Stock Code: 600873 Stock Abbreviation: Meihua Bio

Meihua Holdings Group Co., Ltd.

2025 Semi-Annual Report

This is an English translation from the 2025 Semi-Annual Report, in case of any inconsistency, the Chinese Version shall prevail.

Important Information

I. The Company's board of directors, board of supervisors, directors, supervisors, 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	means	Meihua Holdings Group Co., Ltd., whose stock name is “Meihua Bio” and stock code is 600873.
Tongliao Meihua	means	Tongliao Meihua Biotech 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 is 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 Trade (Hong Kong) Co., Ltd., 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 Biotech 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 BIO TECHNOLOGY GROUP PTE.LTD., a wholly-owned subsidiary of Cayman Company.
CSRC	means	the China Securities Regulatory Commission.
SSE or the Stock Exchange	means	the Shanghai Stock Exchange.
CSDC Shanghai	means	China Securities Depository and Clearing Co., Ltd. Shanghai Branch.
Environmental authorities	means	the Ministry of Ecology and Environment of the People’s Republic of China and the environmental authorities authorized by it.
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.
Amino acids for human medical purposes	means	are also known as pharmaceutical amino acids. The Company's pharmaceutical amino acids are mainly divided into two parts. One is amino acid products, including L-glutamine, branched-chain amino acids (L-isoleucine, L-valine, and L-leucine), and L-proline, etc., which are mainly used as upstream raw materials for sports nutrition food, food for special medical purposes, and drugs. The other part is pharmaceutical intermediate raw materials, including L-proline and nucleoside (inosine, guanosine, and adenosine), which are mainly used as upstream raw materials for drugs that treat chronic diseases (such as hypertension, diabetes, hepatitis B, etc.).
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.
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	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).
Traditional fermentation	means	mainly involves matrix conversion (the converted matrix is the product itself). Traditional fermentation gives unique tastes and nutrients to the product and

		changes the texture of the product, such as the fermentation process involved in the production of wine, bread, yogurt, fermented beancurd, and pickled vegetables. Traditional fermentation is generally natural fermentation. In this case, there are many kinds of fermentation microorganisms, and it is usually impossible to conduct pure culture. The specific microorganism types and proportions are not even known. There is also traditional fermentation involving pure microorganisms.
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	梅花生物科技集团股份有限公司
Short Chinese name	梅花生物、梅花集团
English name	MeiHua Holdings Group Co., Ltd.
Abbreviation	MEIHUABIO, MeiHuaGroup
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	In February 2025, the company’s official website underwent a complete upgrade. The new website address is https://www.meihua.group. The previous website, http://www.meihuagrp.com, will be decommissioned and no longer accessible after 24:00 Beijing Time on February 4, 2026.
Email	mhzqb@meihuagrp.com
Index for Changes During the Reporting Period	Details on changes to the company’s website can be found in the relevant notes of the company’s 2024 Annual Report.

IV. Summary of Changes in Information Disclosure and Filing Locations

Designated newspapers for information disclosure	Shanghai Securities News, Securities Times
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	12,280,450,603.53	12,642,718,053.37	-2.87
Total Profit	2,089,170,850.25	1,717,290,802.15	21.66
Net profit attributable to the shareholders of the listed company	1,767,950,116.89	1,473,823,789.92	19.96
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss	1,628,363,104.40	1,302,850,887.62	24.98
Net cash flows from operating activities	2,312,791,220.63	2,235,818,123.12	3.44
	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	14,980,134,714.22	14,574,945,300.93	2.78
Total assets	24,001,497,533.13	23,809,558,011.66	0.81

(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)	0.62	0.50	24.00
Diluted earnings per share (yuan/share)	0.62	0.50	24.00
Basic earnings per share after deducting non-recurring profit or loss (yuan/share)	0.57	0.44	29.55
Weighted average return on equity (%)	11.81	10.26	Increased by 1.55 percentage points
Weighted average return on equity after deducting non-recurring profit or loss (%)	10.88	9.07	Increased by 1.81 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	-6,005,098.60	
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	137,762,512.29	
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	32,416,392.00	
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 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	-509,941.40	

Trusteeship income from trusteeship business		
Other non-operating income and expenditure than the above	-275,185.62	
Other profit or loss items that fall within the definition of the non-recurring profit or loss		
Less: effect of income tax	23,801,666.18	
effect of minority interest (after tax)		
Total	139,587,012.49	

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

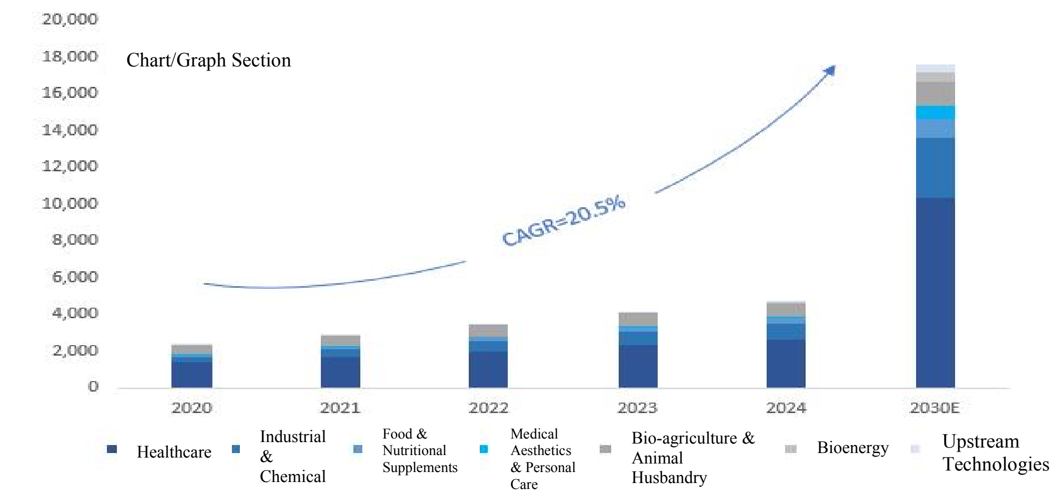
1. Industry Classification

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), the Company's main products fall within the "bio-manufacturing industry of the biological industry." Hence, the Company is in the bio-manufacturing industry.

Biomanufacturing is an advanced production method centered on industrial biotechnology. It relies on cutting-edge biological technologies such as genetic engineering and synthetic biology, and utilizes the physiological and metabolic functions or catalytic activities of microorganisms, cells, and enzymes to produce target products on a large scale through industrial fermentation processes. According to industry forecasts, China's biomanufacturing market is expected to reach RMB 1.8 trillion by 2030, accounting for nearly 25% of the global market.

Unit: 100 million

China Biomanufacturing Market Size Forecast, 2020–2030E



Data Sources: China Securities Times, China Business Industry Research Institute, CICC Puhua Industry Research Institute, Boston Consulting Group, Huajing Industry Research Institute, CEC Capital, and others.

2. Industry Development

(I) "Biomanufacturing Everything"

As a key component of the new wave of global technological and industrial transformation, biomanufacturing is fundamentally reshaping traditional production methods and driving innovation in raw materials, manufacturing processes, and product properties.

According to McKinsey, biomanufactured products can replace up to 70% of chemical manufacturing products. Boston Consulting Group (BCG) predicts that by the end of the 21st century, biomanufacturing will be applied in one-third of global manufacturing and is expected to generate economic value of up to USD 30 trillion. Based on the government's interpretations of the "14th Five-Year Plan" for bioeconomy development, the biomanufacturing industry is a key focus of the bioeconomy. Over the next decade, it is expected that 35% of petrochemical and coal chemical products will be replaced by biomanufactured products.

(2) Aligning with the Era's "Green, Low-Carbon, and Sustainable" Development Goals

Biomanufacturing technologies can replace traditional high-pollution and high-energy production methods, aligning with the contemporary goals of green, low-carbon, and sustainable development. In terms of green development, biomanufacturing can reduce energy and material consumption in industrial processes and minimize waste emissions as well as air, water, and soil pollution. In terms of low-carbon development, biomanufacturing can utilize natural and renewable raw materials, significantly lowering carbon emissions and resource consumption, thereby addressing global resource and environmental challenges and promoting sustainable development. By optimizing strains and improving fermentation efficiency, synthetic biology technologies can facilitate the transition of traditional industries toward high-efficiency, low-carbon operations, potentially reducing energy consumption by over 30%.

(3) AI Empowerment Drives New Industry Development

In recent years, breakthroughs in artificial intelligence (AI) have significantly enhanced the underlying R&D efficiency of synthetic biology. In the field of synthetic biology technology development, AI leverages big data iteration and database computations to perform data analysis, protein design, pathway design, and simulation testing within modeling software. This can substantially reduce early-stage R&D steps, identify more efficient strains, lower development costs, and promote new industry growth.

(4) Policy Support Propels the Industry into a New Development Stage

Governments of major countries worldwide have gradually introduced supportive policies related to synthetic biology. At the domestic level, since the "14th Five-Year Plan for Bioeconomy Development" explicitly identified biomanufacturing as a strategic emerging industry within the bioeconomy, relevant authorities have successively formulated and issued a series of supportive and guiding policy documents. The promulgation and implementation of national policies have outlined a clear and broad market prospect for the development of the biomanufacturing industry.

Driven by strengthened policy support, growing market demand, and continuous technological advancement, China's synthetic biology industry is expected to continuously develop new application scenarios and enter a new stage of growth.

3. Company Development

As a leading enterprise in China's biomanufacturing industry, MEIHUABIO has long been dedicated to technological breakthroughs and industrialization in the field of amino acids. The company has established a complete synthetic biology industry chain covering genome editing, strain development, fermentation optimization, extraction and separation, and end-use applications. Through the acquisition of Kyowa Hakko's amino acid and HMO businesses in Japan, the company has taken initial steps in establishing overseas production bases, while extending its industry chain into pharmaceutical amino acids and high-end nutrition. This not only significantly enhances the company's strategic competitiveness but also achieves deep integration with the very origins of the industry.

Kyowa Hakko is regarded as a pioneer of modern amino acid fermentation, with profound influence in fermentation process development, strain breeding, and standards setting. By integrating Kyowa Hakko's resources, Meihua Bio inherits over 70 years of technological legacy in the amino acid industry, gaining access to a robust portfolio of patents, strong brand influence, and a multi-regional regulatory compliance system. This integration greatly strengthens the company's comprehensive competitiveness and industrial synergy in the global synthetic biology sector.

In terms of its core business, the Company has established a diversified product portfolio covering multiple amino acids and polysaccharides, including lysine, threonine, valine, monosodium glutamate (MSG), and xanthan gum. This portfolio enables supply across a range of end markets such as feed, food, and pharmaceuticals, and has created an industry structure that balances both technological and cost advantages. Through the acquisition of Kyowa Hakko's business, the Company has further obtained amino acid products including arginine, tryptophan, histidine, serine, ornithine, and citrulline. Leveraging its synthetic biology platform and large-scale production capabilities, the Company is advancing the mass production and commercialization of new amino acid products.

In addition, the acquisition of Kyowa Hakko has provided the Company with Asia's only large-scale HMO production facility, marking its successful entry into the global functional nutrition market. As key components for infant nutrition and adult intestinal health, HMOs represent a market of significant potential with high entry barriers. Based on its synthetic biology capabilities, the Company is accelerating the industrialization of HMOs and other functional oligosaccharides, thereby expanding a high-value product portfolio centered on “amino acids – polysaccharides – HMOs.”

The Company has established systematic capabilities in strain development, metabolic pathway optimization, process scale-up, and intelligent manufacturing, forming a platform-based technology system applicable across product categories. This system has significantly enhanced unit productivity, reduced resource consumption, and improved adaptability to diverse production processes. It provides robust technical support for maintaining leadership in existing markets while enabling the efficient development and commercialization of new products.

Looking forward, the Company will continue to position synthetic biology as its core technological driver, promote the continuous upgrading of its technology platforms, and broaden its industrial scope. By leveraging its strengths in process integration and large-scale manufacturing, the Company will deepen cooperation with global research institutions and strategic partners, actively pursue high-potential emerging raw material opportunities, and advance its strategic transformation from an “amino acid leader” to a “biomanufacturing ecosystem builder.”

(II) Core Business Overview

As a global leader in the large-scale production of amino acids through synthetic biology, Meihua Bio has developed a diversified product portfolio covering animal nutrition amino acids (such as lysine, threonine, and valine), flavor enhancers (such as monosodium glutamate and disodium inosinate), pharmaceutical-grade amino acids (such as glutamine, proline, arginine, histidine, leucine, citrulline, and ornithine), as well as bulk by-products (such as corn germ and protein powder).

On July 1, 2025, the Company completed the acquisition of food amino acids, pharmaceutical amino acids, HMO businesses, and related assets from Kyowa Hakko, Japan. This transaction extends the Company’s industrial chain into the downstream high value-added pharmaceutical amino acids market, expands its pharmaceutical amino acid product pipeline, and adds an HMO product portfolio. At the same time, the Company has obtained multiple production and operational entities in Shanghai, Thailand, and North America, thereby advancing the implementation of its international expansion strategy.

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

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

Note: As the Company completed the acquisition of Kyowa Hakko’s amino acid and related businesses on July 1, 2025, the above product list does not include products and businesses from the acquisition during this reporting period.

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

1. Market Conditions of Key Raw Materials

(1) Corn

Corn is the core raw material for the Company’s principal products, accounting for more than 50% of total raw material consumption. Fluctuations in corn prices have a direct impact on the Company’s production costs. The corn market is influenced by multiple factors, including the prices of substitute feed grains (such as soybeans, wheat, and barley), demand from downstream livestock farming, as well as international market dynamics.

In the first half of 2025, corn supply tightened structurally due to accelerated sales progress at the grassroots level, a year-on-year decline in regional inventories, and lower grain imports. This led to a general upward trend in market prices. By the end of June, purchase prices in Shandong had risen to the range of RMB 2,440–2,544 per ton, representing an increase of RMB 330–490 per ton compared with the end of December 2024. In Northeast China, purchase prices rose to RMB 2,250–2,310 per ton, up RMB 180–370 per ton over the same period. The national average corn price for the first half of 2025 stood at RMB 2,227 per ton, representing a year-on-year decrease of 6.78%.

The Company primarily procures corn domestically. Relying on its production bases located in Tongliao, Xinjiang, and Baicheng—regions that are among China’s major corn-producing areas—the

Company has established a diversified and flexible procurement system. This system integrates entrusted purchase and storage, market-based sourcing, participation in state grain reserve auctions, and direct procurement from farmers.

The Company fully leverages the geographical advantages and market characteristics of its production bases to implement differentiated procurement strategies. For the Tongliao and Baicheng bases, which are located close to the major corn-producing areas in Northeast China and benefit from a longer procurement season, the Company adopts a flexible mix of procurement models on top of entrusted purchase and storage. This approach effectively offsets storage costs while enabling the Company to capture market opportunities. At the Xinjiang base, given its unique geographical conditions, the Company focuses on a concentrated entrusted purchase and storage model to ensure stable supply. Typically, procurement and storage activities are concentrated between late Q3 and early Q4 each year.

Overall, the Company has established a comprehensive market monitoring mechanism that closely tracks supply-demand dynamics, price trends, and policy directions. Based on these insights, the Company dynamically optimizes the scale and proportion of various procurement channels. Through its diversified procurement models and adaptive adjustment capabilities, the Company has significantly enhanced its ability to mitigate the impact of corn price volatility.

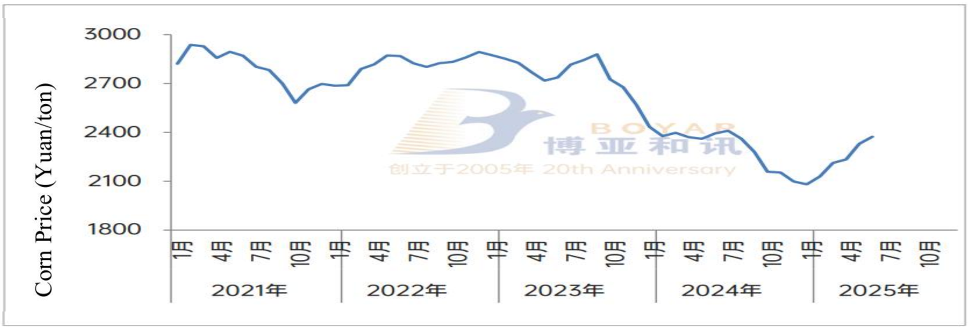


Figure 1 National Average Corn Price Trend (2021–2025)
Source: Boyar Intelligence

(2) Soybean Meal

According to data from Boyar, the average domestic spot price of soybean meal in the first half of 2025 was RMB 3,252 per ton, representing a month-on-month increase of 7.29% and a year-on-year decrease of 5.66%. Driven by weather speculation and tariff factors, soybean meal prices are expected to trend upward with fluctuations in the second half of the year.

The rise in soybean meal prices is relatively favorable for the Company's performance. First, soybeans and corn are the two primary feed grains, and their prices are somewhat correlated. Currently, the soybean-to-corn price ratio is at a low level; if soybean prices increase, corn prices are likely to follow. As corn is a key cost component for amino acid fermentation enterprises, rising corn prices allow the Company to pass on costs downstream, thereby achieving price-aligned sales of its products. Second, since 2021, the Ministry of Agriculture has promoted the partial substitution of soybean meal in feed formulations to optimize feed composition. By supplementing exogenous amino acids to maintain amino acid balance in animals, reliance on bulk raw materials such as soybean meal is reduced. With soybean meal prices expected to rise, this substitution process is likely to accelerate, increasing demand for feed-grade amino acids and supporting higher amino acid prices.

In addition, the Company's corn by-products (such as protein powder) are protein-based feed materials, and their prices are influenced by soybean meal price movements. An increase in soybean meal prices is expected to push up the prices of the Company's corn by-products, potentially contributing to profit growth.

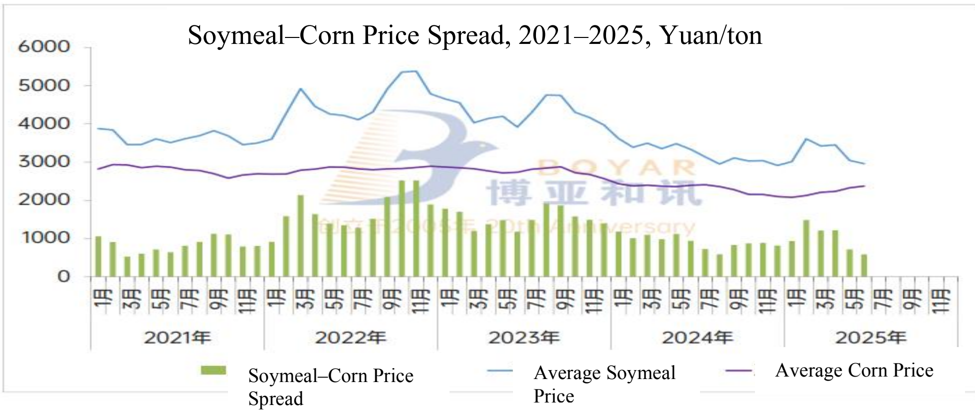


Figure 2 Trend of Soymeal and Corn Prices and Their Spread, 2021–2025
Source: Boyar Intelligence

2. Major Product Market Conditions

In recent years, sustained growth in downstream demand for amino acids has supported favorable profitability among leading industry players. To further consolidate market share and capture incremental demand opportunities, enterprises have undertaken new construction or expansion of amino acid production lines, resulting in a temporary increase in industry supply. From a long-term perspective, however, with demand continuing to grow, the amino acid industry remains on a positive development trajectory.

(1) Lysine

According to data from Boyar, in the first half of 2025, the domestic lysine market was affected by anti-dumping measures. For 98.5% lysine, production enterprises maintained a weak outlook for exports, resulting in lower export volumes, increased supply pressure in the domestic market, and downward adjustments in product quotations. In contrast, terminal consumption of 70% lysine continued to grow. Supported by rising corn prices, producers stopped reducing quotations and began to lift prices, keeping 70% lysine prices firm.

The data show that in the first half of the year, the average price of 98.5% lysine was RMB 9.11/kg, representing a quarter-on-quarter decline of 16.73% and a year-on-year decline of 7.89%. The average price of 70% lysine was RMB 5.39/kg, up 3.26% quarter-on-quarter and 1.32% year-on-year.

Overall, although the lysine market faced pressure from EU anti-dumping actions, with producers beginning scheduled maintenance in the third quarter and downstream demand for 70% lysine gradually recovering, its price is expected to maintain a moderately firm trend with slight upward adjustments.

(2) Threonine

According to Boyar, in the first half of 2025, the average domestic price of threonine was RMB 10.45/kg, representing a quarter-on-quarter decline of 8.93% and a year-on-year increase of 0.97%. From January to May, exports of other amino alcohols slightly increased quarter-on-quarter. Producers adopted bundled sales strategies to maintain price stability, and by the end of June, the quotation range was RMB 9.6–9.9/kg. Given the relatively high export proportion and a balanced supply-demand situation, threonine prices are expected to continue fluctuating in the near term.

During the first half of the year, production by mainstream domestic threonine manufacturers remained stable, with strong export demand. This led to temporary tightness in the domestic market, resulting in fluctuating prices. The industry continues to maintain a favorable profit margin.

(3) Valine

In the first half of 2025, domestic production of valine by mainstream manufacturers was generally stable, although some producers suspended or shifted production, reducing the number of active producers. Despite strong market demand, the market experienced a temporary supply surplus, and end users built inventory as needed. According to Boyar, the average domestic price of valine in the first half of the year was RMB 14.32/kg, up 5.68% quarter-on-quarter and down 6.10% year-on-year.

With continued growth in end-market demand, leading enterprises—leveraging scale and cost advantages—are expected to further consolidate market share and actively expand into overseas markets, which should increase industry concentration.

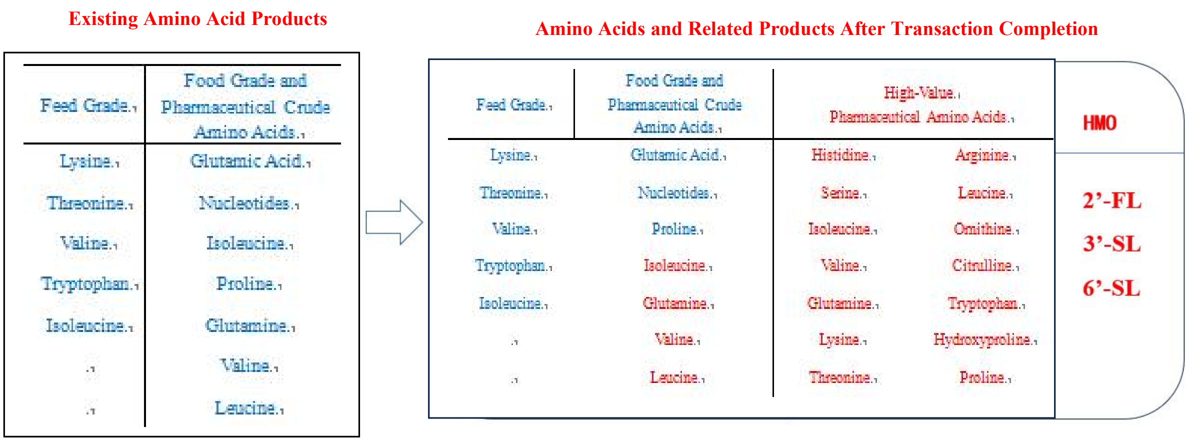
(4) Pharmaceutical Amino Acid Products

① Pre-Acquisition Pharmaceutical Amino Acids

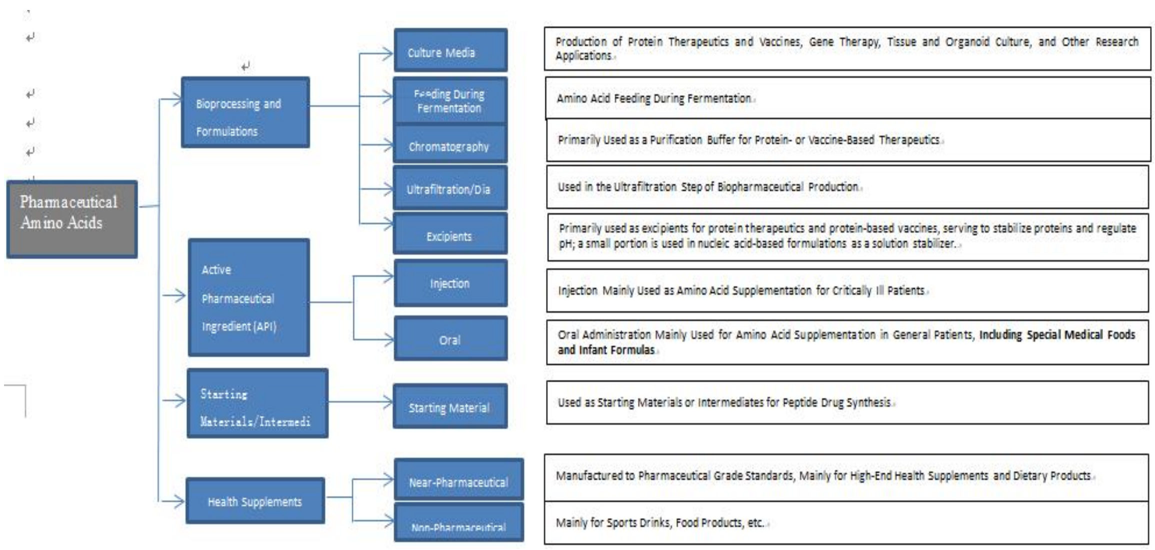
Pharmaceutical amino acids, also referred to as medical-grade amino acids, primarily consisted of crude amino acid products prior to the acquisition. These included L-glutamine, branched-chain amino acids (L-isoleucine, L-valine, L-leucine), and L-proline, which were mainly used as upstream raw materials for sports nutrition products, medical nutrition foods, and pharmaceuticals. Another segment comprised pharmaceutical intermediate raw materials, including L-proline and nucleosides (inosine, guanosine, adenosine), which served as upstream raw materials for medications addressing chronic diseases such as hypertension, diabetes, and hepatitis B.

② Post-Closing Pharmaceutical Amino Acid Business

On November 22, 2024, the Company signed a Share and Asset Purchase Agreement with Kyowa Hakko, and on July 1, 2025, successfully completed the acquisition and closing of Kyowa Hakko's food-grade amino acids, pharmaceutical amino acids, and HMO businesses and assets. Following the closing, the Company's pharmaceutical amino acid portfolio expanded beyond the pre-existing products to include multiple new amino acid categories and strains, such as arginine, histidine, serine, citrulline, ornithine, and hydroxyproline, along with over a dozen fermentation strains and related patents. From a business structure perspective, the acquisition further extended the Company's industrial chain. It enhanced fermentation and purification capabilities for high value-added downstream pharmaceutical amino acids and secured regulatory certifications, including GMP compliance and registrations for amino acid APIs in multiple global markets.



The downstream applications of pharmaceutical amino acids primarily span four major sectors and ten sub-sectors:



Source: Third-party commercial due diligence report

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 2025, the Company continued to increase investments in international expansion, digitalization, organizational development, and R&D, enhancing production automation and intelligence, refining operational and management processes, and continuously strengthening its core competitiveness. During the reporting period, the Company achieved revenue of RMB 12.28 billion, representing a slight year-on-year decrease of 2.87%. Net profit attributable to shareholders of the listed company reached RMB 1.768 billion, up 19.96% year-on-year, while net profit attributable to shareholders excluding non-recurring gains and losses amounted to RMB 1.628 billion, representing a year-on-year increase of 24.98%. The growth was driven by increased sales of key products, including monosodium glutamate (MSG), 98% lysine, and feed-grade L-isoleucine, while 70% lysine experienced growth in both volume and price, contributing to higher revenue and gross profit. At the same time, declines in major raw material costs and improvements in production efficiency helped reduce overall production costs. During the reporting period, the increase in gross profit of RMB 382 million contributed to the growth in the Company's net profit.

1. Acceleration of Overseas Strategy, Global Expansion Enters a New Phase

In 2025, building on prior global market research and strategic planning, the Company advanced site selection assessments for key regions of its overseas greenfield investment projects and successfully completed the closing of a strategically significant cross-border acquisition. This achievement demonstrates that the Company's global expansion has progressed from the strategic planning stage to substantive operational implementation, marking tangible progress in its internationalization strategy and opening a new chapter for overseas business development.

(1) Cross-Border Acquisition:

In November 2024, all parties to the transaction signed a Share and Asset Purchase Agreement (the "Agreement"). In December of the same year, the Company formed a dedicated business integration team by seconding core internal personnel. This team conducted a comprehensive review of existing staff and operations, carried out market visits, and developed an operational improvement plan along with benchmarking analysis. Pursuant to the Agreement and its related supplemental agreements, and as all closing conditions were satisfied, the transaction was successfully closed on July 1, 2025. The acquired assets and businesses have been consolidated under the Company's wholly-owned Singapore subsidiary, Plumino Precision Fermentation Holdings Pte. Ltd. (hereinafter "Plumino"). Procedures for the equity transfer of the relevant domestic and overseas production and operating entities are currently underway. The Company has also engaged professional institutions to conduct audits and evaluations of the acquired assets to assess the impact of the transaction on the Company's 2025 financial performance.

This cross-border acquisition is of significant strategic importance for both the Company and the industry: 1) Intellectual Property: the Company has acquired more than 30 core patent families, systematically addressing the global IP gaps of Chinese enterprises in synthetic biology and amino acid fermentation, thereby enhancing international competitiveness and facilitating entry into key regulated markets; 2) Product Portfolio: the acquisition adds new amino acid categories and strains, including arginine, histidine, serine, citrulline, ornithine, and hydroxyproline, further expanding the Company's product pipeline; 3) Production Bases: three pharmaceutical amino acid production bases in Shanghai, Thailand, and North America have been added, enabling overseas production, closer proximity to end markets, and strengthened global competitiveness; 4) Industrial Chain: the acquisition extends the Company's industrial chain, enhancing downstream fermentation and purification capabilities for high-value pharmaceutical amino acids, while securing GMP certification and multi-market registrations for amino acid APIs; 5) HMO Pipeline: the Company also obtained an HMO production facility in

Thailand with relevant operational and certification qualifications, directly enhancing China's position in the global high-end nutritional ingredient supply chain.

For the acquired pharmaceutical-grade amino acid assets, the company will leverage their multi-market registrations overseas to focus on expanding its share in high-quality, high-value international markets; for the food-grade amino acids, the company will capitalize on local production advantages and technological strengths. By enhancing capacity utilization, improving operational efficiency, and reducing costs, the company aims to strengthen profitability.

Following the completion of the transaction, the company's global footprint is as follows:

(2) Greenfield Investments:

The company continues to advance its overseas greenfield investment site selection efforts. During the reporting period, the overseas project team conducted on-site assessments in regions including Central Asia, evaluating key production and operational factors such as raw materials, energy and chemical auxiliaries, transportation, and business environment. Moving forward, the company will conduct comparative analyses across multiple dimensions for priority target regions to determine the location, product types, and scale of its greenfield investments.

2. Enhancing Global Competitiveness

The company's export ratio has remained consistently above 30%, providing a solid foundation for international market expansion while also requiring navigation of increasingly complex global supply chain environments. Leveraging its multi-regional presence, continuous R&D accumulation, integrated biomanufacturing system, and full-spectrum amino acid product portfolio, the company possesses both the capability and confidence to respond effectively to complex market dynamics.

By thoroughly studying international trade regulations, forming a specialized team to handle disputes, and maintaining close collaboration with overseas clients, the company successfully reduced the final EU anti-dumping duty on lysine from an initial 84.8% to 47.7%—a 37.1 percentage point decrease, representing the lowest rate among domestic producers. This achievement not only directly enhances the price competitiveness of the company's products but also demonstrates its professional expertise and resolute determination in addressing international trade disputes.

Building on prior experience and continuously optimizing internal management, the company has established a more flexible and efficient operational system. In terms of capacity layout, the completion of overseas acquisitions has enabled an initial global production base presence; leveraging the experience of domestic production facilities, the company can maximize the supporting capabilities of high-end overseas plants. In product R&D, cross-category multi-technology platforms are utilized to align with international market demand, increase innovation investment, and launch higher-value products to ascend the value chain. In supply chain management, long-term stable partnerships with global suppliers ensure the stability and cost-effectiveness of raw material procurement. In market operations, the company has acquired production and sales entities in Singapore, Germany, Japan, North America, and other regions, allowing precise alignment with regional market demand and enhancing its global supply chain position in amino acids and high-end nutritional ingredients.

From responding to anti-dumping investigations to executing a global expansion strategy, the company's ability to compete on a global scale has been significantly strengthened, positioning it to seize strategic opportunities arising from the restructuring of global industry chains.

3. Capacity Upgrades of Key Products and High-Quality Projects Driving Scale Expansion

With the strategic goal of becoming a leading synthetic biology enterprise, the company has consistently focused on the high-quality development of its core amino acid business. For key products with strong cost advantages, robust technological iteration capabilities, and significant market growth potential, the company has decisively advanced capacity upgrades, continually consolidating its industry-leading position. This has significantly enhanced scale barriers, further strengthening market dominance and overall competitiveness.

In the first half of 2025, the company invested RMB 1.087 billion in projects. To improve resource utilization, the Production Technology Institute and various production bases optimized production layouts and established a dynamic capacity adjustment mechanism. During the reporting period, the Tongliao MSG capacity upgrade project reached full production and is now one of the largest single-line MSG production capacities globally. Prior to commissioning new lines, some older production lines were decommissioned for technical upgrades due to aging equipment and low resource efficiency, and have since been converted to produce other high-value products. The Jilin lysine project is under construction and is expected to commence trial production in the fourth quarter of this year. The successful implementation of these high-quality projects contributes to the expansion of the company's operational scale.

To meet diverse customer needs and enrich the product portfolio, additional high-value projects—including upgrades for valine, tryptophan, arginine, histidine, and premium-grade xanthan gum—are currently in the planning stage, aimed at further enhancing the company's overall competitiveness.

4. Early Results of Digital and Intelligent Transformation: Automation, Refined Management, and Operations Driving High-Quality Development

During the reporting period, the company leveraged its digital and intelligent transformation as a strategic pivot, continuously advancing the intelligent upgrade of its operational management systems. The effects of this transformation have begun to materialize.

The MES system's standardized functions have been implemented at the Jilin, Xinjiang, and Tongliao bases, while differentiated functions have been developed and are scheduled for rollout in the third quarter. Meanwhile, the procurement management information system project has completed tendering and contract signing and is planned to go live in the fourth quarter.

By fully integrating digital intelligence into quality, safety, process, equipment, and environmental modules, the MES system shifts production management from reactive remediation to proactive warning and real-time control, enabling online visibility and transparency across all production stages. Automation significantly reduces non-standard human operations, thereby lowering management complexity.

Through the dual engines of technology and management, the company has built a highly efficient, responsive, and transparent operational system, continuously optimizing operational standards to improve efficiency and reduce costs. In the first half of 2025, inventory turnover days were 50, and accounts receivable turnover days were 9, reflecting efficient operations.

By combining informatization, standardization, automation, and refined management, the company is establishing a high-end biomanufacturing platform, effectively driving high-quality development.

5. Sustained R&D Investment, Continuous Technology System Upgrades, and Steady Construction of Intellectual Property Barriers

In the first half of 2025, the company continued to increase its R&D investment, systematically advancing the industrialization of synthetic biology technology with a focus on core technology platform development, strain iteration and optimization, and multi-category innovative product development. These efforts further consolidate the company's technological leadership within the industry. During the reporting period, the company concentrated on chassis strain construction, metabolic pathway design, process optimization, and differentiated product portfolio development, effectively enhancing overall R&D efficiency and the conversion of technological achievements into practical applications.

To enhance the efficiency of translating R&D outcomes into industrialized production, the company has continuously refined its "R&D–pilot–industrial" linkage mechanism and systematically deployed pilot verification platforms. Phase-wise pilot systems are being established across multiple production bases to create a verification network covering multiple products and process pathways, enabling integrated testing for strain construction, process scale-up, and equipment adaptation. This approach further shortens R&D cycles, reduces process risks, and improves production controllability. Among these, the Jilin pilot R&D platform, established as the first benchmark project, was completed and put into operation during the reporting period. Equipped with multi-specification pilot fermentation systems and complete extraction and purification equipment, it meets the small-scale scale-up requirements for amino acids, polysaccharides, and other products. The platform has demonstrated significant effectiveness in new strain validation, process maturity assessment, and compression of debugging cycles, providing strong support for the rapid commercialization of subsequent products.

In terms of intellectual property, the company has completed the integration of Kyowa Hakko following the acquisition. As a pioneer in the amino acid industry, Kyowa Hakko possesses extensive technical expertise and international registration resources. The company has introduced multiple new product categories and core strains, including arginine, tryptophan, histidine, serine, citrulline, ornithine, and hydroxyproline, and has obtained key patents covering strains, processes, and applications, significantly broadening the company's technological coverage in critical areas of synthetic biology. Leveraging Kyowa Hakko's mature global registration and compliance system, the company will accelerate market access and commercialization of new products worldwide, further consolidating its strategic leadership in global biomanufacturing.

Looking ahead, the company will continue to strengthen the allocation of R&D resources and optimize its organizational structure, enhancing both the depth and breadth of its platform-based technological capabilities. Efforts will focus on areas such as strain metabolic modeling, process optimization modeling, fermentation production modeling, and integration of industrial-chain data, driving systematic upgrades to its technology. Leveraging the core data resources accumulated from large-scale production, the company will incorporate artificial intelligence tools to establish a data-driven intelligent R&D model, accelerating technology evolution cycles and product iteration efficiency.

In addition, the company will reinforce the construction of its pilot platform network, drawing on the mature experience of its domestic production bases and leveraging the capabilities of its high-end overseas facilities. By deepening global collaboration across production, academia, and research, the company aims to accelerate the introduction of cutting-edge products and the translation of R&D achievements, continuously enhancing its global competitiveness and long-term technological leadership in the field of synthetic biology.

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

(I) Diversified Product Portfolio, Scale Advantages, and Global Layout Driving Robust Performance

As a global leader in the amino acid industry, the company has continuously developed a multi-category industry structure centered on amino acids. Leveraging its strengths in synthetic biology, it has established a diversified product portfolio covering animal nutrition amino acids, flavor enhancers, pharmaceutical-grade amino acids, and colloidal polysaccharides. The company adheres to a dual approach of “refining quality” and “expanding scale.” By closely monitoring market trends and tracking demand shifts across downstream sectors such as feed and livestock, food processing, and biopharmaceuticals, it dynamically optimizes resource allocation across product lines and steadily expands production capacity for its core products. Currently, the company ranks first globally in lysine and threonine production capacity, second in monosodium glutamate (MSG) production, and holds leading positions worldwide in other products, including disodium 5′-ribonucleotides (I+G), pharmaceutical-grade amino acids, and colloidal polysaccharides. With ongoing capacity expansion projects, the company’s market-leading positions continue to be further consolidated.

In addition, the company has accelerated its overseas capacity expansion, successfully completing the acquisition and handover of Kyowa Hakko’s related food amino acids, pharmaceutical-grade amino acids, and HMO business and assets on July 1, 2025. Through this transaction, the company has extended its industrial chain into the downstream high-value pharmaceutical-grade amino acid market, further expanded its amino acid product portfolio, and acquired multiple production and operating entities in Shanghai, Thailand, and North America. This milestone marks the realization of the company’s overseas expansion strategy and strengthens its ability to mitigate regional market risks through an internationalized production footprint.

The diversified and balanced product portfolio, significant scale advantages, and global footprint not only ensure the company’s stable performance growth but also strengthen operational resilience, substantially enhancing its capacity to withstand cyclical fluctuations in the industry.

(II) Integrated, End-to-End Industrial Chain and Efficient Operations Drive Cost Competitiveness

Leveraging its strategic presence in core raw material production regions and a comprehensive resource-recycling system, the company has established a significant cost advantage within the industry, which it continues to consolidate through meticulous operational management. Its production bases are located near key raw materials such as corn and coal, enabling the company to build a closed-loop industrial chain covering raw material processing, self-supplied steam, product manufacturing, wastewater treatment, and bio-organic fertilizer production. This integrated approach facilitates hierarchical energy reuse and full-value utilization of by-products, maintaining resource efficiency at an industry-leading level.

Benefiting from proximity to raw material sources, the company has developed a diversified and flexible procurement system that includes collection and storage on behalf of suppliers, market purchases, participation in state grain auctions, and direct sourcing from farmers, providing a marked advantage in procurement costs. In terms of operations, the company has continuously advanced the standardization of its entire procurement-production-sales chain, systematically executing and optimizing processes to substantially improve management efficiency. During the reporting period, inventory turnover days remained around 50, while the majority of sales were conducted on a cash-on-delivery or prepayment basis, keeping accounts receivable turnover at approximately 9 days.

By deeply integrating geographic advantages, industrial chain synergies, and lean management, the company has built a highly efficient operational system that reduces overall management costs and ensures robust operating cash flow, giving it a competitive edge in unit production costs compared with industry peers.

(III) Sustained R&D Investment and Strong Industrialization Capabilities Establish Industry-Leading Technical Metrics

Relying on continuous R&D investment and long-term accumulation in the fields of biofermentation and synthetic biology, the company has built a multi-category, platform-based technology system centered on synthetic biology. This system covers high-value raw materials such as amino acids, polysaccharides, and HMOs, and features cross-category technology reuse and modular development mechanisms. In terms of commercialization efficiency, strain stability, energy consumption control, and comprehensive resource utilization, the company ranks at the forefront of the industry, creating a systematic capability that combines both technological barriers and cost advantages.

In recent years, the company has continuously expanded its R&D scale and increased investment in the application of synthetic biology technologies. Leveraging gene-editing and metabolic engineering platforms as well as advanced strain development capabilities, the company has steadily improved the iteration efficiency of its core production strains. It possesses leading core technologies and intellectual property in strain modification, fermentation, extraction, and by-product valorization. On the industrialization front, the company benefits from a full “R&D–pilot–engineering–scale production” chain, enabling rapid conversion of laboratory results into commercial value.

Moreover, the company has independent engineering design capabilities, an experienced engineering team, a dedicated production technology research institute, and production bases equipped with internationally advanced manufacturing equipment. This ensures precise and stable process parameters, excellent energy efficiency, and drives full-chain process innovation, continuously improving resource efficiency while reducing energy consumption. The synergistic effect of these advantages ensures that the company maintains industry-leading performance in key technical metrics, including product yield, quality, and production efficiency.

(IV) A Culture of “Collective Management and Shared Value Creation” as a Key Driver of Business Success

For many years, the company has adhered to an organizational culture of “All Employees as Operators, Create and Share,” leveraging comprehensive incentive mechanisms and performance-driven systems to support the achievement of business objectives and strategic development. In 2017, the company launched its first employee stock ownership plan and has continuously refined and implemented it, establishing a normalized mechanism. Since 2021, five consecutive phases of the employee stock ownership plan have been executed, complemented by a diversified bonus and incentive system—including bonus pools, project-based rewards, and performance assessments—targeted at department leaders and key business personnel. This approach tightly aligns organizational development strategies with individual career growth, fostering a culture of co-creation, sharing, and mutual success.

The company operates on a positive cycle of responsibility–performance–incentive, rewarding managers and core staff who demonstrate accountability and outstanding performance. By linking high performance to high rewards, the company stimulates initiative and value creation, ensuring that individual contributions are closely aligned with organizational goals and supporting both strategic development and operational objectives.

Through years of practice, the company has established a multi-tiered, multi-dimensional performance-driven system that complements its co-creation and sharing culture. This system not only effectively supports the realization of strategic objectives and secures the stability of the core management team but also constitutes a distinctive long-term incentive mechanism, promoting reciprocal empowerment and shared growth between the company and its employees.

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	12,280,450,603.53	12,642,718,053.37	-2.87
Operating costs	9,433,353,240.09	10,177,206,263.13	-7.31
Selling expenses	167,760,792.02	204,453,466.84	-17.95
General and administrative expenses	469,433,561.57	554,506,366.51	-15.34
Financial expenses	-20,660,319.63	-75,236,544.94	72.54
R&D expenses	199,958,697.93	180,479,234.74	10.79
Net cash flows from operating activities	2,312,791,220.63	2,235,818,123.12	3.44
Net cash flows from investment activities	-2,943,297,595.88	-2,093,397,939.98	-40.60
Net cash flows from financing activities	-810,148,442.73	-1,456,524,257.04	44.38

Reasons for Change in Revenue**:** During the Reporting Period, the Company’s revenue totaled RMB 12.28 billion, down 2.87% year-on-year, main reasons: despite increased sales of MSG and L-isoleucine due to higher production capacity at subsidiaries, and growth in both volume and price of 70% L-lysine as well as increased sales of 98% L-lysine, the market selling prices of key products, including MSG, xanthan gum, and L-threonine, declined, leading to a decrease in core business revenue.

Reasons for Change in Operating Costs**:** During the Reporting Period, the company’s operating costs totaled RMB 9.433 billion, down 7.31% year-on-year, main reasons: while increased sales of key products such as MSG, L-isoleucine, and L-lysine drove up the cost of sales, the overall decline in raw material costs and improved production efficiency led to lower manufacturing costs, resulting in a decrease in total operating expenses.

Reasons for Change in Selling Expenses**:** During the Reporting Period, the Company's selling expenses dropped by 17.95% year-on-year. Main reasons: a reduction in external warehouse transfers, lower freight rates that reduced transportation expenses, decreased consulting and related expenditures during the period, and lower personnel costs for sales staff.

Reasons for Change in Administrative Expenses: During the Reporting Period, the company's administrative expenses decreased by 15.34% year-on-year, main reasons: reduced consulting and related expenditures during the period, as well as lower personnel costs.

Reasons for Change in Financial Expenses: During the Reporting Period, the company's financial expenses increased by 72.54% year-on-year, main reasons: both interest income and foreign exchange gains declined during the period.

Reasons for Change in R&D Expenses: During the Reporting Period, the Company's R&D expenses increased by 10.79% year-on-year. Main reasons: The Company increased its R&D investment during the period.

Reasons for Change in Net Cash Flows from Operating Activities: During the Reporting Period, the net cash flow generated from the company's operating activities increased by 3.44% year-on-year, main reasons: although product sales prices declined, reducing revenue, the drop in raw material market prices increased profits, thereby boosting cash flow from operating activities compared with the same period last year.

Reasons for Change in Net Cash Flows from Investment Activities: During the Reporting Period, the Company's net cash flows from investment activities dropped by 40.6% year-on-year. Main reasons: As a result of increased external investment in this period.

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 44.38% year-on-year. Main reasons: decrease of repayment of borrowings and share repurchases 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

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	2,913,757,715.41	12.14	4,561,056,193.96	19.16	-36.12	This was mainly

						due to an increase in the purchase of wealth management products during the period.
Trading Financial Assets	1,397,826,972.26	5.82	312,033,611.07	1.31	347.97	This was mainly due to an increase in the purchase of wealth management products during the period.
Accounts receivable financing	18,045,534.34	0.08	26,723,054.99	0.11	-32.47	Increase in the amount held to collect contractual cash flows during the current period.
Prepaid accounts	107,821,158.00	0.45	220,000,861.75	0.92	-50.99	This was due to a decrease in prepaid material payments during the period.
Other receivables	28,668,079.85	0.12	49,292,999.56	0.21	-41.84	This was due to the collection of receivables during the period.
Non-current assets due within one year	108,345,222.59	0.45	182,257,027.81	0.77	-40.55	This was due to the maturity of long-term time deposits during the period.
Other Current Assets	1,053,547,103.85	4.39	164,629,398.67	0.69	539.95	This was due to an increase in advance payments for external investments during the period.
Construction in progress	1,133,239,020.75	4.72	728,524,141.54	3.06	55.55	New construction projects initiated during the current period.
Right-of-use assets	5,686,811.92	0.02	8,145,892.35	0.03	-30.19	This was due to the expiration of right-of-use assets during the period.
Derivative financial liabilities			297,500.00		Not Applicable	This was due to the settlement of wealth management

						products during the period.
Other Payables	242,540,793.08	1.01	448,115,137.98	1.88	-45.88	This was due to the payment of litigation settlement fees during the period.
Other current liabilities	61,495,237.41	0.26	88,785,123.74	0.37	-30.74	This was due to a decrease in advance collection of output tax during the period.
Other Comprehensive Income	-153,671,324.15	-0.64	-55,004,961.46	-0.23	179.38	Losses from fair value changes in equity instruments during the current period.

Other information

None

2. Overseas assets

√ Applicable ☐Not applicable

(1).Asset size

The Company's overseas assets reached 1,954,576,957.78 (unit: yuan, currency: RMB), accounting for 8.14% of the 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

Item	Book value	Reasons for restriction
Monetary fund	190,704,256.91	For details, see Section 8 of the Financial Report, Note 7, Note 1.
Fixed assets	373,067,063.83	Mortgage
Intangible assets	26,785,445.73	Mortgage
Total	590,556,766.47	

4. Other information

☐ Applicable √ Not applicable

(IV) Analysis of Investment

1. Overall analysis of external equity investment

√ Applicable ☐Not applicable

Unit: Yuan

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	284,294,280.00		113,759,630.00	170,534,650.00
Tongliao Desheng Bio-tech Co., Ltd.	49	6,874,939.88		923,353.98	5,951,585.90
Total		448,169,219.88		114,682,983.98	333,486,235.90

(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		3,292,309.06			506,650,000.00	161,963,300.52		347,979,008.54
Private equity	30,868,765.25	-1,285,030.45				29,583,734.80		
Derivatives		-1,005,000.00				-1,473,200.00		468,200.00
Others	749,182,180.81	-83,021,437.46	-178,465,350.00	-32.11	9,088,717,290.18	8,350,772,364.82	-8,677,552.76	1,395,428,148.06
Total	780,050,946.06	-82,019,158.85	-178,465,350.00	-32.11	9,595,367,290.18	8,540,846,200.14	-8,677,552.76	1,743,875,356.60

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	77.91	57.51	50.85	6.24	5.28
Xinjiang Meihua	Subsidiary	Production and sales of MSG and amino acids	25.00	66.71	56.77	28.29	6.87	5.79
Jilin Meihua	Subsidiary	Production and sales of MSG and amino acids	20.00	69.21	38.84	33.92	4.98	4.21

Acquisitions and disposals of subsidiaries during the reporting period

☐ Applicable √ Not applicable

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 Export Operations

In the past three years, the company's overseas main business sales revenue were 8.65 billion yuan, 8.472 billion yuan, and 8.482 billion yuan, accounting for 31.18%, 30.87%, and 34.10% of the total main business revenue, respectively. Revenue from overseas operations may be exposed to the following risks:

(1) Foreign exchange fluctuation risk

As a company primarily operating in the Chinese market, most of the company's transactions are settled in RMB. However, the Company remains exposed to the risk of exchange rate fluctuations for foreign currency assets held, foreign currency liabilities assumed and foreign currency transactions that may occur in the future, which are primarily denominated in U.S. dollars. To effectively manage exchange rate risk, the finance department has established a robust foreign exchange risk monitoring system, adopting measures such as dynamically adjusting the scale of foreign currency transactions. At the same time, the company uses financial derivatives for hedging purposes. Nevertheless, if exchange rate volatility intensifies and the company fails to properly match its foreign trade activities with its forward settlement and purchase arrangements, it may negatively affect the company's operating performance.

(2) Ongoing Overseas Anti-Dumping Investigations on Chinese Products

① On May 23, 2024, the European Commission announced the initiation of an anti-dumping investigation into lysine originating from China. On July 11, 2025, the European Commission announced the final anti-dumping ruling on lysine exports from China, imposing a 47.7% tariff (the minimum domestic rate) on the company's lysine products exported to the EU, representing a significant 37.1% reduction from the preliminary rate of 84.8%. While the tariff reduction is expected to aid the company's subsequent EU exports, the imposition of duties may still have some impact on the company's performance.

② On December 19, 2024, the European Commission announced the initiation of an anti-dumping investigation on Valine originating from China, following a complaint from EU enterprises filed on November 5, 2024. On July 17, 2025, the European Commission announced a preliminary anti-dumping ruling on valine (Valine) originating from China, under which the company's wholly-owned subsidiaries, Xinjiang Meihua and Tongliao Meihua, are subject to a 42.8% anti-dumping tariff.

③ On December 27, 2024, the Brazilian Ministry of Development, Industry, Trade, and Services published the No.81 Notification of 2024, and initiated an anti-dumping investigation on lysine used in animal feed, following a request from Brazilian domestic enterprises filed on July 18, 2024.

④ On June 18, 2025, in response to a petition submitted on May 28, 2025, by the Lysine Fair Trade Coalition and its member companies—Archer Daniels Midland Company, CJ Bio America, Inc., and Evonik Corporation—the U.S. Department of Commerce announced the initiation of anti-dumping and countervailing duty investigations on L-lysine imported from China.

⑤ On July 2, 2025, the Ministry of Industry and Trade of Vietnam announced the final affirmative determination of the first sunset review on anti-dumping for monosodium glutamate (MSG) originating from China, deciding to continue imposing anti-dumping duties for five years. The applicable duty rate for the company is 4,622,472 VND per ton.

Overseas anti-dumping investigations and the imposition of high anti-dumping duties directly impact the competitiveness of Chinese products abroad. If the anti-dumping duties imposed on the company's products are higher than those on other companies in the industry, this will directly reduce the export volume of the company's relevant products. Furthermore, the reduction in exports may lead to intensified competition in the domestic market, further negatively impacting the company's business performance.

(3) National Trade Restrictions

On December 23, 2021, the U.S. president signed the Uyghur Forced Labor Prevention Act (the "Act"), which restricts the export of products produced in Xinjiang to the U.S. The escalation of trade tensions or other related issues between China and the U.S., including news and rumors, may introduce uncertainty into export business and potentially impact the company's operations. Additional trade restrictions and sanctions would adversely affect the company's business in overseas regions, specifically including the imposition of tariffs and import taxes, setting quotas or other non-tariff barriers, import and export restrictions, licensing limitations, sanctions, and other retaliatory measures. These issues may negatively affect the company's reputation and product sales, which in turn could significantly harm business performance.

2. Tax Policy Change Risk

The company and its wholly-owned subsidiaries, Xinjiang Meihua and Tongliao Meihua, currently enjoy preferential corporate income tax policies under the "Western Development" initiative. However, changes in national tax policies may lead to adjustments or even the cancellation of existing preferential treatments, which would directly increase the company's tax burden and negatively impact its overall financial performance. The company will continue to closely monitor tax policy developments and adjust its tax planning strategies in a timely manner to mitigate potential impacts.

3. Industry Regulation or Policy Adjustment Risk

The company's main business involves the research, development, production, and sale of amino acid products, which are regulated by multiple government departments, including the State Administration for Market Regulation, the Ministry of Industry and Information Technology, the National Development and Reform Commission, and the Ministry of Science and Technology. Currently, China has a well-established legal and regulatory framework, with strict controls over product production licenses, quality management, and registration approvals. Additionally, major export markets, such as the European Union, impose high product entry standards. However, as the industry evolves and regulatory requirements continue to tighten, there is a potential risk that new restrictive policies may be introduced by the government. Such changes could limit the production and use of the company's products, adversely affecting overall profitability. The company will closely monitor policy developments and promptly adjust its business strategies to mitigate the potential impact of regulatory changes.

The company's wholly-owned subsidiaries, including Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua, are key pollution sources under environmental regulatory oversight. The company mainly employs biological processes for production, generating wastewater, waste gases, and solid waste during manufacturing. Any significant environmental pollution incident due to management oversight or unforeseen circumstances could lead to administrative penalties, or even forced shutdowns and rectification orders, severely disrupting operations. Furthermore, as national environmental regulations become more stringent, the company may need to invest more in environmental protection measures to comply with regulatory requirements, increasing operational costs. Additionally, the company's production processes are complex, involving multiple stages such as corn screening, soaking, amino acid fermentation, and extraction. These processes require the use of high-pressure steam, multi-voltage power supply systems, and specialized equipment, as well as the production, storage, and handling of hazardous chemicals such as liquid ammonia and sulfuric acid. If safety management protocols are not followed, employee safety awareness is insufficient, or equipment is not properly maintained, safety incidents could occur, leading to potential injuries, property damage, and production disruptions, negatively affecting the company's performance.

4. Risk of Intensified Industry Competition or Lower-than-Expected Returns on New Projects

According to the resolutions of the company's 18th meeting of the 10th Board of Directors and the 2024 Annual General Meeting of Shareholders, the company plans to invest in significant projects in 2025 to enhance its competitive edge. However, other industry players are also increasing their production capacity, which may create downward pressure on product prices and affect the returns on the company's new projects. If the additional capacity fails to effectively eliminate outdated production or if market demand grows slower than expected, increased competition and price pressure could result in a negative impact on the company's financial performance.

5. Technological Risks

(1) Risk of Core Technology Leakage and Loss of Key Technical Personnel

The company has established significant technological advantages and extensive industrialization experience in critical areas such as strain cultivation and fermentation control. Its market competitiveness largely relies on core technologies and achievements accumulated through long-term R&D efforts. To safeguard these assets, the company has taken a range of protective measures, including establishing a dedicated R&D team with full-time researchers, signing long-term contracts with key technical personnel, and offering competitive compensation packages. In addition, all employees with access to core technologies are required to sign confidentiality agreements. Despite these precautions, the possibility of technology leakage cannot be entirely ruled out, which could negatively impact the company's operating performance. Furthermore, with the rapid development of the domestic biotechnology industry, high-end technical talent has become a scarce resource intensely sought after by industry peers. A large-scale departure of technical staff would significantly hinder the company's R&D and production operations.

(2) Risk of Intellectual Property Protection

The company has established a comprehensive intellectual property protection system. Authorized and pending patents cover the entire industrial chain, including strain cultivation, fermentation control, separation and extraction, and extended applications. While the company adheres to independent innovation and has built a sound R&D management framework, it faces dual risks in a competitive landscape: the potential infringement of its own intellectual property by others, and the risk of unintentionally violating third-party rights during R&D activities. Should a dispute arise or if the company is found to have infringed upon others' intellectual property—or if its own IP rights are invalidated—this could directly impact the production and sale of related products, resulting in adverse effects on the company's business development.

6. Risks Associated with Cross-Border M&A

The company's cross-border M&A transaction was completed on July 1, 2025. After closing, the following risks may still exist:

(1) Post-Acquisition Integration Risk

Upon completion, the company will expand its business portfolio to include food-grade amino acids, pharmaceutical amino acids, and HMOs, and the addition of multiple overseas operating entities. Integration efforts will span supply chain coordination, production process optimization, strain development, and team integration. However, due to the inherent complexity of cross-border mergers and acquisitions, the integration outcome remains uncertain and may affect the operational efficiency and synergy realization of the combined businesses.

(2) Force Majeure Risk

Significant changes in laws and regulations, natural environments, or business conditions in the regions where the overseas assets are located may adversely affect ongoing operations and the execution of integration plans. The company will continue to assess relevant risks and take appropriate actions to mitigate potential impacts and safeguard the interests of the company and its shareholders.

7. Risk of Improper Control by the Actual Controllers

As of the end of the reporting period, Meng Qingshan, Wang Aijun, and He Jun collectively held 33.34% of the company's shares, making them the actual controllers of the company. While the company has established a relatively sound corporate governance framework and internal control system, with strict rules in place to regulate the conduct of controlling shareholders and actual controllers in order to protect the interests of minority shareholders, there remains a risk that the actual controllers may exercise influence—either directly or indirectly—through voting rights, management authority, or other means. Such influence could affect the company's strategic planning, operational decisions, personnel appointments, and profit distribution, and may potentially harm the interests of the company and its minority shareholders.

(II) Other Disclosure Matters

√ Applicable □Not applicable

1. Evaluation of the Implementation of the Company's "Quality Improvement, Efficiency Enhancement, and Return Optimization" Action Plan

To thoroughly implement the requirements of the State Council's Opinions on Further Improving the Quality of Listed Companies and actively respond to the Shanghai Stock Exchange's Initiative on Conducting the "Quality Improvement, Efficiency Enhancement, and Return Optimization" Special Action for Shanghai-listed Companies, the company disclosed the 2024 "Quality Improvement, Efficiency Enhancement, and Return Optimization" Action Plan on August 21, 2024, and subsequently released the 2024 Action Plan Implementation Evaluation Report on March 18, 2025. Over the past year, the company has actively carried out and implemented the relevant work in accordance with the action plan. The execution and implementation results of the action plan are assessed as follows:

(1) Focusing on Core Business and Continuously Improving Operational Quality

The company has consistently deepened its focus on the amino acids core business. Leveraging its diversified portfolio, scale advantages, sustained R&D innovation, and refined management capabilities, the company continuously enhances operational quality, demonstrating strong resilience and growth potential. In the first half of 2025, the company achieved revenue of RMB 12.28 billion, a slight year-on-year decline of 2.87%, and net profit attributable to shareholders of the listed company reached RMB 1.768 billion, representing a year-on-year increase of 19.96%.

In terms of international expansion, the company has continued to advance site selection and feasibility studies for overseas greenfield investment projects in key regions. On July 1, 2025, it completed the acquisition and handover of food amino acids, pharmaceutical-grade amino acids, and HMO business and assets from Kyowa Hakko. Through this transaction, the company extended its industrial chain into the downstream high-value pharmaceutical-grade amino acid market, further expanded its amino acid product pipeline, added HMO products, and acquired multiple production and operating entities both domestically and abroad, marking substantial progress in its overseas expansion strategy. This cross-border acquisition enables the company to rapidly access the global amino acids market, strengthen its global competitiveness through overseas production bases and sales offices, and leverage significant cost and supply chain advantages.

(2) Accelerating the Development of New-Quality Productivity and Promoting the Commercialization of New Technologies and Products

To accelerate its strategic goal of becoming a leading enterprise in synthetic biology, the company has continued to strengthen R&D investment and technological upgrades, with a focus on innovation in the application of synthetic biology. In 2025, the company further advanced technology upgrades and improved R&D efficiency. Through synthetic biology-based strain engineering, it accelerated strain iteration and significantly enhanced metabolic efficiency, consolidating its technological leadership in the industry. At the same time, the company has actively established an integrated "R&D–pilot–industrialization" mechanism, systematically developing pilot testing platforms. The Jilin pilot R&D platform, as the first benchmark project, has been completed and put into operation, providing strong support for the rapid commercialization of subsequent products.

In terms of intellectual property, following the acquisition and integration of Kyowa Hakko, the company has introduced several new product categories, including arginine, tryptophan, and histidine, along with their core strains, and obtained key patents covering strains, processes, and applications. This has significantly expanded the company’s technological footprint in critical areas of synthetic biology.

(3) Prioritizing Investor Returns and Safeguarding Shareholder Interests

The company places high importance on providing reasonable returns to investors and consistently implements an active and stable profit distribution policy. This approach continuously enhances shareholder returns, strengthens investor satisfaction, and protects shareholder rights.

In 2024, the company distributed a total cash dividend of RMB 1,699,225,261.53 (inclusive of tax). Together with the cash used to repurchase and cancel shares totaling RMB 571 million in 2024, the total amount returned to shareholders reached RMB 2.27 billion, representing approximately 83% of the net profit attributable to shareholders of the listed company for the year.

(4) Strengthening Investor Communication and Actively Conveying Company Value

In 2025, the company continued to strictly fulfill its information disclosure obligations and reinforced investor relations management. Guided by investor needs, it promptly communicated the company’s operational and development status, effectively safeguarding investors’ right to be informed and enhancing their long-term confidence in the company.

Regarding information disclosure, in the first half of 2025, the company prepared and published two periodic reports and released 42 interim announcements, providing timely updates on business operations. To improve readability, periodic reports were presented in a visual “one-page infographic” format. Additionally, the company completed a comprehensive upgrade of its official website, enhancing the quality and effectiveness of its disclosure practices.

In terms of investor relations, the company emphasizes and practices a “two-way communication” approach. Over the past year, through channels such as shareholders’ meetings, earnings presentations, strategy sessions, roadshows, on-site visits, and daily hotlines, emails, and the SSE e-Interactive platform, the company has communicated its strategy, operations, and performance to investors in a timely manner, actively listened to feedback, and addressed concerns, helping investors gain a comprehensive understanding of the company and effectively conveying its value.

(5) Adhering to Standardized Operations and Enhancing Corporate Governance

The company strictly complies with the Company Law, Securities Law, and other relevant laws, regulations, and regulatory requirements, maintaining efficient and standardized operations while continuously improving its corporate governance system. Over the past year, the company has strengthened its governance foundation by establishing a comprehensive and rational corporate governance structure composed of the shareholders’ meeting, board of directors, board of supervisors, and management team, creating a decision-making mechanism with clear responsibilities and standardized operations. Multiple internal policies have been revised according to actual needs to further optimize governance and enhance the internal control system. In response to regulatory requirements, the company formulated the "Independent Directors' Special Meeting System" and, through specialized training and on-site investigations, ensured independent directors' in-depth participation in major company decisions, exercising supervision and advisory roles to effectively safeguard the rights and interests of all shareholders.

In addition, the company has established a comprehensive ESG management system, integrating sustainable development into daily operations and advancing ESG initiatives according to plan. In 2025, the company's Wind ESG rating improved from BBB to A, the Huazheng ESG rating rose from BB to A, and the company was successfully included in Huazheng's "Top 100 Most Improved ESG-Rated A-Share Listed Companies in 2025," demonstrating its outstanding performance in the field of sustainable development.

(6) Strengthening the Responsibilities of the "Key Minority" and Enhancing Duty Performance

The company places great emphasis on the duty performance and risk management of the "key minority," including controlling shareholders, directors, supervisors, and senior management. In response to new regulatory requirements, the company actively encourages them to improve their knowledge, participate in regulatory training, and enhance compliance awareness and duty performance to effectively safeguard shareholder interests. Over the past year, the company organized specialized training on the new Company Law and facilitated independent directors' completion of subsequent Shanghai Stock Exchange certifications and "Anti-Fraud Duty Performance" courses, strengthening their professional competence and supervisory effectiveness.

Demonstrating confidence in the company's development, a total of 35 directors, supervisors, and core management personnel increased their holdings in the company by RMB 82.56 million in 2024 and committed not to reduce their shares within five years, aligning management interests with those of shareholders and boosting market confidence. In addition, the company has continuously improved its medium- and long-term incentive mechanisms. Since 2021, it has consecutively implemented the Employee Stock Ownership Plan for five years, reflecting the management team's and core employees' confidence in the company's future, effectively motivating key personnel, and achieving deep alignment between strategic goals and talent value, thereby promoting the company's long-term development.

2. 2025 "Enhance Quality, Improve Efficiency, and Return to Shareholders" Action Plan

To promote the company's high-quality development, effectively safeguard and protect investors' legitimate rights and interests, and further strengthen investor confidence, the company has formulated the 2025 "Enhance Quality, Improve Efficiency, and Return to Shareholders" Action Plan. This plan has been reviewed and approved at the 20th meeting of the 10th Board of Directors. For detailed content, please refer to the company's relevant public disclosures.

Section 4. Corporate Governance, Environment, and Society

I. Changes in directors, supervisors, and officers

☐ Applicable √ Not applicable

Explanation of Changes in directors, supervisors, 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 2021

The Company held the 14th meeting of the ninth board of directors and the first extraordinary general meeting of 2021 on January 14, 2021, and February 1, 2021, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2021 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2021, and the Proposal on Requesting Full Authorization from the Annual 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 15, 2021, and February 2, 2021, respectively.

The 2021 employee stock ownership plan expired on February 11, 2024. Based on confidence in the Company's sustainable development and the judgment of its share value, the extension of the plan for an additional 36 months to February 11, 2027 was deliberated and approved at the first extraordinary general meeting of 2024.

As of the end of the Reporting Period, there were 21,420,471 shares in the Company's employee stock ownership plan designated account, accounting for 0.75% of the Company's current total share capital (2,852,788,750 shares).

2. Employee stock ownership plan for 2022

The Company held the 27th meeting of the ninth board of directors and the second extraordinary general meeting of 2021 on December 15, 2021, and December 31, 2021, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2022 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2022, and the Proposal on Requesting Full Authorization from the Annual 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 December 16, 2021, and January 1, 2022, respectively.

As of the date of this report, the term of the Company's 2022 employee stock ownership plan has expired. All Company shares held under the plan have been fully sold and the plan has been liquidated.

3. Employee stock ownership plan for 2023

The Company held the 35th meeting of the ninth board of directors and the first extraordinary general meeting of 2023 on December 21, 2022, and January 6, 2023, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2023 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2023, 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 December 22, 2022, and January 9, 2023.

As of January 28, 2023, the Company's designated account for the 2023 employee stock ownership plan had purchased a total of 28,260,800 shares of Meihua Bio through centralized bidding on the secondary market, with a total transaction amount of 295,296,438 yuan and an average transaction price of approximately 10.45 yuan per share. The number of shares purchased accounted for 0.93% of the Company's then total share capital of 3,042,465,447 shares. In accordance with the plan approved at the first extraordinary general meeting of 2023, the purchase under the 2023 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 2023 employee stock ownership plan had been released from lock-up. The Company's designated account for the 2023 employee stock ownership plan held 12,800,100 shares, accounting for 0.45% of the Company's current total share capital of 2,852,788,750 shares.

4. 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, the unlocking conditions for the first phase of the 2024 Employee Stock Ownership Plan had been met, and 50% of the shares had been released from restriction. The dedicated account of the 2024 Employee Stock Ownership Plan held 18,527,100 shares of the Company, representing 0.65% of the Company's total current share capital of 2,852,788,750 shares.

5. 2025 Employee Stock Ownership Plan (ESOP)

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.

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 Biotech 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	Wujiaqu Jianlong Chemical Co., Ltd.	National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action
5	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

Note: As the company’s overseas M&A transaction completed asset delivery on July 1, 2025, the above table does not include environmental information for the newly acquired factories. The environmental information of the newly acquired controlling companies will be disclosed in the annual report.

Other information
√ Applicable ☐Not applicable

Except for Tongliao Meihua, Tongliao Jianlong, Xinjiang Meihua, Wujiaqu Jianlong and Jilin Meihua, other wholly-owned subsidiaries of the Company are not key pollutant discharge entities as classified by the environmental authorities. These subsidiaries include 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) Biotech Co., Ltd., which focuses on technology development. These subsidiaries are not involved in the discharge or monitoring of major pollutants.

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

√ Applicable ☐Not applicable

While achieving rapid growth and improving economic performance, the company has consistently upheld its mission of “giving back to society and helping those in need,” actively participating in public welfare initiatives such as rural revitalization and charitable donations, and demonstrating the corporate philosophy of “benefiting all under heaven” through concrete actions.

During the reporting period, the company, through its Tibet Meihua Public Welfare Foundation, participated in and supported various donation and charity activities:

1. Donated RMB 1.1 million to the Shanghai Chunhe Youth Development Center’s research-based learning public welfare program. The funds will support the 2025 ETS Conference for middle school students, promote institutional development, and carry out related public welfare activities, helping rural children stimulate innovative thinking and discover a more independent, open, and confident self.

2. Donated RMB 1 million to the Shigatse Charity Federation in Tibet to provide urgent aid to the earthquake-affected areas, specifically for earthquake relief and post-disaster reconstruction in Dingri County.

3. Donated RMB 300,000 to Qiangji Village, Layu Township, Qiongjie County, Lhasa, Tibet, specifically for the “Rural Revitalization Improvement Project,” helping to renovate and beautify the village environment.

4. Donated RMB 200,000 to the Nanjing Medical University Education Development Foundation to support the Microecology Medicine Research Team at the Second Affiliated Hospital of Nanjing Medical University, facilitating scientific research and talent cultivation in microecology medicine.

5. Donated RMB 200,000 to Nierong County, Tibet, specifically for rural revitalization infrastructure projects in Cuoma Village and Bengjie Village, Seqing Township, including the construction of street lamps, wells, and wolf-proof fences for local residents.

6. Donated RMB 150,000 to the Tibet Maternal and Child Health Association to support the "Policy and Theory at the Grassroots + Medical and Drug Assistance to Warm Hearts" project. By organizing free clinics and distributing medicines, the initiative addresses the challenges rural residents face in accessing medical care and medications, implementing a "policy + service" dual approach to bridge the "last mile" in grassroots healthcare.

7. Through the Fifth Division Wujiaqu Charity Federation, donated RMB 50,000 to Karez Kaike Township in Akto County, Xinjiang, and the Disabled Persons' Federation of the Sixth Division of the Xinjiang Production and Construction Corps. These donations focus on local livelihood support and public service capacity building, while also assisting vulnerable groups.

8. Donated RMB 70,000 to Fengta Town Central Primary School, Keerqin District, Tongliao, to improve the school's broadcasting system and enhance emergency response capabilities.

9. During the May Cultural Festival, organized 1,000 employee volunteers across four locations to participate in the "Run for Love" charity event and donated RMB 55,750 to the China Social Welfare Foundation. The funds were used to provide sports kits to students in Hebei, Xinjiang, Inner Mongolia, and Jilin, promoting student physical health.

10. Donated office equipment worth RMB 45,000 (10 units) to the Education Bureau of Taobei District, Baicheng, to enhance digital teaching capabilities and provide higher-quality digital educational resources for teachers and students.

11. Mobilized 210 employee volunteers to participate in the "Plant a Tree for Ali" public welfare campaign and donated RMB 16,800 to the Shaanxi Charity Federation, supporting the Shaanxi Tibet Assistance Team in planting 210 saplings on the Tibetan Plateau.

The company continues to diversify its public welfare initiatives, making charity a regular practice and embedding social responsibility into daily operations, thus continuously writing a new chapter in corporate philanthropy.

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	July 19, 2010	No		Yes	Not Applicable	Not Applicable

			information 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

(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 former Dalian Hanxin Bio-Pharmaceuticals Co., Ltd.

According to the Share Transfer Agreement for the transfer of 100% of the shares of Dalian Hanxin Bio-Pharmaceuticals Co., Ltd. (former name and now known as AIM Honesty Bio-Pharmaceuticals Co., Ltd., hereinafter referred to as "AIM Honesty") by the Company's wholly-owned subsidiary Lhasa Meihua Bio-investment Holdings Co., Ltd. to Liaoning AIM Bio-vaccine Technology Group Co., Ltd. (former name and now known as AIM Vaccine Co., Ltd.), Lhasa Meihua Bio-investment Holdings Co., Ltd. undertakes that, except for the liabilities specifically stated in the audit report and the financial statements provided to the acquirer and the liabilities that occurred abnormally in the normal course of business of AIM Honesty and its subsidiaries after the audit benchmark date and has been disclosed to the acquirer, AIM Honesty and its subsidiaries did not have any other debts or contingent debts. In the event that it violates the undertaking, it shall bear compensation liability for all the direct or indirect economic losses suffered by other parties due to the violation. In accordance with the aforementioned provision, the Company has performed the obligation for partial compensation. For more details, refer to the Company's previous annual reports.

The Company's subsidiary Lhasa Meihua Bio-investment Holdings Co., Ltd. (hereinafter referred to as "Lhasa Meihua") received the Notice on Repaying Debts from AIM Honesty on October 13, 2020. According to (2015) DMSCZ No. 438 Civil Judgement issued by the Dalian Intermediate People's Court of Liaoning, Kunming Sunwise Measure and Control Technology Co., Ltd. (hereinafter referred to as "Sunwise Measure and Control") used the right of use of Parcels 17-1-3, 17-2, and five above-ground properties located in the industrial base at Kunming Economic and Technological Development Zone under its name to provide the guarantee for AIM Honesty to borrow loans from Bank of Jilin Co., Ltd. Dalian Branch under the Renminbi Borrowings Contract (2014 LJZ DL1114010272). The judicial sale of the above land parcels and properties pledged was done on April 19, 2018. The payment from the sale will be used to repay the bank loans, and Sunwise Measure and Control is entitled to seek compensation from AIM Honesty.

According to relevant agreements, including the Agreement on the Transfer of the Shares of Dalian Hanxin Bio-Pharmaceuticals Co., Ltd. between the Company’s subsidiary, Lhasa Meihua, and AIM Vaccine Co., Ltd., Lhasa Meihua shall be responsible for solving the realization of the non-operating creditor’s right and the settling of debts for AIM Honesty in respect of its former shareholder, Tibet Yiyuan Industry Co., Ltd. (hereinafter referred to as “Tibet Yiyuan”). Based on that, AIM Honesty gave the aforementioned Notice on Repaying Debts to Lhasa Meihua. According to relevant documents, including the share transfer agreement between Lhasa Meihua and AIM Honesty’s former shareholder, Tibet Yiyuan, Tibet Yiyuan shall be responsible for realizing the non-operating creditor’s rights and settling debts for AIM Honesty. Based on the aforementioned relevant agreements, the related parties have agreed that Tibet Yiyuan and its related parties shall inherit the aforementioned debts arising from the right of recourse and the interest.

In December 2021, according to the copy of the complaint, the notice of appearance, and other relevant documents forwarded by AIM Honesty from the service of the Kunming Intermediate People’s Court regarding the case of contractual dispute in which Kunming Sunwise Industry Co., Ltd. (holding 100% of the shares of Sunwise Measure and Control, hereinafter referred to as “Sunshine Industry”) filed a lawsuit against AIM Honesty and the third party, Sunwise Measure and Control, which was its shareholder, Sunwise Industry entered the bankruptcy and liquidation proceedings as ruled by the Kunming Intermediate People’s Court on March 15, 2019, and the court designated Yunnan Zhenxu Law Firm as the administrator. The administrator for Sunwise Industry filed a lawsuit, citing the fact that Sunwise Measure and Control failed to claim compensation from AIM Honesty after performing the guarantee obligation and demanded payment from AIM Honesty to Sunwise Measure and Control for the receivables as well as the interest and the fund occupation fee. As previously stated, in accordance with the provisions of relevant agreements, the Company has reached an agreement with all related parties that Tibet Yiyuan and its related parties inherit all debts arising from the right of recourse and the interest.

On October 18, 2022, the Kunming Intermediate People’s Court entered the following judgement: 1) the Defendant AIM Honesty Bio-Pharmaceuticals Co., Ltd. repay 28,967,179.55 yuan to the third person Kunming Sunwise Measure and Control Technology Co., Ltd. within 10 days of the entry into force of the judgement; 2) the Defendant AIM Honesty Bio-Pharmaceuticals Co., Ltd. pay the fund occupation fee to the third person Kunming Sunwise Measure and Control Technology Co., Ltd. within 10 days of the entry into force of the judgement, using 28,967,179.55 as the basis for the period from August 17, 2021 until the date of payment, based on the loan prime rate; and 3) other claims made by the Plaintiff Kunming Sunwise Industry Co., Ltd. be rejected.

On June 30, 2023, the Yunnan High People's Court issued a judgment with Document No. (2023) YMZ No. 324, ruling to reject the appeal and uphold the original judgment. AIM Honesty has applied for a retrial with the Supreme People's Court in respect of the above dispute. On March 26, 2024, the Supreme People's Court issued Civil Ruling No. (2023) ZGFMZ No. 1737, deciding that: (1) the case would be retried by the Supreme People's Court; and (2) the enforcement of the original judgment would be suspended during the retrial. On October 10, 2024, the case was heard by the Supreme People's Court. As of the date of this report, the judgment has not yet been issued.

As of June 30, 2025, the Company accrued a total of RMB 32,948,103.32 in estimated compensation for liabilities and related interest based on the judgment of the Yunnan High People's Court.

2. Litigation related to Shandong Fufeng Fermentation Co., Ltd.

Shandong Fufeng Fermentation Co., Ltd. ("Shandong Fufeng") filed a lawsuit against the Company and its subsidiary Xinjiang Meihua over a dispute concerning trade secrets related to xanthan gum production. Through multiple trials of the court, under the mediation of enforcement judges from the Jinan Court, the Company and its wholly-owned subsidiary Xinjiang Meihua reached an enforcement settlement agreement with Shandong Fufeng in early March 2025 regarding the xanthan gum production trade secrets dispute. According to the agreement, the Company and Xinjiang Meihua made a one-time settlement payment of RMB 233 million to Shandong Fufeng by March 14, 2025. In return, Shandong Fufeng agreed to file a withdrawal application with the Shandong High People's Court for Case No. (2025) Lu Min Chu No. 4 by March 7, 2025, and to request the Jinan Court to lift the enforcement measures against the Company, Xinjiang Meihua, and relevant individuals, including but not limited to the removal from the list of dishonest debtors, and to cooperate in concluding the enforcement process.

On March 12, 2025, the Jinan Intermediate People's Court issued a Case Closure Notice, confirming that all parties had fulfilled their respective obligations under the settlement agreement as of that date. The listing of the Company and Xinjiang Meihua as dishonest judgment debtors has been expunged from the public database, and Judgment No. (2022) ZGFMZ 64 has been fully enforced. For detailed information, please refer to the relevant announcements issued by the Company.

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

√ Applicable ☐Not applicable

On March 17, 2025, the Company was notified in writing by its controlling shareholder, Mr. Meng Qingshan, that due to the grounds set forth in the China Securities Regulatory Commission's Administrative Penalty Decision (2020) No. 93, the Langfang People's Procuratorate has determined that Mr. Meng violated national laws and regulations and, in violation of Article 182, Paragraph 1, Item 4 of the Criminal Law of the People's Republic of China (2006 Amendment), has been prosecuted for alleged market manipulation and placed under bail pending trial.

Mr. Meng retired from all positions in the Company in January 2017 and no longer holds any executive role. As a shareholder, he only exercises his rights at the shareholders' meeting level. The aforementioned matter concerns Mr. Meng personally and is unrelated to the Company. The Company's production and operations continue normally. The Company believes that this matter will not affect its shareholding structure, corporate governance, or business operations. The Company will continue to monitor the situation and fulfill its information disclosure obligations in a timely manner.

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.	Goods	40,939,356.32	40,961,716.94
Tongliao Desheng Bio-tech Co., Ltd.	Services	468,821.28	12,653.30
Total		41,408,177.60	40,974,370.24

2) 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	754,159.91	1,252,062.94
Total		754,159.91	1,252,062.94

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

1. Trusteeship

☐ Applicable √ Not applicable

2. Contracting

☐ Applicable √ Not applicable

3. Leases

☐ 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	2,615,554,084.82
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	904,155,654.13
The Company's total guarantees (including guarantees for subsidiaries)	
Total guarantees (A+B)	904,155,654.13
Proportion of total guarantees in the Company's net assets (%)	6.04

(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

The Company held the 13th meeting of the tenth session of the board of directors and the 2nd extraordinary general meeting of 2024 on September 23, 2024, and October 11, 2024, respectively. The Proposal on Repurchasing the Company's Shares by Means of Centralized Bidding was deliberated and approved at the meetings. On October 12, 2024, the Company disclosed the Repurchase Report of Meihua Holdings Group Co., Ltd. on the Repurchase of Shares by Means of Centralized Bidding. On October 23, 2024, the Company carried out the first repurchase. For details, refer to the relevant announcement published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn).

As of the end of the reporting period, the Company has repurchased 35,708,400 shares through centralized bidding transactions, accounting for 1.25% of the Company's current total share capital (2,852,788,750 shares). The lowest repurchase price was RMB 9.10 per share, and the highest repurchase price was RMB 10.68 per share, with a total payment of RMB 352,024,400 (excluding transaction fees). This repurchase complies with relevant laws, regulations, normative documents, and the Company's share repurchase plan.

2. Progress on Cross-border Acquisition and Related Assets

Upon review and approval by the 16th meeting of the 10th Board of Directors, on November 22, 2024, the Company and its wholly-owned subsidiary PLUM BIOTECHNOLOGY GROUP PTE. LTD. (hereinafter "Singapore Company") entered into a Share and Asset Purchase Agreement with Kyowa Hakko's wholly-owned subsidiary under Kirin Holdings. Under the agreement, the Singapore Company or a special purpose vehicle ("SPV") newly established under the Singapore Company will acquire, in cash, Kyowa Hakko's food amino acids, pharmaceutical-grade amino acids, and human milk oligosaccharides (HMO) business (collectively, the "Target Assets"). Details of the transaction are disclosed in the Company's relevant announcements.

Pursuant to the Share and Asset Purchase Agreement and its supplemental agreements, all conditions precedent for closing have been satisfied, and the parties completed the business handover on July 1, 2025. According to the agreement, the counterparty had settled its debts prior to closing. Based on the previously agreed consideration, adjusted for the cash retained by overseas operating entities and working capital at the closing date, the final consideration for the transaction amounted to approximately JPY 16.8 billion (equivalent to approximately RMB 833 million at the exchange rate on June 30, 2025).

As the transaction involves changes in the equity of multiple domestic and overseas operating entities, the related registration procedures are still in progress. Meanwhile, the Company has engaged professional institutions to conduct audit and valuation of the Target Assets. The impact of this transaction on the Company's 2025 performance will be determined with reference to the audit and valuation results. The Company will continue to monitor the progress and issue timely announcements in accordance with relevant regulations.

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	58,952

(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	29.94		None		Domestic natural person
Hong Kong Securities Clearing Company Limited		80,586,233	2.82		None		Other
Wang Aijun		72,452,774	2.54		None		Domestic natural person

Beijing Royal Fortune Co., Ltd. -- Royal Fortune Huichen Strategic Investment Private Securities Investment Fund		70,571,369	2.47		None		Other
Hu Jijun		64,562,220	2.26		None		Domestic natural person
China Merchants Bank Co., Ltd. -- Xingquan Herun Mixed Securities Investment Fund		57,523,590	2.02		None		Other
Liang Yubo		54,474,218	1.91		None		Domestic natural person
National Social Security Fund Portfolio 406		33,179,199	1.16		None		Other
China Merchants Bank Co., Ltd. -- Xingquan Heyi Flexible Allocation Mixed Securities Investment Fund (LOF)		32,044,240	1.12		None		Other
Yang Weiyong		30,646,962	1.07		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	Quantity
Meng Qingshan	854,103,033	RMB ordinary share	854,103,033
Hong Kong Securities Clearing Company Limited	80,586,233	RMB ordinary share	80,586,233
Wang Aijun	72,452,774	RMB ordinary share	72,452,774
Beijing Royal Fortune Co., Ltd. -- Royal Fortune Huichen Strategic Investment Private Securities Investment Fund	70,571,369	RMB ordinary share	70,571,369
Hu Jijun	64,562,220	RMB ordinary share	64,562,220
China Merchants Bank Co., Ltd. -- Xingquan Herun Mixed Securities Investment Fund	57,523,590	RMB ordinary share	57,523,590
Liang Yubo	54,474,218	RMB ordinary share	54,474,218
National Social Security Fund Portfolio 406	33,179,199	RMB ordinary share	33,179,199
China Merchants Bank Co., Ltd. -- Xingquan Heyi Flexible Allocation Mixed Securities Investment Fund (LOF)	32,044,240	RMB ordinary share	32,044,240
Yang Weiyong	30,646,962	RMB ordinary share	30,646,962
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 35,708,400 of the Company’s shares held in the repurchase account, accounting for 1.25% of the Company’s total (2,852,788,750 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, Supervisors, and Officers

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

☐ Applicable √ Not applicable

Other Explanatory Information
☐ Applicable √ Not applicable

(II) Equity Incentives Granted to Directors, Supervisors, 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

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, 2025

Prepared by: Meihua Holdings Group Co., Ltd.

Unit: Yuan Currency: RMB

Items	Notes	June 30, 2025	December 31, 2024
Current Assets:			
Monetary assets	Note 1	2,913,757,715.41	4,561,056,193.96
Deposit reservation for balance			
Placements with banks and other financial institutions			
Financial assets held for trading	Note 2	1,397,826,972.26	312,033,611.07
Derivative financial assets	Note 3	468,200.00	
Notes receivable	Note 4	92,822,653.44	73,697,475.30
Accounts receivable	Note 5	607,407,229.81	587,909,538.21
Receivables Financing	Note 7	18,045,534.34	26,723,054.99
Prepaid accounts	Note 8	107,821,158.00	220,000,861.75
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	Note 9	28,668,079.85	49,292,999.56
Including: Interest receivable		2,362,500.00	1,575,000.00
Dividend receivable		1,395,866.49	1,395,866.49
Financial assets purchased under agreements to resell			
Inventories	Note 10	2,512,884,223.71	2,722,279,908.07
Among them: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year	Note 12	108,345,222.59	182,257,027.81
Other current assets	Note 13	1,053,547,103.85	164,629,398.67
Total Current Assets		8,841,594,093.26	8,899,880,069.39
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	619,712.60	601,043.91
Long-term equity investments	Note 17	5,951,585.90	6,874,939.88
Investments in other equity instruments	Note 18	327,534,650.00	441,294,280.00
Other non-current financial assets			
Investment properties			

Fixed assets	Note 21	11,305,605,148.16	11,338,208,623.56
Construction in progress	Note 22	1,133,239,020.75	728,524,141.54
Productive biological assets			
Oil and gas assets			
Right-of-use assets	Note 25	5,686,811.92	8,145,892.35
Intangible assets	Note 26	1,335,157,587.43	1,356,812,266.82
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	132,143,362.76	122,538,549.51
Deferred income tax assets	Note 29	129,145,474.37	101,814,807.93
Other non-current assets	Note 30	762,531,174.19	782,574,484.98
Total Non-current Assets		15,159,903,439.87	14,909,677,942.27
Total Assets		24,001,497,533.13	23,809,558,011.66
Current Liabilities:			
Short-term borrowings	Note 32	1,586,838,913.18	1,734,832,631.06
Borrowings from central bank			
Borrowings from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities	Note 34		297,500.00
Notes payable	Note 35	1,423,949,868.69	1,416,217,579.96
Accounts payable	Note 36	1,576,860,025.02	1,441,533,026.72
Advances from customers			
Contract liabilities	Note 38	656,660,453.80	916,515,321.35
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee benefits payable	Note 39	337,442,819.61	310,133,688.99
Taxes payable	Note 40	250,775,388.20	280,212,685.60
Other payables	Note 41	242,540,793.08	448,115,137.98
Including: Interest payable			
Dividends payable		405,000.00	409,445.58
Handling charges and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	Note 43	710,617,924.83	802,346,793.78
Other current liabilities	Note 44	61,495,237.41	88,785,123.74
Total Current Liabilities		6,847,181,423.82	7,438,989,489.18
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings	Note 45	1,732,115,654.12	1,348,094,044.83

Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	Note 47	1,557,058.76	1,985,140.84
Long-term payables	Note 48	10,500,000.00	10,500,000.00
Long-term employee benefits payable			
Estimated liabilities	Note 50	32,948,103.32	32,438,161.92
Deferred income	Note 51	375,510,410.61	381,020,645.51
Deferred income tax liabilities	Note 29	21,550,168.28	21,585,228.45
Other non-current liabilities			
Total Non-current Liabilities		2,174,181,395.09	1,795,623,221.55
Total Liabilities		9,021,362,818.91	9,234,612,710.73
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)	Note 53	2,852,788,750.00	2,852,788,750.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	Note 55	263,154,867.05	263,154,867.05
Less: Treasury stock	Note 56	352,066,338.78	287,771,455.80
Other comprehensive income	Note 57	-153,671,324.15	-55,004,961.46
Special reserves	Note 58	4,931,483.03	4,743,615.67
Surplus reserves	Note 59	1,426,394,375.00	1,426,394,375.00
General risk reserves			
Undistributed profits	Note 60	10,938,602,902.07	10,370,640,110.47
Total Owners' Equity (or Shareholders' Equity) Attributable to the Parent Company		14,980,134,714.22	14,574,945,300.93
Minority stockholder's interest			
Total Owners' Equity (or Shareholders' Equity)		14,980,134,714.22	14,574,945,300.93
Total Liabilities and Owners' Equity (or Shareholders' Equity)		24,001,497,533.13	23,809,558,011.66

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, 2025

Prepared by: Meihua Holdings Group Co., Ltd.

Unit: Yuan Currency: RMB

Items	Notes	June 30, 2025	December 31, 2024
Current Assets:			
Monetary assets		1,158,544,268.60	1,543,851,627.94
Financial assets held for trading		51,148,767.12	50,491,712.32
Derivative financial assets			
Notes receivable		92,822,653.44	73,047,475.30
Accounts receivable	Note 1	250,240,564.12	162,553,781.77

Receivables Financing		17,343,388.88	26,575,904.82
Prepaid accounts		510,383,100.61	475,357.88
Other receivables	Note 2	559,896,267.01	1,665,966,380.53
Including: Interest receivable			
Dividend receivable		200,000,000.00	1,000,000,000.00
Inventories		73,592,617.60	65,050,433.21
Among them: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year		32,234,833.67	107,257,777.78
Other current assets		103,597,484.06	64,765,249.83
Total Current Assets		2,849,803,945.11	3,760,035,701.38
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables		1,083,992,738.49	849,764,271.75
Long-term equity investments	Note 3	7,637,915,728.14	7,637,915,728.14
Investments in other equity instruments		157,000,000.00	157,000,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		209,737,534.29	220,263,004.92
Construction in progress		18,483,612.32	1,158,006.34
Productive biological assets			
Oil and gas assets			
Right-of-use assets		3,680,218.68	5,683,180.01
Intangible assets		26,741,397.97	29,657,849.39
Among them: Data resources			
Development expenditure			
Among them: Data resources			
Goodwill			
Long-term prepaid expenses		6,667,837.64	7,442,964.64
Deferred income tax assets		25,512,067.54	24,003,415.50
Other non-current assets		501,632,707.38	477,168,855.60
Total Non-current Assets		9,671,363,842.45	9,410,057,276.29
Total Assets		12,521,167,787.56	13,170,092,977.67
Current Liabilities:			
Short-term borrowings		1,040,102,083.34	946,819,589.89
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		1,933,218,979.40	1,801,200,152.53
Accounts payable		1,896,962,853.63	1,546,027,555.51
Advances from customers			
Contract liabilities		423,563,711.40	686,582,514.27

Employee benefits payable		176,541,948.05	122,576,747.39
Taxes payable		25,062,895.79	17,341,488.83
Other payables		107,197,234.29	94,683,082.66
Including: Interest payable			
Dividends payable		405,000.00	409,445.58
Liabilities held for sale			
Non-current liabilities due within one year		537,141,041.87	468,965,560.37
Other current liabilities		106,204,277.63	147,284,751.55
Total Current Liabilities		6,245,995,025.40	5,831,481,443.00
Non-current Liabilities:			
Long-term borrowings		547,000,000.00	504,900,000.00
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		397,004.77	459,482.24
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities		745,555.34	833,818.64
Other non-current liabilities			
Total Non-current Liabilities		548,142,560.11	506,193,300.88
Total Liabilities		6,794,137,585.51	6,337,674,743.88
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)		2,852,788,750.00	2,852,788,750.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		229,404,999.46	229,404,999.46
Minus:Treasury stock		352,066,338.78	287,771,455.80
Other comprehensive income			
Special reserves			
Surplus reserves		1,426,394,375.00	1,426,394,375.00
Undistributed profits		1,570,508,416.37	2,611,601,565.13
Total Owners' Equity (or Shareholders' Equity)		5,727,030,202.05	6,832,418,233.79
Total Liabilities and Owners' Equity (or Shareholders' Equity)		12,521,167,787.56	13,170,092,977.67

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

Consolidated Income Statement

January to June 2025

Unit: Yuan Currency: RMB

Items	Notes	2025 Semi-annual	2024 Semi-annual
I. Total Operating Revenue		12,280,450,603.53	12,642,718,053.37
Including: Operating revenue	Note 61	12,280,450,603.53	12,642,718,053.37
Interest revenue			
Earned premiums			
Handling charges and commission revenue			
II. Total Operating Costs		10,368,912,543.02	11,156,817,653.82
Including: Operating Costs	Note 61	9,433,353,240.09	10,177,206,263.13
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	119,066,571.04	115,408,867.54
Sales expenses	Note 63	167,760,792.02	204,453,466.84
Administrative expenses	Note 64	469,433,561.57	554,506,366.51
Research and development expenses	Note 65	199,958,697.93	180,479,234.74
Financing expenses	Note 66	-20,660,319.63	-75,236,544.94
Including: Interest expenses		27,955,159.53	46,859,883.13
Interest revenue		26,389,977.12	59,735,278.47
Plus: Other revenues	Note 67	148,546,316.33	174,432,864.62
Investment gains ("-" for loss)	Note 68	29,250,766.79	14,671,408.04
Including: Investment gains from associates and joint ventures		-923,353.98	-2,220,562.67
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	16,016,844.67	1,959,926.94
Credit impairment losses ("-" for loss)	Note 71	-154,305.79	6,162,617.22
Asset impairment losses ("-" for loss)	Note 72	-9,236,606.64	-1,987,907.91
Asset disposal gains ("-" for loss)	Note 73	438,552.05	1,598,224.17
III. Operating Profit ("-" for loss)		2,096,399,627.92	1,682,737,532.63
Plus: Non-operating revenue	Note 74	3,157,136.41	66,373,971.73
Minus: Non-operating expenses	Note 75	10,385,914.08	31,820,702.21
IV. Total Profit ("-" for total loss)		2,089,170,850.25	1,717,290,802.15
Minus: Income tax expenses	Note 76	321,220,733.36	243,467,012.23
V. Net Profit ("-" for net loss)		1,767,950,116.89	1,473,823,789.92
(I) Classified by Operating Continuity			
1. Net profit from continuing operations ("-" for net		1,767,950,116.89	1,473,823,789.92

loss)			
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)		1,767,950,116.89	1,473,823,789.92
2.Profit or loss attributable to minority shareholders ("-" for net loss)			
VI. Net After-tax Amount of Other Comprehensive Income		-98,666,362.69	-30,039,576.10
(I) Net After-tax Amount of Other Comprehensive Income Attributable to Owners of the Parent Company		-98,666,362.69	-30,039,576.10
1. Other comprehensive income not reclassified to profit or loss		-96,695,685.50	-30,039,569.50
(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		-96,695,685.50	-30,039,569.50
(4) Changes in fair value due to enterprise's own credit risks			
2. Other comprehensive income to be reclassified to profit or loss		-1,970,677.19	-6.60
(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		-1,970,677.19	-6.60
(7) Others			
(II) Net After-tax Amount of Other Comprehensive Income Attributable to Minority Shareholders			
VII. Total Comprehensive Income		1,669,283,754.20	1,443,784,213.82
(I) Total Comprehensive Income Attributable to Owners of the Parent Company		1,669,283,754.20	1,443,784,213.82
(II) Total Comprehensive Income Attributable to Minority Shareholders			
VIII. Earnings per Share:			
(I) Basic Earnings per Share (Yuan/share)		0.62	0.5
(II) Diluted Earnings per Share (Yuan/share)		0.62	0.5

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 2025

Unit: Yuan Currency: RMB

Items	Notes	2025 Semi-annual	2024 Semi-annual
I. Operating Revenue	Note 4	8,400,691,318.67	8,056,017,970.19
Minus: Operating costs	Note 4	7,997,162,336.78	7,769,738,470.55
Taxes and surcharges		12,708,875.50	11,516,047.80
Sales expenses		110,995,243.01	95,315,303.19
Administrative expenses		215,005,065.00	226,719,912.39
Research and development Expenses			
Financing expenses		-3,879,142.16	-18,247,623.82
Including: Interest expenses		2,082,969.25	4,706,434.36
Interest revenue		8,444,823.38	24,619,633.54
Plus: Other revenues		104,051,615.94	125,077,916.13
Investment gains ("-" for loss)	Note 5	17,655,487.70	8,196,630.82
Including: Investment gains from associates and joint ventures			
Gains from derecognition of financial assets measured at amortized cost ("-" for loss)			
Net exposure hedging gains ("-" for loss)			
Gains from changes in fair value ("-" for loss)		657,054.80	688,680.56
Credit impairment losses ("-" for loss)		-4,656,505.57	2,990,596.29
Asset impairment losses ("-" for loss)			
Asset disposal gains ("-" for loss)		5,092.90	381,667.58
II. Operating Profit ("-" for loss)		186,411,686.31	108,311,351.46
Plus: Non-operating revenue		657,896.77	278,195.77
Minus: Non-operating expenses		461,196.32	3,525,317.08
III. Total Profit ("-" for total loss)		186,608,386.76	105,064,230.15
Minus: Income tax expenses		27,714,210.23	16,088,744.30
IV. Net Profit ("-" for total loss)		158,894,176.53	88,975,485.85
(I) Net profit from continuing operations ("-" for net loss)		158,894,176.53	88,975,485.85
(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		158,894,176.53	88,975,485.85
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 2025

Unit: Yuan Currency: RMB

Items	Notes	2025 Semi-annual	2024 Semi-annual
I. Cash Flow from Operating Activities :			
Cash received from sales of goods or rendering of services		13,004,397,294.89	13,389,911,638.60
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		255,379,073.62	330,068,330.01
Other cash received related to operating activities	Note 78	191,153,397.33	302,955,156.78
Subtotal cash inflows from operating activities		13,450,929,765.84	14,022,935,125.39
Cash paid for goods and services		9,083,489,211.25	9,916,642,628.20
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		904,015,836.36	1,120,919,599.52
Various taxes paid		597,189,446.61	425,300,472.80
Other cash paid related to operating activities	Note 78	553,444,050.99	324,254,301.75
Subtotal cash outflows from operating activities		11,138,138,545.21	11,787,117,002.27
Net cash flow from operating activities		2,312,791,220.63	2,235,818,123.12
II. Cash Flow from Investing Activities :			
Cash received from recovery of investments		73,892,375.14	37,400,000.00
Cash received from investment income		16,498,979.00	10,871,635.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,245,921.80	1,065,812.00
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities	Note 78		
Subtotal cash inflows from investing activities		91,637,275.94	49,337,447.28
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		1,087,107,997.28	1,048,684,780.60
Cash paid for investments		1,944,967,826.40	1,094,050,606.66
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	2,859,048.14	0.00
Subtotal cash outflows from investing activities		3,034,934,871.82	2,142,735,387.26
Net cash flow from investing activities		-2,943,297,595.88	-2,093,397,939.98
III. Cash Flow from Financing Activities :			
Cash received from capital injections			
Including: cash received from minority shareholders' investments of subsidiaries			
Cash received from borrowings		2,874,965,205.64	3,556,386,998.94
Other cash received related to financing activities	Note 78	428,515,211.85	235,856,949.53
Subtotal cash inflows from financing activities		3,303,480,417.49	3,792,243,948.47
Cash paid for debt repayment		2,629,070,000.00	3,573,136,295.58

Cash paid for distribution of dividends, profits or interest repayment		1,228,810,522.76	1,171,823,531.20
Including: Dividends or profits paid to minority shareholders by subsidiaries			
Other cash paid related to financing activities	Note 78	255,748,337.46	503,808,378.73
Subtotal cash outflows from financing activities		4,113,628,860.22	5,248,768,205.51
Net cash flow from financing activities		-810,148,442.73	-1,456,524,257.04
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		31,539,177.23	68,078,736.56
V. Net Increase in Cash and Cash Equivalents		-1,409,115,640.75	-1,246,025,337.34
Plus: Beginning balance of cash and cash equivalents		4,131,859,602.14	4,780,614,442.73
VI. Ending Balance of Cash and Cash Equivalents		2,722,743,961.39	3,534,589,105.39

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 2025

Unit: Yuan Currency: RMB

Items	Notes	2025 Semi-annual	2024 Semi-annual
I. Cash Flow from Operating Activities:			
Cash received from sales of goods or rendering of services		8,719,362,545.43	8,492,896,338.96
Refunds of taxes received		22,441,423.95	15,652,208.35
Other cash received related to operating activities		889,078,511.59	179,389,115.82
Subtotal cash inflows from operating activities		9,630,882,480.97	8,687,937,663.13
Cash paid for goods and services		7,841,211,006.39	8,062,195,349.34
Cash paid to and on behalf of employees		134,053,736.81	312,322,888.99
Various taxes paid		77,552,382.57	56,704,882.34
Other cash paid related to operating activities		852,281,310.95	157,266,597.91
Subtotal cash outflows from operating activities		8,905,098,436.72	8,588,489,718.58
Net cash flow from operating activities		725,784,044.25	99,447,944.55
II. Cash Flow from Investing Activities:			
Cash received from recovery of investments		50,000,000.00	
Cash received from investment income		818,290,843.26	1,233,461,214.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,419,425.56	498,933.30
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities			
Subtotal cash inflows from investing activities		873,710,268.82	1,233,960,147.45
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		28,884,182.60	41,355,437.09
Cash paid for investments		50,000,000.00	542,667,566.67
Net cash paid for acquisition of subsidiaries and other			

business units			
Other cash paid related to investing activities			
Subtotal cash outflows from investing activities		78,884,182.60	584,023,003.76
Net cash flow from investing activities		794,826,086.22	649,937,143.69
III. Cash Flow from Financing Activities:			
Cash received from capital injections			
Cash received from borrowings		443,000,000.00	530,267,740.00
Other cash received related to financing activities		1,517,112,013.75	1,185,132,814.98
Subtotal cash inflows from financing activities		1,960,112,013.75	1,715,400,554.98
Cash paid for debt repayment		1,152,560,000.00	2,005,117,250.00
Cash paid for distribution of dividends, profits or interest repayment		1,212,907,428.12	1,146,681,145.33
Other cash paid related to financing activities		1,263,584,662.20	1,303,626,181.23
Subtotal cash outflows from financing activities		3,629,052,090.32	4,455,424,576.56
Subtotal cash outflows from financing activities		-1,668,940,076.57	-2,740,024,021.58
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		644,850.65	1,227,929.72
V. Net Increase in Cash and Cash Equivalents		-147,685,095.45	-1,989,411,003.62
Plus: Beginning balance of cash and cash equivalents		1,115,336,416.01	2,489,308,668.36
VI. Ending Balance of Cash and Cash Equivalents		967,651,320.56	499,897,664.74

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 2025

Unit: Yuan Currency: RMB

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	Genera; 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 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 Decrease of Capital						64,294,882.98							-64,294,882.98		-64,294,882.98
1．Ordinary shares contributed by owners															
2．Capital contributed by holders of other equipment 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

Items	2024 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	Genera; Risk Reserve	Undistributed Profits	Others	Subtotal		
		Preferred Shares	Perpetual Bonds	Others											
I. Balance at End of Last Year	2,943,426,102.00				1,032,707,760.40	576,775,719.27	5,687,647.50	3,952,446.88	1,326,294,444.30		9,427,722,131.86		14,163,014,813.67		14,163,014,813.67
Plus: Changes in accounting policies															
Correction of prior period errors															

Others															
II. Balance at Beginning of the Current Year	2,943,426,102.00				1,032,707,760.40	576,775,719.27	5,687,647.50	3,952,446.88	1,326,294,444.30		9,427,722,131.86		14,163,014,813.67		14,163,014,813.67
III. The Amount of Changes during the Current Period ("-" for decrease)	-90,637,352.00				-769,552,893.35	-576,775,719.27	-30,039,576.10	1,376,289.83			275,652,514.92		-36,425,297.43		-36,425,297.43
(I) Total Comprehensive Income							-30,039,576.10				1,473,823,789.92		1,443,784,213.82		1,443,784,213.82
(II) Owners' Contributions and Decrease of Capital	-90,637,352.00				-769,552,893.35	-576,775,719.27							-283,414,526.08		-283,414,526.08
1．Ordinary shares contributed by owners															
2．Capital contributed by holders of other equipment instruments															
3．Amount of share-based payments recognized in owners' equity															
4．Others	-90,637,352.00				-769,552,893.35	-576,775,719.27							-283,414,526.08		-283,414,526.08
(III) Profit Distribution											-1,198,171,275.00		-1,198,171,275.00		-1,198,171,275.00
1．Withdrawal of surplus reserve															
2．Withdrawal of General Risk Reserve															
3．Distribution to Owners (or Shareholders)											-1,198,171,275.00		-1,198,171,275.00		-1,198,171,275.00
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								1,376,289.83					1,376,289.83		1,376,289.83
1. Withdrawal during the Current Period								38,753,055.72					38,753,055.72		38,753,055.72
2．Usage during the Current Period								37,376,765.89					37,376,765.89		37,376,765.89
(VI) Others															
IV. Balance at End of the Current Period	2,852,788,750.00				263,154,867.05		-24,351,928.60	5,328,736.71	1,326,294,444.30		9,703,374,646.78		14,126,589,516.24		14,126,589,516.24

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 2025

Unit: Yuan Currency: RMB

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. The 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 equipment											

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

Items	2024 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	2,943,426,102.00				998,957,892.81	576,775,719.27			1,326,294,444.30	2,821,575,330.73	7,513,478,050.57
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at Beginning of the Current Year	2,943,426,102.00				998,957,892.81	576,775,719.27			1,326,294,444.30	2,821,575,330.73	7,513,478,050.57
III. Amount of Changes during the Current Period ("-" for decrease)	-90,637,352.00				-769,552,893.35	-576,775,719.27				-1,109,195,789.15	-1,392,610,315.23

(I) Total Comprehensive Income										88,975,485.85	88,975,485.85
(II) Owners' Contributions and Decrease of Capital	-90,637,352.00				-769,552,893.35	-576,775,719.27					-283,414,526.08
1．Ordinary shares contributed by owners											
2．Capital contributed by holders of other equipment instruments											
3. Amount of share-based payments recognized in owners' equity											
4．Others	-90,637,352.00				-769,552,893.35	-576,775,719.27					-283,414,526.08
(III) Profit Distribution										-1,198,171,275.00	-1,198,171,275.00
1．Withdrawal of surplus reserve											
2．Distribution to Owners (or Shareholders)										-1,198,171,275.00	-1,198,171,275.00
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				1,326,294,444.30	1,712,379,541.58	6,120,867,735.34

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

(I) Registered Address, Organizational Form and Headquarter Address of the Company

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 22nd 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.

After years of issuing bonus shares, allotting new shares, capitalizing retained earnings, and issuing additional shares, as of June 30, 2025, the company's total share capital amounts to 2,852,788,750 shares, with a total share capital of 2,852,788,750 yuan. The registered address is 158 Jinzhu West Road, Sunshine New City, Building 11, Room 5, Lhasa City. The actual controller is Meng Qingshan.

(II) The Company's Business Nature and Major Operating Activities

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.).

(III) Scope of Consolidated Financial Statements

The company currently consolidates 19 subsidiaries, as detailed in Note 10 and other entities' intere sts. The number of subsidiaries included in the consolidated financial statements has increased by 2 com pared to the previous period. Detailed information about the changes in the consolidation scope is provid ed in Note 9, which outlines the changes in consolidation scope.

(IV) Approval for Issuance of Financial Statements

These financial statements were approved for issuance by the Company's Board of Directors on August 19, 2025.

IV. Preparation Basis for Financial Statements

1. Preparation Basis

The financial statements of the Company are prepared on a going concern basis.

The Company recognizes and measures the actual transactions and matters based on 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 in accordance with these standards, along with the provisions specified in the Rules for the Information Disclosure and Compilation by Companies Offering Securities to the Public No.15—General Provisions on Financial Reports (2023 revision).

2. Going Concern

✓Applicable □ Not Applicable

The Company has evaluated its ability to continue as a going concern for the 12 months following the end of the reporting period and has not identified any matters or circumstances casting doubt on its ability to continue as a going concern. Therefore, these financial statements are prepared on the basis of a going concern assumption.

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 operating cycle refers to the period from the acquisition of assets for processing to the realization of cash or cash equivalents. The Company uses 12 months as its operating cycle and as the criterion for the classification of liquidity of assets and liabilities.

4. Functional Currency

The Company's functional currency is Renminbi (RMB).

Overseas subsidiaries use the currency of the primary economic environment in which they operate as their functional currency, and their financial statements are translated into RMB during preparation.

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．If the terms, conditions, and economic impacts of various transactions involved in the staged implementation of the enterprise merger meet one or more of the following criteria, treat the multiple transactions as a package deal for accounting treatment.

(1) These transactions are concluded simultaneously or taking into account their mutual impacts;

(2) These transactions collectively achieve a complete business outcome;

(3) The occurrence of one transaction depends on the occurrence of at least one other transaction;

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

2．Enterprise merger under the same control

Enterprises participating in the merger are subject to the same ultimate control by one party or multiple parties, and such control is not temporary, constituting a merger of enterprises under the same control.

The assets and liabilities obtained by the Company in the enterprise merger are measured at the carrying amounts of the merged party's assets and liabilities (including goodwill formed by the ultimate controlling party from the acquisition of the merged party) in the consolidated financial statements of the ultimate controlling party as of the merger date. In case of any difference between the carrying amount of net assets obtained in the merger and the carrying amount (or total face value of shares issued) of the consideration paid for the merger, the share premium in the capital reserve will be adjusted, and if the share premium in the capital surplus is insufficient to offset, the retained earnings will be adjusted.

If there are contingent considerations requiring the recognition of estimated liabilities or assets and the difference between the amount of these estimated liabilities or assets and the subsequent settlement amount of contingent considerations, the capital surplus (capital premium or share premium) will be adjusted. If the capital surplus is insufficient, the retained earnings will be adjusted.

For enterprise mergers achieved through multiple transactions, ultimately forming a package deal, each transaction within it should be accounted for as one acquisition of control. For transactions not constituting a package deal, on the day control is acquired, the capital reserve is adjusted based on the difference between the initial investment cost of long-term equity investments and the book value of the long-term equity investments before the merger plus the book value of the consideration newly paid for further acquisition of shares on the merger date, with retained earnings being adjusted for any shortfall in the capital reserve. Regarding equity investments held before the merger date, other comprehensive income accounted for by the equity method or recognized by financial instruments and accounted for and recognized by the measurement standards will not undergo accounting treatment until the investment is disposed of, at which time it will be accounted for based on the same principles as directly disposing of assets or liabilities associated with the invested party. Any changes in the owners' equity, excluding net profit and loss, other comprehensive income, and profit distribution in the net assets of the invested party, accounted and recognized through the equity method, will not be accounted for until the disposal of the investment, at which point they are transferred to the profit and loss for the current period.

3．Enterprise merger not under the same control

Enterprises participating in the merger are not subject to the same ultimate control by one party or multiple parties before and after the merger, constituting a merger of enterprises not under the same control.

On the acquisition date, the assets paid as consideration for the enterprise merger and the liabilities incurred or assumed are measured at fair value, and the difference between the fair value and their carrying amounts is recognized in the profit and loss for the current period.

The difference between the merger cost and the identifiable fair value share of net assets acquired from the acquired entity in the merger, if positive, is recognized as goodwill; if negative, it is recognized in the profit and loss for the current period after thorough review.

For enterprise merger not under the same control achieved through multiple exchanges and transactions in a phased manner, constituting a package deal, each transaction within it should be accounted for as one acquisition of control. Where transactions do not constitute a package deal, and equity investments held prior to the merger date are accounted for using the equity method, the initial investment cost of those investments should be the aggregate of the book value of the equity investments in the acquired entity as of the acquisition date and any newly added investment made on the acquisition date. Other comprehensive income from equity investments held prior to the acquisition date and accounted for and recognized using the equity method should be accounted for upon disposal of the investment, based on the same basis as directly disposing of the relevant assets or liabilities of the invested party. For equity investments recognized using financial instruments and accounted for using the measurement standards, the initial investment cost on the merger date should be the sum of the equity investment's fair value on the merger date and the newly added investment cost. The difference between the fair value and book value of the originally held equity, along with the accumulated fair value changes previously recognized in other comprehensive income, should all be transferred to investment income for the current period as of the merger date.

4．Expenses related to the merger

Intermediary expenses such as audit, legal services, evaluation consultation, and other directly related expenses incurred for 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 for the enterprise merger can be directly attributed to equity transactions and deducted from equity.

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

✓Applicable □ Not Applicable

1．Determination criteria for controls

Control refers to the power held by the investing party over the invested party, enjoying variable returns by involvement in the relevant activities carried by the invested party and having the ability to influence the amount of returns through exercising power over the invested party.

The Company makes judgments on whether it controls the invested party based on a comprehensive consideration of all relevant facts and circumstances. Once changes in relevant facts and circumstances lead to changes in the elements involved in defining control, the Company will conduct a reassessment. The relevant facts and circumstances mainly include:

(1) The purpose of establishing the invested party.

(2) The invested party's relevant activities and how decisions are made regarding those activities.

(3) Whether the rights enjoyed by the investing party currently allow it to dominate the invested party's relevant activities.

(4) Whether the investing party gains variable returns by involvement in the invested party's relevant activities.

(5) Whether the investing party has the ability to influence the amount of returns through exercising power over the invested party.

(6) The relationship between the investing party and other parties.

2．Consolidation Scope

The consolidation scope of the Company's consolidated financial statements is determined based on control, and all subsidiaries (including separate entities controlled by the Company) are included in the consolidated financial statements.

3．Consolidation Procedures

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.

The accounting policies and periods adopted by all subsidiaries included in the consolidation scope of the consolidated financial statements are consistent with those of the Company. In instances where a subsidiary's accounting policies or periods differ from those of the Company, necessary adjustments should be made in the preparation of the consolidated financial statements to align with the Company's accounting policies and periods.

When preparing the consolidated financial statements, the impact of internal transactions between the Company and its subsidiaries, as well as between subsidiaries, on the consolidated balance sheet, consolidated income statement, consolidated cash flow statements, and consolidated statement of changes in equity is offset. If there are differences in the recognition of the same transaction from the perspective of the consolidated financial statements of the enterprise group and from the perspective of the Company or a subsidiary as the accounting entity, adjustments are made from the perspective of the enterprise group for such transactions.

The portions of subsidiary owners' equity, current net profit, and current comprehensive income attributable to minority shareholders are separately presented under the owner's equity item in the consolidated balance sheets, as well as under the net profit item and in the total comprehensive income item in the consolidated income statements. If the portion of the current losses borne by minority shareholders exceeds the balance of minority shareholders' equity derived from their initial ownership interests in the subsidiary, minority shareholders’ interest will be deducted accordingly.

For subsidiaries acquired through enterprise merger under the same control, their financial statements are adjusted based on the fair value of their assets and liabilities (including goodwill formed by the ultimate controlling party from acquisition of the subsidiary) in the financial statements of the ultimate controlling party.

For subsidiaries acquired through enterprise merger not under the same control, their financial statements are adjusted based on the fair value of identifiable net assets as of the acquisition date.

(1). Addition of Subsidiaries or Businesses

If subsidiaries or businesses are added due to enterprise merger under the same control during the reporting period, the beginning balance in the consolidated balance sheet are adjusted; the income, expenses, and profits from the beginning of the current period of subsidiary or business merger to the end of the reporting period are included in the consolidated income statement; the cash flows from the beginning of the current period of subsidiary or business merger to the end of the reporting period are included in the consolidated cash flow statement, and related items in the comparative statements are adjusted, with the reporting entity after the merger being considered as having existed since the point when control commenced by the ultimate controlling party.

If control can be exercised over the invested party under the same control due to additional investments or other reasons, it is deemed that all parties involved in the merger existed in their current state and performed adjustment as of the commencement of control by the ultimate controlling party. For equity investments held before the control over the merged party is obtained, any profit or loss, other comprehensive income, and other changes in net assets recognized between the acquisition date of the original equity or the date when the merging party and the merged party are under common control, whichever is later, are offset against retained earnings or the profit and loss for the current period at the beginning of the comparative reporting period.

If during the reporting period, subsidiaries or businesses are added due to the enterprise merger not under the same control, the beginning balance in the consolidated balance sheet remain unchanged. The revenues, expenses, and profits of the subsidiaries or businesses from the acquisition date to the end of the reporting period are included in the consolidated income statement, while the cash flows from the acquisition date to the end of the reporting period of the subsidiaries or businesses are included in the consolidated cash flow statement.

If control can be exercised over the invested party not under the same control, the Company remeasures the equity interests held in the acquired party prior to the acquisition date at their fair value on the acquisition date, with the difference between the fair value and their book value recognized in the investment income for the current period. For the equity interests held in the acquired party before the acquisition date that involve other comprehensive income accounted for using the equity method and other changes in owner's equity excluding net profits and losses, other comprehensive income, and profit distribution, other comprehensive income and other changes in owner's equity related to them are transferred to the investment income for the current period as of the acquisition date, except for other comprehensive income arising from the invested party’s remeasurement of the changes in the net liabilities or assets in the defined benefit plan.

(2). Disposal of Subsidiaries or Businesses

1) Regular disposal method

During the reporting period, if the Company disposes of subsidiaries or businesses, the revenue, expenses, and profits of the subsidiaries or businesses from the beginning of the period to the disposal date are included in the consolidated income statement, while the cash flows of the subsidiaries or businesses from the beginning of the period to the disposal date are included in the consolidated cash flow statement.

When control over the invested party is lost due to the disposal of a portion of equity investments or other reasons, the Company remeasures the remaining equity investments at their fair value on the date such control is lost. The sum of the consideration received from the disposal of equity and the fair value of the remaining equity, reduced by the proportionate share of net assets and goodwill continuously calculated based on the original ownership percentage since the acquisition or merger date, is recognized in the investment income for the period such control is lost. Other comprehensive income or other changes in owner's equity (excluding net profit and loss, other comprehensive income and profit distribution) related to the equity investments of the original subsidiary are transferred to the current investment income when control is lost, except for other comprehensive income arising from the invested party’s remeasurement of the changes in the net liabilities or assets in the defined benefit plan.

2) Phased disposal of subsidiaries

When the disposal of equity investments in subsidiaries is performed through multiple transactions in a phased manner until control is lost, if the terms, conditions, and economic impact of each transaction related to the disposal of equity investments in subsidiaries meet one or more of the following criteria, it indicates that the multiple transaction matters should be accounted for as a package deal:

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.

When transactions involving the disposal of equity investments in subsidiaries until control is lost are part of a package deal, the Company accounts for each transaction as a single disposal of the subsidiary and loss of control. However, the difference between the proceeds from each disposal and the proportionate share of net assets of the subsidiary, as related to the disposal of investment, is recognized as other comprehensive income in the consolidated financial statement prior to the loss of control, and is subsequently transferred to the profit or loss for the period when control is lost.

When transactions involving the disposal of equity investments in subsidiaries until control is lost are not part of a package deal, the Company accounts for them according to the relevant policies for partially disposing of equity investments in subsidiaries without losing control before control is lost and according to the regular disposal method for disposal of subsidiaries when control is lost.

(3). Acquisition of minority equity in subsidiary

For the difference between the long-term equity investment newly acquired due to the acquisition of minority equity by the Company and the proportionate share of net assets continuously calculated based on the increased ownership percentage since the acquisition date (or merger date), the share premium in the capital reserve in the consolidated balance sheet is adjusted to offset. If the share premium is insufficient to offset the difference, the retained earnings are adjusted to offset.

(4). Partial disposal of equity investments in subsidiaries without losing control

For the difference between the disposal proceeds from partial disposal of long-term equity investments in subsidiaries without losing control and the proportionate share of net assets held in subsidiaries continuously calculated from the acquisition or merger date due to the disposal of long-term equity investments, adjustments are made to the share premium in the capital reserve in the consolidated balance sheet. If the share premium is insufficient to offset the difference, adjustments are made to the retained earnings.

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

✓Applicable □ Not Applicable

1．Classification of joint arrangements

Based on factors such as the structures and legal forms of joint arrangements, terms agreed upon, and other relevant facts and circumstances, the Company classifies joint arrangements into joint operations and joint ventures. Joint operations refer to joint arrangements in which the parties involved share the assets and liabilities related to the arrangements. Joint ventures refer to joint arrangements in which the parties involved have rights solely to the net assets of the arrangements.

2．Accounting treatment method for joint operations

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.

When the Company contributes or sells assets (excluding those constituting a business) to a joint operation, it recognizes only the portion of the profit or loss attributable to other parties involved in the joint operation until the assets are sold to a third party by the joint operation. If any assets contributed or sold incur impairment losses as per the Accounting Standards for Business Enterprises No. 8 - Asset Impairment, the Company recognizes the full amount of such loss.

When the Company acquires assets (excluding those constituting a business) from a joint operation, it recognizes only the portion of the profit or loss attributable to other parties involved in the joint operation until the assets are sold to a third party by the joint operation. If any assets acquired incur impairment losses as per the Accounting Standards for Business Enterprises No. 8 - Asset Impairment, the Company recognizes the loss in proportion to its share.

The Company does not exercise joint control over joint operations. If the Company shares the assets and liabilities related to the joint operations, it should account for them in accordance with the principles described above; otherwise, it should account for them in accordance with the provisions specified in the relevant Accounting Standards for Business Enterprises.

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.

When preparing the cash flow statements, the Company recognizes cash on hand as well as deposits that are readily available for payment as cash and investments meeting the following criteria as cash equivalents: short-term maturity (generally within three months from the date of acquisition), strong liquidity, cash easily convertible into known amounts, and minimal risk of value changes.

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

✓Applicable □ Not Applicable

1. Foreign Currency Transactions

Foreign currency transactions are initially recognized using the exchange rate close to the spot rate on the transaction date to convert the foreign currency amounts into RMB for accounting purposes.

Monetary items denominated in foreign currencies are translated at the spot exchange rate on the balance sheet date. Any exchange differences arising from this, except for those related to foreign currency borrowings specifically incurred for the acquisition and construction of qualifying assets and treated under the principle of capitalizing borrowing costs, are recorded in the profit or loss for the current period. Non-monetary items denominated in foreign currencies and measured at historical cost are still translated using the spot exchange rate on the transaction date, without altering their recorded functional currency amount.

For non-monetary items denominated in foreign currencies and measured at fair value, the Company uses the spot exchange rate on the fair value determination date for translation. The difference between the translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rate) and recorded in the profit or loss for the current period or recognized as other comprehensive income.

2．Translation of Foreign Currency Financial Statements

Assets and liabilities in the balance sheet are translated using the spot exchange rate on the balance sheet date. For equity items, except for “retained earnings,” other items are translated using the spot exchange rate at the transaction date. Revenues and expenses in the income statement are translated using the exchange rate close to the spot rate on the transaction date. The exchange differences arising from the above translation are recognized in other comprehensive income.

When disposing of foreign operations, the foreign currency translation differences related to the foreign operations listed in other comprehensive income in the balance sheet will be reclassified from other comprehensive income to profit or loss in the disposal period. When the proportion of foreign operations equity is reduced but control over the foreign operation is not lost due to partial equity investment disposal or other reasons, the foreign currency translation differences related to the disposed portion of the foreign operation will be attributed to non-controlling interests and not reclassified to profit or loss. When disposing of part of the equity of a foreign operation that is an associate or joint venture, the foreign currency translation differences related to the foreign operation will be reclassified to profit or loss in proportion to the disposal of the foreign operation.

11. Financial Instruments

✓Applicable □ Not Applicable

The Company recognizes a financial asset or financial liability when it becomes a party to a financial instrument contract.

The effective interest rate method refers to the method of calculating the amortized cost of a financial asset or a financial liability and apportioning the interest income or interest expenses into each accounting period.

The effective interest rate is the rate used to discount estimated future cash flows during the expected life of a financial asset or financial liability to the book balance of the financial asset or the amortized cost of the financial liability. In the determination of the effective interest rate, the expected cash flows are estimated based on all contractual terms of the financial asset or financial liability (such as prepayment, extension, call options, or similar options), excluding expected credit losses.

The amortized cost of a financial asset or financial liability is calculated by deducting the principal repaid from the initially recognized amount, adding or deducting the cumulative amortized amount resulting from the difference between the initially recognized amount and the amount payable at maturity using the effective interest rate method, and then deducting any cumulative provision for impairment losses (applicable only to financial assets).

1．Classification, Recognition, and Measurement of Financial Assets

The Company classifies financial assets into the following three categories based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets:

(1). Financial assets measured at amortized cost.

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

(3). Financial assets measured at fair value with changes recorded in the profit or loss for the current period.

Financial assets are measured at fair value at initial recognition. However, if accounts receivable or notes receivable arising from sales of goods or provision of services do not contain material financing components or consider financing components not exceeding one year, they are measured at transaction price for initial measurement.

For financial assets measured at fair value with changes recorded in the profit or loss for the current period, related transaction costs are directly recorded in the profit or loss for the current period, while transaction costs for other categories of financial assets are recognized in their initially recognized amounts.

The subsequent measurement of financial assets depends on their classification, and all affected financial assets are reclassified only when the Company changes the business model for managing financial assets.

(1) Financial assets classified as being measured at amortized cost

When the contractual terms of financial assets specify that cash flows arising on a specific date solely comprise payments of principal and interest based on the outstanding principal amount, and the business model for managing those financial assets aims to collect contractual cash flows, the Company classifies them as being measured at amortized cost. Financial assets classified as being measured at amortized cost include money funds and certain notes receivable, accounts receivable, other receivables, debt investments, long-term receivables, etc that are measured at amortized cost.

The Company recognizes interest income on such financial assets using the effective rate method, and conducts subsequent measurement at amortized cost. The gains or losses incurred from their impairment, derecognition and modification are recorded in the profit or loss for the current period. Except for circumstances mentioned below, the Company determines interest income by multiplying the book balance of the financial assets by the effective interest rate:

1) For purchased or originated financial assets with credit impairment, the Company calculates their interest income by applying their amortized cost and the effective interest rate adjusted for credit since initial recognition.

2) For purchased or originated financial assets without credit impairment incurred but becoming

credit impaired in subsequent periods, the Company calculates their interest income by applying their amortized cost and the effective interest rate. If the credit risk of the financial instruments improves in subsequent periods such that there is no longer any credit impairment, the Company calculates the interest income by multiplying the book balance of the financial assets by the effective interest rate.

(2) Financial assets classified as being measured at fair value with changes recognized in other comprehensive income

When the contractual terms of financial assets specify that cash flows arising on a specific date consist solely of payments of principal and interest based on the outstanding principal amount, and the business model for managing such financial asset aims to both collect contractual cash flows and sell the financial assets, the Company categorizes the financial assets as being measured at fair value with changes recognized in other comprehensive income.

The Company recognizes interest income on such financial assets using the effective rate method. Except for interest income, impairment losses, and exchange differences that are recorded in the profit or loss for the current period, all other changes in fair value are recognized in other comprehensive income. When such financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and recorded in the profit or loss for the current period.

Notes receivable and accounts receivable measured at fair value with changes recognized in other comprehensive income are presented as Receivables Financing, and other financial assets of this category are presented as other debt investments. Among them, other debt investments due within one year from the balance sheet date are presented as non-current assets due within one year, and other debt investments originally due within one year are presented as other current assets.

(3) Financial assets designated as being measured at fair value with changes recognized in other comprehensive income

Upon initial recognition, the Company may irrevocably designate non-trading equity instrument investments as financial assets measured at fair value with changes recognized in other comprehensive income, on a single financial asset basis.

Changes in fair value of such financial assets are recognized in other comprehensive income without the need of provision for impairment reserves. When these financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and recognized in retained earnings. During the period in which the Company holds these equity instrument investments, when the Company's right to receive dividends has been established and it is probable that economic benefits associated with the dividends will flow to the Company, and the amount of dividends can be reliably measured, dividend income is recognized and recorded in the profit or loss for the current period. The Company presents these financial assets under the other equity instrument investment item.

Equity instrument investments are classified as financial assets measured at fair value with changes recorded in the profit or loss for the current period if they meet any of the following conditions: the primary objective of acquiring the financial assets is for near-term sale; at initial recognition, they are part of the identifiable financial asset instrument portfolio under centralized management, and there is objective evidence of a short-term profit pattern; they are derivative instruments (excluding those meeting the definitions listed in financial guarantee contracts and those designated as effective hedging instruments).

(4) Financial assets classified as being measured at fair value with changes recorded in the profit or loss for the current period

Financial assets that do not meet the conditions for classification as being measured at amortized cost or fair value with changes recognized in other comprehensive income, and that are not designated as being measured at fair value with changes recognized in other comprehensive income, are classified as financial assets measured at fair value with changes recorded in the profit or loss for the current period.

The Company subsequently measures these financial assets at fair value, with gains or losses arising from changes in fair value and income from dividends and interest associated with these financial assets recorded in the profit or loss for the current period.

The Company presents these financial assets under the items of financial assets held for trading and other non-current financial assets based on their liquidity.

(5) Financial assets designated as being measured at fair value with changes recorded in the profit or loss for the current period

At the time of initial recognition, the Company may irrevocably designate financial assets as being measured at fair value with changes in fair value recorded in the profit or loss for the current period on a single financial asset basis in order to eliminate or significantly reduce accounting mismatches.

If a hybrid contract contains one or more embedded derivative instruments and its main contract does not fall under the aforementioned financial assets, the Company may designate it as a whole as a financial instrument measured at fair value with changes recorded in the profit or loss for the current period. However, the following exceptions apply:

1) The embedded derivative instruments will not lead to material changes to the cash flows of the hybrid contract.

2) When determining whether a similar hybrid contract needs to be split, it is almost unnecessary to analyze to determine that the embedded derivative instruments therein should not be split. For example, in cases where the prepayment right for loans is embedded, allowing the holder to repay the loan at an amount close to the amortized cost, this prepayment right does not need to be split.

The Company subsequently measures such financial assets at fair value, with gains or losses arising from changes in fair value and income from dividends and interest associated with these financial assets recorded in the profit or loss for the current period.

The Company presents these financial assets under the items of financial assets held for trading and other non-current financial assets based on their liquidity.

2．Classification, Recognition and Measurement of Financial Liabilities

At the time of initial recognition, the Company classifies the financial instruments or its components as financial liabilities or equity instruments based on the contractual terms of the financial instruments and their underlying economic substance, rather than solely on legal form, taking into consideration the definitions of financial instruments and equity instruments. At the time of initial recognition, financial liabilities are classified as: Financial assets measured at fair value with changes in fair value recorded in the profit or loss for the current period, other financial assets, and derivative instruments designated as effective hedging instruments.

At the time of initial recognition, financial liabilities are measured at fair value. For financial liabilities measured at fair value with changes in fair value recorded in the profit or loss for the current period, related transaction costs are directly recorded in the profit or loss for the current period, while for other types of financial liabilities, related transaction costs are recognized in the initially recognized amount.

Subsequent measurement of financial liabilities depends on their classification:

(1). Financial liabilities measured at fair value with changes in fair value recorded in the profit or loss for the current period:

Such financial liabilities include financial liabilities held for trading (including derivative instruments falling under financial liabilities) and financial liabilities designated as being measured at fair value with changes in fair value recorded in the profit or loss for the current period.

Financial liabilities are classified as financial liabilities held for trading if they meet any of the following conditions: The primary purpose of holding the relevant financial liabilities is for sale or repurchase in the near term; the relevant financial liabilities are part of identifiable financial instrument portfolio under centralized management and there is objective evidence that the enterprise adopts a short-term profit-taking mode in the near term; the relevant financial liabilities fall under derivative instruments, except those specifically designated and effective as hedging instruments and meeting the requirements specified in the financial guarantee contracts. Financial liabilities held for trading (including derivative instruments falling under financial liabilities) are measured at fair value in the subsequent periods and all changes in fair value, except for those associated with hedge accounting, are recorded in the profit or loss for the current period.

At the time of initial recognition, for the purpose of providing more pertinent accounting information, the Company irrevocably designates financial liabilities meeting any of the following conditions as financial liabilities measured at fair value with changes in fair value recorded in the profit or loss for the current period:

1) Being able to eliminate or significantly reduce accounting mismatches.

2) Manage and assess portfolios of financial liabilities or portfolios of financial assets and liabilities based on fair value and in accordance with the enterprise risk management or investment policies specified in the formal written documentation, and report to key management personnel within the Company based on the management and assessment outcomes.

The Company subsequently measures such financial liabilities at fair value. All changes in fair value, excluding those resulting from fluctuations in the Company’s own credit risk and recorded in other comprehensive income, are recorded in the profit or loss for the current period. Unless recording changes in fair value resulting from fluctuations in the Company's own credit risk in other comprehensive income would result in or exacerbate accounting mismatches in the profit or loss, the Company will record all changes in fair value (including the amount affected by changes in its own credit risk) into the profit or loss for the current period.

(2). Other financial liabilities

The Company classifies financial liabilities, excluding those listed below, as being measured at amortized cost, subsequently measures them at amortized cost using the effective rate method, and records the gains or losses arising from derecognition or amortization into the profit or loss for the current period:

1) Financial liabilities measured at fair value with changes in fair value recorded in the profit or loss for the current period.

2) Financial liabilities arising from the financial asset transfer that does not meet the conditions for derecognition or the continued involvement in the transferred financial assets.

3) Financial guarantee contracts not falling under the first two scenarios outlined in this article, and loan commitments made at interest rates below market rates and not falling within scenario 1) in this article.

Financial guarantee contracts refer to contracts where the issuer is obligated to compensate the contract holder for a specified amount if a specific debtor is unable to pay its debt in accordance with the original or modified debt instrument terms when due. Financial guarantee contracts not designated as financial liabilities measured at fair value with changes in fair value recorded in the profit or loss for the current period are measured at the loss reserve amount or the initially recognized amount less the cumulative amortization amount within the guarantee period, whichever is higher, after the initial recognition.

3．Derecognition of Financial Assets and Financial Liabilities

(1) Financial assets are derecognized and written-off from the accounts and the balance sheet, when one of the following conditions is met:

1) The contractual right to receive cash flows from a financial asset is terminated.

2) The financial asset has been transferred, and the transfer meets the criteria for derecognition of financial assets.

(2) Conditions for derecognition of financial liabilities

If the present obligation of a financial liability (or part thereof) has been discharged, the financial liability (or part thereof) should be derecognized.

If the Company enters into an agreement with the lender to replace the original financial liability with a new one, and the terms of the new financial liability are substantially different from those of the original, or substantial modifications are made to the terms of the original financial liability (or part thereof), the original financial liability should be derecognized, and simultaneously a new financial liability should be recognized. The difference between the book value and the consideration paid (including non-cash assets transferred out or liabilities assumed) should be recorded in the profit or loss for the current period.

When the Company repurchases a portion of its financial liabilities, it should allocate the overall book value of the financial liability based on the proportions of the portion requiring continued recognition and the portion requiring derecognition in the overall fair value on the acquisition date. The difference between the book value allocated to the portion requiring derecognition and the consideration paid (including non-cash assets transferred out or liabilities assumed) should be recorded in the profit or loss for the current period.

4. Recognition Basis and Measurement Method for Transfer of Financial Assets

When the Company transfers financial assets, it assesses the level of risks and rewards retained in the ownership of the financial assets and deals with the following situations separately:

(1). If the Company transfers almost all risks and rewards related to the ownership of the financial assets, it should derecognize the financial assets and separately recognize the rights and obligations arising from the transfer or retention as assets or liabilities.

(2). If the Company retains almost all risks and rewards related to the ownership of the financial assets, it should continue to recognize the financial assets.

(3). If the Company neither transfers nor retains almost all risks and rewards related to the ownership of the financial assets (i.e., in situations other than those specified in (1) and (2) above), it deals with the following situations separately based on whether it retains control of the financial assets:

1) If the Company does not retain control over the financial assets, it should derecognize the financial assets and separately recognize the rights and obligations arising from the transfer or retention as assets or liabilities.

2) If the Company retains control over the financial assets, it should continue to recognize the relevant financial assets based on the extent of its continued involvement in the transferred financial assets and correspondingly recognize the relevant financial liabilities. The extent of continued involvement in the transferred financial assets refers to the extent to which the Company bears the risks or rewards related to the transferred financial assets.

When determining whether the conditions for derecognition of financial assets are met, the Company applies the principle of substance over form. The Company distinguishes the transfer of financial assets as either complete or partial transfer.

(1). When the complete transfer of financial assets meets the conditions for derecognition, the difference between the following two amounts should be recorded in the profit or loss for the current period:

1) The book value of the transferred financial assets on the derecognition date.

2) The consideration received for the transfer of financial assets, plus the cumulative fair value changes previously recognized in other comprehensive income that correspond to the derecognized portion (financial assets involving transfer are measured at fair value with changes recognized in other comprehensive income).

(2). When a portion of financial assets is transferred and the transferred portion meets the conditions for derecognition as a whole, the book value of the financial assets as a whole before the transfer is apportioned between the derecognized portion and the continuously recognized portion (in this case, any servicing assets retained should be treated as part of the continuously recognized financial assets) based on their relative fair values on the transfer date. The difference between the following two amounts is recorded in the profit or loss for the current period:

1) The book value of the derecognized portion on the derecognition date.

2) The consideration received for the derecognized portion, plus the cumulative fair value changes previously recognized in other comprehensive income that correspond to the derecognized portion (financial assets involving transfer are measured at fair value with changes recognized in other comprehensive income).

When the transfer of financial assets does not meet the conditions for derecognition, the Company continues to recognize the financial assets, and recognizes the consideration received as a financial liability.

5. Determination Method for Fair Value of Financial Assets and Financial Liabilities

For financial assets or financial liabilities with support by active markets, their fair values are determined based on quoted prices in those markets, unless there are lock-up periods specific to them. For financial assets with specific lock-up periods, their fair values are determined by deducting the amount of compensation demanded by market participants for bearing the risk of being unable to sell the financial assets in the public market during the specified period from the quoted prices in active markets. Quoted prices in active markets include those that are easily and regularly obtainable from exchanges, dealers, brokers, industry groups, pricing agencies, or regulatory authorities and represent market transactions that actually and frequently occur on a fair trading basis.

For financial assets initially acquired or derived or financial liabilities assumed, their fair values should be determined based on the trading prices in the market.

For financial assets or liabilities without support by active markets, their fair values are determined using valuation techniques. During valuation, the Company employs valuation techniques that are applicable under current circumstances and supported by sufficient available data and other information, selects input values consistent with the characteristics of assets or liabilities that market participants would consider in transactions involving such assets or liabilities and prioritizes the use of relevant observable input values whenever possible. When it's not feasible or practical to obtain relevant observable input values, unobservable input values are utilized instead.

6. Impairment of Financial Instruments

The Company accounts for impairment and recognizes provision for losses based on the expected credit losses for financial assets measured at amortized cost, financial assets classified as being measured at fair value with changes in fair value recognized in other comprehensive income, lease receivables, contract assets, loan commitments not falling under financial liabilities measured at fair value with changes in fair value recorded in the profit or loss for the current period, and financial liabilities not measured at fair value with changes in fair value recorded in the profit or loss for the current period, and financial guarantee contracts for financial liabilities arising from the transfer of financial assets that do not meet the derecognition criteria or the continued involvement in the transferred financial assets.

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.

The Company measures the provision for losses on all contract assets, notes receivable and accounts receivable derived from transactions subject to revenue standards, as well as lease receivables/financing lease receivables/operating lease receivables derived from transactions subject to lease standards, at an amount equal to the expected credit losses over the entire remaining term.

For financial assets purchased or originated with incurred credit impairment, only the cumulative changes in expected credit losses over the entire remaining term since initial recognition are recognized as the provision for losses on the balance sheet date. On each balance sheet date, the changes in expected credit losses over the entire remaining term are recognized as impairment losses or gains to be recorded in the profit or loss for the current period. Even if the expected credit losses over the entire remaining term determined on the balance sheet date are lower than the expected credit losses reflected by the estimated cash flows at the time of initial recognition, the favorable changes in expected credit losses are also recognized as impairment gains.

Except for the aforementioned financial assets measured using simplified measurement methods and purchased or originated financial assets with incurred credit impairment, the Company assesses the credit risk of relevant financial instruments on each balance sheet date to determine whether it has significantly increased since initial recognition, and measures the provision for losses and recognizes expected credit losses and their changes according to the following circumstances:

(1). If the credit risk of the financial instrument has not significantly increased since initial recognition and is in Stage 1, the provision for losses should be measured at an amount equal to the expected credit losses within the next 12 months for the financial instrument, and interest income should be calculated based on the book balance and the effective interest rate.

(2). If the credit risk of the financial instrument has significantly increased since initial recognition but has not incurred credit impairment, it is in Stage 2. The provision for losses should be measured at an amount equal to the expected credit losses over the entire remaining term for the financial instrument, and interest income should be calculated based on the book balance and the effective interest rate.

(3). If the financial instrument has incurred credit impairment since initial recognition, it is in Stage 3. The Company should measure the provision for losses at an amount equal to the expected credit losses over the entire remaining term for the financial instrument, and calculate interest income based on the amortized cost and the effective interest rate.

The increased or reversed amount of the provision for credit losses of financial instruments is recognized as impairment losses or gains to be recorded in the profit or loss for the current period. For financial assets, excluding those classified as being measured at fair value with changes in fair value recorded in other comprehensive income, the provision for credit losses should be used to offset their book balance. For financial assets classified as being measured at fair value with changes recorded in other comprehensive income, the Company recognizes their provision for credit losses in other comprehensive income without reducing their book value presented in the balance sheet.

In cases where the Company had measured the provision for losses at an amount equivalent to the expected credit losses over the entire remaining term of a financial instrument during the previous accounting period, but as of the current balance sheet date, the financial instrument no longer qualifies under the condition of a significant increase in credit risk since initial recognition, the Company should measure the provision for losses of the financial instrument on the current balance sheet date at an amount equivalent to the expected credit losses within the next 12 months, with the reversed amount of impairment losses arising therefrom as impairment gains to be recorded in the profit or loss for the current period.

(1). Significant increase in credit risk

The Company utilizes reasonable and substantiated forward-looking information to assess whether the credit risk of financial instruments has significantly increased since initial recognition, by comparing the risk of default occurring on the balance sheet date with that on the initial recognition date. For financial guarantee contracts, the Company considers the date on which it becomes the party who makes irrevocable commitment as the initial recognition date when applying the impairment provisions for financial instruments.

The Company will consider the following factors in assessing whether the credit risk has significantly increased:

1) Whether there has been a significant change in the operating performance of the debtor, actual or expected;

2) Whether there has been a significant adverse change in the regulatory, economic, or technological environment in which the debtor operates;

3) Whether there has been a significant change in the value of collateral serving as debt security or in the quality of guarantees or credit enhancements provided by a third party, which is expected to reduce the economic incentives for the debtor to repay as per the contractual terms or affect the probability of default;

4) Whether there has been a significant change in the expected performance and repayment behavior of the debtor;

5) Whether there have been any changes in the Company's credit management methods for financial instruments.

If, as of the balance sheet date, the Company determines that a financial instrument exhibits only low credit risk, it assumes that the credit risk of the financial instrument has not significantly increased since initial recognition. If the financial instrument carries low default risk, the borrower demonstrates a strong ability to meet its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic and operating environment over an extended period, it does not necessarily impair the borrower's ability to fulfill its contractual cash flow obligations, then the financial instrument is considered to carry low credit risk.

(2). Financial assets with credit impairment

A financial asset is deemed to have become credit impaired in the occurrence of one or more events that are expected to have an adverse impact on its future cash flows. Evidences for credit impairment of financial assets include the following observable information:

1) Significant financial difficulties experienced by the issuer or debtor;

2) Breach of contract by the debtor, such as default or delay in payment of interest or principal, etc.;

3) Concessions granted by the creditor to the debtor for economic or contractual reasons related to the debtor's financial difficulties, which would not otherwise be made under any other circumstances;

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

5) Financial difficulties experienced by the issuer or debtor result in the disappearance of an active market for the financial asset;

6) Purchasing or originating a financial asset at a significant discount, which reflects the occurrence of credit losses.

Credit impairment of financial assets may result from the combined effect of multiple events and may not necessarily be attributable to individually identifiable events.

(3). Determination of expected credit losses

The Company determines expected credit losses on financial instruments based on individual and collective assessments. When assessing expected credit losses, the Company should consider reasonable and substantiated information regarding past events, current conditions, and forecasts of future economic conditions.

The Company classifies financial instruments into different portfolios based on their common credit risk characteristics. Common credit risk characteristics used by the Company include: types of financial instruments, aging categories, etc. The individual assessment criteria for and collective credit risk characteristics of relevant financial instruments are detailed in the accounting policies for those financial instruments.

The Company determines expected credit losses on relevant financial instruments as follows:

1) For financial assets, credit losses represent the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be received.

2) For lease receivables, credit losses represent the present value of the difference between the contractual cash flows receivable by the Company and the cash flows expected to be received.

3) For financial guarantee contracts, credit losses represent the present value of the estimated

payments that the Company would make to compensate the contract holder for the credit losses incurred minus the amounts expected to be received from the contract holder, the debtor, or any other party.

4) For financial assets that have become credit impaired as of the balance sheet date but were not credit impaired at initial recognition or originated as credit impaired, credit losses represent the difference between the book value of the financial asset and the present value of estimated future cash flows discounted at the original effective interest rate.

The factors reflected in the Company's method for measuring expected credit losses on financial instruments include: unbiased probability-weighted average amounts determined by evaluating a range of possible outcomes; the time value of money; reasonable and substantiated information regarding past events, current conditions, and forecasts of future economic conditions that are available on the balance sheet date without incurring undue cost or effort.

(4). Write-down of financial assets

When the Company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the book balance of that financial asset should be written down directly. Such write-down constitutes the derecognition of the related financial asset.

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:

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

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

12. Notes Receivable

✓Applicable □ Not Applicable

Categories of Portfolios for Which Bad Debt Provisions Are Made Based on Credit Risk Characteristics and the Basis for Their Determination

✓Applicable □ Not Applicable

The method for determining the expected credit losses of notes receivable and the related accounting treatment adopted by the Company are detailed in Section V, Significant Accounting Policies and Estimates, item (11)6. Impairment of Financial Instruments.

When there is insufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost, the Company refers to historical credit loss experience, taking into consideration current conditions and judgments about future economic conditions, to classify notes receivable into several portfolios based on credit risk characteristics and then calculate expected credit losses based on a portfolio basis. The basis for determining the portfolios is as follows:

Portfolio Name	Basis for Determining Portfolios	Provision Method
Bank Acceptance Bill	The issuer exhibits a high credit rating, no history of default on bills, a very low credit	Refer to historical credit loss experience and take into consideration current conditions and forecasts of

Portfolio Name	Basis for Determining Portfolios	Provision Method
Portfolio 1	loss risk, and a strong ability to fulfill its cash flow obligations under payment contracts.	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.

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

✓Applicable □ Not Applicable

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.

Criteria for Individual Provision for Bad Debts at the Individual Level

✓Applicable □ Not Applicable

For notes receivable with significantly different credit risks and portfolio credit risks, the Company provisions for expected credit losses on an individual-item basis. The Company separately determines the credit losses on notes receivable where there is sufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost.

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 the Company's methods for determination and accounting treatment of expected credit losses on accounts receivable, please refer to paragraph (11) 6 - Impairment of Financial Instruments in Section V - Significant Accounting Policies and Estimates.

When there is insufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost, the Company refers to historical credit loss experience, taking into consideration current conditions and judgments about future economic conditions to classify accounts receivable into several categories based on credit risk characteristics and then calculate expected credit losses on a portfolio basis. The basis for determining the categories 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.

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

✓Applicable □ Not Applicable

Below is the table for the comparison between aging and expected credit loss rates of aging portfolios:

Aging	Expected Credit Loss Rates of Accounts Receivable (%)
Within 1 year	5
1—2 years	10
2—3 years	30
3—4 years	50
4—5 years	80
Over 5 years	100

The aging of accounts receivable is calculated on a first-in, first-out basis.

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

✓Applicable □ Not Applicable

For accounts receivable with significantly different credit risks and portfolio credit risks, the Company provisions for expected credit losses on an individual-item basis. The Company separately determines the credit losses on accounts receivable where there is sufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost.

14. Receivables Financing

✓Applicable □ Not Applicable

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

✓Applicable □ Not Applicable

Notes receivable and accounts receivable measured at fair value with changes recorded in other comprehensive income are presented as Receivables Financing if their maturity is within one year (including one year) from the initial recognition date; and presented as other debt investment if their maturity is over one year from the initial recognition date. The relevant accounting policies are detailed in Section V, Significant Accounting Policies and Estimates, item (11).

For the Company's methods for determination and accounting treatment of expected credit losses on Receivables Financing, please refer to paragraph (11) 6 - Impairment of Financial Instruments in Section V - Significant Accounting Policies and Estimates.

When there is insufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost, the Company refers to historical credit loss experience, taking into consideration current conditions and judgments of future economic conditions, to classify Receivables Financing into several portfolios based on credit risk characteristics and calculate expected credit losses on a portfolio basis. The basis for determining portfolios 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.

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

✓Applicable □ Not Applicable

With reference to historical credit loss experience, and taking into account current conditions as well as forecasts of future economic conditions, an aging schedule of receivables financing and corresponding expected credit loss rates (in line with those for accounts receivable) is prepared to calculate the expected credit losses.

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

✓Applicable □ Not Applicable

For Receivables Financing with significantly different credit risks and portfolio credit risks, the Company provisions for expected credit losses on an individual-item basis. The Company separately determines the credit losses on Receivables Financing where there is sufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost.

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 the Company's methods for determination and accounting treatment of expected credit losses on other receivables, please refer to paragraph (11) 6 - Impairment of Financial Instruments in Section V - Significant Accounting Policies and Estimates.

When there is insufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost, the Company refers to historical credit loss experience, taking into consideration current conditions and judgments of future economic conditions, to classify other receivables into several portfolios based on credit risk characteristics and calculate expected credit losses on a portfolio basis. The basis for determining portfolios 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	

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

✓Applicable □ Not Applicable

With reference to historical credit loss experience, and taking into account current conditions as well as forecasts of future economic conditions, an aging schedule of other receivables and corresponding expected credit loss rates (consistent with those for accounts receivable) is prepared to calculate the expected credit losses.

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

✓Applicable □ Not Applicable

For other receivables with significantly different credit risks and portfolio credit risks, the Company provisions for expected credit losses on an individual-item basis. The Company separately determines the credit losses on other receivables where there is sufficient evidence to assess expected credit losses at the individual instrument level at a reasonable cost.

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

Inventories are initially measured at cost upon acquisition, which includes purchase costs, processing costs, and other related costs. When inventories are issued, they are valued using the weighted average method calculated at the end of the month.

3. Inventory Counting System

The perpetual inventory system is used for inventory counting.

4. Amortization Method for Low-value Consumables and Packaging

(1). Low-value consumables are amortized using the one-off write-off method;

(2). Packaging is amortized using the one-off write-off method;

(3). Other turnover materials are amortized using the one-off write-off method.

Recognition Criteria and Provision Method for Inventory Write down

✓Applicable □ Not Applicable

Following a comprehensive inventory inspection at the end of the period, inventory write-downs are provisioned or adjusted based on the lower of cost or net realizable value of the inventory. For good inventories directly used for sale, such as finished goods, goods for resale, and materials used for sale, the net realizable value is determined during normal production and operation by subtracting estimated selling expenses and related taxes from the estimated selling price of the inventory. For material inventory requiring processing, the net realizable value is determined during normal production and operation by subtracting estimated costs at completion, estimated selling expenses, and related taxes from the estimated selling price of the finished products. For inventory held to fulfill sales contracts or service contracts, the net realizable value is calculated based on the contract price. If the quantity of inventory held exceeds the ordered quantity in the sales contract, the net realizable value of the excess inventory is calculated based on the general selling price.

The provision for inventory write-down is made on an individual-item basis at the end of the period; however, for inventories with numerous quantities and low unit prices, the provision for inventory write-down is made according to inventory category. For inventories related to product series produced and sold in the same region, with similar or identical ultimate uses or purposes, and difficult to measure separately from other items, the provision for inventory write-down is consolidated.

Once the factors affecting the write-down of inventory value have disappeared, the amount of write-down should be restored and reversed within the originally provided inventory write-down amount, with the reversed amount recorded in the 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 has the right to receive consideration from customers for goods transferred to them and recognizes the rights depending on factors beyond the passage of time as contract assets. The Company separately presents the unconditional (i.e., solely dependent on the passage of time) right to receive consideration from customers as accounts receivable.

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

✓Applicable □ Not Applicable

For the Company's methods for determination and accounting treatment of expected credit loses on contract assets, please refer to paragraph (11) 6 - Impairment of Financial Instruments in Section V - Significant Accounting Policies and Estimates.

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

1. Recognition Criteria for Classification as Held for Sale

Non-current assets or disposal portfolios meeting both of the following conditions are recognized as held for sale:

(1) According to the usual practice in similar transactions, the assets or disposal portfolios can be sold immediately under current conditions;

(2) The sale is highly probable, meaning that the Company has made a decision on a sale plan and obtained a firm commitment to purchase, with the sale expected to be completed within one year.

A firm commitment to purchase refers to a legally binding purchase agreement between the Company and another party, which contains significant terms such as the transaction price, time, and sufficiently severe penalties for breach, minimizing the possibility of significant adjustments or cancellations.

2. Accounting Treatment Method for Classification as Held for Sale

Depreciation or amortization is not provided for non-current assets or disposal portfolios held for sale. If their book value exceeds the net amount of fair value less selling expenses, the book value should be written down to the net amount of fair value less selling expenses, and the written-down amount should be recognized as impairment loss on assets and recorded in the profit or loss for the current period, with the provisions for impairment of assets held for sale.

For non-current assets or disposal portfolios classified as held for sale at the acquisition date, the lower of the initially measured amount if they are not classified as held for sale and the net amount of fair value less selling expenses should be compared at the initial measurement.

The above principles apply to all non-current assets, excluding investment properties measured using the fair value model, biological assets measured at net amount of fair value less selling expenses, assets arising from employee compensation, deferred income tax assets, financial assets regulated by financial instrument-related accounting standards, and rights arising from insurance contracts regulated by insurance contract-related accounting standards.

Recognition Criteria and Presentation Method for Business Termination

□Applicable ✓Not Applicable

19. Long-term Equity Investments

✓Applicable □ Not Applicable

1．Determination of Initial Investment Cost

(1) For specific accounting policies for long-term equity investments resulting from enterprise merger, please refer to (6) - Accounting Treatment Method for Enterprise Merger under the Same Control and not under the Same Control in Section V - Significant Accounting Policies and Estimates.

(2) Long-term equity investments acquired through other means

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.

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. Transaction costs incurred in the issuance or acquisition of equity instruments can be directly attributed to equity transactions and deducted from equity.

In non-monetary asset exchanges where there exists commercial substance and the fair value of the assets received or given up can be reliably measured, the initial investment cost of long-term equity investments received in exchange for non-monetary assets is determined based on the fair value of the assets given up, unless there is conclusive evidence that the fair value of the assets received is more reliable. For non-monetary asset exchanges that do not meet the above conditions, the initial investment cost of the long-term equity investment received is determined based on the book value of the assets given up and the relevant taxes payable.

For long-term equity investments acquired through debt restructuring, their initial investment cost is determined based on their fair value.

2．Subsequent Measurement and Profit/Loss Recognition

(1) Cost Method

The Company may adopt the cost method to account for long-term equity investments in the invested units over which it exercises control, value them based on their initial investment cost, and add or withdraw investment to adjust the cost of long-term equity investments.

In addition to the cash dividends or profits declared but not yet distributed included in the price or consideration actually paid at the acquisition of investment, the Company recognizes the cash dividends or profits, as declared by the invested units, as current investment income.

(2) Equity Method

The Company adopts the equity method to account for long-term equity investments in associates and joint ventures. Equity investments in associates with a portion indirectly held through venture capital institutions, mutual funds, trust companies, or similar entities, including investment-linked insurance funds, should be measured at fair value, with changes therein recorded in profit or loss.

If the initial investment cost of a long-term equity investment exceeds the difference between the Company's share of the fair value of identifiable net assets of the invested unit at the time of investment, no adjustment is made to the initial investment cost of the long-term equity investment. If the initial investment cost is less than the difference mentioned above, it is recorded in the profit or loss for the current period.

After acquiring a long-term equity investment, the Company separately recognizes investment income and other comprehensive income based on its share of the net profit and other comprehensive income realized by the invested unit, and adjusts the book value of the long-term equity investment. The Company also reduces the book value of long-term equity investment correspondingly based on its share of the profits or cash dividends declared by the invested unit. In case of any other changes in the owners' equity, excluding net profit, other comprehensive income, and profit distribution of the invested unit, adjustments should be made to the book value of the long-term equity investment and recorded in the owners' equity.

When recognizing its share of the net profit or loss in the invested unit, the Company adjusts and then recognizes the net profits of the invested unit based on the fair value of various identifiable assets of the invested unit at the time of investment. The profit or loss from unrealized internal transactions between the Company and associates or joint ventures are offset based on the Company's proportionate share, and investment income is recognized thereafter.

When recognizing the invested unit's losses to be borne by it, the Company takes the following steps: (1) Offset the book value of long-term equity investments; (2) Continue to recognize investment losses at an amount limited to the book value of the long-term equity that materially represents the net investment in the invested unit and offset the book value of long-term receivables, etc., if the book value of the long-term investments are insufficient to offset. (3) After the above treatments, if the Company still bears additional obligations according to the investment contract or agreement, it should recognize the estimated liabilities according to the estimated obligations and record them in the investment loss for the current period.

If the invested unit realizes profits in subsequent periods, the Company, after deducting the unrecognized loss-sharing amount, proceeds to the aforementioned steps in reverse order: Write down the book balance of recognized estimated liabilities, restore the book value of long-term equity and long-term equity investment that materially represent investment in the invested unit, and then restore and recognize investment income.

3．Conversion of Accounting Method for Long-term Equity Investments

(1). Conversion from Fair Value Measurement to Equity Method for Accounting

For equity investments held by the Company without control, joint control, or significant influence over the invested unit, recognized using financial instruments and accounted for using measurement standards, which, due to additional investments or other reasons, are able to exert significant influence over the invested unit or exercise joint control without constituting control, the initial investment cost for equity investments accounted for by the equity method is determined by adding the fair value of the originally held equity investments determined in accordance with the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* to the additional investment cost.

If the initial investment cost accounted for by the equity method is less than the difference between the newly calculated shares of fair value of identifiable net assets of the invested unit on the date of additional investment, adjustments are made to the book value of long-term equity investments and recorded in the non-operating income for the current period.

(2). Measurement at Fair Value or Conversion of Equity Method to Cost Method for Accounting

For equity investments previously held by the Company without control, joint control, or significant influence over the invested unit, recognized using financial instruments and accounted for using measurement standards, or for long-term equity investments previously held in associates or joint ventures, which, due to additional investments or other reasons, are able to exercise control over invested unit not under the same control, the sum of the book value of equity investments previously held and the cost of additional investments is treated as the initial investment cost accounted for by the cost method in the preparation of individual financial statements.

Any other comprehensive income recognized in equity investments held prior to the acquisition date and accounted for using the equity method should be accounted for using the same basis as the invested unit's direct disposal of related assets or liabilities when disposing of the investment.

For equity investments held prior to the acquisition date and accounted for in accordance with the relevant provisions specified in the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, cumulative fair value changes previously recorded in other comprehensive income are transferred to the profit or loss for the current period when converted to the cost method.

(3). Conversion of Equity Method Accounting to Fair Value Measurement

If the Company loses joint control or significant influence over an invested unit due to the disposal of part of its equity investments or other reasons, the remaining equity after disposal is accounted for in accordance with the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*. The difference between the fair value and the book value on the day of losing joint control or significant influence is recorded in the profit or loss for the current period.

Any other comprehensive income recognized and accounted for by equity method for original equity investments should be accounted for using the same basis as the invested unit's direct disposal of related assets or liabilities when terminating the adoption of the equity method for accounting.

(4). Conversion of Cost Method to Equity Method

If the Company loses control over an invested unit due to the disposal of part of its equity investments or other reasons, and the remaining equity after disposal is able to exercise joint control or exert significant influence over the invested unit, the remaining equity should be accounted for using the equity method, and should be adjusted as if it had been accounted for using the equity method from the acquisition date.

(5). Conversion of Cost Method to Fair Value Measurement

If the Company loses control over an invested unit due to the disposal of part of its equity investments or other reasons, and the remaining equity after disposal cannot exercise joint control or exert significant influence over the invested unit, the remaining equity should be accounted for in accordance with the relevant provisions specified in the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*. The difference between the fair value and the book value on the day of losing control is recorded in the profit or loss for the current period.

4. Disposal of Long-term Equity Investments

The difference between the book value and the actually received price for the disposal of long-term equity investments should be recorded in the profit or loss for the current period. For long-term equity investments accounted for using the equity method, the same basis as the invested unit's direct disposal of related assets or liabilities should be used when the investment is disposed of, and the portion originally recorded in other comprehensive income should be accounted for proportionally.

When the terms, conditions and economic impact of transactions involving the disposal of equity investments in subsidiaries meet one or more of the following circumstances, multiple transaction matters should be accounted for as a package deal:

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

(2). These transactions collectively achieve a complete business outcome;

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

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

If the control over a subsidiary is lost due to the disposal of part of the equity investment or other reasons and the transaction does not constitute a package deal, individual financial statements and consolidated financial statements should be distinguished and relevant accounting treatment should be applied:

(1) In individual financial statements, the difference between the book value and the actually received price for the disposed equity should be recorded in the profit or loss for the current period. If the remaining equity after disposal can exercise joint control or exert significant influence over the invested unit, it should be accounted for using the equity method, and should be adjusted as if it had been accounted for using the equity method from the acquisition date; if the remaining equity after disposal cannot exercise joint control or exert significant influence over the invested unit, it should be

accounted for in accordance with the relevant provisions specified in the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the difference between the fair value and the book value on the day of losing control should be recorded in the profit or loss for the current period.

(2) In consolidated financial statements, for transactions before the loss of control over a subsidiary, the difference between the disposal price and the corresponding share of net assets of the subsidiary calculated continuously from the acquisition date or merger date, should be offset by capital reserve (share premium). If capital reserve is insufficient to offset, the retained earnings should be adjusted. After losing control over a subsidiary, the remaining equity should be remeasured at fair value on the date of loss of control. The sum of the price received for the disposal of equity and the fair value of the remaining equity, minus the proportionate share of net assets of the original subsidiary calculated from the acquisition date at the original ownership proportion, should be recorded in the investment income for the period of loss of control, and offset by goodwill. Other comprehensive income related to the equity investments in the original subsidiary should be transferred to current investment income upon loss of control.

Transactions involving the disposal of equity investments in subsidiaries until control is lost, which are part of a package deal, are accounted for as a single transaction for the disposal of equity investments in subsidiaries and losing control over subsidiaries, with separate accounting treatment for individual financial statements and consolidated financial statements.

(1) In individual financial statements, the difference between each disposal price and the book value of the long-term equity investments corresponding to the disposed equity before the loss of control is recognized as other comprehensive income and transferred to the profit or loss for the current period when control is lost.

(2) In consolidated financial statements, the difference between each disposal value and the share of the net assets of the subsidiary corresponding to the disposed investment is recognized as other comprehensive income before the loss of control and transferred to the profit or loss for the current period when control is lost.

5．Judgement Criteria for Joint Control and Significant Influence

If the Company collectively controls an arrangement with other parties in accordance with relevant agreements and decisions that significantly affect the returns from the arrangement require unanimous consent of the parties sharing control, it is considered that the Company jointly controls the arrangement with other parties, and the arrangement falls under the category of joint arrangements.

If a joint arrangement is reached through a separate entity, the Company treats the separate entity as a joint venture and applies the equity method for accounting based on relevant agreements when determining its right to the net assets of that separate entity. If it is determined based on relevant agreements that the Company does not have the right to the net assets of that separate entity, the separate entity is treated as a joint operation, and the Company recognizes items related to its interest in joint operations and accounts for them in accordance with relevant Accounting Standards for Business

Enterprises.

Significant influence refers to the power of the investing party to participate in the decision-making of the financial and operating policies of the invested unit, without control or joint control with other parties over the formulation of these policies. The Company determines significant influence on the invested unit based on one or more of the following circumstances and takes into consideration all facts and circumstances: (1) Having representatives to the board of directors or similar governing bodies of the invested unit; (2) Participating in the process of formulating the financial and operating policies of the invested unit; (3) Engaging in significant transactions with the invested unit; (4) Deploying management personnel to the invested unit; (5) Providing critical technical information to the invested unit.

20. Investment Properties

Not Applicable

21. Fixed Assets

(1). Recognition Conditions

✓Applicable □ Not Applicable

1．Recognition Conditions for Fixed Assets

Fixed assets refer to tangible assets held for the purpose of producing goods, providing services, renting, or managing operations, and whose useful life exceeds one accounting year. Fixed assets are recognized when both of the following conditions are met:

(1) Economic benefits related to the fixed assets are likely to flow into the enterprise;

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

2．Initial Measurement of Fixed Assets

Fixed assets of the company are initially measured based on cost.

(1). The cost of externally acquired fixed assets includes the purchase price, import tariffs, and other taxes and fees related to the asset, as well as other expenses directly attributable to the asset before it reaches the intended usable state.

(2). The cost of self-constructed fixed assets consists of necessary expenses incurred before the asset reaches the intended usable state.

(3). Fixed assets contributed by investors are booked at the entry value agreed upon in the investment contract or agreement, but if the value agreed upon in the contract or agreement is not fair, it is booked fair value.

(4). If the purchase price of fixed assets exceeds the normal credit terms with deferred payment and has a substantive financing nature, the cost of the fixed assets is determined based on the present value of the purchase price. The difference between the actually paid price and the present value of the purchase price is recorded in the current profit or loss during the credit period.

3．Subsequent Measurement and Disposal of Fixed Assets

(1). Depreciation of Fixed Assets

Depreciation of fixed assets is provided over their estimated useful lives after deducting the estimated residual value from their entry value. For fixed assets for which impairment provisions have been made, depreciation is calculated in future periods based on the remaining book value and the estimated remaining useful life after deducting the impairment provisions. Fixed assets that have been fully depreciated and are still in use are not subject to further depreciation.

For fixed assets arising from expenditure funded by special reserves, the cost of these fixed assets is offset against the special reserves and an equivalent amount of accumulated depreciation is recognized, with no depreciation being provided in subsequent periods.

The Company determines the useful life and estimated residual value of fixed assets based on their nature and usage. At the end of each year, the useful life, estimated residual value, and depreciation method of fixed assets are reviewed, and adjustments are made if there are differences from the original estimates.

(2). Subsequent Expenditures on Fixed Assets

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.

(3). Disposal of Fixed Assets

When fixed assets are disposed of or when it is expected that no economic benefits will arise from their use or disposal, such fixed assets are derecognized. The disposal proceeds from the sale, transfer, scrapping or damage of fixed assets, after the deduction of their book value and relevant taxes, are recorded in the profit or loss for the current period.

(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	5.00	2.375-9.50
Machinery and Equipment	Straight-Line Method	5-20 years	5.00	4.75-19.00
Transportation Tools	Straight-Line Method	5 years	5.00	19.00
Office and Other Equipment	Straight-Line Method	5 years	5.00	19.00

22. Construction in Progress

✓Applicable □ Not Applicable

1. Initial Measurement of Construction in Progress

Construction in progress, self-constructed by the Company, is valued at actual cost, which comprises necessary expenses incurred until the asset reaches the intended usable state, including cost of materials, labor, relevant taxes paid, borrowing costs to be capitalized, and indirect costs to be allocated.

2. Criteria and Timing for Capitalization of Construction in Progress into Fixed Assets

All expenditures incurred before the intended usable state is achieved for construction in progress projects are recognized as the entry value of fixed assets. When construction in progress has reached the intended usable state but final settlement has not been completed, it is capitalized into fixed assets based on the estimated value determined by project budget, construction cost, or actual project cost and depreciation is then provided based on the Company's fixed asset depreciation policy. After the final settlement, the estimated value is adjusted according to the actual cost, but previously provided depreciation is not adjusted.

The impairment testing method and the provision method for impairment of construction in progress are detailed in Section 27: Impairment of Long-term Assets.

23. Borrowing Costs

✓Applicable □ Not Applicable

1．Recognition Principle for Capitalization of Borrowing Costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition or construction of qualifying assets for capitalization are capitalized and recorded in the cost of related assets; other borrowing costs are recognized as expenses based on their amounts when incurred.

Qualifying assets for capitalization refer to assets such as fixed assets, investment properties and inventories that require a substantial period of time for acquisition or construction activities to reach their intended usable or saleable status.

Borrowing costs are eligible for capitalization when all of the following conditions are met:

(1) Expenditure for the asset has been incurred, including payments in cash, the transfer of non-cash assets, or the assumption of interest-bearing liabilities for acquisition, construction or production of qualifying assets for capitalization;

(2) Borrowing costs have been incurred;

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

2．Capitalization Period for Borrowing Costs

The capitalization period refers to the duration from the commencement of capitalizing borrowing costs to the cessation of such capitalization, excluding periods when capitalization of borrowing costs is suspended.

Capitalization of borrowing costs halts when the qualifying assets for capitalization reaches the intended usable or saleable status.

When parts of a qualifying asset for capitalization are completed and can be used separately, capitalization of borrowing costs for those parts halts.

For assets where parts are completed but cannot be used or sold until the entire asset is completed, capitalization of borrowing costs halts when the entire asset is completed.

3．Suspension Period for Capitalization

If there is an abnormal interruption during the acquisition, construction or production of a qualifying asset for capitalization and the interruption lasts continuously for more than three months, capitalization of borrowing costs is suspended. Capitalization will continue if the interruption is necessary for the asset to reach its intended usable or saleable state. Borrowing costs incurred during the interruption period are recognized as profit or loss for the current period and their capitalization will continue until the resumption of asset acquisition, construction or production activities.

4. Calculation Method for Capitalized Amount of Borrowing Costs

Interest costs on specific borrowings (net of interest income earned from the deposit of the borrowed funds not yet used or from temporary investments) and related auxiliary costs are capitalized until the qualifying asset for capitalization under acquisition, construction or production reaches its intended usable or saleable state.

The amount of interest from general borrowings to be capitalized is calculated by multiplying the weighted average of accumulated expenditure on the asset over the specific borrowings by the capitalization rate of the general borrowings. The capitalization rate is determined based on the weighted average interest rate of general borrowings.

If borrowing carries a discount or premium, the amount of discount or premium to be amortized during each accounting period is determined using the effective interest method, with adjustments to the interest amount for each period.

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

Intangible assets refer to identifiable non-monetary assets without physical form controlled or owned by the Company, including land use rights, software, and licenses for patent usage.

1. Recognition Criteria for Intangible Assets

An intangible asset must meet the above definition of an intangible asset and also satisfy all of the following recognition criteria:

(1). It is probable that the economic benefits associated with the asset will flow to the enterprise;

(2) The cost of the asset can be measured reliably.

2. Initial Measurement of Intangible Assets

The cost of externally acquired intangible assets includes the purchase price, related taxes, and other expenses directly attributable to bringing the asset to its intended use. If the purchase price of intangible assets exceeds the normal credit terms with deferred payment and has a substantive financing nature, the cost of intangible assets is determined based on the present value of the purchase price.

The cost of internally developed intangible assets includes materials consumed, labor costs, registration fees, amortization of other patents and licenses used during development, interest expenses for meeting the capitalization conditions, and other direct expenses incurred before the intangible asset reaches its intended use.

3. Subsequent Measurement of Intangible Assets

The company analyzes and assesses the useful life of intangible assets at the time of acquisition, and classifies them as having either finite or indefinite useful lives.

(1) Intangible Assets with Finite Useful Lives

For intangible assets with finite useful lives, straight-line amortization is applied over the period during which the asset is expected to generate economic benefits. The estimated useful lives of such assets and their basis are as follows:

Item	Estimated Useful Life	Basis
Land Use Rights	50 years	Land Use Certificate
Software	10 years	Contractual Agreements and Tax Law Provisions
Licenses for Patent Usage	4.75-20 years	Benefit Period

At the end of each period, the useful lives of and depreciation methods for intangible assets with finite useful lives are reviewed, and adjusted when necessary.

(2) Intangible Assets with Indefinite Useful Lives

Intangible assets for which the period of economic benefit cannot be reliably predicted are considered to have indefinite useful lives.

The Company does not have any intangible assets with indefinite useful lives.

For impairment testing methods and impairment provision methods for intangible assets, refer to (27) - Impairment of Long-term Assets in Section V - Significant Accounting Policies and Estimates.

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

✓Applicable □ Not Applicable

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

Research Phase: A phase involving innovative, planned investigations and research activities to acquire and comprehend new scientific or technological knowledge.

Development Phase: A phase in which research findings or other knowledge are applied to a specific plan or design before commercial production or use, leading to the creation of new or substantially improved materials, devices, products, etc.

Expenditures incurred during the research phase of internal research and development projects are recorded in the profit or loss for current period when they occur.

2．Specific criteria for capitalization of expenditures during the development phase

Expenditures incurred during the development phase of internal research and development projects are recognized as intangible assets when they meet all of the following conditions:

(1) Completion of the intangible asset to enable its use or sale is technically feasible;

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

(3) 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;

(4) 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;

(5) Expenditures attributable to the development stage of the intangible asset can be reliably measured.

Expenditures incurred during the development phase that do not meet the above conditions are recorded in the profit or loss for the current period when they occur. Development expenditures previously recorded in profit or loss are re-recognized as assets in subsequent periods. Capitalized expenditures during the development phase are presented on the balance sheet as development expenditures and are reclassified as intangible assets from the date the project reaches its intended use.

27. Impairment of Long-term Assets

✓Applicable □ Not Applicable

At each balance sheet date, the Company reviews its long-term equity investments, fixed assets, construction in progress, and intangible assets with definite useful lives for any indication of possible impairment. If any such indication exists, the recoverable amount of the individual asset is estimated. Where it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined instead.

The estimation of the recoverable amount of an asset is determined by the net amount of its fair value less disposal costs or its present value of expected future cash flows, whichever is higher.

The measurement results of the recoverable amount indicates that if a long-term asset's recoverable amount is less than its book value, the book value is written down to the recoverable amount, and the written-down amount is recognized as an impairment loss and recorded in the profit or loss for the current period, with the provision for asset impairment being provided accordingly. Once an asset impairment loss is recognized, it cannot be reversed in subsequent accounting periods.

After recognition of asset impairment losses, the expenses on depreciation or amortization of impaired assets are adjusted accordingly in future periods to systematically allocate the adjusted book value of the assets (net of estimated net residual value) over the remaining useful life.

For goodwill arising from enterprise merger and intangible assets with indefinite useful lives, impairment tests are conducted annually regardless of whether there are indicators of impairment.

When conducting impairment tests on goodwill, the book value of goodwill is allocated to the asset portfolio or asset portfolios that are expected to benefit from the synergy effects of the enterprise merger. When conducting impairment tests on asset portfolio or asset portfolios containing goodwill, if there are indicators of impairment related to the asset portfolio or asset portfolios containing goodwill, impairment tests are first conducted on asset portfolio or asset portfolios without goodwill, and then the recoverable amount is calculated, and compared with the book value to recognize the corresponding impairment loss. Subsequently, impairment tests are conducted on asset portfolio or asset portfolios containing goodwill, and the book value (including the book value portion of allocated goodwill) of the related asset portfolio or asset portfolios is compared with their recoverable amount. If the recoverable amount of the related asset portfolio or asset portfolios is lower than their book value, impairment losses on goodwill are recognized.

28. Long-term Deferred Expenses

✓Applicable □ Not Applicable

1. Amortization Method

Long-term deferred expenses refer to expenses that have been incurred by the Company but should be allocated over a period exceeding one year from the current period and subsequent periods.

Long-term deferred expenses are amortized on a straight-line basis over the benefit period.

2. Amortization Period

Category	Amortization Period (Years)	Remarks
Site Lease Fees	20	Lease Term
Housing Subsidies	9	Service Period
Employee Rewards	5	Service Period
Production Materials	1.5-5	Usage Period
Leasehold Improvements	5	Usage Period

29. Contract Liabilities

✓Applicable □ Not Applicable

The Company recognizes as contract liabilities the obligation to transfer goods to customers for the consideration received or receivable from customers.

30. Employee Compensation

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

✓Applicable □ Not Applicable

Short-term compensation refers to the employee compensation that the Company is obligated to pay within twelve months after the end of the annual reporting period in which the employees provide relevant services, excluding post-employment benefits and termination benefits. During the accounting period in which employees provide services, short-term compensation payable is recognized as a liability, and is recorded in related asset costs and expenses based on the benefits derived from the services provided by employees.

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

✓Applicable □ Not Applicable

Post-employment benefits refer to various forms of compensation and benefits provided by the Company to employees upon retirement or termination of employment with the Company for attaining the services provided by employees, excluding short-term compensation and termination benefits.

All of the Company's post-employment benefit plans are defined contribution plans.

The Company's defined contribution plan for post-employment benefits primarily includes participation in basic social pension insurance, unemployment insurance, etc. organized and implemented by local labor and social security institutions. During the accounting period in which employees provide services to the Company, the amount payable calculated based on the defined contribution plan is recognized as a liability, and is recorded in the profit or loss for the current period or related asset costs.

After making regular payments for the above items in accordance with national standards, the Company no longer has any further payment obligations.

(3). Method for Accounting Treatment of Termination Benefits

✓Applicable □ Not Applicable

Termination benefits refer to compensations provided by the Company to employees due to termination of their employment contracts before their expiration or as incentives for voluntary layoffs. These are recognized as liabilities arising from compensations for terminating employment contracts when the Company cannot unilaterally withdraw termination plans or layoff proposals, and when costs related to restructuring involving payments for termination benefits are confirmed, whichever occurs earlier, and are simultaneously recorded in the profit or loss for the current period.

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

✓Applicable □ Not Applicable

Other long-term employee benefits refer to all employee benefits other than short-term compensation, post-employment benefits, and termination benefits.

For other long-term employee benefits that meet the conditions of the defined contribution plan, the amount payable is recognized as a liability and recorded in the profit or loss for the current period or related asset costs during the accounting period in which employees provide services to the Company.

31. Estimated Liabilities

✓Applicable □ Not Applicable

1．Recognition Criteria for Estimated Liabilities

A provision is recognized when the obligation related to a contingency constitutes a present obligation of the Company; it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured.

2．Measurement Method for Estimated Liabilities

The estimated liabilities of the Company are initially measured at the best estimate of the expenditure required to fulfill the related present obligation.

When determining the best estimate, the Company takes into account comprehensively factors such as risks, uncertainties, and the time value of money related to the contingent liabilities. For contingent liabilities with significant impact on the time value of money, the best estimate should be determined by discounting the relevant future cash outflows.

The best estimate is handled as follows:

In cases where there is a continuous range (or interval) of expenditures and each possible outcome within the range occurs with equal probability, the best estimate should be determined based on the average of the upper and lower limits of the range.

In cases where there is no continuous range (or interval) of expenditures, or although there is a continuous range, the probabilities of occurrence of various outcomes within the range are not equal, the best estimate should be determined based on the most likely amount if the contingent matter relates to a single item and should be calculated based on various possible outcomes and their probabilities if the contingent liability involves multiple items.

If all or part of the expenditures required to settle the estimated liabilities are expected to be compensated by a third party, the compensation amount should be separately recognized as an asset when it is virtually certain to be received, with the recognized compensation amount not exceeding the book value of the estimated liabilities.

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 equity and share-based payment settled by cash.

2. Method for Determining Fair Value of Equity Instruments

For granted equity instruments such as options with active markets, their fair value is determined based on quotes from such active markets. For granted equity instruments such as options without active markets, their fair value is determined using option pricing model or other methods. The following factors are considered in the selected option pricing model: (1) exercise price of the option; (2) term of the option; (3) current price of the underlying shares; (4) expected volatility of share prices; (5) expected dividends of shares; (6) risk-free interest rate during the term of the option.

When determining the fair value on the grant date of equity instruments, the Company takes into account the impact of market conditions and non-market conditions in the exercisable conditions for exercising as stipulated in the share-based compensation agreement. If non-exercisable conditions exist, as long as employees or other parties meet all non-market conditions among all exercisable conditions (such as service periods), the corresponding cost of services received is recognized.

3. Basis for Determining the Best Estimate of Exercisable Equity Instruments

On each balance sheet date during the vesting period, the best estimate is made based on the latest changes in the number of eligible employees for exercise and other subsequent information, with adjustment to the estimated quantity of exercisable equity instruments. On the exercise date, the final estimated quantity of exercisable equity instruments matches the actual quantity of such instruments.

4. Accounting Treatment Method

(1) Accounting Treatment for Equity-Settled and Cash-Settled Share-Based Payments

For equity-settled share-based payments, the fair value of equity instruments granted to employees is used for measurement. If the equity instruments are exercisable immediately upon grant, their fair value on the grant date is recognized in relevant costs or expenses, with a corresponding increase in capital reserve. When equity-settled share-based payments are used in exchange for services from other parties, and the fair value of such services can be reliably measured, the fair value of the services on the acquisition date is recognized in relevant costs or expenses, with a corresponding increase in capital reserve. If the fair value of the services cannot be reliably measured but the fair value of the equity instruments can be, the fair value of the equity instruments on the service acquisition date is used instead.

For equity instruments exercisable only upon completion of the vesting period or achievement of performance conditions, the best estimate of the number of equity instruments expected to vest is made at each balance sheet date during the vesting period. Based on the fair value of the equity instruments at the grant date, the value of the services received during the period is recognized in relevant costs or expenses and capital reserve. No adjustment is made to the total recognized cost or equity after the vesting date. For share-based payments to other parties, if the fair value of the services can be reliably measured, the fair value of the services on the acquisition date is recognized in relevant costs or expenses, with a corresponding increase in capital reserve. If the fair value of the services cannot be reliably measured but the fair value of the equity instruments can be, the fair value of the equity instruments on the service acquisition date is used instead.

For cash-settled share-based payments, the liability is measured at the fair value of the obligation undertaken by the Company, which is determined based on shares or other equity instruments. If the instruments are exercisable immediately upon grant, the fair value of the liability on the grant date is recognized in relevant costs or expenses, with a corresponding increase in liabilities. For instruments that become exercisable only after completing the vesting period or meeting performance conditions, the fair value of the liability is estimated at each balance sheet date during the vesting period based on the best estimate of vesting, and the value of the services received during the period is recognized in costs or expenses and corresponding liabilities. Prior to settlement of the liability, the fair value of the liability is remeasured at each balance sheet date and on the settlement date, and any changes in fair value are recognized in profit or loss for the period.

(2) Accounting Treatment for Modifications to Terms and Conditions of Share-Based Payments

For unfavorable modifications, the Company treats the change as if it had never occurred and continues to account for the services received as originally agreed.

For favorable modifications, the Company applies the following treatment: If the modification increases the fair value of the equity instruments granted, the Company recognizes an increase in the value of services received accordingly. If the modification occurs during the vesting period, the fair value of the services received from the date of modification to the revised vesting date shall include both the amount based on the original grant-date fair value of the equity instruments for the remaining original vesting period, and the increase in fair value resulting from the modification. If the modification occurs after the vesting date, the increase in fair value shall be recognized immediately. If the modified share-based payment arrangement requires the employee to complete a longer service period before vesting, the Company shall recognize the increase in fair value over the revised vesting period.

If the modification increases the number of equity instruments granted, the Company shall recognize the fair value of the additional equity instruments as an increase in the value of services received. If the modification occurs during the vesting period, the fair value of the services received from the modification date to the vesting date of the additional equity instruments shall include both the original fair value based on the grant date for the remaining vesting period, and the increase in fair value from the additional instruments.

If the Company modifies the vesting conditions in a manner favorable to the employee—such as shortening the vesting period or changing or cancelling performance conditions (excluding market conditions)—the revised vesting conditions shall be taken into account when assessing the vesting.

If the Company modifies a cash-settled share-based payment arrangement so that it becomes an equity-settled arrangement, the Company measures the equity-settled share-based payment at the fair value of the equity instruments granted on the modification date (regardless of whether the modification occurs during or after the vesting period), and recognizes the services received up to that date in capital reserves. At the same time, the liability previously recognized for the cash-settled arrangement is derecognized, and any difference is recognized in profit or loss for the period. If the modification results in an extension or shortening of the vesting period, the Company accounts for the change based on the revised vesting period.

(3) Accounting Treatment for Cancellation of Share-Based Payments

If the granted equity instruments are cancelled during the vesting period, the Company accounts for the cancellation as an accelerated vesting. The amount that would have been recognized over the remaining vesting period is recognized immediately in profit or loss for the current period, with a corresponding increase in capital reserves. If an employee or other party chooses not to meet a non-vesting condition during the vesting period, the Company treats it as a cancellation of the granted equity instruments.

If an employee voluntarily withdraws from the equity incentive plan, the Company accounts for it as an accelerated vesting, recognizing immediately in profit or loss the amount that would have been recognized over the remaining vesting period, with a corresponding increase in capital reserves.

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

The Company's revenue mainly arises from the following business types: sales of food flavor and texture optimization products, animal nutrition amino acids, human medical amino acids, and related by-products.

1. General Principles of Revenue Recognition

The Company recognizes revenue at the transaction price allocated to that performance obligation when it fulfills its obligations under contracts, i.e., when customers obtains the control over the relevant goods or services.

Performance obligations refer to commitment by the Company in the contract to transfer clearly identifiable goods or services to the customer..

Obtaining control over relevant goods refers to the ability to direct the use of the goods and receive almost all of the economic benefits from them.

The Company evaluates a contract at the commencement date to identify individual performance obligations and determine whether those obligations are to be fulfilled over a period or at a specific moment. If one of the following conditions is met, the obligations are considered to be fulfilled over a period, and revenue is recognized by the Company over the defined period based on the progression of fulfillment: (1) the customer simultaneously receives and consumes the benefits derived from the Company's performance; (2) the customer can exercise control over the goods under construction during the Company's performance; (3) the goods produced by the Company during performance serve an indispensable purpose and the Company has the right to receive payment for the cumulative performance up to now over the entire contract period. Otherwise, the Company recognize revenue at the moment when the customer obtains control of the relevant goods or services.

For performance obligations fulfilled over a period, the Company determines the appropriate progress using the output method/input method based on the nature of the goods and services. The output method determines the performance progress based on the value of the goods transferred to the customer (the input method determines the performance progress based on the Company’s inputs to fulfill its performance obligations). When the performance progress cannot be reasonably determined, and the costs already incurred is likely to be reimbursed, revenue is recognized based on the amount of costs incurred until the performance progress can be reasonably determined.

2．Specific Methods for Revenue Recognition

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.

Export Sales: According to the contracts or orders signed with the customer, sales revenue realization is recognized by the Company on the export date specified on the custom declaration, upon the completion of loading goods onto the vessel, the completion of customs clearance procedures, and the transfer of control over the goods.

3．Revenue Treatment Principles for Specific Transactions

(1) Contracts with Sales Return Provisions

For sales contracts with sales return provisions, the Company recognizes revenue when the customer obtains control of the related goods based on the amount of consideration expected to be received from transferring goods to the customer (excluding the amount expected to be refunded due to sales returns), and recognizes liabilities based on the amount expected to be refunded due to sales returns. Additionally, the balance after deducting the estimated cost (including the depreciation in the value of the returned goods) of returning the goods from the book value of the goods expected to be returned at the time of transfer is recognized as an asset. Subsequently, the net amount after deducting the cost of the asset from the book value of the goods at the time of transfer is carried forward as cost.

(2) Contracts with Quality Assurance Provisions

For sales contracts with quality assurance provisions, if the quality assurance provides a separate service beyond assuring that the goods or services sold meet established standards, it constitutes a separate performance obligation. Otherwise, the Company accounts for the quality assurance responsibility according to the *Accounting Standards for Business Enterprises No. 13 - Contingencies*.

(3) Contracts with Customer Options for Additional Purchases

Customer options for additional purchases include sales incentive measures, additional discounts for future goods or services, etc. For options for additional purchases that provide the customer with significant rights, the Company treats them as separate performance obligations and recognizes relevant revenues when the customer exercises the purchase options to obtain control over relevant goods or services in the future or when the options expire. When the standalone selling price of customer options for additional purchases cannot be directly observed, the Company estimates it by considering all relevant information, including differences in discounts obtained from exercising and not exercising the options and the likelihood of exercising the options.

(4) Principal vs. Agent

The Company determines whether it acts as a principal or an agent based on whether it has control over the goods or services before transferring them to the customer. If the company can exercise control over the goods or services before transferring them to the customer, it acts as a principal and recognizes revenue based on the total consideration received or receivable. Otherwise, the company acts as an agent and recognizes revenue based on the amount of commission or handling fees expected to be entitled to receive. Such amount is determined by deducting the amounts payable to other related parties from the total consideration received or receivable.

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

□Applicable ✓Not Applicable

35. Contract Costs

✓Applicable □ Not Applicable

1. Contract Performance Costs

Costs incurred by the Company to perform contracts are recognized as an asset if they meet all of the following conditions and are not within the scope of other Accounting Standards for Business Enterprises excluding revenue standards:

(1) The 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;

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

(3) The cost is expected to be recoverable.

This asset is presented under inventories or other non-current assets based on whether the amortization period exceeds one normal operating cycle at the time of initial recognition.

2. Contract Obtaining Costs

Incremental costs incurred by the Company to obtain contracts and expected to be recoverable are recognized as an asset. Incremental costs refer to costs that would not have been incurred if the contract had not been obtained, such as sales commissions. For amortization periods not exceeding one year, they are recorded in the profit or loss for the current period when incurred.

3. Amortization of Contract Costs

Assets related to contract costs mentioned above are amortized based on the same basis as the revenue recognition for goods or services related to the assets, either at the time of performance obligation fulfillment or based on the progress of performance obligation fulfillment, and recorded in the profit or loss for the current period.

4. Impairment of Contract Costs

If the book value of the aforementioned assets related to contract costs exceeds the difference between the residual consideration expected to be obtained by the Company from the transfer of goods related to these assets and the estimated costs to be incurred for the transfer, the excess should be set aside impairment provision and recognized as an impairment loss.

After the impairment provision, if there are changes in impairment factors in previous periods, resulting in the above difference exceeding the book value of the assets, the provision for impairment loss previously accrued shall be reversed, and recorded in the profit or loss for the current period. However, the book value of the assets after reversal should not exceed that on the reversal date under the assumption of no accrual of impairment provision.

36. Government Grants

✓Applicable □ Not Applicable

1．Types

Government grants refer to monetary assets and non-monetary assets obtained by the Company from the government without charge. According to the beneficiaries stipulated in relevant government documents, government grants are classified into asset-related government grants and revenue-related government grants.

Asset-related government grants are those obtained by the Company for the acquisition, construction, or formation of long-term assets by other means. Revenue-related government grants refer to government grants other than asset-related government grants.

2．Recognition of Government Grants

Government grants are recognized at the amount receivable if there is evidence at the end of the period that the Company can meet the relevant conditions stipulated in the financial support policy and is expected to receive financial support funds. Otherwise, government grants are recognized when actually received.

Government grants in the form of monetary assets are measured at the amount received or receivable. Government grants in the form of non-monetary assets are measured at fair value; if fair value cannot be reliably obtained, they are measured at the nominal amount (RMB 1). Government grants measured at nominal amounts are directly recorded in the profit or loss for the current period.

3. Accounting Treatment Method

The Company determines whether a certain type of government grant matter should be accounted for using the gross method or the net method based on the substance of the economic matter. Typically, the Company selects only one method for same or similar government grant matters and consistently applies that method to the matter.

Items	Accounting Content
Category of Government Grants Accounted for Using the Gross Method	Government grants related to anything other than loans of discount interest
Category of Government Grants Accounted for Using the Net Method	Government grants related to loans of policy-oriented preferential interest rate

Asset-related government grants should either be offset against the book value of related assets or be recognized as deferred revenues. Asset-related government grants recognized as deferred revenues should be reasonably and systematically recorded in profit or loss over the useful life of the constructed or purchased assets.

Revenue-related government grants used to compensate for expenses or losses in future periods are recognized as deferred revenues and are recorded in profit or loss for the current period or offset against related costs when the related expenses or losses are recognized. Grants used to compensate for expenses or losses already incurred by the Company are recorded directly in profit or loss for the current period or offset against related costs upon receipt.

Government grants related to the Company’s ordinary activities are recorded in other income or offset against related costs. Government grants unrelated to the Company's ordinary activities are recorded in non-operating income and expenses.

Government grants received related to loans of policy-oriented preferential interest are offset against related borrowing costs. If loans of policy-oriented preferential interest rates provided by banks are obtained, the actual amount received is treated as the entry value of the loans, and the related borrowing costs are calculated based on the loan principal and the preferential interest rate.

When government grants already recognized need to be refunded, adjustments are made to the book value of related assets if they are offset against the book value of the assets; the book balance of related deferred revenues is offset if there are balances in the related deferred revenues and the surplus is recorded in the profit or loss for the current period; and the surplus is recorded directly in profit or loss for the current period if there are no balances in the related deferred revenues.

37. Deferred Income Tax Assets / Deferred Income Tax Liabilities

✓Applicable □ Not Applicable

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference between the tax basis and book value of assets and liabilities (temporary differences). As of the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured using the tax rates applicable during the period when the assets are expected to be recovered or settled.

1．Recognition Basis for Deferred Income Tax Assets

The Company recognizes deferred income tax assets generated from deductible temporary differences, to the extent that it is probable to utilize them against taxable income that can be offset by deductible temporary differences and can carry forward deductible losses and taxes in the subsequent years. However, deferred income tax assets arising from the initial recognition of assets or liabilities in transactions and exhibiting the following characteristics are not recognized: (1) the transaction does not qualify as an enterprise merger; (2) the transaction neither affects accounting profit nor taxable profit or deductible losses when it occurs.

For deductible temporary differences related to investments in associates, deferred income tax assets are recognized if the following conditions are met simultaneously: the temporary differences are likely to reverse in the foreseeable future, and taxable profit are likely available in the future to offset deductible temporary differences.

2．Recognition Basis for Deferred Income Tax Liabilities

The Company recognizes the taxable temporary differences that are due but unpaid in the current and previous periods as deferred income tax liabilities, except to the extent that:

(1) The temporary difference arises from the initial recognition of goodwill;

(2) The temporary difference arises from transactions or matters that didn’t arise from enterprise merger and neither affected the accounting profits nor taxable profit (or deductible losses);

(3) For taxable temporary differences related to investments in subsidiaries or associates, the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

(2) Deferred 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 recognizes right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets subject to simplified disposal.

(1) Short-term Leases and Leases of Low-value Assets

Short-term leases refer to leases that do not include a purchase option with a lease term of no more than 12 months. Leases of low-value assets refer to leases where the individual leased asset, when brand new, has a relatively low value, primarily including leases of temporary vehicles, office equipment, etc.

The Company does not recognize right-of-use assets and lease liabilities for the following short-term leases and leases of low-value assets. The related lease payments are recorded in related asset costs or current profit or loss in each period of the lease term on a straight-line basis or using other systematic and reasonable methods.

Items	Category of Leased Assets Subject to Simplified Disposal
Short-term Leases	Lease term is less than or equal to 1 year
Leases of Low-value Assets	Leases of office equipment with low unit value, etc.

The Company recognizes right-of-use assets and lease liabilities for short-term leases and leases of low-value assets other than those mentioned above.

(I) Right-of-Use Assets

The Company initially measures right-of-use assets at cost, which includes:

1.Initially measured amount of lease liabilities;

2.Lease payments made on the commencement date of the lease term or before, deducting any relevant amount of lease incentives already received when there are lease incentives;

3.Initial direct costs incurred by the Company;

4.Estimated costs expected to be incurred by the Company for dismantling and removing leased assets, restoring the leased asset site, or restoring leased assets to the conditions specified in the lease agreement (excluding costs incurred for producing inventory).

After the commencement date of the lease term, the Company uses the cost model to measure right-of-use assets subsequently.

If it is reasonably certain that the Company will obtain ownership of the leased asset at the end of the lease term, the Company will depreciate the leased asset over its remaining useful life. If it is not reasonably certain that the Company will obtain ownership of the leased asset at the end of the lease term, the Company will depreciate the leased asset over the lease term or the remaining useful life of the leased asset, whichever is shorter. For right-of-use assets with provision for impairment, the Company will depreciate them in future periods based on the book value after deducting the impairment provision, following the above principles.

The Company determines whether right-of-use assets have been impaired and accounts for any identified impairment losses in accordance with the provisions of Accounting Standard for Business Enterprises No. 8 – Asset Impairment. For details, please refer to Section 27 – Impairment of Long-term Assets.

(II) Lease Liabilities

The Company initially measures lease liabilities at the present value of lease payments not yet paid as of the lease commencement date. When calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the Company uses its incremental borrowing rate as the discount rate. Lease payments include:

1.Fixed payments and substantially fixed payments after deducting related amount of the lease incentives;

2.Variable lease payments dependent on an index or rate;

3.In cases where the Company reasonably determines the exercise of the purchase option, lease payments include the exercise price of such option;

4.If it is evident that the Company will exercise the option to terminate the lease during the lease term, the lease payments include the amount required for exercising the said termination option;

5.Amounts expected to be paid for guaranteed residual value provided by the Company.

The Company calculates the interest expense of lease liabilities for each period of the lease term using a fixed discount rate and recognizes it in the profit or loss or related asset cost for the current period.

Variable lease payments not included in the measurement of lease liabilities are recorded in profit or loss or related asset cost for the period when they occur.

Classification Criteria and Accounting Treatment Method for Leases as Lessor

✓Applicable □ Not Applicable

(1) Classification of Leases

The Company classifies leases into financing leases and operating leases on the commencement date of the lease. Financing leases refer to leases that substantially transfer all risks and rewards related to ownership of the leased asset to the lessee, with or without ultimate transfer of the ownership. Operating leases are leases other than financing leases.

The Company generally classifies a lease as a financing lease if it meets one or more of the following conditions:

1) At the end of the lease term, ownership of the leased asset is transferred to the lessee.

2) The lessee has the option to purchase the leased asset, and the purchase price agreed upon is sufficiently lower than the fair value of the leased asset at the time the option is expected to be exercised, so that it can be reasonably determined that the lessee will exercise the option on the commencement date of the lease.

3) Although ownership of the asset is not transferred, the lease term represents a substantial portion of the useful life of the asset.

4) On the commencement date of the lease, the present value of lease receipts is substantially equal to the fair value of the leased asset.

5) The leased asset is of such a specialized nature that only the lessee can use it without major modifications.

The Company may also classify a lease as a financing lease if it aligns with one or more of the following indicators:

1) If the lessee terminates the lease, any loss incurred by the lessor due to the termination is borne by the lessee.

2) Gains or losses resulting from fluctuations in the fair value of the residual value of the asset attribute to the lessee.

3) The lessee is able to extend the lease for the next term at a rent significantly below the market standard.

(2) Accounting Treatment of Financing Leases

On the commencement date of the lease term, the Company recognizes amounts receivable from financing leases and derecognizes the finance lease assets.

At the initial measurement of amounts receivable from financing leases, the sum of the unguaranteed residual value and the present value of lease receipts not yet received as of the commencement date of the lease term discounted at the interest rate implicit in lease is treated as the entry value of the accounts receivable from the financing leases. Lease receipts include:

1) Fixed payments and substantial fixed payments after deducting the related amount of lease incentives;

2) Variable lease payments dependent on an index or rate;

3) In cases where it is reasonably certain that the lessee will exercise a purchase option, lease receipts include the exercise price of the purchase option;

4) If it is evident that the lessee will exercise the option to terminate the lease, lease receipts include amounts payable by the lessee upon exercise of the termination option;

5) Guaranteed residual value provided by the lessee, the party related to the lessee, and independent third parties with the economic capability to fulfill guarantee obligations to the lessor.

The Company calculates and recognizes interest income for each period of the lease term using a fixed lease rate implicit in lease. Variable lease payments not included in the net investment in the lease are recorded in profit or loss for the period when incurred.

(3) Accounting Treatment of Operating Leases

For each period of the lease term, the Company recognizes lease receipt from operating leases using the straight-line method or other systematical and rational methods as rental income. Initial direct costs incurred related to operating leases are capitalized and amortized over the lease term on the same basis as the recognition of rental income and are recorded in the profit or loss for each period. Variable lease payments related to operating leases but not included in lease receipts are recorded in profit or loss for the period when incurred.

39. Other Significant Accounting Policies and Estimates

✓Applicable □ Not Applicable

(1) Repurchase of the Shares

The consideration and transaction costs paid in the repurchase of the Company’s shares reduce shareholders' equity. Gains or losses are not recognized during repurchase, transfer, or cancellation of the Company’s shares.

When transferring treasury shares, the Company records them in the capital reserve based on the difference between the amount actually received and the book value of the treasury shares. If the capital reserve is insufficient to offset, they are offset by the surplus reserve and undistributed profits. When canceling treasury shares, the Company reduces share capital based on the book value of shares and quantity of canceled shares and offsets the difference between the book balance and book value of the canceled treasury shares using the capital reserve. If the capital reserve is insufficient to offset, they are offset by the surplus reserve and undistributed profits.

(2) Work Safety Fees

Work safety fees withdrawn by the Company as specified by the state are recorded in the costs of the relevant products or in profit or loss for the current period and simultaneously recorded in the account of "special reserves". When the withdrawn work safety fees are utilized as expenses, they are directly offset against special reserves. In cases where the work safety fees form fixed assets, the expenditures arising from the aggregation of the account of "construction in progress" are recognized as fixed assets when the safety project is completed and reaches the intended usable state. Simultaneously, the cost of forming fixed assets is offset against special reserves, and the same amount of accumulated depreciation is recognized. Depreciation is no longer provided for these fixed assets in subsequent periods.

40. Changes in Significant Accounting Policies and Estimates

(1). Changes in Significant Accounting Policies

□Applicable ✓Not Applicable

(2). Significant Changes in Accounting Estimates

□Applicable ✓Not Applicable

(3). Financial Statements Involving Adjustments to the First-Time Implementation of New Accounting Standards or Interpretations from 2025 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	13%, 9%, 0%
	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	15%, 16.5%, 20%, 25%, 0%, 17%

Property Tax	The tax base is 70% of the original value of the property (or rental income).	1.2%, 12%
Education Surcharge	Actually Paid Turnover Tax Amount	3%
Local Education Surcharge	Actually Paid Turnover Tax Amount	2%

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 Biological Investment Holding Co., Ltd. (hereinafter referred to as "Lhasa Meihua")	15
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”)	20
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")	20
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 the “Singapore SPV”)	17
Plumino Precision Fermentation US Holdings, Inc. (hereinafter referred to as the “U.S. Holding Company”)**	Federal tax, state tax

* 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.

** The U.S. holding company had not commenced actual operations as of the end of June 2025. Under applicable U.S. federal and state tax regulations, the company is subject to a federal corporate income tax of 21% and state income tax in the jurisdiction where it operates. Currently, the company is registered in Delaware but has not yet begun actual operations.

2. Tax Benefits

✓Applicable □ Not Applicable

1. Income Tax Benefits

(1) The Company is registered in Lhasa City, Tibet Autonomous Region. According to the Announcement of the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission on Extending the Corporate Income Tax Policy for Western Development Enterprises (2020, No. 23), from January 1, 2021, to December 31, 2030, enterprises engaged in encouraged industries and located in the western regions are subject to a reduced corporate 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 November 22, 2022, with certificate No. GR202213002637. The certificate is valid from November 22, 2022, to November 22, 2025. Corporate income tax is levied at a rate of 15% for the fiscal year 2025.

(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) The Company's subsidiary, the Singapore Company, has successfully obtained the "Development and Expansion Incentive" under the "International Headquarters Incentive Scheme" established by the Singapore Economic Development Board ("EDB"). According to the relevant regulations, from December 30, 2024, for a period of five years, the Singapore Company is entitled to a preferential tax rate of 15% as long as it continues to meet the requirements set by the EDB.

(6) 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, Shanghai R & D, Hengqin Meihua and Wujiaqu Jianlong, 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%.

(7) According to Article V of Document ZZF [2022] No. 11 - Notice of the People's Government of the Tibet Autonomous Region on Issuance of the Interim Measures for the Implementation of Corporate Income Tax Policies in the Tibet Autonomous Region, Lhasa Meihua, a subsidiary of the Company, is entitled to exemption from the local portion of corporate income tax and should pay

corporate income tax at a rate of 15%, provided that it absorbs more than 70% of the permanent residents in Tibet and employs more than 15 individuals from January 1, 2022 to December 31, 2025.

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		
Bank Deposits	2,699,729,334.80	4,112,897,142.87
Other Monetary Funds	213,718,883.50	447,591,156.66
Unexpired Interest Receivable	309,497.11	567,894.43
Deposits with Financial Companies		
Total	2,913,757,715.41	4,561,056,193.96
Including: Total Amount Deposited Overseas	626,547,065.14	1,075,992,001.16

Other Explanations

1. Details of restricted monetary funds are as follows:

Items	Ending Balance	Beginning Balance
Bank Acceptance Draft Guarantee Deposit	190,591,895.52	428,515,211.93
Others	112,361.39	113,485.46
Total	190,704,256.91	428,628,697.39

2. When preparing the cash flow statement, the Company deducted the restricted monetary funds from the ending cash and cash equivalents.

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	1,397,826,972.26	312,033,611.07	/
Including:			
Others	1,397,826,972.26	312,033,611.07	/
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	1,397,826,972.26	312,033,611.07	/

Other Explanations:

✓Applicable □ Not Applicable

Financial assets held for trading refer to wealth management products purchased by the Company and its subsidiaries.

3. Derivative Financial Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Derivative Financial Assets	468,200.00	
Total	468,200.00	

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	92,822,653.44	73,697,475.30
Commercial Acceptance Notes		
Total	92,822,653.44	73,697,475.30

As of June 30, 2025, the Company believes that the notes receivable held do not have significant credit risks and will not incur significant losses due to default by banks or other issuers.

(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		52,335,240.96
Commercial Acceptance Notes		
Total		52,335,240.96

(4). Classified Disclosure by the Bad Debt Provision Methods

□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)	638,783,231.02	617,940,479.57
Within 1 year	638,783,231.02	617,940,479.57
1 to 2 years	625,733.68	962,314.02
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	639,408,964.70	618,902,793.59

(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:	639,408,964.70	100.00	32,001,734.89	5.00	607,407,229.81	618,902,793.59	100.00	30,993,255.38	5.01	587,909,538.21
Including:										
Including: Aging Analysis Portfolio	639,408,964.70	100.00	32,001,734.89	5.00	607,407,229.81	618,902,793.59	100.00	30,993,255.38	5.01	587,909,538.21
Total	639,408,964.70	/	32,001,734.89	/	607,407,229.81	618,902,793.59	/	30,993,255.38	/	587,909,538.21

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 Basis: Aging Analysis Portfolio

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Ratio (%)
Within 1 year	638,783,231.02	31,939,161.52	5.00
1-2 years	625,733.68	62,573.37	10.00
Total	639,408,964.70	32,001,734.89	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	
Provisions for Bad Debt Reserves on an Individual-item Basis						
Provisions for Bad Debt Reserves on a Portfolio Basis:	30,993,255.38	1,008,479.51				32,001,734.89
Including: Aging Analysis Portfolio	30,993,255.38	1,008,479.51				32,001,734.89
Total	30,993,255.38	1,008,479.51				32,001,734.89

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	143,902,284.40		143,902,284.40	22.51	7,195,114.22
Second	70,695,835.25		70,695,835.25	11.06	3,534,791.76
Third	57,690,728.15		57,690,728.15	9.02	2,884,536.41
Fourth	47,283,093.28		47,283,093.28	7.39	2,364,154.66
Fifth	39,466,442.75		39,466,442.75	6.17	1,973,322.14
Total	359,038,383.82		359,038,383.82	56.15	17,951,919.19

Other Explanations
None
Other Explanations:
✓Applicable □ Not Applicable

Accounts receivable derecognized due to non-transfer of financial assets at the end of the period

Amount of assets and liabilities arising from non-transfer of accounts receivable and continued involvement

At the end of the period, there were no amounts receivable from shareholder units holding 5% or more of the Company's voting shares. Please refer to (6) in the Section XIV - Related Parties and Related Transactions for other amounts receivable from related parties.

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	17,898,994.18	26,575,904.82
Accounts Receivable	146,540.16	147,150.17
Total	18,045,534.34	26,723,054.99

(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	362,480,706.39	
Accounts Receivable Factoring		
Total	362,480,706.39	

(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:	18,053,246.98	100.00	7,712.64	0.04	18,045,534.34	26,730,799.74	100.00	7,744.75	0.03	26,723,054.99
Including::										
Notes Receivable	17,898,994.18	99.15			17,898,994.18	26,575,904.82	99.42			26,575,904.82
Accounts Receivable	154,252.80	0.85	7,712.64	5.00	146,540.16	154,894.92	0.58	7,744.75	5.00	147,150.17
Total	18,053,246.98	/	7,712.64	/	18,045,534.34	26,730,799.74	/	7,744.75	/	26,723,054.99

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		
	Receivables Financing	Bad Debt Reserves	Provision Rate (%)
Accounts Receivable	154,252.80	7,712.64	5.00
Total	154,252.80	7,712.64	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 Receivables Financing with changes in loss reserves during the current period:
✓Applicable □ Not Applicable
None

(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						
Provisions for Bad Debt Reserves on a Portfolio Basis	7,744.75		32.11			7,712.64
Including: Notes Receivable						
Accounts Receivable	7,744.75		32.11			7,712.64
Total	7,744.75		32.11			7,712.64

Including bad debts with significant amounts to be recovered or reversed during the period:
□Applicable ✓Not Applicable
Other Explanations:

None

(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

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	26,575,904.82		-8,676,910.64		17,898,994.18	
Accounts Receivable	154,894.92	-7,744.75	-642.12	32.11	154,252.80	-7712.64
Total	26,730,799.74	-7,744.75	-8,677,552.76	32.11	18,053,246.98	-7,712.64

(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	107,588,099.18	99.78	219,536,259.06	99.79
1 to 2 years	63,808.13	0.06		
2 to 3 years				
Over 3 years	169,250.69	0.16	464,602.69	0.21
Total	107,821,158.00	100.00	220,000,861.75	100.00

Explanation for significant prepayments with aging exceeding 1 year and not settled timely:

There are no significant prepayments with aging exceeding one year at the end of the period.

(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	15,183,962.44	14.08
Second	11,806,232.60	10.95
Third	10,637,533.31	9.87
Fourth	7,583,887.95	7.03

Fifth	7,006,154.47	6.50
Total	52,217,770.77	48.43

Other Explanations:

The prepayments at the end of the period do not include amounts paid to shareholders holding 5% or more (inclusive) of the company’s voting shares or other related party amounts. For details, please refer to Section XIV, Related Parties and Related Party Transactions (6).

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	1,395,866.49
Other Receivables	24,909,713.36	46,322,133.07
Total	28,668,079.85	49,292,999.56

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
Fixed Deposits	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	1,395,866.49
Total	1,395,866.49	1,395,866.49

(2). Significant Dividends Receivable with Aging Exceeding 1 Year

□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 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)	24,482,657.39	46,467,795.88
Within 1 year	24,482,657.39	46,467,795.88
1 to 2 years	587,704.67	1,275,731.61
2 to 3 years	772,773.95	1,174,814.63
Over 3 years		
3 to 4 years	5,537,560.69	4,789,260.47
4 to 5 years	246,854.38	246,853.74
Over 5 years	109,617,343.84	109,567,343.84
Total	141,244,894.92	163,521,800.17

(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	28,178,262.18	27,900,225.75
Guarantee Deposit	1,092,072.26	1,516,947.79
Land and Real Estate Account Receivable	85,672,687.00	85,672,687.00
Export Tax Refunds Receivable	17,607,483.72	37,629,851.01
Others	8,694,389.76	10,802,088.62
Total	141,244,894.92	163,521,800.17

(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, 2025	4,247,487.67		112,952,179.43	117,199,667.10
Balance as of January 1, 2025 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	864,485.54			864,485.54
Write-Off for the Current				

Period				
Write-Off for the Current Period				
Other Changes				
Balance as of June 30, 2025	3,383,002.13		112,952,179.43	116,335,181.56

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	
Other Accounts Receivable based on Provisions for Bad Debt Reserves on an Individual-item Basis	112,952,179.43					112,952,179.43
Other Accounts Receivable based on Provisions for Bad Debt Reserves on a Portfolio Basis	4,247,487.67		864,485.54			3,383,002.13
Including: Aging Analysis Portfolio	4,247,487.67		864,485.54			3,383,002.13
Total	117,199,667.10		864,485.54			116,335,181.56

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	60.66	Land and Real Estate Accounts Receivable	Over 5 years	85,672,687.00
Kezuo Zhongqi Jucang Grain Trading Co., Ltd.	22,805,887.09	16.15	External Unit Account Current	Over 5 years	22,805,887.09
Inner Mongolia Autonomous Region Tax Service, State Taxation Administration	9,796,331.61	6.94	Export Tax Refunds	Within 1 year	489,816.58
Lhasa Economic and Technological Development Zone Taxation Bureau, State Taxation Administration	7,811,152.11	5.53	Export Tax Refunds	Within 1 year	390,557.61
Zhang Wei	2,495,195.17	1.77	External Unit Account Current	3–4 years	2,495,195.17
Total	128,581,252.98	91.03	/	/	111,854,143.45

(7). Presented under Other Receivables due to Centralized Fund Management

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

There were no other receivables involving government grants at the end of the period.

There were no other receivables derecognized due to transfer of financial assets at the end of the period.

There were no amounts of assets and liabilities formed due to the transfer of other receivables and continued involvement.

Other receivables at the end of the period do not contain the accounts to shareholder units holding 5% or more of the Company’s voting shares and other accounts to related parties.

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	1,621,026,503.85	3,263,757.95	1,617,762,745.90	1,869,291,071.68	3,552,300.96	1,865,738,770.72
Work in Progress	320,563,565.75		320,563,565.75	364,041,057.73		364,041,057.73
Inventory Goods	355,870,687.72	242,273.10	355,628,414.62	299,770,551.12	2,895,552.03	296,874,999.09
Turnover Materials						
Consumable Biological Assets						
Contract Performance Cost						
Goods Issued	218,929,497.44		218,929,497.44	195,625,080.53		195,625,080.53
Total	2,516,390,254.76	3,506,031.05	2,512,884,223.71	2,728,727,761.06	6,447,852.99	2,722,279,908.07

(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	3,552,300.96	376,626.50		665,169.51		3,263,757.95
Work in Progress						
Inventory Goods	2,895,552.03	75,086.66		2,728,365.59		242,273.10
Turnover Materials						
Consumable Biological Assets						
Contract Performance Cost						
Goods Issued						
Total	6,447,852.99	451,713.16		3,393,535.10		3,506,031.05

Reason for Reversal or Write-off of Inventory Write-down Provision During the Current Period

√ Applicable □ Not Applicable

Explanation on Inventory Write-down Provision and Provision for Contract Performance Cost

Impairment:

Basis for determining net realizable value: The net realizable value is determined as the estimated selling price of the relevant finished goods less the estimated costs to be incurred until completion, estimated selling expenses, and related taxes.

Reason for reversal: The factors that previously led to the inventory write-down have disappeared, resulting in the net realizable value exceeding the carrying amount of the inventory.

Reason for write-off: The inventory for which a write-down provision was made at the beginning of the period has been consumed or sold during the current period.

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 Explanations:

□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 Certificates of Deposit Maturing within One Year	108,345,222.59	182,257,027.81
Long-Term Receivables Due within One Year		
Total	108,345,222.59	182,257,027.81

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		
Input Tax Credit for Value-Added Tax	108,936,336.76	82,698,855.12
Prepaid Taxes and Fees	2,286,465.72	4,981,517.30
Deferred Expenses	9,152,525.40	5,353,515.59
Large-denomination Certificate of Deposit	100,871,250.00	71,595,510.66
Prepaid investment payments	832,300,525.97	
Total	1,053,547,103.85	164,629,398.67

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	619,712.60		619,712.60	601,043.91		601,043.91	
Including: Unrealized Financing Income	16,853.07		16,853.07	23,036.85		23,036.85	
Goods Sold on an Installment Basis							
Services Provided on an Installment Basis							
Equity Transfer Payment							
Less: Long-term Receivables Due within One year							
Total	619,712.60		619,712.60	601,043.91		601,043.91	/

(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

As of the end of the reporting period, there were no long-term receivables that had been derecognized due to the transfer of financial assets.

As of the end of the reporting period, there were no assets or liabilities arising from transferred long-term receivables in which the Company retained continuing involvement.

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)	Opening balance of impairment provision	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.	6,874,939.88				-923,353.98						5,951,585.90	
Subtotal	6,874,939.88				-923,353.98						5,951,585.90	
Total	6,874,939.88				-923,353.98						5,951,585.90	

(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	3,308,800.00			Planned for Long-term Holding
AIM Vaccine Co., Ltd.	284,294,280.00				113,759,630.00		170,534,650.00			151,695,547.50	Planned for Long-term Holding
Total	441,294,280.00				113,759,630.00		327,534,650.00	3,308,800.00		151,695,547.50	/

(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

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	11,305,605,148.16	11,338,208,623.56
Clearance of Fixed Assets		
Total	11,305,605,148.16	11,338,208,623.56

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 Equipment	Total
I. Original Book Value:					
1. Beginning Balance	7,615,177,316.84	17,724,735,641.43	63,233,482.62	253,099,206.30	25,656,245,647.19
2. Increased Amount for the Current Period	220,355,910.74	457,999,971.68	2,693,167.39	19,359,053.76	700,408,103.57
(1) Acquisition	4,861,733.16	14,874,476.64	1,089,859.71	3,242,988.12	24,069,057.63
(2) Transfer from Construction in Progress	215,494,177.58	443,125,495.04	59,413.88	16,116,065.64	674,795,152.14
(3) Increase from Enterprise Merger					
Others			1,543,893.80		1,543,893.80
3. Decreased Amount for the Current Period	70,009,856.84	164,860,473.84	5,054,908.76	11,126,475.53	251,051,714.97
(1) Disposal or Scrapping	22,797,854.56	147,133,458.36	5,054,908.76	11,101,423.30	186,087,644.98
Transfer to Construction in Progress	47,212,002.28	17,727,015.48		23,573.47	64,962,591.23
Others				1,478.76	1,478.76
4. Ending Balance	7,765,523,370.74	18,017,875,139.27	60,871,741.25	261,331,784.53	26,105,602,035.79
II. Accumulated Depreciation					
1. Beginning Balance	3,299,561,917.61	10,812,132,793.46	49,281,459.83	154,975,714.26	14,315,951,885.16
2. Increased Amount for the Current Period	180,269,574.19	468,691,082.19	2,590,345.73	12,660,493.48	664,211,495.59
(1) Provision	180,269,574.19	468,691,082.19	1,689,741.08	12,660,493.48	663,310,890.94
Others			900,604.65		900,604.65

3. Decreased Amount for the Current Period	38,130,847.83	137,917,938.03	4,789,337.25	10,198,401.96	191,036,525.07
(1) Disposal or Scrapping	16,820,932.67	132,562,377.06	4,789,337.25	10,196,693.10	164,369,340.08
Transfer to Construction in Progress	21,309,915.16	5,355,560.97		1,708.86	26,667,184.99
Others					
4. Ending Balance	3,441,700,643.97	11,142,905,937.62	47,082,468.31	157,437,805.78	14,789,126,855.68
III. Impairment Reserves					
1. Beginning Balance	1,723,356.44			361,782.03	2,085,138.47
2. Increased Amount for the Current Period	8,740,575.36	44,318.12			8,784,893.48
(1) Provision	8,740,575.36	44,318.12			8,784,893.48
3. Decreased Amount for the Current Period					
(1) Disposal or Scrapping					
4. Ending Balance	10,463,931.80	44,318.12		361,782.03	10,870,031.95
IV. Book Value					
1. Book Value at the End of the Period	4,313,358,794.97	6,874,924,883.53	13,789,272.94	103,532,196.72	11,305,605,148.16
2. Book Value at the Beginning of the Period	4,313,892,042.79	6,912,602,847.97	13,952,022.79	97,761,710.01	11,338,208,623.56

(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	150,733,967.31	In Process
Total	150,733,967.31	

(5).Impairment Testing of Fixed Assets

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

The book value of fixed assets used for mortgage at the end of the period is RMB 373,067,063.83. Please refer to (1) in Section XVI - Commitments and Contingencies for details.

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	1,095,783,702.50	714,122,720.14
Engineering Materials	37,455,318.25	14,401,421.40
Total	1,133,239,020.75	728,524,141.54

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	9,161,061.96		9,161,061.96	28,450,008.41		28,450,008.41
Tongliao Meihua East Area Technological Renovation Project	6,705,465.26		6,705,465.26	21,533,131.55		21,533,131.55
Technological Upgrade Project of Xinjiang Meihua	10,005,645.55		10,005,645.55	2,207,646.03		2,207,646.03
Technological Upgrade Project of Jilin Meihua	2,304,580.94		2,304,580.94	14,817,339.85		14,817,339.85
Technological Upgrade Project of Tongliao Jianlong	402,979.03		402,979.03			
Reconstruction Project of the Company	20,586,730.19		20,586,730.19	1,158,006.34		1,158,006.34
Phase V 600,000-ton Annual L-Lysine Project in Jilin	957,831,682.78		957,831,682.78	155,468,504.85		155,468,504.85
500,000-ton MSG Project in the West Zone of Tongliao	3,610,493.58		3,610,493.58	223,215,378.27		223,215,378.27
Expansion Project of the Heating Station in the West Zone of Tongliao	52,244,459.43		52,244,459.43	88,996,489.23		88,996,489.23
Process Optimization Project for Xanthan Gum in Xinjiang	27,458,612.24		27,458,612.24	7,588,537.29		7,588,537.29
18,000-ton Technological Upgrade Project for L-Isoleucine in Xinjiang	5,453,068.81		5,453,068.81	145,720,675.85		145,720,675.85
Reconstruction Project in Xinjiang				24,967,002.47		24,967,002.47

Tongliao Jianlong Sulfuric Acid Production Expansion and Renovation Project	18,922.73		18,922.73			
Total	1,095,783,702.50		1,095,783,702.50	714,122,720.14		714,122,720.14

(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
Phase V 600,000-ton Annual L-Lysine Project in Jilin	1,832,070,000.00	155,468,504.85	803,609,003.34	1,245,825.41		957,831,682.78	52.35	52.35	2,827,271.51	2,394,410.06	2.36	Self-funded
500,000-ton MSG Project in the West Zone of Tongliao	1,061,347,600.00	223,215,378.27	43,170,687.45	262,775,572.14		3,610,493.58	84.90	84.90	8,629,820.21	1,947,324.08	2.60	Self-funded
Project of the Heating Station in the West Zone of Tongliao	427,715,200.00	88,996,489.23	67,380,857.20	104,132,887.00		52,244,459.43	61.33	61.33				Self-funded
Process Optimization Project for Xanthan Gum in Xinjiang	167,380,700.00	7,588,537.29	19,870,074.95			27,458,612.24	106.45	106.45				Self-funded
18,000-ton Technological Upgrade Project for L-Isoleucine in Xinjiang	156,558,000.00	145,720,675.85	9,787,741.67	150,055,348.71		5,453,068.81	99.33	99.33				Self-funded
Tongliao Jianlong Sulfuric Acid Production Expansion and Renovation Project	248,080,000		18,922.73			18,922.73	0.01	0.01				Self-funded
Total	3,893,151,500.00	620,989,585.49	943,837,287.34	518,209,633.26		1,046,617,239.57	/	/	11,457,091.72	4,341,734.14	/	/

(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	37,455,318.25		37,455,318.25	14,401,421.40		14,401,421.40
Total	37,455,318.25		37,455,318.25	14,401,421.40		14,401,421.40

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	10,858,686.84	2,521,254.38	13,379,941.22
2. Increased Amount for the Current Period			
Lease			
3. Decreased Amount for the Current Period	11,137.46	1,543,893.80	1,555,031.26
Expiration of Lease		1,543,893.80	1,543,893.80
Others	11,137.46		11,137.46
4. Ending Balance	10,847,549.38	977,360.58	11,824,909.96
II. Accumulated Depreciation			
1. Beginning Balance	4,341,229.52	892,819.35	5,234,048.87
2. Increased Amount for the Current Period	1,552,528.42	252,125.40	1,804,653.82

(1) Provision	1,552,528.42	252,125.40	1,804,653.82
3. Decreased Amount for the Current Period		900,604.65	900,604.65
(1) Disposal			
Expiration of Lease		900,604.65	900,604.65
4. Ending Balance	5,893,757.94	244,340.10	6,138,098.04
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	4,953,791.44	733,020.48	5,686,811.92
2. Book Value at the Beginning of the Period	6,517,457.32	1,628,435.03	8,145,892.35

(2).Impairment Testing of Right-of-Use Assets

□Applicable ✓Not Applicable

Other Explanations:

None

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	Total
I. Original Book Value						
1. Beginning Balance	1,596,007,128.28			50,227,999.55	234,427,829.31	1,880,662,957.14
2. Increased Amount for the Current Period				869,399.01		869,399.01
(1) Acquisition				869,399.01		869,399.01
(2) Internal Research and Development						
(3) Increase from Enterprise Merger						
3. Decreased Amount for the Current Period				55,555.54		55,555.54
(1) Disposal				55,555.54		55,555.54
4. Ending Balance	1,596,007,128.28			51,041,843.02	234,427,829.31	1,881,476,800.61
II. Accumulated Amortization						

1. Beginning Balance	367,258,212.89			25,133,096.27	131,459,381.16	523,850,690.32
2. Increased Amount for the Current Period	15,569,491.86			1,793,443.59	5,161,142.95	22,524,078.40
(1) Provision	15,569,491.86			1,793,443.59	5,161,142.95	22,524,078.40
3. Decreased Amount for the Current Period				55,555.54		55,555.54
(1) Disposal				55,555.54		55,555.54
4. Ending Balance	382,827,704.75			26,870,984.32	136,620,524.11	546,319,213.18
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	1,213,179,423.53			24,170,858.70	97,807,305.20	1,335,157,587.43
2. Book Value at the Beginning of the Period	1,228,748,915.39			25,094,903.28	102,968,448.15	1,356,812,266.82

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	101,834.06	In process
Total	101,834.06	

(4). Impairment Testing of Intangible Assets

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □Not Applicable

The carrying amount of intangible assets pledged by the Company at the end of the reporting period was RMB 26,785,445.73. For details, please refer to Section 16 – Commitments and Contingencies (1).

27. Goodwill

(1).Original Book Value of Goodwill

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name of the Invested Unit or	Beginning Balance	Increases during the	Decreases during	Ending Balance

Matters Generating Goodwill		Current Period	the Current Period	
		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
Site Lease Fees	27,323,514.71	152,201.83	765,374.92		26,710,341.62
Housing Subsidies	53,853,880.45	5,420,000.00	4,720,084.92	581,482.57	53,972,312.96
Consumption of Production Materials	38,163,082.19	22,698,863.40	12,091,348.87		48,770,596.72
Staff Rewards	149,999.98		69,999.97	4,500.00	75,500.01
Leasehold Improvements	3,048,072.18		433,460.73		2,614,611.45
Total	122,538,549.51	28,271,065.23	18,080,269.41	585,982.57	132,143,362.76

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	135,524,079.93	20,455,129.51	131,809,560.13	19,904,849.89
Unrealized Profits from Internal Transactions	5,488,792.39	822,278.79	23,434,992.36	3,515,642.53
Deductible Losses	54,182,252.45	13,545,563.10		
Government Grants	318,666,781.82	47,800,017.27	322,722,660.36	48,408,399.05
Difference in Depreciation Periods	17,744,949.45	2,661,742.42	17,744,949.45	2,661,742.42
Fair Value Changes	178,465,350.00	26,769,802.49	83,836,954.75	14,488,666.67
Lease Liabilities	2,419,378.19	362,906.73	2,367,429.23	355,114.38
Compensation	111,520,227.09	16,728,034.06	83,202,619.91	12,480,392.99
Total	824,011,811.32	129,145,474.37	665,119,166.19	101,814,807.93

(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				
Fair Value Changes	11,691,561.64	1,831,699.42	2,096,301.37	314,445.21
Difference in Depreciation Periods	118,203,758.63	19,276,389.13	126,857,856.85	20,662,571.49
Unearned Interest				
Right-of-Use Assets	2,947,198.20	442,079.73	4,054,744.98	608,211.75
Total	132,842,518.47	21,550,168.28	133,008,903.20	21,585,228.45

(3).Deferred Income Tax Assets or Liabilities Presented as Net Amounts After Offset

□Applicable ✓Not Applicable

(4).Details of Unrecognized Deferred Income Tax Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance

Deductible Temporary Differences		
Deductible Losses	34,646,964.56	31,196,481.29
Bad Debt Reserves	16,326,580.21	22,838,960.09
Fixed Asset Impairment Reserves	10,870,031.95	2,085,138.47
Total	61,843,576.72	56,120,579.85

(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
2025	3,116,726.22	3,116,726.22	
2026	8,553,866.71	8,553,866.71	
2027	3,629,579.19	3,629,579.19	
2028	4,685,347.17	4,697,563.09	
2029	11,198,049.71	11,198,746.08	
2030	3,463,395.56		
Total	34,646,964.56	31,196,481.29	/

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						
Prepaid Equipment and Engineering Payments	120,983,713.82		120,983,713.82	166,908,283.83		166,908,283.83
Large-denomination Certificates of Deposit	699,662,752.40		699,662,752.40	797,923,228.96		797,923,228.96
Time deposits	50,229,930.56		50,229,930.56			
Less: Non-current	108,345,222.59		108,345,222.59	182,257,027.81		182,257,027.81

assets due within one year						
Total	762,531,174.19		762,531,174.19	782,574,484.98		782,574,484.98

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	190,704,256.91	190,704,256.91	Others	Refer to 1 in Section VII	428,628,697.39	428,628,697.39	Others	Refer to 1 in Section VII
Notes Receivable								
Inventories								
Including: Data Resources								
Fixed Assets	835,380,494.73	373,067,063.83	Mortgage	Refer to 2 in Section XVI	835,206,080.41	393,081,094.85	Mortgage	Refer to 2 in Section XVI
Intangible Assets	36,898,603.23	26,785,445.73	Mortgage	Refer to 2 in Section XVI	36,898,603.23	27,154,158.71	Mortgage	Refer to 2 in Section XVI
Including: Data Resources								
Total	1,062,983,354.87	590,556,766.47	/	/	1,300,733,381.03	848,863,950.95	/	/

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	350,000,000.00	945,000,000.00
Credit Borrowings	691,000,000.00	290,000,000.00
Discounted Bills Not Yet Matured	545,736,271.50	499,371,350.50
Unmatured Interest Payable	102,641.68	461,280.56
Total	1,586,838,913.18	1,734,832,631.06

Explanations of Categories of Short-Term Borrowings:

(1) Details of Guaranteed Borrowings

Lending Institution	Ending Balance	Guarantor
Business Department of Tibet Branch, Bank of China Limited	150,000,000.00	Tongliao Meihua, Xinjiang Meihua

Business Department of Tibet Branch, Bank of China Limited	100,000,000.00	Tongliao Meihua, Xinjiang Meihua
Business Department of Tibet Branch, Bank of China Limited	100,000,000.00	Tongliao Meihua, Xinjiang Meihua
Total	350,000,000.00	

(2) Details of Credit Borrowings

Lending Institution	Ending Balance	Term of Borrowing
Langfang Development Zone Sub-branch of China Construction Bank Corporation	100,000,000.00	2025/1/14-2025/7/1
Langfang Development Zone Sub-branch of China Construction Bank Corporation	100,000,000.00	2025/6/12-2025/9/5
Langfang Development Zone Sub-branch of China Construction Bank Corporation	100,000,000.00	2025/6/13-2025/8/18
Langfang Development Zone Sub-branch of China Construction Bank Corporation	92,000,000.00	2025/6/19-2025/12/4
Langfang Development Zone Sub-branch, Bank of China Limited	50,000,000.00	2025/4/18-2025/7/14
Langfang Development Zone Sub-branch, Bank of China Limited	90,000,000.00	2025/4/21-2025/7/4
Langfang Development Zone Sub-branch, Bank of China Limited	18,000,000.00	2025/6/6-2025/8/21
Langfang Development Zone Sub-branch, Bank of China Limited	70,000,000.00	2025/6/16-2025/8/13
Xinjiang Wujiaqu Branch, Bank of China Limited	1,000,000.00	2025/3/19-2026/3/19
Langfang Branch of China Merchants Bank Co., Ltd.	70,000,000.00	2024/10/25-2025/7/24
Total	691,000,000.00	

(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
Derivative Financial Liabilities		297,500.00
Total		297,500.00

Other Explanations:

None

35. Notes Payable

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Types	Ending Balance	Beginning Balance
Commercial Acceptance Bills		
Bank Acceptance Bills	1,423,949,868.69	1,416,217,579.96
Total	1,423,949,868.69	1,416,217,579.96

The total amount of overdue and unpaid notes payable at the end of the period is RMB 0. 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	574,359,876.15	547,927,602.59
Provisional Estimation of Payments	165,048,483.01	315,606,671.86
Payments Payable	519,958,827.77	307,171,751.69
Other Payments	317,492,838.09	270,827,000.58
Total	1,576,860,025.02	1,441,533,026.72

(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
Hangzhou Fortune Gas Cryogenic Group Co., Ltd.	4,000,000.00	Not Yet Due for Settlement
Inner Mongolia Huomei Yicheng Energy Co., Ltd.	3,999,553.50	Unable to Contact Due to Bankruptcy
Weihai Yuanhang Technology Co., Ltd.	3,975,600.00	Not Yet Due for Settlement
Shenyang Turbine Machinery Co., Ltd.	3,612,000.00	Not Yet Due for Settlement
Xinjiang Huijia Real Estate Co., Ltd.	3,479,843.17	Not Yet Due for Settlement
Shanghai Samusen Valve Co., Ltd.	3,159,455.65	Not Yet Due for Settlement
Total	22,226,452.32	/

Other Explanations:

✓Applicable □ Not Applicable

At the end of the period, there were no accounts payable to shareholder units holding 5% or more of the Company’s voting shares and other related parties in the accounts payable.

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	656,660,453.80	916,515,321.35
Total	656,660,453.80	916,515,321.35

(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

At the end of the period, there were no advance receipts from shareholder units holding 5% or more of the Company's voting shares in the contract liabilities. Please refer to (6) in Section XIV - Related Parties and Related Transactions for details of advance receipts from other related parties.

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	309,884,063.87	864,357,327.05	837,087,196.43	337,154,194.49
II. Post-employment Benefits - Defined Contribution Plans	249,625.12	64,592,412.48	64,553,412.48	288,625.12
III. Termination Benefits				
IV. Other Benefits Due Within One Year				
Total	310,133,688.99	928,949,739.53	901,640,608.91	337,442,819.61

(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	304,833,964.35	800,155,397.99	769,447,697.74	335,541,664.60
II. Employee Welfare Expenses		6,299,154.04	6,299,154.04	
III. Social Insurance Premiums		36,111,936.79	36,093,936.79	18,000.00
Including: Medical Insurance Premiums		32,329,162.20	32,314,162.20	15,000.00
Work Injury Insurance Premiums		3,782,774.59	3,779,774.59	3,000.00

Maternity Insurance Premiums				
IV. Housing Provident Fund		7,031,248.10	7,029,484.01	1,764.09
V. Union Funds and Employee Education Funds	5,050,099.52	10,397,590.13	13,854,923.85	1,592,765.80
VI. Short-Term Paid Absence				
VII. Short-Term Profit-Sharing Plans				
Other short-term employee benefits		4,362,000.00	4,362,000.00	
Total	309,884,063.87	864,357,327.05	837,087,196.43	337,154,194.49

(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	235,107.66	62,426,900.80	62,391,900.80	270,107.66
2. Unemployment Insurance Premiums	14,517.46	2,165,511.68	2,161,511.68	18,517.46
3.Corporate Pension Contributions				
Total	249,625.12	64,592,412.48	64,553,412.48	288,625.12

Other Explanations:

□Applicable ✓Not Applicable

40. Taxes Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Value-added Tax	22,152,194.53	25,599,120.74
Consumption Tax		
Business Tax		
Corporate Income Tax	196,243,722.76	223,208,443.42
Personal Income Tax	2,733,779.02	4,141,936.00
City Maintenance and Construction Tax	4,390,949.77	2,727,290.52
Environmental Protection Tax	1,339,380.41	1,785,754.86
Education Surcharge	3,402,220.35	2,091,100.43
Water Resource Tax	14,307,451.72	13,923,721.05
Stamp Duty	5,782,862.69	6,261,699.28
Others	422,826.95	473,619.30
Total	250,775,388.20	280,212,685.60

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	405,000.00	409,445.58
Other Payables	242,135,793.08	447,705,692.40
Total	242,540,793.08	448,115,137.98

(2).Interest Payable

□Applicable ✓Not Applicable

(3).Dividends Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Common Stock Dividends	405,000.00	409,445.58
Preferred Shares/Perpetual Bond Dividends Classified as Equity Instruments		
Preferred Shares/Perpetual Bond Dividend - XXX		
Total	405,000.00	409,445.58

Other explanations: For significant dividends payable overdue for more than 1 year, the reasons for non-payment should be disclosed:

The unpaid dividends pertain to the Employee Stock Ownership Plan.

(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	131,667,195.01	115,315,362.37
Guarantee Deposits	91,601,782.99	84,940,254.59
Expenses for Litigation Settlement		233,000,000.00
Others	18,866,815.08	14,450,075.44
Total	242,135,793.08	447,705,692.40

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
Khorchin District Tax Bureau, Tongliao City, State Taxation Administration	14,562,478.44	Not Yet Due for Payment
Disabled Persons' Federation of the 6th Division, Xinjiang Production and Construction Corps	6,952,578.01	Not Yet Due for Payment
Total	21,515,056.45	/

Other Explanations:

✓Applicable □ Not Applicable

At the end of the period, there were no accounts payable to shareholder units holding 5% or more of the Company's voting shares or other related parties in the other payables.

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	680,620,000.00	746,288,000.00
Bonds Payable Due Within 1 Year		
Long-Term Payables Due Within 1 Year	26,563,141.06	52,520,701.81
Lease Liabilities Due Within 1 Year	3,434,783.77	3,538,091.97
Total	710,617,924.83	802,346,793.78

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	1,418,912.42	1,384,991.74
Sales Tax to be Carried Forward	53,477,355.53	83,774,472.00
Notes Endorsed But Not Yet Derecognized	6,598,969.46	3,625,660.00
Total	61,495,237.41	88,785,123.74

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	300,000,000.00	300,000,000.00
Guaranteed Borrowings	1,144,155,654.13	1,303,592,044.83
Credit Borrowings	968,579,999.99	490,790,000.00
Less: Long-Term Borrowings Due Within One Year	680,620,000.00	746,288,000.00

Total	1,732,115,654.12	1,348,094,044.83

Explanation of Classification of Long-Term Borrowings:

(1) Details of Credit Borrowings

Lending Institution	Ending Balance	Term of Borrowing
Songyuan Branch, Bank of Communications Co., Ltd.	29,000,000.00	2024/4/23-2027/4/23
Songyuan Branch, Bank of Communications Co., Ltd.	34,000,000.00	2024/6/20-2027/6/17
Songyuan Branch, Bank of Communications Co., Ltd.	44,980,000.00	2024/8/20-2027/8/20
Shengfang Sub-branch of Bazhou, Agricultural Bank of China Limited	169,500,000.00	2024/11/14-2027/11/12
Langfang Branch, Bank of Communications Co., Ltd.	39,800,000.00	2024/9/27-2027/9/24
Langfang Branch, Bank of Communications Co., Ltd.	59,800,000.00	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 Tibet Branch, Bank of China Limited	50,000,000.00	2025/3/28-2028/3/28
Business Department of Tibet Branch, Bank of China Limited	100,000,000.00	2025/4/22-2028/4/22
Langfang Branch, Hua Xia Bank Co. Ltd.	110,000,000.00	2025/3/28-2028/3/27
Xinjiang Wujiaqu Branch, Bank of China Limited	8,999,999.99	2025/2/10-2028/2/10
Xinjiang Wujiaqu Branch, Bank of China Limited	20,000,000.00	2025/2/13-2028/2/10
Xinjiang Wujiaqu Branch, Bank of China Limited	20,000,000.00	2025/2/14-2028/2/10
Xinjiang Wujiaqu Branch, Bank of China Limited	10,000,000.00	2025/2/17-2028/2/10
Xinjiang Wujiaqu Branch, Bank of China Limited	40,000,000.00	2025/2/20-2028/2/10
Xinjiang Wujiaqu Branch, Bank of China Limited	10,000,000.00	2025/3/11-2028/2/10
Xinjiang Wujiaqu Branch, Bank of China Limited	1,000,000.00	2025/3/19-2028/3/19
Xinjiang Wujiaqu Branch, Bank of China Limited	40,000,000.00	2025/4/17-2028/3/19
Xinjiang Wujiaqu Branch, Bank of China Limited	30,000,000.00	2025/4/22-2028/3/19
Xinjiang Wujiaqu Branch, Bank of China Limited	29,000,000.00	2025/4/27-2028/3/19
Langfang Development Zone Branch, Bank of China Limited	10,000,000.00	2025/4/27-2028/4/10
Bazhou Branch, Industrial and Commercial Bank of China Limited	2,500,000.00	2025/5/16-2028/4/22
Less: Long-Term Borrowings Due Within One Year	29,620,000.00	
Total	938,959,999.99	

(2) Details of Mortgaged Borrowings

Lending Institution	Ending Balance	Collateral	Term of Borrowing
Hebei Branch, Export-Import Bank of China	300,000,000.00	Xinjiang Meihua Land Property as collateral	2022/8/12-2025/7/26
Less: Long-Term Borrowings Due Within One Year	300,000,000.00		
Total	0		

(3) Details of Guaranteed Borrowings

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Business Department of Tibet Branch, Bank of	176,000,000.00	Tongliao	The	2023/3/31-2026/3/31

China Limited		Meihua, Xinjiang Meihua	Company	
Business Department of Tibet Branch, Bank of China Limited	36,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2023/4/23-2026/3/31
Business Department of Tibet Branch, Bank of China Limited	28,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/6/11-2027/6/11
Tongliao Branch, China Construction Bank Corporation	98,666,700.00	The Company	Tongliao Meihua	2023/5/22-2038/5/8
Tongliao Branch, China Construction Bank Corporation	19,042,653.88	The Company	Tongliao Meihua	2024/6/6-2038/5/8
Tongliao Branch, China Construction Bank Corporation	9,866,660.04	The Company	Tongliao Meihua	2024/6/13-2038/5/8
Tongliao Branch, China Construction Bank Corporation	5,919,996.02	The Company	Tongliao Meihua	2024/6/19-2038/5/8
Tongliao Branch, China Construction Bank Corporation	14,799,990.06	The Company	Tongliao Meihua	2024/6/26-2038/5/8
Tongliao Jianguo Road Sub-branch, China Construction Bank Corporation	45,000,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	54,000,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	36,000,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Tongliao Jianguo Road Sub-branch, China Construction Bank Corporation	45,000,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	36,000,000.00	The Company	Tongliao Meihua	2024/11/14-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	36,000,000.00	The Company	Tongliao Meihua	2024/11/18-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	18,000,000.00	The Company	Tongliao Meihua	2024/11/20-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	147,704,000.00	The Company	Tongliao Meihua	2025/5/20-2038/5/8
Huihai Sub-branch, Agricultural Bank of China Limited	14,819,832.28	Xinjiang Meihua	Tongliao Meihua	2024/12/5-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	4,538,021.20	Xinjiang Meihua	Tongliao Meihua	2024/12/12-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	3,978,347.92	Xinjiang Meihua	Tongliao Meihua	2024/12/19-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	2,095,843.43	Xinjiang Meihua	Tongliao Meihua	2024/12/25-2039/11/27

Huihai Sub-branch, Agricultural Bank of China Limited	44,000,000.00	Xinjiang Meihua	Tongliao Meihua	2024/2/6-2027/2/4
Huihai Sub-branch, Agricultural Bank of China Limited	75,000,000.00	Xinjiang Meihua	Tongliao Meihua	2023/8/28-2038/6/20
Huihai Sub-branch, Agricultural Bank of China Limited	20,725,937.66	Xinjiang Meihua	Tongliao Meihua	2025/2/13-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	5,033,161.44	Xinjiang Meihua	Tongliao Meihua	2025/2/20-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	2,618,621.00	Xinjiang Meihua	Tongliao Meihua	2025/3/13-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	17,000,000.00	Xinjiang Meihua	Tongliao Meihua	2025/3/25-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	4,345,889.20	Xinjiang Meihua	Tongliao Meihua	2025/4/10-2039/11/27
Wujiaqu Sub-branch, China Construction Bank Corporation	98,000,000.00	The Company	Xinjiang Meihua	2024/7/25-2027/7/25
Wujiaqu Sub-branch, China Construction Bank Corporation	46,000,000.00	The Company	Xinjiang Meihua	2024/8/21-2025/9/21
Less: Long-term Borrowings Due Within One Year	351,000,000.00			
Total	793,155,654.13			

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
Within 1 year	3,596,021.77	3,782,304.67
1-2 years	1,118,345.93	1,068,434.90
2-3 years	408,707.59	844,354.16
3-4 years	114,918.19	172,111.80
4-5 years		28,862.29
Less: Unrecognized Financing Costs	246,151.00	372,835.01
Less: Lease Liabilities Due Within One Year	3,434,783.72	3,538,091.97
Total	1,557,058.76	1,985,140.84

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	10,500,000.00	10,500,000.00
Special Payables		
Total	10,500,000.00	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
Patent License Rights	26,563,141.06	52,520,701.81
Less: Long-term Payables Due Within One Year	26,563,141.06	52,520,701.81
Total	10,500,000.00	10,500,000.00

Other Explanations:

None

Special Payables

□Applicable ✓Not Applicable

49. Long-term Employee Compensation Payable

□Applicable ✓Not Applicable

50. Estimated Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reasons for Formation
Guarantees Provided to External Parties			

Pending Litigation	32,948,103.32	32,438,161.92	Refer to 2 in Section XVI for details
Product Quality Assurance			
Restructuring Obligations			
Loss Contracts to be Executed			
Return Refunds Payable			
Others			
Total	32,948,103.32	32,438,161.92	/

Other Explanations: Including related significant assumptions for significant estimated liabilities.
Estimation Explanation:

None

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
Asset-related Government Grants	381,020,645.51	17,410,000.00	22,920,234.90	375,510,410.61	Refer to 2 in Section XI for details
Total	381,020,645.51	17,410,000.00	22,920,234.90	375,510,410.61	/

Other Explanations:

✓Applicable □ Not Applicable

Refer to 2 in Section XI 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	2,852,788,750.00						2,852,788,750.00

Other Explanations:

Refer to Note 1 - Basic Information of the Company for details of changes in share capital.

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)	263,154,867.05			263,154,867.05
Other Capital Reserves				
Total	263,154,867.05			263,154,867.05

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	287,771,455.80	64,294,882.98		352,066,338.78
Total	287,771,455.80	64,294,882.98		352,066,338.78

Other Explanations: Including explanation of increase/decrease in the current period and reasons for such changes:

MeiHua Holdings Group Co., Ltd. (hereinafter referred to as the “Company”) held the 13th meeting of the 10th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders in 2024 on September 23 and October 11, respectively. At these meetings, the proposal on the repurchase of the Company’s shares through centralized bidding was reviewed and approved. On October 12, 2024, the Company disclosed the “Repurchase Report on the Share Repurchase through Centralized Bidding of MeiHua Holdings Group Co., Ltd.” The total repurchase amount was set to be no less than RMB 300 million and no more than RMB 500 million, with the repurchased shares intended for cancellation to reduce registered capital. By the end of June 2025, the Company had repurchased 35.7084 million shares through centralized bidding, representing 1.25% of the current total share capital (2,852,788,750 shares), with a total payment of RMB 352.0663 million.

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	-54,999,862.00	-113,759,630.00			-17,063,944.50	-96,695,685.50		-151,695,547.50
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	-54,999,862.00	-113,759,630.00			-17,063,944.50	-96,695,685.50		-151,695,547.50
Changes in Fair Value of Enterprises' Own Credit Risk								
II. Other Comprehensive Income to Be Reclassified to Profit or Loss	-5,099.46	-1,970,677.19				-1,970,677.19		-1,975,776.65
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	-5,099.46	-1,970,677.19				-1,970,677.19		-1,975,776.65
Total Other Comprehensive Income	-55,004,961.46	-115,730,307.19			-17,063,944.50	-98,666,362.69		-153,671,324.15

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 Current Period	Decrease during the Current Period	Ending Balance
Work Safety Expenses	4,743,615.67	30,484,436.74	30,296,569.38	4,931,483.03
Total	4,743,615.67	30,484,436.74	30,296,569.38	4,931,483.03

Other explanations, including explanation of increase/decrease for the current period and reasons for such changes:

None

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	1,426,394,375.00			1,426,394,375.00
Discretionary Surplus Reserves				
Reserve Funds				
Enterprise Expand Funds				
Others				
Total	1,426,394,375.00			1,426,394,375.00

Explanations of surplus reserves, including explanation of increase/decrease for the current period and reasons for such changes:

The increase in the statutory surplus reserve for the current period was made at 10% of the parent company's net profit, in accordance with applicable laws. In accordance with the Company Law, no further appropriation is required once the statutory surplus reserve has reached 50% or more of the company's registered capital.

60. Undistributed Profits

√Applicable □Not Applicable

Unit: Yuan Currency: RMB

Items	For the Current Period	For the Previous Period
Undistributed Profits at the End of the Previous Period Before Adjustment	10,370,640,110.47	9,427,722,131.86
Total Amount of Undistributed Profits at the Beginning of the Adjustment (Increase +, decrease－)		
Undistributed Profits at the Beginning of the Post-adjustment	10,370,640,110.47	9,427,722,131.86
Plus: Net Profit Attributable to the Owners of the Parent Company for the Current Period	1,767,950,116.89	2,740,427,215.56
Minus: Withdrawal of Statutory Surplus Reserves		100,099,930.70
Withdrawal of Discretionary Surplus Reserves		
Withdrawal of General Risk Reserves		

Ordinary Share Dividends Payable	1,199,987,325.29	1,697,409,306.25
Ordinary Share Dividends Transferred to Share Capital		
Retained Earnings from the Carry-forward of Other Comprehensive Income		
Undistributed Profits at the End of the Period	10,938,602,902.07	10,370,640,110.47

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.
2. Due to changes in the accounting standards, the amount of undistributed profits at the beginning of the impact period is RMB 0.
3. Due to correction of significant accounting errors, the amount of undistributed profits at the beginning of the impact period is RMB 0.
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.
5. Due to other adjustments, the total amount of undistributed profits at the beginning of the impact period is RMB 0.

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	12,201,006,425.75	9,372,143,881.60	12,541,129,888.84	10,120,038,107.64
Other Business	79,444,177.78	61,209,358.49	101,588,164.53	57,168,155.50
Total	12,280,450,603.53	9,433,353,240.09	12,642,718,053.37	10,177,206,263.13

(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	17,664,115.33	15,241,822.71
Education Surcharge	13,714,358.88	12,608,350.15
Resource Tax	24,961,004.89	25,467,799.91
Property Tax	26,906,712.05	25,612,021.38
Land Use Tax	18,300,652.02	17,294,542.61
Vehicle and Vessel Usage Tax	34,243.33	34,730.00
Stamp Duty	11,871,317.19	12,179,392.56
Environmental Protection Tax	3,163,481.95	4,099,324.55
Others	2,450,685.40	2,870,883.67
Total	119,066,571.04	115,408,867.54

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	81,508,805.04	94,820,443.36
Company Expenses	12,024,503.62	22,406,533.76
Promotion Expenses	10,568,077.77	15,468,085.47
Employee Expenses	33,055,518.95	48,248,806.42
Depreciation and Amortization	8,513,752.19	7,511,487.71
Warehousing Expenses	22,090,134.45	15,998,110.12
Total	167,760,792.02	204,453,466.84

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	83,514,810.05	103,378,482.38
Employee Expenses	337,748,536.68	367,843,855.43
Depreciation and Amortization	48,170,214.84	83,284,028.70
Total	469,433,561.57000	554,506,366.51

Other Explanations:

None

65. Research and Development Expenses

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the	Amount Incurred during the

	Current Period	Previous Period
Employee Expenses	28,650,440.05	26,188,706.04
Depreciation Expenses	12,225,514.37	10,589,413.50
Material Consumption	136,825,441.33	126,606,320.24
Other Expenses	22,257,302.18	17,094,794.96
Total	199,958,697.93	180,479,234.74

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	27,955,159.53	46,859,883.13
Less: Interest Income	-26,389,977.12	-59,735,278.47
Exchange Profits and Losses	-28,153,343.43	-68,562,884.90
Bank Charges and Other Expenses	5,927,841.39	6,201,735.30
Total	-20,660,319.63	-75,236,544.94

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	137,644,467.14	154,414,843.86
Refunds of Personal Income Tax Handling Fees	5,404,964.32	3,103,558.18
Additional Deduction of Value-added Tax	5,496,884.87	16,902,462.58
Value-added Tax Exemption for Retired Veterans		12,000.00
Total	148,546,316.33	174,432,864.62

Other Explanations:

Refer to (3) in Section XI for details of government subsidies for the Company

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	-923,353.98	-2,220,562.67
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	3,308,800.00	2,816,000.00
Dividend Income from Debt Investments during the Holding	787,500.00	787,500.00

Period		
Dividend Income from other Debt Investments during the Holding Period	10,465,773.44	6,194,600.00
Investment Income from the Disposal of Financial Assets Held for Trading	15,723,626.48	6,675,926.28
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	-111,579.15	417,944.43
Debt Restructuring Gains		
Total	29,250,766.79	14,671,408.04

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	16,016,844.67	1,959,926.94
Including: Gains from Changes in Fair Value Arising from Derivative Financial Instruments	1,200,860.00	8,000.00
Financial Liabilities Held for Trading		
Investment Properties Measured at Fair Value		
Total	16,016,844.67	1,959,926.94

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	-154,305.79	6,162,617.22
Total	-154,305.79	6,162,617.22

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	-451,713.16	-1,987,907.91
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	-9,236,606.64	-1,987,907.91

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
Gains or Losses from Disposal of Fixed Assets	438,552.05	1,598,224.17
Total	438,552.05	1,598,224.17

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			
Including: Gains from Disposal of Fixed Assets			
Gains from Disposal of Intangible Assets			
Gain from Debt Restructuring			

Gains from Exchange of Non-monetary Assets			
Donation Receipts			
Government Grants			
Revenue from Default Compensation			
Revenue from Outstanding Unsolved Matters			
Insurance Claims	2,458,445.64	425,558.05	2,458,445.64
Income from Carbon Emission Rights		62,309,433.96	
Others	698,690.77	3,638,979.72	698,690.77
Total	3,157,136.41	66,373,971.73	3,157,136.41

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			
Including: Losses from Disposal of Fixed Assets			
Losses from Disposal of Intangible Assets			
Loss on Debt Restructuring			
Losses from Exchange of Non-monetary Assets			
External Donations	1,542,000.00	3,500,000.00	1,542,000.00
Settlement Costs of Litigation			
Expenditure for Outstanding Unsolved Matters			
Inventory Losses			
Losses from Destruction or Scrapping of Non-current Assets	6,570,163.08	24,205,123.35	6,570,163.08
Default Losses			
Others	2,273,751.00	4,115,578.86	2,273,751.00
Total	10,385,914.08	31,820,702.21	10,385,914.08

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	331,522,515.48	220,205,381.91
Deferred Income Tax Expenses	-10,301,782.12	23,261,630.32
Total	321,220,733.36	243,467,012.23

(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	2,089,170,850.25
Income Tax Expenses Calculated at Statutory/Applicable Tax Rates	313,375,628.03
Impact of Different Tax Rates Applicable to Subsidiaries	-2,667,624.55
Impact of Income Tax for the Previous Period Before Adjustment	2,533,408.41
Impact of Non-taxable Income	6,500,309.34
Impact of Non-deductible Costs, Expenses and Losses	1,329,989.76
Impact of Deductible Losses from Unrecognized Deferred Income Tax Assets for the Previous Periods Before Usage	-757,466.68
Impact of Deductible Temporary Difference or Deductible Losses from Unrecognized Deferred Income Tax Assets for the Current Period	906,489.05
Impact of Additional Deduction of Research and Development Expenses	
Income Tax Expenses	321,220,733.36

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 received

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest Income	26,411,390.20	74,346,823.05
Income from Government Grants	132,252,277.39	136,069,518.79
Others	32,489,729.74	92,538,814.94
Total	191,153,397.33	302,955,156.78

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	308,047,443.89	295,017,103.90
Temporary Borrowings	681,175.17	601,247.58
Other Expenditures	244,715,431.93	28,635,950.27
Total	553,444,050.99	324,254,301.75

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
Gains from Exchange Settlement	2,859,048.14	
Total	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	428,515,211.85	235,856,949.53
Total	428,515,211.85	235,856,949.53

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	190,591,895.44	219,481,618.14
Repurchased Shares	64,294,882.98	283,414,526.08
Principal and Lease Deposits for Lease Liabilities	861,559.04	912,234.51
Total	255,748,337.46	503,808,378.73

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	1,734,832,631.06	1,972,541,596.34	4,966,712.24	2,050,325,351.12	75,176,675.34	1,586,838,913.18
Long-term Borrowings	2,094,382,044.83	902,423,609.30		584,070,000.01		2,412,735,654.12
Lease Liabilities	5,523,232.81		260,952.89	796,229.47	-3,886.25	4,991,842.48
Total	3,834,737,908.70	2,874,965,205.64	5,227,665.13	2,635,191,580.60	75,172,789.09	4,004,566,409.78

(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	1,767,950,116.89	1,473,823,789.92
Plus: Asset Impairment Reserves	9,236,606.64	1,987,907.91
Credit Impairment Losses	154,305.79	-6,162,617.22
Depreciation of Fixed Assets, Depletion of Oil and Gas Assets, and Depreciation of Productive Biological Assets	663,310,890.94	644,467,539.02
Amortization of Right-of-Use Assets	1,804,653.82	1,200,962.88
Amortization of Intangible Assets	20,437,708.39	21,594,903.82
Amortization of Long-term Deferred Expenses	18,080,269.41	14,792,568.72
Losses on Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets ("-" for gains)	-438,552.05	-1,598,224.17
Losses on Scrapping of Fixed Assets ("-" for gains)	6,570,163.08	24,205,123.35
Losses on Changes in Fair Value ("-" for gains)	-16,016,844.67	-1,959,926.94
Financial Expenses ("-" for gains)	-737,611.57	-23,730,451.06
Investment Losses ("-" for gains)	-29,250,766.79	-14,671,408.04
Decrease in Deferred Income Tax Assets ("-" for increase)	-19,972,579.93	24,645,983.80
Increase in Deferred Income Tax Liabilities ("-" for decrease)	-35,060.17	-1,384,353.48
Decrease in Inventories ("-" for increase)	208,943,971.20	416,520,802.04
Decrease in Operating Receivables ("-" for increase)	-3,689,852.79	253,649,805.16

Increase in Operating Payables ("-" for decrease)	-313,556,197.56	-591,564,282.59
Others		
Net Cash Flow Arising from Operating Activities	2,312,791,220.63	2,235,818,123.12
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	2,722,743,961.39	3,534,589,105.39
Minus: Beginning Cash Balance	4,131,859,602.14	4,780,614,442.73
Plus: Ending Cash Equivalent Balance		
Minus: Beginning Cash Equivalent Balance		
Net Increase in Cash and Cash Equivalents	-1,409,115,640.75	-1,246,025,337.34

(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

(4).Composition of Cash and Cash Equivalents

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
I. Cash	2,722,743,961.39	4,131,859,602.14
Including: Cash on Hand		
Bank Deposits Available for Immediate Payment	2,699,729,334.80	4,112,890,088.86
Other Monetary Funds Available for Immediate Payment	23,014,626.59	18,969,513.28
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	2,722,743,961.39	4,131,859,602.14
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

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			383,332,237.91
Including: US Dollar	53,547,214.39	7.1586	383,323,088.95
Euro	739.24	8.4024	6,211.39
Hong Kong Dollar	687.50	0.9120	626.97
British Pound	34.20	9.8300	336.19
Singapore Dollar	351.44	5.6179	1,974.41
Accounts Receivable			311,837,811.76
US Dollar	43,561,120.25	7.1586	311,836,635.42
Euro	140.00	8.4024	1,176.34
Other Receivables			556,714.08
US Dollar	75,898.40	7.1586	543,326.29
Singapore Dollar	2,383.00	5.6179	13,387.79
Long-term Receivables			348,927.06
Singapore Dollar	62,108.00	5.6179	348,927.06
Other Current Assets			22,423.81
Singapore Dollar	3,991.38	5.6179	22,423.81
Accounts Payable			6,183,554.90
US Dollar	852,328.00	7.1586	6,101,475.22
Euro	9,768.60	8.4024	82,079.68
Other Payables			9,572,919.10
US Dollar	1,337,257.03	7.1586	9,572,888.17
Singapore Dollar	5.50	5.6179	30.93
Accrued Employee Compensation			354,832.47
Singapore Dollar	63,159.14	5.6179	354,832.47
Lease Liabilities			1,160,053.99
Singapore Dollar	206,486.24	5.6179	1,160,053.99
Non-current Liabilities Due Within One Year			27,456,882.96
US Dollar	3,710,661.45	7.16	26,563,141.06
Singapore Dollar	159,083.46	5.6179	893,741.90

Other Explanations:

None

(2).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

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 1,440,097.75

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest of Lease Liabilities	582,068.74	223,774.28
Expenses on Short-term Leases	858,029.01	821,886.19

Sale-leaseback Transactions and Judgement Basis

□Applicable ✓Not Applicable

Total cash outflows related to leases: 861,559.04 (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
Housing Structures	6,439,403.13	
Equipment	160,867.80	
Vehicles	86,283.16	
Total	6,686,554.09	

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

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

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

Name	Reason for Changes
PLUMINO PRECISION FERMENTATION HOLDINGS PTE. LTD.	New Establishment
Plumino Precision Fermentation US Holdings, Inc.	New Establishment

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	Place of Registration	Business Nature	Stock Ownership Ratio (%)		Acquisition Method
					Direct	Indirect	
Tongliao Meihua	Tongliao	1,800,000,000	Tongliao	Manufacturing	100		Investment or Establishment
Tongliao Jianlong	Tongliao	133,000,000	Tongliao	Manufacturing		100	Merger Not Under the Same Control
Xinjiang Meihua	Wujiaqu	2,500,000,000	Wujiaqu	Manufacturing	100		Investment or Establishment
Xinjiang Agriculture	Wujiaqu	260,000,000	Wujiaqu	Manufacturing		100	Merger Not Under the Same Control
Wujiaqu Jianlong	Wujiaqu	160,000,000	Wujiaqu	Manufacturing		100	Investment or Establishment
Langfang R & D	Langfang	38,000,000	Langfang	Technological Development	100		Investment or Establishment
Shanghai R & D	Shanghai	31,000,000	Shanghai	Technological Development		100	Investment or Establishment
Langfang BAIAN	Langfang	25,000,000	Langfang	Warehousing		100	Investment or Establishment
Langfang Seasoning	Langfang	250,000,000	Langfang	Manufacturing	100		Investment or Establishment
Tongliao Seasoning	Tongliao	5,000,000	Tongliao	Manufacturing		100	Investment or Establishment
Hong Kong	Hong Kong	6,277,900	Hong Kong	Trading	100		Investment or

Meihua							Establishment
Lhasa Meihua	Lhasa	800,000,000	Lhasa	Investment	100		Investment or Establishment
Jilin Meihua	Baicheng	2,000,000,000	Baicheng	Manufacturing	100		Investment or Establishment
Hengqin Meihua	Hengqin	50,000,000	Zhuhai	Investment	100		Investment or Establishment
Hong Kong Holding	Hong Kong	50,000,000	Hong Kong	Investment		100	Investment or Establishment
Cayman Company	Cayman	5,000,000	Cayman	Investment		100	Investment or Establishment
Singapore Company	Singapore	10,000,000	Singapore	Trading		100	Investment or Establishment
Singapore spv	Singapore	1.00	Singapore	Investment		100	Investment or Establishment
U.S. Holding	U.S.	50,000,000	U.S.	Investment		100	Investment or Establishment

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:

The above registered capital amounts are subscription-based. The registered capital of the Hong Kong holding company is HKD 50 million, that of the Cayman company is USD 5 million, that of the Singapore company is SGD 10 million, that of the Singapore SPV is SGD 1, and that of the U.S. holding company is USD 50 million.

(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.	XX Company	Tongliao Desheng Bio-Tech Co., Ltd.	XX Company
Current Assets	13,349,780.11		27,738,137.26	
Non-Current Assets	17,115,200.77		18,485,239.24	
Total Assets	30,464,980.88		46,223,376.50	
Current Liabilities	16,669,656.25		26,873,303.27	
Non-Current Liabilities				
Total Liabilities	16,669,656.25		26,873,303.27	
Minority Shareholders' Equity				

Shareholders' Equity Attributable to the Parent Company	13,795,324.63		19,350,073.23	
Net Asset Share Calculated by Stock Ownership Ratio	6,759,709.07		9,481,535.88	
Adjustments				
--Goodwill				
--Unrealized Profits on Internal Transactions				
--Others				
Book Value of Equity Investments in Associates	5,951,585.90		6,874,939.88	
Fair Value of Equity Investments in Associates with Public Quotation				
Operating Revenues	55,978,803.48		53,988,297.80	
Net Profits	-838,746.96		-2,743,527.12	
Net Profits from Discontinued Operations				
Other Comprehensive Income				
Total Comprehensive Income	-838,746.96		-2,743,527.12	
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	381,020,645.51	17,410,000.00		22,920,234.90		375,510,410.61	Asset-related
Total	381,020,645.51	17,410,000.00		22,920,234.90		375,510,410.61	/

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	22,920,234.90	22,140,652.27
Income-related	114,724,232.24	132,274,191.59
Total	137,644,467.14	154,414,843.86

Other Explanations:

1. Government Grants Recorded in the Profit or Loss for the Current Period

Grant Items	Accounting Subjects	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Asset/Income-related
Supporting Subsidies for Infrastructure	Other Income	630,118.38	630,118.36	Asset-related
Subsidy for Production Water Pipeline Construction Projects	Other Income	799,800.00	799,800.00	Asset-related
Subsidy for Boiler Desulfurization Technology Transformation Projects	Other Income	166,800.00	166,800.00	Asset-related
Subsidy for Electric Bag Composite Dust Removal Retrofit Project at Heating Stations	Other Income	79,800.00	79,800.00	Asset-related
Infrastructure Subsidy Funds	Other Income	24,438.00	24,438.00	Asset-related
Construction of a Green-Designed Industrialized	Other	324,176.31	287,570.66	Asset-relat

Demonstration Line for Lysine Production with an Annual Capacity of 400,000 Tons	Income			ed
Industrial Development Guidance Fund	Other Income	16,345,754.94	16,556,615.75	Asset-related
Industrial Development Guidance Fund	Other Income	1,414,170.42	1,415,267.14	Asset-related
Technology Transformation Projects	Other Income	1,943,773.68	1,968,863.19	Asset-related
Building Innovative Capacity - Biomass Portion	Other Income	206,405.88	211,379.17	Asset-related
Amino Acid 18,000-ton Annual Production Project – Ultra-Long-Term Treasury Fund	Other Income	936,169.26		Asset-related
Key Industry Development Special Asset Subsidy – Tongliao	Other Income	9,800.00		Asset-related
Special Fund for Foreign Trade Development -Xinjiang	Other Income	31,700.44		Asset-related
Air Quality Improvement Incentive – Xinjiang	Other Income	7,327.59		Asset-related
Enterprise Development Special Fund Award	Other Income	101,000,000.00	122,831,585.00	Income-related
Social Insurance Subsidies	Other Income	1,929,596.32	2,061,596.56	Income-related
Industrial Development Guidance Fund	Other Income		5,000,000.00	Income-related
Special Fund for Foreign Trade Development	Other Income	8,797,300.00		Income-related
One-time employment subsidy	Other Income		1,018,170.00	Income-related
Special Fund for Science and Technology Development	Other Income	1,030,000.00		Income-related
Export freight subsidy from the Bureau of Commerce	Other Income			Income-related
On-the-job training subsidy from the Employment Administration	Other Income			Income-related
Project funding from the Science and Technology Bureau	Other Income			Income-related
High-tech enterprise certification	Other Income			Income-related
Stabilization subsidy disbursed by the Social Security Bureau	Other Income	1,304,664.60	332,840.03	Income-related
One-time expansion subsidy from the Social Security Bureau	Other Income	151,500.00	90,000.00	Income-related
Others	Other Income	511,171.32	940,000.00	Income-related
Total		137,644,467.14	154,414,843.86	

2. Government grants offsetting the carrying amount of related assets and corresponding costs and expenses

Grant Items	Type	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Items of Offset Costs
Government Interest Subsidies	Asset-related		27,777.78	Construction in Progress
Government Interest Subsidies	Income-related	118,045.15	477,777.74	Financial Expenses
Total		118,045.15	505,555.52	

XII. Risks Related to Financial Instruments

1. Risks of Financial Instruments

✓Applicable □ Not Applicable

The Company's main financial instruments include monetary funds, equity investments, debt investments, borrowings, receivables, payables, etc. Various risks of financial instruments faced in daily activities mainly include credit risk, liquidity risk and market risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are as follows:

The Board of Directors is responsible for planning and establishing the Company's risk management framework, formulating the Company's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by it. These risk management policies provide specific provisions for specific risks, covering various aspects such as market risk, credit risk, and liquidity risk management. The Company regularly evaluates the market environment and changes in its operations to determine whether to update risk management policies and systems. The Company's risk management is conducted by the Risk Management Committee in accordance with policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates, and avoids relevant risks through close cooperation with other business departments of the Company. The Company's Internal Audit Department conducts regular audits of risk management controls and procedures, and reports the audit results to the Company's Audit Committee. The Company diversifies its investments and business portfolios appropriately to mitigate financial instrument risks and reduces risks concentrated in a single industry, specific regions, or specific counterparties by formulating corresponding risk management policies.

(I) **Various Risks Arising from Financial Instruments**

1．Credit Risk

Credit risk refers to the risk of financial loss incurred by the Company due to the counterparty's failure to fulfill its obligations under the contract. The management has formulated appropriate credit policies and maintains ongoing oversight of credit risk exposure.

The Company has adopted a policy to conduct transactions solely with counterparties with good credit standing. In addition, the Company evaluates the credit qualifications of customers based on factors such as their financial position, the likelihood of obtaining guarantees from third parties, credit records, and other factors such as current market conditions. The Company continuously monitors the balance of notes receivable, accounts receivable, and recovery situations. For customers with poor credit records, the Company adopts measures such as written payment reminders, shortening credit periods, or canceling credit periods to ensure that it won’t face significant credit losses. Furthermore, the Company reviews the recovery situation of financial assets on each balance sheet date to ensure that sufficient expected credit loss reserves are provided for relevant financial assets.

Other financial assets held by the Company include monetary funds, other receivables, debt investments, etc., and the credit risk of these financial assets stems from defaults by counterparties, with the maximum credit risk exposure being the book value of each financial asset in the balance sheet. Except for the financial guarantees made by the Company as disclosed in (5) in Note XIV, the Company doesn’t provide any other guarantees that may expose it to credit risk.

The monetary funds held by the Company are mainly deposited with financial institutions such as state-owned holding banks and other large and medium-sized commercial banks. The management believes that these commercial banks exhibit high credibility and asset conditions, and there is no significant credit risk that may lead to any significant losses due to default by counterparties. The Company’s policy is to control the amount of deposits in various well-known financial institutions based on the market reputation, operating scale, and financial background of these institutions to limit the amount of credit risk exposure to any single financial institution.

As part of the Company's credit risk asset management, the Company uses aging to assess impairment losses on accounts receivable and other receivables. The Company’s accounts receivable and other receivables involve a significant number of customers and the aging information can reflect the payment ability and bad debt risk of these customers with respect to accounts receivable and other receivables. The Company calculates historical actual bad debt rates for different aging periods based on historical data and makes adjustments to obtain the expected loss rate, taking into account the forecasts of current and future economic conditions, such as national GDP growth rate, total investment in infrastructure, national monetary policy, and other forward-looking information. For long-term receivables, the Company comprehensively considers settlement periods, payment periods agreed in the contract, the financial position of debtors, and the economic situation of the industry in which the debtors are located, and makes adjustments to reasonably assess the expected credit losses based on the above forward-looking information.

As of June 30, 2025, the book balance of related assets and the status of expected credit impairment losses are as follows:

Items	Book Balance	Impairment Reserves
Notes Receivable	92,822,653.44	

Items	Book Balance	Impairment Reserves
Accounts Receivable	639,408,964.70	32,001,734.89
Other Receivables	141,244,894.92	116,335,181.56
Debt Investments	10,500,000.00	
Long-term Receivables (including those due within one year)	619,712.60	
Total	884,596,225.66	148,336,916.45

As of June 30, 2025, the amount of financial guarantees provided by the Company to external parties amounted to RMB 904,155,700. Refer to (5) in Section XIV for details of the financial guarantee contracts. The Company's management assessed the overdue status of related borrowings under the guarantees, the financial position of the borrowers, and the economic situation of their respective industries and concluded that since the initial recognition of these financial guarantee contracts, there has been no significant increase in credit risk. Therefore, the Company measured its impairment reserves based on the amount equivalent to the expected credit losses within the next 12 months for the aforementioned financial guarantee contracts. During the reporting period, there were no changes in the Company's assessment methods and significant assumptions. According to the assessment by the Company's management, there were no significant expected impairment reserves for the related financial guarantees.

The Company's major customers have reliable and good reputations; therefore, the Company believes that these customers do not pose significant credit risks. Given the extensive range of customers, the Company does not face any significant credit concentration risks.

2. Liquidity Risk

Liquidity risk refers to the risk of funds shortage when the Company fulfills its obligations for settlement through cash delivery or other financial assets. Subsidiaries of the Company are responsible for their respective cash flow forecasts. The Company's Financial Management Department continuously monitors the short-term and long-term fund requirements of the Company based on the cash flow forecast results of each subsidiary at the Company level, to ensure the maintenance of adequate cash reserves. Additionally, it continuously monitors compliance with provisions specified in loan agreements, and obtains commitments from major financial institutions to provide sufficient standby funds to meet short-term and long-term fund requirements. Furthermore, the Company has entered into credit agreements with major banks involved in its main business to support itself in fulfilling obligations related to commercial notes. As of June 30, 2025, the Company has secured bank credit lines, totaling RMB 17.366 billion, from multiple banks in China, of which RMB 5.196 billion has been utilized.

3. Market Risk

(1). Exchange Risk

Although the Company's main operations are based in China, with transactions primarily settled in Renminbi, there still exists exchange risk associated with recognized foreign currency assets, liabilities, and future foreign currency transactions (where the US dollar is used as the primary valuation currency). The Company's Financial Management Department is responsible for monitoring the scale of the Company's foreign currency transactions and foreign currency assets and liabilities to minimize the exposure to exchange risk. To this end, the Company may enter into forward foreign exchange contracts or currency swap contracts to avoid the exchange risk.

1) The forward foreign exchange contracts or currency swap contracts signed by the Company in this year are as follows:

The Company's subsidiary, Hong Kong Meihua, has entered into forward foreign exchange contracts with Standard Chartered Bank (Hong Kong) Limited, with an expected principal delivery of USD 19.981 million;

The Company's subsidiary, Hong Kong Meihua, has also entered into forward foreign exchange contracts with HSBC Bank (China) Company Limited, with an expected principal delivery of USD 11.811 million.

The Company's subsidiary, Meihua Hong Kong, also signed a forward foreign exchange contract with The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Hong Kong Branch) in the amount of USD 3 million.

2) As of June 30, 2025, the amounts of foreign currency financial assets and liabilities held by the Company converted into Renminbi are as follows:

Items	Ending Balance					
	USD Items	Euro Items	HKD Items	GBP Items	SGD Items	Total
Foreign Currency Financial Assets:						
Monetary Funds	383,323,088.95	6,211.39	626.97	336.19	1,974.41	383,332,237.91
Accounts Receivable	311,836,635.42	1,176.34				311,837,811.76
Other Receivables	543,326.29				13,387.79	556,714.08
Long-term Receivables					348,927.06	348,927.06
Other Current Assets					22,423.81	22,423.81
Subtotal	695,703,050.66	7,387.73	626.97	336.19	386,713.07	696,098,114.62
Foreign Currency Financial Liabilities:						
Accounts Payable	6,101,475.22	82,079.68				6,183,554.90
Other Payables	9,572,888.17				30.93	9,572,919.10
Employee benefits payable					354,832.47	354,832.47
Lease Liabilities					1,160,053.99	1,160,053.99
Current Portion of Non-current Liabilities	26,563,141.06				893,741.90	27,456,882.96
Subtotal	42,237,504.45	82,079.68			2,408,659.29	44,728,243.42

(2). Interest Rate Risk

The Company's interest rate risk mainly arises from bank borrowings, etc. Financial liabilities with floating interest rate expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rate expose the Company to fair value interest rate risk. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market conditions at the time.

The Company’s Financial Management Department continuously monitors the Company’s interest rate levels. A rise in interest rates would increase the cost of newly added interest-bearing debts and interest expenditures on outstanding interest-bearing debts with floating rates, and pose significant adverse effects on the Company's financial performance. The management will make timely adjustments based on the latest market conditions and these adjustments may include interest rate swap arrangements to mitigate interest rate risk.

1) The Company’s interest rate swap arrangements for this year are as follows:

The Company had no interest rate swap arrangements for this year.

2) As of June 30, 2025, the Company's long-term interest-bearing debts were mainly floating-rate contracts denominated in Renminbi, with a total amount of RMB 1,732,115,654.12, as detailed in (45) in Section VII.

(3). Price Risk

Price risk refers to the risk of fluctuations caused by market price changes other than exchange rate risk and interest rate risk, mainly arising from changes in commodity prices, stock market indices, equity instrument prices, and other risk variables.

2. Hedging

(1).The Company conduct 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	468,200.00		1,397,826,972.26	1,398,295,172.26
1.Financial Assets Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period	468,200.00		1,397,826,972.26	1,398,295,172.26
(1) Debt Instrument Investments				
(2) Equity Instrument Investments				
(3) Derivative Financial Assets	468,200.00			468,200.00
Others			1,397,826,972.26	1,397,826,972.26
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	170,534,650.00		157,000,000.00	327,534,650.00
(IV) Investment Properties				
1.Leased Land Use Rights				
2.Leased Buildings				
3.Land Use Right Held for Transfer After Appreciation				
(V) Biological Assets				
1.Consumable Biological Assets				
2.Productive Biological Assets				
Receivables Financing			18,045,534.34	18,045,534.34
Total Amount of Assets Measured at Fair Value on a Continuous Basis	171,002,850.00		1,572,872,506.60	1,743,875,356.60
(VI) Financial Liabilities Held for Trading				
1.Financial Liabilities Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period				
Including: Issued Bonds Held for Trading				
Derivative Financial Liabilities				
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				
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 for identical assets or liabilities that can be obtained in active markets on the measurement date;

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;

Inputs for Level 2 include: 1) Quotations for similar assets or liabilities in active markets; 2) Quotations for identical or similar assets or liabilities in inactive markets; 3) Other observable inputs besides quotations, including interest and yield curves, implied volatility, credit spreads observable during normal quotation intervals, etc.; 4) Inputs validated by the market, etc.

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.

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

Financial assets and liabilities not measured at fair value mainly include: receivables, debt investments, short-term borrowings, payables, non-current liabilities due within one year, long-term borrowings, and equity instrument investments for which there are no quotations in active markets and whose fair value cannot be reliably measured.

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: ‘0000 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				29.94	

Explanation of the Status of the Company's Parent Company
None
The ultimate controlling party of the Company is Meng Qingshan
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 X 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

For details of the Company's significant joint ventures or associates, refer to 3 - Equity in Joint Arrangements or Associates in Section X.

Other joint ventures or associates with related transactions with the Company during the current period or with balances formed from related transaction 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.
Liu Xinghua	Director of the Company
Lu Chuang	Director of the Company
Chang Libin	Supervisor of the Company
Liu Xiaojing	Supervisor of the Company
Liu Qiang	Supervisor of the Company
Liu Xianfang	Senior Executive of the Company
Wang Lihong	Senior Executive of the Company
Wang You	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

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
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	40,939,356.32	40,961,716.94
Tongliao Desheng Bio-tech Co., Ltd.	Services	468,821.28	12,653.30
Total		41,408,177.60	40,974,370.24

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.	Housing	754,159.91	1,252,062.94
Total		754,159.91	1,252,062.94

The Company as the Lessee:
□Applicable ✓Not Applicable
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	80,000,000.00	2024/1/25	2025/1/25	Yes
Tongliao Meihua	80,000,000.00	2024/1/25	2025/1/25	Yes
Tongliao Meihua	80,000,000.00	2024/1/31	2025/1/31	Yes
Tongliao Meihua	60,000,000.00	2024/3/21	2025/3/21	Yes
Tongliao Meihua	40,000,000.00	2024/3/25	2025/3/21	Yes
Tongliao Meihua	40,000,000.00	2024/3/25	2025/3/21	Yes
Tongliao Meihua	60,000,000.00	2024/3/27	2025/3/21	Yes
Tongliao Meihua	80,000,000.00	2024/3/29	2025/3/21	Yes
Tongliao Meihua	20,000,000.00	2024/3/29	2025/3/21	Yes
Tongliao Meihua	98,666,700.00	2023/5/22	2038/5/8	No
Tongliao Meihua	1,333,300.00	2023/5/22	2038/5/8	Yes
Tongliao Meihua	19,042,653.88	2024/6/6	2038/5/8	No
Tongliao Meihua	257,346.12	2024/6/6	2038/5/8	Yes
Tongliao Meihua	9,866,660.04	2024/6/13	2038/5/8	No
Tongliao Meihua	133,339.96	2024/6/13	2038/5/8	Yes
Tongliao Meihua	5,919,996.02	2024/6/19	2038/5/8	No
Tongliao Meihua	80003.98	2024/6/19	2038/5/8	Yes
Tongliao Meihua	14,799,990.06	2024/6/26	2038/5/8	No
Tongliao Meihua	200,009.94	2024/6/26	2038/5/8	Yes
Tongliao Meihua	45,000,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	5,000,000.00	2024/10/21	2027/10/21	Yes
Tongliao Meihua	54,000,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	6,000,000.00	2024/10/21	2027/10/21	Yes
Tongliao Meihua	36,000,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	4,000,000.00	2024/10/24	2027/10/21	Yes
Tongliao Meihua	45,000,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	5,000,000.00	2024/10/24	2027/10/21	Yes
Tongliao Meihua	36,000,000.00	2024/11/14	2027/10/21	No
Tongliao Meihua	4,000,000.00	2024/11/14	2027/10/21	Yes
Tongliao Meihua	36,000,000.00	2024/11/18	2027/10/21	No
Tongliao Meihua	4,000,000.00	2024/11/18	2027/10/21	Yes
Tongliao Meihua	18,000,000.00	2024/11/20	2027/10/21	No
Tongliao Meihua	2,000,000.00	2024/11/20	2027/10/21	Yes
Tongliao Meihua	147704000	2025/5/20	2038/5/8	No
Tongliao Meihua	1,996,000.00	2025/5/20	2038/5/8	Yes
Jilin Meihua	15,238,690.48	2021/9/13	2029/8/30	Yes
Jilin Meihua	21,875,000.00	2021/10/22	2029/8/30	Yes
Jilin Meihua	39,772,727.27	2021/11/25	2029/8/30	Yes
Jilin Meihua	22,840,909.09	2021/12/22	2029/8/30	Yes

Jilin Meihua	5,000,000.00	2021/12/22	2029/8/30	Yes
Jilin Meihua	774,778.91	2021/8/30	2028/12/21	Yes
Jilin Meihua	36,500,000.00	2021/9/13	2029/8/4	Yes
Jilin Meihua	9,025,000.00	2021/10/19	2029/8/4	Yes
Jilin Meihua	16,309,090.91	2021/11/26	2029/8/4	Yes
Jilin Meihua	11,486,363.64	2021/12/23	2029/8/4	Yes
Jilin Meihua	846,552.38	2021/9/2	2029/8/4	Yes
Jilin Meihua	41,170,200.00	2021/9/18	2029/8/4	Yes
Jilin Meihua	10,301,000.00	2021/10/22	2029/8/4	Yes
Jilin Meihua	18,728,981.82	2021/11/26	2029/8/4	Yes
Jilin Meihua	13,032,727.27	2021/12/24	2029/8/4	Yes
Jilin Meihua	103,000,000.00	2022/6/28	2025/6/26	Yes
Jilin Meihua	1,000,000.00	2022/6/28	2025/6/26	Yes
Jilin Meihua	34,000,000.00	2022/11/21	2025/10/6	Yes
Jilin Meihua	29,000,000.00	2023/9/22	2025/9/22	Yes
Jilin Meihua	500,000.00	2023/9/22	2025/9/22	Yes
Jilin Meihua	500,000.00	2023/9/22	2025/9/22	Yes
Jilin Meihua	30,000,000.00	2024/4/10	2025/4/10	Yes
Jilin Meihua	40,000,000.00	2024/4/15	2025/4/10	Yes
Jilin Meihua	25,000,000.00	2024/4/18	2025/4/10	Yes
Jilin Meihua	45,000,000.00	2024/3/27	2025/3/26	Yes
Jilin Meihua	11,000,000.00	2024/4/9	2025/3/26	Yes
Tongliao Jianlong	27,000,000.00	2022/8/3	2032/4/23	Yes
Tongliao Jianlong	23,000,000.00	2022/8/3	2032/4/23	Yes
Tongliao Jianlong	40,000,000.00	2022/11/9	2032/4/23	Yes
Tongliao Jianlong	53,000,000.00	2022/11/23	2032/4/23	Yes
Tongliao Jianlong	12,000,000.00	2022/11/25	2032/4/23	Yes
Tongliao Jianlong	19,500,000.00	2023/6/27	2029/5/30	Yes
Tongliao Jianlong	500,000.00	2023/6/27	2029/5/30	Yes
Xinjiang Meihua	9,500,000.00	2023/5/23	2026/5/23	Yes
Xinjiang Meihua	11,222,973.50	2023/5/25	2026/5/23	Yes
Xinjiang Meihua	28,777,026.50	2023/5/29	2026/5/23	Yes
Xinjiang Meihua	15,000,000.00	2024/2/26	2027/2/26	Yes
Xinjiang Meihua	35,000,000.00	2024/3/14	2027/2/26	Yes
Xinjiang Meihua	4,769,421.44	2024/2/20	2025/2/19	Yes
Xinjiang Meihua	2,900,000.00	2024/2/21	2025/2/21	Yes
Xinjiang Meihua	9,000,000.00	2024/2/22	2025/2/22	Yes
Xinjiang Meihua	16,600,000.00	2024/2/23	2025/2/22	Yes
Xinjiang Meihua	9,539,261.17	2024/2/26	2025/2/26	Yes
Xinjiang Meihua	9,000,000.00	2024/2/27	2025/2/27	Yes
Xinjiang Meihua	16,726,946.60	2024/2/28	2025/2/28	Yes
Xinjiang Meihua	15,266,675.16	2024/3/1	2025/3/1	Yes
Xinjiang Meihua	19,843,843.13	2024/3/4	2025/3/3	Yes
Xinjiang Meihua	9,900,000.00	2024/3/6	2025/3/5	Yes

Xinjiang Meihua	9,000,000.00	2024/3/7	2025/3/5	Yes
Xinjiang Meihua	9,900,000.00	2024/3/11	2025/3/8	Yes
Xinjiang Meihua	9,900,000.00	2024/3/13	2025/3/12	Yes
Xinjiang Meihua	9,900,000.00	2024/3/14	2025/3/14	Yes
Xinjiang Meihua	21,200,261.42	2024/3/21	2025/3/21	Yes
Xinjiang Meihua	26,550,000.00	2024/3/25	2025/3/25	Yes
Xinjiang Meihua	98,000,000.00	2024/7/25	2027/7/25	No
Xinjiang Meihua	1,000,000.00	2024/7/25	2027/7/25	Yes
Xinjiang Meihua	46,000,000.00	2024/8/21	2025/9/21	No
Xinjiang Meihua	3,000,000.00	2024/8/21	2025/9/21	Yes
Total	2,344,398,430.69			

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	66,438,250.00	2022/12/14	2025/12/8	Yes
Tongliao Meihua	337,250.00	2022/12/14	2025/12/8	Yes
Xinjiang Meihua	98,500,000.00	2022/12/14	2025/12/8	Yes
Xinjiang Meihua	500,000.00	2022/12/14	2025/12/8	Yes
Tongliao Meihua, Xinjiang Meihua	46,860,000.00	2022/6/13	2025/6/13	Yes
Tongliao Meihua, Xinjiang Meihua	3,280,000.00	2022/6/13	2025/6/13	Yes
Tongliao Meihua, Xinjiang Meihua	3,280,000.00	2022/6/13	2025/6/13	Yes
Tongliao Meihua, Xinjiang Meihua	176,000,000.00	2023/3/31	2026/3/31	No
Tongliao Meihua, Xinjiang Meihua	1,000,000.00	2023/3/31	2026/3/31	Yes
Tongliao Meihua, Xinjiang Meihua	2,000,000.00	2023/3/31	2026/3/31	Yes
Tongliao Meihua, Xinjiang Meihua	36,000,000.00	2023/4/23	2026/3/31	No
Tongliao Meihua, Xinjiang Meihua	1,000,000.00	2023/4/23	2026/3/31	Yes
Tongliao Meihua, Xinjiang Meihua	28,000,000.00	2024/6/11	2027/6/11	No
Tongliao Meihua, Xinjiang Meihua	1,000,000.00	2024/6/11	2027/6/11	Yes
Tongliao Meihua, Xinjiang Meihua	98,000,000.00	2022/3/7	2025/2/24	Yes
Tongliao Meihua	112,000,000.00	2022/11/17	2025/11/14	Yes
Tongliao Meihua	84,000,000.00	2022/11/17	2025/11/14	Yes

Tongliao Meihua, Xinjiang Meihua	200,000,000.00	2024/2/23	2025/2/23	Yes
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/6/5	2025/6/5	Yes
Tongliao Meihua, Xinjiang Meihua	150,000,000.00	2024/9/26	2025/9/25	No
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/11/11	2025/11/11	No
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/11/26	2025/11/26	No
Total	1,408,195,500.00			

Explanation of Related Guarantees
✓Applicable □ Not Applicable

Xinjiang Meihua as the guarantor

Guaranteed Party	Guaranteed Amount	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Tongliao Meihua	50,000,000.00	2024/4/19	2025/4/17	Yes
Tongliao Meihua	75,000,000.00	2023/8/28	2038/6/20	No
Tongliao Meihua	25,000,000.00	2023/8/28	2038/6/20	Yes
Tongliao Meihua	44,000,000.00	2024/2/6	2027/2/4	No
Tongliao Meihua	2,000,000.00	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
Total	271,155,654.13			

(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: ’0000 yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Compensation of Key Management	672.59	2,042.35

Personnel		

(8). Other Related Transactions

✓Applicable □ Not Applicable

Lessee Name	Type of Related Transaction	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Tibet Meihua Charity Foundation	Donation	1,500,000.00	3,500,000.00
Total		1,500,000.00	3,500,000.00

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
Accounts Receivable	Tongliao Desheng Bio-tech Co., Ltd.	262,139.41	13,106.97	578,234.45	28,911.72

(2). Items Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item Name	Related Party	Ending Book Balance	Beginning Book Balance
Contract Liabilities	Tongliao Desheng Bio-tech Co., Ltd.	923,469.49	1,651,503.01
Other Current Liabilities	Tongliao Desheng Bio-tech Co., Ltd.	120,051.03	214,695.39

(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

Equity-settled share-based payment recipients	
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

(1) Executed or Pending M&A Agreements

In November 2024, the Company's wholly-owned subsidiary in Singapore signed a Share and Asset Purchase Agreement with Kyowa Hakko Bio Co., Ltd. ("Kyowa Hakko"), a wholly-owned subsidiary of Kirin Holdings Company, Limited ("Kirin Holdings", listed on the Tokyo Stock Exchange, stock code: 2503.T). The Singaporean company, or a special purpose vehicle ("SPV") newly established under the Singaporean company, acquired Kyowa Hakko's food amino acids, pharmaceutical-grade amino acids, and human milk oligosaccharides (HMO) business (collectively, the "Target Assets") in cash.

In accordance with the terms of the Share and Asset Purchase Agreement and its related supplementary agreements, the delivery conditions stipulated in the agreement were satisfied, and the parties completed the business handover on July 1, 2025. As agreed, the counterparty had settled its debts prior to the closing. Based on the consideration specified in the agreement, and taking into account the cash retention of the overseas operating entities and adjustments to working capital as of the closing date, the final transaction consideration amounted to approximately JPY 16.8 billion (equivalent to approximately RMB 833 million based on the exchange rate as of June 30, 2025).

As the transaction involves the transfer of equity in multiple domestic and overseas operating entities, the related registration procedures are still underway.

(2) Status of Mortgaged Assets

Collateral	Mortgage Certificate No.	Original Value (yuan)	Net value as of the end of June

			2025
Raw Material Storage 9#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	14,990,404.00	6,623,884.60
Raw Material Storage 8#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	14,201,059.00	6,275,092.82
Raw Material Storage 7#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,514,204.00	5,971,589.06
Raw Material Storage 6#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,583,081.00	6,002,024.10
Raw Material Storage 4#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,742,814.00	6,072,605.90
Raw Material Storage 1#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	20,163,386.00	8,394,069.92
Raw Material Storage 5#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,503,165.00	5,966,710.98
Raw Material Storage 3#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	17,435,333.00	7,704,237.81
Raw Material Storage 2#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	18,996,456.00	7,908,273.87
Drying and Screening Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	307,552.00	135,899.73
Drying Workshop Heater Room 2#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	529,135.00	233,811.70
Drying Workshop Heater Room 1#	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	516,159.00	228,077.74
Solid Material Warehouse 1	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	13,079,741.00	5,445,130.15
Solid Material Warehouse 2	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,996,312.00	4,630,979.54
Finished Product Warehouse 1#	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,717,243.00	4,735,681.78
Finished Product Warehouse 2#	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,577,682.00	4,674,013.34
Finished Product Warehouse 3#	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,701,563.00	4,728,753.37
By-product Warehouse 3#Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,866,449.00	4,801,612.05
By-product Warehouse 2#Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	11,247,592.00	4,970,029.62
By-product Warehouse 1#Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,997,633.00	4,578,343.25
Xanthan Gum Alcohol Distillation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	8,365,265.13	5,111,398.84
Xanthan Gum Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	16,923,344.19	7,866,014.93

Xanthan Gum Transformer Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	1,434,516.48	664,055.61
Protein Separation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	14,058,624.73	6,031,217.59
Natamycin Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	8,231,315.42	4,162,821.06
Five-effect Evaporator Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	6,933,282.00	2,879,183.35
Raw Material Sugar Screening Warehouse No. 2	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	634,154.00	279,659.31
Raw Material Soaking Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	29,640,460.00	13,659,710.35
Raw Material Sugar By-product Packaging Floor	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	17,799,378.01	7,424,661.19
Raw Material Sugar Purification Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	14,646,936.25	6,882,105.16
Raw Material Sugar Distribution and Air Compression	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	2,117,267.00	933,705.92
Raw Material Sugar Glucose Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	37,794,396.15	15,748,155.28
Raw Material Sugar Screening Warehouse 1	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	412,800.00	182,043.18
Raw Material Sugar Circulating Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	3,186,753.00	1,405,344.66
Raw Material Main Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	59,323,738.89	25,830,452.38
Lysine 4#Gas Distribution Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	772,826.00	340,813.01
Lysine 35KV Substation	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	1,465,463.00	646,262.88
Lysine Circulating Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	2,500,247.30	1,261,802.87
Xanthan Gum Power Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	2,222,388.00	958,210.28
Xanthan Gum Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	14,254,682.52	9,612,663.85
Nucleotide Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	30,815,812.46	14,159,337.92
Compound Fertilizer2＃Gas Distribution Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	580,671.00	256,073.59
Heating Station Steam-driven Air Compressor Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	16,688,383.10	7,400,928.00
Heating Station Circulating Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	1,196,729.00	528,804.81
Glutamic Acid Pump Room	Xin (2019) Sixth Division Real	1,893,406.00	786,274.65

	Estate Ownership No. 0009809		
Glutamic Acid Freezing Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	8,183,385.00	3,398,313.45
Glutamic Acid Hydrolysis Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	5,212,818.96	2,168,486.54
Glutamic Acid Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	28,462,914.44	12,367,528.22
Glutamic Acid 35KV Substation	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	799,965.56	353,216.21
Glutamic Acid Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	17,715,647.28	7,391,784.09
Xanthan Gum Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	4,114,910.00	1,774,195.15
Sulfuric Acid Pump Room (Glutamic Acid)	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	1,210,180.00	501,759.29
Serine 3＃Gas Distribution Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	609,865.00	268,948.06
Serine Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	2,629,842.00	1,159,749.19
Serine Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	17,693,098.55	7,384,232.84
Serine Ingredients	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	13,096,211.83	5,784,604.99
Serine Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	8,510,956.00	3,487,005.31
Lysine Power Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	4,385,976.00	1,934,197.10
Lysine Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	40,377,343.73	17,865,375.26
Lysine Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	67,382,586.50	30,034,047.35
Nucleotide Synthesis into Phosphorous Trichloride Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	3,334,525.46	1,609,842.83
Nucleotide Refining Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	13,480,692.34	6,236,044.71
Nucleotide Alcohol Tank Area Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	224,782.09	103,477.94
Nucleotide Alcohol Recovery Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	2,363,728.50	1,139,295.79
Nucleotide Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	4,419,390.13	2,024,884.87
Nucleotide Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	22,545,342.65	10,329,869.77
Nucleotide Synthesis Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	28,375,495.02	13,226,913.51

Nucleotide Utility Building	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	12,850,393.06	6,200,373.80
Raw Material Weighing Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	903,725.00	376,223.19
Power Distribution Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	430,830.00	189,994.35
Rainwater Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	1,506,087.00	664,178.02
Subtotal		835,380,494.73	373,067,063.83
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	10,225,735.75	7,585,687.96
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	9,371,986.53	6,746,176.48
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	9,536,118.32	6,864,322.40
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	7,764,762.63	5,589,258.89
Subtotal		36,898,603.23	26,785,445.73
Total		872,104,683.64	420,235,253.56

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

Litigation related to the Original Dalian Hanxin Bio-Pharmaceutical Co., Ltd.

As stipulated in the Equity Transfer Agreement signed by Lhasa Meihua Biological Investment Holding Co., Ltd., a wholly-owned subsidiary of the Company, to transfer 100% of the equity held in the Dalian Hanxin Bio-Pharmaceutical Co., Ltd.. (now known as AIM Honesty Biopharmaceutical Co., Ltd., hereinafter referred to as "AIM Honesty") to Liaoning AIM Biological Vaccine Technology Group Co., Ltd. (now known as AIM Vaccine Co., Ltd.), Lhasa Meihua Biological Investment Holding Co., Ltd. undertakes that except for the liabilities expressly recorded in the audit report and financial statements provided to the acquirer, and liabilities that were abnormally incurred by AIM Honesty and its subsidiaries in the normal course of business after the audit base date and have been disclosed to the acquirer, AIM Honesty and its subsidiaries have no other debts or contingent debts, and agrees that in the event of a breach of the commitment, Lhasa Meihua should bear the compensation liability for all direct or indirect economic losses suffered by other parties involved due to the breach. In accordance with the above provisions specified in the Equity Transfer Agreement, the Company has already fulfilled some compensation obligations in advance. Please refer to the Company's previous annual reports for details.

Lhasa Meihua Biological Investment Holding Co., Ltd. (hereinafter referred to as “Lhasa Meihua”), a subsidiary of the Company, received a Notice of Debt Repayment issued by AIM Honesty on October 13, 2020. Pursuant to the Civil Judgment, (2015) DMSCZ No. 438 issued by the Intermediate People's

Court of Dalian, Liaoning Province, Kunming Sunshine Measurement and Control Technology Co., Ltd. (hereinafter referred to as "Sunshine Measurement and Control") provided guarantee for the loan under the RMB Loan Contract, LJZ No. DL1114010272 signed with Dalian Branch, Bank of Jilin Co., Ltd. on behalf of AIM Honesty, with the No. 17-1-3 and 17-2 Land and five properties with right of use above the land in Kunming Economic and Technological Development Zone as collateral. The above-mentioned mortgaged land and properties were judicially auctioned on April 19, 2018, and the auction proceeds were used to repay the bank loans. Based on this, Sunshine Measurement and Control has the right to recover the debt from AIM Honesty.

According to relevant agreements such as the Equity Transfer Agreement of Dalian Hanxin Bio-Pharmaceutical Co., Ltd. signed between Lhasa Meihua, a subsidiary of the Company, and AIM Vaccine Co., Ltd., Lhasa Meihua is responsible for realizing the non-operating creditor’s rights of AIM Honesty related to its former shareholder Tibet Yiyuan Industry Co., Ltd. (hereinafter referred to as "Tibet Yiyuan") and clearing the debts. Based on this, AIM Honesty issued the aforementioned Notice of Debt Repayment to Lhasa Meihua. According to the relevant agreements such as the Equity Transfer Agreement signed between Lhasa Meihua and AIM Honesty's former shareholder Tibet Yiyuan, Tibet Yiyuan is responsible for realizing the non-operating creditor’s rights of AIM Honesty and clearing the debts. Based on the agreements mentioned above, all parties involved have reached a consensus agreement that Tibet Yiyuan and its affiliates will assume all the debts and their interest generated based on the recovery rights.

In December 2021, according to materials such as the copy of the lawsuit and the notice of response to action filed by Kunming Sunwise Co., Ltd. (hereinafter referred to as "Sunwise"), a company holding 100% of the shares of Sunshine Measurement and Control, against AIM Honesty and the Third Party Sunshine Measurement and Control for contract disputes [The Intermediate People's Court of Kunming, Yunnan Province (2021) Y01MC No. 4275] delivered by the Intermediate People's Court of Kunming, Yunnan Province, Sunwise, as a shareholder of Sunshine Measurement and Control, was declared bankrupt by the Intermediate People's Court of Kunming, Yunnan Province on March 15, 2019, and Yunnan Zhenxu Law Firm was appointed as the administrator by the court. The administrator claimed that AIM Honesty had not pursued recovery from Sunshine Measurement and Control since it fulfilled its guarantee obligations and demanded AIM Honesty to repay the indemnity and pay the related interest and funds usage fees to Sunshine Measurement and Control. According to the agreements mentioned above, the Company have reached a consensus agreement with all related parties that Tibet Yiyuan and its affiliates will assume all the debts and their interest generated based on the recovery rights.

On October 18, 2022, the Intermediate People's Court of Kunming made the following judgments: 1) Defendant AIM Honesty Biopharmaceutical Co., Ltd. shall repay RMB 28,967,179.55 to the Third Party Kunming Sunshine Measurement and Control Technology Co., Ltd. within ten days from the effective date of the judgment; 2) Defendant AIM Honesty Biopharmaceutical Co., Ltd. shall pay the fund usage fees on the basis of RMB 28,967,179.55 from August 17, 2021 to the date of repayment calculated according to the loan prime rate published by the National Interbank Funding Center within ten days from the effective date of the judgment; 3) Other litigation requests from the plaintiff Kunming Sunwise Co., Ltd. were dismissed. Both the plaintiff and the defendant have submitted appeals.

On June 30, 2023, the Higher People's Court of Yunnan Province issued a judgment with the document number of [(2023) YMZ No. 324], ruling to dismiss the appeal and uphold the original judgment. AIM Honesty subsequently filed a petition for retrial with the Supreme People’s Court. On March 26, 2024, the Supreme People’s Court issued (2023) ZGFMS No.1737, deciding that: 1) The case would be heard by the Supreme People’s Court; 2) Execution of the original judgment would be suspended during the retrial process. The case was heard by the Supreme People’s Court on October 10, 2024. As of the date of this report, no final judgment has been received.

As of June 30, 2025, based on the judgment issued by the Yunnan High People’s Court, the Company has recognized a provision for compensation and related interest totaling RMB 32,948,103.32.

2. Contingencies Arising from the Provision of Debt Guarantees to External Parties and Their Financial Impact

Refer to 5(4) - Status of Related Guarantees in Section XIV for details of guarantees provided to related parties.

Except for the above contingencies, the Company has no other significant contingencies that require disclosure but have not been disclosed as of June 30, 2025.

(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

□Applicable ✓Not Applicable

(2). Prospective Application

□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

The Company determines operating segments based on internal organizational structure, management requirements, and internal reporting systems. The operating segments of the Company refer to components that meet the following conditions:

(1) The component generates revenue and incurs expenses in its daily activities;

(2) The management can evaluate the operating results of the component on a regular basis to decide the resource allocation for it and assess its performance;

(3) Relevant accounting information such as financial status, operating results, and cash flows of the component can be obtained.

The Company determines reporting segments based on operating segments, and an operating segment is determined as a reporting segment if it meets one of the following conditions:

(1) The operating segment's revenue accounts for 10% or more of the total revenue of all segments;

(2) The absolute amount of segment profit (or loss) for the segment accounts for 10% or more of either the total profit of profitable segments or the total loss of loss-making segments, whichever is greater.

The Company has not disclosed segment reports mainly because: the Company's sales revenue and gross profit are disclosed based on the segment basis of daily operating management. Additionally, items such as management expenses, financial expenses and taxes on the income statement and assets and liabilities cannot be split and disclosed according to segment requirements.

(1) Tongliao Meihua and Xinjiang Meihua, subsidiaries of the Company, produce multiple products across several segments. Therefore, management expenses, financial expenses, income tax, and other items on the income statement, including corresponding items of the Company, cannot be attributed to specific products;

(2) The Company is a capital-intensive manufacturing enterprise. Although it produces various products, the manufacturing processes are similar, with many fixed assets being shared. Some

production lines also produce multiple kinds of products throughout the year. Hence, the fixed assets used for production cannot be distinguished by segments.

(3) Apart from production lines, the Company has numerous shared facilities such as heating stations, sewage treatment, and basic chemical production lines. The products and services provided by these facilities are shared among multiple segments, making it impossible to distinguish them by segments.

(4) The Company's debt financing cannot be specifically allocated to specific business segments.

Therefore, segment information is not presented in this financial statement.

(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)	263,199,770.95	170,567,658.48
Within 1 year	263,199,770.95	170,567,658.48
1 to 2 years		
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	263,199,770.95	170,567,658.48

(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:	263,199,770.95	/	12,959,206.83	/	250,240,564.12	170,567,658.48	/	8,013,876.71	/	162,553,781.77
Including:										

Including: Related Party Portfolio within the Consolidation Scope	4,015,634.44	1.53			4,015,634.44	10,290,124.30	6.03			10,290,124.30
Aging Analysis Portfolio	259,184,136.51	98.47	12,959,206.83	5.00	246,224,929.68	160,277,534.18	93.97	8,013,876.71	5.00	152,263,657.47
Total	263,199,770.95	/	12,959,206.83	/	250,240,564.12	170,567,658.48	/	8,013,876.71	/	162,553,781.77

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	259,184,136.51	12,959,206.83	5.00
Total	259,184,136.51	12,959,206.83	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
0
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	Ending 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	8,013,876.71	4,945,330.12				12,959,206.83
Including: Related Party Portfolio within the Consolidation Scope						
Aging Analysis Portfolio	8,013,876.71	4,945,330.12				12,959,206.83
Total	8,013,876.71	4,945,330.12				12,959,206.83

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	76,274,260.95		76,274,260.95	28.98	3,813,713.05
Second	47,283,093.28		47,283,093.28	17.96	2,364,154.66
Third	23,366,002.12		23,366,002.12	8.88	1,168,300.11
Fourth	23,123,063.43		23,123,063.43	8.79	1,156,153.17
Fifth	19,680,440.00		19,680,440.00	7.48	984,022.00
Total	189,726,859.78		189,726,859.78	72.08	9,486,342.99

Other Explanations

None

Other Explanations:

✓Applicable □ Not Applicable

At the end of the period, there were no accounts receivable derecognized due to the transfer of financial assets.

At the end of the period, there were no balances of assets and liabilities formed by the transfer of accounts receivable and continued involvement.

2. Other Receivables

Presentation of Items

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Receivable		
Dividends Receivable	200,000,000.00	1,000,000,000.00
Other Receivables	359,896,267.01	665,966,380.53
Total	559,896,267.01	1,665,966,380.53

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		450,000,000.00
Jilin Meihua		350,000,000.00
Hong Kong Meihua	200,000,000.00	200,000,000.00
Total	200,000,000.00	1,000,000,000.00

(2).Significant Dividends Receivable with an Aging Exceeding 1 year

□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 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)	360,118,774.08	666,459,181.92
Within 1 year	360,118,774.08	666,459,181.92
1 to 2 years	124,800.39	100,000.00
2 to 3 years	36,701.22	187,214.39
Over 3 years		
3 to 4 years	107,182.55	
4 to 5 years	150,000.00	200,000.00
Over 5 years	85,892,687.00	85,842,687.00
Total	446,430,145.24	752,789,083.31

(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	351,236,583.26	651,382,152.78
Deposits	470,000.00	600,000.00
Receivables for Land and Real Estate	85,672,687.00	85,672,687.00
Others	1,239,722.87	782,060.81
Export Tax Refunds receivable	7,811,152.11	14,352,182.72
Total	446,430,145.24	752,789,083.31

(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, 2025	1,150,015.78		85,672,687.00	86,822,702.78

Balance as of January 1, 2025 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	288,824.55			288,824.55
Write-off for the Current Period				
Write-off for the Current Period				
Other Changes				
Balance as of June 30, 2025	861,191.23	0.00	85,672,687.00	86,533,878.23

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
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.	350,326,527.78	78.47	Intercompany Account Current	Within 1 year	

Bazhou Metal Glass Furniture Industrial Park	85,672,687.00	19.19	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	7,811,152.11	1.75	Export Tax Refunds	Within 1 year	390,557.61
Bazhou Work Injury Insurance Management Office	1,000,000.00	0.22	Others	Within 1 year	50,000.00
	24,800.39	0.01		1-2 years	2,480.04
	36,701.22	0.01		2-3 years	11,010.37
	107,182.55	0.02		3-4 years	53,591.28
Langfang Meihua Biotechnology Development Co., Ltd.	910,000.00	0.20	Intercompany Account Current	Within 1 year	
Total	445,889,051.05	99.88	/	/	86,180,326.30

(7).Presented Under Other Receivables Due to Centralized Fund Management

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

There were no other receivables involving government grants at the end of the period.

There were no other receivables derecognized due to transfer of financial assets at the end of the period.

There were no amounts of assets and liabilities formed due to the transfer of other receivables and continued involvement.

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	7,637,915,728.14		7,637,915,728.14	7,637,915,728.14		7,637,915,728.14
Investment in Associates and Joint Ventures						
Total	7,637,915,728.14		7,637,915,728.14	7,637,915,728.14		7,637,915,728.14

(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	Others		
Tongliao Meihua Biotech 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 Biological Investment Holding 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.	315,000.00						315,000.00	
Total	7,637,915,728.14						7,637,915,728.14	

(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	8,393,607,038.55	7,990,471,091.37	8,047,705,223.92	7,761,526,233.25
Other Business	7,084,280.12	6,691,245.41	8,312,746.27	8,212,237.30
Total	8,400,691,318.67	7,997,162,336.78	8,056,017,970.19	7,769,738,470.55

(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		
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	3,308,800.00	2,816,000.00
Dividend Income from Debt Investments during the Holding Period		
Dividend Income from other Debt Investments during the Holding Period	7,509,922.22	4,735,416.67
Investment Income from the Disposal of Financial Assets Held for Trading	6,948,344.63	645,214.15
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	-111,579.15	
Debt Restructuring Gains		
Total	17,655,487.70	8,196,630.82

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	-6,005,098.60	
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	137,762,512.29	
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	32,416,392.00	
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 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	-509,941.40	
Custodian fee income from entrusted operations		
Other non-operating revenues and expenditures not mentioned above	-275,185.62	
Other profit or loss items meeting the definition of non-recurring profits and losses		
Less: Income tax impact	23,801,666.18	
Minority shareholders' equity impact (after tax)		
Total	139,587,012.49	

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	11.81	0.62	0.62
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	10.88	0.57	0.57

3. Differences in Accounting Data under Domestic and Foreign Accounting Standards
□Applicable ✓Not Applicable

4. Others
□Applicable ✓Not Applicable

Chairman: Wang Aijun

Date Approved by the Board of Directors for Submission: August 19, 2025

Revision Information
□Applicable ✓Not Applicable