	Manufacturing		100	Investment or Establishment
Langfang R & D	Langfang	38,000,000	CNY	Langfang	Technological	100		Investment or Establishment

					Development			
Shanghai R & D	Shanghai	31,000,000	CNY	Shanghai	Technological Development		100	Investment or Establishment
Langfang BAIAN	Langfang	25,000,000	CNY	Langfang	Warehousing		100	Investment or Establishment
Langfang Seasoning	Langfang	250,000,000	CNY	Langfang	Manufacturing	100		Investment or Establishment
Tongliao Seasoning	Tongliao	5,000,000	CNY	Tongliao	Manufacturing		100	Investment or Establishment
Hong Kong Meihua	Hong Kong	6,277,900	CNY	Hong Kong	Trading	100		Investment or Establishment
Lhasa Meihua	Lhasa	800,000,000	CNY	Lhasa	Investment	100		Investment or Establishment
Jilin Meihua	Baicheng	2,000,000,000	CNY	Baicheng	Manufacturing	100		Investment or Establishment
Hengqin Meihua	Hengqin	432,315,000	CNY	Zhuhai	Investment	100		Investment or Establishment
Hong Kong Holding	Hong Kong	490,463,215	Hong Kong Dollar	Hong Kong	Investment		100	Investment or Establishment
Cayman Company	Cayman	5,000,000	US Dollar	Cayman	Investment		100	Investment or Establishment
Singapore Company	Singapore	10,000,000	Singapore Dollar	Singapore	Trading		100	Investment or Establishment
SPV	Singapore	1	Singapore Dollar	Singapore	Investment		100	Investment or Establishment
PUS	United States	5,000	US Dollar	United States	Investment		100	Investment or Establishment
PUSA	United States	5,000	US Dollar	United States	Trading		100	Investment or Establishment
SP	Shanghai	88,900,000	US Dollar	Shanghai	Manufacturing		100	Merger Not Under the Same Control
TP	Thailand	7,150,000,000	Thai Baht	Thailand	Manufacturing		100	Disposed of
UP	United States	20,000,000	US Dollar	United States	Manufacturing		100	Merger Not Under the Same Control

PJP	Japan	5,000,000	Japanese Yen	Japan	Trading		100	Merger Not Under the Same Control
PSG	Singapore	4,000,000	US Dollar	Singapore	Trading		100	Merger Not Under the Same Control
PEU	Germany	1,030,000	Euro	Germany	Trading		100	Merger Not Under the Same Control
PGD	Guanagzhou	3,361,280	CNY	Guanagzhou	Trading		100	Merger Not Under the Same Control

Explanation of the Difference between Ownership Ratio and Voting Rights Ratio in Subsidiaries:
None
Basis for Controlling Invested Units with Half or Less than Half of Voting Rights, and Not Controlling Invested Units with More than Half of Voting Rights:
None
Basis for Controlling Significant Structured Entities Included in the Consolidation Scope:
None
Basis for Determining Whether the Company is an Agent or Principal:
None
Other Explanations:
None

(2) Significant Non-Wholly-Owned Subsidiaries

□Applicable √Not Applicable

(3) Main Financial Information of Significant Non-Wholly-Owned Subsidiaries

□Applicable √Not Applicable

(4) Significant Restrictions on the Use of Business Group's Assets and Settlement of Business Group's Debts

□Applicable ✓Not Applicable

(5) Financial Support or Other Support Provided for Structured Entities Included in the Scope of Consolidated Financial Statements

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

2. Transactions where Owners' Equity Shares in Subsidiaries Change but Control is Maintained

□Applicable ✓Not Applicable

3. Equity in Joint Ventures or Associates

✓Applicable □ Not Applicable

(1) Significant Joint Ventures or Associates

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Names of Joint Ventures or Associates	Main Operating Location	Place of Registration	Business Nature	Stock Ownership Ratio (%)		Accounting Treatment Methods for Investment in Joint Venture or Associates
				Direct	Indirect	
Tongliao Desheng Bio-Tech Co., Ltd.	Tongliao	Tongliao	Manufacturing	49		Equity Method

Explanation of the Difference between Ownership Ratio and Voting Rights Ratio in Joint Ventures or Associates:

None

Basis for Holding Less than 20% Voting Rights but Having Significant Influence, or Holding 20% or More Voting Rights but Not Having Significant Influence:

None

(2) Main Financial Information of Significant Joint Ventures

□Applicable ✓Not Applicable

(3) Main Financial Information of Significant Associates

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

	Ending Balance/ Amount Incurred During the Current Period	Beginning Balance/ Amount Incurred During the Previous Period
	Tongliao Desheng Bio-Tech Co., Ltd.	Tongliao Desheng Bio-Tech Co., Ltd.
Current Assets	5,712,694.57	11,941,216.25
Non-Current Assets	14,698,732.72	16,563,759.25
Total Assets	20,411,427.29	28,504,975.50

Current Liabilities	13,402,299.29	17,145,692.57
Non-Current Liabilities		
Total Liabilities	13,402,299.29	17,145,692.57
Minority Shareholders' Equity		
Shareholders' Equity Attributable to the Parent Company	7,009,128.00	11,359,282.93
Net Asset Share Calculated by Stock Ownership Ratio	3,434,472.72	5,566,048.64
Adjustments		
--Goodwill		
--Unrealized Profits on Internal Transactions		
--Others		
Book Value of Equity Investments in Associates	2,635,435.80	4,757,925.21
Fair Value of Equity Investments in Associates with Public Quotation		
Operating Revenues	33,770,293.90	55,978,803.48
Net Profits	-4,284,651.04	-838,746.96
Net Profits from Discontinued Operations		
Other Comprehensive Income		
Total Comprehensive Income	-4,284,651.04	-838,746.96
Dividends Received from Associates during the Current Year		

Other Explanations:
None

(4) Consolidated Financial Information of Insignificant Joint Ventures and Associates

□Applicable ✓Not Applicable

(5) Explanation of Significant Restrictions on the Ability of Joint Ventures or Associates to Transfer Funds to the Company

□Applicable ✓Not Applicable

(6) Excessive Losses Incurred by Joint Ventures or Associates

□Applicable ✓Not Applicable

(7) Unrecognized Commitments Related to Investments in Joint Ventures

□Applicable ✓Not Applicable

(8) Contingent Liabilities Related to Investments in Joint Ventures or Associates

□Applicable ✓Not Applicable

4. Significant Joint Operations

□Applicable ✓Not Applicable

5. Equity in Structured Entities Not Included in the Scope of Consolidated Financial Statements

Explanation of Structured Entities Not Included in the Scope of Consolidated Financial Statements:

□Applicable ✓Not Applicable

6. Others

□Applicable ✓Not Applicable

XI. Government Grants

1. Government Grants Recognized as Receivables at the End of the Reporting Period

□Applicable ✓Not Applicable

Reasons for Not Receiving Expected Amounts of Government Grants at the Anticipated Timing

□Applicable ✓Not Applicable

2. Items of Liabilities Related to Government Grants

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Financial Statement Items	Beginning Balance	Newly Added Grants for the Current Period	Amount Recorded in Non-operating Revenue for the Current Period	Amount Transferred to Other Income for the Current Period	Other Changes for the Current Period	Ending Balance	Asset/Income-related
Deferred Income	367,624,988.38	3,011,200.00		25,089,514.75		345,546,673.63	Asset-related
Total	367,624,988.38	3,011,200.00		25,089,514.75		345,546,673.63	/

3. Government Grants Recorded in the Profit or Loss for the Current Period

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Types	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Asset-related	25,089,514.75	22,920,234.90
Income-related	107,865,421.83	114,842,277.39
Total	132,954,936.58	137,762,512.29

Other Explanations:

Government Grants Recorded in the Profit or Loss for the Current Period

Unit: Yuan Currency: RMB

Income Statement Presentation Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Asset/Income-related
Other Income	25,089,514.75	22,920,234.90	Asset-related
Other Income	105,312,846.43	114,724,232.24	Income-related
Financial Expenses (Government Interest Subsidies)	2,552,575.40	118,045.15	Income-related
Total	132,954,936.58	137,762,512.29	—

XII. Risks Related to Financial Instruments

1. Risks of Financial Instruments

√Applicable □ Not Applicable

The Company’s risks related to financial instruments arise from various financial assets and financial liabilities recognised in the course of its operations, including credit risk, liquidity risk and market risk.

The formulation of objectives and policies for managing these risks related to financial instruments is the responsibility of the Company’s management. The operating management team is responsible for day-to-day risk management through functional departments. The Company’s internal audit department conducts ongoing supervision over the implementation of risk management policies and procedures and reports relevant findings to the Company’s Audit Committee in a timely manner.

The overall objective of the Company’s risk management is to establish risk management policies that minimise risks related to financial instruments as far as possible without unduly affecting the Company’s competitiveness and responsiveness.

1.Credit Risk

Credit risk refers to the risk that one party to a financial instrument will fail to discharge its obligations, thereby causing financial loss to the other party. The Company’s credit risk mainly arises from cash and cash equivalents, notes receivable, accounts receivable, financing receivables, other receivables, contract assets and long-term receivables. The credit risk of these financial assets originates from counterparty default, and the maximum exposure to credit risk is equal to their book amounts.

The Company’s cash and cash equivalents are mainly deposited with commercial banks and other financial institutions. The Company considers that these commercial banks have relatively high credit standing and sound financial conditions, and therefore the associated credit risk is low.

For notes receivable, accounts receivable, financing receivables, other receivables, contract assets and long-term receivables, the Company has established relevant policies to control credit risk exposure. The Company assesses customers’ creditworthiness based on their financial condition, the availability of third-party guarantees, credit history and other factors such as current market conditions, and sets appropriate credit terms accordingly. The Company regularly monitors customers’ credit records. For customers with poor credit history, the Company adopts measures such as issuing written reminders, shortening credit terms or cancelling credit terms to ensure that the overall credit risk remains within a controllable range.

(1) Criteria for Significant Increase in Credit Risk

At each balance sheet date, the Company assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. In determining whether a significant increase in credit risk has occurred since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analysis based on the Company’s historical data, external credit risk ratings, and forward-looking information. The Company determines changes in the risk of default over the expected life of a financial instrument by comparing the risk of default at the reporting date with that at initial recognition, on an individual financial instrument basis or a portfolio basis with similar credit risk characteristics.

The Company considers that the credit risk of a financial instrument has increased significantly when one or more of the following quantitative or qualitative criteria are triggered: quantitative criteria mainly include a significant increase in the probability of default over the remaining lifetime at the reporting date compared with that at initial recognition exceeding a certain threshold; qualitative criteria include significant adverse changes in the debtor's operating or financial conditions, inclusion on a watchlist of customers, etc.

(2) Definition of Credit-Impaired Financial Assets

To determine whether a financial asset is credit-impaired, the Company applies criteria consistent with its internal credit risk management objectives for the relevant financial instruments, and considers both quantitative and qualitative indicators.

In assessing whether a debtor is credit-impaired, the Company mainly considers the following factors: significant financial difficulty of the issuer or debtor; breach of contract by the debtor, such as default or overdue payment of interest or principal; concessions granted to the debtor for economic or contractual reasons related to the debtor's financial difficulty that would not otherwise be considered; high probability of bankruptcy or other financial restructuring of the debtor; disappearance of an active market for the financial asset due to financial difficulties of the issuer or debtor; purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Credit impairment of financial assets may result from the combined effect of multiple events and may not necessarily be attributable to a single identifiable event.

(3) Parameters for Measurement of Expected Credit Losses

Based on whether there has been a significant increase in credit risk and whether credit impairment has occurred, the Company measures loss allowances at an amount equal to 12-month expected credit losses or lifetime expected credit losses for different assets. The key parameters used in measuring expected credit losses include probability of default (PD), loss given default (LGD), and exposure at default (EAD). The Company incorporates both quantitative analysis of historical statistical data (such as counterparty credit ratings, types of guarantees and collateral, repayment methods, etc.) and forward-looking information to develop PD, LGD, and EAD models.

The relevant definitions are as follows:

Probability of default refers to the likelihood that a debtor will be unable to fulfil its repayment obligations over the next 12 months or over the remaining lifetime of the instrument.

Loss given default refers to the Company's expectation of the extent of loss arising from exposure at default. LGD varies depending on the type of counterparty, the method and priority of recovery, and the nature of collateral. It represents the percentage of exposure that will be lost in the event of default, calculated on a 12-month basis or over the remaining lifetime.

Exposure at default refers to the amount that the Company expects to be repaid in the event of default within the next 12 months or over the remaining lifetime of the instrument. Forward-looking information is incorporated in both the assessment of significant increases in credit risk and the calculation of expected credit losses. The Company identifies key economic indicators affecting credit risk and expected credit losses for each business type through historical data analysis.

The Company's maximum exposure to credit risk is the book amount of each financial asset presented in the balance sheet. The Company has not provided any other guarantees that would expose it to additional credit risk.

For the Company's accounts receivable and contract assets, the top five customers accounted for 50.18% (beginning of the year: 48.09%) of total accounts receivable. For other receivables, the top five debtors accounted for 85.42% (beginning of the year: 86.95%) of total other receivables.

2.Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter a shortage of funds when it is unable to meet its obligations settled by delivering cash or other financial assets. The Company centrally manages cash across all its subsidiaries, including short-term investment of surplus cash and arranging borrowings to meet anticipated cash requirements. The Company's policy is to regularly monitor both short-term and long-term liquidity needs, as well as compliance with borrowing covenants, to ensure sufficient cash reserves and readily realisable marketable securities are maintained.

As at June 30, 2026, the maturities of the Company's financial liabilities are as follows:

Unit: Yuan Currency: RMB

Items	June 30, 2026			
	Within one year	1-2 years	2-3 years	Over 3 years
Short-term borrowings	1,831,796,712.90			
Notes payable	2,259,312,216.46			
Accounts payable	1,819,315,537.05			
Other payables	1,437,537,640.70			
Long-term borrowings	229,612,000.02	1,311,332,000.00	203,122,000.00	442,903,123.82
Lease liabilities	1,000,938.19	371,922.02	110,365.50	
Long-term payables	3,447,580.57	3,447,580.57	3,447,580.57	16,562,388.49
Total	7,582,022,625.89	1,315,151,502.59	206,679,946.07	459,465,512.31

(Continued)

Unit: Yuan Currency: RMB

Items	December 31, 2025			
	Within one year	1-2 years	2-3 years	Over 3 years
Short-term borrowings	1,800,136,227.43			
Notes payable	1,777,053,969.91			
Accounts payable	1,735,184,321.70			
Other payables	256,349,893.68			
Long-term borrowings	280,045,900.02	756,401,933.35	707,451,933.27	454,825,357.21
Lease liabilities	1,011,449.31	825,023.64	159,469.07	28,473.93
Long-term payables				10,500,000.00
Total	5,849,781,762.05	757,226,956.99	707,611,402.34	465,353,831.14

3.Market Risk

(1) Exchange Risk

The Company’s foreign exchange risk mainly arises from foreign currency-denominated assets and liabilities held by the Company and its subsidiaries that are not denominated in their respective functional currencies. The Company is exposed to exchange rate risk primarily in relation to recognised foreign currency assets and liabilities and future foreign currency transactions (the principal currencies of such assets, liabilities and transactions are USD). Except for subsidiaries established in the Hong Kong Special Administrative Region of the People’s Republic of China and other overseas jurisdictions, which conduct transactions and settlements in USD, THB, JPY and EUR, the Company’s other major operations are denominated and settled in RMB.

①As at June 30, 2026, the Company’s principal foreign currency exposure arising from foreign currency assets and liabilities is set out below (for presentation purposes, the exposure amounts are stated in RMB and translated at the spot exchange rates prevailing at the balance sheet date):

Items	June 30, 2026											
	US Dollar		Euro		Hong Kong Dollar		British Pound		Singapore Dollar		Japanese Yen	
	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY
Monetary Funds	25,555,209.84	174,056,057.91	238,609.69	1,853,305.33	887.72	771.03	34.20	308.30	217,460.37	1,143,943.23	143,570.00	6,036.42
Accounts Receivable	32,510,487.01	221,431,728.32	40.00	310.68								
Other Receivables	62,581.81	426,001.30							12,906.00	67,892.08		
Other Current Assets									162,492.74	854,793.12		
Long-Term Receivables									62,730.05	329,991.45		
Accounts Payable	1,181,911.00	8,049,877.63										
Other Payables	1,234,902.30	8,411,163.01							65,722.00	345,747.17	16,863,000.00	709,005.63
Accrued Employee Compensation					103,000.00	89,460.65			239,497.48	1,259,876.12		
Lease Liabilities									41,990.89	220,893.08		
Non-Current Liabilities Due Within One Year									164,495.35	865,327.77		
Long-term payables									2,621,485.07	13,790,234.99		

(Continued)

Items	December 31, 2025													
	US Dollar		Euro		Hong Kong Dollar		British Pound		Singapore Dollar		Japanese Yen		Australian Dollar	
	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY
Monetary Funds	70,274,067.47	493,827,298.77	2,211,985.26	18,216,804.07	6,887.68	6,221.09	34.20	322.66	93,852.93	512,305.45	513,405.00	22,997.77	1,283.68	6,019.46
Accounts Receivable	29,213,865.34	205,242,499.24												
Other Receivables	60,000.00	421,728.00							12,799.50	69,864.38				
Other Current Assets									5,659.83	30,894.53				
Long-Term Receivables									42,730.05	233,244.15				
Accounts Payable	747,613.38	5,258,240.29												
Other Payables	1,196,232.96	8,408,082.22							187.50	1,033.02	25,263,150.00	1,131,713.34		
Accrued Employee Compensation					369,666.00	333,889.72			126,280.83	689,312.24				
Lease Liabilities									124,926.41	681,913.56				
Non-Current Liabilities Due Within One Year									161,766.77	883,020.09				

The Company continuously monitors the scale of its foreign currency transactions and foreign currency assets and liabilities in order to minimise exposure to foreign exchange risk. To this end, the Company may enter into forward foreign exchange contracts or currency swap agreements to hedge against foreign exchange risk.

(2) Interest Rate Risk

The Company’s interest rate risk mainly arises from interest-bearing liabilities such as short-term borrowings and long-term bank borrowings. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while those with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the appropriate proportion of fixed-rate and floating-rate arrangements based on prevailing market conditions.

The Group’s head office finance department continuously monitors the overall interest rate environment. An increase in interest rates would raise the cost of new interest-bearing borrowings and the interest expenses on the Company’s outstanding floating-rate debt, thereby potentially exerting a material adverse impact on the Company’s financial performance. Management makes timely adjustments in response to the latest market conditions.

2. Hedging

(1) The Company conducts hedging transactions for risk management

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

(2) The Company conducts eligible hedging transactions and applies hedging accounting

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

(3) The Company conducts eligible hedging transactions for risk management and expects to achieve risk management objectives but does not apply hedging accounting

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

3. Transfer of Financial Assets

(1) Classification of Transfer Methods

□Applicable ✓Not Applicable

(2) Financial Assets Derecognized Due to Transfer

□Applicable ✓Not Applicable

(3) Financial Assets Continuously Involved in Transfer

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

XIII. Disclosure of Fair Value

1. Ending Fair Value of Assets and Liabilities Measured at Fair Value

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Fair Value			
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Continuous Fair Value Measurement				
(I) Financial Assets Held for Trading			1,979,234,328.78	1,979,234,328.78
1. Financial Assets Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period			1,979,234,328.78	1,979,234,328.78
(1) Debt Instrument Investments				
(2) Equity Instrument Investments				
(3) Derivative Financial Assets			2,181,653.58	2,181,653.58
Wealth Management Products			1,977,052,675.20	1,977,052,675.20
2. Financial Assets Designated as Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period				
(1) Debt Instrument Investments				

(2) Equity Instrument Investments				
(II) Other Debt Investments				
(III) Other Equity Instrument Investments	72,089,650.00		157,000,000.00	229,089,650.00
(IV) Investment Properties				
Leased Land Use Rights				
Leased Buildings				
Land Use Right Held for Transfer After Appreciation				
(V) Biological Assets				
Consumable Biological Assets				
Productive Biological Assets				
(VI) Receivables Financing			32,134,493.66	32,134,493.66
(VII) Other Non-Current Financial Assets			346,396,575.38	346,396,575.38
Total Amount of Assets Measured at Fair Value on a Continuous Basis	**72,089,650.00**		**2,514,765,397.82**	**2,586,855,047.82**
(VI) Financial Liabilities Held for Trading	42,227.58			42,227.58
Financial Liabilities Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period	42,227.58			42,227.58
Including: Issued Bonds Held for Trading				-
Derivative Financial Liabilities	42,227.58			42,227.58
Others				-
2. Financial Liabilities Designated as Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period				-
Total Amount of Liabilities Measured at Fair Value on a Continuous Basis	**42,227.58**			**42,227.58**
II. Non-Continuous Fair Value Measurement				
(I) Assets Held for Sale				
Total Amount of Assets Measured at Fair Value on a Non-Continuous Basis				
Total Amount of Liabilities Measured at Fair Value on a Non-Continuous Basis				

2. Basis for Determining Market Prices for Continuous and Non-continuous Level 1 Fair Value Measurement Items

✓Applicable □ Not Applicable

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

3. Qualitative and Quantitative Information on Valuation Techniques and Significant Parameters Adopted for Continuous and Non-continuous Level 2 Fair Value Measurement Items

✓Applicable □ Not Applicable

Level 2: Directly or indirectly observable inputs other than quoted prices included in Level 1 for related assets or liabilities.

The Company's financial assets at fair value through profit or loss include bank wealth management products and equity instrument investments. The Company determines their fair value using specific valuation techniques.

4. Qualitative and Quantitative Information on Valuation Techniques and Significant Parameters Adopted for Continuous and Non-continuous Level 3 Fair Value Measurement Items

✓Applicable □ Not Applicable

Level 3: Unobservable inputs for related assets or liabilities.

Given their relatively short remaining maturities, the book value of receivables financing.

5. Adjustment Information of Beginning and Ending Book Values and Sensitivity Analysis of Unobservable Parameters for Continuous Level 3 Fair Value Measurement Items

□Applicable ✓ Not Applicable

6. Reasons for Transition between Various Levels Occurring during the Current Period and Policies for Determining Transitioning Timing for Continuous Fair Value Measurement Items

□Applicable ✓Not Applicable

7. Changes in Valuation Techniques Occurring During the Current Period and Reasons for Such Changes

□Applicable ✓Not Applicable

8. Status of Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

✓Applicable □ Not Applicable

The Company's financial assets and financial liabilities measured at amortized cost mainly include: cash and cash equivalents, notes receivable, accounts receivable, other receivables, debt investments, short-term borrowings, notes payable, accounts payable, and other payables.The book values of the above financial assets and liabilities not measured at fair value differ only slightly from their fair values.

9. Others

□Applicable ✓Not Applicable

XIV. Related Parties and Related Transactions

1. Information of the Company's Parent Company

✓Applicable □ Not Applicable

Unit: 10,000 yuan Currency: RMB

Name of Parent Company	Place of Registration	Business Nature	Registered	Parent Company's Stock Ownership in the Company (%)	Parent Company's Voting Rights in the Company (%)
Meng Qingshan				30.46	

Explanation of the Status of the Company's Parent Company

None

The Company's ultimate controlling party is Mr. Meng Qingshan. Ms. Wang Aijun, Mr. He Jun, Ms. Wang Ailing, Mr. Wang Aimin, and Ms. Wang Aidi are his parties acting in concert.

Other Explanations:

None

2. Information of the Company's Subsidiaries

Refer to the notes for the details of the Company's Subsidiaries

✓Applicable □ Not Applicable

Refer to 1 in Section IX for equity in subsidiaries

3. Information of the Company's Joint Ventures and Associates

Refer to the notes for the details of the Company's significant joint ventures or associates

□Applicable ✓Not Applicable

Other joint ventures or associates with related transactions with the Company during the current period or with balances formed from related transactions with the Company during the previous period are as follows:

✓Applicable □ Not Applicable

Names of Joint Ventures or Associates	Relationship with the Company
Tongliao Desheng Bio-tech Co., Ltd.	Associate

Other Explanations:

□Applicable ✓Not Applicable

4. Information of Other Related Parties

✓Applicable □ Not Applicable

Names of Other Related Parties	Relationship with the Company
Hu Jijun	Shareholder of the Company
Liang Yubo	The Shareholders and Senior Executive of the company.
Wang Aijun	The Shareholders and Senior Executive of the company.
He Jun	The Shareholders and Senior Executive of the company.
Wang Ailing	The Shareholders and Senior Executive of the company.
Liu Xinghua	Director of the Company
Lu Chuang	Director of the Company
Zhou Zhen	Director of the Company
Liu Xiaojing	Employee Representative Directors of the Company
Liu Xianfang	Senior Executive of the Company
Wang Lihong	Senior Executive of the Company
Tibet Meihua Charity Foundation	The Legal Representative of the company is a direct relative of the shareholder of the Company

Other Explanations:

None

Note: The above table only lists related parties with which the Company had related-party transactions and dealings during the reporting period.

5. Information of Related Transactions

(1) Related Transactions for Purchasing and Selling Goods/Providing and Accepting Labor Services

Table of Purchasing Goods/Accepting Labor Services

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Related Party	Content of Related Transaction	Amount Incurred during the Current Period	Approved Transaction Amount (if applicable)	Exceeding Transaction Limit or Not (if applicable)	Amount Incurred during the Previous Period

Tongliao Desheng Bio-Tech Co., Ltd.	Raw Materials	62,986.28			

Table of Selling Goods/Providing Labor Services

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Related Party	Content of Related Transaction	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Tongliao Desheng Bio-tech Co., Ltd.	Goods	27,785,882.43	40,939,356.32
Tongliao Desheng Bio-tech Co., Ltd.	Services and Others	264,449.98	468,821.28
Total		28,050,332.41	41,408,177.60

Explanation of Related Transactions for Purchasing and Selling Goods / Providing and Accepting Services

□Applicable ✓Not Applicable

(2) Information of Related Delegated Management/Contracting and Delegating Management /Outsourcing

Table of the Delegated Management/Contracting by the Company:

□Applicable ✓Not Applicable

Explanation of Related Delegated Management/Contracting

□Applicable ✓Not Applicable

Table of Delegating Management/Outsourcing by the Company

□Applicable ✓Not Applicable

Explanation of Related Management/Outsourcing

□Applicable ✓Not Applicable

(3) Information of Related Leases

The Company as the Lessor:

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name of Lessee	Types of Leased Asset	Lease Revenue Recognized during the Current Period	Lease Revenue Recognized during the Previous Period
Tongliao Desheng Bio-tech Co., Ltd.	Property	511,832.56	754,159.91

The Company as the Lessee:

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name of Lessor	Types of Leased Asset	Amount Incurred during the Current Period					Amount Incurred during the Previous Period				
		Rental expenses for short-term leases and low-value asset leases under the simplified approach (if applicable)	Variable lease payments not included in the measurement of lease liabilities (if applicable)	Rent paid	Interest expense on lease liabilities	Additions to right-of-use assets	Rental expenses for short-term leases and low-value asset leases under the simplified approach (if applicable)	Variable lease payments not included in the measurement of lease liabilities (if applicable)	Rent paid	Interest expense on lease liabilities	Additions to right-of-use assets
Tongliao Desheng Bio-tech Co., Ltd.	Machinery and Equipment	142,065.64									

Explanation of Related Leases

□Applicable √Not Applicable

(4) Information of Related Guarantee

The Company as the Guarantor

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Guaranteed Party	Guaranteed Amount	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Tongliao Meihua	95,666,733.34	2023/5/22	2038/5/8	No
Tongliao Meihua	1,666,666.66	2023/5/22	2038/5/8	Yes
Tongliao Meihua	18,463,641.09	2024/6/6	2038/5/8	No
Tongliao Meihua	321,666.67	2024/6/6	2038/5/8	Yes
Tongliao Meihua	9,566,653.41	2024/6/13	2038/5/8	No
Tongliao Meihua	166,666.67	2024/6/13	2038/5/8	Yes
Tongliao Meihua	5,739,992.04	2024/6/19	2038/5/8	No
Tongliao Meihua	100,000.00	2024/6/19	2038/5/8	Yes
Tongliao Meihua	14,349,980.12	2024/6/26	2038/5/8	No
Tongliao Meihua	250,000.00	2024/6/26	2038/5/8	Yes
Tongliao Meihua	44,000,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	500,000.00	2024/10/21	2027/10/21	Yes
Tongliao Meihua	52,800,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	600,000.00	2024/10/21	2027/10/21	Yes
Tongliao Meihua	35,200,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	400,000.00	2024/10/24	2027/10/21	Yes
Tongliao Meihua	44,000,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	500,000.00	2024/10/24	2027/10/21	Yes
Tongliao Meihua	35,200,000.00	2024/11/14	2027/10/21	No
Tongliao Meihua	400,000.00	2024/11/14	2027/10/21	Yes
Tongliao Meihua	35,200,000.00	2024/11/18	2027/10/21	No
Tongliao Meihua	400,000.00	2024/11/18	2027/10/21	Yes
Tongliao Meihua	17,600,000.00	2024/11/20	2027/10/21	No
Tongliao Meihua	200,000.00	2024/11/20	2027/10/21	Yes
Tongliao Meihua	143,213,000.00	2025/5/20	2038/5/8	No
Tongliao Meihua	2,495,000.00	2025/5/20	2038/5/8	Yes
Xinjiang Meihua	95,000,000.00	2024/7/25	2027/7/25	No
Xinjiang Meihua	2,000,000.00	2024/7/25	2027/7/25	Yes
Total	656,000,000.00			

The Company as the Guaranteed Party

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Guarantor	Guaranteed Amount	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Tongliao Meihua, Xinjiang Meihua	175,000,000.00	2023/3/31	2026/3/31	Yes
Tongliao Meihua,	35,000,000.00	2023/4/23	2026/3/31	Yes

Xinjiang Meihua				
Tongliao Meihua, Xinjiang Meihua	26,000,000.00	2024/6/11	2027/6/11	No
Tongliao Meihua, Xinjiang Meihua	1,000,000.00	2024/6/11	2027/6/11	Yes
Total	237,000,000.00			

Explanation of Related Guarantees

✓Applicable □ Not Applicable

Xinjiang Meihua as the guarantor

Guarantor	Guaranteed Amount (yuan)	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Tongliao Meihua	73,000,000.00	2023/8/28	2038/6/20	No
Tongliao Meihua	2,000,000.00	2023/8/28	2038/6/20	Yes
Tongliao Meihua	40,000,000.00	2024/2/6	2027/2/4	No
Tongliao Meihua	1,000,000.00	2024/2/6	2027/2/4	Yes
Tongliao Meihua	14,819,832.28	2024/12/5	2039/11/27	No
Tongliao Meihua	4,538,021.20	2024/12/12	2039/11/27	No
Tongliao Meihua	3,978,347.92	2024/12/19	2039/11/27	No
Tongliao Meihua	2,095,843.43	2024/12/25	2039/11/27	No
Tongliao Meihua	20,725,937.66	2025/2/13	2039/11/27	No
Tongliao Meihua	5,033,161.44	2025/2/20	2039/11/27	No
Tongliao Meihua	2,618,621.00	2025/3/13	2039/11/27	No
Tongliao Meihua	17,000,000.00	2025/3/25	2039/11/27	No
Tongliao Meihua	4,345,889.20	2025/4/10	2039/11/27	No
Tongliao Meihua	924,221.72	2025/7/4	2039/11/27	No
Tongliao Meihua	617,779.60	2025/8/6	2039/11/27	No
Tongliao Meihua	1,786,020.00	2025/8/20	2039/11/27	No
Tongliao Meihua	6,124,927.36	2025/11/6	2039/11/27	No
Tongliao Meihua	39,000,000.00	2025/12/23	2039/11/27	No
Tongliao Meihua	14,000,000.00	2025/12/26	2039/11/27	No
Tongliao Meihua	3,600,000.00	2026/1/9	2039/11/27	No
Total	257,208,602.81			

(5) Fund Borrowing by Related Parties

□Applicable ✓Not Applicable

(6) Status of Transfer of Assets and Debt Restructuring by Related Parties

□Applicable ✓Not Applicable

(7) Compensation of Key Management Personnel

✓Applicable □ Not Applicable

Unit: 10,000 yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Compensation of Key Management Personnel	755	672.59

(8) Other Related Transactions

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items Name	Related Party	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Tibet Meihua Charity Foundation	Donations	3,000,000.00	1,500,000.00
Total		3,000,000.00	1,500,000.00

6. Status of Items Receivable and Payable Unsettled by Related Parties

(1) Items Receivable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item Name	Related Party	Ending Balance		Beginning Balance	
		Book Balance	Bad Debt Reserves	Book Balance	Bad Debt Reserves
Dividends Receivable	Tongliao Desheng Bio-tech Co., Ltd.	1,395,866.49	1,395,866.49	1,395,866.49	
Accounts Receivable	Tongliao Desheng Bio-tech Co., Ltd.	512,968.91	25,648.45	467,401.24	23,370.06

(2) Items Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item Name	Related Party	Ending Balance	Beginning Balance
Contract Liabilities	Tongliao Desheng Bio-tech Co., Ltd.	32,743.36	1,500,884.96
Other Current Liabilities	Tongliao Desheng Bio-tech Co., Ltd.	4,256.64	195,115.04
Accounts Receivable	Tongliao Desheng Bio-tech Co., Ltd.	231,593.55	

(3) Other Items

□Applicable ✓Not Applicable

7. Commitments by Related Parties

□Applicable ✓Not Applicable

8. Others

□Applicable ✓Not Applicable

XV. Share-based Payments

1. Various Equity Instruments

(1) Details

□Applicable ✓Not Applicable

(2) Stock options or other equity instruments outstanding at the end of the period

□Applicable ✓Not Applicable

2. Status of Share-based Payments Settled by Equity

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Recipients of Equity-settled Share-based Payments	
Methods for Determining the Fair Value of Equity Instruments on the Grant Date	Closing Price on the Grant Date
Significant Parameters for Determining the Fair Value of Equity Instruments on the Grant Date	
Basis for Determining the Quantity of Exercisable Equity Instruments	Estimation Based on the Actual Quantity of Restricted Stock Recipients
Reasons for Significant Differences between Estimates for the Current Period and Previous Period	
Accumulated Amount of Share-based Payments Settled by Equity Recorded in Capital Reserves	240,893,078.26

Other Explanations:
None

3. Status of Share-based Payments Settled by Cash

□Applicable ✓Not Applicable

4. Share-based Payment Expenses during the Current Period

□Applicable ✓Not Applicable

5. Modification and Termination of Share-based Payment

□Applicable ✓Not Applicable

6. Others

□Applicable ✓Not Applicable

XVI. Commitments and Contingencies

1. Significant Commitments

✓Applicable □ Not Applicable

Significant Commitments to External Parties as of the Balance Sheet Date and Their Nature and Amounts

As of June 30, 2026, the Company has no significant commitments that require disclosure but have not been disclosed.

2. Contingencies

(1) Significant Contingencies as of the Balance Sheet Date

✓Applicable □ Not Applicable

(1) Contingencies Arising from Pending Litigation or Arbitration and Their Financial Impact

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Amount in Dispute	Case Status
Ajinomoto Co., Inc. (Japan)	The Company and its wholly-owned subsidiaries Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua	The plaintiff alleges that it is a legal entity duly incorporated in Japan and has been engaged in the R&D and production of monosodium glutamate (MSG) and other seasonings since its establishment. The plaintiff holds Invention Patent No. 200580045189.5, titled "Microorganisms Producing L-Glutamic Acid and Method for Producing L-Glutamic Acid." The plaintiff claims that the defendants infringed its patent rights (patent No. 200580045189.5) during the production and sale of MSG products and has therefore filed a lawsuit with the Higher People's Court of Guangdong Province.	Higher People's Court of Guangdong Province	130 million yuan	Case has been accepted by the court and has not yet gone to trial
Ajinomoto Co., Inc. (Japan)	The Company and its wholly-owned subsidiaries Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua	The plaintiff holds Invention Patent No. 201480005332.7, titled "Method for Producing L-Amino Acids." The plaintiff claims that the defendants infringed its patent rights (patent No. 201480005332.7) during the production and sale of MSG products and has therefore filed a lawsuit with the Higher People's Court of Guangdong Province.	Higher People's Court of Guangdong Province	130 million yuan	Case has been accepted by the court and has not yet gone to trial

The Company and its wholly-owned subsidiaries Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua have been sued by third parties in relation to debt disputes, with a claimed amount of 260 million yuan. As of the date of this report, the case is still under trial.

Except for the above contingencies, the Company has no other significant contingencies that require disclosure as of June 30, 2026.

(2) Explanation should be also provided even if the Company has no significant contingencies that require disclosure:

□Applicable √Not Applicable

3. Others

□Applicable √Not Applicable

XVII. Matters after the Balance Sheet Date

1. Significant Non-Adjusting Matters

□Applicable √Not Applicable

2. Status of Profit Distribution

□Applicable √Not Applicable

3. Sales Returns

□Applicable √Not Applicable

4. Explanation of Matters after Other Balance Sheet Dates

□Applicable √Not Applicable

XVIII. Other Significant Matters

1. Correction of Prior Accounting Errors

(1) Retrospective restatement method

□Applicable ✓Not Applicable

(2) Prospective application method

□Applicable ✓Not Applicable

2. Significant Debt Restructuring

□Applicable ✓Not Applicable

3. Asset Swap

(1) Exchange of Non-monetary Assets

□Applicable ✓Not Applicable

(2) Other Asset Swap

□Applicable ✓Not Applicable

4. Pension Plans

□Applicable ✓Not Applicable

5. Termination of Operations

□Applicable ✓Not Applicable

6. Segment Information

(1) Determination Basis and Accounting Policies for Reporting Segments

□Applicable ✓Not Applicable

(2) Financial Information of Reporting Segments

□Applicable ✓Not Applicable

(3) If the company does not have reporting segments, or cannot disclose the total assets and liabilities of each reporting segment, the reasons should be explained.

□Applicable ✓Not Applicable

(4) Other Explanations

□Applicable ✓Not Applicable

7. Other Significant Transactions and Matters Affecting Decisions by Investors

□Applicable ✓Not Applicable

8. Others

□Applicable ✓Not Applicable

XIX. Notes to Main Items on the Parent Company's Financial Statement

1. Accounts Receivable

(1) Disclosure by Aging

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year (including 1 year)	272,668,772.39	252,454,693.41
Within 1 year	272,668,772.39	252,454,693.41

1 to 2 years		
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	272,668,772.39	252,454,693.41

(2) Classified Disclosure by Bad Debt Provision Methods

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value	Book Balance		Bad Debt Reserves		Book Value
	Amount	Ratio (%)	Amount	Provision Ratio(%)		Amount	Ratio (%)	Amount	Provision Ratio(%)	
Provisions for Bad Debt Reserves on an Individual-item Basis										
Including:										
Provisions for Bad Debt Reserves on a Portfolio Basis:	272,668,772.39	100.00	12,394,524.01	4.55	260,274,248.38	252,454,693.41	100.00	12,350,111.11	4.89	240,104,582.30
Including:										
Including: Related Party Portfolio within the Consolidation Scope	24,778,292.21	9.09		-	24,778,292.21	5,452,471.29	2.16			5,452,471.29
Aging Analysis Portfolio	247,890,480.18	90.91	12,394,524.01	5.00	235,495,956.17	247,002,222.12	97.84	12,350,111.11	5.00	234,652,111.01
Total	272,668,772.39	/	12,394,524.01	/	260,274,248.38	252,454,693.41	/	12,350,111.11	/	240,104,582.30

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

✓Applicable □ Not Applicable

Items for provisions on a portfolio basis: Aging Analysis Portfolio

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Ratio (%)
Within 1 year	247,890,480.18	12,394,524.01	5.00

Total	247,890,480.18	12,394,524.01	5.00

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable ✓Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of accounts receivable with changes in loss reserves during the current period:

□Applicable ✓Not Applicable

(3) Status of Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes in the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Bad debt provision on an individual basis						
Bad debt provision on a portfolio basis						
Including: Related Party Portfolio within the Consolidation Scope						
Aging Analysis Portfolio	12,350,111.11	44,412.90				12,394,524.01
Total	12,350,111.11	44,412.90	-	-	-	12,394,524.01

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable ✓Not Applicable

Other Explanations:

None

(4) Status of Accounts Receivable Actually Written Off during the Current Period

□Applicable ✓Not Applicable

Including write-off of significant accounts receivable

□Applicable ✓Not Applicable

Explanation of write-off of accounts receivable:

□Applicable ✓Not Applicable

(5) Overview of Accounts Receivable and Contract Assets Ranking Top Five in Ending Balances Aggregated by Debtors

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Company Name	Ending Balance of Accounts Receivable	Ending Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Proportion in the Total Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Bad Debt Reserves
First	72,863,932.25		72,863,932.25	26.72	3,643,196.61
Second	47,940,642.03		47,940,642.03	17.58	2,397,032.10
Third	22,471,130.00		22,471,130.00	8.24	1,123,556.50
Fourth	18,475,251.42		18,475,251.42	6.78	923,762.57
Fifth	17,346,021.85		17,346,021.85	6.36	867,301.09
Total	179,096,977.55		179,096,977.55	65.68	8,954,848.87

Other Explanations:
None
Other Explanations:

□Applicable ✓Not Applicable

2. Other Receivables

Presentation of Items

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Receivable		
Dividends Receivable	900,000,000.00	850,000,000.00
Other Receivables	450,291,213.36	461,253,600.04
Total	1,350,291,213.36	1,311,253,600.04

Other Explanations:

□Applicable ✓Not Applicable

Interest Receivable

(1) Classification of Interest Receivable

□Applicable ✓Not Applicable

(2) Significant Overdue Interest

□Applicable ✓Not Applicable

(3) Classified Disclosure by Bad Debt Provision Methods

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable ✓Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable ✓Not Applicable

(4) Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable √Not Applicable

(5) Status of Bad Debt Reserves

□Applicable √Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable √Not Applicable

Other Explanations:

None

(6) Status of Interest Receivable Actually Written Off during the Current Period

□Applicable √Not Applicable

Including write-off of significant interest receivable

□Applicable √Not Applicable

Write-off Explanation:

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

Dividends Receivable

(1) Dividends Receivable

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items (or Invested Units)	Ending Balance	Beginning Balance
Tongliao Meihua	350,000,000.00	350,000,000.00
Xinjiang Meihua	100,000,000.00	
Jilin Meihua	150,000,000.00	200,000,000.00
Hong Kong Meihua	300,000,000.00	300,000,000.00
Total	900,000,000.00	850,000,000.00

(2) Significant Dividends Receivable with an Aging Exceeding 1 year

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items (or Invested Units)	Ending Balance	Aging	Reason for Non-receipt	Whether Impairment Has Occurred and Basis for Assessment
Hong Kong Meihua	300,000,000.00	RMB100,000,000 due Within one year and RMB 200,000,000 due in 1 to 2 years.	No Payment Has Been Scheduled Yet	No
Total	300,000,000.00	/	/	/

(3) Classified Disclosure by Bad Debt Provision Methods

□Applicable √Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable √Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable ✓Not Applicable

(4) Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable ✓Not Applicable

(5) Status of Bad Debt Reserves

□Applicable ✓Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

□Applicable ✓Not Applicable

Other Explanations:

None

(6) Status of Dividends Receivable Actually Written Off during the Current Period

□Applicable ✓Not Applicable

Including write-off of significant dividends receivable

□Applicable ✓Not Applicable

Write-off Explanation:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

Other Receivables

(1) Disclosure by Aging

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year (including 1 year)	449,761,056.89	461,077,611.94
Within 1 year	449,761,056.89	461,077,611.94
1 to 2 years	654,107.98	188,732.82
2 to 3 years	188,732.82	100,000.00
Over 3 years		
3 to 4 years		143,883.77
4 to 5 years	143,883.77	
Over 5 years	85,842,687.00	86,042,687.00
Total	536,590,468.46	547,552,915.53

(2) Classification by Nature of Accounts

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Nature of Accounts	Ending Book Balance	Beginning Book Balance
Intercompany Account Current	445,372,448.36	458,361,345.55
Deposits	170,000.00	470,000.00
Receivables for Land and Real Estate	85,672,687.00	85,672,687.00
Others	1,049,668.07	1,074,893.62

Export Tax Refunds receivable	4,325,665.03	1,973,989.36
Total	536,590,468.46	547,552,915.53

(3) Provision for Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Bad Debt Reserves	Phase 1	Phase 2	Phase 3	Total
	Expected Credit Losses over the Next 12 Months	Expected Credit Losses for the entire Duration (without Credit Impairment)	Expected Credit Losses for the entire Duration (with Credit Impairment)	
Balance as of January 1, 2026	626,628.49		85,672,687.00	86,299,315.49
Balance as of January 1, 2026 during the Current Period				
-- Transferred to Phase 2				
-- Transferred to Phase 3				
-- Reversed to Phase 2				
-- Reversed to Phase 1				
Provision for the Current Period				
Reversal for the Current Period	60.39			60.39
Write-off for the Current Period				
Write-off for the Current Period				
Other Changes				
Balance as of June 30, 2026	626,568.10	-	85,672,687.00	86,299,255.10

Basis for Staging and Provision Ratios for Bad Debt Reserves
None
Explanation of significant changes in the book balance of other receivables with changes in loss reserves during the current period:

□Applicable ✓Not Applicable

Basis for amount of provisions for bad debt reserves and the assessment of significant increase in credit risk of financial instruments:

□Applicable ✓Not Applicable

(4) Status of Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes in the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	

Other receivables for which expected credit losses are recognized on an individual basis	85,672,687.00					85,672,687.00
Other receivables for which expected credit losses are recognized on a portfolio basis	626,628.49		60.39			626,568.10
Total	86,299,315.49		60.39			86,299,255.10

Including bad debt reserves with significant amount reversed or recovered during the current period:

□Applicable √Not Applicable

Other Explanations:

None

(5) Status of Other Receivables Actually Written Off during the Current Period

□Applicable √Not Applicable

Including write-off of significant other receivables:

□Applicable √Not Applicable

Explanation of write-off of other receivables:

□Applicable √Not Applicable

(6) Overview of Other Receivables Ranking Top Five in Ending Balances Aggregated by Debtor

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Company Name	Ending Balance	Proportion in Total Amount of Ending Balances of Other Receivables (%)	Nature of Accounts	Aging	Ending Balance of Bad Debt Reserves
Jilin Meihua Amino Acid Co., Ltd.	445,371,163.36	83.00	Intercompany Account Current	Within 1 year	
Bazhou Metal Glass Furniture Industrial Park	85,672,687.00	15.97	Receivables for Land and Real Estate	Over 5 years	85,672,687.00
Tibet Lhasa Economic and Technological Development Zone Taxation Bureau, State Taxation Administration	4,325,665.03	0.81	Export Tax Refunds	Within 1 year	216,283.25
Bazhou Work Injury Insurance Management Office	40,334.55	0.01	Others	Within 1 year	2,016.73
	654,107.98	0.12	Others	1 to 2 years	65,410.80
	188,732.82	0.04	Others	2 to 3 years	56,619.85
	143,883.77	0.03	Others	4 to 5 years	115,107.02

Langfang ENN Gas Co., Ltd.	150,000.00	0.03	Others	Over 5 years	150,000.00
Total	536,546,574.51	99.99	/	/	86,278,124.65

(7) Presented Under Other Receivables Due to Centralized Fund Management

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

3. Long-term Equity Investments

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Investment in Subsidiaries	8,069,915,728.14		8,069,915,728.14	8,069,915,728.14		8,069,915,728.14
Investment in Associates and Joint Ventures						
Total	8,069,915,728.14		8,069,915,728.14	8,069,915,728.14		8,069,915,728.14

(1) Investment in Subsidiaries

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Invested Units	Beginning Balance (Book Value)	Beginning balance of impairment provision	Increase/decrease during the period				Ending Balance (Book Value)	Ending balance of impairment provision
			Additional investment	Investment reduction	Provision for impairment during the period	Ot he rs		
Tongliao Meihua Bio-Tech Co., Ltd	1,955,251,411.24						1,955,251,411.24	
Xinjiang Meihua Amino Acid Co., Ltd.	2,521,485,877.51						2,521,485,877.51	
Langfang Meihua Seasoning Co., Ltd.	252,167,723.87						252,167,723.87	
Langfang Meihua Bio-Technology Development Co., Ltd.	72,751,138.20						72,751,138.20	
Lhasa Meihua Bio-investment Holdings Co., Ltd.	800,000,000.00						800,000,000.00	
Meihua Group International Trading (Hong Kong) Limited	6,277,900.00						6,277,900.00	
Jilin Meihua Amino Acid Co., Ltd.	2,029,666,677.32						2,029,666,677.32	

Zhuhai Hengqin Meihua Bio-Technology Co., Ltd.	432,315,000.00						432,315,000.00	
Total	8,069,915,728.14						8,069,915,728.14	

(2) Investment in Associates and Joint Ventures

□Applicable √Not Applicable

(3) Impairment Testing of Long-term Equity Investments

□Applicable √Not Applicable

Other Explanations:

□Applicable √Not Applicable

4. Operating Revenues and Operating Costs

(1) Status of Operating Revenues and Operating Costs

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Revenues	Costs	Revenues	Costs
Main Business	7,944,806,831.64	7,637,162,184.82	8,393,607,038.55	7,990,471,091.37
Other Business	36,449,371.31	25,228,475.46	7,084,280.12	6,691,245.41
Total	7,981,256,202.95	7,662,390,660.28	8,400,691,318.67	7,997,162,336.78

(2) Decomposition Information of Operating Revenues and Operating Costs

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

(3) Explanation of Performance Obligations

□Applicable ✓Not Applicable

(4) Explanation of Allocation to Remaining Performance Obligations

□Applicable ✓Not Applicable

(5) Significant Contract Changes or Significant Adjustments to Transaction Prices

□Applicable ✓Not Applicable

Other Explanations:

None

5. Investment Income

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Investment Income from Long-term Equity Investments Accounted for by the Cost Method	500,000,000.00	
Investment Income from Long-term Equity Investments Accounted for by the Equity Method		
Investment Income from the Disposal of Long-term Equity Investments		
Investment Income from Financial Assets Held for Trading during the Holding Period		
Dividend Income from Other Equity Instrument Investments during the Holding Period	1,689,600.00	3,308,800.00
Dividend Income from Debt Investments during the Holding Period		
Dividend Income from other Debt Investments during the Holding	6,015,894.46	7,509,922.22

Period		
Investment Income from the Disposal of Financial Assets Held for Trading	2,639,957.94	6,948,344.63
Investment Income from the Disposal of Other Equity Instrument Investments		
Investment Income from the Disposal of Debt Investments		
Investment Income from the Disposal of Other Debt Investments	79,833.31	-111,579.15
Debt Restructuring Gains		
Total	510,425,285.71	17,655,487.70

Other Explanations:
None

6. Others

□Applicable ✓Not Applicable

XX. Supplementary Information

1. Detailed Statement of Non-recurring Profits and Losses for the Current Period

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount	Explanation
Profits or losses from disposal of non-current assets, including the portion offset against impairment provisions already accrued	41,973,047.10	
Government grants recorded in the profit or loss for the current period, excluding those closely related to the Company's normal operating activities, complying with national policies, entitled according to specified standards, and having a continuous impact on the Company's profit or loss	132,954,936.58	
Profits or losses arising from fair value changes of financial assets and financial liabilities held by non-financial enterprises, as well as profits or losses arising from the disposal of financial assets and financial liabilities, excluding the effective hedging business related to the Company’s normal operating activities	36,751,682.38	
Fund usage fees charged to non-financial enterprises and recorded in the profit or loss for the current period		
Profits or losses from entrusting others to invest or manage assets		
Profits or losses from loans entrusted to others		
Asset losses incurred due to force majeure, such as natural disasters		
Reversal of impairment reserves for receivables undergoing individual impairment testing		
Income generated when the investment costs borne by the Company in acquisition of subsidiaries, associates, and joint ventures are less than the fair value of identifiable net assets entitled to the Company when the investment is acquired		
Net profits or losses of subsidiaries generated from the beginning of the period to the date of consolidation through enterprise merger under the same control		
Profits or losses from non-monetary asset exchanges		
Profits or losses from debt restructuring		
One-time expenses incurred by enterprises due to discontinuation of related		

Items	Amount	Explanation
operating activities, such as employee resettlement expenses, etc.		
One-time impact on profit or loss for the current period due to adjustments to tax, accounting, and other laws and regulations		
Stock-based payment expenses recognized one-time due to cancellation or modification of equity incentive plans		
Profits or losses from changes in the fair value of employee compensation payable after the exercise date for share-based payments settled by cash		
Profits or losses from changes in the fair value of investment properties measured subsequently using the fair value model		
Income from transactions with significant price misalignment		
Profits or losses from contingencies unrelated to the Company's normal operating activities		
Custodian fee income from entrusted operations		
Other non-operating revenues and expenditures not mentioned above	23,872,702.76	
Other profit or loss items meeting the definition of non-recurring profits and losses		
Less: Income tax impact	25,003,434.37	
Minority shareholders' equity impact (after tax)		
Total	210,548,934.45	

For items not listed in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 - Non-recurring Profits and Losses* but considered as non-recurring profits and losses with significant amounts, as well as items defined as recurring profits and losses in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 - Non-recurring Profits and Losses,* the Company should provide reasons for such classification.

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

2. Return on Equity and Earnings per Share

✓Applicable □ Not Applicable

Profits during the Reporting Period	Weighted Average Return on Equity (%)	Earnings per Share	
		Basic Earnings per Share	Diluted Earnings per Share
Net profit attributable to ordinary shareholders of the Company	4.03	0.24	0.24
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	2.75	0.16	0.16

3. Differences in Accounting Data under Domestic and Foreign Accounting Standards

□Applicable ✓Not Applicable

4. Others

□Applicable ✓Not Applicable

Legal Representative: Wang Aijun

Date Approved by the Board of Directors for Submission: August 14, 2026

Revision Information

□Applicable √Not Applicable