



Kunming Chuan Jin Nuo Chemical Co., Ltd.

2025 Annual Report

Stock Code: 300505.SZ

Announcement No.: 2026-007

Announcement Date: March 2026

Section I Important Notes, Table of Contents and Definitions

The Board of Directors (or the “Board”) and the directors, as well as senior management personnel of Kunming Chuan Jin Nuo Chemical Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the contents of this annual report are true, accurate, and complete, without any false records, misleading statements, or material omissions, and assume joint and several liability for its contents.

Liu Meng, the person in charge of the Company, Huang Hai, the person responsible for accounting of the Company, and Wang Shiya, the person in charge of the accounting institution (the person responsible for accounting), declare that they warrant the truthfulness, accuracy and completeness of the financial statements in this Annual Report.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Any forward-looking statements in this Report, such as those related to future plans, strategies, or performance forecasts, do not constitute any substantial commitment by the Company to any investors or related parties. Investors and related parties should maintain sufficient awareness of the associated risks and understand the differences between plans, forecasts, and commitments.

The Company has detailed the risks it faces in this Report. Please refer to Section III, “Management Discussion and Analysis,” Part “XI. Outlook for the Company’s Future Development iii. Potential risks and mitigation measures”.

The Company’s profit distribution plan approved at the meeting of the Board of Directors is as follows: To distribute a cash dividend of RMB4 (tax-inclusive) per 10 shares and 0 bonus shares (tax-inclusive) to all shareholders based on the total share capital of 274,867,523 shares, with the conversion of capital reserves into the share capital of 0 shares per 10 shares.

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Documents Available for Inspection

I. Financial statements bearing the signatures and seals of the person in charge of the Company, the person responsible for accounting and the person in charge of the accounting department (Accounting Officer).

II. Originals of the auditor' reports bearing the seals of the accounting firm and the signatures and seals of a certified accountant.

III. Originals of all company documents and manuscripts of all announcements disclosed on the website designated by the China Securities Regulatory Commission during the Reporting Period.

IV. The original text of the 2025 annual report bearing the signature of the Company's legal representative.

V. Other Information

Place where the aforesaid reference documents can be obtained: Securities Department of the Company.

Definitions

Term	Refers to	Content
The Company, Company, CJN	Refers to	Kunming Chuan Jin Nuo Chemical Co., Ltd.
Kunming Jingcui	Refers to	Kunming Jingcui Engineering Technology Co., Ltd., a wholly-owned subsidiary of the Company
Guangxi Chuan Jin Nuo Chemical	Refers to	Guangxi Chuan Jin Nuo Chemical Co., Ltd., a holding subsidiary of the Company
Guangxi Chuan Jin Nuo New Energy	Refers to	Guangxi Chuan Jin Nuo New Energy Co., Ltd., a wholly-owned subsidiary of the Company
Yingkou Chuan Xin Nuo	Refers to	Yingkou Chuan Xin Nuo High Technology Co., Ltd., a wholly-owned sub-subsidiary of the Company
Kunming Heliwan	Refers to	Kunming Heliwan Industrial Solid Waste Treatment Co., Ltd., a wholly-owned subsidiary of the Company
Yunnan Xinshenghai	Refers to	Yunnan Xinshenghai International Trade Co., Ltd., a wholly-owned subsidiary of the Company
Chuan Jin Nuo (Hong Kong)	Refers to	Chuan Jin Nuo Hong Kong Co., Ltd., a wholly-owned subsidiary of the Company
Chuan Jin Nuo International	Refers to	Chuan Jin Nuo International Co., Ltd., a wholly-owned subsidiary of the Company
Egypt Chuan Jin Nuo Chemical	Refers to	Egypt Chuan Jin Nuo Chemical Co., Ltd., a holding second-tier subsidiary of the Company
Chuan Jin Nuo Middle East Holdings	Refers to	Chuan Jin Nuo ME International Holding Ltd., a holding second-tier subsidiary of the Company
Fangchenggang Lingyun	Refers to	Fangchenggang Lingyun Enterprise Management Consulting Partnership Enterprise (Limited Partnership)
Kunming Lingrong	Refers to	Kunming Lingrong Enterprise Management Consulting Partnership Enterprise (Limited Partnership)
Company Law	Refers to	<i>Company Law of the People's Republic of China</i>
Securities Law	Refers to	<i>Securities Law of the People's Republic of China</i>
Accounting Law	Refers to	<i>Accounting Law of the People's Republic of China</i>
China Securities Regulatory Commission	Refers to	China Securities Regulatory Commission
SZSE	Refers to	Shenzhen Stock Exchange
The Articles of Association	Refers to	Articles of Association of Kunming Chuan Jin Nuo Chemical Co., Ltd.
Board of Shareholders	Refers to	Board of Shareholders of Kunming Chuan Jin Nuo Chemical Co., Ltd.
The Board of Directors	Refers to	Board of Directors of Kunming Chuan Jin Nuo Chemical Co., Ltd.
Board of Supervisors	Refers to	Board of Supervisors of Kunming Chuan Jin Nuo Chemical Co., Ltd.
Listing Rules of the ChiNext Board	Refers to	The Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange
The current period, the Reporting Period	Refers to	January 1, 2025 - December 31, 2025
The previous period, the same period of the previous year	Refers to	January 1, 2024 - December 31, 2024
Phosphoric acid	Refers to	A common inorganic acid, it is a moderately strong acid. It is classified into pure phosphoric acid, industrial phosphoric acid, dilute phosphoric acid, and so on, depending on the concentration; and into thermal phosphoric acid and wet-process phosphoric acid depending on the manufacturing process.
P ₂ O ₅	Refers to	P ₂ O ₅ , also known as phosphorus anhydride, is a white amorphous powder or hexagonal crystal that can dissolve in water, releasing a large amount of heat. It first forms metaphosphoric acid, pyrophosphoric acid, etc., and ultimately transforms into phosphoric acid. It is hygroscopic and deliquesces in the air. It is the primary raw material for producing high-purity phosphoric acid, phosphates, phosphides, and phosphate esters. It is commonly used to indicate the grade of phosphate rock, with P ₂ O ₅ representing the phosphorus content and phosphoric acid quality, making it easier to calculate in both industrial and laboratory settings.
Thermal-process phosphoric acid technology	Refers to	Yellow phosphorus burns in air to produce P ₂ O ₅ , which is then absorbed by water or dilute phosphoric acid to produce phosphoric acid.
Wet-process	Refers to	Phosphoric acid produced by decomposing phosphate rock with inorganic acids such as

Term	Refers to	Content
phosphoric acid technology		sulfuric acid.
Phosphate	Refers to	Salts of phosphoric acid that are important substances in inorganic chemistry, biochemistry, and biogeochemistry. As a key food ingredient and functional additive, they are widely used in agriculture, industry, animal feed, food, pharmaceuticals, and military industries.
Feed grade dicalcium phosphate	Refers to	Abbreviated as DCP, it is a feed additive used in livestock and poultry feed to supplement two types of mineral nutrients, calcium and phosphorus. It is currently one of the main "calcium + phosphorus" additives used in China's livestock and poultry farming industry.
Feed grade monocalcium phosphate	Refers to	Abbreviated as MCP, it is an efficient and high-quality phosphate feed additive, mainly used to supplement two types of mineral nutrients, phosphorus and calcium, in animals. It has a high phosphorus content, good water solubility, and is currently the feed grade phosphate with the highest biological efficacy.
Dicalcium phosphate (Type III)	Refers to	Dicalcium phosphate (Type III) is mainly used in small animal feed, has high biological efficacy, and leaves less phosphorus residue in animal manure, improving phosphorus resource utilization and benefiting environmental protection.
Triple superphosphate	Refers to	Superphosphate, also known as triple superphosphate, an acidic, fast-acting phosphate fertilizer. It is currently the most widely used high-concentration water-soluble phosphate fertilizer and has the effect of improving alkaline soils.
Iron concentrate powder	Refers to	Iron ore (ore containing iron elements or iron compounds) processed into mineral powder by crushing, grinding, and beneficiation, also known as iron powder.
Sodium fluorosilicate	Refers to	Sodium fluorosilicate, mainly synthesized from fluosilicic acid and sodium sulfate, primarily used as a flux for enamel, a glass opacifier, an acid-resistant mud and concrete hardening agent, and wood preservative. In the pesticide industry, it is used to manufacture insecticides, etc.
Lithium iron phosphate	Refers to	A phosphate with an olivine structure, used as a cathode material for lithium-ion batteries, mainly for lithium-ion power batteries and lithium-ion energy storage batteries. The chemical formula is LiFePO ₄ .
Iron phosphate	Refers to	Iron phosphate, also known as ferric phosphate or orthophosphoric acid iron, with the molecular formula FePO ₄ , a white or gray-white monoclinic crystal powder. It is a salt formed by the reaction of iron salt solution and phosphate. The iron is in the +3 oxidation state. Its main use is in the production of lithium iron phosphate battery materials, catalysts, and ceramics.
Wet-process phosphoric acid	Refers to	Phosphoric acid produced by decomposing phosphate rock with inorganic acids such as sulfuric acid that can be manufactured through various processes, including dihydrate, hemihydrate, anhydrous, hemihydrate-dihydrate, and dihydrate-hemihydrate processes.
Wet-process purified phosphoric acid	Refers to	Wet-process phosphoric acid refined to meet industrial or food-grade standards after a purification process to remove most impurities.
New energy materials	Refers to	Mainly refer to iron phosphate and lithium iron phosphate for the Company.
Enriched superphosphate	Refers to	Commonly referred to as calcium-rich, a gray-white powder made by decomposing phosphate rock using mixed acids (sulfuric acid and phosphoric acid). The main components of the product are monocalcium phosphate Ca(H ₂ PO ₄) ₂ ·H ₂ O and calcium sulfate, with small amounts of free phosphoric acid and moisture. The effective P ₂ O ₅ content of the product is between that of tricalcium phosphate and triple superphosphate, generally ranging from 20% P ₂ O ₅ to 30% P ₂ O ₅ .
52% commercial phosphoric acid	Refers to	52% commercial phosphoric acid, a high-concentration wet-process fertilizer-grade phosphoric acid with a P ₂ O ₅ content of 52%. It is made from dihydrate wet-process phosphoric acid or hemihydrate wet-process phosphoric acid through multi-stage concentration, standing, and filtration. It can be used to produce fertilizer-grade ammonium phosphate salts, ammonium salts, calcium salts, and also as a raw material for purifying phosphoric acid, among other uses.

Section II Company Profile and Principal Financial Indicators

I. Company information

Abbreviated stock name	CJN	Stock code	300505
Name of the Company in Chinese	昆明川金诺化工股份有限公司		
Abbr. of the Company name in Chinese	川金诺		
Name of the Company in English (if any)	Kunming Chuan Jin Nuo Chemical Co., Ltd		
Abbr. of the Company name in English (if any)	KMCJNC		
Legal representative of the Company	Liu Meng		
Registered address	Sifangdi Industrial Park, Tongdu Town, Dongchuan District, Kunming City, Yunnan Province		
Postal code of the registered address	654100		
Historical change of registered address of the Company	Not applicable		
Office address	55/F, No. 1 Office Building (Gemini - Dubhe), Qicai Yunnan No. 1 City of Wulong Subdistrict's Administrative Agency, Chenggong District, Kunming City, Yunnan Province		
Postal code of the office address	650500		
Website	https://www.cjnphos.com/		
E-mail address	cjqzb@163.com		

II. Contact persons and contact methods

	Board Secretary	Securities Affairs Representative
Name	Huang Qiuhan	Su Zhe, and Liao Zuolin
Contact address	55/F, No. 1 Office Building (Gemini - Dubhe), Qicai Yunnan No. 1 City of Wulong Subdistrict's Administrative Agency, Chenggong District, Kunming City, Yunnan Province	55/F, No. 1 Office Building (Gemini - Dubhe), Qicai Yunnan No. 1 City of Wulong Subdistrict's Administrative Agency, Chenggong District, Kunming City, Yunnan Province
Tel	0871-67436102	0871-67436102
Fax	0871-67412848	0871-67412848
E-mail address	hqh@cjnphos.com	ir@cjnphos.com, lzl@cjnphos.com

III. Information disclosure and places for inspection

Website of the stock exchange where the Company's Annual Report is disclosed	Shenzhen Stock Exchange: http://www.szse.cn
Name and website of the media for disclosure of the Company's Annual Report	Securities Times, China Securities Journal, Securities Daily, Shanghai Securities News, CNINFO (www.cninfo.com.cn)
Archiving location of the Annual Report	Securities Department at 55/F, No. 1 Office Building (Gemini - Dubhe), Qicai Yunnan No. 1 City of Wulong Subdistrict's Administrative Agency, Chenggong District, Kunming City, Yunnan Province

IV. Other information

Accounting firm appointed by the Company

Name of accounting firm	ShineWing Certified Public Accountants LLP
Office address of the accounting firm	8/F, Tower A, Fuhua Building, 8 Chaoyangmen North Street, Dongcheng District, Beijing
Names of signatory accountants	Peng Rang, and Li Qiuxia

The sponsor institutions engaged by the Company to perform the duties of continuous supervision during the Reporting Period sponsor institutions

Applicable Not applicable

Name of sponsor institutions	Office address of sponsor institutions	Name of sponsor representatives	Duration of the continuous supervision
Century Securities Co., Ltd.	Unit 1401-1408, Unit 1501-1508, Unit 1601-1606, and Unit 1701-1705, Tower C, Minsheng Internet Building, 5073 Menghai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen	Zhao Yu, and Peng Jun	December 1, 2022 - December 31, 2025

The financial adviser engaged by the Company to perform the duties of continuous supervision during the Reporting Period

Applicable Not applicable

V. Principal accounting data and financial indicators

If the Company needs to retrospectively adjust or restate accounting data for previous years

Yes No

	2025	2024	YoY Change	2023
Operating revenue (RMB)	4,074,660,364.42	3,207,476,951.57	27.04%	2,711,340,092.29
Net profit attributable to the listed company's shareholders (RMB)	453,813,148.37	176,055,944.37	157.77%	-91,459,452.49
Net profit net of non-recurring gains and losses attributable to shareholders of the listed company (RMB)	442,660,283.81	167,262,876.25	164.65%	-104,437,451.94
Net cash flows from operating activities (RMB)	297,896,683.31	142,811,815.59	108.59%	27,481,409.10
Basic earnings per share (RMB/share)	1.6510	0.6405	157.77%	-0.3724
Diluted earnings per share (RMB/share)	1.6510	0.6405	157.77%	-0.3724
Weighted average return on equity (ROE) (%)	16.67%	7.12%	9.55%	-4.45%
	End of 2025	End of 2024	Year-end Change YoY	End of 2023
Total assets (RMB)	4,343,076,100.48	3,609,153,324.48	20.34%	3,553,892,582.94
Net asset attributable to shareholders of the listed company (RMB)	2,918,306,184.95	2,540,802,774.24	14.86%	2,398,803,942.55

In recent three fiscal years of the Company, the lower of net profit before or after deducting non-recurring gains and losses was negative. Moreover, the auditor's report for recent one year suggests that the Company's ability to continue as a going concern is plagued by uncertainties

Yes No

The lowest of the Company's audited total profit, net profit, and net profit after the deduction of non-recurring gains and losses during the Reporting Period was negative

Yes No

VI. Principal financial indicators by quarters

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	720,860,144.39	1,023,165,871.48	1,062,673,549.07	1,267,960,799.48
Net profit attributable to the shareholders of the Company	72,021,782.19	105,473,291.04	126,922,671.56	149,395,403.58
Net profit attributable to the shareholders of the	65,867,843.01	100,669,621.73	124,158,631.43	151,964,187.64

	Q1	Q2	Q3	Q4
listed company after deduction of non-recurring gains and losses				
Cash flows from operating activities	118,034,078.99	52,918,636.35	32,254,096.74	94,689,871.23

Whether the aforesaid financial indicators or their sum are significantly different from relevant financial indicators disclosed by the Company in its quarterly and semi-annual reports

Yes No

VII. Accounting data differences under PRC GAAP and those under the GAAP of a foreign jurisdiction

1. If there was any difference of the net profits and the net assets that were disclosed in the financial statement under the International Financial Reporting Standards (IFRSs) with those under the Generally Accepted Accounting Principles of the People's Republic of China (PRC GAAP)

Applicable Not applicable

There was no difference of the net profits and the net assets that were disclosed in the financial statement under the IFRSs with those under the PRC GAAP during the Reporting Period.

2. If there was any difference of the net profits and the net assets that were disclosed in the financial statement under the GAAP of a foreign jurisdiction with those under the PRC GAAP

Applicable Not applicable

There was no difference of the net profits and the net assets that were disclosed in the financial statement under the GAAP of any foreign jurisdiction with those under the PRC GAAP during the Reporting Period.

VIII. Non-recurring gains and losses

Applicable Not applicable

Unit: RMB

Item	Amount of 2025	Amount of 2024	Amount of 2023	Note
Gain or loss on disposal of non-current assets (including impairment allowance write-offs)	2,386.93	22.74	2,875,222.42	
Government grants recorded in the profit and loss for the current period (except for those acquired in the ordinary course of the Company's business, in line with national policies and regulations, or those enjoyed according to established standards and consistently affect the Company's gain or loss)	11,406,025.93	8,236,537.78	8,460,329.32	
Gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains or losses arising from the disposal of financial assets and financial liabilities, other than effective hedging business related to the Company's normal operating business	310,885.40	455,154.71	792,842.47	
Profits arising from business combination when the combined cost is less than the recognized fair value of net assets of the subsidiary and merged company			192,881.52	
Other net non-operating income and expenses, other than the above items	1,418,423.71	1,635,449.19	2,925,663.03	
Less: Income tax effects	1,647,832.93	1,164,743.66	2,145,138.16	

Item	Amount of 2025	Amount of 2024	Amount of 2023	Note
Non-controlling interests effects (after tax)	337,024.48	369,352.64	123,801.15	
Total	11,152,864.56	8,793,068.12	12,977,999.45	--

Details of other profit and loss items in line with the definition of non-recurring gains and losses:

Applicable Not applicable

There are no other profit and loss items in line with the definition of non-recurring gains and losses in the Company.

Explanation of situations where items listed as non-recurring profits and losses in the *Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No.1 - Non-recurring Gains and Losses* are classified as non-recurring gains and losses

Applicable Not applicable

The Company involves no circumstances where the non-recurring gains and losses listed in the *Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No.1 - Non-recurring Gains and Losses* are defined as recurring gains or losses.

Section III The Management Discussion and Analysis

I. Principal business of the Company during the Reporting Period

Procurement model of principal raw materials

Unit: RMB

Principal raw materials	Procurement model	Proportion of procurement amount in total procurement	Any significant change in settlement method	Average price in H1	Average price in the second half of the year
Phosphate ore	Implement procurement based on production plans, raw materials market prices, and inventory conditions	52.32%	No	566.31	598.10
Sulfuric acid	Implement procurement based on production plans, raw materials market prices, and inventory conditions	20.88%	No	570.56	652.84
Sulfur	Procurement is carried out based on the production plan, raw material market prices, and inventory levels.	10.24%	No	1,963.33	2,607.70

Reason for significant changes in raw material prices compared with the previous Reporting Period

Due to fluctuations in the raw materials market, the sulfur price increase led to a 45.02% increase in the Company's purchased sulfuric acid volume in 2025, decreasing self-produced sulfuric acid. Meanwhile, the comprehensive average purchase price of sulfuric acid for the whole year increased by 70.79% over the previous year.

Whether energy procurement prices account for more than 30% of total production costs

Applicable Not applicable

Reason for significant changes in principal energy types

Production technology overview of main products

Main products	Stage of production technology	Status of key technical personnel	Patented technologies	Advantages of product research and development
Wet-process phosphoric acid (intermediate product)	Industrial application	All are current employees of the Company	A sulfur-saving method for phosphoric acid extraction. - An energy-saving semi-hydrate-dihydrate wet-process phosphoric acid co-production method for white gypsum. - A method to improve and stabilize the neutralization and defluorination concentration in wet-process phosphoric acid.	Low sulfuric acid consumption in wet-process phosphoric acid extraction. - Short process flow, low energy consumption, and minimal investment. - Efficient recovery of unreacted P ₂ O ₅ , reducing production costs.
Dicalcium phosphate	Industrial application	All are current	A method for preparing feed grade dicalcium phosphate from wet-process	High automation, stable operation. Low operating costs, intrinsic

Main products	Stage of production technology	Status of key technical personnel	Patented technologies	Advantages of product research and development
		employees of the Company	phosphoric acid organic extraction raffinate. A method for treating wastewater from dicalcium phosphate production. A method for producing refined sodium phosphate from fertilizer-grade dicalcium phosphate. A dosing device for improving the crystallization of feed grade dicalcium phosphate.	process safety. Full wastewater reuse.
Monocalcium phosphate	Industrial application	All are current employees of the Company	A method to reduce free acid in feed grade monocalcium phosphate. A method for producing high-quality enriched superphosphate as a by-product during feed grade dicalcium phosphate production. An automatic hydrogen sulfide gas control system in monocalcium phosphate production.	Utilizes the Company's expertise in flotation of medium- and low-grade phosphate ores. Integrates the advantages of semi-hydrate and dihydrate wet-process phosphoric acid technology. - Enables graded utilization of phosphate rock.
Dicalcium phosphate (Type III)	Industrial application	All are current employees of the Company	A method for preparing feed grade dicalcium phosphate from wet-process phosphoric acid organic extraction raffinate. A method for removing arsenic from feed-grade dicalcium phosphate in wet-process phosphoric acid production. A method for producing high-quality enriched superphosphate as a by-product during feed grade dicalcium phosphate production. A method for co-producing fertilizer-grade monoammonium phosphate (MAP) with feed grade dicalcium phosphate. A method for producing feed grade dicalcium phosphate using hydrochloric acid without defluorination.	Aligns with phosphate market development trends. High efficiency, low pollution.
Triple superphosphate	Industrial application	All are current employees of the Company	A method for reducing free acid in triple superphosphate using fertilizer-grade dicalcium phosphate. An energy-saving production method for granular triple superphosphate. A method for producing triple superphosphate using raffinate acid from purified wet-process phosphoric acid. A method for producing nitrogen-enriched triple superphosphate from raffinate acid after phosphoric acid purification.	Enables the use of low-grade phosphate rock to produce high phosphate-to-feed ratio fertilizers. Reduces dependence on high-quality phosphate rock.
Purified phosphoric acid	Industrial application	All are current employees of the Company	A production method and device for purifying low-concentration wet-process phosphoric acid. A liquid-liquid extraction phosphoric acid separator and clarifier. A device for removing interphase impurities in wet-process purified phosphoric acid production. A device for removing organic solvents from raffinate acid in purified wet-process phosphoric acid production. A method for producing high-purity battery-grade monoammonium phosphate (MAP) using by-product wash acid from purified phosphoric acid.	Enhances the purification of the Company's wet-process phosphoric acid. Increases the added value of phosphoric acid products. Provides technical reserves for producing iron phosphate as a precursor for lithium iron phosphate (LFP). Achieves tiered utilization of phosphate resources.
Lithium iron phosphate	Industrial application	All are current employees of the Company	A preparation method for carbon-coated porous lithium iron phosphate powder. A one-step method for synthesizing lithium iron phosphate using ferric hydroxide as the iron source. A method for producing battery-grade lithium iron phosphate from pyrite roasting slag.	Utilizes the Company's phosphoric acid iron raw materials. Combines the Company's expertise in lithium iron phosphate production. Enhances the value of phosphorus resources. Lays the foundation for the Company's expansion into the

Main products	Stage of production technology	Status of key technical personnel	Patented technologies	Advantages of product research and development
				battery materials market.

Production capacity of main products

Main products	Designed capacity	Capacity utilization rate	Capacity under construction	Situation of investment construction
Monocalcium phosphate (Dongchuan)	100,000 tonnes/year	159.61%		Completed and currently in normal operation:
Dicalcium phosphate (Dongchuan)	150,000 tonnes/year	41.03%		Completed and currently in normal operation:
Calcium dihydrogen phosphate (Dongchuan)	150,000 tonnes/year	20.72%		Completed and currently in normal operation:
Calcium carbonate (rich calcium) (Dongchuan)	150,000 tonnes/year	63.40%		Completed and currently in normal operation:
Sodium fluorosilicate (Dongchuan)	10,000 tonnes/year	72.44%		Completed and currently in normal operation:
Calcium carbonate (rich calcium) (Fangchenggang)	140,000 tonnes/year	150.26%		Completed and currently in normal operation:
Sodium fluorosilicate (Fangchenggang)	30,000 tons/year	81.39%		The original capacity was 15,000 tons/year, and the phase completion of technical renovation has been put into production
Industrial wet-process purified phosphoric acid (Fangchenggang)	200,000 tonnes per year	92.05%		The original capacity was 100,000 tons/year, and the phase completion of technical renovation has been put into production

Note: The capacity utilization rate of the calcium dihydrogen phosphate at the Dongchuan base is low, primarily because the Company adopts flexible production methods, using part of the capacity for producing monocalcium phosphate products.

Product types in major chemical industrial parks

Major chemical industrial parks	Product type
Sifangdi Industrial Park, Dongchuan District	Dicalcium phosphate, monocalcium phosphate, dicalcium phosphate (Type III), sodium fluorosilicate, calcium carbonate (rich calcium)
Southwest Coastal Industrial Park, Fangchenggang	Industrial wet-process purified phosphoric acid, calcium carbonate (rich calcium), sodium fluorosilicate

Environmental Impact Assessment (EIA) approvals applied for or newly obtained during the Reporting Period:

Applicable Not applicable

1. During the Reporting Period, the Chuan Jin Nuo (Egypt) Suez Canal Phosphorus Chemical Project managed by Egypt Chuan Jin Nuo Chemical Co., Ltd. completed the environmental impact assessment approval procedure according to local regulations and received approval documents in February 2026.

Any abnormal suspension of production by the listed company during the Reporting Period

Applicable Not applicable

Relevant approvals, licenses, qualifications, and their validity periods

Applicable Not applicable

No.	Qualification certificate	Certificate holder	No.	Validity period	Authorized unit
1	Registration Receipt of Customs Import and Export Goods Consignee/Consignor	CJN	451296005D	-	Fangcheng Customs District P.R. China

No.	Qualification certificate	Certificate holder	No.	Validity period	Authorized unit
2	Hazardous Chemicals Registration Certificate	CJN	53012400057	February 24, 2027	The National Registration Center for Chemicals (NRCC) under the Ministry of Emergency Management of China
3	National Industrial Product Production Permit - inorganic product, hazardous chemicals	CJN	(Dian) XK13-006-00035	April 15, 2026	Yunnan Provincial Bureau of Quality and Technical Supervision
4	National Industrial Product Production Permit - phosphate fertilizer	CJN	(Dian) XK13-002-00008	February 24, 2028	Yunnan Provincial Bureau of Quality and Technical Supervision
5	Feed Additive Production License	CJN	Diansitian (2022) T01033	May 24, 2027	Kunming Municipal Bureau of Agriculture and Rural Affairs
6	Production Approval Certificate Number of Feed Additive and Additive Premixed Feed in Yunnan Province	CJN	Diansitian (2022) 033001	-	Yunnan Provincial Department of Agriculture and Rural Affairs
			Diansitian (2022) 033002		Kunming Municipal Bureau of Agriculture and Rural Affairs
7	Registration Certificate of Self-managed Inspection Unit	CJN	5300601992	-	Yunnan Entry-Exit Inspection and Quarantine Bureau
8	Safety Production License	CJN	(Kun) WH Anxuzhengzi [2019] 0016	October 15, 2026	Kunming Emergency Management Bureau
9	Customs Registration Certificate of the People's Republic of China	CJN	530196575E	-	Kunming Customs District P.R. China
10	Archival Filing and Registration Form of Foreign Trade Operators	CJN	2070737	-	Archival filing and registration of foreign trade operators (Kunming, Yunnan)
11	Pollutant Permit	CJN	91530100778560690W001Q	August 14, 2029	Kunming Ecological Environment Bureau
12	Hazardous Chemical Business License	CJN	Diankundongwei huajingzi [2023] 0004	April 10, 2026	Emergency Management Bureau of Dongchuan District, Kunming City
13	Operation Filing Certificate for Non-pharmaceutical Precursor Chemicals	CJN	(Dian) 3J53011300009	May 14, 2026	Emergency Management Bureau of Dongchuan District, Kunming City
14	Quality Management System Certification	CJN	08924Q50015R3M	January 3, 2027	Beijing Zhongshui Brilliant Certification Co., Ltd.
15	FAMI-QS Certificate	CJN	11626FAM0005F3	February 1, 2029	HSL Certification Service
16	Production Filing Certificate for Non-pharmaceutical Precursor Chemicals	CJN	(Dian) 3S53011300417	May 14, 2026	Emergency Management Bureau of Dongchuan District, Kunming City
17	National Industrial Product Production Permit - inorganic product	Guangxi Chuan Jin Nuo Chemical	Gui XK13-006-06006	January 19, 2027	Market Supervision Administration of Guangxi Zhuang Autonomous Region
18	National Industrial Product Production Permit - phosphate fertilizer	Guangxi Chuan Jin Nuo Chemical	Gui XK13-002-06002	May 16, 2029	Market Supervision Administration of Guangxi Zhuang Autonomous Region
19	Safety Production License	Guangxi Chuan Jin	(G. P) WH Anxuzhengzi [2024] No. 0005	October 15, 2027	Emergency Management

No.	Qualification certificate	Certificate holder	No.	Validity period	Authorized unit
		Nuo Chemical			Department of Guangxi Zhuang Autonomous Region
20	Production Filing Certificate for Non-pharmaceutical Precursor Chemicals	Guangxi Chuan Jin Nuo Chemical	(Gui) 3J4506022024-003 (Production)	May 23, 2027	Emergency Management Bureau of Gangkou District, Fangchenggang City
21	Pollutant Permit	Guangxi Chuan Jin Nuo Chemical	91450600MA5L4PE98E001V	February 25, 2029	Fangchenggang Administrative Approval Bureau
22	Hazardous Chemicals Registration Certificate	Guangxi Chuan Jin Nuo Chemical	45062300007	June 3, 2026	Chemical Registration Office of Guangxi Zhuang Autonomous Region
23	Food Production License	Guangxi Chuan Jin Nuo Chemical	SC20145060200501	September 7, 2027	Fangchenggang Big Data and Administrative Approval Bureau
24	Food Business License	Guangxi Chuan Jin Nuo Chemical	JY34506020093819	May 21, 2030	Market Supervision Administration of Gangkou District, Fangchenggang City
25	Feed Production License	Guangxi Chuan Jin Nuo Chemical	Gui Feed Additive (2022) T06001	November 13, 2027	Department of Agriculture and Rural Affairs of Guangxi Zhuang Autonomous Region
26	Kosher Certificate	Guangxi Chuan Jin Nuo Chemical	523897344	November 17, 2026	KLBD Kashrut Division London Beth Din
27	Filing Certificate for Enterprises Handling Explosive Hazardous Chemicals	Guangxi Chuan Jin Nuo Chemical		October 15, 2027	Gangkou Sub-branch of Public Security Bureau in Fangchenggang City
28	Halal Certificate	Guangxi Chuan Jin Nuo Chemical	04191549008996	December 28, 2028	Halal Foundation Center
29	ISO9001 Quality Management System Certification certificate	Guangxi Chuan Jin Nuo Chemical	00123Q33052R0M/4500	May 5, 2026	China Quality Certification Centre Co., Ltd.
30	The ISO14001 Environmental Management System Certification	Guangxi Chuan Jin Nuo Chemical	00123E31587R0M/4500	May 7, 2026	China Quality Certification Centre Co., Ltd.
31	ISO22000 Food Safety Management System Certification	Guangxi Chuan Jin Nuo Chemical		November 4, 2028	China Quality Certification Centre Co., Ltd.
32	The ISO45001 Occupational Health and Safety Management System Certification	Guangxi Chuan Jin Nuo Chemical	CQC23S31288R0M/4500	May 07, 2026	China Quality Certification Centre Co., Ltd.
33	FSSC22000 Food Safety Management System Certification	Guangxi Chuan Jin Nuo Chemical	CQC24FS1157ROM/4500	November 13, 2027	China Quality Certification Centre Co., Ltd.

Engaged in petroleum processing or petroleum trade industry

Yes No

Engaged in fertilizer industry

Yes No

During the Reporting Period, the Company's fertilizer products were primarily triple superphosphate (enriched superphosphate), which were mainly used for export. The marketing strategy combines direct sales and distribution. Product sales are global, mainly including regions such as South America, Southeast Asia, and the Middle East. There are seasonal variations in demand across these regions, but the Company's overall production and business operations are relatively stable, with no significant seasonal fluctuations. Tax policies do not have a significant impact on the Company's overseas business.

Engaged in pesticide industry

Yes No

Engaged in the chloralkali or sodium carbonate industry

Yes No

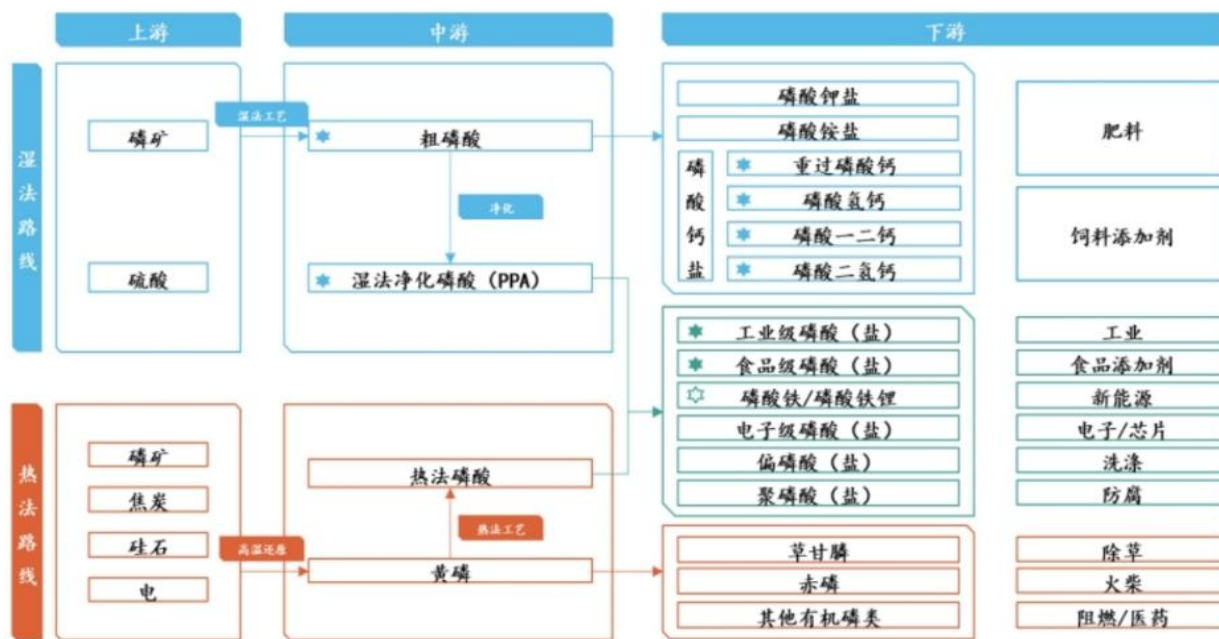
II. Industry overview during the Reporting Period

i. Industry classification

The Company's business revolves around the wet-process phosphoric acid technology, with main products including feed additives, fertilizers, and wet-process purified phosphoric acid. It falls under the chemical raw materials and chemical products manufacturing industry within the manufacturing sector (industry code C26).

ii. Current state and development trends of the industry

The phosphorus chemical industry is based on phosphate rock as the raw material, primarily processed into crude phosphoric acid or yellow phosphorus through two methods: wet-process (the blue section in the diagram below) and thermal-process (the red section in the diagram below). These are then further reacted with other chemical raw materials to produce chemical products such as phosphate fertilizers, phosphates, and organophosphates, which are widely applied in agriculture, industry, new energy, pharmaceuticals, food, and other sectors. As the core product of the phosphorus chemical industry, phosphoric acid plays a pivotal role in connecting the upstream and downstream of the phosphorus chemical industrial chain. The situation of the phosphorus chemical industrial chain, based on different production processes, is illustrated in the diagram below:



备注：带 * 为公司涉足的业务，其中磷酸铁/磷酸铁锂业务正在布局之中

上游	Upstream
中游	Midstream
下游	Downstream
湿法路线	Wet-process route
磷矿	Phosphate ore
湿法工艺	Wet-process technology
粗磷酸	Crude phosphoric acid
硫酸	Sulfuric acid
净化	Purification
湿法净化磷酸（PPA）	Wet-process purified phosphoric acid (PPA)
磷酸钙盐	Tricalcium phosphate salts
磷酸钾盐	Potassium phosphate salts
磷酸铵盐	Ammonium phosphate salts
重过磷酸钙	Triple superphosphate
磷酸氢钙	Dicalcium phosphate
磷酸一二钙	Mono-dicalcium phosphate
磷酸二氢钙	Monocalcium phosphate
肥料	Fertilizer
饲料添加剂	Feed additives
热法路线	Thermal-process route
磷矿	Phosphate ore
焦炭	Coke
硅石	Silica
点	Point
高温还原	High-temperature reduction
热法磷酸	Thermal-process phosphoric acid
热法工艺	Thermal-process technology
黄磷	Yellow phosphorus
工业级磷酸（盐）	Industrial grade phosphoric acid (salt)
食品级磷酸(盐)	Food grade phosphoric acid (salt)
磷酸铁/磷酸铁锂	Iron phosphate/lithium iron phosphate
电子级磷酸(盐)	Electronic grade phosphoric acid (salt)
偏磷酸(盐)	Metaphosphoric acid (salt)
聚磷酸(盐)	Polyphosphoric acid (salt)
工业	Industry

食品添加剂	Food additives
新能源	New energy
电子/芯片	Electronics/chips
洗涤	Washing
防腐	Corrosion prevention
草甘膦	Glyphosate
赤磷	Red phosphorus
其他有机磷类	Other organic phosphorus compounds
除草	Weed control
火柴	Matchsticks
阻燃/医药	Flame retardant/pharmaceutical
备注：带*为公司涉足的业务，其中磷酸铁/磷酸铁锂业务正在布局之中	Note: Business marked with * is engaged by the Company, with iron phosphate/lithium iron phosphate business under planning

1. Phosphate fertilizer

Phosphorus is one of the three main essential nutrients in fertilizers. Common phosphate fertilizers in China include monoammonium phosphate (MAP), diammonium phosphate (DAP), superphosphate (normal superphosphate), and triple superphosphate (TSP). China, Morocco, and Russia are the world's main exporters of phosphate fertilizers.

The Company's phosphate fertilizer products are primarily based on triple superphosphate. The active ingredient in triple superphosphate is monocalcium phosphate, with the chemical formula $\text{Ca}(\text{H}_2\text{PO}_4)_2$. It is a single phosphate fertilizer with an effective phosphorus content exceeding 40%. Triple superphosphate is mainly used as a base fertilizer, topdressing, seed fertilizer, and raw material for the production of compound fertilizers. It is widely applicable to various grain crops and economic crops, such as rice, wheat, maize, sorghum, cotton, fruits, and vegetables. Due to different fertilization practices, triple superphosphate is mainly used for export, with the export destinations covering global markets, primarily in South America, Southeast Asia, and the Middle East. The global consumption of triple superphosphate is approximately 5 million tonnes per year. In the future, as global agricultural planting scales and intensification continue to progress, the scientific use of highly water-soluble phosphate fertilizers will become an inevitable trend. Triple superphosphate has further growth potential in the global market to replace ordinary calcium fertilizers. Besides the Company, domestic producers of triple superphosphate include Yunnan Xiangfeng, Sanhuan Zhonghua, Guizhou Phosphate, and Hubei Xiangyun.

To meet market demand and leverage the advantages of flexible production lines, the Company introduced enriched superphosphate in 2024. Its main components are water-soluble monocalcium phosphate and calcium sulfate, with a total P_2O_5 content greater than 36%, and a higher effective phosphorus content. Enriched calcium demonstrates excellent performance in improving soil fertility and crop yield, further enriching the Company's phosphate fertilizer product portfolio.

2. Feed grade phosphate industry

The Company's feed grade calcium phosphate salts include dicalcium phosphate (DCP), monocalcium phosphate (MCP), and dicalcium phosphate (Type III) (MDCP). These are mainly added to animal feed as a source of calcium during animal growth.

(1) Dicalcium phosphate (DCP)

Feed grade dicalcium phosphate is a core application in the field of animal and aquatic feed additives. The livestock inventory is the core leading indicator of supply and demand in the industry, and the overall supply and demand changes in the industry are highly correlated with the production fluctuations of the downstream feed industry. On the supply side, under the background of

normalized environmental inspections in major DCP production areas such as Yunnan, Sichuan, Hubei, and Guizhou, the industry continues to promote the “three phosphorus” special rectifications. Coupled with the implementation of policies such as total phosphorus ore mining control and elimination of outdated production capacity, the industry capacity structure is continuously optimized, with inefficient capacities gradually exiting the market. On the demand side, as the world’s largest feed production and marketing country, China’s total national industrial feed output reached 340,368,000 tons in 2025, a year-on-year increase of 8.2%, showing a steady growth trend in the industry. Alongside the scaled and standardized development of the aquaculture industry, the growth resilience of feed production continues to be prominent. The feed grade dicalcium phosphate produced by the Company is a just-in-need feed additive for phosphorus and calcium supplementation in livestock and poultry. In the market background of the steady development of the downstream feed industry, the product market demand maintains a stable growth trend.

(2) Monocalcium phosphate (MCP)

MCP is characterized by high water solubility and high absorption rate, which helps reduce pollution from livestock waste in water environments, aligning with the trend of green agriculture development. Therefore, MCP has a strong product advantage as a phosphorus feed additive and is regarded as an “upgraded product” of DCP. However, due to cost constraints, it is difficult to replace DCP on a large scale in the short term.

In recent years, the production of freshwater aquaculture has maintained a continuous growth trend, driving the sustained growth of aquaculture feed production, and the MCP market has expanded accordingly. The domestic supply pattern of MCP is relatively stable, with companies such as CJN, Chuanheng Co., Yuntianhua, Sinochem Yunlong, and Guizhou Yunfu occupying major positions in the domestic market.

3. Purification phosphoric acid industry

After further removal of impurities and purification of crude phosphoric acid, wet-process purified phosphoric acid is produced. Depending on the impurity level, it can be used in downstream industries such as industrial, food, electronics, and healthcare sectors. Wet-process purified phosphoric acid is a substitute for thermal phosphoric acid. Compared to thermal phosphoric acid, it has the advantages of lower energy consumption, less pollution, and lower costs. The “wet process replacing the thermal process” is an inevitable trend in the industry.

On the supply side, wet-process purified phosphoric acid has a high technological barrier. The major domestic suppliers of wet-process purified phosphoric acid include Guizhou Phosphate, CJN, Yuntianhua, Liuguo Chemical, Xingfa Group, Sinopec Fuling, Zhongfu Chemical, Guizhou Chanhen Chemical Corporation, and others.

4. New energy materials industry

In the context of global carbon peaking and carbon neutrality, the development potential of the new energy vehicle and energy storage industries is immense. The explosive growth in the demand for new energy vehicle power and energy storage for electricity and communications is driving the rapid growth of demand for power and energy storage batteries. Lithium iron phosphate (LiFePO_4) cathode materials are widely favored by the market due to their safety, large capacity, discharge performance, fast charging ability, and low cost, becoming an important development direction for cathode materials in power and energy storage batteries.

iii. The Company’s position in the industry

After years of development, the Company has become a high-quality enterprise in the field of wet-

process phosphoric acid. It is the only company in the country to mass-produce food grade purified phosphoric acid using self-developed technology, with technical capabilities on par with industry leaders.

Through continuous research and development of technologies such as flotation and utilization of medium-to-low-grade phosphate ore, purification of wet-process phosphoric acid, sulfuric acid production from pyrite, and comprehensive utilization of phosphogypsum, the Company has achieved graded utilization of wet-process phosphoric acid, improving the value of phosphorus resources per unit. The Company is a leader in the industry in terms of production technology, cost control, and international channels for traditional phosphorus chemical products.

iv. Principal activities of the Company in the Reporting Period

1. Main business

Starting from the flotation of purchased phosphate rock, the Company processes it into phosphate concentrate, which is then produced into crude phosphoric acid via the wet process. This crude phosphoric acid is further reacted with other chemical raw materials to produce feed additives and fertilizers such as dicalcium phosphate (Type I and Type III), monocalcium phosphate, and triple superphosphate. Simultaneously, based on stable feed grade phosphates, the Company focuses on purification technology, further refining crude phosphoric acid to produce industrial-grade and food-grade wet-process purified phosphoric acid products.

2. Main product uses and market demand

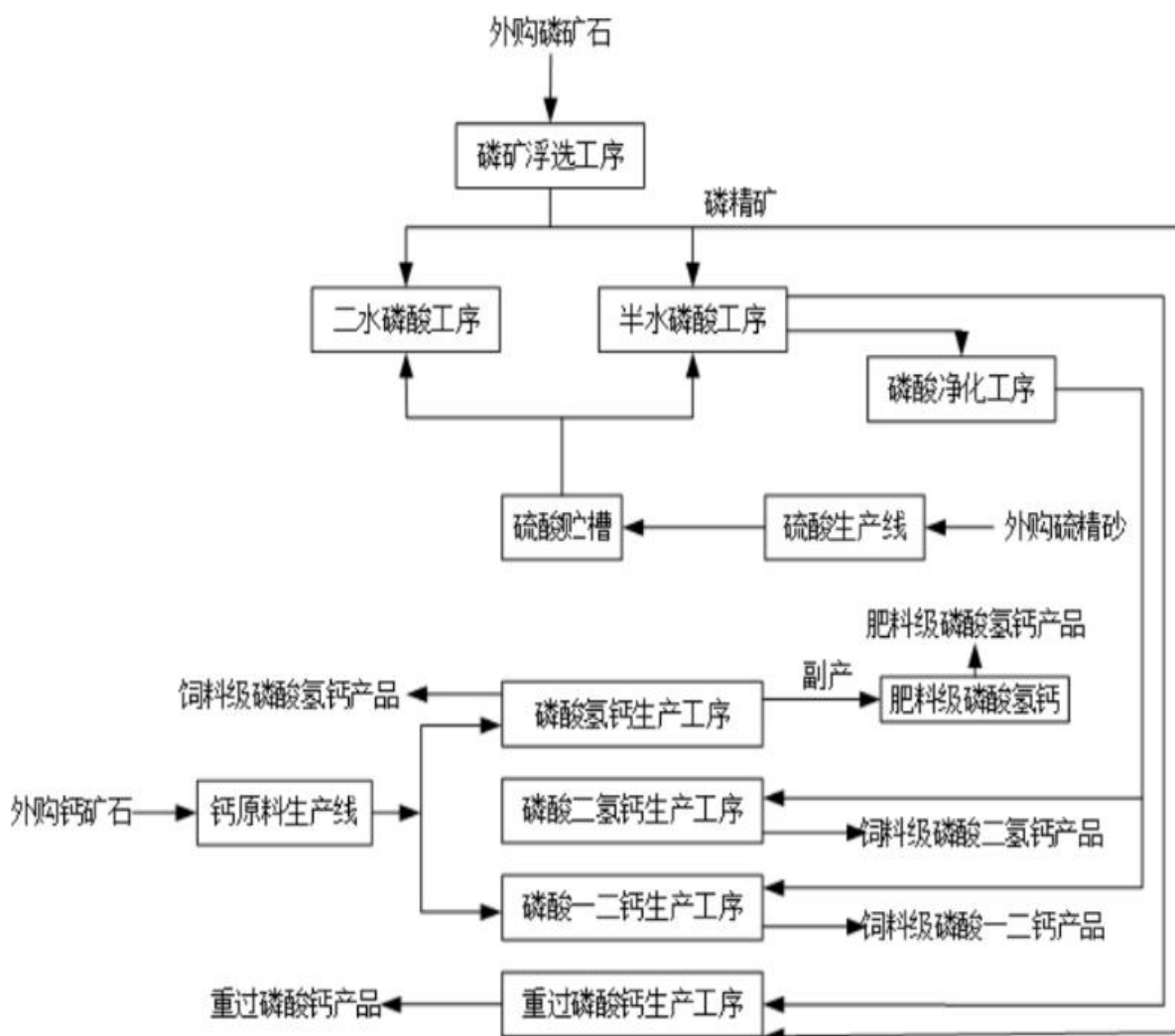
Product	Main application fields	Main price influencing factors	Market demand
Feed grade dicalcium phosphate (Type I, Type III)	Abbreviated as DCP and MDCP, the main function is to provide phosphorus, calcium, and other mineral nutrients in compound feed for livestock and poultry. It is mainly used in pig feed, poultry feed, and some cattle and sheep feed, with an addition rate generally ranging from 1% to 3%.	The market demand is influenced by supply-demand relationships and cost-driven factors.	Global meat consumption remains stable, and domestic feed production stays steady, with market demand expected to increase moderately alongside the downstream industry.
Feed grade monocalcium phosphate	Abbreviated as MCP, it is an efficient and high-quality phosphate feed additive, currently the feed grade phosphate with the highest biological efficacy. It is primarily used in aquaculture for fish, shrimp, and other aquatic animals.	The market demand is influenced by supply-demand relationships and cost-driven factors.	In the future, with the refinement of aquaculture practices and the gradual improvement of domestic water source environmental protection requirements, MCP has vast growth potential in both the aquaculture and livestock feed sectors.
Triple superphosphate	Abbreviated as TSP, it is the highest concentration single water-soluble phosphate fertilizer currently in widespread use. It improves alkaline soils and mainly supplies phosphorus and calcium to plants. It can be used alone or mixed with other nutrients, and when mixed with nitrogen fertilizers, it has a certain nitrogen-fixing effect. It is primarily used in agriculture and horticulture.	The market demand is influenced by supply-demand relationships and cost-driven factors.	As global agricultural planting scales and intensification continue to progress, the scientific use of highly water-soluble phosphate fertilizers will become an inevitable trend. Triple superphosphate has further growth potential in replacing ordinary calcium fertilizers in the global market.
Enriched superphosphate	Abbreviated as DSP, it is a medium-concentration phosphate fertilizer, with effective phosphorus content between normal superphosphate and triple superphosphate. It is widely used in the cultivation of food crops (such as wheat, maize, and rice) and economic crops (such as rapeseed, cotton, and sugarcane). It improves crop yield and quality, promotes root development, and enhances plant resistance to adversity.	The market demand is influenced by supply-demand relationships and cost-driven factors.	Enriched superphosphate, with its higher effective phosphorus content and wide application range, has strong market prospects in the agricultural sector. In the future, with the strengthening of environmental protection policies and the growth of agricultural demand, it will have considerable market potential.

Product	Main application fields	Main price influencing factors	Market demand
Purified phosphoric acid	Abbreviated as PPA, the Company produces purified phosphoric acid in 75%, 80%, and 85% industrial-grade or food-grade forms, primarily applied in the food, pharmaceutical, and new energy sectors.	The market demand is influenced by supply-demand relationships and cost-driven factors.	As domestic wet-process phosphoric acid purification technology continues to develop, downstream phosphate salt enterprises, based on cost considerations, are increasingly inclined to purchase lower-priced wet-process purified phosphoric acid to replace thermal phosphoric acid.
Wet-process crude acid	The Company primarily refers to 52% acid and 40% acid. The 52% acid is mainly used for phosphate fertilizer production, while the 40% acid is primarily used in lithium iron phosphate manufacturing.	The market demand is influenced by supply-demand relationships and cost-driven factors.	With its wide application and continually growing market demand, it is expected to maintain an important market position in the future.

3. Process flow

(1) Phosphate fertilizers and feed additives

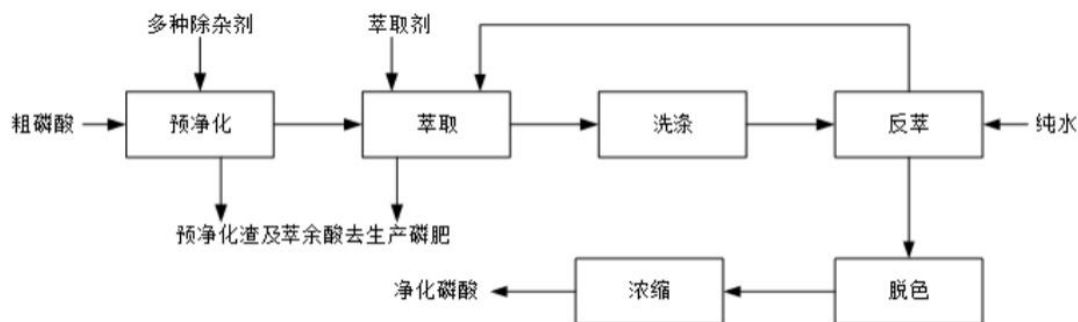
The Company’s phosphate fertilizers and feed additives are mainly produced through the semi-hydrate method or dihydrate method to obtain phosphoric acid, which is then reacted with calcium ore in the purification process to produce feed additives, and reacted with phosphate concentrate to produce phosphate fertilizers. The specific process flow is shown in the diagram below:



外购磷矿石	Purchased phosphate rock
磷矿浮选工序	Phosphate ore flotation process
磷精矿	Phosphate concentrate
二水磷酸工序	Dihydrate phosphoric acid process
半水磷酸工序	Hemihydrate phosphoric acid process
磷酸净化工序	Phosphoric acid purification process
硫酸贮槽	Sulfuric acid storage tank
硫酸生产线	Sulfuric acid production line
外购硫精砂	Purchased sulfur concentrate
肥料级磷酸氢钙产品	Fertilizer-grade dicalcium phosphate product
饲料级磷酸氢钙产品	Feed grade dicalcium phosphate product
磷酸氢钙生产工序	Dicalcium phosphate production process
副产	By-product
肥料级磷酸氢钙	Fertilizer-grade dicalcium phosphate
外购钙矿石	Purchased calcium ore
钙原料生产线	Calcium raw material production line
磷酸二氢钙生产工序	Monocalcium phosphate production process
磷酸-二钙生产工序	Mono-dicalcium phosphate production process
饲料级磷酸二氢钙产品	Feed grade monocalcium phosphate product
饲料级碳酸一二钙产品	Feed grade mono-dicalcium phosphate product
重过磷酸钙产品	Triple superphosphate product
重过磷酸钙生产工序	Triple superphosphate production process

(2) Purified phosphoric acid

Crude phosphoric acid undergoes a pre-purification process to obtain pre-purified phosphoric acid, which is then subjected to extraction, washing, back-extraction, decolorization, concentration, and other steps. This effectively reduces impurities in the phosphoric acid, improving its purity, and ultimately producing industrial-grade purified phosphoric acid. The specific process flow is shown in the diagram below:



粗磷酸	Crude phosphoric acid
多种除杂剂	Various impurity removal agents
萃取剂	Extractant
预净化	Pre-purification
萃取	Extraction
洗涤	Washing
反萃	Back-extraction
纯水	Pure water
预净化渣及萃余酸去生产磷肥	Pre-purification residue and extraction residue acid used for phosphate fertilizer production
净化磷酸	Phosphoric acid purification
浓缩	Concentration
脱色	Decolorization

4. Business model

(1) Procurement model

The Company primarily bases its analysis of medium- to long-term market trends on recent production and business plans to determine the next year's sales plan, guiding the preparation of the product production plan. The demand for major raw materials is calculated based on the production plan, followed by in-depth analysis of the raw material market, resulting in the preparation of the annual procurement plan. The purchasing department, during actual implementation, formulates monthly procurement plans based on the monthly production plan, inventory status, and market research results. The purchasing department conducts price inquiries and negotiations according to the monthly plan, signing procurement agreements and carrying out the execution.

(2) Production model

The Company's production organization adheres to a market-oriented approach. At the beginning of the year, based on the previous year's production and market conditions, an initial annual production and sales plan is formulated. The monthly plan is then adjusted according to market conditions, ensuring that high-margin products are produced at full capacity while low-margin products guarantee basic market supply. The Company generally follows the principle of "production determined by sales," but also makes some stockpiling based on market predictions. The production department arranges actual production operations based on the annual and monthly plans and assigns tasks to each workshop and department. Each workshop organizes production based on operational procedures and safety standards, ensuring that product quality meets customer requirements. During the production process, the production department periodically communicates with the sales department to ensure that production serves sales and that sales are aligned with market demand.

(3) Sale model

The Marketing Department of the Company is divided into the Domestic Department of Phosphate in Animals and Plants, International Trade Department I, International Trade Department II. The Marketing Department, based on the Company's overall business plan and market information analysis, determines the annual sales plan, monthly sales plan, and weekly sales plan, and assigns execution responsibilities to each division. During the execution process, each division also tracks daily dynamic sales data to ensure process control and guarantee that the operational results meet sales targets.

The Company's domestic sales operations combine direct sales to large domestic group clients with signed distributors. The international sales operations adopt the model of local country agents and direct sales to global large group clients. Based on market conditions, supply-demand analysis, and the Company's raw material procurement and production plans, the monthly sales plan is determined during the general operations meeting. This includes setting the order quantities and prices for the products. Additionally, at the weekly sales operations meeting, the signed order quantities and prices are confirmed. In the event of market emergencies, the Company reports promptly and makes timely decisions and adjustments.

In order to adapt to the changes brought about by future industry intensification and scaling development trends, the Marketing Department of the Company has innovatively established a technical service sales model. This model offers more professional phosphorus chemical product technical services, engaging in technical discussions to develop application solutions with downstream market customers. This shifts the focus from selling products to selling solutions, thereby building closer cooperative relationships.

III. Core competitiveness analysis

i. Product structural advantages

The Company has the capability to rapidly adjust its existing product structure to maximize profitability by optimizing equipment selection and process design based on market demand and varying gross margins of different products. The Dongchuan base can flexibly adjust production volumes across various product lines, while the Fangchenggang plant supports seamless transitions between industrial-grade phosphoric acid, food-grade phosphoric acid, 52% phosphoric acid, and triple superphosphate (TSP). The versatility of the Company's production system and its flexible product structure effectively mitigate market risks while enabling continuous innovation and development of high-potential, competitive products, thereby enhancing its overall competitiveness and sustainability.

ii. Technical advantages

1. Phosphoric acid extraction and purification technology: The Company has independently developed a wet-process purified phosphoric acid technology, which has been successfully implemented at its Guangxi Chuan Jin Nuo with an annual capacity of 200,000 tonnes. Currently, the Company has achieved mass production of industrial-grade and food-grade purified wet-process phosphoric acid, with technical specifications reaching industry-leading levels.

2. Phosphate ore flotation technology: Leveraging proprietary technology, the Company enhances the quality of medium- and low-grade phosphate ores through flotation, increasing the ore grade from 18%-25% to 26%-33%. This process significantly reduces impurity levels of magnesium, iron, and aluminum. Additionally, through optimized flotation processes such as scavenging, the Company improves P_2O_5 recovery rates while lowering overall flotation costs.

3. Semi-hydrate-dihydrate and purified phosphoric acid production technology: At its Fangchenggang plant in Guangxi, the Company utilizes the semi-hydrate-dihydrate method to produce phosphoric acid, achieving phosphorus recovery rates exceeding 98%. This process optimizes phosphate rock consumption and minimizes phosphorus content in phosphogypsum, thereby facilitating the sustainable treatment and reuse of phosphogypsum.

4. Integration of phosphate and new energy materials technologies: By utilizing purified phosphoric acid as a bridge, the Company extends its industrial chain into the downstream new energy sector. Its integrated industry layout effectively reduces intermediate costs, enhancing cost efficiency and competitiveness.

iii. Location and cost advantages

1. Dongchuan production base advantages: (1) Phosphate Ore Resource Security: The region within a 120 km radius of Dongchuan District, Kunming City, is abundant in phosphate resources, with ore grades ranging from 18% to 25% P_2O_5 , primarily consisting of medium- to low-grade colloidal phosphate rock. To optimize the utilization of these resources, the Company has developed proprietary beneficiation technology, enabling the flotation of phosphate concentrate with a P_2O_5 grade of 26% to 33%, thereby meeting the Company's requirements for graded utilization of phosphate ore. (2) Sulfuric Acid Resource Security: The Company is co-located with Jinshui Copper Smelting Plant in the Sifangdi Industrial Park in Dongchuan District, creating an integrated industrial chain advantage through the utilization of smelting-derived sulfuric acid, which supplements the Company's own sulfuric acid production. (3) Pyrite Concentrate Resource Security: Dongchuan is adjacent to Huize, a region rich in pyrite concentrate resources. These resources serve as a primary raw material for the Company's sulfuric acid production facilities,

ensuring a stable supply for its operations.

2. Guangxi Chuan Jin Nuo Chemical production base advantages: Located in Fangchenggang City, Guangxi, the production facility is approximately 20 km from the port, offering significant logistical advantages. 1) Raw Material Procurement Advantage: Leveraging its proximity to the port, the Company sources high-quality phosphate rock and sulfur from international markets, ensuring a stable and efficient supply chain. (2) Product Transportation Advantage: The Company exports products such as liquid phosphoric acid and triple superphosphate (TSP) via sea freight, significantly reducing transportation costs and enhancing its competitive edge in logistics.

iv. Comprehensive utilization advantages

1. Resource-based and comprehensive utilization of wastewater, waste gas, and solid waste

(1) Dongchuan Base in Kunming: The Company has implemented a comprehensive waste recycling system, covering wastewater, waste gas, and waste residue. In addition to utilizing waste gas, waste heat, and waste slag generated during sulfuric acid production from pyrite, the Company actively recycles industrial wastewater from the manufacturing process to reduce fresh water consumption. This approach enables a closed-loop wastewater system, achieving “zero discharge.” Furthermore, the Company recovers fluosilicic acid from wet-process dilute phosphoric acid production, which replaces sulfuric acid as a pH adjuster in phosphate ore flotation, thereby reducing the consumption of pH adjusters. Additionally, sodium sulfate generated during iron phosphate production is utilized for sodium fluorosilicate production. The mother liquor produced in the sodium fluosilicate process serves as a substitute for sulfuric acid as a pH adjuster in phosphate ore flotation, which not only lowers wastewater treatment costs in fluosilicate production but also further reduces the consumption of pH adjusters. Moreover, the Company employs phosphate slurry as an absorbent to capture sulfur dioxide from the tail gas of sulfuric acid production, converting it into sulfuric acid and effectively recovering sulfur resources from waste gas.

(2) Guangxi Base: The Company has established a fully closed-loop wastewater recycling system through rainwater and sewage separation, clean and contaminated water segregation, and graded water reuse. Waste gas is treated through desulfurization, denitrification, dust removal, washing, and electrostatic mist removal, achieving ultra-low emissions that comply with environmental standards. Fluorine tail gas is recovered through a circulating washing process and utilized in the production of fluorine salt products, ensuring the efficient resource utilization of fluorine. Additionally, the by-product phosphogypsum undergoes deep modification and processing to produce cement retarders, which are supplied to nearby cement plants, ensuring the complete utilization of phosphogypsum resources.

The adoption of these technologies strengthens the Company’s environmental management, further reducing pollutant emissions while lowering operational costs. Through an integrated production system based on the principles of the circular economy, the Company not only achieves its energy-saving and environmental sustainability goals but also transforms waste into valuable resources, thereby creating a distinct cost advantage.

2. Efficient resource utilization

(1) Graded utilization of phosphate ore: Phosphate ore is the Company’s primary raw material. The Company implements a graded and classified management system from the point of entry, followed by flotation and phased comprehensive utilization. Phosphate concentrate with a P_2O_5 grade of 33% is used for triple superphosphate (TSP) production, 28% P_2O_5 phosphate concentrate

is utilized in semi-hydrate acid production to produce high-quality phosphoric acid, and 23% P₂O₅ phosphate concentrate is applied in dihydrate acid production for the manufacturing of calcium hydrogen phosphate.

(2) Graded utilization of phosphoric acid: Graded utilization of phosphoric acid is the core of the Company's industrial value chain. Adopting the principle of "optimal use of high-quality acid and efficient allocation of lower-quality acid," the Company maximizes the value of phosphoric acid across its production processes.


(3) Utilization of by-products: The Company's primary by-products include phosphogypsum, fluorine tail gas, and iron concentrate powder. At the Guangxi production base, the Company modifies and processes phosphogypsum into cement retarders, leveraging its strategic location to achieve complete utilization and environmentally compliant treatment. For fluorine tail gas, the Company recovers and refines it into fluorine salt products, ensuring efficient resource utilization and contributing to a sustainable circular production system. In the sulfuric acid production process, the by-product iron concentrate powder has been successfully developed as a new energy materials, specifically in iron phosphate production. This integration enables the Company to establish a fully integrated iron phosphate industrial chain, reinforcing its competitive advantage in the new energy sector.

v. Stable, professional and competitive team

The Company has a mature, stable, and highly professional management team. The core management members possess extensive expertise in both technical and managerial aspects of the phosphorus chemical industry, demonstrating a forward-looking approach to market dynamics and technological advancements. The team is well-structured, comprising professionals in management, marketing, and research and development, and is guided by the core values of integrity, collaboration, innovation, and excellence. Under the leadership of this high-caliber entrepreneurial team, the Company has established a robust corporate governance structure and maintains prudent financial management practices. Furthermore, in alignment with its new energy strategic plan, the Company is actively recruiting top talent and developing specialized teams in management, sales, and technology to meet the evolving demands of the industry, thereby laying a strong foundation for future growth.

The Company's internal control system is sound, and there is no behavior of family-run businesses or infringement on the rights of minority shareholders. Over the years, the Company has maintained a prudent business approach and robust financial management, demonstrating a strong awareness of risk control. Key financial indicators, including the asset-liability ratio and current ratio, have been consistently managed at a stable and prudent level, ensuring a solid financial safety margin. The Company has successfully navigated market fluctuations while maintaining financial stability. Furthermore, the Company operates in compliance with industry best practices and has been awarded an AAA credit rating certificate. It has also obtained ISO 9001:2008 certification and FAMI-QS product quality management system certification.

vi. Brand competitiveness

After years of market development and industry experience, the Company has established a strong reputation and enjoys distinct brand advantages. The "  " brand of feed phosphates has been recognized as a famous trademark in Kunming and a well-known trademark in Yunnan Province. Additionally, the "CJN" brand of triple superphosphate (TSP) is acknowledged by international customers as the highest-quality export-grade TSP from China. Over the years, the Company's development has not only established a good reputation and corporate image in the industry but also

accumulated a large and loyal customer base with companies such as New Hope Group, Haid Group, Tongwei Group, Da Bei Nong Group, Wellhope Group, Chia Tai Group, Hunan Yuneng, MIDGULF INTERNATIONAL LIMITED, Cargill, De Heus, Nutreco, YUC, and Quantum in both domestic and international markets, forming high-sticky cooperative relationships with long-term stable customers. This has laid a solid foundation for the Company to maintain its leading position in the phosphate chemical market, with a strong sales network providing assurance for the Company's sustained performance growth and continuous market share expansion. Additionally, the Company's purified phosphoric acid has gained multiple customers in the industrial and food sectors.

IV Analysis of core business

1. Overview

2025 was a year of opportunities and challenges for the phosphate chemical industry. Facing a complex and ever-changing macro environment and increasingly fierce industry competition, under the correct leadership of the Board of Directors, the Company's management, along with all employees, have resolutely implemented the business strategy of "traditional phosphate chemicals as the foundation and global layout as the future extension". On one hand, the Company is deeply cultivating its main business, consolidating and enhancing its position in the fine phosphate chemical field; on the other hand, it is actively embracing change by successfully launching a milestone Egyptian Suez phosphorus chemical project and strategically optimizing the new energy business. The annual operating performance achieved a leap in growth, and the core competitiveness and sustainable development capabilities have been significantly enhanced, laying a more solid foundation for the Company's long-term development.

From the overall operating data, in 2025, the Company achieved operating revenue of RMB4,074 million, a year-on-year increase of 27.04%, mainly driven by the growth in phosphoric acid business income; the net profit attributable to shareholders of the listed company was RMB454 million, a year-on-year increase of 157.77%, mainly due to favorable market conditions and further improvement in the Company's flexible production advantages and cost control capabilities; the net operating cash flow was RMB298 million, a year-on-year increase of 108.59%.

By the end of the period, the Company's total assets amounted to RMB4,343 million, with total liabilities of RMB1,342 million, and shareholders' equity attributable to the parent company was RMB2,918 million, with an asset-liability ratio of 30.90%. The details are as follows:

i. Business performance of each segment

1. Triple superphosphate (enriched superphosphate)

In 2025, the Company continued to leverage the advantages of flexible production lines and dynamically adjusted the production structure of heavy calcium and enriched superphosphate according to market demands. Throughout the year, heavy calcium production reached 140,600 tons and sales reached 128,600 tons, achieving a revenue of RMB389 million, contributing a gross profit of approximately RMB84.13 million. Enriched superphosphate production reached 144,800 tons, and sales reached 73,400 tons, achieving a revenue of RMB163 million, contributing a gross profit of RMB78.04 million, with continuous enhancement in market recognition of the product.

2. Feed grade tricalcium phosphate salt

In 2025, thanks to the steady development of the downstream feed industry, the market demand for feed grade calcium phosphates continued to grow steadily. The Company's calcium salt segment

produced 244,300 tons and sold 238,900 tons, achieving a revenue of RMB1,032 million, contributing a gross profit of approximately RMB178.16 million, with further enhancement in profitability.

3. Phosphoric acid

In 2025, with the recovery of the new energy industry and stable demand from the food industry, the market demand for purified phosphoric acid remained strong. The Company produced 183,700 tons and sold 180,200 tons of purified phosphoric acid, achieving a revenue of RMB1,071 million and a gross profit of RMB46.82 million. Additionally, to meet market demand, the Company continued to leverage the flexible production capability of its facilities to adjust the capacity layout for crude phosphoric acid, further exploring the Indian market for 52% phosphoric acid and the new energy industry market for crude phosphoric acid (40 acid). The annual production of wet phosphoric acid for industrial use reached 407,200 tons, and the sales reached 382,300 tons, achieving a revenue of RMB1,275 million, contributing a gross profit of RMB258.19 million, effectively balancing the impacts of market fluctuations.

4. New energy materials business

In 2025, facing intensified market competition in the new energy materials industry, the Company's management, after careful evaluation, decided to adopt a more cautious strategy regarding related capital expenditures. During the Reporting Period, the Company did not invest the raised funds into the original new energy materials project. Simultaneously, to use the raised funds more efficiently and seize definite strategic opportunities, based on thorough verification and completion of relevant procedures, the Company redirected approximately RMB455 million of the remaining raised funds, originally planned for the aforementioned project, to invest in the "Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project".

ii. Key tasks

1. Optimized resource allocation and focused on the Egypt project

In 2025, based on insights into the domestic new energy industry and precise grasp of global strategic opportunities, the Company's management made a major decision to optimize resource allocation. After deliberation and approval by the Board of Directors, the Company changed the use of the remaining RMB455 million raised funds originally planned to be invested in domestic new energy materials projects, and concentrated its superior resources on the Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project. This decision fully reflects the Company's strategic execution of "being pragmatic and flexible" and ensures that limited funds can be accurately invested in areas with the greatest development potential and return space. It is a key strategic focus in the Company's development process.

2. The Egypt project has been fully launched, opening a new chapter in globalization

In 2025, under the witness of Egyptian Prime Minister Mostafa Madbouly, Egypt Chuan Jin Nuo Chemical Co., Ltd. and the Egyptian land supplier El Sewedy Industrial Development Company-Ain Sokhna S.A.E. (hereinafter referred to as "Sewedy") signed the *Usufruct Transfer Agreement* for the project land. With the injection of raised funds, the project has been fully launched. The project plans to invest a total of RMB1,934 million (of which RMB455 million is raised after the use change). The construction content includes an annual output of 800,000 tons of sulfur acid production, 300,000 tons of wet phosphoric acid for industrial use, 150,000 tons of 52% phosphoric acid, 300,000 tons of monoammonium phosphate, and 20,000 tons of sodium fluorosilicate. Egypt has the third largest phosphate rock reserves in the world, and its procurement costs are about 30% lower than domestic ones. Combined with the location advantage of the Suez Canal, the project is

expected to have an annual net profit of over RMB300 million after reaching production. This marks the Company's official move from "products going global" to a new stage of "capacity going global". The project makes full use of Egypt's rich phosphate rock resources, superior geographical location and local preferential policies. It is expected to become the Company's most important profit growth point and global operation platform in the future, greatly enhancing the Company's ability to resist domestic resource constraints and single market risks.

3. Launched environmental supporting projects at the Dongchuan base and practiced sustainable development

While promoting globalization, the Company also attaches great importance to the sustainable development of local bases. During the Reporting Period, the Company launched the Heliwan industrial waste centralized disposal project in the Sifangdi area of Dongchuan. The total investment of the project is about RMB350 million. The main construction contents include slag dam, reservoir area anti-seepage, flood drainage system, return water spray system and supporting environmental protection facilities. The project is a necessary supporting project for the production and operation of the Dongchuan base, aiming to address the disposal of waste rock and slag generated during the production process and to achieve centralized, standardized, and safe disposal of solid waste. The implementation of this project not only reinforces the Company's "resources-production-recycling" closed-loop environmental protection concept but also represents a significant initiative for the Company to actively fulfill its environmental responsibility and ensure the ecological safety of the region. Upon completion, the project will provide a solid and reliable environmental guarantee for the Company's existing and future production activities at the Dongchuan base, further consolidating the Company's environmental compliance advantages.

iii. Other work

1. Increase R&D investment, and prepare technical capability in advance

During the Reporting Period, the Company continued to increase investment in research and development, focusing on core technology breakthroughs and product upgrades. In 2025, the Company's cumulative R&D investment reached RMB154,046,000, a year-on-year increase of 26.96%. In 2025, an additional five patents were authorized. As of the end of the Reporting Period, the Company and its subsidiaries owned 34 national invention patents and 30 utility model patents.

2. Continuously improve management capability

During the Reporting Period, the Company continued to refine its management structure, aligning its organizational framework with its current operational scale and industrial layout to improve overall efficiency. Additionally, the Company advanced management reforms, further streamlining processes and optimizing workflows to establish a more efficient, lean, and practical operational system, facilitating the Company's sustained growth.

3. Market expansion

In 2025, overseas business revenue accounted for nearly 60% of total revenue. To continuously consolidate this competitive advantage, the Company implemented a dual-wheel-driven market strategy: One aspect was to continue strengthening cooperation with existing customers, improve customer satisfaction, and further consolidate and expand its share in the international market. Simultaneously, it intensified efforts to expand international markets, successfully growing its global customer base.

4. Safety production and environmental protection work

The Company attaches great importance to work safety and environmental protection. During the

Reporting Period, the Company reinforced its safety management framework, implementing enhanced safety protocols and increasing investments in workplace safety to ensure the safe and stable operation of its production processes. Furthermore, the Company actively aligned with national environmental policies, increasing its commitment to environmental protection, and advancing its vision of developing green manufacturing facilities to drive sustainable business growth.

2. Income and cost

(1) Composition of operating revenue

Overall operating revenue

Unit: RMB

	2025		2024		YoY Increase/Decrease
	Amount	As % of total operating revenue (%)	Amount	As % of total operating revenue (%)	
Total operating revenue	4,074,660,364.42	100%	3,207,476,951.57	100%	27.04%
By industry					
Phosphate chemical industry	3,982,759,319.48	97.74%	3,127,606,583.72	97.51%	27.34%
Others	91,901,044.94	2.26%	79,870,367.85	2.49%	15.06%
By product					
Feed grade phosphate	1,032,296,282.47	25.33%	695,115,067.01	21.67%	48.51%
Phosphate fertilizer	604,869,916.59	14.84%	853,524,810.68	26.61%	-29.13%
Phosphoric acid	2,345,593,120.42	57.57%	1,578,966,706.03	49.23%	48.55%
Others	91,901,044.94	2.26%	79,870,367.85	2.49%	15.06%
By region					
Northeast China	43,590,932.18	1.07%	33,276,870.43	1.04%	30.99%
North China	56,344,663.91	1.38%	42,957,897.54	1.34%	31.16%
East China	343,581,610.98	8.43%	369,300,564.72	11.51%	-6.96%
South China	489,884,090.06	12.02%	386,330,402.03	12.04%	26.80%
Central China	121,864,455.46	2.99%	151,502,748.04	4.72%	-19.56%
Northwest China	27,151,444.22	0.67%	36,910,988.28	1.15%	-26.44%
Southwest China	620,113,667.78	15.22%	575,579,816.89	17.94%	7.74%
International	2,372,129,499.83	58.22%	1,611,617,663.64	50.25%	47.19%
By sales model					
Direct sales	1,490,312,802.76	36.58%	1,106,545,130.81	34.50%	34.68%
Distribution	2,584,347,561.66	63.42%	2,100,931,820.76	65.50%	23.01%

Note: The statistics for international business are based on the end-consumption location of the products, and include income settled in RMB with domestic trade distributors.

(2) Industry, product, region, or sales model contributing over 10% of the Company's operating revenue or profit

Applicable Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Increase/Decrease in the operating revenue from the same period of the previous year	Increase/Decrease in the operating costs from the same period of the previous year	Increase/Decrease in the gross margin from the same period of the previous year
By industry						
Phosphate chemical	3,982,759,319.48	3,305,903,651.89	16.99%	27.34%	20.55%	4.68%

industry						
By product						
Feed grade phosphate	1,032,296,282.47	854,136,258.89	17.26%	48.51%	40.27%	4.86%
Phosphate fertilizer	604,869,916.59	411,183,167.13	32.02%	-29.13%	-42.55%	15.87%
Phosphoric acid	2,345,593,120.42	2,040,584,225.87	13.00%	48.55%	43.94%	2.79%
By operating segment						
South China	489,884,090.06	421,917,899.62	13.87%	26.80%	20.84%	4.25%
Southwest China	620,113,667.78	497,636,202.09	19.75%	7.74%	2.73%	3.91%
International	2,372,129,499.83	1,897,815,596.42	20.00%	47.19%	36.62%	6.19%
By sales model						
Direct sales	1,490,312,802.76	1,298,202,265.57	12.89%	34.68%	35.78%	-0.71%
Distribution	2,584,347,561.66	2,043,020,310.56	20.95%	23.01%	12.01%	7.76%

Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

Applicable Not applicable

Units: tons, RMB

Product name	Production volume	Sales volume	Income performance	Price trend during the Reporting Period	Reasons for changes
Feed grade dicalcium phosphate	59,291.06	59,270.05	187,306,159.16	The sales price continued to rise, resulting in an overall increase compared to the average price of the same period of the previous year.	Impact of raw material prices and product market fluctuations.
Feed grade monocalcium phosphate	154,890.91	151,673.87	717,530,149.94	The sales price continued to rise, resulting in an overall increase compared to the average price of the same period of the previous year.	Impact of raw material prices and product market fluctuations.
Triple superphosphate	140,649.49	128,643.50	388,905,607.79	There was a slight decline in the first half of the year, and continuous rise after the second half, resulting in an overall increase compared to the average price of the same period of the previous year.	Impact of raw material prices and product market fluctuations.
Enriched superphosphate	144,796.53	73,386.68	163,130,606.24	It fell back after a peak in June, with year-end sales prices roughly flat compared to the beginning of the year.	Impact of raw material prices and product market fluctuations.
Wet phosphoric acid for industrial use	407,214.38	382,258.31	1,274,512,610.20	The sales price continued to rise, resulting in an overall increase compared to the average price of the same period of the previous year.	Impact of raw material prices and product market fluctuations.
Industrial wet-processed purified acid	183,742.73	180,211.14	1,071,080,510.22	The price was stable throughout the year, with slight fluctuations, resulting in a slight increase compared to the average price of the same period of the previous year.	Impact of raw material prices and product market fluctuations.
Sodium fluorosilicate	31,661.54	33,150.08	67,121,283.54	The price was stable throughout the year, with slight fluctuations, resulting in a slight decrease compared to the average price of the same period of the previous year.	Impact of raw material prices and product market fluctuations.

The operating income or net profit generated from overseas business accounts for more than 10% of the Company's most recent audited operating income or net profit for the fiscal year.

Yes No

(3) Whether the Company's physical goods sales revenue exceeds service revenue Yes No

By industry	Item	Unit	2025	2024	YoY Increase/Decrease
Phosphate chemical industry	Sales volume	10,000 tonnes	108.29	105.93	2.23%
	Production volume	10,000 tonnes	119.06	105.51	12.84%
	Inventory	10,000 tonnes	16.06	6.27	156.14%
Others	Sales volume	10,000 tonnes	10.04	6.63	51.43%
	Production volume	10,000 tonnes	10.23	6.75	51.56%
	Inventory	10,000 tonnes	0.48	0.22	118.18%

Reasons for any YoY movements over 30% in relevant data

 Applicable Not applicable

1. The phosphate fertilizer market rose, and the Company's control of export sales pace combined with the crossing periods of the end-of-period phosphoric acid delivery cycle led to an increase in the inventory of phosphorus chemical products.
2. The Company's holding subsidiary, Guangxi Chemical, has made technical modifications to the sodium fluorosilicate production line to increase capacity, leading to a rise in the production and sales of other types of products.

(4) Performance of major sales or purchasing contracts signed as of the end of the Reporting Period Applicable Not applicable**(5) Composition of operating costs**

By industry

Unit: RMB

By industry	Item	2025		2024		YoY Increase/Decrease
		Amount	Proportion to operating cost	Amount	Proportion to operating cost	
Phosphate chemical industry	Raw materials	2,580,507,492.35	78.06%	2,034,309,098.56	74.18%	26.85%
Phosphate chemical industry	Salary	146,063,747.43	4.42%	136,169,617.78	4.97%	7.27%
Phosphate chemical industry	Depreciation and amortization	109,163,469.77	3.30%	112,113,424.63	4.09%	-2.63%
Phosphate chemical industry	Manufacturing expenses	296,766,291.64	8.98%	277,350,652.40	10.11%	7.00%
Phosphate chemical industry	Contract performance cost	173,402,650.70	5.25%	182,372,330.45	6.65%	-4.92%
Other industries	Raw materials	22,964,993.41	65.02%	21,324,233.39	56.62%	7.69%
Other industries	Salary	5,956,204.02	16.86%	7,269,010.62	19.30%	-18.06%
Other industries	Depreciation and amortization	3,720,913.56	10.54%	3,743,402.35	9.94%	-0.60%

By industry	Item	2025		2024		YoY Increase/Decrease
		Amount	Proportion to operating cost	Amount	Proportion to operating cost	
Other industries	Manufacturing expenses	2,429,197.05	6.88%	4,633,366.59	12.30%	-47.57%
Other industries	Contract performance cost	247,616.20	0.70%	690,049.87	1.83%	-64.12%

Note: Not applicable

(6) Changes in the scope of consolidated financial statements for the Reporting Period

Yes No

Name of subsidiaries	Shareholding	Reasons for changes
Chuan Jin Nuo International Co., Ltd.	100%	Newly established
Chuan Jin Nuo Middle East International Holding Co., Ltd.	60%	Newly established
Egypt Chuan Jin Nuo Chemical Co., Ltd.	60.04%	Newly established
Yunnan Xinshenghai International Trade Co., Ltd.	100%	Newly established

(7) Significant changes or adjustments to business, products or services during the Reporting Period

Applicable Not applicable

(8) Major customers and suppliers

Major customers:

Total sales to top 5 customers (RMB)	1,386,339,080.84
Total sales to top 5 customers as % of total sales of the Reporting Period (%)	34.03%
Proportion of the sales of connected parties in the top 5 customers over the year's total	0.00%

Information on the top 5 customers

No.	Customer name	Sales amount (RMB)	As % of total sales revenue (%)
1	Customer One	683,555,951.75	16.78%
2	Customer Two	228,437,642.71	5.61%
3	Customer Three	217,328,815.86	5.33%
4	Customer Four	130,243,465.67	3.20%
5	Customer Five	126,773,204.85	3.11%
Total	--	1,386,339,080.84	34.03%

Other information of major customers

Applicable Not applicable

Major suppliers

Total purchases from top 5 suppliers (RMB)	936,269,068.12
Total purchases from top 5 suppliers as % of total purchases of the Reporting Period (%)	30.91%
Proportion of purchases of related parties in the top 5 suppliers over the year's total	0.00%

Information on the top 5 suppliers

No.	Supplier name	Procurement amount (RMB)	As % of total purchases (%)
1	Supplier One	310,976,295.58	10.27%
2	Supplier Two	201,837,744.32	6.66%

3	Supplier Three	164,959,265.31	5.45%
4	Supplier Four	133,647,408.41	4.41%
5	Supplier Five	124,848,354.50	4.12%
Total	--	936,269,068.12	30.91%

Other information of major suppliers

Applicable Not applicable

During the Reporting Period, revenue from the Company's trading business accounted for more than 10% of its total operating revenue.

Applicable Not applicable

3. Expenses

Unit: RMB

	2025	2024	YoY Increase/Decrease	Main reason for any significant change
Sales expense	30,127,307.53	25,770,734.74	16.91%	Due to the increase in sales personnel compensation and product losses during the Reporting Period.
Management expenses	125,893,242.81	112,173,236.88	12.23%	Due to the increase in management personnel compensation and preliminary research costs for the Egypt project during the Reporting Period.
Financial expenses	9,515,899.25	6,766,546.85	40.63%	Due to exchange rate fluctuations leading to a decrease in foreign exchange gains during the Reporting Period.
R&D expense	18,638,565.20	50,541,802.40	-63.12%	Due to the reduction in expenditure on R&D investments during the Reporting Period.

4. R&D investment

Applicable Not applicable

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
Research and Development Project of High-purity Tricalcium Phosphate Preparation Technology	Using industrial-grade wet-process phosphoric acid and refined milk of lime as raw materials, the process prepares tricalcium phosphate with a purity of $\geq 99\%$ through multi-stage purification steps.	Completed	The technology uses wet-process phosphoric acid to produce high-purity tricalcium phosphate, solving the limitation of high-quality raw materials on the production process of tricalcium phosphate, resulting in tricalcium phosphate with a purity greater than 99%.	After the successful implementation of the project, it can not only expand the application fields of wet-process phosphoric acid but also effectively reduce production costs, achieve energy saving and consumption reduction, and has important significance in promoting the Company's technological progress and supporting green development.
Research and Development Project of Anti-caking Technology for Monocalcium Phosphate	Through technological improvements and process optimization, the caking of monocalcium phosphate can be effectively resolved. By synergistically controlling indicators such as SO_3 , moisture, and product temperature (after cooling), the high stability requirements of feed additives can be met while ensuring fluidity.	Completed	It provides a process technology that, through technological improvements and process optimization, we can effectively solve the caking problem of monocalcium phosphate, focusing on addressing issues such as the tendency of traditional monocalcium phosphate to cake and its short storage period, resulting in Feed grade monocalcium phosphate that does not cake when stored in a sealed environment at room	After the successful implementation of the project, it will provide important support for the Company's future development. This process breaks through the limitations of traditional anti-caking, offering excellent product performance, significantly enhancing the quality and market competitiveness of Feed grade phosphates,

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
			temperature for over three months.	while providing key technology for green, low-cost industry development, consolidating the Company's technological advantages and industry position, and aiding sustainable high-quality development.
Research and Development Project for the Co-production Technology of Food-grade Dicalcium Phosphate and Feed-grade Dicalcium Phosphate	It provides a process for preparing feed grade dicalcium phosphate along with food grade dicalcium phosphate using wet-process phosphoric acid and refined milk of lime as raw materials, through a multi-stage gradient neutralization process.	Completed	To develop a set of co-production equipment capable of simultaneously producing Feed grade and food grade dicalcium phosphate, ensuring that the Feed grade product meets the GB22549-2017 standard and the food-grade product meets the GB1886.3-2021 standard, and determining the optimal process parameters for co-production using wet-process phosphoric acid and milk of lime.	Upon successful implementation of the project, it will enable the production of food-grade and feed grade dicalcium phosphate, enhancing the diversity of the Company's products and increasing the added value of wet-process phosphoric acid.
Research and Development Project for High-efficiency Fluorine Extraction Technology in White Fertilizer	To provide a method using only silicon powder to react with sulfuric acid and fertilizer-grade dicalcium phosphate to achieve the efficient extraction and recovery of fluorine elements from fertilizer-grade dicalcium phosphate.	Completed	To provide a process technology for recovering fluorine from white fertilizer, resulting in industrial-grade fluosilicic acid with a fluorine recovery rate of $\geq 45\%$.	After successful implementation of the project, it will not only optimize the Company's industrial chain layout and effectively improve resource utilization but also significantly enhance the Company's core competitiveness and sustainable development capability, providing a strong and solid foundation for the Company's long-term stable development.
R&D Project for the Technology of Producing Food-grade Trisodium Phosphate Using Wet-process Phosphoric Acid	To verify the reliability and rationality of the small test parameters for producing food-grade trisodium phosphate by neutralizing wet-process phosphoric acid through pilot verification, and produce food-grade trisodium phosphate that meets the GB25565-2010 National Food Safety Standard—Standard for Uses of Food Additives.	Completed	To obtain qualified food-grade trisodium phosphate products that meet the GB25565-2010 <i>National Food Safety Standard—Standard for Uses of Food Additives</i> , and determine the optimal process parameters for producing this product by using wet-process phosphoric acid neutralized with sodium hydroxide.	After the successful implementation of the project, it can expand the application field of wet-process phosphoric acid, significantly reduce costs and increase efficiency, improve economic benefits, optimize product structure, strengthen technical advantages, and significantly enhance market competitiveness, injecting new momentum into the Company's sustainable and healthy development. It plays an important supporting role in long-term high-quality development, green low-carbon transformation, and industry technological progress.
Low-Temperature Calcination of Medium-Grade Phosphogypsum to Produce β -	To solve the issue of low utilization rate and large stockpile of phosphogypsum	Completed	The initial setting time of β -hemihydrate gypsum is ≥ 3 min, final setting time is ≤ 30 min, 2 h flexural strength is ≥ 3.0 Mpa, and 2 h compressive strength is ≥ 6.0 Mpa; to establish a	To realize the comprehensive utilization of phosphogypsum as a resource

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
Hemihydrate Building Gypsum and Production Demonstration			production line for building gypsum powder from phosphogypsum with an annual capacity of 200,000 tons	
Efficient Utilization of Residual Acid in Wet-process Purified Phosphoric Acid Technology	High-value-added hierarchical utilization of raffinate acid	In progress	To apply for two patents, form new industrial products, and build a pilot production line	To promote enterprise product structure adjustment and drive the development of high-tech industries. It will bring direct economic benefits to the Company
Efficient Utilization of Secondary Slag from Purified Phosphoric Acid	To improve the recovery efficiency of phosphorus elements in purified phosphoric acid residue and convert them into valuable products	Completed	To obtain qualified high-calcium fertilizer with “36% total phosphorus, and 34% effective phosphorus”	To achieve economic benefits improvement; at the same time, reduce phosphorus resource waste and solid waste emissions, providing companies with a dual solution of “environmental protection + benefits”
Deep Desulfurization Process Research Using Organic Extractants	To utilize the solubility difference of sulfate ions between aqueous and organic phases, combined with multi-stage countercurrent washing and reaction precipitation technology, to achieve efficient removal of sulfate ions from the organic phase and high recovery rate of the organic phase	Completed	The reaction results in organic phase $SO_4^{2-} \leq 50$ ppm, meeting the expected target. Products and phosphorus-containing barium slurry can be returned to the production system.	It will solve the desulfurization problem in the organic phase, improving the quality of purified phosphoric acid
Key Technological Research on Improving Product Purity and Transparency Through Deep Decolorization Technology of Wet-process Phosphoric Acid	Research on the synergistic decolorization technology route of “activated carbon column pretreatment + hydrogen peroxide high-temperature oxidation”	Completed	Finished phosphoric acid color stability controlled at ≤ 30 Hazen; TOC content controlled at < 20 ppm;	Combining technical connectivity with environmental compliance, it will provide a cost-effective path for product upgrades for enterprises
Key Technological Research to Solve Impurity Removal Problems with Deep Desulfurization and Dearsenic Technology of Crude Phosphoric Acid	To develop efficient, low-cost, and environmentally friendly deep desulfurization and dearsenic technology, exploring key parameters for simultaneous removal of sulfur and arsenic	Completed	To reduce sulfur content to $SO_4^{2-} \leq 0.01\%$, arsenic content to ≤ 0.5 ppm, achieving industrial/food grade phosphoric acid standards; improve comprehensive desulfurization and dearsenic efficiency by over 20%; realize energy consumption reduction by 15%-20%, and reagent usage reduction by 10%-15%	It will assist enterprises in achieving green transformation and upgrading, enhancing market competitiveness
Key Technological Research on Improving Filtration Efficiency and	To study the effect of diatomaceous earth addition on filtration efficiency; To study the correlation between phosphoric acid concentration and filtration	In progress	To optimize the balance point between filtration efficiency and economy (5% diatomaceous earth plus 50% phosphoric acid concentration), reduce unit processing cost by 35%, and	Diatomaceous earth serves as the core filter aid and will reshape the project’s economic benefit model from both “source development” and “cost

Names of main R&D projects	Project objectives	Project progress	Objectives to be achieved	Expected impact on the future development of the Company
Product Concentration through Concentrated Phosphoric Acid Filtration Technology	performance; To study the synergistic effect of diatomaceous earth and phosphoric acid		provide reliable technical support for high-end fields such as electronic grade phosphoric acid and new energy materials	reduction” perspectives. Direct cost savings from operating expenses will bring comprehensive benefits through significant improvement in main process efficiency

R&D personnels

	2025	2024	YoY Change
Number of R&D personnels	248	201	23.38%
R&D personnels as % of workforce	11.92%	9.73%	2.19%
Educational background of R&D personnels			
Bachelor’s degree	44	52	
Master’s degree	5	5	
Age distribution of R&D personnels			
Aged below 30	48	38	
30–40	109	93	

R&D investment over the past three years and as a percentage of operating revenue

	2025	2024	2023
R&D investment amount (RMB)	154,045,964.55	121,335,204.30	88,238,190.26
Proportion of R&D investment to operating income	3.78%	3.78%	3.25%
Amount of capitalized R&D expenditure (RMB)	0.00	0.00	0.00
Capitalized R&D expenditure as a percentage of R&D investment	0.00%	0.00%	0.00%
Capitalized R&D expenditure as a percentage of net profit for the current period	0.00%	0.00%	0.00%

Reasons for significant changes in R&D personnel composition and their impacts

Applicable Not applicable

Reasons for significant changes in R&D investment as a percentage of operating revenue compared to the previous year

Applicable Not applicable

Reasons for the significant change in R&D investment capitalization ratio and its reasonableness

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2025	2024	YoY Increase/Decrease
Subtotal of cash inflows from operating activities	4,104,657,396.83	3,188,307,189.77	28.74%
Subtotal of cash outflows from operating activities	3,806,760,713.52	3,045,495,374.18	25.00%
Cash flows from operating activities	297,896,683.31	142,811,815.59	108.59%
Subtotal of cash inflows from investing activities	406,683,235.40	102,554,604.71	296.55%
Subtotal of cash outflows from investing activities	268,223,159.13	490,849,456.32	-45.36%
Net cash flows from investing activities	138,460,076.27	-388,294,851.61	135.66%
Subtotal of cash inflows from financing activities	789,462,640.71	553,334,381.27	42.67%
Subtotal of cash outflows from financing activities	756,579,679.85	658,349,341.13	14.92%
Net cash flows from financing activities	32,882,960.86	-105,014,959.86	131.31%
Net increase in cash and cash equivalents	474,780,012.43	-345,903,013.77	237.26%

Explanation of why any of the data above varies significantly:

Applicable Not applicable

1. During the Reporting Period, the Company's phosphoric acid sales increased, and the prices of various products rebounded with market conditions. This resulted in an increase in cash flow from product sales, leading to a higher net cash flow from operating activities.

2. During the Reporting Period, the Company retrieved funds raised for stable financial management, leading to an increase in cash inflow from investment activities;

3. During the Reporting Period, increased borrowing led to an increase in cash inflow from financing activities.

Explanations for great differences between the net cash flows from operating activities of the Company during the Reporting Period and the net profits of the current year

Applicable Not applicable

V. Situation of non-principal business

Applicable Not applicable

Unit: RMB

	Amount	Proportion to the total profit	Reasons for the changes	Sustainable or not
Investment income	43,493.53	0.01%	Payment of 6+9 bank acceptance bill discount fees	No
Asset impairments	-2,062,941.05	-0.38%	Impairment provision for inventory by the Company	No
Non-operating income	4,366,125.71	0.81%	Income from the Company's sale of scrap	No
Non-operating expense	2,943,306.00	0.54%	The Company's Expenses on Asset Damage, Scrap, Donations, and Fines	No
Credit impairment loss	-3,053,418.39	-0.56%	Company's provision for bad debts for accounts receivable and other receivables based on relevant accounting policies	No
Return on disposal of assets	2,386.93		Loss from disposing of old office equipment by the Company	No
Other income	14,997,046.16	2.77%	Government grants received by the Company	No

VI. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: RMB

	End of 2025		Beginning of 2025		Increase/Decrease	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		

	End of 2025		Beginning of 2025		Increase/Decrease	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary funds	880,337,677.42	20.27%	736,429,466.16	20.40%	-0.13%	
Accounts receivable	120,242,318.52	2.77%	143,689,250.29	3.98%	-1.21%	
Inventories	856,727,721.33	19.73%	678,193,678.14	18.79%	0.94%	
Fixed assets	1,352,145,779.54	31.13%	1,389,503,456.07	38.50%	-7.37%	Due to depreciation accrued according to the fixed asset depreciation policy within the Reporting Period.
Construction in progress	205,874,302.13	4.74%	186,814,695.26	5.18%	-0.44%	
Right-of-use assets	12,272,022.73	0.28%	533,401.28	0.01%	0.27%	
Short-term loans	537,457,449.83	12.38%	340,736,998.42	9.44%	2.94%	
Contract liabilities	37,031,414.06	0.85%	32,084,741.04	0.89%	-0.04%	
Long-term loans	78,062,610.42	1.80%	102,118,708.32	2.83%	-1.03%	
Lease liabilities	2,825,860.91	0.07%	501,785.73	0.01%	0.06%	
Notes receivable	129,417,984.60	2.98%	115,148,915.93	3.19%	-0.21%	
Intangible assets	186,983,638.21	4.31%	166,581,024.22	4.62%	-0.31%	
Accounts payable	220,186,306.77	5.07%	196,746,861.33	5.45%	-0.38%	
Other non-current assets	371,551,471.07	8.56%	51,957,207.09	1.44%	7.12%	Due to land prepayments made during the Reporting Period.
Current portion of non-current liabilities	217,726,380.04	5.01%	227,740,157.71	6.31%	-1.30%	

A high proportion was recorded in offshore assets

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening balance	Gain/loss on fair-value changes in the current period	Cumulative fair-value changes recorded in equity	Provision set aside for impairment in the current period	Purchased in the current period	Sold in the current period	Other changes	Closing balance
Financial assets								
1. Derivative financial assets			4,329,785.08					4,329,785.08
2. Accounts receivable	73,237,761.38				450,850,682.30	433,787,478.22		90,300,965.46

Item	Opening balance	Gain/loss on fair-value changes in the current period	Cumulative fair-value changes recorded in equity	Provision set aside for impairment in the current period	Purchased in the current period	Sold in the current period	Other changes	Closing balance
financing								
Total of the above	73,237,761.38				450,850,682.30	433,787,478.22		94,630,750.54
Financial liabilities	1,050,954.68		-1,050,954.68					0.00

Other change

Significant changes to the measurement attributes of the major assets during the Reporting Period:

Yes No

3. Restricted assets right as at the end of the Reporting Period

Item	End of the year			
	Book balance	Book value	Type of restriction	Restriction details
Monetary funds	26,769,770.01	26,769,770.01	Frozen	Letters of credit margin, exchange lock-in frozen margin, etc.
Notes receivable	117,411,304.07	117,411,304.07	Endorsed or discounted, not yet matured	Bank acceptance bills that have been endorsed or discounted but not yet derecognized at year-end
Intangible assets	77,987,315.66	66,289,218.31	Mortgage	Long-term loans secured by mortgages
Total	222,168,389.74	210,470,292.39	-	-

VII. Analysis of investment

1. Overall situation

Applicable Not applicable

Investment amount during the Reporting Period (RMB)	Investment amount during the same period of the previous year (RMB)	Change (%)
220,393,378.50	222,322,591.20	-0.87%

2. Major equity investments acquired during the Reporting Period

Applicable Not applicable

Full Text of 2025 Annual Report of Kunming Chuan Jin Nuo Chemical Co., Ltd.

Name of investee corporation	Principal business	Investment method	Amount invested	Shareholding	Source of fund	Partners	Investment period	Product type	Progress as of the balance sheet date	Expected returns	Gains and losses on investments for the current period	Whether involved in any legal actions	Disclosure date (If any)	Disclosure index (If any)
Chuan Jin Nuo International Co., Ltd.	Investment holding	Newly established	USD100 million	100.00%	Self-owned fund	Not applicable	Indefinite period	-	Established			No		
Chuan Jin Nuo Middle East International Holding Co., Ltd.	Investment holding	Newly established	USD150 million	60.00%	The Company's own money	Shun Long Energy (Hong Kong) Co., Limited, Shunlong Energy International Limited LIMITEDMIDGULF INTERNATIONAL LIMITED	Indefinite period	-	Established			No		
Egypt Chuan Jin Nuo Chemical Co., Ltd.	Production and sales of chemical products	Newly established	USD50 million	60.04%	Self-owned funds, raised funds	Not applicable	Indefinite period	-	Established			No		
Yunnan Xinshenghai International Trade Co., Ltd.	Sales of material equipment	Newly established	RMB20 million	100.00%	Self-owned fund	Not applicable	Indefinite period	-	Established			No		
Total	--	--	Not applicable	--	--	--	--	--	--	0.00	0.00	--	--	--

Note: To promote the implementation of the Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project, the Company established a wholly-owned subsidiary, Chuan Jin Nuo International Co., Ltd., in Hong Kong. Along with Shunlong Energy (Hong Kong) Co., Ltd., a wholly-owned subsidiary of Kunming Shunlong Energy Co., Ltd. established in Hong Kong, and Shunlong Energy International Limited., a wholly-owned subsidiary of Sino Choice International Limited established in Hong Kong, and the overseas enterprise Midgulf International Ltd., jointly established Chuan Jin Nuo Middle East International Holdings Limited in the UAE (where Chuan Jin Nuo International Co., Ltd. holds 60%, Shun Long Energy (Hong Kong) Co., Limited. holds 15%, Shunlong Energy International Co., Ltd. holds 15%, Midgulf International Ltd. holds 10%). Subsequently, Chuan Jin Nuo International Co., Ltd. and Chuan Jin Nuo Middle East International Holdings Limited jointly established Egypt Chuan Jin Nuo Chemical Co., Ltd. in Suez Governorate, Egypt (where Chuan Jin Nuo International Co., Ltd. holds 0.1%, Chuan Jin Nuo Middle East International Holding Co., Ltd. holds 99.9%) to manage project implementation. Through the above equity arrangement, the Company ultimately holds 60.04% of Chuan Jin Nuo Egypt Chemical Co., Ltd.; simultaneously, to ensure the procurement work of the Egypt project, the Company established a wholly-owned subsidiary, Yunnan Xinshenghai International Trade Co., Ltd., in Kunming.

3. Major non-equity investments ongoing during the Reporting Period

Applicable Not applicable

Unit: RMB

Item	Investment method	Is it a fixed asset investment	Industry involved	Amount invested during the Reporting Period	Cumulative investment by the end of the Reporting Period	Source of fund	Project progress	Expected returns	Cumulative actual returns by the end of the Reporting Period	Reasons for not meeting planned progress and expected returns	Disclosure date (If any)	Disclosure index (If any)
50,000 tonnes/year Battery-grade Lithium Iron Phosphate Precursor Material (Iron Phosphate) and Supporting 60 tonnes/year Sulfuric Acid Production Project	Self-built	Yes	Chemical, New Energy		144,437,144.00	Self-owned funds, raised funds	19.92%	131,000,000.00	0.00	N/A		
100,000 tonnes/year Battery-grade	Self-construction	Yes	New energy	557,594.89	21,506,997.30	The Company's own	1.19%	399,000,000.00	0.00	N/A		

Full Text of 2025 Annual Report of Kunming Chuan Jin Nuo Chemical Co., Ltd.

Item	Investment method	Is it a fixed asset investment	Industry involved	Amount invested during the Reporting Period	Cumulative investment by the end of the Reporting Period	Source of fund	Project progress	Expected returns	Cumulative actual returns by the end of the Reporting Period	Reasons for not meeting planned progress and expected returns	Disclosure date (If any)	Disclosure index (If any)
Lithium Iron Phosphate Project						money						
100,000 tonnes/year Battery-grade Lithium Iron Phosphate Precursor Material (Iron Phosphate) Project	Self-construction	Yes	New energy	9,476,003.82	117,537,464.17	The Company's own money	14.69%		0.00	N/A		
Total	--	--	--	10,033,598.71	283,481,605.47	--	--	530,000,000.00	0.00	--	--	--

4. Financial asset investments

(1) Securities investments

Applicable Not applicable

No such cases in the Reporting Period.

(2) Investments in derivative financial instruments

Applicable Not applicable

1) Derivatives held for hedging purposes during the Reporting Period

Applicable Not applicable

Unit: RMB10,000

Types of derivative investment	Initial investment amount	Opening amount	Gain/loss on fair-value changes in the current period	Cumulative fair-value changes recorded in equity	Purchased during the Reporting Period	Sold during the Reporting Period	Closing amount	Proportion of investments at the end of the period to net assets of the Company at the end of the Reporting Period
Foreign exchange	9,711.31	9,711.31	0	518.12	139,011.36	110,627.59	38,095.08	12.69%
Total	9,711.31	9,711.31	0	518.12	139,011.36	110,627.59	38,095.08	12.69%
Description of accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as whether there were any significant changes compared with the previous Reporting Period	No significant changes have occurred							
Description of actual profit and losses during the Reporting Period	To mitigate the risk of exchange rate fluctuations arising from export business settled in foreign currencies, the Company has conducted forward foreign exchange contracts for foreign currency receivables from export sales. The scale of these contracts is within the expected sales volume, with a clear business basis. During the Reporting Period, the Company's gain or loss amount from forward foreign exchange contracts was RMB4,549,500.							
Description of hedging effects	The Company's forward foreign exchange transactions are based on normal production and operations, with no speculative or profit-seeking intentions. During the period, due to significant fluctuations in exchange rates, the forward exchange rate set in the contracts was higher than the real-time exchange rate, leading to a certain level of exchange gain.							
Sources of funds for derivative investments	Foreign currency receivables from export sales							
Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to	<p>I. Risk Analysis</p> <p>The forward foreign exchange contracts conducted by the Company and its subsidiaries follow the principle of reducing exchange rate risks and do not involve speculative or arbitrage trading operations. However, there are inherent risks in forward foreign exchange transactions:</p> <ol style="list-style-type: none"> 1. Exchange Rate Fluctuation Risk: In cases of large fluctuations in exchange rates, if the forward exchange rate agreed upon in the contract is lower than the real-time exchange rate, it may result in exchange losses. 2. Customer Default Risk: If accounts receivable from customers are overdue and the payment cannot be collected within the predicted time frame, it may lead to delayed forward foreign exchange settlements, causing 							

market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>losses for the Company.</p> <p>3. Receivables Forecast Risk: The Financial Department forecasts receivables based on customer orders and expected orders. However, customers may adjust their orders and forecasts during the actual process, which could lead to inaccurate receivables forecasts and a risk of delayed forward foreign exchange settlements.</p> <p>II. Risk Control Measures</p> <p>1. According to the Company's <i>Forward Settlement and Sale of Foreign Exchange Management Policy</i>, the Company's forward foreign exchange transactions must follow the principles of locking in profits and avoiding risks. These transactions aim to reduce the impact of exchange rate fluctuations on the Company's profits and prohibit any form of speculative trading. The <i>Forward Settlement and Sale of Foreign Exchange Management Policy</i> clearly defines the operational principles, approval authorities, responsible departments and individuals, internal operational procedures, and internal risk reporting systems related to the Company's foreign exchange transactions.</p> <p>2. The Financial Department, as the execution departments for forward foreign exchange contracts, will closely monitor market conditions related to these transactions and promptly report to the management.</p> <p>3. To prevent delayed forward foreign exchange settlements, the Company places high importance on managing accounts receivable, actively following up on overdue receivables to avoid overdue accounts.</p>
Changes in the market price or product fair value of invested derivatives during the Reporting Period (The specific methodology used and the setting of relevant assumptions and parameters for the analysis of the fair value of derivatives should be disclosed)	At the end of each month, the fair value changes are determined based on market quotations from external financial institutions.
Involvement in litigation (if applicable)	None
Disclosure date(s) of the announcement(s) of the Board of Directors about the approval of derivatives investment(s) (if any)	March 13, 2025
Date of the announcement disclosing the approval of derivatives investment at Board of Shareholders (if any)	April 9, 2025

2) Derivatives investments for speculative purposes during the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

VIII. Sale of material assets and equities

1. Sale of material assets

Applicable Not applicable

The Company did not sell material assets in the Reporting Period.

2. Sale of material equities

Applicable Not applicable

IX. Major subsidiaries

Applicable Not applicable

Major fully/majority-owned subsidiaries and those minority-owned subsidiaries with an over 10% effect on the Company's net profit:

Unit: RMB10,000

Company name	Company type	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	Subsidiary	Production and sales of chemical products, fertilizers, etc.	55,396	204,774.72	105,691.32	263,951.44	38,747.29	34,832.49

Subsidiaries obtained or disposed in the Reporting Period:

Applicable Not applicable

Statement on the status of the Company's major subsidiaries and investees

X. Structured entities controlled by the Company

Applicable Not applicable

XI. Outlook for the Company's future development**i. Development strategy**

In April 2023, at the 2022 Annual Board of Shareholders, the Company reviewed and approved its five-year strategic plan, establishing the goal of becoming a leading new energy materials supplier through the deep integration of the electrochemical and phosphorus chemical industries under the "one body, two wings" strategy. The Company will center its development around phosphorus, using purified phosphoric acid as a strategic bridge, and expanding its industry chain toward electrochemical materials by leveraging the increasing value of phosphorus-based products.

In 2025, based on deeply analyzing the trends in the domestic new energy industry and global strategic opportunities, the Company's management made crucial decisions to optimize resource allocation with strategic resilience of "being pragmatic and flexible". Approved by the Board of Directors, the Company has redirected the remaining RMB455 million raised funds originally planned for domestic new energy material projects to focus on the Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project, which has more potential for development and definite returns. This initiative was not only a deepening realization of the five-year strategic plan approved by the Board of Shareholders in April 2023, but also marked a key step in the Company's strategic goal of becoming a leading new energy materials supplier through the deep integration of the electrochemical and phosphorus chemical industries under the "one body, two wings" strategy, focusing resources and clarifying the path.

ii. 2026 operational plan

The year 2026 is a crucial year for the launch of the Company's Egypt project, as well as a decisive year for improving and enhancing domestic business quality and breaking through the overseas layout. The Company will adhere to the business philosophy of "technological innovation as core, lean management as base, and global layout as wings", focusing on three main lines: Stable and efficient domestic production, initiation of overseas projects, and industrial structure upgrades, to fully enhance operational efficiency and global competitiveness, ensuring the strategic implementation is effective. The specific plans are as follows:

In 2026, the Company will continue to adhere to the development philosophy of technological innovation and pragmatic pursuit of truth, centered around the core policy of "deepening management, optimizing layout, reinforcing innovation, expanding the market, and empowering talents", to drive the efficient implementation of various strategic initiatives to achieve sustainable and high-quality development. The specific plans are as follows:

1. Make every effort to ensure the high-quality construction of the Egypt project. As the Company's current "number one project", the entire company will be mobilized to ensure that the Chuan Jin Nuo (Egypt) phosphorus chemical project is advanced on schedule and to high standards. The core task in 2026 is to complete the main infrastructure construction, critical equipment procurement, and to form a dedicated overseas project management and operation team.
2. Steadily advance the centralized disposal project of waste slag in the Dongchuan industrial area. The Company will solidly advance the construction and asset acquisition of the Dongchuan waste rock disposal field project, ensuring timely completion and operation, eliminating environmental and production operation risks, and solidifying the sustainable development foundation of the local production base.
3. Optimize the raw materials supply layout. Relying on the geographic advantage of the Fangcheng Port area, the Company will expand overseas cost-effective phosphate ore resource channels to enhance the resilience and cost control of the raw material supply chain. Simultaneously, the Company will deepen the research and development of beneficiation technology at the Dongchuan base, strengthen the capability to utilize medium- and low-grade phosphate ore, and build differentiated resource competitiveness.
4. Expand overseas markets: The Company will make full use of the logistic and locational advantages of Fangchenggang to further expand the breadth and depth of core products like purified phosphoric acid and fertilizer phosphoric acid in overseas markets, and enhance global sales capabilities.
5. Deepen the construction of management systems. The Company will continuously improve and optimize the Company's governance structure, internal control, and business processes, promote systematic and scientific management processes, and comprehensively enhance the efficiency of operations and risk control level.
6. Strengthen technological innovation and industrial upgrade. The Company will increase R&D investment, focus on the research and development of technologies such as fine phosphorus chemicals and new energy materials, promote the optimization of industrial structure towards high value-added, and lay a solid technical foundation for long-term development.
7. Strengthen the building of talent pipeline. The Company will build a rational and sustainable talent pipeline through a combination of internal training and external recruitment. Moreover, the Company will establish a systematic and market-oriented talent incentive and development mechanism to stimulate organizational vitality and employee creativity, providing solid talent

support for strategic implementation.

iii. Potential risks facing the Company and countermeasures

In advancing domestic production quality, Egypt project construction, and global layout, the Company needs to face the common industry and exclusive overseas expansion risks, and use systematic measures to build a solid risk control defense, ensuring the implementation of strategy and stable operations. The specific risks and countermeasures are as follows:

1. Safety and environmental protection risks

The Company has always attached great importance to safety and environmental protection management, but if the national ecological civilization construction continues to deepen, with further increases in safety and environmental standards, combined with the Company's production and operation involving various hazardous chemical products, and the Egypt project facing challenges in adapting to and executing local environmental protection policies, it will lead to increased investment in safety and environmental protection and higher compliance pressure.

Countermeasures: Domestically, continuously improve the safety production management system, strengthen employees' safety and environmental awareness and practical ability through regular training, improve the emergency handling mechanism for safety accidents, strictly implement responsibility to individuals, and simultaneously deepen the circular economy model to achieve high-efficiency utilization of waste gas, wastewater, and waste residue resources, enhancing environmental protection processing capacity. Overseas, proactively connect with Egyptian local environmental protection departments, precisely adapt to local environmental protection policies and standards, introduce mature domestic environmental processes and management experiences into the Egypt project, and implement environmental facilities in the design and construction stages to ensure full-process compliant operations, lowering cross-regional environmental protection risks.

2. Supply chain risk

The Company's production relies on the procurement of core raw materials such as external ore, sulfuric acid, and sulfur. With the advancement of the Egypt project and the expansion of the export scale, the dependence on overseas phosphate ore resources and maritime logistics is further increasing. Factors such as fluctuations in raw material prices, changes in international shipping costs, and geopolitical impacts on logistics flow can all impact the Company's cost control and production continuity.

Response measures: On the resource side, take the Egypt project as an opportunity to deeply bind with local phosphate ore suppliers, establish a standardized procurement and quality inspection system, and build a localized supply closed loop of "overseas resources-overseas production". Meanwhile, optimize the overseas phosphate ore procurement channel in Fangchenggang to complement Egyptian resources and reduce single dependence. On the cost hedging side, closely track the price trends of raw materials, shipping, and auxiliary materials such as sulfur, and stabilize costs through long-term order pricing and diversified channels; on the technology side, continuously improve the mineral processing technology and production technology of the Dongchuan base to enhance the utilization rate of medium and low-grade phosphate ore, reduce raw material consumption, and strengthen cost competitiveness.

3. Operational management risk

With the expansion of the Company's business scale and the implementation of the Egypt project, business coverage in both domestic and international markets puts higher demands on corporate governance, cross-regional business decision-making, technological innovation transformation,

overseas market expansion, international team building, and capital operation capabilities. If the Company fails to quickly adapt to the pace of global operations, it may trigger risks such as insufficient operational management efficiency and decision-making deviations.

Response measures: On the institutional side, the Company will gradually improve the systems for human resource management, financial control, and compliance management that are adapted to global operations, optimize the entire process of recruitment, training, and incentives, and build a professional and stable core team. On the capability side, the Company will increase efforts to attract and cultivate international talent, focusing on recruiting professionals familiar with Egyptian local business rules, legal policies, and chemical operations. Simultaneously, the Company will select and dispatch domestic key personnel to overseas locations to enhance cross-cultural management and decision-making efficiency; strengthen corporate governance and internal control, streamline and optimize domestic and overseas production and operation processes, achieve a combination of management standardization and localized adaptation, and improve overall operational efficiency.

4. The risk of exchange rate fluctuations

The Company's export scale and proportion are relatively high, with overseas sales revenue mainly settled in foreign currencies. The Egypt project construction and subsequent operations involve multi-currency fund exchanges. The RMB exchange rate is increasingly affected by the domestic and international political and economic environment, which may impact the Company's foreign currency-denominated income and exchange gain or loss, adversely affecting profit stability.

Countermeasures: The Company will continuously improve the exchange rate risk management mechanism, and under the premise of ensuring the security and liquidity of funds, authorize the management team to carry out forward foreign exchange settlement and sales and other hedging transactions within the approved limit to hedge exchange rate fluctuation risks. Meanwhile, the Company will optimize the overseas fund settlement model, reasonably plan multi-currency fund allocation in line with the operational needs of the Egypt project to reduce the impact of exchange rate fluctuations on project construction and operational income.

5. Risk of overseas investment not meeting expectations

The Company plans to build projects in Egypt with an annual production of 800,000 tons of sulfuric acid, 300,000 tons of wet phosphoric acid for industrial use, 150,000 tons of 52% phosphoric acid, 300,000 tons of monoammonium phosphate, and 20,000 tons of sodium fluorosilicate. This project involves a large investment and long construction period, during which time it may face multiple factors including changes in local Egyptian policies, changes in industry market supply and demand, geopolitical conflicts, construction progress not meeting expectations, and cost overruns, leading to investment returns not meeting expectations.

Countermeasures: The Company will form a professional team composed of domestic and foreign chemical operations, legal compliance, and local business experts to be fully responsible for project construction, operation, and management, and strengthen risk prediction and response capabilities. From the project advancement side, the Company will implement step-by-step control in strict accordance with the pace, refine construction node control, and handle domestic and foreign approval and filing procedures in advance to avoid policy and process risks. From the technical and operational side, the Company will introduce mature domestic wet process phosphor-chemical technology into the project and optimize plans based on local resources and market conditions to improve operational efficiency after the project is put into production. From the market side, the Company will make advance preparation in the Middle East, Africa, and Europe markets, leverage the location advantages of the Egypt project to expand product sales channels, flexibly respond to

market changes, and ensure project investment returns.

XII. Registration form for activities during the Reporting Period, including surveys, communication, and interviews

☑Applicable ☐ Not applicable

Reception date	Place	Way of communication	Type of received visitor	Received visitor	Main topics discussed and information provided	Index to main inquiry information
January 17, 2025	The Company's conference room	By phone	Institution	BOC International (China) Co., Ltd., Zheshang Asset Management, Lion Fund, Amundi BOC Wealth Management Co. Ltd. Guotai Junan Securities Asset Management, Zhong Ou Asset, Xingyin Fund Management, and Taikang Asset	Introduction of the Company's main production base, main products, and production capacity; reasons for the Company's turnaround to profit in 2024; sources and price outlook for phosphate ore procurement; countries of origin for phosphate ore imports and product export destinations; company strategy, etc.	See Investor Relations Activity Record Form (2025-001)
March 14, 2025	"Interactive Platform for Investor Relations" of the p5w.net	Online communication via an online platform	Others	Online investors	Sustainability of the Company's dividends; international market development plan; the Company's sulfuric acid production capacity; what are the logics supporting the continuous improvement of the phosphorus chemical industry's prosperity; how to view the price difference between the Company's main products on the international and domestic markets, and is it possible to narrow; the Company's products and application conditions, etc.	See Investor Relations Activity Record Form (2025-002)
May 16, 2025	"Interactive Platform for Investor Relations" of the p5w.net	Online communication via an online platform	Others	Online investors	What are the highlights of the second-quarter report, how is the progress of the Egypt project, how to solve the RMB2 billion funding gap, is it through raising funds by issuing shares, are there any expectations for product price increases; progress of the Egypt project, investment income expectations, and its strategic significance for the Company's future development; whether there is new production capacity put into production in Guangxi base this year; how does the Company ensure the stable supply of raw materials and reduce costs, etc.	See Investor Relations Activity Record Form (2025-003)
June 16, 2025	The Company's conference room	Field research	Institution	Shenwan Hongyuan Securities, Yude Capital, Dajia Asset, and Huatai Asset Management	Reasons for the substantial year-on-year increase in first-quarter performance; the Company's Feed grade phosphate products and production capacity situation; recent market price trends of products and outlook for the Company's second-quarter performance; progress of the Egypt project, phosphate ore resource assurance measures, etc.	See Investor Relations Activity Record Form (2025-004)

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Reception date	Place	Way of communication	Type of received visitor	Received visitor	Main topics discussed and information provided	Index to main inquiry information
August 15, 2025	The Company's conference room	Online exchange	Institution	Sinolink Securities, China Asset Management Co., Ltd., Huatai Securities (Shanghai) Asset Management Co., Ltd., Yongxing Securities Co., Ltd. and other 30 institutional investors	Summary of business conditions in the first half of 2025; reasons for the substantial year-on-year increase in performance in the first half of 2025; the Company's sulfuric acid production capacity; view on future trends in phosphate prices; estimated production time of the Egypt project; future plans for new energy projects, etc.	See Investor Relations Activity Record Form (2025-005)
September 19, 2025	The Company's conference room	Field research	Institution	Minsheng Securities, BOCOM Schroders, Caitong Securities Asset Management Co., Ltd., and GF Securities	Introduction to main production bases, main products and production capacity; overview of business conditions in the first half of 2025; reasons for the significant year-on-year increase in 2025 H1 performance; third quarter performance and production and operation status, etc.	Refer to Investor Relations Activity Record Form (2025-006)
September 22, 2025	The Company's conference room	One-on-one meeting	Institutions, individuals	Linrui Fund, UOB-Kay Hian in Singapore, Hengtiancheng Fund, Wang Xing, Chen Xiaodan, Yang Zaizhen, Bian Wei, Luo Yiling, Qiu Renyu, and Li Xianwen	Introduction to main production bases, main products and production capacity; overview of business conditions in the first half of 2025; reasons for the significant year-on-year increase in 2025 H1 performance; third quarter performance and production and operation status, etc.	Refer to Investor Relations Activity Record Form (2025-006)
October 15, 2025	Venue of the Brokerage Strategy Meeting	Others	Institution	Guolian Minsheng Securities Co., Ltd., Everbright Securities, SWS MU Fund Management, Guotai Junan Securities Asset Management, Golden Eagle Asset Management Co., Ltd, Hua Nan Securities Investment Trust Co., Ltd., Orient Securities, Fupei Investment, Shanghai Torch Investment Co., Ltd., Minsheng Tonghui, Yuanxi Private Equity, Huatai Securities, Songxi Asset, Lion Fund, Hongfu Fund, Haitong Securities, Yiyuan Private Equity, Shanxi Securities, Ping An Caizhi Investment, Minsheng Tonghui, Huatai Asset, and Maxwealth Fund	Performance forecast for the first three quarters of 2025, reasons for year-on-year performance growth; how to look forward to the business situation in the fourth quarter of 2025; based on the performance in the first three quarters of this year, the Company's performance will be better this year, will the annual dividend ratio increase; does the Company have any plans to raise funds from the capital market in the future, etc.	Refer to Investor Relations Activity Record Form (2025-007)
October 20, 2025	The Company's conference room	Online exchange	Institution	Shenwan Hongyuan Securities, AIA Life Insurance Co., Ltd., Chang'An Fund, Ping An Fund Management Company Limited, and other 21 institutions	Overview of business conditions in the first three quarters of 2025; currently, what are the operating rates of the Dongchuan base and Guangxi Fangchenggang Chemical Base; in 2025, how much phosphate rock is expected to be imported by Guangxi Fangchenggang Chemical Base, etc., and the previously disclosed investor exchanges	Refer to Investor Relations Activity Record Form (2025-008)
October 29,	The	Online	Institution	Guolian Minsheng Securities Co., Ltd., Yinhua	Basically the same as the previously disclosed	See the Investor

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Reception date	Place	Way of communication	Type of received visitor	Received visitor	Main topics discussed and information provided	Index to main inquiry information
2025	Company's conference room	exchange		Fund	investor exchange content, no new substantive exchange content occurred	Relations Activity Record Form (2025-009)
November 12, 2025	The Company's conference room	Field research	Institution	Guosen Securities, Tianhong Asset, Rongtong Fund, Origin Asset, Wanjia Asset Management, and Prosperous Capital	Basic situation of Guangxi Chuan Jin Nuo; the start time and technical source of the research and development of wet-process purified phosphoric acid; the expected production capacity of Guangxi Chuan Jin Nuo Chemical in 2025 calculated as P ₂ O ₅ ; the process used in the wet purified phosphoric acid production technology at the Guangxi base and the previously disclosed investor communication content	See the Investor Relations Activity Record Form (2025-010)
November 13, 2025	Guangxi Chuan Jin Nuo Base, and the Meeting Room	On-site research	Institution	CCB Pension, Xizang Sinowise Investment Co., Ltd., Shenwan Hongyuan Securities, Qianhai Starlight Capital, AXA SPDB Investment Managers and 7 other organizations	Basic situation of Guangxi Chuan Jin Nuo; the start time and technical source of the research and development of wet-process purified phosphoric acid; the expected production capacity of Guangxi Chuan Jin Nuo Chemical in 2025 calculated as P ₂ O ₅ ; the process used in the wet purified phosphoric acid production technology at the Guangxi base and the previously disclosed investor communication content	See the Investor Relations Activity Record Form (2025-010)

XIII. The Formulation and implementation of the market value management system and valuation promotion plan

Has the Company established a market value management system?

Yes No

Has the Company disclosed a valuation improvement plan?

Yes No

XIV. Implementation of the “quality and earnings dual improvement” action plan

Has the Company disclosed the “quality and return improvement” action plan announcement?

Yes No

Section IV Corporate Governance, Environmental and Social Matters

I. General information of corporate governance

During the Reporting Period, in accordance with the requirements of the *Company Law*, *Securities Law*, the laws and regulations of the China Securities Regulatory Commission and Shenzhen Stock Exchange, and normative documents, the Company revised its internal control regulations, continuously improved the Company's governance structure, enhanced the Company's standardized operation level, and formed a corporate governance structure with clear responsibility and authority, each performing its own duties, mutual checks and balances, scientific decision-making, and coordinated operation. The actual situation of the Company's governance meets the requirements of the normative documents related to the governance of listed companies issued by the China Securities Regulatory Commission. The operations of the Board of Shareholders, and the Board of Directors are standardized. Independent directors, the specialized committees of the Board of Directors, and the Company's management team each fulfill their responsibilities. The Company continues to carry out corporate governance activities in depth, further improving its governance level.

i. Shareholders and the Board of Shareholders

The Company strictly convenes and holds shareholders' meetings in accordance with the provisions of the *Company Law*, *Articles of Association* and the *Company's Shareholders' Meeting Rules*, issuing meeting notices on time before the meeting, and ensuring the legitimacy and validity of the attendees' qualifications. The Company treats all shareholders equally. The Board of Shareholders adopts a combination of on-site and online voting methods to ensure the equal status of minority shareholders and major shareholders and that all shareholders fully exercise their rights. During the Reporting Period, there were no major issues that bypassed the Board of Shareholders or were implemented before being reviewed. The convening, holding, and voting procedures of the Board of Shareholders were legal and valid, and there were no violations of the *Rules for Shareholders' Meetings of Listed Companies*.

ii. Directors and the Board of Directors

The Company strictly follows the selection procedures stipulated in the *Articles of Association* to elect directors. There are currently seven directors, including three independent directors, which is not less than one-third of the members of the Board of Directors, and a sound independent director system has been established; the number and composition of the Board of Directors meet legal and regulatory requirements. Each director diligently fulfills their duties, conscientiously attending Board of Directors and Board of Shareholders, and clearly understanding their rights, obligations, and responsibilities. In accordance with the *Code of Corporate Governance for Listed Companies*, the Company has established four specialized committees under the Board of Directors: The Strategy Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Assessment Committee, to provide scientific and professional support for decisions of the Board of Directors. Each specialized committee operates in compliance with the *Articles of Association*, the *Rules of Procedure of the Board of Directors*, and its own working guidelines, conducting research and making recommendations on specialized matters.

iii. About the Company and its controlling shareholder

The Company has independent business operation capabilities and a complete operational system, with independence in terms of business, personnel, assets, and finance, separate from the controlling shareholder. The Company's Board of Directors and internal institutions operate independently in strict accordance with their rules of procedure or company systems. The

controlling shareholder strictly regulates its own behavior, exercising rights and fulfilling obligations through the Board of Shareholders in accordance with the law, without directly or indirectly interfering with the Company's business activities. During the Reporting Period, the Company did not provide any guarantees for the controlling shareholder, nor did the controlling shareholder engage in non-operating use of the Company's funds.

iv. Information disclosure and transparency

The Company strictly follows relevant laws and regulations and the *Company Information Disclosure Management System* to strengthen the management of information disclosure affairs, effectively fulfilling information disclosure obligations. It designates the *Securities Times*, the China Securities Journal, the *Securities Daily*, the *Shanghai Securities News*, and the information disclosure websites for the ChiNext market designated by the China Securities Regulatory Commission (CNINFO, www.cninfo.com.cn) as the Company's information disclosure channels, ensuring that information disclosure is true, accurate, timely, and complete, and ensuring that all investors have equal access to company information.

v. Stakeholders

The Company fully respects and protects the legitimate rights and interests of relevant stakeholders, highly values its social responsibility, and actively engages in communication, exchange, and cooperation with stakeholders. This approach aims to achieve a coordinated balance of interests among shareholders, employees, society, and other parties, jointly promoting the healthy and sustainable development of the Company.

vi. About performance evaluation and incentive constraint mechanism

Combining the Company's actual situation and the overall remuneration level of the industry and market, the Company has established selection, removal, and remuneration assessment mechanisms for directors and senior management personnel, strictly implementing them in accordance with laws, regulations, and company systems. At the same time, the performance evaluation and assessment system for other employees is improved to fully motivate all employees and provide assurance for the Company's long-term development.

vii. Internal audit system

The Audit Committee, established under the Board of Directors, is mainly responsible for communicating on audit matters, supervising and reviewing the execution of internal control systems, and verifying the Company's financial information, among other related tasks. During the Reporting Period, the Company continuously promoted the establishment and improvement of the internal audit system. By strengthening internal audit management, it effectively regulated business behavior, prevented operational risks, and ensured the orderly conduct of the Company's business activities.

Does the actual governance status of the Company differ materially from the relevant laws, administrative regulations, and the CSRC's rules on corporate governance for listed companies?

Yes No

The actual governance status of the Company does not differ materially from the relevant laws, administrative regulations, and the CSRC's rules on corporate governance for listed companies.

II. The independence of the Company from its controlling shareholder and de facto controller in terms of assets, personnel, finance, organizations, business and other aspects

The Company strictly operates in accordance with the *Company Law*, the *Securities Law*, and the

Articles of Association. During the Reporting Period, although the Company's controlling shareholder and de facto controller served as the chairman of the Company, they always adhered to corporate governance rules, clarified the scope of their responsibilities, and ensured the Company's independence through measures such as defining responsibilities and authorities, honoring commitments, and standardizing decision-making. This ensured complete separation in terms of business, personnel, assets, institutions, and finances from the controlling shareholder and de facto controller, maintaining an independent and complete operational capability with no circumstances affecting the Company's independence.

i. Regarding business operations

The Company has an independent and complete business system, operating autonomously in procurement, production, and sales. The business is independent from the controlling shareholder and related persons, with no situations of industry competition or unauthorized interventions.

ii. Regarding personnel

The controlling shareholder and de facto controller do not use their positions to interfere in the Company's personnel appointments and removals or senior management functions, respecting the Company's internal personnel decision-making authority. The Company's senior management personnel independently exercise their powers and do not hold any other positions at the controlling shareholder and related persons. Recruitment and salary management, are conducted independently, ensuring a fully independent personnel system.

iii. Regarding assets

The controlling shareholder and de facto controller strictly define asset boundaries, do not occupy or misappropriate company assets through the Chairman's position, and do not interfere with the Company's asset operations. The Company possesses complete assets and intellectual property related to its production and operation, with independent procurement and sales systems, clear asset ownership, and no instances of asset occupation or domination.

iv. Regarding institutions

The controlling shareholder and de facto controller do not use their positions to interfere with the Company's institutional setup and operations and do not share internal institutions with the Company. The Company has established a comprehensive internal operation and management institutions where each unit's responsibilities and authorities are clear and operate independently. There is complete separation from the institutions of the controlling shareholder and related persons, with no confusion of institutions.

v. Regarding finances

The controlling shareholder and de facto controller do not use their positions to interfere with the Company's financial decisions nor occupy the Company's funds, respecting the Company's independent financial decision-making rights. The Company establishes an independent financial accounting system and management system, has independent financial departments and bank accounts, makes financial decisions independently, and does not share bank accounts with the controlling shareholder or mix funds.

In summary, the controlling shareholders and de facto controllers strictly adhere to the boundaries of their duties, effectively implementing measures to ensure the Company's independence, without using their positions to influence the Company's independence. The Company's independence in all aspects is fully guaranteed, with no situations affecting this independence.

III. Competition with peers in the industry

Applicable Not applicable

IV. The Company has differentiated arrangements for voting power

Applicable Not applicable

V. Corporate governance of the red-chip structure

Applicable Not applicable

VI. Directors and senior management personnels**1. General information**

Name	Gender	Age	Office title	Incumbent/Former	Start of tenure	End of tenure	Initial shares held (shares)	Shares increased during the current period (shares)	Shares decreased during the current period (shares)	Other changes (shares)	Final shares held (shares)	Reasons for changes in shareholding
Liu Meng	Male	56	Chairman	Incumbent	September 15, 2011	September 15, 2026	72,364,501	0	0	0	72,364,501	None
Wei Jiagui	Male	56	Director and General Manager	Incumbent	September 15, 2011	September 15, 2026	4,246,091	0	1,000,000	0	3,246,091	Personal financial needs
Huang Hai	Male	57	Director, Chief Financial Officer	Incumbent	September 15, 2017	September 15, 2026	0	0	0	0	0	None
Hong Hua	Male	56	Employee Director	Incumbent	September 14, 2023	September 15, 2026	64,476	0	0	0	64,476	None
Tian Jun	Male	54	Independent Director	Incumbent	September 14, 2023	September 15, 2026	0	0	0	0	0	None
He Guozhong	Male	59	Independent Director	Incumbent	September 14, 2023	September 15, 2026	0	0	0	0	0	None
Zhu Jinyu	Male	59	Independent Director	Incumbent	September 14, 2024	September 15, 2026	0	0	0	0	0	None
Li Lei	Male	41	Deputy General Manager	Incumbent	September 15, 2017	September 15, 2026	0	0	0	0	0	None
Huang Qiuhan	Male	32	Deputy General Manager and Board Secretary	Incumbent	March 28, 2023	September 15, 2026	0	0	0	0	0	None
Total	--	--	--	--	--	--	76,675,068	0	1,000,000	0	75,675,068	--

Has there been any resignation of directors or senior management personnels during the Reporting Period?

Yes No

Changes in directors and senior management personnels

Applicable Not applicable

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Name	Office title	Type	Date	Reason
Hong Hua	Director	Appointment	September 26, 2025	Director changed to Employee Director

2. Biographical information

The professional backgrounds, main work experience, and current primary responsibilities of the Company's existing directors, and senior management personnels

1. Mr. Liu Meng: Male, born February 1970, Chinese nationality, no permanent residence abroad, bachelor's degree. He is an outstanding private entrepreneur in Yunnan Province and Excellent Entrepreneur in the 10th Kunming Awarding. He graduated in 1992 from the Department of Physics at Dalian University of Technology. From August 1992 to May 1995, he worked at the Foreign Economic and Trade Commission of Deyang, Sichuan; from June 1995 to June 1998, he worked at Deyang Power Supply Company of State Grid Sichuan Electric Power Company; from July 1998 to February 2001, he started his own business, mainly focusing on waste material recycling and utilization; from February 2004 to September 2009, he served as Chairman of Shifang Jinnuo Metal Co., Ltd.; from June 2005 to August 2011, he was Chairman of Chuan Jin Nuo Chemical Co., Ltd.; since September 2011, he has served as the Chairman of the Company.

2. Mr. Wei Jiagui: Male, born September 1970, Chinese nationality, no permanent residence abroad, secondary vocational education. He is an advanced individual in the 5th anniversary of the Reemployment Special Zone Construction of Dongchuan District, Kunming, and an excellent builder of socialism with Chinese characteristics in Kunming. He was awarded as an excellent entrepreneur in the 12th Kunming session. From July 1990 to October 1999, he served as the factory manager of the sub-factory of Sichuan Shihua Group; from November 1999 to December 2002, he worked as the factory manager of Sichuan Shunfeng Chemical Co., Ltd.; from January 2003 to May 2005, he served as the factory manager of Sichuan Shifang Jinnuo Metal Co., Ltd.; from June 2005 to August 2011, he was the general manager of Chuan Jin Nuo Chemical Co., Ltd.; since September 2011, he has served as the Company's Director and General Manager.

3. Mr. Huang Hai: Male, born July 1969, Chinese nationality, no permanent residence abroad, bachelor's degree. From June 1989 to June 1993, he worked at the Road Maintenance Machinery Factory of Chengdu Railway Bureau as the Deputy Director of the Office; from June 1993 to June 2000, he worked as a loan officer at the Deyang Office, Sichuan Trust and Investment Company; from June 2000 to January 2007, he worked as the director of General Affairs Department at the Deyang Sales Department, Sichuan Trust and Securities; from January 2007 to March 2017, he served as the General Manager of Deyang Nanfang Renewable Resources Co., Ltd. Since September 2017, he has been the Chief Financial Officer of the Company and has served as a director since September 2020.

4. Mr. Hong Hua: Male, born October 1970, Chinese nationality, no permanent residence abroad, associate degree. From August 1992 to July 1999, he worked at the Sichuan Mianzhu Knitting Factory; from July 1999 to December 2006, he worked at Guizhou Zhengda Industrial Co., Ltd. as Deputy General Manager; since December 2006, he served as Deputy General Manager of Chuan Jin Nuo Chemical Co., Ltd.; from August 2011 to September 15, 2017, he was the Company's Deputy General Manager; from September 2017 to September 14, 2023, he served as the Chairman of the Board of Supervisors, and since September 14, 2023, he has been a Director of the Company.

5. Mr. He Guozhong: Male, born August 1967, Chinese nationality, no permanent residence abroad, master's degree, senior economist. He has served as the Director of the Salt Administration Office of the Yunnan Salt Affairs Administration Bureau, the Director of the Department of Human Resources and Labor, director of the Office, and director of the Restructuring Office of the Company at Head Office of Yunnan Salt Industry, Deputy General Manager and Board Secretary at Yunnan Salt & Chemical Industry Co., Ltd., and held senior roles in other companies such as Yunnan Landsun Tea Co., Ltd. and Kunming Zhitong Enterprise Management Consulting Co., Ltd., Yunnan Lincang Xinyuan Germanium Industry Co., Ltd., Linoya Electronic Technology Co., Ltd.,

CJN, Yunnan Copper Company Limited, Yunnan Energy Investment Co., Ltd., Yunnan Germanium, Yunnan Luoping Zinc & Electricity Co., Ltd., Yunnan Jiayuan Huamu Green Industry Co., Ltd. He is currently the Executive Director of Kunming Zhitong Enterprise Management Consulting Co., Ltd., Independent Director of Yunnan Coal & Energy Co., Ltd., Independent Director of Yunnan Botanee Bio-technology Group Co., Ltd., and since September 2023 has been an Independent Director of the Company.

6. Mr. Tian Jun: Male, born October 1972, Chinese nationality, no permanent residence abroad, master's degree, qualifications as an independent director (including qualifications as an independent director of the Science and Technology Innovation Board), board secretary, senior accountant, and certified accountant. Since July 1994, Mr. Tian Jun has held various positions, including accountant at the Creditlink Securities Department of Wuhan Commercial Bank, investment project manager at the Securities Department at Wuhan International Trust and Investment Corporation, industry analysis project manager at the Information Consulting Department of Wuhan Securities Company, financial manager at Harbin Sales Department of Wuhan Securities Co., Ltd., and financial manager at the Planned Finance Headquarters of Wuhan Securities Co., Ltd. From September 2005 to September 2006, he served as compliance manager at New Times Securities Co., Ltd. From October 2006 to October 2007, he was the Chief Financial Officer (CFO) at Sonac (China) Biology Co., Ltd. From November 2007 to May 2009, he served as investment director at Yunnan Hongxiang Pharmaceutical Co., Ltd. From June 2009 to December 2010, he was the board secretary at Yunnan Hongxiang Yixintang Pharmaceutical (Group) Co., Ltd. From December 2010 to December 2019, he served as vice president, financial manager, and board secretary at Yunnan Hongxiang Yixintang Pharmaceutical (Group) Co., Ltd. He was appointed as a part-time master's tutor at the School of Finance, Yunnan University of Finance and Economics in October 2019, Independent Director of Yunnan Shennong Agricultural Industry Group Co., Ltd. from January 2020 to December 2025. Since September 2023, he was appointed as Independent Director of Kunming Chuan Jin Nuo Chemical Co., Ltd. Since January 2026, he served as the Deputy Director of the First Independent Directors Committee and the Audit Professional Committee of the Yunnan Association of Listed Companies. Currently, he is a professional investor and a capital operation consultant for multiple enterprises.

7. Mr. Zhu Jinyu: Male, Chinese nationality, born May 1967, no permanent residence abroad, PhD in Accounting, Associate Professor, level-2 professor, qualified as a Certified Accountant and Asset Appraiser. Since 1993, he has been teaching at Yunnan University of Finance and Economics, where he has served as associate dean of the School of Accounting, Party Committee Secretary, Director of the Research Administration Office, and director of the Office of Human Resources. Since September 2001, he has been an independent director for several listed companies, including Yunnan Chihong Zn & Ge Co., Ltd., Yunnan Luoping Zinc & Electricity Co., Ltd., Yunnan Malong Industry Group Co., Ltd., Yunnan Coal & Energy Co., Ltd., Walvax Biotechnology Co., Ltd, Xiyi Co., Ltd., CJN, Yunnan Metropolitan Real Estate Development Co., Ltd., Huaneng Lancang River Hydropower Inc., Yunnan Aerospace Engineering Geophysical Detecting Co., Ltd., and Yunnan Luliang Rural Commercial Bank. He is currently an independent director of Walvax Biotechnology Co., Ltd. (300142), Hdy Ocean Technology Co., Ltd., Qujing City Commercial Bank, and Yunnan Huize Rural Commercial Bank. Since September 2024, he has resumed his role as an independent director of the Company.

8. Mr. Li Lei: Male, born October 1985, Chinese nationality, no permanent residence abroad, bachelor's degree. From 2007 to 2013, he served as the Company's Regional Business Manager; from 2013 to 2016, he was the Company's Sales Director; from 2016 to September 15, 2017, he served as assistant general manager; since September 15, 2017, he has served as the Company's Deputy General Manager.

9. Mr. Huang Qiuhan: Male, born 1994, Chinese nationality, no permanent residence abroad, bachelor's degree in Civil Engineering from Tsinghua University in 2016, master's degree in Systems Engineering from University of Pennsylvania in 2018, with a qualification in fund management. He has obtained the Board Secretary qualification certificate from the Shenzhen Stock Exchange (Certificate No.: 2023-4A-0035). He has held roles at SZ DJI Technology Co., Ltd. as Process Management Specialist, Hopson Development Holdings Limited as Deputy Operations Manager, and Hopson Capital Investment as Deputy Director. He is currently serving as the Company's deputy General Manager and Board Secretary.

Circumstances in which the controlling shareholder or de facto controller concurrently serves as Chairman and General Manager of the listed company

Applicable Not applicable

Position held in shareholding units

Applicable Not applicable

Position held in other units

Applicable Not applicable

Name	Name of the other entities	Positions held in other entities	Starting date of assuming duties	Expiration date of assuming duties	Receipt of remuneration and allowance in the shareholder
Tian Jun	Yunnan Shennong Agricultural Industry Group Co., Ltd.	Independent Director	March 11, 2022	December 25, 2025	Yes
He Guozhong	Kunming Zhitong Enterprise Management Consulting Co., Ltd.	Executive Director			Yes
He Guozhong	Yunnan Coal & Energy Co., Ltd.	Independent Director	October 16, 2025		Yes
He Guozhong	Yunnan Botanee Biotechnology Group Co., Ltd.	Independent Director	May 15, 2025		Yes
Zhu Jinyu	Walvax Biotechnology Co., Ltd.	Independent Director	October 13, 2022		Yes
Zhu Jinyu	Hdy Ocean Technology Co., Ltd.	Independent Director	September 30, 2021		Yes
Zhu Jinyu	Qujing City Commercial Bank	Independent Director	July 29, 2022		Yes
Zhu Jinyu	Yunnan Huize Rural Commercial Bank	Independent Director	June 5, 2020		Yes
Zhu Jinyu	Yunnan University of Finance and Economics	Professor			Yes

Punishments imposed by securities regulation institutes on current and resigned directors and senior management personnel of the Company in the past three years during the Reporting Period

Applicable Not applicable

3. Remuneration of directors and senior management personnels

Decision-making procedures, basis for determining, and actual payment of remuneration for directors and senior management personnels

(1) Decision-making process for remuneration of directors, and senior management personnel

The allowances and remuneration for company directors (including independent directors) and senior management personnel are proposed by the Board of Directors' Remuneration and Assessment Committee based on relevant company compensation system regulations. Director

allowances and remuneration are determined upon approval by the Company's Board of Shareholders; remuneration for senior management personnel is determined upon approval by the Board of Directors.

(2) Criteria for determining remuneration for directors, and senior management personnel

The allowances and remuneration are determined based on the Company's profitability, the performance of the directors, and senior management personnel in fulfilling their duties, and the completion of annual performance goals. Since January 1, 2022, the salary standards for the Company's directors, and senior management personnel have been implemented based on the *Announcement on Adjusting the Salary Standards for Directors, Supervisors, and Senior Management Personnel*. For detailed information, please refer to www.cninfo.com.cn.

(3) Actual payment situation of remuneration for directors, and senior management personnel

The allowances for the Company's directors, as well as the salaries for senior management personnel, are paid on a monthly basis. The performance part is determined based on the comprehensive assessment results of personal job performance evaluation, completion of the Company's goal, etc., and is issued after the completion of the assessment.

Remuneration of directors and senior management personnels during the Reporting Period

Unit: RMB10,000

Name	Gender	Age	Office title	Incumbent/Former	Pre-tax total remuneration from the Company (RMB)	Whether obtaining remuneration from related parties of the Bank
Liu Meng	Male	56	Chairman	Incumbent	79.92	No
Wei Jiagui	Male	56	Director and General Manager	Incumbent	74.96	No
Huang Hai	Male	57	Director, Chief Financial Officer	Incumbent	68.77	No
Hong Hua	Male	56	Employee Director	Incumbent	55.16	No
Zhu Jinyu	Male	54	Independent Director	Incumbent	12	No
He Guozhong	Male	59	Independent Director	Incumbent	12	No
Tian Jun	Male	59	Independent Director	Incumbent	12	No
Li Lei	Male	41	Deputy General Manager	Incumbent	71.83	No
Huang Qiuhan	Male	32	Deputy General Manager and Board Secretary	Incumbent	73.91	No
Total	--	--	--	--	460.55	--

Performance appraisal basis for actual remuneration of all directors and senior management personnel at the end of the Reporting Period	<i>Remuneration Management System for Directors and Senior Management Personnel, and Remuneration Standard Plan for Directors and Senior Management Personnel</i>
Performance completion status for actual remuneration of all directors and senior management personnel at the end of the Reporting Period	Completed
deferred payment arrangements for the remuneration actually received by all directors and senior management personnel at the end of the Reporting Period	Not applicable
Payment suspension or recourse for the remuneration actually received by all directors and senior management personnel at the end of the Reporting Period	Not applicable

Other explanations

Applicable Not applicable

VII. Performance of duties of the directors during the Reporting Period

1. Attendance of directors at Board Meetings and Shareholders' Meetings

Attendance of Directors at Board Meetings and Shareholders' Meetings							
Director name	Total Board Meetings attended in the Reporting Period	Board meetings attended on site	Attendance via communication	Proxy attendance	Absence	Consecutive absence from two Board Meetings	Number of Shareholders' Meetings attended
Liu Meng	7	5	2	0	0	No	4
Wei Jiagui	7	5	2	0	0	No	4
Huang Hai	7	5	2	0	0	No	4
Hong Hua	7	5	2	0	0	No	4
Tian Jun	7	5	2	0	0	No	4
He Guozhong	7	5	2	0	0	No	4
Zhu Jinyu	7	5	2	0	0	No	4

Explanation for not attending two consecutive Board of Directors meetings in person

Not applicable

2. Directors' objections to company matters

Did any directors raise objections regarding company matters during the Reporting Period?

Yes No

No objections were raised by any director during the Reporting Period.

3. Other explanation on directors' performance

Were the directors' suggestions regarding the Company adopted?

Yes No

Explanation on the adoption or non-adoption of the directors' relevant suggestions to the Company

During the Reporting Period, all of the Company's directors strictly adhered to the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange*, the *Guidelines No. 2 of Shenzhen Stock Exchange on Self-regulation for Listed Companies - Standard Operation of Listed Companies on the ChiNext Market*, as well as the *Articles of Association* and other relevant laws, regulations, and normative documents. They actively attended the relevant meetings, carefully reviewed various proposals, and provided advice on the Company's strategic development, business management, and other aspects. This has enhanced the scientific decision-making of the Board and contributed to the Company's steady development. At the same time, the directors continued to monitor the implementation of the Board's resolutions, the Company's business operations, and financial status, offering timely suggestions or opinions to protect the Company's interests and safeguard the legitimate rights and interests of all shareholders.

VIII. The specialized committees under the Board of Directors during the Reporting Period

Committee name	Members	Number of meetings held	Convening date	Meeting content	Important opinions and suggestions	Other information about the performance of duty	Details about issues with objections (if any)
The Audit Committee	Tian Jun, He Guozhong, and Zhu Jinyu	4	March 3, 2025	Deliberated on the proposal for asset impairment provision for the year 2024, 2024 audit report, the internal audit work report, the internal control self-evaluation report, the annual report and its summary, the special report on the deposit and use of raised funds, the 2025 internal audit work plan, the 2024 financial final accounts report, etc.	The Audit Committee strictly carried out its work in accordance with relevant laws, regulations, the <i>Articles of Association</i> , and the <i>Board Audit Committee Rules</i> . It diligently performed its duties and responsibilities. Based on the Company's actual situation, relevant opinions were proposed. After thorough communication and discussion, all proposals were unanimously approved.	The Audit Committee communicated with the external audit institutions on the 2024 annual report audit matters before, during, and after the audit, staying updated on the audit progress and providing effective suggestions and opinions on the annual report audit matters.	None
The Audit Committee	Tian Jun, He Guozhong, and Zhu Jinyu	4	April 14, 2025	Reviewed the Company's first quarter report of 2025, first quarter internal audit report, and the proposal to reappoint the external audit institutions for 2025		None	None
The Audit Committee	Tian Jun, He Guozhong, and Zhu Jinyu	4	August 4, 2025	Reviewed the 2025 semi-annual report and its summary, the second quarter internal audit report, and the special report on 2025 semi-annual placement and use of raised funds		None	None
The Audit Committee	Tian Jun, He Guozhong, and Zhu Jinyu	4	October 17, 2025	Reviewed the 2025 third quarter report and the third quarter internal audit report		None	None
The Remuneration and Assessment Committee	Liu Meng, He Guozhong, and Tian Jun	1	March 11, 2025	Proposal on the remuneration standards for the Company's directors and senior management personnel	The Remuneration and Assessment Committee carried out its work in strict accordance with relevant laws, regulations, the <i>Articles of Association</i> , and the <i>Compensation and Assessment Committee Rules</i> . Based on the Company's actual situation, relevant opinions were proposed. After thorough communication, these proposals were approved.	None	None

IX. Work status of the Audit Committee

Whether the Audit Committee identified any risks in its supervisory activities during the Reporting Period

Yes No

The Audit Committee raised no objections regarding its supervisory matters during the Reporting Period.

X. Employee information

1. Employee quantity, professional composition, and educational level

Number of in-service employees of the Company at the end of Reporting Period	1,219
Number of in-service employees of main subsidiaries at the end of the Reporting Period	893
Total number of in-service employees at the end of Reporting Period	2,112
Total number of employees with remuneration in this Reporting Period	2,112
Number of retirees to whom the parent company or its main subsidiaries need to pay retirement pension	31
Specialty composition	
Category	Number of professionals (person)
Production personnel	1,528
Sales personnel	41
Technical personnel	89
Financial personnel	25
Administrative personnel	429
Total	2,112
Educational level	
Category of education level	Number of people (person)
Doctorate	1
Master	16
Bachelor degree	225
Associate degree and below	1,870
Total	2,112

2. Remuneration policy

(1) Maintain Market Competitiveness: Maintain the market competitiveness of salaries for core positions, with key talent competing on an industry-wide basis and general talent competing on a local basis. Open multiple recruitment channels, place great emphasis on talent acquisition and development, and strengthen the building of a talent pipeline. Build a strong talent pool to further support the Company's sustainable development.

(2) Comprehensive Job Level System and Broadband Compensation Structure: To support the business objectives with talent, ensure fair and efficient selection and allocation of key personnel, enhance per capita labor efficiency, and drive business growth through self-motivated talent, the Company sets job levels based on factors such as the importance and complexity of positions. A standardized and clear salary structure is established, enabling employees to advance through a "dual-track" promotion system.

(3) Integration of Job and Performance: The value of each position is determined through job evaluation, which serves as the basis for setting employee salaries. Salary adjustments are made based on performance results, establishing a fair and competitive salary management system. Appropriately allocate more resources to positions with challenging working environments, high

operational risks, significant responsibilities, and high technical requirements.

3. Training plans

New employee onboarding training: New hires should undergo pre-job training, which will be coordinated and arranged by the Human Resources Department. The training content includes:

(1) Company overview and human resources management system: A brief introduction to the Company, the human resources management system, and the functions and situations of various departments.

(2) Departmental management systems and processes, job skills: An overview of departmental management systems and processes, as well as the skills required for various positions.

Professional training: Depending on production or business needs, outstanding employees will be selected to attend professional training at external training institutions, or experts and scholars will be invited to the Company to give a series of special lectures. This aims to enhance their job skills and facilitate the completion of tasks.

The Company also considers employee training an important tool for strengthening internal cohesion and building the Company's core competitiveness.

4. Outsourcing of labor

Applicable Not applicable

Total labor outsourcing hours (hours)	210,992.06
Total rewards paid (RMB)	6,329,761.75

XI. Profit distribution and capital reserve transfer to share capital

The formulation, implementation, or adjustment of profit distribution policies, especially cash dividend policies, during the Reporting Period

Applicable Not applicable

During the Reporting Period, the Company strictly followed the relevant profit distribution policies and review procedures as outlined in the *Articles of Association*, implementing the profit distribution plan. The dividend standards and distribution ratio were clear and well-defined, and the relevant decision-making procedures and mechanisms were complete. In the drafting and decision-making of the distribution proposal, the independent directors fulfilled their duties and played their appropriate role. The relevant proposals were reviewed by the Board of Directors before being submitted to the Board of Shareholders for approval, with independent directors providing their independent opinions, effectively safeguarding the interests of all shareholders. During the Reporting Period, the profit distribution policy remained unchanged.

The specific execution situation is: The Company held the thirteenth meeting of the fifth Board of Directors and the tenth meeting of the Board of Supervisors on March 11, 2025, and held the 2024 annual Board of Shareholders on April 8, 2025, to approve the *Proposal on the 2024 Profit Distribution Plan of the Company*, agreeing to use the total share capital of 274,867,523 shares as of December 31, 2024, as the distribution base, to distribute a cash dividend of RMB3.0 per 10 shares (tax included) to all shareholders, totaling RMB82,460,256.90, without distributing bonus shares or using capital reserves to increase share capital. During the period from the disclosure date of the profit distribution plan to the equity registration date for implementing the rights distribution, if there is any change in the total share capital of the Company, the Company will adjust the total cash dividend amount based on the principle of "the cash dividend distribution ratio remains

unchanged". This distribution plan was implemented on May 29, 2025.

Specific Description of the Cash Dividend Policy	
Does the policy comply with the Company's Articles of Association and the resolutions of the Shareholders' Meeting?	Yes
Is the dividend standard and ratio clear and unambiguous?	Yes
Are the relevant decision-making procedures and mechanisms complete?	Yes
Have the independent directors fulfilled their duties and played their expected role?	Yes
If the Company did not distribute a cash dividend, the specific reasons shall be disclosed, along with measures to enhance investor return levels.	Not applicable
Did the minority shareholders have sufficient opportunity to express their opinions, and were their legitimate rights fully protected?	Yes
If the cash dividend policy was adjusted or changed, were the conditions and procedures compliant and transparent?	Not applicable

The profit distribution plan and capital reserve transfer to share capital plan for the Reporting Period are consistent with the regulations of the Company's Articles of Association and dividend management measures

Yes No Not applicable

The profit distribution plan and capital reserve transfer to share capital plan for the Reporting Period are in line with the Company's Articles of Association and relevant regulations.

Profit Distribution And Capital Reserve Transfer to Share Capital for the Year

Number of bonus shares per 10 shares (shares)	0
Amount to be distributed for every 10 shares (RMB) (tax inclusive)	4
Number of shares to be converted into share capital for every 10 shares (share)	0
The current cash dividend distribution	
Others	
Detailed note on the plan for profit distribution or the conversion of capital provident fund into the share capital	
This profit distribution plan complies with relevant regulations such as <i>Guideline No. 3 for Listed Company Supervision - Cash Dividends for Listed Companies</i> , <i>Self-regulatory Guidelines No. 2 for Listed Companies on the Shenzhen Stock Exchange - Regulated Operations for ChiNext-listed Companies</i> , and the Company's <i>Articles of Association</i> . The proposal was put forward by the Board of Directors after considering factors such as profitability, financial condition, and future development prospects. It is beneficial for all shareholders to share in the Company's growth achievements. The implementation of the proposal will not lead to any shortage of working capital or other adverse effects on the Company.	

The Company reported a profit during the Reporting Period, and the parent company had a positive profit available for distribution to shareholders. However, no cash dividend distribution plan was proposed during this period

Applicable Not applicable

XII. Implementation of the Company's stock incentive plan, employee stock ownership plan, or other employee incentive measures

Applicable Not applicable

1. Stock incentive

Not applicable.

Equity incentives granted to the directors and senior management personnel

Applicable Not applicable

Appraisal mechanism and incentives for senior management personnel

During the Reporting Period, the Company did not have any equity incentive plans, and therefore, there were no performance evaluation mechanisms or incentive arrangements for senior management personnel.

2. Implementation of employee stock ownership plans

Applicable Not applicable

3. Other employee incentive measures

Applicable Not applicable

(1) To promote the business development of Guangxi Chuan Jin Nuo Chemical, the Company established “Fangchenggang Lingyu (Limited Partnership)” (Limited Partnership) and “Kunming Lingrong (Limited Partnership)” (Limited Partnership) as employee stock ownership platforms. The aim is to enable core members of the company in its early stages to also hold shareholder status, thus integrating the interests of shareholders, the Company, and employees. This encourages more cautious decision-making in project investments, focuses on lean management in the Company’s operations, strengthens the execution power of the entire team, and reflects the values of co-creation, shared responsibility, and shared benefits. The goal is to establish a good and balanced value distribution system, fully motivate key employees, and support the realization of the Company’s strategy and long-term sustainable development.

(2) On January 16, 2020, the 3rd Board of Directors’ 20th Meeting and the 3rd Board of Supervisors’ 18th Meeting were held, followed by the 2020 First Extraordinary Board of Shareholders on February 6, 2020, during which the *Proposal on Approving the Capital Increase of the Holding Subsidiary and Waiving Priority Subscription Rights* was reviewed and approved. The registered capital of the Company’s Holding subsidiary, Guangxi Chuan Jin Nuo Chemical Co., Ltd. (hereinafter referred to as “Guangxi Chuan Jin Nuo Chemical”), was increased from RMB100 million to RMB110 million. Among this, Fangchenggang Lingyu Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (hereinafter referred to as “Fangchenggang Lingyun”) subscribed to RMB5 million of the newly increased registered capital, and Kunming Lingrong Enterprise Management Consulting Partnership Enterprise (Limited Partnership) (hereinafter referred to as “Kunming Lingrong”) subscribed to RMB5 million of the newly increased registered capital. The Company waived its priority subscription rights. For detailed information, please refer to the announcement disclosed by the Company on January 17, 2020 on the China Securities Regulatory Commission-designated ChiNext information disclosure website (<http://www.cninfo.com.cn>): *Announcement on the Approval of the Capital Increase of the holding Subsidiary and Waiver of Priority Subscription Rights* (Announcement No.: 2020-002).

(3) The Company completed the industrial and commercial registration on March 30, 2020. For detailed information, please refer to the announcement disclosed by the Company on March 30, 2020 on the China Securities Regulatory Commission-designated ChiNext information disclosure website (<http://www.cninfo.com.cn>): *Announcement on the Completion of Industrial and Commercial Registration Change and the Reissuance of Business License for the Controlling Subsidiary* (Announcement No.: 2020-032).

(4) In 2021, the Company increased the capital of Guangxi Chuan Jin Nuo Chemical Co., Ltd., raising its registered capital from RMB110 million to RMB553.96 million. Both Fangchenggang Lingyun and Kunming Lingrong made proportional capital increases in Guangxi Chuan Jin Nuo Chemical.

(5) In 2023, the Company engaged an appraisal agency to assess Guangxi Chuan Jin Nuo Chemical. According to the appraisal report issued by the qualified Beijing Yachao Assets Appraisal Co., Ltd.,

with a base date of December 31, 2022, titled *Appraisal Report on the Full Equity Value of Shareholders of Guangxi Chuan Jin Nuo Chemical Co., Ltd. for the Proposed Share Repurchase by Kunming Chuan Jin Nuo Chemical Co., Ltd.* (Y.C. (2023) No. A171), the appraisal value of Guangxi Chuan Jin Nuo was RMB1,735,271,358.89. After comprehensive consideration, the Company decided to acquire 1.3655% of the equity in Guangxi Chuan Jin Nuo Chemical. held by Kunming Lingrong for RMB22.53 million and 1.3655% of the equity held by Fangchenggang Lingyun for RMB22.53 million. After the acquisition, the Company's equity stake in Guangxi Chuan Jin Nuo Chemical. increased from 90.91% to 93.64%. Kunming Lingrong's equity stake decreased from 4.5455% to 3.18%, and Fangchenggang Lingyun's equity stake decreased from 4.5455% to 3.18%.

(6) In 2025, Guangxi Chuan Jin Nuo Chemical, based on the *Audit Report* (XYZH/2025KMAA2B0015) issued by ShineWing Certified Public Accountants LLP, after the shareholders' meeting resolution held by all shareholders, agreed to distribute a total of RMB140,000,000 in profit to the Company's shareholders in proportion to the paid-up capital contributed by the shareholders. Among them, RMB131,096,000 was distributed to the Company, and RMB4,452,000 each was distributed to Kunming Lingrong and Fangchenggang Lingyun.

XIII. Internal control system construction and implementation during the Reporting Period

1. Internal control construction and implementation

During the Reporting Period, the Company organized internal control work in accordance with the *Internal Control Manual* of Kunming Chuan Jin Nuo Chemical Co., Ltd., SZSE's *Guidelines for Internal Control of Listed Companies*, and the Company's internal control system and other relevant regulations.

During the Reporting Period, the Company organized and carried out the 2025 Annual Internal Control Evaluation in accordance with the procedures stipulated in the enterprise internal control normative system and the Company's internal control evaluation methods. Based on the identification of significant internal control deficiencies, as of the internal control evaluation reporting date, the Company has no significant internal control deficiencies related to financial or non-financial statement.

During the Reporting Period, the Company essentially achieved reasonable assurance of the legal and compliant operation of business management, asset security, the authenticity and completeness of financial statements and related information, while improving operational efficiency and effectiveness. This has facilitated the achievement of the Company's internal control goals in supporting the realization of its development strategy.

2. Significant deficiencies in internal control during the Reporting Period

Yes No

XIV. Subsidiary management and control during the Reporting Period

Company name	Integration plan	Integration progress	Problems encountered in integration	Measures taken	Solution progress	Future plans
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Abnormalities in the management and control of subsidiaries

Yes No

XV. Internal control evaluation report and internal control audit report

1. Internal control evaluation report

Full disclosure date of the internal control evaluation report	March 20, 2026	
Full disclosure index of the internal control evaluation report	CNINFO (http://www.cninfo.com.cn)	
The proportion of the total assets of the included entities in the total assets of the company's consolidated financial statements	100.00%	
The proportion of the operating income of the included entities in the operating income of the company's consolidated financial statements	100.00%	
Deficiency Identification Standards		
Category	Weaknesses in internal control over financial statement	Weaknesses in internal control not related to financial statement
Qualitative criteria	<p>I. Identification of significant deficiencies: 1. Fraud by Directors, Supervisors, and Senior Management Personnel; 2. Significant violations and incidents in areas such as financial accounting, asset management, capital operations, information disclosure, product quality, safety production, and environmental protection, which result in major losses or adverse effects for the Company, or significant administrative regulatory penalties; 3. The certified accountant identifies a significant misstatement in the current period's financial statement, which the internal control system fails to detect during its operation; 4. The Company's Audit Committee and Internal Audit institutions fail to effectively supervise internal controls.</p> <p>II. Identification of important deficiencies: 1. Failure to select and apply accounting policies in accordance with generally accepted accounting principles; 2. Failure to establish anti-fraud procedures and control measures; 3. Failure to establish corresponding control mechanisms or implement compensating controls for the accounting treatment of non-routine or special transactions; 4. Existence of one or more deficiencies in the control over the year-end financial statement process, which cannot reasonably ensure that the prepared financial statements meet the objectives of truthfulness and accuracy.</p> <p>III. Identification of general deficiencies: Any control</p>	<p>I. Identification of significant deficiencies: A deficiency is classified as significant if its likelihood is high and it severely impacts work efficiency or effectiveness, significantly increases uncertainty in outcomes, or causes a serious deviation from expected goals. Examples include: a. The Company lacks democratic decision-making procedures; b. The Company's decision-making procedures are unscientific, leading to significant errors; c. The Company severely violates national laws, regulations, or normative documents; d. The Company experiences significant turnover of senior management personnel and key technical personnel; e. The media frequently reports negative news, which has a wide scope and the negative impact has not been eliminated; f. The Company's key business operations lack institutional control or the institutional system is ineffective; g. Significant internal control deficiencies in the Company have not been rectified; h. The execution of strategic and operational goals or key performance indicators is unreasonable, seriously deviating with directional errors, causing a severe negative impact on the achievement of strategic and operational objectives.</p> <p>II. Identification of important deficiencies: A deficiency is classified as important if its likelihood is</p>

	<p>deficiencies that are not classified as significant deficiencies or important deficiencies mentioned above can be identified as general deficiencies.</p>	<p>relatively high and it significantly reduces work efficiency or effectiveness, increases the uncertainty of outcomes, or causes a notable deviation from expected goals. Examples include: a. The Company's decision-making procedures lead to significant errors; b. The Company violates internal regulations, resulting in significant losses; c. The Company experiences severe turnover of key business personnel in critical positions; d. The media reports negative news that affects specific regions; e. There are flaws in the Company's important business systems or processes; f. Significant internal control deficiencies in the Company have not been rectified; g. The execution of strategic and operational goals or key performance indicators is unreasonable, significantly deviating from them, causing a notable negative impact on the achievement of strategic and operational objectives. III. Identification of general deficiencies: A deficiency is classified as general if its likelihood is low and it reduces work efficiency or effectiveness, increases the uncertainty of outcomes, or causes a deviation from expected goals. Examples include: a. The Company's decision-making procedures are inefficient; b. The Company violates internal regulations, but no losses are incurred; c. There is significant turnover of staff in general positions; d. The media reports negative news, but the impact is minimal; e. There are flaws in the Company's general business systems or processes; f. General deficiencies in the Company have not been rectified; g. There are minor inconsistencies in the execution of the Company's strategic and operational goals or key performance indicators, causing slight deviations that have a minimal impact on achieving the strategic and operational objectives.</p>
Quantitative criteria	<p>Standards for identifying significant deficiencies: Misstatement amount $\geq 3\%$ of total assets or misstatement amount $\geq 2\%$ of income; Important deficiencies: Misstatement amount between 1% and 3% of total assets, or misstatement amount between 1% and 2% of income; General deficiencies: Misstatement amount $< 1\%$ of total assets or misstatement amount $< 1\%$ of income.</p>	<p>Standards for identifying significant deficiencies: Loss amount $\geq 3\%$ of total assets or loss amount $\geq 2\%$ of income; Important deficiencies: Loss amount between 1% and 3% of total assets, or loss amount between 1% and 2% of income; General deficiencies: Loss amount $< 1\%$ of total assets or loss amount $< 1\%$ of income.</p>
Number of material weaknesses in internal control over financial statement	0	
Number of material weaknesses in internal control not related to financial statement	0	
Number of serious weaknesses in internal control over financial statement	0	
Number of serious weaknesses in internal	0	

control not related to financial statement	
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2. Internal control audit report

Applicable Not applicable

Review Opinion in the Internal Control Audit Report	
We believe that Kunming Chuan Jin Nuo Chemical Co., Ltd., in accordance with the <i>Basic Standard for Enterprise Internal Control</i> and relevant regulations, maintained effective internal control related to financial statement in all material aspects as of December 31, 2025.	
Disclosure of the internal control audit report	Disclosure
Full disclosure date of the internal control audit report	March 20, 2026
Index of full disclosure of the internal control audit report	CNINFO (http://www.cninfo.com.cn)
Type of opinion on the internal control audit report	Standard unqualified opinion
Existence of major defects in non-financial statement	No

Does the accounting firm issue a non-standard opinion in the internal control audit report?

Yes No

Does the accounting firm's internal control audit report agree with the Board of Directors' self-assessment report?

Yes No

Did a non-standard audit opinion on internal control issued during the Reporting Period or the previous year?

Yes No

XVI. Corrective actions for issues identified by self-inspection in the special action for listed company governance

In 2022, according to the China Securities Regulatory Commission's Listed Company Governance Self-Inspection Checklist System, the Company, adhering to the principle of seeking truth from facts, strictly compared and aligned with relevant laws and regulations such as the *Company Law*, *Securities Law*, as well as internal regulations including the *Articles of Association*, *Rules of Procedure of the Board of Directors*, and the *Rules for Specialized Committee Meetings*. The self-inspection covered a total of seven major areas and 119 questions. The Company carefully reviewed and completed the submission. Based on this self-examination, the Company believes that its corporate governance complies with the requirements of the *Company Law*, *Securities Law*, *Guidelines for Articles of Listed Companies*, the *Rules Governing the Listing of Shares on the ChiNext*, and other laws and regulations. The corporate governance structure is relatively perfect, and operations are standardized without significant errors. Currently, the Company does not have the aforementioned issues.

XVII. Environmental information disclosure

Whether the listed company and its major subsidiaries are included in the list of enterprises legally required to disclose environmental information

Yes No

Number of enterprises included in the list of enterprises legally required to disclose environmental information		2
No.	Company name	Reference for statutory environmental information disclosure report
1	Kunming Chuan Jin Nuo Chemical	http://183.224.17.39:10097/yynyfpl/frontal/index.html#/home/index

	Co., Ltd.	
2	Guangxi Chuan Jin Nuo Chemical Co., Ltd.	https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/index

Related environmental accidents information

During the Reporting Period, the Company did not experience any environmental incidents.

XVIII. Social responsibility

i. Overview

CJN as always adhered to the corporate culture of “Integrity as the Foundation, Technology for Enterprise Growth”, with the goal of establishing a modern corporate system and building a publicly listed company that is open, transparent, and standardized. The Company actively explores and continuously improves its corporate governance, aiming to establish long-term trust and win-win relationships with investors. It places great emphasis on protecting the legitimate rights and interests of investors, particularly small and medium-sized investors. While pursuing wealth creation, the Company actively gives back to society and supports social welfare causes.

ii. Social responsibility in promoting circular economy through energy conservation and environmental protection

The Company insists on self-development and enhancing core technologies as the foundation for its survival and development. It continuously innovates in five key areas: flotation and utilization of medium- and low-grade phosphate ores, wet-process phosphoric acid purification, graded utilization of wet-process phosphoric acid, sulfuric acid production from pyrite, and energy-saving and environmental protection. The Company transforms these innovations locally into resources and energy, integrates the industry chain to achieve more efficient and effective utilization of sulfur-phosphorus resources, and realizes a circular economy, with the goal of energy conservation and environmental protection.

iii. Protection of shareholder and creditor rights

Shareholders and creditors are the providers of financial resources for the Company. Protecting the legitimate rights and interests of shareholders and creditors is the Company’s responsibility and obligation, and it is also the foundation for the Company’s continued operation and development. During the Reporting Period, the Company further improved its governance structure, fully respecting and protecting the legitimate rights and interests of all shareholders and creditors, especially minority shareholders. The Company ensured that shareholders fully enjoy the legal rights and interests provided by laws, regulations, and rules. During the Reporting Period, the Company strictly adhered to the principles and requirements of relevant laws, regulations, and normative documents, including the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Shares on the ChiNext of Shenzhen Stock Exchange*, and the *Guidelines No. 2 of Shenzhen Stock Exchange on Self-regulation for Listed Companies - Standard Operation of Listed Companies on the ChiNext Market*. The Company standardized its operations, and continued to implement internal control measures. The Company also continued to improve and its corporate governance structure, ensuring the Company’s long-term, stable, and healthy development.

iv. Protection of employee rights

The Company has always adhered to the principle of integrating both morality and talent in its employment practices, focusing on the comprehensive development of employees’ abilities and their individual career growth. Based on its development strategy and human resources planning, the Company strives to ensure that every employee can fully realize their personal value on the

broad platform of CJN, aligning their career development plan with the Company's development goals to achieve the maximum synergy, fostering mutual growth for both employees and the Company. The Company strictly adheres to the *Labor Law* and the *Labor Contract Law*, ensuring the protection of employees' legal rights and interests in accordance with the law. All employees sign *Labor Contracts* with the Company in accordance with relevant national and local laws and regulations. The Company strictly provides welfare protection for employees in accordance with national regulations and standards, and makes contributions to the five social insurances and one housing fund as required by the state. The contribution rate and the contribution base for statutory benefits are executed in accordance with relevant national regulations.

v. Company's 2026 social responsibility targets

In 2026, the Company will continue to fulfill its corporate social responsibility and make unremitting efforts for the economic and social development of Dongchuan and Fangchenggang. The Company will continue to drive technological innovation, reduce energy consumption, and achieve the maximum integrated use of energy resources. It will strictly comply with national laws and regulations, operate with integrity, and create a positive social environment, delivering better performance to repay society and investors.

In 2026, CJN will continue to uphold the development strategy of seeking progress while maintaining stability, further improving the management of corporate social responsibility, enhancing communication and engagement with stakeholders, and continuing to adhere to the corporate culture of "Integrity as the Foundation, Technology for Enterprise Growth". The Company aims to create value for the country, provide more returns to shareholders, offer higher quality products and better services to customers, provide broader development opportunities for employees, and contribute to social harmony and sustainable development.

The Company is required to comply with the disclosure requirements related to "Chemical Industry-related Business" in the *Guidelines No. 3 of Shenzhen Stock Exchange for Self-regulation of Listed Companies— Industry-specific Information Disclosure*

The Company has established a comprehensive safety management system and set up a safe production management department. It conducts production safety operations through multiple channels and in-depth efforts. The Company conscientiously implements the relevant requirements of national and industry laws and regulations, fully enforcing the safety production responsibility system for all employees. In 2025, the Company conducted regular safety production inspections as required, continuously improving and enhancing the safety production environment for employees. It developed an annual safety education and training plan, providing safety training for new employees and specialized workers as per the plan. The Company also established an emergency drill plan, regularly conducting fire drills, chemical leakage drills, confined space operation emergency drills, and other drill activities. These drills aimed to improve the emergency awareness and capabilities of the Company's personnel, ensuring that safety production activities proceed in an orderly manner. The Company has implemented the Level 3 Safety Standardization for Hazardous Chemicals, focusing on the implementation of a dual prevention mechanism of risk classification control and hazard investigation and rectification. The Company actively cooperates with emergency management departments for inspections and guidance. In 2025, the Company did not experience any major safety production accidents.

XIX. Consolidation and expansion of poverty alleviation achievements and rural revitalization

The Company actively responds to the calls of the local Party Committee and District Government, as well as the national call to consolidate and expand the achievements of poverty alleviation. It

actively fulfills its corporate citizenship responsibilities and genuinely gives back to society. The Company actively recruits registered poverty-stricken households for employment and makes donations to further consolidate the achievements of poverty alleviation.

Section V Important Matters

I. Fulfilment of commitment matters

1. Commitments made by the de facto controllers, shareholders, related parties, acquirers, and other parties related to the Company, which have been fulfilled during the Reporting Period and those that have not been fulfilled by the end of the Reporting Period.

Applicable Not applicable

Commitment reason	Committer	Commitment type	Commitment content	Commitment date	Commitment term	Performance status
Commitment made in IPO or refinancing	Kunming Chuan Jin Nuo Chemical Co., Ltd.; Liu Meng	Share repurchase commitment	If the issuer's prospectus contains false records, misleading statements, or significant omissions, which materially affect the assessment of whether the issuer meets the legal requirements for issuance, the issuer shall promptly convene a board meeting to review a plan for repurchasing all newly issued shares from the initial public offering, and the plan shall be implemented after being submitted to and resolved by the Board of Shareholders. Regarding this proposal, the controlling shareholder shall voluntarily abstain from voting and urge the issuer to repurchase all newly issued shares from the initial public offering in accordance with the law. The issuer and its controlling shareholder shall determine the repurchase price in accordance with the relevant laws and regulations in effect at the time of repurchase, the normative documents issued by the China Securities Regulatory Commission and the Shenzhen Stock Exchange, and the provisions of the <i>Articles of Association</i> , and the repurchase price shall not be lower than the market price at the time of repurchase.	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance
Commitment made in IPO or refinancing	Liu Meng	Commitments on horizontal competition, related-party transactions and capital appropriation	1. As of the date of this commitment, I am not engaged in any production or business operations that compete or may compete with the issuer's business, for purposes other than the interests of the issuer. 2. In order to avoid new (or potential), direct (or indirect) business competition with the issuer's production and operations, I commit that during my period as a shareholder of the issuer: for purposes other than the interests of the issuer, I will not directly engage in the production and business operations of products that are the same as or similar to those of the issuer; I will not invest in any enterprise whose product production and business operations compete or may compete with those of the issuer; I guarantee that I will ensure that any enterprise I control or that I am able to actually control (hereinafter collectively referred to as "controlled enterprises") will not directly or	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance

Commitment reason	Committer	Commitment type	Commitment content	Commitment date	Commitment term	Performance status
			<p>indirectly engage in, participate in, or conduct any activities that compete with the issuer's product production and business operations; if any enterprise in which I hold equity engages in product production and business operations that compete with the issuer, I will avoid becoming the controlling shareholder of such enterprise or gaining actual control over it; if the issuer subsequently expands its product or business scope, neither I nor any controlled enterprise will compete with the issuer's expanded products or business; if I or any controlled enterprise competes or may compete with the issuer's expanded products or business, I will personally take action and encourage the controlled enterprise to adopt measures to exit such competition in a manner that maximizes the interests of the issuer, including but not limited to: a) ceasing the production of products that constitute or may constitute competition; b) ceasing the operation of businesses that constitute or may constitute competition; c) transferring the competing business to an unrelated third party; d) integrating the competing business into the issuer for operation. (3) I and the related enterprises I control will strictly limit the use of the issuer's funds in any operational financial transactions with the issuer. Neither I nor the related enterprises I control shall request the issuer to advance salaries, benefits, insurance, advertising, or other expenses, nor shall we request the issuer to bear any costs or other expenditures on our behalf. Neither I nor the related enterprises I control will seek to directly or indirectly provide the issuer's funds for our own use or for the use of the related enterprises I control, in any of the following ways: a) lending the issuer's funds to myself or the related enterprises I control, whether for a fee or free of charge; b) providing entrusted loans to myself or the related enterprises I control through banks or non-bank financial institutions; c) entrusting myself or the related enterprises I control to conduct investment activities; d) issuing commercial acceptance bills without a genuine transaction background for myself or the related enterprises I control; e) repaying debts on behalf of myself or the related enterprises I control; f) any other methods as determined by the China Securities Regulatory Commission.</p>			
Commitment made to minority shareholders of the company	Liu Meng; Chen Yong; Chen Zhilong; Feng Fajun; He Guozhong; Hong Hua; Li Xuecao;	Other commitments	(1) Not to transfer benefits to other units or individuals without compensation or on unfair terms, nor to adopt other methods that harm the interests of the Company; (2) To restrain personal consumption behavior related to their	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance

Commitment reason	Committer	Commitment type	Commitment content	Commitment date	Commitment term	Performance status
	Liu Mingyi; Sun Weicheng; Wang Jianhua; Wang Zongbo; Wei Jiagui; Zeng Runguo; Zhang Hejin; Zhu Jinyu; Zi Hongyun		position; (3) Not to use the Company's assets for investment or consumption activities unrelated to the performance of their duties; (4) The compensation system formulated by the Board of Directors or the Remuneration Committee shall be linked to the implementation of the Company's compensation and return measures; (5) The exercise conditions of the Company's equity incentive plan to be announced shall be linked to the implementation of the Company's compensation and return measures.			
Commitment made to minority shareholders of the Company	Liu Meng	Other commitments	In accordance with the relevant regulations of the China Securities Regulatory Commission, to ensure the effective implementation of the Company's compensation and return measures, the controlling shareholder and the de facto controller commit to: not interfering with the Company's business management activities beyond their authority; not transferring benefits to other units or individuals without compensation or on unfair terms, nor adopting other methods that harm the Company's interests; and not using the Company's assets for investment or consumption activities unrelated to the performance of their duties.	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance
Commitment made to minority shareholders of the Company	Liu Meng	Other commitments	The controlling shareholder and de facto controller, Liu Meng, has made a commitment regarding social insurance and housing provident fund matters: if CJN and its subsidiaries incur any claims, administrative penalties, or other related losses due to employee social insurance and housing provident fund matters, I will bear all the costs to ensure that no additional expenses or losses are incurred by CJN and its subsidiaries, and that there will be no significant adverse impact on the production, operations, financial condition, and profitability of CJN and its subsidiaries.	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance
Commitment made to minority shareholders of the Company	Kunming Chuan Jin Nuo Chemical Co., Ltd.	Other commitments	The Company undertakes that the Prospectus has no false record, misleading statement, or material omissions and shall bear individual and joint and several liabilities for the truthfulness, accuracy, and completeness of these contents. The Company solemnly undertakes: 1. If this Prospectus contains any false statements, misleading statements or material omissions that have a major and substantial impact on judging whether the Company meets the issuance conditions stipulated by law, the Company will repurchase all the new shares issued at the initial public offering at the secondary market price of the Company's shares. 2. If investors incur loss in securities issue and trade due to false records, misleading statements or material omissions in the Prospectus, the Company will compensate investors for their	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance

Commitment reason	Committer	Commitment type	Commitment content	Commitment date	Commitment term	Performance status
			losses according to law.			
Commitment made to minority shareholders of the Company	Chen Yong; Feng Fajun; Chen Zhilong; He Guozhong; Hong Hua; Li Xuecao; Liu Mingyi; Sun Weicheng; Wang Jianhua; Wang Zongbo; Wei Jiagui; Zeng Runguo; Zhang Hejin; Zhu Jinyu; Zi Hongyun; Liu Meng	Other vommitments	I commit that the prospectus of CJN does not contain false records, misleading statements, or significant omissions, and I bear individual and joint legal responsibility for its truthfulness, accuracy, and completeness. I commit that if the prospectus of CJN contains false records, misleading statements, or significant omissions, resulting in losses to investors in securities trading, I will compensate the investors' losses in accordance with the law.	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance
Commitment made to minority shareholders of the Company	Liu Meng; Wei Jiagui; Liu Mingyi; Zi Hongyun; Zeng Runguo; Chen Yong; Hong Hua; Feng Fajun; Zhang Hejin	Other vommitments	In addition to the aforementioned lock-up period, during the term of office, the shares transferred each year shall not exceed 25% of the total number of shares directly or indirectly held in the Company. No transfer of the shares directly or indirectly held in the Company shall be made within six months from the date of submitting the resignation. If, within six months after the Company's listing, the closing price of the Company's shares remains below the issue price for 20 consecutive trading days, or if the closing price at the end of the six-month period is below the issue price (if, after the Company's listing, actions such as the distribution of dividends, bonus shares, capitalization of reserves, issuance of new shares, or rights issues occur, the issue price will be adjusted according to the sequence of such actions), the lock-up period for the shares held by me will automatically be extended by six months based on the original lock-up period. If I reduce my holdings of the Company's shares within two years after the expiration of the aforementioned lock-up period, the transfer price shall not be lower than the issue price.	March 14, 2016	From March 15, 2016 until fulfillment	Proper performance
Commitment made to minority shareholders of the Company	Liu Meng, Wei Jiagui, Huang Hai, Tang Jiapu, Li Xiaojun, Long Chao, Liu Hailan, Li Lei, Huang Qiuhan, Zhou Yongxiang, Zhang Hejin	Commitment on the dilution of immediate returns and compensation measures for private placement of shares in 2022	"1. I commit not to transfer benefits to other units or individuals without compensation or on unfair terms, nor to adopt other methods that harm the Company's interests; 2. I commit to restraining my personal consumption behavior related to my position; 3. I commit not to use the Company's assets for investment or consumption activities unrelated to the performance of my duties; 4. I commit that the compensation system formulated by the Board of Directors or the Remuneration and Assessment Committee will be linked to the implementation of the Company's compensation and return measures; 5. If the Company implements a new equity incentive plan in the future, I	October 28, 2022	From October 28, 2022 until fulfilled	Proper performance

Commitment reason	Committer	Commitment type	Commitment content	Commitment date	Commitment term	Performance status
			<p>commit that the exercise conditions of the proposed equity incentive plan will be linked to the implementation of the Company's compensation and return measures; 6. I commit to issuing a supplementary commitment if, before the completion of the Company's current issuance, the China Securities Regulatory Commission (CSRC) introduces new regulatory provisions regarding compensation and return measures and the above commitments do not meet the CSRC's requirements. In such a case, I will comply with the latest regulations issued by the CSRC and provide a supplementary commitment; if any violation of the above commitments causes losses to the Company or investors, I will bear the corresponding legal responsibility."</p>			
<p>Commitment made to minority shareholders of the Company</p>	<p>Liu Meng</p>	<p>Commitment on the dilution of immediate returns and compensation measures for private placement of shares in 2022</p>	<p>"1. I will not interfere with the Company's business management activities beyond my authority, nor will I encroach upon the Company's interests; 2. From the date of this commitment until the completion of the Company's current issuance, if the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange, or other supervisory department introduce new regulatory provisions regarding compensation and return measures and the above commitments do not meet such provisions, I commit to providing a supplementary commitment in accordance with the latest regulations of the supervisory department; 3. I commit to effectively fulfilling the Company's established compensation and return measures and any related commitments I have made regarding such measures. If I violate these commitments and cause losses to the Company or investors, I am willing to bear the compensation responsibility for the Company or investors in accordance with the law. If I violate the above commitments or refuse to fulfill them, I agree that the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange, and other supervisory department may impose relevant penalties or take appropriate regulatory measures against me in accordance with the provisions or rules they have established or published."</p>	<p>October 28, 2022</p>	<p>From October 28, 2022 until fulfilled</p>	<p>Proper performance</p>
<p>Whether the commitment has been fulfilled on time</p>	<p>Yes</p>					
<p>If the commitment has not been fulfilled within the deadline, a detailed explanation of the reasons for non-</p>	<p>Not applicable</p>					

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Commitment reason	Committer	Commitment type	Commitment content	Commitment date	Commitment term	Performance status
fulfilment and the next steps to be taken shall be provided						

2. If the Company has made a profit forecast for any assets or projects and is still within the forecast period during the Reporting Period, the Company shall provide an explanation regarding whether the asset or project has met the original profit forecast, along with the reasons

Applicable Not applicable

3. Performance commitments involving the Company

Applicable Not applicable

II. Non-operating funds occupied by controlling shareholders and other related parties

Applicable Not applicable

The Company has no non-operating funds occupied by controlling shareholders and other related parties during the Reporting Period.

III. Violation of external guarantees

Applicable Not applicable

The Company did not engage in any violations related to external guarantees during the Reporting Period.

IV. Explanation of the Board of Directors on the latest “Non-standard Audit Report”

Applicable Not applicable

V. Explanation of the Board of Directors, the Audit Committee, and Independent Directors (if any) on the “Non-standard Audit Report” for the Reporting Period

Applicable Not applicable

VI. Description of changes during the Reporting Period in accounting policies and accounting estimates, or corrections of significant accounting errors by the Board of Directors

Applicable Not applicable

VII. Explanation on changes in the scope of consolidated financial statements compared to the previous year’s financial statement

Applicable Not applicable

In 2025, the scope of the Company’s consolidated financial statements includes 11 entities, consisting of the Company itself and ten subsidiary companies. Compared to 2024, there were changes in the consolidation scope:

Name of subsidiaries	Shareholding	Reasons for changes
Chuan Jin Nuo International Co., Ltd.	100%	Newly established
Chuan Jin Nuo Middle East International Holding Co., Ltd.	60%	Newly established
Egypt Chuan Jin Nuo Chemical Co., Ltd.	60.04%	Newly established
Yunnan Xinshenghai International Trade Co., Ltd.	100%	Newly established

VIII. Appointment and dismissal of the accounting firm

Currently Appointed Accounting Firms

Name of the domestic accounting firm	ShineWing Certified Public Accountants LLP
Remuneration for the domestic accounting firm (Unit:	100

RMB10,000)	
Consecutive years of audit services of the domestic accounting firm	16
Name of certified accountant of the domestic accounting firm	Peng Rang, and Li Qiuxia
Consecutive years of audit services of the certified accountant from the domestic accounting firm	Five years

Whether the accounting firm was replaced

Yes No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable

In the year, the Company engaged ShineWing Certified Public Accountants LLP as the internal control auditing accounting firm, with a fee of RMB200,000.

IX. Risk of delisting after the disclosure of the annual report

Applicable Not applicable

X. Bankruptcy and restructuring

Applicable Not applicable

The Company has not experienced any bankruptcy or restructuring issues during the Reporting Period.

XI. Major lawsuits or arbitration

☑Applicable ☐ Not applicable

Basic information on litigation (arbitration)	Lawsuit amount (RMB10,000)	Whether to form into estimated liabilities	Litigation (arbitration) Progress	Trial results and influences of lawsuit (arbitration)	Litigation (arbitration) execution of judgments	Disclosure date	Disclosure index
Guangxi Chuan Jin Nuo New Energy Co., Ltd. (hereinafter referred to as “Guangxi Chuan Jin Nuo New Energy”) filed a lawsuit against Zhongke Lithium Battery New Energy Co., Ltd. (hereinafter referred to as “Zhongke Lithium Battery”) for a sales contract dispute, requesting the termination of the <i>Purchasing Contract</i> signed by both parties, the return of the payment of RMB32.2 million, the payment of corresponding funds occupation interest, and compensation for the economic losses of approximately RMB28.5 million suffered by Guangxi Chuan Jin Nuo New Energy.	6,156.42	No	An effective legal document has been obtained.	The effective judgment result is the termination of the <i>Purchasing Contract</i> signed by both parties. Zhongke Lithium Battery is required to return RMB15.4 million in payment, compensate for losses amounting to RMB4.29 million, and pay a preservation insurance fee of RMB40,000.	During the Reporting Period, ZhongKe Lithium Battery performed part of its repayment obligations. The Company has applied for the resumption of execution and actively taken measures to recover the debt.		
Due to purchasing contract disputes, Guangxi Chuan Jin Nuo New Energy filed a lawsuit against Xiaoxian Xin Battery Co., Ltd. (“Xin Battery”), Wang Yijun, and Sheng Daling in the Gangkou District People's Court of Fangchenggang City, demanding Xin Battery pay RMB1.27 million for goods and approximately RMB61,000 for overdue losses (temporarily calculated up to June 3, 2025). Wang Yijun and Sheng Daling, within the unfulfilled capital contribution scope, are to bear supplementary compensation responsibilities for Xin Battery’s debt.	133.1	No	An effective legal document has been obtained.	Effective judgment result: Xin Battery is to pay RMB1.27 million for goods and overdue payment losses. Wang Yijun and Sheng Daling, within the unfulfilled capital contribution scope, are to bear supplementary compensation responsibilities for Xin Battery’s debt.	After the judgment became effective, as the counterpart failed to fulfill it according to the judgment, the Company applied to the court for compulsory execution during the Reporting Period. The court filed the case in January 2026.		
Due to purchasing contract disputes, Guangxi Chuan Jin Nuo New Energy filed a lawsuit against Hubei Qianyuan New Material Co., Ltd. (“Hubei Qianyuan”), Fan Li, Hubei Zhaoteng New Material Technology Co., Ltd. (“Hubei Zhaoteng”), Lu Yufeng, and Li Huaiyu in the Gangkou District People’s Court of Fangchenggang City. They demanded the cancellation of the <i>Lithium Carbonate Purchase and Sale Contract</i> signed between Guangxi Chuan Jin Nuo New Energy and Hubei Qianyuan, with Hubei Qianyuan returning RMB19.08 million in payment and compensating for losses of RMB2.4 million. Fan Li and Hubei Zhaoteng bear joint liability for Hubei Qianyuan’s aforementioned debts. Li Huaiyu is to bear supplementary liabilities within the	2,148	No	As of the disclosure date of this announcement, the effective legal documents have been obtained.	Effective judgment result: The <i>Lithium Carbonate Purchase and Sale Contract</i> signed between both parties is terminated. Hubei Qianyuan is to return RMB19.08 million to Guangxi Chuan Jin Nuo New Energy, compensate for losses of RMB2.4 million, and Fan Li bears joint responsibility.	As of the disclosure date of this announcement, the Company has applied for compulsory execution, but the court has not yet filed the case.		

Basic information on litigation (arbitration)	Lawsuit amount (RMB10,000)	Whether to form into estimated liabilities	Litigation (arbitration) Progress	Trial results and influences of lawsuit (arbitration)	Litigation (arbitration) execution of judgments	Disclosure date	Disclosure index
unpaid capital contribution of RMB2.5 million for Hubei Zhaoteng. Lu Yufeng is to bear supplementary liabilities on the total unpaid capital contribution of RMB10 million for Fan Li and Li Huaiyu to Hubei Zhaoteng.							

XII. Penalties and remediation

Applicable Not applicable

There were no penalties or remediation cases during the Reporting Period.

XIII. Integrity of the company, controlling shareholders, and de facto controllers

Applicable Not applicable

During the Reporting Period, the Company and its controlling shareholders, and de facto controllers strictly abide by the *Company Law*, *Securities Law*, and other laws and regulations and regulatory requirements, adhere to the principles of honesty and credit, and maintain good standing without any cases of integrity violations.

XIV. Material related-party transactions

1. Related party transactions in daily operations

Applicable Not applicable

The Company did not have any related party transactions in its daily operations during the Reporting Period.

2. Related party transactions in asset or share acquisitions or sales

Applicable Not applicable

The Company did not have any related party transactions in asset or share acquisitions or sales during the Reporting Period.

3. Related party transactions for joint external investments

Applicable Not applicable

The Company had no related party transaction of joint external investments in the Reporting Period.

4. Related party debts and credits

Applicable Not applicable

There were no related party debts or credits during the Reporting Period.

5. Transactions with financial companies having related party relationships

Applicable Not applicable

There were no deposits, loans, credit extensions, or other financial services between the Company and any financial company with related party relationships.

6. Transactions between the Company's controlling financial company and related parties

Applicable Not applicable

There were no deposits, loans, credit extensions, or other financial services between the Company's controlling financial company and related parties.

7. Other material related-party transactions

Applicable Not applicable

On June 3, 2021, the Company held the 7th meeting of the 4th Board of Directors and the 6th

meeting of the 4th Board of Supervisors. Subsequently, on June 21, 2021, the Company convened the 2021 Second Extraordinary Board of Shareholders, which reviewed and approved the proposals including the *Proposal on Holding Subsidiaries Applying for Aggregate Credit Line of Banks Which Are Guaranteed by the Company's Controlling Shareholder*, the *Proposal on Holding Subsidiaries Applying for Aggregate Credit Line of Banks Which Are Guaranteed by the Company*, and the *Proposal on Holding Subsidiaries Applying for Aggregate Credit Line of Banks Which Are Guaranteed by the Pledge of Assets*. It was agreed that the Company's holding subsidiary, Guangxi Chuan Jin Nuo Chemical, would apply to the Fangchenggang Branch, China Construction Bank Corporation for a comprehensive credit line not exceeding RMB450 million. The Company and its controlling shareholder, Mr. Liu Meng, would jointly guarantee the comprehensive credit line, with Guangxi Chuan Jin Nuo Chemical's own assets (land use rights and fixed assets) pledged as collateral for the credit line. The Company's controlling shareholder and de facto controller, Mr. Liu Meng, provided joint and several liability guarantee for the above-mentioned comprehensive credit line of the holding subsidiary, resolving the issue of the holding subsidiary needing a guarantee for its application for the bank's comprehensive credit line. This supported the development of the Company. Furthermore, this guarantee was provided without any guarantee fees, reflecting the controlling shareholder's support for the Company. It aligns with the interests of the Company and all its shareholders, and will not have an adverse impact on the Company's operating performance.

Major related party transaction temporary report disclosure website inquiries

Name of temporary announcement	Temporary announcement disclosure date	Name of temporary announcement disclosure website
Announcement on the Holding Subsidiary's Proposal to Apply for a Comprehensive Credit Line from the Bank with Asset Pledge and the Provision of Guarantees by the Company and the Controlling Shareholder, and Related Party Transaction.	June 4, 2021	CNINFO (www.cninfo.com.cn)

XV. Significant contracts and the performance

1. Custody, contracting, and leasing matters

(1) Custody matters

Applicable Not applicable

There were no custody matters during the Reporting Period.

(2) Contracting matters

Applicable Not applicable

There were no contracting matters during the Reporting Period.

(3) Leases

Applicable Not applicable

No such cases in the Reporting Period.

2. Major guarantees

☑Applicable ☐ Not applicable

Unit: RMB10,000

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Obligor	Guarantee limit disclosure date	Guarantee limit	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (If Any)	Counter guarantee (if any)	Guarantee period	Fulfilled (Yes/No)	Guarantee for a related party or not
Guarantees to subsidiaries by the Company										
Obligor	Guarantee limit disclosure date	Guarantee limit	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (If Any)	Counter guarantee (if any)	Guarantee period	Fulfilled (Yes/No)	For a Related Party or not
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	June 4, 2021	45,000	June 23, 2021	12,500	Mortgage, joint and several liability guarantee	Assets			No	Yes
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	November 19, 2021	5,000	January 30, 2023	0	Joint and several liability guarantee				Yes	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	January 22, 2024	5,000	January 19, 2024	0	Joint and several liability guarantee				Yes	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	May 31, 2023	12,000	April 14, 2023	5,000	Joint and several liability guarantee				No	No
Guangxi Chuan Jin Nuo New Energy Co., Ltd.	July 20, 2023	10,000	June 19, 2023	0	Joint and several liability guarantee				No	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	April 24, 2024	15,000	April 23, 2024	0	Joint and several liability guarantee				No	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	September 25, 2024	20,000	September 24, 2024	0	Joint and several liability guarantee				Yes	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	December 10, 2024	5,000	December 9, 2024	5,000	Joint and several liability guarantee				No	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	December 10, 2024	5,000	December 10, 2024	5,000	Joint and several liability guarantee				No	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	February 27, 2025	8,300	February 26, 2025	0	Joint and several liability guarantee				No	No
Guangxi Chuan Jin	May 9, 2025	24,000	May 8, 2025	5,000	Joint and several				No	No

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Nuo Chemical Co., Ltd.					liability guarantee					
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	June 10, 2025	24,000	June 9, 2025	19,741.08	Joint and several liability guarantee				No	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	September 27 2025	6,000	September 27 2025	5,000	Joint and several liability guarantee				No	No
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	December 5, 2025	20,000	December 5, 2025	5,000	Joint and several liability guarantee				No	No
Total approved guarantee amount for subsidiaries during the Reporting Period (B1)		80,000		Total actual amount of guarantees provided to subsidiaries during the Reporting Period (B2)		94,777.83				
Total approved guarantee limit for subsidiaries at the end of the Reporting Period (B3)		180,300		Total actual guarantee balance of subsidiaries at the end of the Reporting Period (B4)		62,241.08				
Guarantee information for subsidiary-to-subsidary guarantees										
Obligor	Guarantee limit disclosure date	Guarantee limit	Actual occurrence date	Actual guarantee amount	Type of guarantee	Collateral (If Any)	Counter guarantee (if any)	Guarantee period	Fulfilled (Yes/No)	For a Related Party or not
Total guarantee amount of the Company (i.e., sum of the first three items above)										
Total approved guarantee limit during the Reporting Period (A1+B1+C1)		80,000		Total actual amount of guarantees incurred during the Reporting Period (A2+B2+C2)		94,777.83				
Total approved guarantee limit at the end of the Reporting Period (A3+B3+C3)		180,300		Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)		62,241.08				
Total guarantee balance (A4+B4+C4) as % of the Company's net assets				21.33%						
Including:										
Balance of guarantees provided for shareholders, de facto controller and their related parties (D)				0						
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% asset-liability ratio (E)				0						
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)				0						
Total of the three amounts above (D+E+F)				0						
Statement on the assumption of guarantee liabilities, and/or on the existence of the proof of the possibility for assumption of joint and several liabilities for liquidation, for any unexpired guarantee contract in the Reporting Period (if any)				Not applicable						
Statement on any external guarantee provided in violation of the relevant prescribed procedures (if any)				Not applicable						

Statement on any guarantee provided in composite manners

1. On June 3, 2021, the Company held the 7th meeting of the 4th Board of Directors and the 6th meeting of the 4th Board of Supervisors. Subsequently, on June 21, 2021, the Company convened the 2021 Second Extraordinary General Meeting of Shareholders, which reviewed and approved the proposals including the *Proposal on Holding Subsidiaries Applying for Aggregate Credit Line of Banks Which Are Guaranteed by the Company's Controlling Shareholder*, the *Proposal on Holding Subsidiaries Applying for Aggregate Credit Line of Banks Which Are Guaranteed by the Company*, and the *Proposal on Holding Subsidiaries Applying for Aggregate Credit Line of Banks Which Are Guaranteed by the Pledge of Assets*. It was agreed that the Company's holding subsidiary, Guangxi Chuan Jin Nuo Chemical, would apply to the Fangchenggang Branch, China Construction Bank Corporation for a comprehensive credit line not exceeding RMB450 million. The Company and its controlling shareholder, Mr. Liu Meng, would jointly guarantee the comprehensive credit line, with Guangxi Chuan Jin Nuo Chemical's own assets (land use rights and fixed assets) pledged as collateral for the credit line.

3. Entrusting others for cash asset management**(1) Entrusted financial management situation**

Applicable Not applicable

The Company did not employ any entrusted financial management services in the Reporting Period.

(2) Entrusted loan situation

Applicable Not applicable

There were no entrusted loans during the Reporting Period

4. Other significant contracts

Applicable Not applicable

The Company did not have any other significant contracts during the Reporting Period.

XVI. Use of raised funds

Applicable Not applicable

1. Overall use of raised funds

Applicable Not applicable

Unit: RMB10,000

Year of fundraising	Fundraising method	Securities listing date	Total raised funds	Net proceeds (1)	Raised funds used in the current period	Cumulative raised funds used (2)	Raised funds usage ratio by the end of the Reporting Period (3) = (2)/(1)	Amount of raised funds during the Reporting Period	Cumulative raised funds	Proportion of raised funds	Unused raised funds	Use and destination of unused raised funds	Raised funds remaining unused for over two years
2023	Issuing stocks to specific objects	July 28, 2023	71,099.99	69,506	0	24,991.45	35.96%	44,514.55	44,514.55	64.04%	46,096.08	Raised funds accounts	0
Total	--	--	71,099.99	69,506	0	24,991.45	35.96%	44,514.55	44,514.55	64.04%	46,096.08	--	0

Explanation of overall use of raised funds:

(1) Supplement working capital

The net proceeds through the private placement of stock was RMB695.06 million, which is lower than the intended amount of RMB1.5 billion as outlined in the *Plan of Kunming Chuan Jin Nuo Chemical Co., Ltd. to Issue Stocks to Specific Objects in 2022*, and the *Prospectus for Issuing Shares to Specific Objects and Listing to Raise Funds on the ChiNext Board*. On July 31, 2023, the Company held the 32nd Meeting of the 4th Board of Directors and the 21st Meeting of the 4th Board of Supervisors, during which the *Proposal Regarding the Adjustment of the Intended Amount of Funds to Be Invested in Fundraising Projects* was reviewed and approved. The raised funds to be invested in the Supplement Working Capital project, as outlined in the *Plan of Kunming Chuan Jin Nuo Chemical Co., Ltd. to Issue Stocks to Specific Objects in 2022* and the *Prospectus for Issuing Shares to Specific Objects and Listing to Raise Funds on the ChiNext Board*, was adjusted from RMB330 million to RMB205 million. The Company's independent directors issued their clear agreement on this adjustment. The sponsor institutions, Century Securities Co., Ltd., issued the *Verification Opinion on the Adjustment of the Intended Amount of Funds to be Invested in*

Fundraising Projects for Kunming Chuan Jin Nuo Chemical Co., Ltd., and provided a verification opinion with no objections to this matter. On August 1, 2023, the Company used RMB205 million to supplement working capital.

(2) Replacement of pre-invested funds with self-raised funds for fundraising projects

The 32nd Meeting of the 4th Board of Directors and the 21st Meeting of the 4th Board of Supervisors reviewed and approved the *Proposal on the Use of Raised Funds to Replace Pre-invested Raised Projects and Self-raised Funds That Have Paid Issuance Fees*. The Company's independent directors issued their clear agreement on this proposal. ShineWing Certified Public Accountants LLP audited the pre-investment situation of the Company's fundraising projects and issued the *Assurance Report on the Use of Raised Funds to Replace Pre-invested Raised Projects and Paid Issuance Fees by Kunming Chuan Jin Nuo Chemical Co., Ltd.*, with report number: XYZH/2023KMAA2F0047. The sponsor institutions, Century Securities Co., Ltd., issued the *Review Opinions of Century Securities Co., Ltd. on the Use of Raised Funds to Replace Pre-invested Raised Projects and Self-raised Funds That Have Paid Issuance Fees by Kunming Chuan Jin Nuo Chemical Co., Ltd.*, and provided a verification opinion with no objections to this matter. On August 24, 2023, the Company replaced funds in the amount of RMB44,914,522.58 originally invested in the fundraising project with self-raised funds.

(3) Fees, exchange gain or loss, interest income, and cash management income

On July 31, 2023, the 32nd Meeting of the 4th Board of Directors and the 21st Meeting of the 4th Board of Supervisors reviewed and approved the *Proposal on Using Part of the Temporarily Idle Raised Funds for Cash Management*. It was agreed that the total amount used for cash management would not exceed RMB400 million, and this would be done without affecting the construction of fundraising projects and the normal use of raised funds. The approved amount would be used on a rolling basis within a 12-month period from the date of the Board's approval. After the expiration, on June 20, 2024, the 7th Meeting of the 5th Board of Directors and the 6th Meeting of the 5th Board of Supervisors were held, during which the *Proposal on Using Part of the Temporarily Idle Raised Funds for Cash Management* was reviewed and approved again. It was agreed that the total amount used for cash management would not exceed RMB400 million, and this amount would be used on a rolling basis within a 12-month period from the date of the Board's approval. As of December 31, 2025, a total fees expenditure of RMB2,160.90 occurred, an exchange gain or loss of RMB81,760.00 was obtained, and interest income and cash management income totaled RMB15,735,790.64.

(4) Change in use of raised funds

On June 24, 2025, the Company held the fifteenth meeting of the fifth Board of Directors and the twelfth meeting of the fifth Board of Supervisors and approved the *Proposal on Changing the Use of Raised Funds*, and the Company was agreed to reallocate all unutilized fundraising funds from the "50,000 tons/year battery-grade iron phosphate - precursor material of lithium iron phosphate cathode material and supporting 600,000 tons/year sulfuric acid production project" and the "100,000 tons/year battery-grade lithium iron phosphate cathode material project (Phase I) of Guangxi Chuan Jin Nuo New Energy Co., Ltd." to the "Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project". This involves investment in the projects in Egypt with an annual production of 800,000 tons of sulfuric acid, 300,000 tons of wet phosphoric acid for industrial use, 150,000 tons of 52% phosphoric acid, 300,000 tons of monoammonium phosphate, and 20,000 tons of sodium fluorosilicate. Additionally, the investment entity, implementation method, and location will also be changed. On July 11, 2025, the Company held the second extraordinary Board of Shareholders in 2025 and approved it.

2. Status of raised funds committed projects

☑Applicable ☐ Not applicable

Unit: RMB10,000

Financing project name	Securities listing date	Committed funded project and excess proceeds allocation	Project nature	Has the project been changed (including partial changes)	Committed investment	Adjusted investment (1)	Amount invested during the Reporting Period	Cumulative investment by the end of the Reporting Period (2)	Investment progress by the end of the Reporting Period (3) = (2)/(1)	Date when the project reaches the expected operational state	Returns achieved in the Reporting Period	Cumulative returns by the end of the Reporting Period	Whether the expected benefits are obtained	Is there any significant change in project feasibility
Committed investment projects														
Private Placement of Shares in 2022	July 28, 2023	50,000 tons/year battery-grade iron phosphate - precursor material of lithium iron phosphate cathode material and supporting 600,000 tons/year sulfuric acid production project	Production and construction	Yes	45,000	5,500	0	4,491.45	81.66%	July 12, 2025	Not applicable	Not applicable	Not applicable	No
Private Placement of Shares in 2022	July 28, 2023	100,000 tons/year battery-grade lithium iron phosphate cathode material project (Phase I) of Guangxi Chuan Jin	Production and construction	Yes	72,000	43,506	0	0	0.00%	July 12, 2025	Not applicable	Not applicable	Not applicable	No

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		Nuo New Energy Co., Ltd.												
Private Placement of Shares in 2022	July 28, 2023	Supplement working capital	Supplementing working capital	No	33,000	20,500	0	20,500	100.00%	August 1, 2023	Not applicable	Not applicable	Not applicable	No
Subtotal of committed investment projects				--	150,000	69,506	0	24,991.45	--	--			--	--
Use of excess proceeds														
No oversubscribed funds.														
Repayment of bank loans (if any)				--	0	0	0	0	0.00%	--	--	--	--	--
Supplement working capital (if any)				--	0	0	0	0	0.00%	--	--	--	--	--
Subtotal of investment of excessive raised funds				--	0	0	0	0	--	--	0	0	--	--
Total				--	150,000	69,506	0	24,991.45	--	--	0	0	--	--
Explanation by project for delays in progress and failure to achieve expected returns (including reasons for selecting “Not applicable” under “Whether the expected benefits are obtained”)	Due to the changes in the competitive landscape and market conditions of the new energy market, the Company has proactively controlled the progress of industrial construction after careful judgment													
Explanation of significant changes in project feasibility	Not applicable													
Amount, use, and progress of excess proceeds	Not applicable													
There were instances of unauthorized changes to the use of raised funds or violations involving the misuse of funds raised.	Not applicable													
Change of the locations of projects funded by the raised funds	Applicable													
	Occurred during the Reporting Period													
	On June 24, 2025, the Company held the fifteenth meeting of the fifth Board of Directors and the twelfth meeting of the fifth Board of Supervisors and approved the <i>Proposal on Changing the Use of Raised Funds</i> , and the Company was agreed to reallocate all unutilized fundraising funds from the “50,000 tons/year battery-grade iron phosphate - precursor material of lithium iron phosphate cathode material and supporting 600,000 tons/year sulfuric acid production project” and the “100,000 tons/year battery-grade lithium iron phosphate cathode material project (Phase I) of Guangxi Chuan Jin Nuo New Energy Co., Ltd.” to the “Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project”. This involves investment in the projects in Egypt with an annual production of 800,000 tons of sulfuric acid, 300,000 tons of wet phosphoric acid for industrial use, 150,000 tons of 52% phosphoric acid, 300,000 tons of monoammonium phosphate, and 20,000 tons of sodium fluorosilicate. Additionally, the investment entity,													

	implementation method, and location will also be changed. On July 11, 2025, the Company held the second extraordinary Board of Shareholders in 2025 and approved it.
Adjustments to the way of implementation of raised funds investment projects	Applicable
	<p>Occurred during the Reporting Period</p> <p>On June 24, 2025, the Company held the fifteenth meeting of the fifth Board of Directors and the twelfth meeting of the fifth Board of Supervisors and approved the <i>Proposal on Changing the Use of Raised Funds</i>, and the Company was agreed to reallocate all unutilized fundraising funds from the “50,000 tons/year battery-grade iron phosphate - precursor material of lithium iron phosphate cathode material and supporting 600,000 tons/year sulfuric acid production project” and the “100,000 tons/year battery-grade lithium iron phosphate cathode material project (Phase I) of Guangxi Chuan Jin Nuo New Energy Co., Ltd.” to the “Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project”. This involves investment in the projects in Egypt with an annual production of 800,000 tons of sulfuric acid, 300,000 tons of wet phosphoric acid for industrial use, 150,000 tons of 52% phosphoric acid, 300,000 tons of monoammonium phosphate, and 20,000 tons of sodium fluorosilicate. Additionally, the investment entity, implementation method, and location will also be changed. On July 11, 2025, the Company held the second extraordinary Board of Shareholders in 2025 and approved it.</p>
Advance investments in promised projects funded with raised funds and subsequent swaps	Applicable
	<p>50,000 tonnes/year Battery-grade Lithium Iron Phosphate Precursor Material (Iron Phosphate) and Supporting 600,000 tonnes/year Sulfuric Acid Production Project: At the 32nd Meeting of the 4th Board of Directors and the 21st Meeting of the 4th Board of Supervisors, the <i>Proposal on the Use of Raised Funds to Replace Pre-invested Raised Projects and Self-raised Funds That Have Paid Issuance Fees</i> was reviewed and approved. The Company’s independent directors issued their clear agreement on this proposal. ShineWing Certified Public Accountants LLP audited the pre-investment situation of the Company’s fundraising projects and issued the <i>Assurance Report on the Use of Raised Funds to Replace Pre-invested Raised Projects and Paid Issuance Fees by Kunming Chuan Jin Nuo Chemical Co., Ltd.</i>, with report number: XYZH/2023KMAA2F0047. The sponsor institutions, Century Securities Co., Ltd., issued the <i>Review Opinions of Century Securities Co., Ltd. on the Use of Raised Funds to Replace Pre-invested Raised Projects and Self-raised Funds That Have Paid Issuance Fees by Kunming Chuan Jin Nuo Chemical Co., Ltd.</i>, and confirmed no objections to the matter. On August 24, 2023, the Company completed the replacement of RMB44,914,500 of pre-invested funds for fundraising projects with self-raised funds.</p>
Use of idle raised funds for temporarily supplementing the working capital	Not applicable
The amount of, and the reasons for, the positive closing balance of the raised funds after project implementation	Applicable
	The project is still under construction
Use and destination of unused raised funds	The unused raised funds amount to RMB460,960,800, of which RMB409,650,600 is deposited in the Company’s raised funds supervision account, and RMB51,310,200 is temporarily deposited in the general deposit account of Chuan Jin Nuo ME International Holding Ltd. due to overseas remittance timing issues (to be credited to the raised funds supervision account of Suez Canal Bank opened by Egypt Chuan Jin Nuo Chemical Co., Ltd. on January 6, 2026).
Problems such as in the use of the raised funds and the disclosure of the use	Not applicable

3. Change of projects funded by raised funds

Applicable Not applicable

Unit: RMB10,000

Financing project	Fundraising method	Project upon change	Corresponding originally committed	Total proposed	Actual investment	Actual cumulative	Investment progress by	Date when the project	Returns achieved in	Whether the	Is there any significant
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name			project(s)	investment of raised funds upon change (1)	in the Reporting Period	investment by the end of the Reporting Period (2)	the end of the Reporting Period (3) = (2)/(1)	reaches the expected operational state	the Reporting Period	expected benefits are obtained	change in project feasibility upon change
2022 Issuance of shares to specific targets	Issuance of shares to specific objects	Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project	50,000 tons/year battery-grade iron phosphate - precursor material of lithium iron phosphate cathode material and supporting 600,000 tons/year sulfuric acid production project 100,000 tons/year battery-grade lithium iron phosphate cathode material project (Phase I) of Guangxi Chuan Jin Nuo New Energy Co., Ltd.	44,514.55	0	0	0.00%	July 12, 2028	0	N/A	No
Total	--	--	--	44,514.55	0	0	--	--	0	--	--
Explanation of change reasons, decision-making procedures, and disclosure (by project)	<p>Reason for change: The Company's original fundraising project products were battery-grade lithium iron phosphate cathode materials, mainly used in fields such as new energy vehicles. Later, due to changes in the competitive landscape and market conditions of the new energy market, the Company has proactively controlled the progress of project construction after careful judgment. Moreover, lithium iron phosphate is a newly deployed industry for the Company, lacking a competitive advantage compared to the Company's traditional phosphate chemical products. Therefore, to improve the efficiency of using raised funds, the Company intends to reallocate the funds to the Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project, for the construction of projects in Egypt with an annual production of 800,000 tons of sulfuric acid, 300,000 tons of wet phosphoric acid for industrial use, 150,000 tons of 52% phosphoric acid, 300,000 tons of monoammonium phosphate, and 20,000 tons of sodium fluorosilicate. The original fundraising project will be constructed by the Company using its own funds based on market conditions and operating status.</p> <p>Decision-making procedure and information disclosure: The Company convened the fifteenth board meeting of the fifth board and the twelfth meeting of the fifth Board of Supervisors on June 24, 2025, and convened the second interim shareholders meeting of 2025 on July 11, 2025, to review and approve the <i>Proposal on Changing the Use of Raised Funds</i>. For details, please refer to the <i>Announcement on Changing the Use of Raised Funds</i> (Announcement No.: 2025-038) published by the Company on the ChiNext information disclosure platform CNINFO designated by the China Securities Regulatory Commission.</p>										
Failure to achieve planned progress or expected returns and cause(s) (by project)	Not applicable										
Explanation of any significant changes in project feasibility upon change	Not applicable										

4. Verification opinions of intermediary institutions on the deposit and use of raised funds

Applicable Not applicable

1. ShineWing Certified Public Accountants LLP: We believe that the annual report on the placement, management, and use of the raised funds by the Company has been prepared in accordance with the relevant regulations of the Shenzhen Stock Exchange and accurately reflects the actual placement, management, and use of CJN's raised funds for 2025 in all material aspects.

2. Century Securities Co., Ltd.: CJN's 2025 annual fund raising and utilization are in compliance, and relevant information disclosure obligations have been fulfilled. The specific use of the raised funds is consistent with the Company's disclosures.

XVII. Explanation of other Significant Matters

Applicable Not applicable

1. On February 18, 2025, the Company held the twelfth meeting of the fifth Board of Directors, where it reviewed and approved the *Proposal to Sign a "Project Investment Agreement" with the People's Government of Dongchuan District, Kunming City by the Company*. On the same day, it signed a *Project Investment Agreement* (hereinafter referred to as "the Agreement") with the People's Government of Dongchuan District (hereinafter referred to as "Dongchuan District Government" or "Party A"). The Agreement stipulates that the Company will construct the Heliwan Industrial Waste Disposal Project (hereinafter referred to as "the project" or "Heliwan Slag Field") in the Sifangdi Area of Dongchuan District, Kunming City, with a total investment of about RMB350 million. The main construction contents of the project include: Pollutant-blocking dams, slag-blocking dams, liquid collection pools, reservoir area anti-seepage, flood discharge outside the reservoir, flood discharge inside the reservoir, environmental protection, power supply, water return and re-spray systems, duty room, ground scale room, greening, and other facilities. For details, please refer to the Company's disclosure of the *Announcement on Signing the Project Investment Agreement with the People's Government of Dongchuan District, Kunming City* (Announcement No.: 2025-005).

2. On April 17, 2025, and May 8, 2025, the Company held the fourteenth meeting of the fifth Board of Directors and the first provisional shareholders' meeting of 2025, where it reviewed and approved the *Proposal on Investing in Constructing the Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project*, agreeing to construct projects in Egypt with an annual production of 800,000 tons of sulfuric acid, 300,000 tons of wet phosphoric acid for industrial use, 150,000 tons of 52% phosphoric acid, 300,000 tons of monoammonium phosphate, and 20,000 tons of sodium fluorosilicate (hereinafter referred to as the "Phosphorus Chemical Project"). For details, please refer to the *Announcement on Investing in the Construction of the Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project* (Announcement No.: 2025-024) published by the Company on the ChiNext Information Disclosure Platform CNINFO of China Securities Regulatory Commission on April 18, 2025. On June 24, 2025, the Company held the fifteenth meeting of the fifth Board of Directors and the twelfth meeting of the fifth Board of Supervisors, where it reviewed and approved the *Proposal on Changing the Use of Raised Funds*. In order to fully utilize the raised funds effectively, and after comprehensively considering the current implementation of the fundraising projects and the market environment, the Company agreed to change the fundraising project from the "50,000 tons/year battery-grade iron phosphate - precursor material of lithium iron phosphate cathode material and supporting 600,000 tons/year sulfuric acid production project, 100,000 tons/year battery-grade lithium iron phosphate cathode material project (Phase I) of Guangxi Chuan Jin Nuo New Energy Co., Ltd." to the "Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project". For details, please refer to the *Announcement on Changing the Use of Raised Funds*

(Announcement No.: 2025-038) published by the Company on the ChiNext Information Disclosure Platform - CNINFO of China Securities Regulatory Commission on June 25, 2025. This matter was reviewed and approved by the second provisional Board of Shareholders of 2025 held on July 11, 2025.

3. To promote the implementation of the Chuan Jin Nuo (Egypt) Suez Phosphorus Chemical Project, the Company will establish a wholly-owned subsidiary, Chuan Jin Nuo International Co., Ltd., in Hong Kong. Along with Shunlong Energy (Hong Kong) Co., Ltd., a wholly-owned subsidiary of Kunming Shunlong Energy Co., Ltd. established in Hong Kong, and Shunlong Energy International Co., Ltd., a wholly-owned subsidiary of Sino Choice International Limited established in Hong Kong, and the overseas enterprise Midgulf International Ltd., jointly established Chuan Jin Nuo Middle East International Holdings Limited in the UAE (where Chuan Jin Nuo International Co., Ltd. holds 60%, Shun Long Energy (Hong Kong) Co., Limited holds 15%, Shunlong Energy International Limited holds 15%, Midgulf International Ltd. holds 10%). Subsequently, Chuan Jin Nuo International Co., Ltd. and Chuan Jin Nuo Middle East International Holding Co., Ltd. jointly established Egypt Chuan Jin Nuo Chemical Co., Ltd. in Suez Governorate, Egypt (where Chuan Jin Nuo International Co., Ltd. holds 0.1%, Chuan Jin Nuo Middle East International Holdings Limited holds 99.9%) to manage project implementation. Through the above equity arrangement, the Company ultimately holds 60.04% of the project company; simultaneously, to ensure the procurement work of the Egypt project, the Company established Yunnan Xinshenghai International Trade Co., Ltd., in Kunming.

XVIII. Significant matters of the Company's subsidiaries

Applicable Not applicable

Section VI Share Changes and Shareholder Information

I. Share changes

1. Share changes

Unit: share

	Before change		Change (increase, decrease)					After change	
	Quantity	Proportion	New shares issued	Shares as dividend converted from profit	Capitalization of reserves	Others	Subtotal	Quantity	Proportion
I. Shares with limited circulation	57,506,301	20.92%	0	0	0	0	0	57,506,301	20.92%
1. State-held shares									
2. Shares held by state-owned legal person									
3. Shares held by other domestic investors	57,506,301	20.92%	0	0	0	0	0	57,506,301	20.92%
Among which: Shares held by domestic legal person									
Shares held by domestic natural person	57,506,301	20.92%	0	0	0	0	0	57,506,301	20.92%
4. Shares held by other foreign investors									
Among which: Shares held by foreign legal person									
Shares held by foreign natural person									
II. Unrestricted shares	217,361,222	79.08%	0	0	0	0	0	217,361,222	79.08%
1. RMB ordinary shares	217,361,222	79.08%	0	0	0	0	0	217,361,222	79.08%
2. Domestically listed foreign-invested shares									
3. Overseas listed foreign-invested shares									
4. Other									
III. Total shares	274,867,523	100.00%	0	0	0	0	0	274,867,523	100.00%

Reasons for share changes

 Applicable Not applicable

Approval of share changes

Applicable Not applicable

Transfer of share ownership

Applicable Not applicable

Effects of share changes on the basic earnings per share (EPS) and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively

Applicable Not applicable

Other disclosable contents that the Company deemed necessary or were required by securities regulation institute

Applicable Not applicable

2. Changes in restricted shares Applicable Not applicable

Unit: share

Name of the shareholders	Opening restricted shares	New restricted shares in the current period	Restricted shares released in the current period	Closing restricted shares	Restricted reasons	Date of being released from restriction
Liu Meng	54,273,376	0	0	54,273,376	Senior management lock-up shares	The restricted shares at the end of the period are senior management lock-up shares, with 25% unlocked annually as required
Wei Jiagui	3,184,568	0	0	3,184,568	Senior management lock-up shares	The restricted shares at the end of the period are senior management lock-up shares, with 25% unlocked annually as required
Hong Hua	48,357	0	0	48,357	Senior management lock-up shares	The restricted shares at the end of the period are senior management lock-up shares, with 25% unlocked annually as required
Total	57,506,301	0	0	57,506,301	--	--

II. Securities issuance and listing information**1. Securities issuance (excluding preferred shares) during the Reporting Period** Applicable Not applicable**2. Changes in the total number of shares and shareholder structure as well as changes in the Company's asset and liability structure** Applicable Not applicable**3. Existing internal employee shares** Applicable Not applicable

III. Shareholders and de facto controller

1. Number of shareholders and shareholding status

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	32,498	Total number of ordinary shareholders at the end of the previous month prior to the disclosure date of the annual report	56,287	Total number of preferred shareholders with restored voting rights at the end of the Reporting Period (if any) (refer to Note 9)	0	Total number of preferred shareholders with restored voting rights at the end of the previous month prior to the disclosure date of the annual report (if any) (refer to Note 9)	0	Total number of shareholders holding special voting rights (if any)	0
Shareholding of Shareholders Holding More Than 5% or the Top Ten Shareholders (Excluding Shares Lent via Stock Borrowing and Lending)									
Name of the shareholders	Shareholder type	Shareholding percentage (%)	Number of shares held at the end of the Reporting Period	Changes in shareholding during the Reporting Period	Shares with Limited Circulation Held	Shares with no circulation restrictions held	Pledged, marked, or frozen status		
							Share status	Quantity	
Liu Meng	Domestic individual	26.33%	72,364,501.00	0.00	54,273,376.00	18,091,125.00	N/A	0	
Liu Mingyi	Domestic individual	1.40%	3,850,596.00	-227,776.00	0.00	3,850,596.00	N/A	0	
Kunming Shunlong Energy Co., Ltd.	Domestic non-state-owned legal person	1.28%	3,528,581.00	0.00	0.00	3,528,581.00	N/A	0	
Wei Jiagui	Domestic natural person	1.18%	3,246,091.00	-1,000,000.00	3,184,568.00	61,523.00	N/A	0	
Qin Yong	Domestic individual	0.70%	1,924,800.00	1,924,800.00	0.00	1,924,800.00	N/A	0	
Tang Jiapu	Domestic individual	0.67%	1,849,386.00	-956,600.00	0.00	1,849,386.00	N/A	0	
Lyu Liangfeng	Domestic individual	0.65%	1,782,319.00	-20,700.00	0.00	1,782,319.00	N/A	0	
Hong Kong Securities Clearing Company Limited	Overseas legal entity	0.51%	1,389,106.00	1,348,483.00	0.00	1,389,106.00	N/A	0	
BARCLAYS BANK PLC	Foreign legal entity	0.47%	1,290,966.00	800,001.00	0.00	1,290,966.00	N/A	0	
Jiangsu Xiayi Flowers and Trees Market Management Co., Ltd.	Domestic non-state-owned legal	0.46%	1,270,000.00	290,000.00	0.00	1,270,000.00	N/A	0	

	person						
A strategic investor or ordinary legal person becomes the top 10 shareholders due to rights issue (if any) (see Note 4)	Not applicable						
Explanations on the connected relationship or concerted action among the shareholders mentioned above	Not applicable						
Description of the above shareholders involved in proxy/trustee voting rights and waiver of voting rights	Not applicable						
Special explanation on whether the top 10 shareholders have special accounts of repurchase (if any) (see Note 10)	Not applicable						
Shareholdings of Top Ten Unlimited Shareholders (Excluding Shares Lent through Refinancing and Senior Management Lock-up Shares)							
Name of the shareholders	Number of shares with no circulation restrictions at the end of the Reporting Period	Share type					
		Share type	Quantity				
Liu Meng	18,091,125.00	RMB ordinary shares	18,091,125.00				
Liu Mingyi	3,850,596.00	RMB ordinary shares	3,850,596.00				
Kunming Shunlong Energy Co., Ltd.	3,528,581.00	RMB ordinary shares	3,528,581.00				
Qin Yong	1,924,800.00	RMB ordinary shares	1,924,800.00				
Tang Jiapu	1,849,386.00	RMB ordinary shares	1,849,386.00				
Lyu Liangfeng	1,782,319.00	RMB ordinary shares	1,782,319.00				
Hong Kong Securities Clearing Company Limited	1,389,106.00	RMB ordinary shares	1,389,106.00				
BARCLAYS BANK PLC	1,290,966.00	RMB ordinary shares	1,290,966.00				
Jiangsu Xiaxi Flowers and Trees Market Management Co., Ltd.	1,270,000.00	RMB ordinary shares	1,270,000.00				
Chen Chaohai	1,069,850.00	RMB ordinary shares	1,069,850.00				
Explanation on the affiliation or concerted action among the top 10 shareholders of floating stocks not subject to selling restrictions, and among these shareholders and the top 10 shareholders	Not applicable						
Participation in margin trading and securities lending (if any) (see Note 5)	Qin Yong holds 1,200,000 shares of the Company through customer credit transaction guaranteed securities account at Zheshang Securities Co., Ltd.; Lyu Liangfeng holds 788,079 shares of the Company through customer credit transaction guaranteed securities account at China CICC Wealth Management Securities Company Limited; Chen Chaohai holds 569,700 shares of the Company through customer credit transaction guaranteed securities account at Yintai Securities Co., Ltd.						

Participation of shareholders with a shareholding bigger than 5%, the top 10 shareholders, and the top 10 shareholders of non-restricted tradable shares in the lending of shares through refinancing

Applicable Not applicable

Changes occurred in the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares compared with the previous period due

to shares loan through refinancing/return

Applicable Not applicable

The Company has voting right differentiation arrangements or not

Applicable Not applicable

The Company's top 10 ordinary shareholders and top 10 shareholders with no circulation restrictions engaged in repurchase transactions during the Reporting Period or not

Yes No

The Company's top 10 ordinary shareholders and top 10 shareholders with no circulation restrictions did not engage in repurchase transactions during the Reporting Period

2. Situation of the Company's controlling shareholder

Controlling shareholder nature: Individual shareholder

Controlling shareholder type: Individual

Controlling shareholder name	Nationality	Has he/she obtained the right of residence in other countries or regions
Liu Meng	China	No
Main occupation and position	Chairman	
Equity interests in other domestic and foreign listed companies held by the controlling shareholder during the Reporting Period	None	

Changes in the controlling shareholder during the Reporting Period

Applicable Not applicable

There were no changes in the controlling shareholder during the Reporting Period

3. The Company's de facto controller and the persons acting in concert

De facto controller type: Domestic individual

De facto controller type: Individual

Name of the de facto controller	Relationship with de facto controller	Nationality	Has he/she obtained the right of residence in other countries or regions
Liu Meng	Same person	China	No
Main occupations and positions	The Chairman of the Board		
Domestic and overseas listed companies in which he/she had a controlling interest during the past 10 years	None		

Changes in the de facto controller during the Reporting Period

Applicable Not applicable

The de facto controller did not change during the Reporting Period.

Property rights and control relationship diagram between the Company and the de facto controller



刘莹	Liu Meng
昆明川金诺化工股份有限公司	Kunming Chuan Jin Nuo Chemical Co., Ltd.

The de facto controller controls the Company through trusts or other asset management methods

Applicable Not applicable

4. The controlling shareholder or the largest shareholder and their persons acting in concert have pledged shares amounting to 80% of their holdings in the Company

Applicable Not applicable

5. Other corporate shareholders holding more than 10%

Applicable Not applicable

6. Shareholding restrictions and reduction of shares by controlling shareholders, de facto controllers, restructuring parties, and other subject of commitment

Applicable Not applicable

IV. Specific implementation of share repurchase during the Reporting Period

Progress on the implementation of the share repurchase

Applicable Not applicable

Progress of implementation on reducing the holding of repurchased shares through call auction

Applicable Not applicable

V. Preferred shares information

Applicable Not applicable

There were no preferred shares during the Reporting Period.

Section VII Bond Information

Applicable Not applicable

Section VIII Financial Statements

I. Auditor's report

Type of the audit opinion	Standard unreserved opinion
Signing date of the Auditor's Report	March 18, 2026
The name of the audit institutions	ShineWing Certified Public Accountants LLP
Document No. of the Auditor's Report	XYZH/2026KMAA2B0011
Name of the Certified Accountant	Peng Rang, and Li Qiuxia

Main body of the Auditor's Report

i. Audit opinion

We have audited the financial statements of Kunming Chuan Jin Nuo Chemical Co., Ltd. (hereinafter referred to as "CJN"), including the consolidated and parent company balance sheets as of December 31, 2025, the consolidated and parent company income statements, the consolidated and parent company cash flow statements, the consolidated and parent company statements of changes in shareholders' equity for the year 2025, and the accompanying notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material respects and fairly present the consolidated and parent company financial position of CJN as of December 31, 2025, as well as the consolidated and parent company operating results and cash flows for the year 2025.

ii. Basis for forming the audit opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the "Responsibilities of the Certified Accountants for the Audit of the Financial Statements" section of our report. According to the independence standards for Certified Public Accountant (CPA) of China and the code of ethics for Chinese CPAs applicable to financial statement audits of public interest entities, we are independent from CJN and have fulfilled other responsibilities relating to independence and professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

iii. Key audit matters

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

1. Revenue Recognition	
Key audit issues	Response in audit
In 2025, CJN's operating revenue was RMB4,074,660,400, an increase of 27.04% compared to the 2024 operating revenue. CJN recognizes income upon fulfilling its contractual performance obligations, that is, when the customer obtains control of the relevant goods or services. As income is one of CJN's key performance indicators, there is an inherent risk that the management may manipulate the timing of income	<p>Response in audit:</p> <ol style="list-style-type: none"> 1. Understand and test the key internal controls of the sales and collection cycle, and assess the effectiveness of the internal controls; 2. Select samples to examine sales contracts, identify contract terms and conditions related to the transfer of control over goods and performance obligations, and evaluate whether the Company's income recognition principles, methods, and timing comply with the requirements of the Accounting Standards for Business Enterprises; 3. Conduct cross-referencing and analysis with contract liabilities, accounts receivable, and performance costs, examine the subsequent collection of accounts receivable, and assess the accuracy of the Company's income recognition; 4. Select samples from income transactions recorded in the current year, verify invoices,

recognition to achieve specific targets or expectations. Therefore, we have identified income recognition as a key audit matter.	sales contracts, and delivery orders, and assess whether the related income recognition complies with the Company's income recognition accounting policy; 5. Select samples from the customers recorded this year, and send confirmation letters regarding their transaction amounts and outstanding balances, to assess the accuracy of income recognition; 6. For income transactions recorded before and after the balance sheet date, select samples and verify the delivery notes, shipping documents, customer confirmation information, and other supporting documents to assess whether the income has been recorded in the appropriate accounting period.
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iv. Other information

The management of CJN(hereinafter referred to as “the management”) is responsible for the other information. Other information includes the information covered in CJN’s 2025 Annual Report, excluding the financial statements and our audit report.

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

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

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

v. Responsibilities of the management and the governance members for financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises, and for designing, implementing and maintaining such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, the management is responsible for assessing CJN’s ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumption unless management intends to liquidate CJN, cease operations, or has no realistic alternative but to do so.

The governance members is responsible for overseeing the financial statement process of CJN.

vi. Responsibilities of the certified accountants for the audit of the financial statements

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

As part of an audit in accordance with the Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Meanwhile, we also accomplish the following tasks:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for audit opinions. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of failing to identify a material misstatement by virtue of fraud is higher than that by virtue of error.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's application of the going concern assumption. At the same time, based on the audit evidence obtained, a conclusion is reached on whether there is any material uncertainty regarding events or conditions that may cast significant doubt on CJN's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or; and if such disclosures are inadequate, we shall express non-unqualified opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may result in CJN being unable to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of CJN's entities or business activities to express an audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We have also provided those charged with the governance members with a statement on observing the professional ethics related to independence, and communicated with those charged with governance on all the relationships and other matters that might be reasonably deemed to affect our independence, and relevant preventative measures (if applicable).

From the matters communicated with those charged with the governance members, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ShineWing Certified Public Accountants LLP

Chinese Certified Accountant: Peng Rang (project partner)

Chinese Certified Accountant: Li Qiuxia

Beijing, China

March 18, 2026

II. Financial statements

Currency unit for the financial statements and the notes thereto: RMB

1. Consolidated balance sheet

Prepared by: Kunming Chuan Jin Nuo Chemical Co., Ltd.

December 31, 2025

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	880,337,677.42	736,429,466.16
Settlement reserve		
Placements with banks and non-bank financial institutions		
Financial assets held for trading		
Derivative financial assets	4,329,785.08	
Notes receivable	129,417,984.60	115,148,915.93
Accounts receivable	120,242,318.52	143,689,250.29
Receivables financing	90,300,965.46	73,237,761.38
Prepayments	75,475,199.37	26,733,757.41
Premiums receivable		
Reinsurance receivable		
Receivable reinsurance contract reserve		
Other receivables	27,872,559.68	20,591,018.12
Including: Interest receivable		
Dividend receivable		
Financial assets held under resale agreements		
Inventories	856,727,721.33	678,193,678.14
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	26,520,137.53	18,895,065.82
Total current assets	2,211,224,348.99	1,812,918,913.25
Non-current liabilities:		
Loans and advances to customers		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments		
Investments in other equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	1,352,145,779.54	1,389,503,456.07
Construction in progress	205,874,302.13	186,814,695.26
Productive biological assets		
Oil and gas assets		
Right-of-use assets	12,272,022.73	533,401.28
Intangible assets	186,983,638.21	166,581,024.22
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		

Item	Closing balance	Opening balance
Long-term amortized expenses		
Deferred tax assets	3,024,537.81	844,627.31
Other non-current assets	371,551,471.07	51,957,207.09
Total non-current assets	2,131,851,751.49	1,796,234,411.23
Total assets	4,343,076,100.48	3,609,153,324.48
Current liabilities:		
Short-term loans	537,457,449.83	340,736,998.42
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		1,050,954.68
Notes payable	5,000,000.00	
Accounts payable	220,186,306.77	196,746,861.33
Receipts in advance	74,505.00	96,443.78
Contract liabilities	37,031,414.06	32,084,741.04
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payable for acting trading of securities		
Payable for underwriting of securities		
Accrued staff costs	34,792,494.09	29,653,787.54
Taxes payable	40,407,479.93	12,872,270.63
Other payables	8,115,034.25	6,419,936.17
Including: Interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance payable		
Liabilities held for sale		
Current portion of non-current liabilities	217,726,380.04	227,740,157.71
Other current liabilities	73,070,554.59	57,824,676.16
Total current liabilities	1,173,861,618.56	905,226,827.46
Non-current liabilities		
Insurance contract reserve		
Long-term loans	78,062,610.42	102,118,708.32
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,825,860.91	501,785.73
Long-term payables	75,519,278.16	
Long-term employee benefits payable		
Projected liabilities		
Deferred income		
Deferred tax liabilities	11,586,287.41	6,741,334.46
Other non-current liabilities		
Total non-current liabilities	167,994,036.90	109,361,828.51
Total liabilities	1,341,855,655.46	1,014,588,655.97
Owners' equity:		
Share capital	274,867,523.00	274,867,523.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,282,067,110.26	1,282,067,110.26
Less: Treasury stock		
Other comprehensive income	3,641,855.73	-1,029,646.03

Item	Closing balance	Opening balance
Special reserves	1,975,492.11	496,474.63
Surplus reserves	119,791,586.05	92,691,401.81
General risk reserves		
Retained earnings	1,235,962,617.80	891,709,910.57
Total owner's equity attributable to the parent company	2,918,306,184.95	2,540,802,774.24
Equity of non-controlling interests	82,914,260.07	53,761,894.27
Total owner's equity	3,001,220,445.02	2,594,564,668.51
Total liabilities and owner's equity	4,343,076,100.48	3,609,153,324.48

Legal representative: Liu Meng; The person responsible for accounting: Huang Hai; Head of the accounting agencies: Wang Shiya

2. Parent company balance sheet

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	573,456,700.40	317,468,843.52
Financial assets held for trading		
Derivative financial assets	1,528,041.88	
Notes receivable		2,139,209.92
Accounts receivable	82,347,820.11	61,483,678.52
Receivables financing	74,838,256.11	54,882,656.47
Prepayments	31,356,205.36	10,797,940.41
Other receivables	442,375,504.39	851,145,331.71
Including: Interest receivable		
Dividend receivable		
Inventories	260,606,374.09	211,744,936.82
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	4,524,736.62	1,792,441.44
Total current assets	1,471,033,638.96	1,511,455,038.81
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	687,483,448.00	559,610,000.00
Other equity instruments investment		
Other non-current financial assets		
Investment properties		
Fixed assets	376,068,374.04	427,432,450.42
Construction in progress	85,621,034.13	20,146,563.04
Productive biological assets		
Oil and gas assets		
Right-of-use assets	499,712.72	533,401.28
Intangible assets	74,546,833.83	51,412,991.91
Including: Data resources		
Development expenses		
Including: Data resources		
Goodwill		
Long-term amortized expenses		
Deferred tax assets	651,098.19	603,021.17
Other non-current assets	138,323,745.77	18,163,636.89

Item	Closing balance	Opening balance
Total non-current assets	1,363,194,246.68	1,077,902,064.71
Total assets	2,834,227,885.64	2,589,357,103.52
Current liabilities:		
Short-term loans	59,556,359.72	6,944,480.75
Held-for-trading financial liabilities		
Derivative financial liabilities		715,907.68
Notes payable		
Accounts payable	92,403,831.31	78,010,915.78
Receipts in advance	74,505.00	96,443.78
Contract liabilities	13,552,263.89	14,482,886.43
Payroll payable	18,393,874.62	14,910,849.39
Taxes payable	10,946,771.74	8,881,954.12
Other payables	4,692,183.53	1,058,237.27
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Current portion of non-current liabilities	30,320,809.97	77,609,532.70
Other current liabilities	355,948.80	826,863.08
Total current liabilities	230,296,548.58	203,538,070.98
Non-current liabilities:		
Long-term loans	58,041,221.53	32,034,222.21
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	475,118.69	501,785.73
Long-term payables		
Long-term employee benefits payable		
Projected liabilities		
Deferred income		
Deferred tax liabilities	113,733.12	128,882.00
Other non-current liabilities		
Total non-current liabilities	58,630,073.34	32,664,889.94
Total liabilities	288,926,621.92	236,202,960.92
Owners' equity:		
Share capital	274,867,523.00	274,867,523.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	1,308,235,141.40	1,308,235,141.40
Less: Treasury stock		
Other comprehensive income	1,528,041.88	-715,907.68
Special reserves	1,925,923.67	564,337.58
Surplus reserves	119,791,586.05	92,691,401.81
Retained earnings	838,953,047.72	677,511,646.49
Total owner's equity	2,545,301,263.72	2,353,154,142.60
Total liabilities and owner's equity	2,834,227,885.64	2,589,357,103.52

3. Consolidated income statement

Unit: RMB

Item	2025	2024
I. Revenue	4,074,660,364.42	3,207,476,951.57
Including: Operating revenue	4,074,660,364.42	3,207,476,951.57
Interest income		
Insurance premium income		

Item	2025	2024
Fees and commission income		
II. Total operating cost	3,545,269,481.89	2,984,544,082.18
Including: Operating cost	3,341,222,576.13	2,779,975,186.64
Interest expense		
Transaction fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expense on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	19,871,890.97	9,316,574.67
Selling expenses	30,127,307.53	25,770,734.74
Management expenses	125,893,242.81	112,173,236.88
R&D expense	18,638,565.20	50,541,802.40
Financial expenses	9,515,899.25	6,766,546.85
Including: Interest expense	18,732,533.79	21,401,932.73
Interest income	9,354,932.83	11,358,421.03
Add: Other income	14,997,046.16	16,441,343.33
Return on investment (“-” for loss)	43,493.53	-374,818.94
Including: Share of profits of associates and joint ventures		
Income from the derecognition of financial assets at amortized cost		
Exchange gain (“-” for loss)		
Net gain on exposure hedges* (“-” for loss)		
Gain on fair value changes (“-” for loss)		
Credit impairment losses (“-” for loss)	-3,053,418.39	-15,924,022.64
Asset impairment loss (“-” for loss)	-2,062,941.05	-7,916,311.75
Return on disposal of assets (“-” for loss)	2,386.93	22.74
III. Operating profit (“-” for loss)	539,317,449.71	215,159,082.13
Plus: Non-operating income	4,366,125.71	2,500,302.94
Less: Non-operating expenses	2,943,306.00	864,853.75
IV. Total profit (“-” for total loss)	540,740,269.42	216,794,531.32
Less: Income tax expenses	64,890,833.30	31,401,111.45
V. Net profit (“-” for net loss)	475,849,436.12	185,393,419.87
i. Classification by operation continuity		
1. Net profits from continuing operations (“-” for net loss)	475,849,436.12	185,393,419.87
2. Net profits from discontinuing operations (“-” for net loss)		
ii. Classification by ownership		
1. Net profit attributable to equity holders of the parent company	453,813,148.37	176,055,944.37
2. Profit and loss of minority shareholders	22,036,287.75	9,337,475.50
VI. Other comprehensive after-tax net income	4,855,304.04	-1,216,759.27
Attributable to owners of the parent company	4,671,501.76	-1,195,450.62
i. Other comprehensive income that will not be reclassified to profit or loss		
1. Changes caused by re-measurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value arising from		

Item	2025	2024
changes in own credit risk		
5. Other		
ii. Other comprehensive income that will be reclassified to profit or loss	4,671,501.76	-1,195,450.62
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges	5,181,243.04	-1,195,450.62
6. Differences arising from the translation of foreign currency-denominated financial statements	-509,741.28	
7. Others		
Other comprehensive income attributable to minority shareholders after tax, net	183,802.28	-21,308.65
VII. Total comprehensive income	480,704,740.16	184,176,660.60
Attributable to owners of the parent company	458,484,650.13	174,860,493.75
Attributable to non-controlling interests	22,220,090.03	9,316,166.85
VIII. Earnings per share:		
i. Basic earnings per share	1.6510	0.6405
ii. Diluted earnings per share	1.6510	0.6405

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount in the previous period being RMB0.00.

Legal representative: Liu Meng; The person responsible for accounting: Huang Hai; Head of the accounting agencies: Wang Shiya

4. Income statement of the parent company

Unit: RMB

Item	2025	2024
I. Operating income	1,512,138,943.83	1,330,848,938.69
Less: Cost of sales	1,258,372,291.66	1,159,765,505.85
Taxes and surcharges	4,134,319.73	4,305,131.61
Selling expenses	10,097,959.37	10,611,239.64
Management expenses	69,743,114.83	59,943,926.45
R&D expense	10,248,527.23	14,831,871.12
Financial expenses	1,731,616.93	-37,514.24
Including: Interest expense	4,334,189.29	4,636,103.48
Interest income	2,726,264.48	2,205,713.25
Add: Other income	8,256,448.86	5,646,094.01
Return on investment (“-” for loss)	131,406,885.40	455,154.71
Including: Investment income from associates and joint ventures		
Income from derecognition of financial assets measured by amortized cost (“-” for loss)		
Net gain on exposure hedges* (“-” for loss)		
Gain on fair value changes (“-” for loss)		
Credit impairment losses (“-” for loss)	-228,102.06	357,384.30

Item	2025	2024
Asset impairment loss (“-” for loss)	-2,060,967.05	
Return on disposal of assets (“-” for loss)	-1,099.00	22.74
II. Operating profit (“-” for loss)	295,184,280.23	87,887,434.02
Plus: Non-operating income	1,867,675.32	588,944.62
Less: Non-operating expenses	1,113,508.11	454,185.08
III. Total profit (“-” for loss)	295,938,447.44	88,022,193.56
Less: Income tax expenses	24,936,605.07	14,298,703.42
IV. Net profit (“-” for Net Loss)	271,001,842.37	73,723,490.14
i. Net profit from continuing operations (“-” for net loss)	271,001,842.37	73,723,490.14
ii. Net profits from discontinuing operations (“-” for net loss)		
V. Other comprehensive income, net of tax	2,243,949.56	-881,712.27
i. Other comprehensive income that will not be reclassified to profit or loss		
1. Changes caused by re-measurements on defined benefit schemes		
2. Other comprehensive income that will not be reclassified to profit or loss under the equity method		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value arising from changes in own credit risk		
5. Other		
ii. Other comprehensive income that will be reclassified to profit or loss	2,243,949.56	-881,712.27
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges	2,243,949.56	-881,712.27
6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Others		
VI. Total comprehensive income	273,245,791.93	72,841,777.87
VII. Earnings per share:		
i. Basic earnings per share		
ii. Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	2025	2024
I. Cash Flows from operating activities:		
Proceeds from sale of commodities and rendering of services	4,042,826,314.24	3,116,931,606.24
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from banks and other financial institutions		

Item	2025	2024
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Cash received from interest, fee and commission		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Taxes and levies rebates		
Other cash received relating to operating activities	61,831,082.59	71,375,583.53
Subtotal of cash inflows from operating activities	4,104,657,396.83	3,188,307,189.77
Payments for commodities and services	3,324,547,600.91	2,710,896,061.07
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Payments made for interest, fee and commission		
Cash paid for policy dividend		
Cash paid to and for employees	241,982,950.88	221,625,415.96
Taxes paid	158,361,510.49	55,041,703.02
Other cash paid relating to operating activities	81,868,651.24	57,932,194.13
Subtotal of cash outflows from operating activities	3,806,760,713.52	3,045,495,374.18
Cash flows from operating activities	297,896,683.31	142,811,815.59
II. Cash flows from investing activities:		
Cash received from returns of investments		
Cash received from investment income	310,885.40	552,654.71
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	54,850.00	1,950.00
Net proceeds from the disposal of subsidiaries and other business units	1,000,000.00	
Cash generated from other investing activities	405,317,500.00	102,000,000.00
Subtotal of cash inflows from investing activities	406,683,235.40	102,554,604.71
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	220,393,378.50	71,125,668.69
Cash paid for investment		7,723,787.63
Net increase in pledge loans		
Net cash from acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities	47,829,780.63	412,000,000.00
Subtotal of cash outflows from investing activities	268,223,159.13	490,849,456.32
Net cash flows from investing activities	138,460,076.27	-388,294,851.61
III. Cash flows from financing activities:		

Item	2025	2024
Capital contributions received	15,828,300.00	
Including: Cash received by subsidiaries from capital contributions of minority shareholders	15,828,300.00	
Borrowings raised	681,000,000.00	528,000,000.00
Cash generated from other financing activities	92,634,340.71	25,334,381.27
Subtotal of cash inflows from financing activities	789,462,640.71	553,334,381.27
Cash paid for debt repayment	640,750,000.00	606,666,475.92
Cash paid for distribution of dividend, profit or payment of interest	109,721,832.51	51,632,865.21
Including: Dividends paid by subsidiaries to non-controlling interests	8,904,000.00	
Other cash paid relating to financing activities	6,107,847.34	50,000.00
Subtotal of cash outflows from financing activities	756,579,679.85	658,349,341.13
Net cash flows from financing activities	32,882,960.86	-105,014,959.86
IV. Effect of foreign exchange rates changes on cash and cash equivalents	5,540,291.99	4,594,982.11
V. Net increase in cash and cash equivalents	474,780,012.43	-345,903,013.77
Add: Opening balance of cash and cash equivalents	378,787,894.98	724,690,908.75
VI. Closing balance of cash and cash equivalents	853,567,907.41	378,787,894.98

6. Cash flow statement of the parent company

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,345,693,154.05	1,198,579,472.85
Taxes and levies rebates		
Other cash received relating to operating activities	30,862,037.92	12,851,615.25
Subtotal of cash inflows from operating activities	1,376,555,191.97	1,211,431,088.10
Payments for commodities and services	1,118,500,427.09	958,860,477.92
Cash paid to and for employees	122,594,675.71	112,003,213.10
Taxes paid	40,802,622.54	20,316,269.29
Other cash paid relating to operating activities	38,925,303.87	22,785,164.98
Subtotal of cash outflows from operating activities	1,320,823,029.21	1,113,965,125.29
Cash flows from operating activities	55,732,162.76	97,465,962.81
II. Cash flows from investing activities:		
Cash received from returns of investments		
Cash received from investment income	131,406,885.40	552,654.71
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	350.00	1,950.00
Net proceeds from the disposal of subsidiaries and other business units	1,000,000.00	
Cash generated from other investing activities	571,729,597.40	318,211,283.39
Subtotal of cash inflows from investing activities	704,136,832.80	318,765,888.10
Cash paid for acquisition and construction of fixed assets, intangible assets and other	153,637,130.06	19,728,970.63

Item	2025	2024
long-term assets		
Cash paid for investment	127,873,448.00	
Net cash from acquisition of subsidiaries and other business entities		
Other cash paid relating to investing activities	121,940,148.57	268,300,000.00
Subtotal of cash outflows from investing activities	403,450,726.63	288,028,970.63
Net cash flows from investing activities	300,686,106.17	30,736,917.47
III. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	154,000,000.00	33,500,000.00
Cash generated from other financing activities	2,200,000.00	1,939,209.92
Subtotal of cash inflows from financing activities	156,200,000.00	35,439,209.92
Cash paid for debt repayment	120,750,000.00	63,500,000.00
Cash paid for distribution of dividend, profit or payment of interest	86,792,977.88	34,908,178.80
Other cash paid relating to financing activities	50,000.00	50,000.00
Subtotal of cash outflows from financing activities	207,592,977.88	98,458,178.80
Net cash flows from financing activities	-51,392,977.88	-63,018,968.88
IV. Effect of Foreign Exchange Rates Changes on Cash and Cash Equivalents	895,904.83	1,915,163.24
V. Net increase in cash and cash equivalents	305,921,195.88	67,099,074.64
Add: Opening balance of cash and cash equivalents	265,281,506.58	198,182,431.94
VI. Closing balance of cash and cash equivalents	571,202,702.46	265,281,506.58

7. Consolidated statements of changes in owners' equity

Amount during the current period

Unit: RMB

Item	2025													Equity of non-controlling interests	Total owners' equity
	Equity attributable to owners of the parent company											Subtotal			
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings		Others		
	Preferred shares	Perpetual bonds	Others												
I. Closing balance of the last year	274,867,523.00				1,282,067,110.26		-1,029,646.03	496,474.63	92,691,401.81		891,709,910.57		2,540,802,774.24	53,761,894.27	2,594,564,668.51
Add: Adjustments for changed accounting policies															
Adjustments for corrections of previous errors															
Others															
II. Opening balance of the year	274,867,523.00				1,282,067,110.26		-1,029,646.03	496,474.63	92,691,401.81		891,709,910.57		2,540,802,774.24	53,761,894.27	2,594,564,668.51
III. Increase/Decrease in the current period ("—" for reduction)							4,671,501.76	1,479,017.48	27,100,184.24		344,252,707.23		377,503,410.71	29,152,365.80	406,655,776.51
i. Total comprehensive income							4,671,501.76				453,813,148.37		458,484,650.13	22,220,090.03	480,704,740.16
ii. Capital increased and reduced by owners														15,828,300.00	15,828,300.00
1. Ordinary shares increased by shareholders														15,828,300.00	15,828,300.00
2. Capital increased by holders of other equity instruments															
3. Share-based payment recognized in owner's equity															
4. Others															

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Item	2025														
	Equity attributable to owners of the parent company													Equity of non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
iii. Profit distribution									27,100,184.24		-109,560,441.14		-82,460,256.90	-8,904,000.00	-91,364,256.90
1. Appropriation to surplus reserves									27,100,184.24		-27,100,184.24				
2. Appropriation to general reserve															
3. Appropriation to owners (or shareholders)											-82,460,256.90		-82,460,256.90	-8,904,000.00	-91,364,256.90
4. Other															
iv. Transfers within owners' equity															
1. Increase in capital (or share capital) from capital reserves															
2. Increase in capital (or share capital) from surplus reserves															
3. Loss offset by surplus reserves															
4. Changes in defined benefit pension schemes transferred to retained earnings															
5. Other comprehensive income transferred to retained earnings															
6. Other															
v. Specific reserve								1,479,017.48					1,479,017.48	7,975.77	1,486,993.25
1. Increase in the current period								17,040,607.69					17,040,607.69	608,136.59	17,648,744.28
2. Use in the current period								15,561,590.21					15,561,590.21	600,160.82	16,161,751.03
vi. Others															
IV. Closing balance of the current period	274,867,523.00				1,282,067,110.26		3,641,855.73	1,975,492.11	119,791,586.05		1,235,962,617.80		2,918,306,184.95	82,914,260.07	3,001,220,445.02

Amount of the previous period

Unit: RMB

Item	2024														
	Equity attributable to owners of the parent company													Equity of non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
I. Closing balance of the last year	274,867,523.00				1,282,067,110.26		165,804.59	3,122,709.16	87,895,018.27		750,685,777.27		2,398,803,942.55	44,617,111.00	2,443,421,053.55
Plus: Changes in accounting policies															
Adjustments for corrections of previous errors															
Others															
II. Opening balance of the year	274,867,523.00				1,282,067,110.26		165,804.59	3,122,709.16	87,895,018.27		750,685,777.27		2,398,803,942.55	44,617,111.00	2,443,421,053.55
III. Increase/Decrease in the current period ("-" for reduction)							-1,195,450.62	-2,626,234.53	4,796,383.54		141,024,133.30		141,998,831.69	9,144,783.27	151,143,614.96
i. Total comprehensive income							-1,195,450.62				176,055,944.37		174,860,493.75	9,316,166.85	184,176,660.60
ii. Capital increase and reduction by owners															
1. Ordinary share increase by owners															
2. Capital increase by other equity instruments holders															
3. Share-based payment recognized in owner's equity															
4. Others															

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Item	2024														Equity of non-controlling interests	Total owners' equity
	Equity attributable to owners of the parent company															
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal			
	Preferred shares	Perpetual bonds	Others													
iii. Profit distribution								4,796,383.54			-35,031,811.07		-30,235,427.53		-30,235,427.53	
1. Withdrawal of surplus reserve								4,796,383.54			-4,796,383.54					
2. Appropriated to general reserve																
3. Distributed to owners (or shareholders)											-30,235,427.53		-30,235,427.53		-30,235,427.53	
4. Others																
iv. Transfers within owners' equity																
1. Increase in capital (or share capital) from capital reserves																
2. Increase in capital (or share capital) from surplus reserves																
3. Loss offset by surplus reserves																
4. Changes in defined benefit pension schemes transferred to retained earnings																
5. Other comprehensive income transferred to retained earnings																
6. Other																
v. Specific reserve								-2,626,234.53					-2,626,234.53	-171,383.58	-2,797,618.11	
1. Increase in the current period								15,723,267.64					15,723,267.64	527,216.84	16,250,484.48	
2. Use in the current period								18,349,502.17					18,349,502.17	698,600.42	19,048,102.59	
vi. Others																
IV. Closing balance of the current period	274,867,523.00				1,282,067,110.26		-1,029,646.03	496,474.63	92,691,401.81		891,709,910.57		2,540,802,774.24	53,761,894.27	2,594,564,668.51	

8. Statements of changes in owners' equity of the parent company

Amount during the current period

Unit: RMB

Item	2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of the last year	274,867,523.00				1,308,235,141.40		-715,907.68	564,337.58	92,691,401.81	677,511,646.49		2,353,154,142.60
Add: Adjustments for changed accounting policies												
Adjustments for corrections of previous errors												
Others												
II. Opening balance of the year	274,867,523.00				1,308,235,141.40		-715,907.68	564,337.58	92,691,401.81	677,511,646.49		2,353,154,142.60
III. Increase/Decrease in the current period ("-" for reduction)							2,243,949.56	1,361,586.09	27,100,184.24	161,441,401.23		192,147,121.12
i. Total comprehensive income							2,243,949.56			271,001,842.37		273,245,791.93
ii. Capital increase and reduction by owners												
1. Ordinary share increase by owners												
2. Capital increase by other equity instruments holders												
3. Share-based payment recognized in owner's equity												
4. Others												
iii. Profit distribution									27,100,184.24	-		-82,460,256.90
1. Appropriation to surplus reserves									27,100,184.24	-27,100,184.24		
2. Appropriation of												

Item	2025											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
profit to owners (or shareholders)												
3. Others										-82,460,256.90		-82,460,256.90
iv. Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit pension schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Other												
v. Specific reserve								1,361,586.09				1,361,586.09
1. Increase in the current period								8,086,697.88				8,086,697.88
2. Use in the current period								6,725,111.79				6,725,111.79
vi. Others												
IV. Closing balance of the current period	274,867,523.00				1,308,235,141.40		1,528,041.88	1,925,923.67	119,791,586.05	838,953,047.72		2,545,301,263.72

Amount of the previous period

Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Closing balance of the last year	274,867,523.00				1,308,235,141.40		165,804.59	667,203.00	87,895,018.27	638,819,967.42		2,310,650,657.68
Plus: Changes in accounting policies												
Adjustments for corrections of previous errors												
Others												
II. Opening balance of the year	274,867,523.00				1,308,235,141.40		165,804.59	667,203.00	87,895,018.27	638,819,967.42		2,310,650,657.68
III. Increase/Decrease in the current period (“-” for reduction)							-881,712.27	-102,865.42	4,796,383.54	38,691,679.07		42,503,484.92
i. Total comprehensive income							-881,712.27			73,723,490.14		72,841,777.87
ii. Capital increase and reduction by owners												
1. Ordinary share increase by owners												
2. Capital increase by other equity instruments holders												
3. Share-based payment recognized in owner's equity												
4. Others												

Item	2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
iii. Profit distribution									4,796,383.54	-35,031,811.07		-30,235,427.53
1. Withdrawal of surplus reserve									4,796,383.54	-4,796,383.54		
2. Appropriation of profit to owners (or shareholders)												
3. Others										-30,235,427.53		-30,235,427.53
iv. Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit pension schemes transferred to retained earnings												
5. Other comprehensive income transferred to retained earnings												
6. Other												
v. Specific reserve												
1. Increase in the current period									-102,865.42			-102,865.42
2. Use in the current period									7,960,781.16			7,960,781.16
vi. Others									8,063,646.58			8,063,646.58
IV. Closing	274,867,523.00				1,308,235,141.40			-715,907.68	564,337.58	92,691,401.81	677,511,646.49	2,353,154,142.60

Item	2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Total owners' equity
	Preferred shares	Perpetual bonds	Others									
balance of the current period												

III. Basic information of the Company

Kunming Chuan Jin Nuo Chemical Co., Ltd. (hereinafter referred to as the “Company” or “the Group,” which includes its subsidiaries) was established on June 2, 2005. The registered address is in the Sifangdi Industrial Park, Tongdu Town, Dongchuan District, Kunming City. The headquarters office is located on the 55th floor of the 1st office building (Twin Stars Tian Shu) in the Qicai Yunnan First City, Wulong subdistrict’s administrative agency, Chenggong District, Kunming City, Yunnan Province. The Company’s RMB ordinary A-shares have been listed on the Shenzhen Stock Exchange.

The Company was originally named Kunming Chuan Jin Nuo Chemical Co., Ltd. It was jointly established by Liu Meng, Liu Mingyi, Chen Zeming, and Wei Jiagui. On June 2, 2005, the Company obtained the *Business License for Legal Entities* (No. 5302002520475) issued by the Administration for Industry and Commerce of Dongchuan District, Kunming City, Yunnan Province. The original registered capital was RMB1,000,000.00, and the paid-in capital was also RMB1,000,000.00.

In May 2007, the Company increased its registered capital (paid-in capital) by RMB9,000,000.00 according to the resolution of the shareholders’ meeting, bringing the registered capital and paid-in capital to RMB10,000,000.00.

In accordance with the resolution of the shareholders’ meeting on November 12, 2010 and the amended Articles of Association, the Company increased its registered capital (paid-in capital) by RMB10,500,000.00, bringing the updated registered capital (paid-in capital) to RMB20,500,000.00. The capital increase was registered with the industry and commerce authorities on November 19, 2010.

In accordance with the resolution of the shareholders’ meeting on November 24, 2010 and the amended Articles of Association, the Company increased its registered capital (paid-in capital) by RMB269,500.00, bringing the updated registered capital (paid-in capital) to RMB20,769,500.00. The capital increase was registered with the industry and commerce authorities on December 1, 2010.

In July 2011, based on the *Agreement on the Conversion of Kunming Chuan Jin Nuo Chemical Co., Ltd. to a Joint-Stock Company by Converting Its Net Asset Value into Shares* signed by Liu Meng, Wei Jiagui, and 30 other shareholders of Kunming Chuan Jin Nuo Chemical Co., Ltd., and the provisions of the Company’s Articles of Association, Kunming Chuan Jin Nuo Chemical Co., Ltd. was converted into a joint-stock company with Liu Meng and the 30 shareholders as the promoters. The net audited assets of Kunming Chuan Jin Nuo Chemical Co., Ltd. as of March 31, 2011, amounting to RMB127,626,391.54, were converted into shares. The Company’s registered capital (share capital) was set at RMB65,000,000.00. This change was registered with the industry and commerce authorities on September 15, 2011.

In accordance with the resolution of the Company’s Board of Shareholders on December 28, 2011 and the amended Articles of Association, the Company introduced Shenzhen Haotian Equity Investment Fund Management Co., Ltd. as an investor to increase the Company’s capital by RMB5,010,000.00. After the capital increase, the Company’s registered capital (share capital) was raised to RMB70,010,000.00. The capital increase was registered with the industry and commerce authorities on December 28, 2011.

In accordance with the resolution of the Company’s 2012 Fourth Extraordinary General Meeting held on September 22, 2012, the approval of the *China Securities Regulatory Commission (CSRC) in the Approval of Kunming Chuan Jin Nuo Chemical Co., Ltd.’s Initial Public Offering of Shares* (Z.J.X.K. [2016] No. 92), and the prospectus, the Company publicly issued 23.35 million RMB

ordinary shares to the public for the first time. The par value of each share was RMB1, and the issue price was RMB10.25 per share. The registered capital increased by RMB23,350,000.00, bringing the updated registered capital (share capital) to RMB93,360,000.00. The capital increase was registered with the industry and commerce authorities on May 12, 2016.

In accordance with the resolution of the Company's 2018 First Extraordinary Board of Shareholders and the approval of the *China Securities Regulatory Commission (CSRC) in the Approval of Kunming Chuan Jin Nuo Chemical Co., Ltd.'s Non-public Issuance of Shares* (Z.J.X.K. [2019] No. 468), the Company issued 7,166,122 RMB ordinary shares (A-shares) in a non-public offering. The par value of each share was RMB1, and the issue price was RMB21.49 per share. The registered capital increased by RMB7,166,122.00, bringing the updated registered capital (share capital) to RMB100,526,122.00. The capital increase was registered with the industry and commerce authorities on May 17, 2019.

On March 20, 2020, the Company held the 2019 Annual Board of Shareholders and made a resolution to issue 3 additional shares for every 10 shares held by all shareholders, using the capital reserve. A total of 30,157,836 shares were issued. After the capital increase, the Company's total share capital was RMB130,683,958. The Company completed the registration of the capital increase with the industry and commerce authorities on July 24, 2020.

With the approval of the China Securities Regulatory Commission (CSRC) in document Z.J.X.K. [2020] No. 2260, the Company publicly issued 3.68 million convertible corporate bonds on October 16, 2020, with a par value of RMB100 per bond, for a total issuance amount of RMB368 million. The bonds were listed and began trading on the SZSE on November 5, 2020, under the bond name "Jinnuo Convertible Bonds" and the bond code "123069." The conversion period for the bonds is from April 22, 2021 to October 15, 2026. From June to November 2021, the Company's issued convertible bonds were converted into shares in three tranches, totaling 19,110,108 shares. After the conversion, the Company's total share capital became RMB149,794,066. The Company completed the registration of the capital increase with the industry and commerce authorities on December 9, 2021.

On April 20, 2022, the Company held the 2021 Annual Board of Shareholders and made a resolution to issue five additional shares for every ten shares held by all shareholders, using the capital reserve. A total of 74,897,033 shares were issued. After the capital increase, the Company's total share capital was 224,691,099 shares. The Company completed the registration of the capital increase with the industry and commerce authorities on June 16, 2022.

With the approval of the China Securities Regulatory Commission (CSRC) in document Z.J.X.K. [2023] No. 1055, the Company non-publicly issued 50,176,424 RMB ordinary shares (A-shares) in July 2023 and listed the shares for trading on the Shenzhen Stock Exchange's ChiNext Board on July 28, 2023. After this non-public issuance of shares, the Company's total share capital was changed to 274,867,523 shares. The Company completed the registration of the capital increase with the industry and commerce authorities on September 22, 2023.

Registered capital of the Company: RMB274,867,523;

Unified social credit code: 91530100778560690W

Legal representative: Liu Meng

The controlling shareholder of the Company is the largest shareholder, Liu Meng.

The Company belongs to the chemical raw materials and chemical products manufacturing industry. It is primarily engaged in the research, development, production, and sales of phosphate chemical

products, as well as the research, development, production, and sales of new energy materials. Main products include feed grade dicalcium phosphate (Type I and Type III), feed grade monocalcium phosphate, triple superphosphate, purified phosphoric acid, and lithium iron phosphate.

These financial statements were approved for issuance by the Board of Directors of the Company on March 18, 2026.

IV Basis for preparation of financial statements

1. Basis of preparation

The Group's financial statements were prepared in accordance with the *Accounting Standards for Business Enterprises* promulgated by the Ministry of Finance as well as guidelines on accounting standards for business enterprises, announcements on interpreting the accounting standards for business enterprises and other related regulations (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), as well as the disclosure regulations of the *General Provisions on Financial Reporting No. 15 for Companies Publicly Issuing Securities* (revised in 2023) by the China Securities Regulatory Commission (hereinafter referred to as the "CSRC").

2. Continued operations

The Group has assessed its ability to continue as a going concern for the 12 months starting from December 31, 2025 and has found no significant matters or circumstances that would raise doubts about its ability to continue as a going concern. The financial statements are based on the going concern.

V. Significant accounting policies and estimates

Specific accounting policies and accounting estimates indicators:

Specific accounting policies and accounting estimates: The Group has established specific accounting policies and estimates based on its actual production and operational characteristics. These include provisions for bad debts on receivables, provisions for inventory impairment, depreciation of fixed assets, amortization of intangible assets, capitalization conditions for research and development expenses, income recognition and measurement, recognition and measurement of financial assets and financial liabilities, and recognition and measurement of long-term assets.

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

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises and truthfully, accurately, and completely reflect the financial position of the Company and the Group as of December 31, 2025, as well as the operating results, cash flows, and other related information for the year 2025.

2. Accounting period

The Group's accounting period runs from January 1 to December 31 of the Gregorian calendar year.

3. Operating cycle

The Company regards 12 months as a business cycle, which is used as the liquidity classification standard for assets and liabilities.

4. Bookkeeping base currency

The bookkeeping base currency of the Company is RMB.

5. Methods for determining materiality standards and selection criteria:

Applicable Not applicable

Item	Significance criteria
The amount of bad debt provision recovered or reversed during the year is significant	The amount of bad debt provision recovered or reversed exceeds RMB500,000
The significant accounts receivable and other receivables written off during the year	The written-off amount exceeds RMB500,000
Other accounts receivable in which single amount is significant and bad debt provision shall be made individually	Individual book balance exceeding RMB500,000 and with special credit risk
Changes in major projects under construction in the current year	The amount incurred during the current period or the closing balance exceeds RMB1,000,000
Accounts payable with the account aging over one year or overdue	The closing balance exceeds RMB500,000
Significant other accounts payable with an aging of more than one year	The closing balance exceeds RMB500,000.
Significant contingencies/Subsequent events	The amount involved exceeds RMB1,000,000

6. Accounting treatment methods for business combination involving entities under and not under common control**(1) Business combination under common control**

A business combination involving entities under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

As the acquirer, the Group measures the assets and liabilities obtained in a business combination under common control at their carrying amounts in the final consolidated financial statements of the ultimate controlling party on the acquisition date. The difference between the carrying amount of the net assets acquired and the carrying amount of the consideration paid for the business combination under common control is adjusted against the capital reserve. If the capital reserve is insufficient, the remaining amount is adjusted against retained earnings.

(2) Business combination not under common control

A business combination involving entities not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination.

As the acquirer, the Group measures the identifiable assets, liabilities, and contingent liabilities of the acquiree at their fair values on the acquisition date in a business combination not under common control. If the acquisition cost exceeds the fair value of the identifiable net assets acquired in the business combination, the excess is recognized as goodwill. If the acquisition cost is less than the fair value of the identifiable net assets acquired, the fair values of the identifiable assets, liabilities, and contingent liabilities, as well as the acquisition cost, are reviewed. If, after the review, the acquisition cost remains less than the fair value of the identifiable net assets acquired, the difference is recognized as non-operating income in the current period of the consolidation.

7. Criteria for determining control and methods for preparing consolidated Financial Statements

The scope of consolidation for the Group's consolidated financial statements is determined based on control and includes the Company and all subsidiaries controlled by the Company. The Group assesses control based on whether it has power over the investee, has exposure or rights to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

When preparing the consolidated financial statements, if the accounting policies or accounting periods of the subsidiary and the Company are inconsistent, necessary adjustments are made to the subsidiary's financial statements in accordance with the Company's accounting policies or accounting periods.

The impact of internal transactions between the Company and its subsidiaries, as well as between subsidiaries and each other, was offset in consolidation. The portion of the subsidiary's equity that does not belong to the parent company, as well as the portion of the current period's net loss, other comprehensive income, and total comprehensive income attributable to the minority shareholders, are separately presented in the consolidated financial statements under the items "Minority Interests," "Minority Interest Profit or Loss," "Other Comprehensive Income Attributable to Minority Shareholders," and "Total Comprehensive Income Attributable to Minority Shareholders."

For a subsidiary acquired in a business combination under common control, its operating results and cash flows are included in the consolidated financial statements from the beginning of the period in which the combination occurs. When preparing comparative consolidated financial statements, adjustments are made to the relevant items of the previous year's financial statements, assuming that the reporting entity formed after the combination has existed continuously since the point when the ultimate controlling party began controlling the entity.

For a subsidiary acquired in a business combination not under common control, its operating results and cash flows are included in the consolidated financial statements from the date the Group obtains control. When preparing the consolidated financial statements, the subsidiary's financial statements are adjusted based on the fair values of identifiable assets, liabilities, and contingent liabilities determined on the acquisition date.

When the Group loses control over an investee due to the disposal of a portion of its equity investment or other reasons, the remaining equity interest is remeasured at its fair value on the date control is lost when preparing the consolidated financial statements. The difference between the consideration received from the disposal of equity, plus the fair value of the remaining equity interest, and the share of the net assets of the former subsidiary attributable to the original ownership percentage—calculated continuously from the acquisition date or consolidation date—is recognized in the investment gains or losses for the period in which control is lost, while also reducing goodwill. Other comprehensive income related to the original subsidiary's equity investment is reclassified to investment gains or losses in the period when control is lost.

8. Classification of joint operation arrangements and accounting methods for joint operations

The Group's joint arrangements include joint operations and joint ventures. A joint operation is a joint arrangement whereby the party to joint arrangement has rights to the assets, and obligations for the liabilities related to the arrangement. A joint venture is a joint arrangement whereby the party to joint arrangement has rights to the net assets of the arrangement.

For joint operations, the Group, as a joint operator, recognizes the assets and liabilities it holds separately, as well as the assets and liabilities it holds according to its share. The Group also recognizes the related income and expenses either separately or according to its share, based on the relevant agreements. In transactions involving the purchase or sale of assets that do not constitute a business in a joint operation, only the portion of the resulting profit or loss that is attributable to the other participants in the joint operation is recognized.

9. Recognition criteria of cash and cash equivalents

The "cash" in the Group's cash flow statement refers to cash on hand and deposits that are available for immediate payment. Cash equivalents in the cash flow statement refer to investments with an

original maturity of three months or less, which are highly liquid, easily convertible into a known amount of cash, and subject to an insignificant risk of value changes.

10. Conversion of transactions denominated in foreign currency and foreign currency financial statement conversion

(1) Foreign currency business

Foreign currency transactions of the Group are initially recognized by converting the foreign currency amount into the bookkeeping base currency using the spot exchange rate on the transaction date. At the balance sheet date, foreign currency monetary items are translated into the bookkeeping base currency using the spot exchange rate at the balance sheet date. The resulting translation differences, except for exchange differences arising from foreign currency borrowings specifically for the acquisition or production of qualifying assets, which are capitalized, are directly recognized in the profit and loss for the current period. For foreign currency non-monetary items measured at historical cost, the spot exchange rate at the transaction date is used for translation, and their bookkeeping base currency amounts remain unchanged. For foreign currency non-monetary items measured at fair value, the spot exchange rate at the fair value determination date is used for translation. The difference between the translated bookkeeping base currency amount and the original bookkeeping base currency amount is treated as a fair value change (including exchange rate changes) and recognized in the profit and loss for the current period. For capital contributions from investors in foreign currency, the spot exchange rate at the transaction date is used for translation. No foreign currency capital translation difference arises between the foreign currency capital and the corresponding monetary items' bookkeeping base currency amounts.

(2) Conversion of foreign currency statement

When the Group prepares consolidated financial statements, the financial statements of overseas operations are translated into RMB. Among them: The asset and liability items in the foreign currency balance sheet are converted at the spot exchange rate on the balance sheet date; items of owner's equity, except for "undistributed profits", are converted at the spot exchange rate at the time of transaction; income and expense items in the income statement are converted at the average exchange rate during the transaction period. The converted differences arising from the above translation of foreign currency financial statements are presented in other comprehensive income items. Foreign currency cash flows are converted at the average exchange rate during the transaction period. The impact of exchange rate changes on cash is presented separately in the cash flow statement.

11. Financial instruments

● Recognition and derecognition of financial instruments

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

A financial asset (or part of a financial asset, or part of a group of similar financial assets) should be derecognized from the balance sheet if the following conditions are met: (1) The right to receive the cash flows of the financial asset has expired; (2) The right to receive the cash flows of the financial asset has been transferred, or under a "pass-through arrangement," the obligation to transfer the received cash flows in full to a third party has been assumed; and the risks and rewards of ownership of the financial asset have been substantially transferred, or although the risks and rewards of ownership have not been substantially transferred or retained, control over the financial asset has been relinquished.

If the obligation of financial liabilities has been assumed, revoked, or terminated, financial liabilities shall be derecognized. If the current financial liabilities are replaced with other financial liabilities under substantially different terms by the same creditor, or almost all current liabilities terms are substantially revised, such replacement or revision shall be taken as the derecognition of original liabilities and recognition of new liabilities, and the differences are included in profit and loss for the current period.

A regular way purchase or sale of financial assets is recognized and derecognized using trading day accounting. Trading day refers to the day when the Group promises to purchase or sell financial assets.

- Classification and measurement method of financial assets

At initial recognition, the Group classifies financial assets based on its business model for managing financial assets and the contractual cash flow characteristics of the financial assets into the following categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit and loss for the current period. When and only when the Group changes its business model of managing financial assets, all relevant financial assets affected will be re-classified.

When assessing the business model, the Group considers factors such as how the business evaluates and reports the financial asset performance to key management personnel, the risks that affect the performance of financial assets and how they are managed, as well as the manner in which the relevant business managers are compensated. When assessing whether the objective is to collect contractual cash flows, the Group analyzes and evaluates factors such as the reasons for the sale of the c before its maturity, the timing, frequency, and value of such sales.

When assessing the contractual cash flow characteristics, the Group determines whether the contractual cash flows consist solely of payments of principal and interest on the outstanding principal, including evaluating whether there are significant differences compared to the benchmark cash flows when assessing the time value of money, and assessing whether the fair value of early repayment features is very small for financial assets with early repayment characteristics.

Financial assets are measured at fair value on initial recognition, except for accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or do not take into account a financing component that is not more than one year, which are measured initially at the transaction price.

For financial assets at fair value through profit and loss for the current period, transaction costs are directly included in the profit and loss for the current period. For other types of financial assets, related transaction costs are included in their initial recognized amounts.

- The subsequent measurement of financial assets depends on their categories:

- (1) Financial assets measured at the amortized cost

A financial asset is classified as amortized cost if it meets the following conditions: a) The business model for managing the financial asset is aimed at collecting contractual cash flows. b) The contract terms of such financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the unpaid principal amount. Such financial assets use the effective interest method to recognize interest income. Gains or losses arising from derecognition, modification, or impairment are included in the profit and loss for the current period. The financial assets classified under this category by the Group mainly include: monetary funds, accounts receivable, notes receivable, and other receivables.

(2) Debt instrument investments measured at fair value through other comprehensive income (FVOCI)

A financial asset is classified as fair value through other comprehensive income if it meets the following conditions: a) The business model of the Group for managing the financial asset is both to collect contractual cash flows and to sell the financial asset. b) The contract terms of such financial asset stipulate that the cash flow generated on a specific date is only the payment of the principal and the interest based on the unpaid principal amount. Interest income on these financial assets is recognized using the effective interest method. Changes in fair value are recognized in other comprehensive income, except for interest income, impairment losses, and exchange differences, which are recognized in profit and loss for the current period. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from other comprehensive income to profit and loss for the current period. The financial assets classified under this category by the Group mainly include receivables financing.

(3) Financial assets at fair value through profit and loss for the current period

Except for financial assets classified as measured at amortized cost and those classified or designated as measured at fair value through other comprehensive income, the Group classifies financial assets as measured at fair value through profit and loss for the current period. These financial assets are subsequently measured at fair value, and except for those related to hedge accounting, all fair value changes are recognized in the profit and loss for the current period. The financial assets classified under this category by the Group mainly include: trading financial assets and derivative financial assets.

● Classification, recognition basis, and measurement method of financial liabilities

Except for financial liabilities arising from issued financial guarantee contracts, loan commitments with below-market interest rates, and financial liabilities resulting from the failure to meet the derecognition conditions or continuing involvement in transferred financial assets, the Group classifies its financial liabilities at initial recognition as either: Financial liabilities at fair value through profit and loss for the current period, or financial liabilities at amortized cost. For financial liabilities at fair value through profit and loss for the current period, relevant transaction expenses shall be directly included in profit and loss for the current period; relevant transaction expenses of financial liabilities measured at amortized cost shall be included in the initial recognition amount.

● The subsequent measurement of financial liabilities depends on their categories:

(1) Financial liabilities measured at the amortized cost

Financial liabilities measured at amortized cost are subsequently measured using the effective interest method, based on their amortized cost.

(2) Financial liabilities measured at fair value through the profit and loss for the current period

Financial liabilities at fair value through profit and loss for the current period (including derivative financial liabilities) include trading financial liabilities and financial liabilities that are initially designated as fair value through profit and loss for the current period. Trading financial liabilities (including derivative instruments classified as financial liabilities) are subsequently measured at fair value, with all fair value changes recognized in profit and loss for the current period, except for those related to hedge accounting. For financial liabilities designated as at fair value through profit and loss for the current period, they are subsequently measured at fair value. Except for fair value changes arising from changes in the Group's own credit risk, which are recognized in other comprehensive income, all other fair value changes are recognized in the profit and loss for the

current period. If fair value changes arising from changes in the Group's own credit risk are recognized in other comprehensive income and cause or exacerbate an accounting mismatch in profit and loss for the current period, the Group will recognize all fair value changes (including the effect of changes in its own credit risk) in the profit and loss for the current period.

- Impairment of financial instruments

The Group performs impairment testing and recognizes loss allowances on financial assets measured at amortized cost, debt investments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments, and financial guarantee contracts, based on expected credit losses.

(1) Measurement of expected credit loss

Expected credit loss refers to the probability-weighted estimate of credit losses of financial instruments with the risk of default as the weight. Credit loss refers to the difference between all contractual cash flow receivable by the Group under contracts which are discounted according to the original actual rate of interest, and all the cash flow expected to be received, namely, the present value of all cash short.

The expected credit loss during the whole duration refers to the expected credit loss caused by all possible events of default of financial instruments during the whole expected duration. The expected credit loss in the next 12 months refers to the expected credit loss caused by the events of default of financial instruments within 12 months after the balance sheet data (which is the expected duration if the expected duration of financial instruments is less than 12 months), which is a part of the expected credit loss during the whole duration.

For receivables such as accounts receivable, notes receivable, receivables financing, and contract assets arising from the Group's ordinary operating activities (such as the sale of goods or provision of services) that do not contain a significant financing component, the Group applies the simplified approach and measures the loss allowance based on the expected credit losses over the entire lifetime of the receivables.

For lease receivables, receivables that contain a significant financing component, and contract assets, the Group chooses to apply the simplified approach and measures the loss allowance based on the expected credit losses over the entire lifetime of the assets.

The Group recognizes accounts receivable with an amount exceeding RMB500,000 and with special credit risks as individually significant receivables. The Group performs individual impairment testing for accounts receivable that are individually significant in amount.

For financial assets other than those mentioned above that use the simplified approach (such as debt investments, other receivables, and other receivables), as well as loan commitments and financial guarantee contracts, the Group applies the general approach (three-stage approach) to recognize expected credit losses. At each balance sheet date, the Group assesses whether there has been a significant increase in credit risk since initial recognition. If the credit risk has not significantly increased since initial recognition, the asset is in Stage 1. The Group measures the loss allowance based on the expected credit losses over the next 12 months and calculates interest income based on the book balance and the effective interest rate. If the credit risk has significantly increased since initial recognition but no credit impairment has occurred, the asset is in Stage 2. The Group measures the loss allowance based on the expected credit losses over the entire lifetime of the asset and calculates interest income based on the book balance and the effective interest rate. If credit impairment has occurred since initial recognition, the asset is in Stage 3. The Group measures the loss allowance based on the expected credit losses over the entire lifetime of the asset and calculates

interest income based on the amortized cost and the effective interest rate.

For financial instruments that have only low credit risk at the balance sheet date, the Group assumes that their credit risk has not significantly increased since initial recognition. For disclosures regarding the criteria for assessing significant increases in credit risk, the definition of assets with credit impairment, and other related information, please refer to Note 10, Section 1.

When the Group applies the expected credit loss model to assess the impairment of financial instruments and contract assets, it infers the expected changes in the debtor's credit risk based on historical repayment data, along with factors such as economic policies, macroeconomic indicators, and industry risks. Different estimates may affect the recognition of impairment allowances, and the impairment allowances recognized may not be equal to the actual impairment losses that occur in the future.

(2) Categories of portfolio for which impairment provisions are made based on credit risk characteristics and the criteria for determination.

The Group assesses the expected credit losses of financial instruments on both an individual and a portfolio basis. When assessing on a portfolio basis, the Group classifies financial instruments into different groups based on common credit risk characteristics. The common credit risk characteristics used by the Group include: the type of financial instrument, credit risk ratings, the geographic location of the debtor, the industry of the debtor, overdue information, and the aging of receivables.

a) Accounts receivable (and contract assets) portfolio categories and determination basis

The Group groups receivables (and contract assets) based on the aging of accounts receivables, nature of the amounts, credit risk exposure, historical repayment experience, and other relevant factors. For accounts receivables (and contract assets), the Group considers aging to be the main factor influencing credit risk. Therefore, the Group evaluates the expected credit losses based on aging portfolios. The aging of receivables is determined based on the invoice date.

b) Notes receivables portfolio categories and determination basis

The Group classifies notes receivables into different portfolios based on the credit risk of the acceptor and determines the expected credit loss accounting estimation policy as follows: a. Bank acceptance bills: The Group evaluates these as having lower credit risk and does not recognize expected credit losses. b. Commercial acceptance bills: The Group follows the same policy as for receivables to determine the expected loss rate and recognizes the loss allowance, consistent with the grouping of accounts receivables.

c) Other receivables portfolio categories and determination basis

Other receivables mainly include receivables for deposits, guarantee funds, and employee advances.

(3) Individual impairment provision judgment criteria for individual impairment provision of bad debts

If a customer's credit risk characteristics are significantly different from those of other customers in the portfolio, or if there is a significant change in the customer's credit risk characteristics, such as the customer experiencing severe financial difficulties, and the expected credit loss rate for receivables from that customer is significantly higher than the expected credit loss rate for their aging or overdue period, the Group will recognize an impairment allowance for the receivables from that customer on an individual basis.

(4) Write-off of impairment provision

When the Group no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the Group directly reduces the book balance of the financial asset. If recovered, written-down financial assets will be recognized as the profit or loss of the period of collection.

The criteria and measurement methods for the recognition of financial asset transfers.

For financial asset transfer transactions, the Group derecognizes the financial asset if it has transferred almost all the risks and rewards of ownership to the transferee. If the Group retains almost all the risks and rewards of ownership, it does not derecognize the financial asset. If the Group neither transfers nor retains almost all the risks and rewards of ownership but has relinquished control over the financial asset, the financial asset is derecognized, and the resulting asset and liability are recognized. If control over the financial asset is not relinquished, the Group recognizes the financial asset according to the extent of its continued involvement in the transferred financial asset, and accordingly, recognizes the relevant liability.

If the entire financial asset transfer meets the derecognition conditions, the difference between the carrying amount of the transferred financial asset at the derecognition date and the consideration received for the transfer, along with the corresponding portion of the cumulative fair value changes previously recognized in other comprehensive income (for financial assets that meet the following conditions: a) the Group's business model for managing the financial asset is both to collect contractual cash flows and to sell the financial asset; b) the contract terms of the financial asset specify that the cash flows generated on a specific date are solely payments of principal and interest based on the unpaid principal) is recognized in profit and loss for the current period.

If the transfer of a financial asset is partial and meets the derecognition conditions, the carrying amount of the transferred financial asset is allocated between the derecognized and non-derecognized portions based on their relative fair values. The difference between the amount allocated to the derecognized portion and the consideration received for the transfer, along with the corresponding portion of the cumulative fair value changes previously recognized in other comprehensive income (for financial assets that meet the following conditions: a) the Group's business model for managing the financial asset is both to collect contractual cash flows and to sell the financial asset; b) the contract terms of the financial asset specify that the cash flows generated on a specific date are solely payments of principal and interest based on the unpaid principal), is recognized in profit and loss for the current period.

If continuing involvement is provided by way of financial guarantee for the transferred financial assets, the assets resulting from the continuing involvement are recognized at the lower of the carrying value of the financial assets and the financial guarantee amount. The financial guarantee amount refers to the maximum amount of the consideration received that will be required to be repaid.

- Distinction between financial liabilities and equity instruments and related handling methods

The Group distinguishes between financial liabilities and equity instruments based on the following principles: (1) If the Group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, then the contractual obligation meets the definition of a financial liability. Part of financial instruments that do not explicitly contain terms and conditions of obligations of payment of cash or other financial assets, may indirectly form contractual obligations through other terms and conditions. (2) If a financial instrument is to be settled using or may be settled using the Group's own equity instruments, it is necessary to consider whether the Group's own equity instruments used for settlement are a substitute for cash or other financial assets, or if they are intended to provide the holder of the instrument with residual equity in the assets of the issuer after all liabilities are deducted. In the former case, the instrument is a financial liability of

the issuer. In the latter case, the instrument is an equity instrument of the issuer. In certain cases, a financial instrument contract stipulates that the Group must settle or may settle the financial instrument using its own equity instruments. If the amount of the contractual right or obligation is equal to the number of equity instruments to be acquired or delivered multiplied by their fair value at settlement, the contract is classified as a financial liability, regardless of whether the amount of the contractual right or obligation is fixed, or varies entirely or partially based on changes in variables other than the market price of the Group's own equity instruments (such as interest rates, the price of a commodity, or the price of a financial instrument).

When classifying financial instruments (or their components) in the consolidated financial statements, the Group considers all the terms and conditions agreed upon between the Group members and the holders of the financial instruments. If, as a whole, the Group has an obligation to settle the instrument by delivering cash, other financial assets, or in other ways that cause the instrument to be classified as a financial liability, then the instrument should be classified as a financial liability.

The Group classifies these financial instruments or their components as financial assets, financial liabilities, or equity instruments based on the contractual terms of the issued preferred shares and perpetual bonds, and the economic substance they reflect, in conjunction with the definitions of financial assets, financial liabilities, and equity instruments at initial recognition.

For financial instruments or their components classified as financial liabilities, related interest, dividends (or shares), gains or losses, and gains or losses arising from redemption or refinancing are recognized in profit and loss for the current period.

For financial instruments or their components classified as equity instruments, any changes in equity, including issuance (including refinancing), repurchase, sale, or cancellation, are treated as changes in equity by the Group, and the fair value changes of the equity instruments are not recognized.

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts, commodity forward contracts, and interest rate swaps, to hedge against currency risk, commodity price risk, and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value on the date of entering into the derivative transaction contract, and subsequently measured at its fair value. Derivative financial instrument with positive fair value is recognized as an asset. And derivative financial instrument with negative fair value is recognized as a liability.

Except for those related to hedge accounting, gains or losses arising from changes in the fair value of derivative instruments are directly recognized in profit and loss for the current period.

Financial guarantee contracts

A financial guarantee contract refers to a contract in which the Group agrees to pay a specified amount to the contract holder suffering a loss if a particular debtor fails to pay its debt according to the terms of the debt instrument at maturity. Financial guarantee contracts are initially measured at fair value. Except for financial guarantee contracts that are designated as financial liabilities measured at fair value through profit and loss for the current period, the remaining financial guarantee contracts are subsequently measured at the higher of: The expected credit loss allowance determined as of the balance sheet date, and the initial recognition amount minus the cumulative amortization amount determined in accordance with the income recognition principle.

Convertible bonds

When the Group issues convertible bonds, it determines whether the bonds include both debt and equity components based on the terms of the contract.

For convertible bonds that contain both debt and equity components, the debt and equity components are separated at initial recognition and accounted for separately. The fair value of the debt component is determined first and used as its initial recognition amount. The initial recognition amount of the equity component is then determined by subtracting the debt component's initial recognition amount from the total issue price of the convertible bonds. Transaction costs are allocated between the debt and equity components based on their relative fair values. The debt component is presented as a liability and subsequently measured at amortized cost until it is extinguished, converted, or redeemed. The equity component is presented as equity and is not subsequently measured.

If the issued convertible bonds only include the debt component and embedded derivatives, such as share conversion rights that meet the characteristics of embedded derivatives, they are separated from the convertible bonds as a whole and treated as a separate derivative financial instrument, initially recognized at its fair value. The portion of the issue price that exceeds the initial recognition of the derivative financial instrument is recognized as a debt instrument. Transaction costs are allocated proportionally based on the issue price of the debt instrument and derivative financial instrument at initial recognition. Transaction costs related to the debt instrument are recognized as liabilities, while transaction costs related to the derivative financial instrument are recognized in profit and loss for the current period.

Offset of financial assets and financial liabilities

The Group's financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, when the following conditions are met, they are presented at their net amount in the balance sheet: (1) The Group has a legal right to offset the recognized amounts, and this legal right is currently enforceable; (2) The Group intends to settle on a net basis, or to simultaneously realize the financial asset and settle the financial liability.

12. Inventory

The Group's inventory mainly includes materials in transit, raw materials, work in progress, finished goods, packaging materials, and goods in transit.

Inventories are initially measured at cost. The cost of inventory includes purchase costs, processing costs, and other costs. The Group uses a perpetual inventory system. When inventory is used or issued, the weighted average method is applied to determine its actual cost. Low-value consumables and packaging materials are amortized using the write-off method.

On the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the cost of inventory exceeds its net realizable value, an inventory impairment provision is recognized, and the provision is recorded in the profit and loss for the current period. Net realizable value refers to the estimated selling price of inventory in the ordinary course of business, less the estimated costs to complete the product, estimated selling expenses, and related taxes.

The Group recognizes inventory impairment provisions for raw materials, work in progress, and finished goods on an individual inventory item basis. When determining the net realizable value, for goods directly held for sale such as finished goods, work in progress, and materials intended for sale, the net realizable value is determined by subtracting estimated sales expenses and related taxes from the estimated selling price of the inventory. For materials held for production, the net realizable value is determined by subtracting the estimated costs to be incurred until completion, estimated sales expenses, and related taxes from the estimated selling price of the finished products

to be produced.

13. Contract assets and contract liabilities

- **Contract assets**

A contract asset refers to the right of the Group to receive consideration for goods transferred to the customer, where the right depends on factors other than the passage of time. The method for determining the expected credit loss of contract assets and the accounting treatment are detailed in the above Note 3, Section 11, regarding the impairment of financial assets.

- **Contract liabilities**

Contract liabilities reflect the Group's obligation to transfer goods to customers for consideration already received or receivable from the customer.

Contract assets and contract liabilities under the same contract are presented at a net amount.

14. Assets related to contract costs

- **Method for determining the amount of assets related to contract costs**

The assets related to contract costs in the Group include contract fulfillment costs and contract acquisition costs. Based on their liquidity, contract fulfillment costs are separately reported under inventory and other non-current assets, while contract acquisition costs are separately reported under other current assets and other non-current assets.

Contract fulfillment costs, which are costs incurred by the Group to fulfill a contract, and do not fall within the scope of related accounting standards for inventory, fixed assets, or intangible assets, are recognized as an asset if they meet the following conditions: The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar costs), costs explicitly borne by the customer, and other costs incurred solely because of the contract; The cost increases the Group's future resources used to fulfill its performance obligations; The cost is expected to be recoverable.

Contract acquisition costs refer to the incremental costs incurred by the Group to obtain a contract, which are expected to be recoverable. These costs are recognized as an asset as contract acquisition costs. If the amortization period of the asset does not exceed one year, the Group chooses to apply the simplified approach by recognizing the cost in profit and loss for the current period in which it is incurred. Incremental costs refer to costs that would not have been incurred if the contract had not been obtained, such as sales commissions. The Group recognizes other expenses incurred to obtain a contract, excluding expected recoverable incremental costs (such as travel expenses that would be incurred regardless of whether the contract is obtained), in profit and loss for the current period when they are incurred, except for costs explicitly borne by the customer.

- **Amortization of the assets related to contract costs**

The Group amortizes assets related to contract costs on the same basis as the income recognition for the associated goods, with the amortization recognized in profit and loss for the current period.

- **Impairment of the assets related to contract costs**

If the carrying amount of the assets related to contract costs exceeds the difference between the following two amounts, the Group will recognize an impairment provision for the excess and recognize it as an impairment loss: a) The expected remaining consideration the enterprise expects to receive from the transfer of goods related to the asset; b) The estimated costs to be incurred for transferring the related goods. After the impairment provision is made, if the factors of impairment

in previous periods change so that the difference between the above two items is higher than the book value of the assets, the original impairment provision of the assets shall be reversed and included in the profit and loss for the current period, but the book value of the assets after the reversal shall not exceed the book value of the assets on the reversal date assuming that the impairment provision is not made.

15. Long-term equity investments

The Group's long-term equity investments include investments in subsidiaries, investments in associates, and equity investments in joint ventures.

(1) Judgment of Significant Influence and Joint Control

The Group's equity investments in which it has significant influence over the investee are classified as investments in associates. Significant influence refers to the power of the Group to participate in the decision-making of the investee's financial and operating policies, but without the ability to control or jointly control the formulation of these policies with other parties. When the Company directly or indirectly through its subsidiaries holds more than 20% but less than 50% of the voting power in an investee, it is generally considered to have significant influence over the investee, unless there is clear evidence that the Group cannot participate in the investee's operational decision-making or exert control over the investee. If the Group holds less than 20% of the voting power in an investee, but the Group has representatives on the investee's board of directors or similar authorities, participates in the decision-making process of the investee's financial and operating policies, engages in significant transactions with the investee, sends management personnel to the investee, or provides key technical information to the investee, the Group considers it to have significant influence over the investee.

The Group's equity investments in which it shares joint control over the investee with other joint venture partners and has rights to the net assets of the investee are classified as investments in joint ventures. The common control means the Company controls some arrangement together with other participants based on the relevant agreement, and the decisions about the activities of such arrangement cannot be made without the consensus of participants sharing the control power. The Group's judgment of joint control is based on the fact that all parties or a group of parties collectively control the arrangement, and decisions regarding the relevant activities of the arrangement must require the unanimous consent of the parties that collectively control the arrangement.

(2) Accounting treatment method

The Group measures its acquired long-term equity investments at initial recognition based on the initial investment cost.

For long-term equity investments acquired through a business combination under common control, the initial investment cost is determined as the share of the acquiree's net assets at their carrying amount in the ultimate controlling party's consolidated financial statements as of the acquisition date. If the acquiree's net assets at the acquisition date have a negative value, the initial investment cost is determined to be zero.

For long-term equity investments acquired through a business combination not under common control, the initial investment cost is determined based on the acquisition cost. In the case of a business combination not under common control achieved through multiple transactions, which is not considered a package deal, the initial investment cost is determined by the sum of the carrying amount of the originally held equity investment and the additional investment costs.

Except for long-term equity investments formed through business combinations, long-term equity investments obtained by paying cash are initially measured at the actual purchase price paid, plus directly attributable costs, taxes, and other necessary expenses. Long-term equity investments obtained by issuing equity securities are initially measured at the fair value of the equity securities issued. Long-term equity investments obtained through debt restructuring, where assets are used to settle debts, are initially measured at the fair value of the waived claims, plus taxes and other costs directly attributable to the investment. Long-term equity investments obtained through the exchange of non-monetary assets are initially measured at the fair value or carrying amount of the exchanged assets, plus related taxes and fees.

The Company accounts for its investments in subsidiaries using the cost method in its individual financial statements. When using the cost method, long-term equity investments are measured at the initial investment cost. When making additional investments, the carrying amount of the long-term equity investment is increased by the fair value of the additional investment paid and any related transaction costs incurred. Cash dividends or profits declared and distributed by the investee are recognized as investment income for the current period, based on the amount the Company is entitled to receive.

The Group accounts for its investments in joint ventures and associates using the equity method. When using the equity method, if the initial investment cost of the long-term equity investment is greater than the share of the investee's identifiable net assets at fair value at the time of investment, the carrying amount of the long-term equity investment is not adjusted. If the initial investment cost is less than the share of the investee's identifiable net assets at fair value at the time of investment, the difference is added to the carrying amount of the long-term equity investment and is recognized in profit and loss for the current period in which the investment is acquired.

For long-term equity investments accounted for using the equity method, the carrying amount of the investment is adjusted accordingly to increase or decrease based on changes in the equity of the investee during the holding period. When recognizing the share of the investee's net profit or loss, the fair value of the investee's identifiable assets at the time of acquiring the investment is used as the basis. The recognition is in accordance with the Group's accounting policies and accounting periods. Additionally, any unrealized internal transaction gains or losses arising from transactions between the Group and its associates or joint ventures that do not constitute business transactions are eliminated based on the Group's share. If the internal transaction losses relate to asset impairment losses, they are fully recognized. The net profit of the investee is then adjusted accordingly. The Group recognizes the net loss of the investee, limited to the carrying amount of the long-term equity investment and other long-term interests that essentially constitute net investments in the investee, which are reduced to zero, except when the Group has an obligation to bear additional losses.

16. Fixed assets

(1) Conditions for recognition

The Group's fixed assets are tangible assets held for the purpose of producing goods, providing services, leasing, or operating and managing, with a useful life of more than one year.

Fixed assets are recognized when it is probable that the related economic benefits will flow into the Group and the cost can be reliably measured. The Group's fixed assets include buildings and structures, machinery and equipment, transportation equipment, electronic equipment, and others.

(2) Depreciation method

Category	Depreciation method	Useful life	Salvage value (%)	Annual depreciation (%)
Properties and buildings	Straight-line depreciation method	20	5%	4.75%
Machinery and equipment	Straight-line depreciation method	10	5%	9.50%
Transportation vehicle	Average method of useful life	5	5%	19.00%
Electronic equipment and others	Straight-line depreciation method	3	5%	31.67%

Except for fixed assets that are still in use after full depreciation has been provided and land that is separately recognized, the Group depreciates all fixed assets. The straight-line method is used for depreciation.

At the end of each fiscal year, the Group reviews the estimated useful life, expected residual value, and depreciation method of its fixed assets. If any changes occur, they are treated as changes in accounting estimates.

17. Construction in progress

The cost of construction in progress is determined based on actual project expenditures, including all necessary project expenditures incurred during construction, borrowing costs to be capitalized before the project reaches its predetermined usable state, and other related expenses, etc.

Construction in progress is transferred to fixed assets at its estimated value based on the project budget, costs, or actual construction costs, starting from the date it reaches the intended usable state. Depreciation begins in the following month. After the completion settlement procedures are completed, any differences in the original value of the fixed assets are adjusted.

Construction in progress is transferred to fixed assets upon reaching the predetermined usable state, with the criteria as follows:

Item	Standard for transferring fixed assets
Properties and buildings	The main construction and supporting projects have been substantially completed, and the construction projects meet the intended design requirements and have passed acceptance.
Machinery and equipment	(1) Production projects: The relevant equipment and supporting facilities have been installed, the equipment has been commissioned, and it is capable of operating normally and stably for a period of time. The production equipment can consistently produce qualified products for a period, and the equipment has been accepted by the relevant departments and handed over for production. (2) R&D projects: The relevant equipment and supporting facilities have been installed, the physical properties meet the design requirements, and they satisfy the R&D usage requirements. The equipment has been accepted by the relevant departments and handed over for research and development.

18. Borrowing costs

The Group capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets as part of the cost of those assets. Other borrowing costs are recognized as expenses in the profit and loss for the current period. The Group capitalizes borrowing costs related to assets that require more than one year of acquisition or production activities to reach the intended usable or saleable state, including fixed assets, investment properties, and inventory. Capitalization begins when asset expenditures and borrowing costs have been incurred, and necessary acquisition or production activities have started to bring the asset to its intended usable or saleable state. Capitalization stops when the asset that qualifies for capitalization reaches its intended usable or saleable state, and any subsequent borrowing costs are recognized in profit and loss for the current period. If an asset that meets the capitalization conditions experiences an abnormal interruption during acquisition or production, and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended until the acquisition or production activities of the asset resume.

For each accounting period during the capitalization period, the Group recognizes the capitalized amount of borrowing costs as follows: For specifically borrowed funds, the capitalized amount is determined based on the actual interest expenses incurred during the period, after deducting any interest income earned from unused borrowed funds deposited in the bank or investment income from temporary investments. For general borrowings, the capitalized amount is determined by multiplying the weighted average of asset expenditures exceeding the specific borrowing portion by the capitalization rate for the general borrowings, where the capitalization rate is calculated based on the weighted average interest rate of general borrowings.

19. Intangible assets

(1) Useful life and its determination basis, estimation, amortization method, or review procedure

The Group's intangible assets include land use rights, computer software, etc., and are measured at their actual cost at the time of acquisition. For purchased intangible assets, the actual cost is determined based on the amount actually paid and other related expenses. For intangible assets contributed by investors, the actual cost is determined according to the value stipulated in the investment contract or agreement. However, if the value agreed upon in the contract or agreement is not fair, the actual cost is determined based on fair value.

(2) Useful life and the basis for its determination, estimation, amortization methods or review procedures

Land use rights are amortized evenly over the duration of the granted term starting from the date of transfer. Computer software is amortized on a straight-line basis over the shortest of the estimated useful life, the contractually specified benefit period, or the legally stipulated effective period.

The amortization amount shall be included in the underlying asset costs and the profit and loss for the current period according to the beneficiary object. The estimated useful life and amortization method of intangible assets with a finite useful life are reviewed at the end of each fiscal year. If any changes occur, they are treated as changes in accounting estimates.

(3) The scope of R&D expenditure collection and the related accounting treatment

The Group's research and development expenses include the following: employee compensation for R&D personnel, direct costs, depreciation and amortization expenses, external research and development fees, and other related expenses.

The Group classifies its internal research and development project expenditures into expenditure on the research phase and expenditure on the development phase, based on the nature of the expenditures and the degree of uncertainty in whether the R&D activities will result in an intangible asset. Research phase expenditures are recognized in profit and loss for the current period when incurred. Expenditures in the development phase are capitalized when all of the following conditions are met: The Group assesses the technical feasibility of completing the intangible asset to make it available for use or sale; The Group has the intention to complete the intangible asset and use or sell it; The intangible asset is expected to generate economic benefits for the Group; The Group has sufficient technical, financial, and other resources to support the completion of the intangible asset development and has the ability to use or sell the intangible asset; The expenditures attributable to the development phase of the intangible asset can be reliably measured. Development phase expenditures not meeting these capitalization criteria are recognized in profit and loss for the current period when incurred.

20. Long-term asset impairment

The Group reviews long-term equity investments, fixed assets, construction in progress, right-of-

use assets, intangible assets with finite useful lives, and other related items at each balance sheet date. If there are indications of impairment, the Group performs an impairment test.

Impairment of non-current assets, excluding financial assets and goodwill (excluding goodwill)

For non-current assets, excluding financial assets and goodwill, the recoverable amount is determined as the higher of the asset's fair value less costs to sell and the present value of the asset's expected future cash flows. If the carrying amount of the asset exceeds its recoverable amount after the impairment test, the difference is recognized as an impairment loss.

The Group estimates the recoverable amount based on individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount is determined based on the asset group to which the asset belongs. The identification of the asset portfolio is based on whether the main cash flow arising from the asset portfolio is independent of that of other assets or asset portfolios.

The net amount after deducting disposal costs from fair value is determined by referencing the sales agreement price of similar assets in orderly transactions or observable market prices on the measurement date, minus any incremental costs directly attributable to the disposal of the asset. When determining the present value of expected future cash flows, the management estimates the future cash flows generated by the asset during its continued use and eventual disposal, and selects an appropriate discount rate to determine the present value of the future cash flows.

Once the impairment loss of the above assets is recognized, it shall not be reversed in subsequent accounting periods.

21. Employee remuneration

(1) Accounting treatment of short-term compensation

Short-term employee benefits mainly include wages, bonuses, employee welfare, social insurance premiums, housing provident fund, allowances, and subsidies. During the accounting period in which the employee provides services, the actual short-term employee benefits incurred are recognized as liabilities and are accounted for in profit and loss for the current period or capitalized into the cost of related assets, depending on the beneficiary.

(2) Accounting treatment of the welfare after demission

Post-employment benefits mainly include basic pension insurance premiums, unemployment insurance premiums, etc. These are classified as defined contribution plans based on the risks and obligations undertaken by the Company. For defined contribution plans, the contributions made to a separate entity for the services provided by employees during the accounting period are recognized as liabilities at the balance sheet date. These contributions are then accounted for in profit and loss for the current period or capitalized into the cost of related assets, depending on the beneficiary.

(3) Accounting treatment of the demission welfare

Termination benefits refer to compensation provided by the Company when it terminates the labor relationship with an employee before the expiration of the employee's labor contract, or when it offers compensation to encourage employees to voluntarily accept redundancy. The liability arising from the compensation for the termination of the labor relationship is recognized at the earlier of the point when the Company cannot unilaterally withdraw the termination plan or redundancy proposal, or when the costs related to the restructuring involving the payment of termination benefits are recognized, and is included in profit and loss for the current period.

22. Estimated liabilities

When a contingent liability related to pending litigation, arbitration, warranty-type guarantees, or other contingent matters meets the following conditions, the Group recognizes it as a liability: The obligation is a present obligation of the Group; It is probable that the settlement of the obligation will result in an outflow of economic benefits from the Group; The amount of the obligation can be reliably measured.

The accrued liabilities are initially measured in accordance with the best estimates of the necessary expenses for the fulfillment of current obligations and the factors related to contingencies like risks, uncertainties and time value of currency are taken into account. The Group reviews the current best estimate of the provisions for contingent liabilities at the balance sheet date and adjusts the carrying amount of the provision as necessary. Provisions expected to be paid within one year from the balance sheet date are reported as current liabilities.

23. Revenue

Accounting policies adopted for the recognition and measurement of revenue disclosed by type of business

(1) General principles

The Group recognizes income upon fulfilling its performance obligations under the contract, that is, when the customer obtains control of the relevant goods or services. The control of the relevant goods or services refers to the ability to direct the use of the goods or the provision of the services and to obtain almost all of the economic benefits from them.

A performance obligation refers to the promise in the contract by the Group to transfer distinct goods to the customer. The Group's performance obligations are recognized as being satisfied over time if they meet one of the following conditions; otherwise, they are recognized as being satisfied at a point in time: a) The customer simultaneously receives and consumes the economic benefits provided by the Group's performance; b) The customer has control over the work-in-progress goods during the Group's performance; c) The goods produced during the Group's performance have no alternative use, and the Group has the right to receive payment for the performance completed to date throughout the contract period.

For performance obligations satisfied at a point in time, the Group recognizes income when the customer obtains control of the relevant goods. In determining whether the customer has obtained control of the goods, the Group considers the following indicators: a) The Group has the right to receive payment for the goods, meaning the customer has an obligation to pay for the goods; b) The Group has transferred legal ownership of the goods to the customer, meaning the customer has legal ownership of the goods; c) The Group has physically transferred the goods to the customer, meaning the customer has physical possession of the goods; d) The Group has transferred the significant risks and rewards of ownership of the goods to the customer, meaning the customer has assumed the major risks and rewards of ownership of the goods; e) The customer has accepted the goods; f) Other signs indicating that the customer has obtained control of the goods.

The transaction price is the amount of consideration that the Group expects to be entitled to receive for transferring goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer.

(2) Specific method

The Group's operating income mainly consists of sales of goods.

a) Sales of goods income

The Group primarily engages in the production and sale of phosphate chemical products, and the specific income recognition principles are as follows:

(1) Domestic sales - transfer of control of goods at a point in time

Income from domestic sales is recognized when the Group delivers the goods to the customer, or when the carrier has delivered the goods to the customer's designated destination and handed over the delivery rights to the customer, and the Group has obtained the current right to request payment and it is highly probable that the consideration will be collected, i.e., when the customer obtains control of the relevant goods.

(2) Overseas sales - transfer of control of goods at a point in time

Income from overseas sales is recognized when the goods are shipped and leave the port of shipment, the customs declaration and bill of lading are obtained, and the Group has obtained the current right to request payment and it is highly probable that the consideration will be collected, i.e., when the customer obtains control of the relevant goods.

Differences in methods for the recognition and measurement of revenue caused by different business models for the same type of business

The Company is required to comply with the disclosure requirements related to "Chemical Industry-related Business" in the *Guidelines No. 3 of Shenzhen Stock Exchange for Self-regulation of Listed Companies— Industry-specific Information Disclosure*.

24. Government grants

The government subsidies are recognized when they meet the conditions attached and can be received. Government grants in the form of monetary assets are measured at the actual amount received. For grants allocated based on a fixed amount or for which there is clear evidence at the year-end indicating that the relevant conditions of the fiscal support policy have been met and it is expected that the financial support will be received, the grant is measured at the amount receivable. For government grants in the form of non-monetary assets, they are measured at fair value. If the fair value cannot be reliably determined, the grant is measured at its nominal amount (RMB1).

The Group's government grants include asset-related government grants and income-related government grants. Among these, asset-related government grants refer to government grants obtained by the Group that are used for the acquisition, construction, or other methods of forming long-term assets. Income-related government grants refer to government grants other than those related to assets. If the government document does not explicitly specify the grant recipient, the Group will make a judgment based on the above classification principles. If it is difficult to distinguish, the grant will be classified as an income-related government grant.

Asset-related government grants are recognized as deferred income. The deferred income related to asset-related government grants is recognized in profit and loss for the current period over the useful life of the related asset using the straight-line method. If relevant assets are sold, transferred, written off or damaged before the end of their useful lives, the Company should transfer the balance of retained deferred returns into the profit or loss for the current period of assets disposal.

Income-related government grants that are used to compensate for future costs, expenses, or losses are recognized as deferred income. The deferred income is then recognized in profit and loss for the current period when the related costs, expenses, or losses are recognized. Those used to compensate for incurred related costs or losses are directly included in the profit and loss for the current period.

Government grants related to the Company's routine activities are recognized in other income based on the nature of economic operations. Government subsidies that are unrelated to the ordinary course of business are included in non-operating income and expenses.

When the Group receives policy-based interest subsidy loans, the accounting treatment is distinguished based on whether the subsidy funds are paid to the lending bank by the government or directly paid to the Group. The accounting treatment is as follows:(1) When the government pays the interest subsidy funds to the lending bank, and the lending bank provides the loan to the Group at the policy-based preferential interest rate, the Group recognizes the actual amount received as the loan's carrying value. The Group calculates the related borrowing costs based on the loan principal and the preferential interest rate (or recognizes the loan's fair value as the carrying value and calculates the borrowing costs using the effective interest rate method. Any difference between the actual amount received and the fair value of the loan is recognized as deferred income). Deferred income is amortized using the effective interest method over the term of the loan, offsetting the related borrowing costs. (2) When the government directly allocates interest subsidy funds to the Group, the Group offsets the corresponding interest subsidy against the related borrowing costs.

25. Deferred tax assets and deferred tax liabilities

The Group recognizes deferred tax assets and deferred tax liabilities based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts, as well as the differences between the tax bases and carrying amounts of items that are not recognized as assets and liabilities but whose tax bases can be determined according to tax law. These temporary differences give rise to the recognition of deferred tax.

The Group recognizes deferred tax liabilities for all taxable temporary differences, except in the following cases: (1) The temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect accounting profit or taxable income (or deductible losses); (2) Taxable temporary differences related to investments in subsidiaries, associates, and joint ventures, where the Group can control the timing of the reversal of the temporary differences, and it is probable that these temporary differences will not reverse in the foreseeable future.

The Group recognizes deferred tax assets for deductible temporary differences, deductible losses, and tax credits to the extent that it is probable that sufficient taxable income will be available in the future to offset these differences, except in the following cases: (1) The temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect accounting profit or taxable income (or deductible losses); (2) Deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, where the following conditions are not met: the temporary differences are likely to reverse in the foreseeable future, and it is probable that sufficient taxable income will be available in the future to offset the deductible temporary differences.

The Group recognizes deferred tax assets for all unused deductible losses to the extent that it is probable that sufficient taxable income will be available to offset the deductible losses. The management exercises significant judgment in estimating the timing and amount of future taxable income, taking into account tax planning strategies, to determine the amount of deferred tax assets to be recognized. As a result, there is inherent uncertainty.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured using the applicable tax rates expected to apply when the asset is recovered or the liability is settled.

26. Leases

(1) Identification of leases

On the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. If a party to the contract transfers the right allowing the control over the use of one or more assets that have been identified within a certain period, in exchange for a consideration, such contract is a lease or includes a lease.

If a contract contains multiple single leases at the same time, the Group will split the contract, and conduct accounting treatment of each single lease respectively. If a contract contains both lease and non-lease parts at the same time, the Group will split the lease and non-lease parts for accounting treatment. Each lease component is accounted for in accordance with the lease accounting standards, while non-lease components are accounted for according to other applicable Accounting Standards for Business Enterprises.

(2) The Group as lessee

● Lease confirmation

Except for short-term leases and leases of low-value assets, at the commencement date of the lease, the Group recognizes a right-of-use asset and a lease liability.

A right-of-use asset refers to the right of the Group, as the lessee, to use the leased asset during the lease term, initially measured at cost. The cost of the right-of-use asset includes: a) The initial measurement amount of the lease liability; b) Lease payments made before or at the commencement date of the lease, less any lease incentives already received; c) Initial direct costs incurred; d) Estimated costs to be incurred for the dismantling and removal of the leased asset, restoring the location of the leased asset, or returning the leased asset to the condition required by the lease terms (excluding costs incurred for the production of inventory). The Group remeasures the lease liability in accordance with the relevant provisions of the lease accounting standards, and adjusts the carrying amount of the right-of-use asset accordingly.

The Group depreciates the right-of-use asset using the straight-line method based on the expected consumption pattern of the economic benefits related to the right-of-use asset. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is recognized over the remaining useful life of the leased asset. If it is not reasonably certain that ownership will be obtained at the end of the lease term, depreciation is recognized over the shorter of the lease term and the remaining useful life of the leased asset. The accrued depreciation amount is included in the cost of related assets or profit and loss for the current period according to the use of the right-of-use assets.

The Group initially measures the lease obligation at the present value of the lease payments outstanding at the commencement date of the lease term. Lease payments include: a) Fixed payments and substantially fixed payments, less any lease incentives received; b) Variable lease payments dependent on an index or rate; c) The purchase price of the purchase option when the Group reasonably determines that it will exercise the purchase option; d) The payments required to be made when exercising the termination option, reflecting the Group's decision to exercise the option to terminate the lease; e) The expected payments to be made based on the guaranteed residual value provided by the Group.

When calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If the Group is unable to determine the implicit interest rate, the incremental borrowing rate is used as the discount rate. The Group calculates the interest expenses

of the lease obligations during each period of the lease term at a fixed periodic interest rate, and includes them (except those that shall be capitalized) in profit and loss for the current period.

After the lease commencement date, the Group recognizes interest on the lease liability, which increases the carrying amount of the lease liability. When lease payments are made, the carrying amount of the lease liability is reduced. When there is a change in the substantial fixed payment amount, the estimated payable amount of the guaranteed residual value, the index or rate used to determine lease payments, or the assessment results or actual exercise of purchase options, renewal options, or termination options, the Group remeasures the lease liability at the present value of the revised lease payments.

- Short-term leases and leases of low-value assets

For short-term leases with a lease term not exceeding 12 months and low-value asset leases with lower value when single leased assets are brand new assets, the Group chooses not to recognize right-of-use assets and lease liabilities. The Group recognizes lease payments for short-term leases and leases of low-value assets in each period of the lease term, using the straight-line method or another systematic and reasonable method, and includes them in the cost of the related assets or in profit and loss for the current period.

(3) The Group as the lessor

When the Group acts as the lessor, if a lease essentially transfers almost all the risks and rewards associated with the ownership of the leased asset, the Group classifies the lease as a finance lease. Otherwise, the lease is classified as an operating lease.

- Finance lease

On the commencement date of the lease term, the Group recognizes the finance lease receivables for the finance lease and derecognizes the leased asset of the finance lease. It recognizes the net investment in the lease as the entry value of the finance lease, when initially measuring the finance lease receivable.

The net investment in lease is the sum of the present value of the unguaranteed residual value and the unpaid lease receipts on the start date of the lease term discounted according to the interest rate implicit in lease. The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments not included in the measurement of the net lease investment acquired by the Group are recognized in profit and loss for the current period in which they are incurred.

- Operating leases

The Group recognizes lease receipts from operating leases as rental income on a straight-line basis during each period of the lease term.

Initial direct costs incurred by the Group in relation to operating leases are capitalized as part of the cost of the leased asset and are amortized over the lease term on the same basis as rental income is recognized in profit and loss for the current period. Variable lease payments made by the Group in relation to operating leases that are not included in the lease receivable are included in profit and loss for the current period when they are actually incurred.

If an operating lease changes, the Group will regard it as a new lease for accounting treatment from the effective date of the change. The advance receipt or the lease receivable related to the lease prior to the change is recognized as the payment receivable of the new lease.

27. Held for sale

The Group classifies a non-current asset or disposal group as held for sale when it is mainly recovered through sale (including exchanges of non-monetary assets with commercial substance, the same hereafter) rather than through continued use, and its carrying amount is expected to be recovered.

The Group classifies a non-current asset or disposal group as held for sale when it meets the following conditions: a) It is available for immediate sale in its present condition, in accordance with the usual practices for sales of such assets or disposal groups; b) The sale is highly probable, with a decision made on a sale plan and a firm commitment from a buyer, and the sale is expected to be completed within one year. The sale requires approval from the relevant authorities or supervisory department as stipulated by the applicable regulations. The Group reduces the carrying amount of non-current assets or disposal groups (excluding financial assets, deferred tax assets, investment properties measured at fair value, and assets arising from employee compensation) to the fair value less costs to sell if the carrying amount exceeds the net amount of fair value less costs to sell. The amount of the reduction is recognized as an impairment loss and recorded in profit and loss for the current period. At the same time, an impairment provision for assets held for sale is recognized.

When the Group loses control over an investee due to the sale of an investment in a subsidiary, regardless of whether the Group retains a partial equity investment after the sale, if the investment in the subsidiary to be sold meets the criteria for classification as held for sale, the entire investment in the subsidiary is classified as held for sale in the individual financial statements of the parent company. In the consolidated financial statements, all assets and liabilities of the subsidiary are classified as held for sale. If, after subsequent balance sheet dates, the fair value less costs to sell of non-current assets held for sale increases, the previously recognized impairment loss is reversed. The amount of the reversal is transferred from the impairment loss recognized for assets classified as held for sale, and the reversal amount is recognized in profit and loss for the current period. Impairment losses recognized before an asset is classified as held for sale will not be reversed.

Non-current assets held for sale or non-current assets in the disposal group are not subject to depreciation or amortization. Interest and other expenses of liabilities in the disposal group held for sale shall still be recognized.

When derecognizing non-current assets or disposal groups classified as held for sale, any unrecognized gains or losses are recognized in profit and loss for the current period.

28. Discontinued operations

Discontinued operation refers to a component of the Group that meets one of the following conditions, can be distinguished separately, and has either been disposed of or classified as held for sale: (1) The component represents a major separate business or a major geographical area of operation; (2) The component is part of a plan to dispose of a major separate business or a major geographical area of operation; (3) The component is a subsidiary acquired specifically for resale.

In the income statement, the Group adds “Net Profit from Continuing Operations” and “Net Profit from Discontinued Operations” under the “Net Profit” section, reflecting the after-tax net amounts for the profits and losses related to continuing operations and discontinued operations, respectively. The profits and losses related to discontinued operations should be reported as discontinued operations. The reported discontinued operations profits and losses include the entire Reporting Period, not just the period after the operations are classified as discontinued.

29. Fair value measurement

The Group measures derivative financial instruments at fair value on each balance sheet date. Fair value refers to the price that market participants will receive when selling an asset or need to pay when transferring a liability in an orderly transaction on the measurement date.

The assets and liabilities measured or disclosed at fair value in the financial statements are in line with the lowest level of the input value that is important to fair value measurement as a whole to determine the level of fair value. The first level of the input value means an unadjusted quoted price in an active market for the same assets and liabilities available on the measurement date. The second level of the input value is the directly or indirectly observable input value of related assets and liabilities except for the first level of the input value. The third level of the input value is the unobservable input value of related assets and liabilities.

On each balance sheet date, the Group re-assesses the assets and liabilities that are continuously measured at fair value in the financial statements so as to determine whether the conversion occurs at different levels of the fair value measurement.

For financial instruments traded in active markets, the Group determines their fair value based on quoted prices in those markets. For financial instruments not traded in active markets, the Group uses valuation techniques to determine their fair value, with the primary valuation model being the discounted cash flow model. The inputs for valuation techniques mainly include: for debt instruments, the risk-free interest rate, credit spread, and liquidity premium; for equity instruments, the valuation multiple and liquidity discount.

The fair value of Level 3 inputs is determined based on the Group's assessment models, such as the discounted cash flow model. The Group also considers the initial transaction price, recent transactions of identical or similar financial instruments, or transactions of comparable financial instruments with unrelated third parties. At the balance sheet date, third-level financial assets measured at fair value use significant unobservable inputs, such as discount rates, in the valuation. However, their fair value is not significantly sensitive to reasonable changes in these significant unobservable inputs.

30. Other significant accounting policies and accounting estimates

Hedge accounting:

For the hedge accounting method, the Group's hedging is primarily for cash flow hedges.

At the inception of the hedge relationship, the Group formally designates the hedge relationship and prepares formal written documentation regarding the hedge relationship, risk management objectives, and risk management strategies. The documentation specifies the hedging instrument, the hedged item, the nature of the hedged risk, and the Group's method for assessing hedge effectiveness. Hedge effectiveness refers to the extent to which the change in the fair value or cash flows of the hedging instrument offsets the change in the fair value or cash flows of the hedged item caused by the hedged risk. Such hedging relationships are continuously assessed to ensure they meet the hedge effectiveness requirements at both the initial designation date and throughout the subsequent periods.

If the hedging instrument expires, is sold, the contract is terminated, or is exercised (with extensions or replacements that are part of the hedging strategy not considered as expiration or termination), or if the risk management objectives change, causing the hedge relationship to no longer meet the risk management objectives, or if the hedge no longer satisfies the other conditions for hedge accounting, the Group will discontinue hedge accounting.

If a hedging relationship no longer meets the hedge effectiveness requirements due to changes in the hedge ratio, but the risk management objective for the hedging relationship remains unchanged, the Group will rebalance the hedging relationship.

When the conditions for hedge accounting are met, the following treatment is applied:

a) Cash flow hedges

The portion of the gains or losses on the hedging instrument that is considered effective is recognized directly in other comprehensive income, while the portion that is considered ineffective is recognized in profit and loss for the current period.

If the expected transaction being hedged is subsequently recognized as a non-financial asset or non-financial liability, or if the expected transaction forming a commitment for a fair value hedge of a non-financial asset or non-financial liability is recognized, the amount of the cash flow hedge reserve previously recognized in other comprehensive income is reclassified and included in the initial carrying amount of the asset or liability. For the remaining cash flow hedges, when the hedged expected cash flows impact profit or loss in the same period, such as when the expected sales occur, the cash flow hedge reserve recognized in other comprehensive income is reclassified and recognized in profit and loss for the current period.

When the Group discontinues hedge accounting for cash flow hedges, if the expected future cash flows of the hedged item are still expected to occur, the amount previously recognized in other comprehensive income is not reclassified until the expected transaction actually occurs or the commitment is fulfilled. If the expected future cash flows of the hedged item are no longer expected to occur, the accumulated cash flow hedge reserve should be reclassified from other comprehensive income to profit and loss for the current period.

31. Significant accounting policies and estimates

(1) Significant Changes in Accounting Policies

Applicable Not applicable

(2) Significant Changes in Accounting Estimates

Applicable Not applicable

(3) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2025

Applicable Not applicable

VI. Taxation

1. Main taxes and tax rate

Category of taxes	Tax basis	Tax rate
Value added tax	Value added	13%/9%/6%
City maintenance & construction tax	Amount of turnover tax payable	7 %/ 5 %
Enterprise income tax	Income tax payable	25%/22.5%/16.5%/15%/9%/8.25%
Educational surcharge	Amount of turnover tax payable	3%
Local educational surcharge	Amount of turnover tax payable	2%

Disclosure of information on taxable entities with different corporate income tax rates

Taxpayer	Enterprise income tax rate
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Taxpayer	Enterprise income tax rate
Kunming Chuan Jin Nuo Chemical Co., Ltd.	15%
Kunming Jingcui Engineering Technology Co., Ltd.	25%
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	9%
Kunming Heliwan Industrial Solid Waste Treatment Co., Ltd.	25%
Guangxi Chuan Jin Nuo New Energy Co., Ltd.	25%
Yunnan Xinshenghai International Trade Co., Ltd.	25%
Yingkou Chuan Xin Nuo High Technology Co., Ltd.	25%
Chuan Jin Nuo Hong Kong Co., Ltd.	8.25 %/16.5 %
Chuan Jin Nuo International Co., Ltd.	8.25 %/16.5 %
Egypt Chuan Jin Nuo Chemical Co., Ltd.	22.5%
Chuan Jin Nuo Middle East International Holding Co., Ltd.	22.5%

2. Tax benefits

1) According to the Ministry of Finance and the State Taxation Administration's C.S. [2001] No. 121 *Notice on Exemption of Value-Added Tax for Feed Products*, the Company's product, feed grade dicalcium phosphate, is exempt from value-added tax and enjoys the VAT exemption policy.

2) According to the Ministry of Finance and the State Taxation Administration's G.S.H. [2007] No. 10 *Notice on VAT Policy for Feed Grade Monocalcium Phosphate Products*, the Company's product, Feed grade monocalcium phosphate, is exempt from value-added tax and enjoys the VAT exemption policy.

3) According to the S.W.H. [2016] No. 31 the *State Council Tariff and Tax Commission's Notice on 2017 Tariff Adjustment Plan*, the customs duty on goods exported by the Group is adjusted to a zero tariff rate.

4) The Company and its subsidiary, Guangxi Chuan Jin Nuo Chemical, meet the criteria for tax incentives under the Western Development Policy and pay corporate income tax at a preferential rate of 15%.

5) According to the stipulations of Guizhengfa [2020] No. 42 *Notice of the People's Government of Guangxi Zhuang Autonomous Region on Promoting High-level Opening and High-quality Development of the Beibu Gulf Economic Zone in the New Era*, Guangxi Chuan Jin Nuo Chemical, which is newly registered and established in the economic zone, is recognized as a high-tech enterprise or an enterprise eligible for national preferential tax policies for the development of the western region. From the tax year when the first main business income is obtained (i.e., starting from 2021), the local share portion of corporate income tax (i.e., 6%) is exempted for five years.

6) According to the Ministry of Finance and the State Taxation Administration's [2023] No. 43 *Announcement on VAT Policy for Advanced Manufacturing Enterprises*, the Company and its subsidiary, Guangxi Chuan Jin Nuo Chemical, meet the conditions for advanced manufacturing and, from January 1, 2023 to December 31, 2027, will be eligible to offset VAT payable by 5% of the current deductible input VAT.

VII. Notes to main items of consolidated financial statements

1. Monetary funds

Unit: RMB

Item	Closing balance	Opening balance
Bank deposits	853,567,907.41	378,787,894.98
Other monetary funds	26,769,770.01	357,641,571.18
Total	880,337,677.42	736,429,466.16
Including: Total funds deposited outside China	92,148,242.90	

Other notes:

For details on the Company's restricted bank deposits, refer to Note "VII, 16. Assets with ownership or usage rights restricted."

2. Derivative financial assets

Unit: RMB

Item	Closing balance	Opening balance
Hedging instruments - forward foreign exchange contracts	4,329,785.08	
Total	4,329,785.08	

Other notes:

3. Notes receivable

(1) Notes receivable listed by category

Unit: RMB

Item	Closing balance	Opening balance
Banker's acceptance	129,417,984.60	115,148,915.93
Total	129,417,984.60	115,148,915.93

(2) Disclosure by withdrawal methods for bad debts

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision percentage		Amount	Proportion	Amount	Provision percentage	
Including:										
Notes receivable of bad debt provision by portfolio	129,417,984.60	100.00%			129,417,984.60	115,148,915.93	100.00%			115,148,915.93
Where:										
Bank acceptance bill	129,417,984.60	100.00%			129,417,984.60	115,148,915.93	100.00%			115,148,915.93
Total	129,417,984.60	100.00%			129,417,984.60	115,148,915.93	100.00%			115,148,915.93

Bad debt provision by portfolio: 0

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision percentage
Bank acceptance bill	115,148,915.93		
Total	115,148,915.93		

Notes to the determination basis for the group:

If adopting the general mode of expected credit loss to withdraw bad debt provision of notes receivable:

Applicable Not applicable

(3) Bad debt provision withdrawal, reversed or recovered in the current period

Applicable Not applicable

(4) Notes receivable which had endorsed by the Company or had discounted and had not due on the balance sheet date at the period-end

Unit: RMB

Item	Derecognized amount at the end of the Reporting Period	Non-derecognized amount at the end of the Reporting Period
Banker's acceptance		117,411,304.07
Total		117,411,304.07

4. Accounts receivable**(1) Disclosure by aging**

Unit: RMB

Aging	Closing book balance	Opening book balance
Within one year (inclusive)	121,353,997.01	144,491,865.32
Among which: Within six months	121,353,997.01	144,017,461.17
Six months to one year		474,404.15
One to two years	203,722.96	1,370,000.00
Two to three years	1,320,000.00	
Above three years		1,202,840.16
Three to four years		804.33
Over five years		1,202,035.83
Total	122,877,719.97	147,064,705.48

(2) Disclosure by withdrawal methods for bad debts

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision percentage		Amount	Proportion	Amount	Provision percentage	
Including:										
Accounts receivable of bad debt provision by portfolio	122,877,719.97	100.00%	2,635,401.45	2.14%	120,242,318.52	147,064,705.48	100.00%	3,375,455.19	2.30%	143,689,250.29
Where:										
Incl.: Aging portfolio	122,877,719.97	100.00%	2,635,401.45	2.14%	120,242,318.52	147,064,705.48	100.00%	3,375,455.19	2.30%	143,689,250.29
Total	122,877,719.97	100.00%	2,635,401.45	2.14%	120,242,318.52	147,064,705.48	100.00%	3,375,455.19	2.30%	143,689,250.29

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision percentage
Within six months	121,353,997.01	1,213,539.97	1.00%
Six months to one year			10.00%
One to two years	203,722.96	101,861.48	50.00%
More than two years	1,320,000.00	1,320,000.00	100.00%
Total	122,877,719.97	2,635,401.45	

Notes to the determination basis for the group:

If adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable:

Applicable Not applicable

(3) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

Category	Opening balance	Change in the current period				Closing balance
		Provision	Reversed or recovered	Write-offs	Others	
Bad debt provision	3,375,455.19	3,013,826.98	2,568,696.57	1,185,184.15		2,635,401.45
Total	3,375,455.19	3,013,826.98	2,568,696.57	1,185,184.15		2,635,401.45

Including: Significant amount of bad debt provision recovered or reclassified in the current period:

Unit: RMB

Name of the entity	Amount recovered or reclassified	Reason for reclassification	Recovery method	Basis for determining the bad debt provision percentage and its reasonableness
Midgulf International Ltd.	510,271.30	Payment recovered	Bank transfer	Provision based on aging analysis
Total	510,271.30			

(4) Accounts receivable written-off in the current period

Unit: RMB

Item	Written-off amount
Written-off accounts receivable	1,185,184.15

(5) Top 5 of the closing balance of the accounts receivable and the contract assets collected according to arrears party

Unit: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of bad debt provision of accounts receivable and impairment provision for contract assets
Yunnan Yuneng New Energy Battery Material Co., Ltd.	15,790,016.85		15,790,016.85	12.85%	157,900.17
Siam Java Trading Co., Ltd	13,837,872.69		13,837,872.69	11.26%	138,378.73
Guangxi Shidai Xinneng Lithium Battery Material Technology Co., Ltd.	10,011,563.60		10,011,563.60	8.15%	100,115.64
Chongqing Chuandong Chemical (Group) Co., Ltd.	7,456,624.88		7,456,624.88	6.07%	74,566.25
NUTRECO NEDERLAND B.V.	5,706,141.50		5,706,141.50	4.64%	57,061.42
Total	52,802,219.52		52,802,219.52	42.97%	528,022.21

Note: As of the disclosure date of this Report, all the above amounts have been fully recovered.

5. Receivables financing

(1) Receivables financing listed by category

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bill	90,300,965.46	73,237,761.38
Total	90,300,965.46	73,237,761.38

(2) Disclosure by withdrawal methods for bad debts

Unit: RMB

Category	Closing balance				Carrying amount	Opening balance				Book value
	Book balance		Bad debt provision			Book balance		Bad debt provision		
	Amount	Proportion	Amount	Provision percentage		Amount	Proportion	Amount	Provision percentage	
Including:										
Bad debt provision by portfolio	90,300,965.46	100.00%			90,300,965.46	73,237,761.38	100.00%			73,237,761.38
Where:										
Of which: Accounts receivable for which bad debt provisions are made based on expected credit risk combinations	90,300,965.46	100.00%			90,300,965.46	73,237,761.38	100.00%			73,237,761.38
Total	90,300,965.46	100.00%			90,300,965.46	73,237,761.38	100.00%			73,237,761.38

Bad debt provision by portfolio: 0

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision percentage
Bank acceptance bill	90,300,965.46		
Total	90,300,965.46		

(3) Receivables financing which had endorsed by the Company or had discounted and had not due on the balance sheet date at the period-end

Unit: RMB

Item	Derecognized amount at the end of the Reporting Period	Non-derecognized amount at the end of the Reporting Period
Bank acceptance bill	204,354,828.10	
Total	204,354,828.10	

6. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	27,872,559.68	20,591,018.12
Total	27,872,559.68	20,591,018.12

(1) Other receivables

1) Other receivables classified by nature

Unit: RMB

Nature	Closing book balance	Opening book balance
Trading funds	31,433,714.07	34,461,437.41
Margin and deposit	16,206,714.48	2,808,925.00
Advances on behalf of others	1,368,398.31	1,327,386.23
Payment for equity transfer		1,000,000.00
Reserve fund		275,638.11
Others	1,300.00	4,800.00
Total	49,010,126.86	39,878,186.75

2) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
Within one year (inclusive)	15,909,087.79	3,098,524.34
One to two years	351,400.00	35,605,588.00
Two to three years	32,333,714.07	157,551.00
Over three years	415,925.00	1,016,523.41
Three to four years	140,825.00	260,600.00
Four to five years	258,400.00	16,800.00
Over five years	16,700.00	739,123.41
Total	49,010,126.86	39,878,186.75

3) Disclosure by withdrawal methods for bad debts

Applicable Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision percentage		Amount	Proportion	Amount	Provision percentage	
Bad debt provision by single item	18,297,500.00	37.33%	17,297,500.00	94.53%	1,000,000.00	17,061,437.41	42.78%	17,061,437.41	100.00%	
Where:										
For individually significant amounts, the bad debt provision is made on an individual basis	18,297,500.00	37.33%	17,297,500.00	94.53%	1,000,000.00	16,912,847.27	42.41%	16,912,847.27	100.00%	
						148,590.14	0.37%	148,590.14	100.00%	
Bad debt provision by portfolio	30,712,626.86	62.67%	3,840,067.18	12.50%	26,872,559.68	22,816,749.34	57.22%	2,225,731.22	9.75%	20,591,018.12
Where:										
Aging portfolio	30,712,626.86	62.67%	3,840,067.18	12.50%	26,872,559.68	22,816,749.34	57.22%	2,225,731.22	9.75%	20,591,018.12
Total	49,010,126.86	100.00%	21,137,567.18		27,872,559.68	39,878,186.75	100.00%	19,287,168.63		20,591,018.12

Bad debt provision separately accrued: 17,297,500.00

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision percentage	Reasons for the provision
Hubei Qianyuan	16,297,500.00	16,297,500.00	16,297,500.00	16,297,500.00	100.00%	Irrecoverable as

New Material Co., Ltd.						projected
Kunming Xunhechuan Mining Co., Ltd.	615,347.27	615,347.27				Irrecoverable as projected
Xiamen Xiangbo Technology Co., Ltd.			2,000,000.00	1,000,000.00	50.00%	Partial recovery expected
Miscellaneous customers	148,590.14	148,590.14				Irrecoverable as projected
Total	17,061,437.41	17,061,437.41	18,297,500.00	17,297,500.00		

Withdrawal of bad debt provision by group: 3,840,067.18

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision percentage
Within one year (inclusive)	15,909,087.79	795,454.37	5.00%
One to two years	351,400.00	35,140.00	10.00%
Two to three years	14,036,214.07	2,807,242.81	20.00%
Three to four years	140,825.00	56,330.00	40.00%
Four to five years	258,400.00	129,200.00	50.00%
Over five years	16,700.00	16,700.00	100.00%
Total	30,712,626.86	3,840,067.18	

Notes to the determination basis for the group:

Withdrawal of bad debt provision by adopting the general mode of expected credit loss:

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment loss)	Expected credit loss during the whole outstanding maturity (with credit impairment loss)	
Balance as of January 1, 2025		2,225,731.22	17,061,437.41	19,287,168.63
Balance as of January 1, 2025 in the current period				
--Transfer to stage III		-200,000.00	200,000.00	
Provision in the current period		2,118,499.43	800,000.00	2,918,499.43
Reclassification in the current period		304,163.47	6,047.98	310,211.45
Write-off in the current period			757,889.43	757,889.43
Balance on December 31, 2025		3,840,067.18	17,297,500.00	21,137,567.18

Basis of classification of stages and bad debt provision percentage

Changes of book balance with significant amount changed of loss provision in the current period

Applicable Not applicable

There was a significant change in the book balance of other receivables affecting the loss provision this year, with an addition of RMB9,131,940.11, causing the book balance to increase by 23%, correspondingly leading to an increase in the expected credit loss for the entire term.

4) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

Category	Opening balance	Change in the current period				Closing balance
		Provision	Reversed or recovered	Charged-off/Verification	Others	
Bad debt provision	19,287,168.63	2,918,499.43	310,211.45	757,889.43		21,137,567.18
Total	19,287,168.63	2,918,499.43	310,211.45	757,889.43		21,137,567.18

5) Other receivables with actual verification during the current period

Unit: RMB

Item	Written-off amount
Other receivables with actual verification	757,889.43

Including: Write-off of significant other receivables:

Unit: RMB

Name of the entity	Nature of other receivables	Written-off amount	Reasons for write-off	Write-off procedures performed	Whether the accounts arise from related party transactions
Kunming Xunhechuan Mining Co., Ltd.	Trading funds	609,299.29	Long-term outstanding accounts that cannot be recovered	Execute internal approval process for bad debt write-off	No
Total		609,299.29			

Notes to the write-off of other receivables:

6) Top 5 of the closing balance of the other receivables collected according to the arrears party

Unit: RMB

Name of the entity	Nature	Closing balance	Aging	Proportion to total closing balance of other receivables %	Closing balance of bad debt provision
Hubei Qianyuan New Material Co., Ltd.	Trading funds	16,297,500.00	Two to three years	33.25%	16,297,500.00
ZhongKe Lithium Battery New Energy Co., Ltd.	Trading funds	13,136,214.07	Two to three years	26.80%	2,627,242.81
ELSEWEDY FOR INDUSTRIAL DEVELOPMENT	Margin and deposit	11,778,589.48	Within one year	24.03%	588,929.45
Huitong Logistics (Fangchenggang) Co., Ltd	Margin and deposit	2,200,000.00	Within one year, two to three years	4.49%	245,000.00
Xiamen Xiangbo Technology Co., Ltd.	Trading funds	2,000,000.00	Two to three years	4.08%	1,000,000.00
Total		45,412,303.55		92.65%	20,758,672.26

7. Prepayments**(1) Prepayments listed by aging analysis**

Unit: RMB

Aging	Closing balance	Opening balance
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	Amount	Proportion	Amount	Proportion
Within one year	74,866,329.11	99.19%	26,143,494.38	97.80%
One to two years	84,385.24	0.11%	40,932.19	0.15%
Two to three years	35,932.18	0.05%	489,784.60	1.83%
Over three years	488,552.84	0.65%	59,546.24	0.22%
Total	75,475,199.37		26,733,757.41	

Notes to the reasons for the prepayments aging over one year with significant amount but failed settled in time:

(2) Top 5 prepayment in closing balance collected according to the prepayment target

Name of the entity	Closing balance	The proportion (%) of the year-end balance of prepayments to the total balance
Nanning Customs District P.R. China	8,805,910.71	11.67
Yunnan Chihong Zn & Ge Co., Ltd.	7,207,587.26	9.55
Guangxi Jinchuan Nonferrous Metals Co., Ltd.	5,178,841.78	6.86
MISR PHOSPHATE COMPANY	4,644,809.51	6.15
Guangzhou Sales Branch of PetroChina Fuel Oil Company Limited	4,568,713.60	6.05
Total	30,405,862.86	40.28

Other notes:

8. Inventory

Whether the Company needs to comply with the disclosure requirements for the real estate industry

No

(1) Category of inventory

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Falling price reserves or provision for impairment on contract performance cost	Book value	Book balance	Falling price reserves or provision for impairment on contract performance cost	Book value
Raw materials	266,023,512.81	2,898,402.19	263,125,110.62	290,134,422.75	2,896,428.19	287,237,994.56
Work-in-process	166,180,209.13	702,345.54	165,477,863.59	173,649,904.29	702,345.54	172,947,558.75
Commodities in stock	391,750,296.27	15,739,321.12	376,010,975.15	168,892,715.01	13,678,354.07	155,214,360.94
Contract performance costs	8,908,588.92		8,908,588.92	4,114,968.56		4,114,968.56
Shipped commodities	5,627,139.76		5,627,139.76	12,041,426.52		12,041,426.52
Packaging material	5,081,972.54		5,081,972.54	5,627,996.70		5,627,996.70
Materials in transit	32,496,070.75		32,496,070.75	41,009,372.11		41,009,372.11
Total	876,067,790.18	19,340,068.85	856,727,721.33	695,470,805.94	17,277,127.80	678,193,678.14

(2) Falling price reserves of inventory and impairment reserves for contract performance costs

Unit: RMB

Item	Opening balance	Increase amount of the current period	Decrease in the current period	Closing balance
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		Accrual	Others	Reclassification or charge-off	Others	
Raw materials	2,896,428.19	1,974.00				2,898,402.19
Work-in-process	702,345.54					702,345.54
Commodities in stock	13,678,354.07	2,060,967.05				15,739,321.12
Total	17,277,127.80	2,062,941.05				19,340,068.85

Criteria for setting aside provision for inventories impairment by portfolio

Item	Basis for provision for inventory write-down	Basis for recognition of net realizable value
Raw materials	Book cost exceeds net realizable value	For materials that can be directly sold, their net realizable value is determined based on the estimated selling price of the inventory, less estimated sales expenses and related taxes. For materials that need to be processed, their net realizable value is determined based on the estimated selling price of the finished products, less the costs to be incurred until completion, estimated sales expenses, and related taxes.
Work-in-process	Book cost exceeds net realizable value	The net realizable value of the inventory is determined based on the estimated selling price of the finished products, less the costs to be incurred until completion, estimated sales expenses, and related taxes.
Commodities in stock	Book cost exceeds net realizable value	The net realizable value of the inventory is determined based on the estimated selling price, less estimated sales expenses and related taxes.

(3) Notes to the Closing balance of inventories including capitalized borrowing expense

The closing balance of inventory does not include the amount of capitalized borrowing costs.

(4) Amortization amount of contract performance cost during the current period

The opening balance of contract performance cost was RMB4,114,968.56, with an occurrence of RMB178,443,887.26 during the current period. Amortization based on product sales amounts to RMB173,650,266.90, with an ending balance of RMB8,908,588.92.

9. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Value-added tax input tax to be deducted	17,859,221.19	15,663,707.80
Amortization of low-value consumables	8,556,116.36	3,231,358.02
Prepaid income tax	104,799.98	
Total	26,520,137.53	18,895,065.82

Other notes:

10. Fixed assets

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	1,352,145,779.54	1,389,503,456.07
Total	1,352,145,779.54	1,389,503,456.07

(1) List of fixed assets

Unit: RMB

Item	Properties and buildings	Machinery and equipment	Transportation vehicle	Electronic equipment and others	Total
I. Original carrying value:					

Item	Properties and buildings	Machinery and equipment	Transportation vehicle	Electronic equipment and others	Total
1. Opening balance	999,561,827.89	1,131,063,307.13	28,776,923.52	18,130,159.43	2,177,532,217.97
2. Increase in the current period	38,620,760.13	57,290,728.15	6,581,392.30	1,613,935.87	104,106,816.45
(1) Purchase		5,999,994.89	6,581,392.30	1,495,460.65	14,076,847.84
(2) Transfer-in of construction in progress	38,620,760.13	51,290,733.26		118,475.22	90,029,968.61
(3) Increase for business combination					
3. Decrease in the current period		1,450,084.94	751,071.71	6,307,508.22	8,508,664.87
(1) Disposal or write-off		1,450,084.94	751,071.71	6,307,508.22	8,508,664.87
4. Closing balance	1,038,182,588.02	1,186,903,950.34	34,607,244.11	13,436,587.08	2,273,130,369.55
II. Accumulated Depreciation					
1. Opening balance	172,162,888.94	580,145,315.52	18,748,654.89	13,286,397.76	784,343,257.11
2. Increase in the current period	48,828,241.65	85,208,320.19	4,153,810.49	2,137,368.20	140,327,740.53
(1) Provision	48,828,241.65	85,208,320.19	4,153,810.49	2,137,368.20	140,327,740.53
3. Decrease in the current period		891,613.77	543,195.11	5,937,103.54	7,371,912.42
(1) Disposal or write-off		891,613.77	543,195.11	5,937,103.54	7,371,912.42
4. Closing balance	220,991,130.59	664,462,021.94	22,359,270.27	9,486,662.42	917,299,085.22
III. Provision for impairment					
1. Opening balance		3,685,504.79			3,685,504.79
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal or write-off					
4. Closing balance		3,685,504.79			3,685,504.79
IV. Carrying value					
1. Closing book value	817,191,457.43	518,756,423.61	12,247,973.84	3,949,924.66	1,352,145,779.54
2. Opening book value	827,398,938.95	547,232,486.82	10,028,268.63	4,843,761.67	1,389,503,456.07

(2) List of temporarily idle fixed assets

Unit: RMB

Item	Original carrying value	Accumulated depreciation	Provision for impairment losses	Carrying amount	Notes
Properties and buildings	25,749,527.97	6,296,919.72		19,452,608.25	Idle, out of production and not in use
Machinery	18,609,265.72	9,012,597.13	3,685,504.79	5,911,163.80	Discontinued and unused production
Transportation tools	7,320.52			7,320.52	Discontinued and unused production
Electronic devices and others	54,395.96	10,637.52		43,758.44	Discontinued and unused production

(3) Fixed assets failed to accomplish certification of property

Unit: RMB

Item	Carrying amount	Reason
Phosphoric Acid Concentration Plant	11,318,195.48	Completion settlement not yet handled
Main Sodium Fluorosilicate Plant	7,632,589.49	Completion settlement not yet handled
Phase II Shift Building	4,603,950.64	Completion settlement not yet handled
Phase II Comprehensive Building	4,262,833.27	Completion settlement not yet handled
110KV Substation	3,519,832.50	Completion settlement not yet handled
Comprehensive Building of Phosphoric Acid Workshop	2,894,684.27	Completion settlement not yet handled
Comprehensive Building of Boiler Thermal Power Workshop	1,595,628.32	Completion settlement not yet handled

Other notes:

(4) Impairment test of fixed assets Applicable Not applicable**11. Construction in progress**

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	197,565,349.04	182,720,961.41
Construction materials	8,308,953.09	4,093,733.85
Total	205,874,302.13	186,814,695.26

(1) List of construction in progress

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment losses	Carrying amount	Book balance	Provision for impairment losses	Book value
100,000 tonnes/year battery-grade lithium iron phosphate precursor material (iron phosphate) project	81,541,753.58		81,541,753.58	108,061,460.35		108,061,460.35
100,000 tonnes/year battery-grade lithium iron phosphate project	15,459,121.86		15,459,121.86	14,931,800.13		14,931,800.13
1 million tonnes per year phosphogypsum harmless treatment and renovation project.	27,503,116.94		27,503,116.94	6,773,938.62		6,773,938.62
The 300,000 tonnes per year building gypsum powder project using semi-hydrated phosphogypsum for comprehensive utilization.	3,987,508.82		3,987,508.82	3,942,225.80		3,942,225.80
The 100,000 tonnes per year sulfuric acid plant air pollution control and environmental improvement and equipment upgrade project.	48,774,151.34		48,774,151.34	3,079,429.57		3,079,429.57
The semi-hydrated phosphogypsum-based cement retardant project.	2,195,328.90		2,195,328.90	2,195,328.90		2,195,328.90
New raw and auxiliary material warehouse, food-grade purified phosphoric acid warehouse	5,126,072.30		5,126,072.30			
Phosphoric acid capacity				35,952,003.61		35,952,003.61

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment losses	Carrying amount	Book balance	Provision for impairment losses	Book value
expansion and technological upgrading						
Others	12,978,295.30		12,978,295.30	7,784,774.43		7,784,774.43
Total	197,565,349.04		197,565,349.04	182,720,961.41		182,720,961.41

(2) Changes in significant construction in progress during the current period

Unit: RMB

Item	Budget	Opening balance	Increase amount of the current period	Amount of transfer into fixed assets in the current period	Other decreased amount for the current period	Closing balance	Proportion of accumulated investment in constructions to budget	Project progress	Accumulated amount of interest capitalization	Of which: Amount of interest capitalization in the current period	Capitalization rate of interests for the current period	Source of Fund
100,000 tonnes/year battery-grade lithium iron phosphate precursor material (iron phosphate) project	800,000,000.00	108,061,460.35	9,476,003.82	35,995,710.59		81,541,753.58	14.69%	14.69%				Self-raised funds
Phosphoric acid capacity expansion and technological upgrading	63,627,500.00	35,952,003.61	8,816,737.49	44,768,741.10			70.36%	100.00%				Others
100,000 tonnes/year battery-grade lithium iron phosphate project	1,300,865,100.00	14,931,800.13	557,594.89	30,273.16		15,459,121.86	1.19%	1.19%				Raised funds and self-raised funds
1 million tonnes per year phosphogypsum harmless treatment and renovation project	39,445,000.00	6,773,938.62	20,729,178.32			27,503,116.94	69.73%	69.73%				Self-raised funds
The 300,000 tonnes per year building gypsum powder project using semi-hydrated phosphogypsum	33,582,600.00	3,942,225.80	45,283.02			3,987,508.82	11.87%	11.87%				Self-raised funds

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Item	Budget	Opening balance	Increase amount of the current period	Amount of transfer into fixed assets in the current period	Other decreased amount for the current period	Closing balance	Proportion of accumulated investment in constructions to budget	Project progress	Accumulated amount of interest capitalization	Of which: Amount of interest capitalization in the current period	Capitalization rate of interests for the current period	Source of Fund
for comprehensive utilization												
The 100,000 tonnes per year sulfuric acid plant air pollution control and environmental improvement and equipment upgrade project	59,300,000.00	3,079,429.57	45,694,721.77			48,774,151.34	82.25%	82.25%				Self-raised funds
The semi-hydrated phosphogypsum-based cement retardant project	12,400,000.00	2,195,328.90				2,195,328.90	17.70%	17.70%				Self-raised funds
New raw and auxiliary material warehouse, food-grade purified phosphoric acid warehouse	12,350,000.00		5,126,072.30			5,126,072.30	41.51%	41.51%				Self-raised funds
Total	2,321,570,200.00	174,936,186.98	90,445,591.61	80,794,724.85		184,587,053.74						

(3) Impairment test of construction in progress

Applicable Not applicable

(4) Engineering materials

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment losses	Carrying amount	Book balance	Provision for impairment losses	Book value
Special equipment	1,947,776.25		1,947,776.25	947,368.89		947,368.89
Special materials	6,361,176.84		6,361,176.84	3,146,364.96		3,146,364.96
Total	8,308,953.09		8,308,953.09	4,093,733.85		4,093,733.85

Other notes:

12. Right-of-use assets**(1) List of right-of-use assets**

Unit: RMB

Item	Properties and buildings	Machinery and equipment	Total
I. Original carrying value			
1. Opening balance	668,155.43		668,155.43
2. Increase in the current period		17,026,735.79	17,026,735.79
3. Decrease in the current period			
4. Closing balance	668,155.43	17,026,735.79	17,694,891.22
II. Accumulated depreciation			
1. Opening balance	134,754.15		134,754.15
2. Increase in the current period	33,688.56	5,254,425.78	5,288,114.34
(1) Provision	33,688.56	5,254,425.78	5,288,114.34
3. Decrease in the current period			
(1) Disposal			
4. Closing balance	168,442.71	5,254,425.78	5,422,868.49
III. Provision for impairment			
1. Opening balance			
2. Increase in the current period			
(1) Provision			
3. Decrease in the current period			
(1) Disposal			
4. Closing balance			
IV. Carrying value			
1. Closing book value	499,712.72	11,772,310.01	12,272,022.73
2. Opening book value	533,401.28		533,401.28

(2) Impairment test of right-of-use assets

Applicable Not applicable

Other notes:

13. Intangible assets**(1) List of intangible assets**

Unit: RMB

Item	Land use right	Patent right	Unpatented technology	Computer software	Total
I. Original carrying value					
1. Opening balance	181,314,064.23			3,067,659.32	184,381,723.55
2. Increase in the current period	24,115,737.60			44,247.79	24,159,985.39
(1) Purchase	24,115,737.60			44,247.79	24,159,985.39
(2) Internal R&D					
(3) Increase for business combination					
3. Decrease in the current period					
(1) Disposal					
4. Closing balance	205,429,801.83			3,111,907.11	208,541,708.94
II. Accumulated amortization					
1. Opening balance	15,645,811.79			2,154,887.54	17,800,699.33
2. Increase in the current period	3,517,001.52			240,369.88	3,757,371.40
(1) Provision	3,517,001.52			240,369.88	3,757,371.40
3. Decrease in the current period					
(1) Disposal					
4. Closing balance	19,162,813.31			2,395,257.42	21,558,070.73
III. Provision for impairment					
1. Opening balance					
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal					
4. Closing balance					
IV. Carrying value					
1. Closing book value	186,266,988.52			716,649.69	186,983,638.21
2. Opening book value	165,668,252.44			912,771.78	166,581,024.22

The proportion of intangible assets formed through the Company's internal research and development at the end of the current period is 0.00% of the total intangible assets balance.

(2) Data resources recognized as intangible assets

Applicable Not applicable

(3) Land use right failed to accomplish certification of property

Unit: RMB

Item	Carrying amount	Reason
Land use right	17,450,936.76	Awaiting processing of the new land use right certificate

Other notes:

(4) Impairment test of intangible assets Applicable Not applicable**14. Deferred income tax assets/deferred income tax liabilities****(1) Deferred income tax assets had not been off-set**

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	7,036,602.48	1,055,593.67	6,175,629.51	765,537.15
Deductible losses	27,312.97	6,145.42		
Lease liabilities	12,344,068.99	1,851,610.35	527,267.73	79,090.16
Others	741,255.80	111,188.37		
Total	20,149,240.24	3,024,537.81	6,702,897.24	844,627.31

(2) Deferred income tax liabilities had not been off-set

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
One-time pre-tax deduction of fixed assets	64,937,848.69	9,745,484.00	73,797,506.13	6,661,324.28
Right-of-use assets	12,272,022.73	1,840,803.41	533,401.27	80,010.18
Total	77,209,871.42	11,586,287.41	74,330,907.40	6,741,334.46

(3) List of unrecognized deferred income tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	39,173,010.34	37,449,626.90
Deductible losses	31,595,501.00	21,631,195.15
Total	70,768,511.34	59,080,822.05

(4) Deductible losses of unrecognized deferred income tax assets will due in the following years

Unit: RMB

Year	Closing amount	Opening amount	Notes
2025		2,759,410.80	
2026	2,634,035.16	2,634,035.16	
2027	2,850,729.68	2,850,729.68	
2028	1,204,078.32	1,204,078.32	
2029	12,182,941.19	12,182,941.19	
2030	12,723,716.65		
Total	31,595,501.00	21,631,195.15	

Other notes:

15. Other non-current assets

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment losses	Carrying amount	Book balance	Provision for impairment losses	Book value
Egypt project	226,033,985.27		226,033,985.27			
Phosphogypsum residue field project	120,160,108.88		120,160,108.88	23,500,000.00		23,500,000.00
100,000 tonnes/year battery-grade lithium iron phosphate project	2,326,900.00		2,326,900.00	2,824,900.00		2,824,900.00
Others	23,030,476.92		23,030,476.92	25,632,307.09		25,632,307.09
Total	371,551,471.07		371,551,471.07	51,957,207.09		51,957,207.09

Other notes:

16. Assets with restricted ownership or right of use

Unit: RMB

Item	Period-end				Period-beginning			
	Book balance	Book value	Type of restriction	Restriction details	Book balance	Book value	Type of restriction	Restriction details
Monetary funds	26,769,770.01	26,769,770.01	Frozen	Letters of credit margin, exchange lock-in frozen margin, etc.	357,641,571.18	357,641,571.18	Term Deposits, Frozen	Term deposits, letter of credit margin, and foreign exchange lock-in margin, etc.
Notes receivable	117,411,304.07	117,411,304.07	Endorsed or Discounted, Not Yet Matured	Bank acceptance bills that have been endorsed or discounted but not yet derecognized at year-end	80,577,966.22	80,577,966.22	Endorsed or Discounted, Not Yet Matured	Bank acceptance bills that have been endorsed or discounted but not yet derecognized at year-end.
Intangible assets	77,987,315.66	66,289,218.31	Mortgage	Long-term loans secured by mortgages	77,987,315.66	67,848,964.62	Mortgage	Long-term loans secured by mortgages
Total	222,168,389.74	210,470,292.39			516,206,853.06	506,068,502.02		

Other notes:

17. Short-term loans**(1) Category of short-term loans**

Unit: RMB

Item	Closing balance	Opening balance
Pledge loans	47,303,755.64	25,507,297.04
Mortgage loans	15,000,000.00	
Guaranteed loan	415,200,000.00	310,000,000.00
Unsecured loan	59,500,113.66	5,000,000.00
Plus: Accrued interest	453,580.53	229,701.38
Total	537,457,449.83	340,736,998.42

Notes to the classification of short-term loans:

- The Company signed a credit agreement with China Merchants Bank in 2024, stipulating a credit period of 12 months from April 26, 2024, to April 25, 2025, with China Merchants Bank providing a credit limit of RMB50 million. In 2025, the Company borrowed RMB50 million from the Kunming Branch of China Merchants Bank Co., Ltd. As of December 31, 2025, the outstanding loan principal is RMB50 million.
- The Company signed a credit agreement with China CITIC Bank in 2025, stipulating a credit period of ten months from February 10, 2025, to December 10, 2025, with China CITIC Bank providing a credit limit of RMB70 million. In 2025, the Company borrowed RMB9.5 million from Kunming Branch of China CITIC Bank Corporation Limited. As of December 31, 2025, the outstanding loan principal was RMB9.5 million.
- Guangxi Chuan Jin Nuo signed a credit agreement with Fangchenggang Rural Credit Union in 2024, stipulating a credit period of 36 months from December 9, 2024, to December 8, 2027, with Fangchenggang Rural Credit Union providing a revolving credit limit of RMB50 million, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. Guangxi Chuan Jin Nuo borrowed RMB100 million from Fangchenggang Rural Credit Union in 2025, and RMB50 million of the principal loan has been repaid in the current period. As of December 31, 2025, the outstanding loan principal was RMB50 million.
- In 2025, Guangxi Chuan Jin Nuo signed a credit agreement with Nanning Minzhu Sub-branch, China Guangfa Bank Co., Ltd., stipulating a credit period of 36 months from January 5, 2025, to September 4, 2025, with Nanning Minzhu Sub-branch, China Guangfa Bank Co., Ltd. providing a credit limit of RMB50 million, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. In 2025, Guangxi Chuan Jin Nuo borrowed RMB50million from Nanning Minzhu Sub-branch, China Guangfa Bank Co., Ltd. As of December 31, 2025, the outstanding loan principal was RMB50 million.
- Guangxi Chuan Jin Nuo signed a credit agreement with Nanning Branch of China Guangfa Bank Co., Ltd. in 2025, stipulating a credit period from May 8, 2025, to May 6, 2026, with Nanning Branch of China Guangfa Bank Co., Ltd. providing a credit limit of RMB240 million, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. Guangxi Chuan Jin Nuo borrowed RMB50 million from China Guangfa Bank Co., Ltd. Nanning in 2025. As of December 31, 2025, the outstanding loan principal was RMB50 million.
- On April 14, 2025, Guangxi Chuan Jin Nuo signed a guarantee loan contract with Nanning Qingxiu Sub-branch, Shanghai Pudong Development Bank Co., Ltd., with a loan amount of RMB50 million and a term from April 14, 2025, to April 14, 2026. The principal is repaid in full at maturity, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. As of December 31, 2025, the outstanding loan principal was RMB50 million.
- In 2025, Guangxi Chuan Jin Nuo signed a credit agreement with Nanning Guiya Sub-branch of the Bank of Communications, agreeing on a credit period of one month from September 19, 2025, to October 19, 2025. Nanning Guiya Sub-branch of the Bank of Communications provided the enterprise with a credit limit of RMB50 million, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. In 2025, Guangxi Chuan Jin Nuo borrowed RMB50 million from Nanning Guiya Sub-branch of the Bank of Communications. As of December 31, 2025, the loan principal of RMB50 million has not yet been repaid.
- Guangxi Chuan Jin Nuo Chemical signed a guarantee loan agreement with Qinzhou Sub-branch, Industrial Bank Co., Ltd. on August 15, 2025, with a loan amount of RMB30 million. The loan term is from August 15, 2025 to August 14, 2026, with repayment in a lump sum at maturity,

guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd.. As of December 31, 2025, the outstanding loan principal was RMB30 million.

- On August 15, 2025, Guangxi Chuan Jin Nuo signed a trust receipt agreement with Qinzhou Sub-branch, Industrial Bank Co., Ltd., with a loan amount of RMB32 million, and a loan term from October 21, 2025, to April 20, 2026, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. As of December 31, 2025, the outstanding loan principal was RMB32 million.
- On October 28, 2025, Guangxi Chuan Jin Nuo signed a Cross-border Financing Risk Cooperation Participation Agreement with Fangchenggang Branch, China Construction Bank Corporation and Tokyo Sub-branch, China Construction Bank Corporation. Tokyo Sub-branch, China Construction Bank Corporation provided cross-border financing for Guangxi Chuan Jin Nuo with a principal of RMB15 million and a financing period from October 28, 2025, to October 28, 2026, with principal and interest paid in full at maturity. The guarantee method is third-party guarantee and real estate mortgage, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. and Liu Meng. Guangxi Chuan Jin Nuo mortgaged land use rights (certificate number: Gui (2020) Fangchenggang City Real Estate No. 0015838). As of December 31, 2025, the outstanding loan principal was RMB15 million.
- On December 8, 2025, Guangxi Chuan Jin Nuo signed a working capital loan contract with Fangcheng Sub-branch of Guangxi Beibu Gulf Bank, with a loan amount of RMB50 million and a loan period from December 8, 2025, to August 8, 2026, with a lump sum repayment at maturity guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. As of December 31, 2025, the outstanding loan principal was RMB50 million.
- On September 19, 2025, Guangxi Chuan Jin Nuo opened a domestic letter of credit with Industrial Bank Co., Ltd., with Guangxi Zhiyuan Industrial Co., Ltd. as the beneficiary. The expiration date is September 19, 2026. As of December 31, 2025, the amount under the letter of credit that has not yet matured is RMB3.2 million.
- On December 11, 2025, Guangxi Chuan Jin Nuo signed a working capital loan contract with Qinzhou Sub-branch, Industrial Bank Co., Ltd., with a loan amount of RMB50 million and a loan term from December 12, 2025, to November 12, 2026, guaranteed by Kunming Chuan Jin Nuo Chemical Co., Ltd. As of December 31, 2025, the outstanding loan principal was RMB50 million.
- At the end of the period, Guangxi Chuan Jin Nuo had discounted yet-to-mature bank acceptance notes receivable not accepted by the “6+9” banks, reclassified to short-term loans. As of December 31, 2025, the balance was RMB47,303,755.64.

18. Derivative financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
Hedging instruments - forward foreign exchange contracts		1,050,954.68
Total		1,050,954.68

19. Notes payable

Unit: RMB

Category	Closing balance	Opening balance
Bank acceptance bill	5,000,000.00	
Total	5,000,000.00	

20. Accounts payable**(1) List of accounts payable**

Unit: RMB

Item	Closing balance	Opening balance
Materials and equipment procurement payments	122,252,596.78	108,139,663.73
Project payments	69,395,895.79	47,555,392.56
Transportation expenses	19,069,071.74	31,621,448.17
Electricity charge	7,649,273.97	6,283,218.59
Others	1,819,468.49	3,147,138.28
Total	220,186,306.77	196,746,861.33

(2) Accounts payable with the account aging over one year or overdue

Unit: RMB

Item	Closing balance	Reason for non-repayment or carry-over
Sichuan Zhensheng Qianli Construction Co., Ltd.	3,930,776.31	Not yet settled
Fangchenggang Minglonghui Concrete Co., Ltd.	2,470,738.08	Not yet settled
Fangchenggang Dongwan Traffic Commodity Concrete Co., Ltd.	1,468,703.27	Not yet settled
Guangxi Zhanbang New Materials Co., Ltd.	1,425,759.67	Not yet settled
Qinyang Zhongnan Anti-corrosion & Insulation Co., Ltd.	823,871.62	Not yet settled
Shenzhen Sanding Lithium Technology Co., Ltd.	800,633.63	Not yet settled
Yunnan Jinti Fluoroplastic Anticorrosive Equipment Technology Co., Ltd.	705,770.39	Not yet settled
Sichuan Jiangnan FRP Co., Ltd.	668,664.16	Not yet settled
Yunnan Pengfeng Anti-corrosion & Insulation Engineering Co., Ltd.	628,488.45	Not yet settled
Sichuan Chengwang Construction Engineering Co., Ltd.	514,008.05	Not yet settled
Total	13,437,413.63	

Other notes:

(3) Are there any overdue payments to SMEs?

Is it a large enterprise?

Yes No**21. Other payables**

Unit: RMB

Item	Closing balance	Opening balance
Other payables	8,115,034.25	6,419,936.17
Total	8,115,034.25	6,419,936.17

(1) Other payables**1) Other payables listed by nature of account**

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

Performance bond	2,946,450.00	1,815,700.00
Trading funds	848,000.00	848,000.00
Interest-free loan funds for government support projects	400,000.00	400,000.00
Advance payment	797,453.46	789,674.45
Other amounts	3,123,130.79	2,566,561.72
Total	8,115,034.25	6,419,936.17

2) Significant other accounts payable aging over one year or overdue

Unit: RMB

Item	Closing balance	Reason for non-repayment or carry-over
Rongxing Electromechanical Business Department, Guandu District, Kunming City	506,650.00	Not yet settled
Guangxi Qilin Trading Co., Ltd.	500,000.00	Not yet settled
Guangxi Hengmeida Trading Co., Ltd.	500,000.00	Not yet settled
Natural person with the surname Zhang	848,000.00	Not yet settled
Total	2,354,650.00	

Other notes:

22. Advances from customers

(1) List of advances from customers

Unit: RMB

Item	Closing balance	Opening balance
Advances on sales	74,505.00	96,443.78
Total	74,505.00	96,443.78

23. Contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Advances on sales	37,031,414.06	32,084,741.04
Total	37,031,414.06	32,084,741.04

24. Payroll payable

(1) List of payroll payable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term remuneration	29,653,787.54	234,267,900.12	229,129,193.57	34,792,494.09
II. Post-employment benefits-defined contribution Plan		16,794,085.22	16,794,085.22	
III. Termination benefits		772,034.14	772,034.14	
Total	29,653,787.54	251,834,019.48	246,695,312.93	34,792,494.09

(2) List of short-term salary

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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1. Salary, bonus, allowance, subsidy	28,695,105.45	200,221,341.40	195,155,579.69	33,760,867.16
2. Employee welfare	413,759.41	13,743,743.32	13,704,854.02	452,648.71
3. Social insurance		10,826,617.97	10,826,617.97	
Including: Medical insurance premiums		9,718,844.24	9,718,844.24	
Work injury insurance premiums		1,102,527.53	1,102,527.53	
Maternity insurance premiums		5,246.20	5,246.20	
4. Housing fund		5,125,112.00	5,125,112.00	
5. Labor-union expenditure and employee education budget	544,922.68	4,351,085.43	4,317,029.89	578,978.22
Total	29,653,787.54	234,267,900.12	229,129,193.57	34,792,494.09

(3) List of defined contribution plans

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic endowment insurance		16,179,413.20	16,179,413.20	
2. Unemployment insurance premiums		614,672.02	614,672.02	
Total		16,794,085.22	16,794,085.22	

Other notes:

25. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	9,426,467.91	3,406,919.06
Corporate income tax	27,048,416.22	6,772,411.67
Personal income tax	500,223.06	711,790.41
City maintenance & construction tax	638,119.21	95,061.71
Real estate tax	874,777.38	790,274.23
Stamp duty	728,935.67	554,700.00
Land use tax	509,030.63	393,463.49
Educational fee	273,479.69	56,567.74
Environmental protection tax	47,483.56	53,370.49
Local education surcharge	182,319.81	37,711.83
Water resource tax	44,198.00	
Renewable energy fund	126,444.39	
National major water conservancy construction fund	7,486.84	
Others	97.56	
Total	40,407,479.93	12,872,270.63

Other notes:

26. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term loans matured within one year	120,263,000.00	227,500,000.00
Long-term payables due within one year	87,829,390.07	

Lease liabilities matured within one year	9,518,208.08	25,482.00
Plus: Interest payable due within one year	115,781.89	214,675.71
Total	217,726,380.04	227,740,157.71

Other notes:

27. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills endorsed but not derecognized	70,107,548.43	55,070,669.18
Deferred output VAT	2,963,006.16	2,754,006.98
Total	73,070,554.59	57,824,676.16

28. Long-term loans

(1) Category of long-term loans

Unit: RMB

Item	Closing balance	Opening balance
Mortgaged borrowings	20,000,000.00	70,000,000.00
Unsecured loan	57,987,000.00	32,000,000.00
Plus: Interest payable on long-term loans	75,610.42	118,708.32
Total	78,062,610.42	102,118,708.32

● On December 12, 2025, the Company signed a working capital loan contract with Kunming Branch of Industrial Bank Co., Ltd. The loan, for daily working capital turnover, amounts to RMB10 million, with a loan period from December 12, 2025, to December 12, 2028. As of December 31, 2025, the outstanding loan principal is RMB10 million, of which RMB463,000 is expected to be repaid within one year.

● In 2025, the Company borrowed RMB84.5 million from Kunming Dongchuan District Sub-branch, Agricultural Bank of China Limited. RMB30.25 million has already been repaid in the current period. A principal of RMB28 million borrowed in 2022 was repaid the current period, and RMB11.5 million borrowed in 2023 was repaid the current period. As of December 31, 2025, RMB78.25 million of the loan remains unpaid, of which RMB29.8 million is expected to be repaid within one year.

● Guangxi Chuan Jin Nuo Chemical Co., Ltd. signed a fixed asset loan agreement with Fangchenggang Branch, China Construction Bank, on July 1, 2021 for the construction of the wet-process phosphoric acid purification and fine phosphate project, including but not limited to the replacement of fixed asset loans from Guangxi Beibu Gulf Bank. The loan amount is RMB250 million, with an interest rate of LPR plus basis points, and the loan term is six years. The Company uses the land use rights (certificate No.: Gui (2020) Fangchenggang City Real Estate No. 0015838) as collateral, with CJN and the Company's de facto controller Liu Meng providing a guarantee. As of December 31, 2025, the outstanding loan principal is RMB70 million, of which RMB50 million is expected to be repaid within one year.

● In 2025, Guangxi Chuan Jin Nuo Chemical Co., Ltd. signed a working capital loan contract with the Fangchenggang Branch, China Construction Bank to pay for the cost of purchasing phosphate concentrates, industrial sulfuric acid, and other raw materials. The loan amount is RMB50 million, with a loan period from July 10, 2025, to August 10, 2026. As of December 31, 2025, the outstanding loan amount is RMB40 million, with all the principal expected to be repaid within one year.

29. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Lease payments	12,761,371.25	741,666.67
Unrecognized financing expense	-417,302.26	-214,398.94
Reclassified to non-current liabilities due within one year	-9,518,208.08	-25,482.00
Total	2,825,860.91	501,785.73

Other notes:

30. Long-term payables

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables	75,519,278.16	
Total	75,519,278.16	

(1) Long-term payables listed by nature

Unit: RMB

Item	Closing balance	Opening balance
Payment in installments for the Egypt project land	59,639,461.76	
Loan and interest from partners in the Egypt project	15,879,816.40	

Other notes:

31. Share capital

Unit: RMB

	Opening balance	Change this time (+, -)					Closing balance
		New shares issued	Shares as dividend converted from profit	Capitalization of reserves	Others	Subtotal	
Total shares	274,867,523.00						274,867,523.00

Other notes:

32. Capital reserves

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (Share premium)	1,282,067,110.26			1,282,067,110.26
Total	1,282,067,110.26			1,282,067,110.26

Other notes, including notes to the changes in the current period and reasons for the changes:

33. Other comprehensive income

Unit: RMB

Item	Opening	Amount accounted for in the current period	Closing
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		Amount before deducting income tax for the current period	Less: Amount recognized as other comprehensive income in the previous period and transferred to profits and losses in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable minority shareholders after tax	
II. Other Comprehensive income that may subsequently be reclassified to profit or loss	-1,029,646.03	4,855,304.04				4,671,501.76	183,802.28	3,641,855.73
Cash flow hedging reserve	-1,029,646.03	5,380,739.76				5,181,243.04	199,496.72	4,151,597.01
Exchange difference on translation of financial statements in foreign currency		-525,435.72				-509,741.28	-15,694.44	-509,741.28
Total of other comprehensive income	-1,029,646.03	4,855,304.04				4,671,501.76	183,802.28	3,641,855.73

Other notes, including the reclassification of effective portion of cash flow hedge reserves to adjust the initial carrying amount of the hedged item:

34. Specific reserve

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production fund	496,474.63	17,040,607.69	15,561,590.21	1,975,492.11
Total	496,474.63	17,040,607.69	15,561,590.21	1,975,492.11

Other notes, including notes to the changes in the current period and reasons for the changes:

35. Surplus reserves

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	92,691,401.81	27,100,184.24		119,791,586.05
Total	92,691,401.81	27,100,184.24		119,791,586.05

Notes to surplus reserves, including notes to changes in the current period and reasons for such change:

36. Undistributed profit

Unit: RMB

Item	The current period	The previous period
Undistributed profits at the end of the previous period before the adjustment	891,709,910.57	750,685,777.27
Opening undistributed profits after the adjustment	891,709,910.57	750,685,777.27
Plus: Net profit attributable to owners of the parent company in the current period	453,813,148.37	176,055,944.37
Less: Appropriation of statutory surplus	27,100,184.24	4,796,383.54

reserves		
Dividends on common shares payable	82,460,256.90	30,235,427.53
Undistributed profit at the end of the period	1,235,962,617.80	891,709,910.57

37. Operating revenue and cost of sales

Unit: RMB

Item	Amount accounted for in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main operations	4,067,704,642.34	3,341,091,135.03	3,193,159,944.56	2,768,488,873.61
Other operations	6,955,722.08	131,441.10	14,317,007.01	11,486,313.03
Total	4,074,660,364.42	3,341,222,576.13	3,207,476,951.57	2,779,975,186.64

The lowest of the Company's audited total profit, net profit, and net profit after the deduction of non-recurring gains and losses during the Reporting Period was negative.

Yes No

Breakdown information of operating income and operating cost:

Unit: RMB

Classification of contracts	Division 1		Division 2		Chuan Jin Nuo Hong Kong		Others and offset		Total	
	Operating income	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating cost
Business type	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Where:										
Feed grade phosphate	1,032,296,282.47	854,136,258.89							1,032,296,282.47	854,136,258.89
Phosphate fertilizer	227,044,559.00	184,202,447.89	454,631,838.85	303,278,903.16	14,210,467.52	13,977,509.04	91,016,948.78	90,275,692.96	604,869,916.59	411,183,167.13
Phosphoric acid	220,739,824.89	205,490,383.60	2,124,853,295.53	1,835,093,842.27					2,345,593,120.42	2,040,584,225.87
Others	32,058,277.47	14,543,201.28	60,029,234.66	20,775,722.96			186,467.19		91,901,044.94	35,318,924.24
Classified by operating region	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Specifically:										
Northeast China	2,634,225.75	2,099,499.05	40,956,706.43	36,027,063.12					43,590,932.18	38,126,562.17
North China	29,815,482.38	24,845,880.97	26,529,181.53	24,688,175.52					56,344,663.91	49,534,056.49
East China	108,614,573.83	90,241,785.21	234,967,037.15	217,859,480.35					343,581,610.98	308,101,265.56
South China	203,177,280.81	161,313,348.38	365,037,137.15	338,007,156.13			78,330,327.90	77,402,604.89	489,884,090.06	421,917,899.62
Central China	52,648,424.31	43,238,862.65	69,216,031.15	62,241,021.75					121,864,455.46	105,479,884.40
Northwest China	26,567,964.66	22,067,777.01	583,479.56	543,332.37					27,151,444.22	22,611,109.38
Southwest China	490,366,128.41	412,610,071.64	129,747,539.37	85,026,130.45					620,113,667.78	497,636,202.09
International	598,314,863.68	501,955,066.75	1,772,477,256.70	1,394,756,108.70	14,210,467.52	13,977,509.04	12,873,088.07	12,873,088.07	2,372,129,499.83	1,897,815,596.42
Market or customer type	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Specifically:										
Phosphate chemical industry	1,480,080,666.36	1,243,829,090.38	2,579,485,134.38	2,138,372,745.43	14,210,467.52	13,977,509.04	91,016,948.78	90,275,692.96	3,982,759,319.48	3,305,903,651.89
Others	32,058,277.47	14,543,201.28	60,029,234.66	20,775,722.96			186,467.19		91,901,044.94	35,318,924.24
Contract type	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Specifically:										

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Classification of contracts	Division 1		Division 2		Chuan Jin Nuo Hong Kong		Others and offset		Total	
	Operating income	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating cost
Product sales	1,511,333,319.44	1,258,372,291.66	2,633,177,804.16	2,159,017,027.29	14,210,467.52	13,977,509.04	91,016,948.78	90,275,692.96	4,067,704,642.34	3,341,091,135.03
Others	805,624.39		6,336,564.88	131,441.10			186,467.19		6,955,722.08	131,441.10
Classified by the time of goods transfer	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Specifically:										
Recognized at a point in time	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Income recognition at a certain period										
Classification by contract term	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Specifically:										
Within one year	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Over one year										
Classification by sales channel	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13
Specifically:										
Direct sales	783,847,112.38	667,840,511.92	706,465,690.38	630,361,753.65					1,490,312,802.76	1,298,202,265.57
Distribution	728,291,831.45	590,531,779.74	1,933,048,678.66	1,528,786,714.74	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	2,584,347,561.66	2,043,020,310.56
Total	1,512,138,943.83	1,258,372,291.66	2,639,514,369.04	2,159,148,468.39	14,210,467.52	13,977,509.04	91,203,415.97	90,275,692.96	4,074,660,364.42	3,341,222,576.13

Information about performance obligations:

Item	Time for contract fulfillment obligations	Important payment terms	The nature of the Company's commitment to the transfer of the goods	Whether or not the person is primarily responsible	Company's share of expected refunds to customers	Types of quality assurance offered by the Company and related obligations
Overseas	February 25, 2026	(1) 100% prepayment before loading; (2) 30% prepayment before loading or 90% payment via an irrevocable letter of credit, with the remaining balance paid after receiving the bill of lading; (3) Payment via sight letter of credit after shipment; (4) Payment by wire transfer within 30 days after the bill of lading date.	Goods	Yes	None	Product quality assurance
Domestic	February 25, 2026	(1) Payment in advance before goods are shipped; (2) Payment within 3-10 working days after presenting the bill; (3) Payment by bank acceptance bill within 30 days after delivery and receipt of the bill.	Goods	Yes	None	Product quality assurance

Other descriptions

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

As of the end of the Reporting Period, the revenue corresponding to signed contracts not yet performed or not fully performed is RMB618,080,910.91, of which RMB618,080,910.91 is expected to be recognized as revenue in 2026.

38. Taxes and surcharges

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Real estate tax	4,172,667.61	4,221,966.99
Renewable energy fund	3,589,696.89	
City maintenance & construction tax	3,392,975.58	644,914.13
Urban land use tax	3,122,721.80	1,839,148.64
Stamp duty	2,507,501.96	1,799,584.57
Educational fee	1,439,555.94	385,546.36
Local education surcharge	1,062,698.70	257,030.90
Environmental protection tax	169,309.34	156,263.10
Vehicle and vessel tax	11,589.32	12,119.98
National major water conservancy construction fund	212,547.83	
Water resource tax	190,626.00	
Total	19,871,890.97	9,316,574.67

Other notes:

39. Administrative expense

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Environmental protection expenses	48,447,284.50	50,984,085.46
Employee benefits	43,868,566.85	32,318,141.21
Depreciation and amortization	8,947,493.82	8,064,604.57
Intermediary service fees	8,683,616.33	5,444,727.57
Shutdown loss	3,963,057.49	5,641,030.07
Entertainment fees	3,770,323.03	2,289,106.76
Office expenses	2,311,277.04	2,287,591.10
Travel expenses	2,020,927.13	1,053,304.27
Vehicle usage fee	276,415.16	335,658.69
Disability allowance	207,423.96	735,263.94
Repair fee	106,265.57	107,017.30
Lease expense	56,682.36	46,960.32
Others	3,233,909.57	2,865,745.62
Total	125,893,242.81	112,173,236.88

Other notes:

40. Selling expense

Unit: RMB

Item	Amount accounted for in the current period	Amount accounted for in the previous period
Employee benefits	18,436,706.14	15,087,921.29
Business promotion expenses	1,819,073.37	1,220,093.70
Business service fee	1,468,601.12	2,238,192.33
Travel expenses	1,056,538.62	1,416,935.85
Entertainment fees	445,201.46	578,261.22
Depreciation charges	122,792.48	110,512.34
Warehousing and transfer fee	20,401.50	21,795.89
Others	6,757,992.84	5,097,022.12
Total	30,127,307.53	25,770,734.74

Other notes:

41. R&D expense

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Material and service costs	8,374,072.74	29,620,495.63
Labor expense	6,816,443.23	10,948,201.87
Depreciation charges	2,898,081.57	6,426,041.20
Other expenses	549,967.66	3,547,063.70
Total	18,638,565.20	50,541,802.40

Other notes:

42. Financial expenses

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Interest expense	18,732,533.79	21,401,932.73
Less: Interest income	9,354,932.83	11,358,421.03
Add: Exchange loss	-2,458,399.19	-5,569,303.27
Other expenses	2,596,697.48	2,292,338.42

Total	9,515,899.25	6,766,546.85
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Other notes:

43. Other income

Unit: RMB

Sources	Amount accounted for in the current period	Amount accounted for in the previous period
Government grants	11,401,629.93	8,236,537.78
VAT additional deduction	3,595,416.23	8,204,805.55

44. Investment income

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Investment income from the disposal of held-for-trading financial assets	310,885.40	455,154.71
6+9 bank bill discount fee	-267,391.87	-829,973.65
Total	43,493.53	-374,818.94

Other notes:

45. Credit impairment loss

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Bad debt loss of accounts receivable	-445,130.41	620,004.12
Bad debt loss of other receivables	-2,608,287.98	-16,544,026.76
Total	-3,053,418.39	-15,924,022.64

Other notes:

46. Assets impairment loss

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
I. Inventory falling price loss and impairment provision for contract performance costs	-2,062,941.05	-4,230,806.96
IV. Fixed assets impairment losses		-3,685,504.79
Total	-2,062,941.05	-7,916,311.75

Other notes:

47. Return on disposal of assets

Unit: RMB

Source of return on disposal of assets	Amount accounted for in the current period	Amount incurred in the previous period
Return on disposal of non-current assets	2,386.93	22.74
Including: Return on disposal of non-current assets not classified as held-for-sale assets	2,386.93	22.74
Among them: Return on disposal of fixed assets	2,386.93	22.74

48. Non-operating revenue

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period	Amount recorded in the current non-recurring gains and losses
Breach compensation income	800.00	14,650.00	800.00
Others	4,365,325.71	2,485,652.94	4,365,325.71
Total	4,366,125.71	2,500,302.94	4,366,125.71

Other notes:

49. Non-operating expenditures

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period	Amount recorded in the current non-recurring gains and losses
Fine and overdue payment expenditure	1,125,256.82	405,072.03	1,125,256.82
Losses from damage and scrap of non-current assets	1,125,256.82	216,781.72	959,382.44
Expenditure on external donations	130,000.00	242,000.00	130,000.00
Others	728,666.74	1,000.00	728,666.74
Total	2,943,306.00	864,853.75	2,943,306.00

Other notes: Others mainly refer to the scrapping loss of waste materials.

50. Income tax expenses**(1) List of income tax expense**

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Income tax expenses of the Reporting Period	62,225,790.85	9,832,975.47
Deferred income tax expenses	2,665,042.45	21,568,135.98
Total	64,890,833.30	31,401,111.45

(2) Adjustment process of accounting profit and income tax expense

Unit: RMB

Item	Amount accounted for in the current period
Total profits	540,740,269.42
Income tax expenses calculated at legal/applicable tax rates	81,111,040.41
Impact of different tax rates applied by subsidiaries	-24,399,924.75
Impact of income tax in the periods before adjustment	2,339,921.16
Impact of non-taxable income	-37,570.58
Impacts of non-deductible costs, expenses, and losses	597,055.28
Impact of using deductible losses on the deferred tax assets not recognized previously	-87,470.49
Impact of deductible temporary differences or deductible losses of deferred tax assets not recognized in the current period	3,723,347.94
Changes in the balance of deferred income tax assets/liabilities at the beginning of the period due to adjustment of tax rate	3,680,914.67
Impact of additional deduction of R&D expenses	-2,036,480.34
Income tax expense	64,890,833.30

Other notes:

51. Other comprehensive income

See the related content of Note “VII. 33. Other comprehensive income”.

52. Items of cash flow statement**(1) Cash related to operating activities**

Cash generated from other operating activities

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Cash deposit	28,727,580.34	46,386,283.58
Trading funds	18,361,383.07	4,982,590.84
Subsidies	10,584,579.93	8,236,537.78
Bank interest	3,537,519.73	11,358,420.86
Compensation	416,085.20	27,742.00
Others	203,934.32	384,008.47
Total	61,831,082.59	71,375,583.53

Notes to other cash received related to operating activities:

Other cash paid related to operating activities

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Cash deposit	42,415,011.05	26,209,180.90
Trading funds	10,626,965.48	3,365,464.70
Environmental protection expenditures	10,548,491.66	6,414,109.28
Office expenses	3,426,105.95	4,176,833.76
Technical service charges	2,842,073.46	2,679,583.11
Entertainment fees	2,382,206.76	2,675,662.33
Travel expenses	2,194,117.66	2,885,140.21
Business promotion and service expenses	1,941,791.90	2,738,882.27
Intermediary service fees	1,933,073.35	1,965,758.00
Bank fees	1,457,770.76	569,502.84
Simplified treatment for short-term leases and low-value asset leases	465,465.60	86,775.00
Donation	130,000.00	242,000.00
R&D expenses	111,226.67	124,081.06
Others	1,394,350.94	3,799,220.67
Total	81,868,651.24	57,932,194.13

Notes to other cash paid related to operating activities:

(2) Cash related to investing activities

Cash generated from other investing activities

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Recovery of structured deposits and financial funds	376,000,000.00	102,000,000.00
Recovery of initial investment in the Sifangdi slag dump	23,500,000.00	
Received financial management income	5,817,500.00	

Total	405,317,500.00	102,000,000.00
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Cash generated from important investing activities

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Recovery of structured deposits and financial funds	376,000,000.00	102,000,000.00
Recovery of initial investment in the Sifangdi slag dump	23,500,000.00	
Received financial management income	5,817,500.00	
Proceeds from disposal of subsidiaries	1,000,000.00	
Total	406,317,500.00	102,000,000.00

Notes to other cash received related to investing activities:

Other cash paid related to investing activities

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Payment of structured deposits and financial funds	36,000,000.00	412,000,000.00
Deposit for land in Egypt project\	11,829,780.63	
Total	47,829,780.63	412,000,000.00

Cash used in significant investing activities

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Payment of structured deposits and financial funds	36,000,000.00	412,000,000.00
Purchase and construction of long-term assets	220,393,378.50	71,125,668.69
Acquisition of subsidiaries and minority shareholder equity		7,723,787.63
Total	256,393,378.50	490,849,456.32

Notes to other cash paid related to investing activities:

(3) Cash related to financing activities

Other cash received from financing-related activities:

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Partner loans	15,828,300.00	
Bills discounting	76,806,040.71	25,334,381.27
Total	92,634,340.71	25,334,381.27

Notes to other cash received related to financing activities:

Other cash paid related to financing activities

Unit: RMB

Notes to other cash paid related to financing activities:

Changes in liabilities arising from financing activities

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	340,736,998.42	613,306,040.71	13,497,487.76	374,878,527.02	55,204,550.04	537,457,449.83
Non-current liabilities due within one year	227,740,157.71		217,700,898.04	227,714,675.71		217,726,380.04
Long-term loans	102,118,708.32	144,500,000.00	8,221,274.98	56,514,372.88	120,263,000.00	78,062,610.42
Lease liabilities	501,785.73		17,497,970.63	4,807,847.34	10,366,048.11	2,825,860.91
Long-term payables		15,828,300.00	59,690,978.16			75,519,278.16
Total	671,097,650.18	773,634,340.71	316,608,609.57	663,915,422.95	185,833,598.15	911,591,579.36

(4) Significant activities and financial impact that do not involve current cash receipts and disbursements but affect the Company's financial position or may affect the Company's cash flows in the future

Item	Amount incurred in the current year
Endorsement and transfer of notes receivable	490,913,773.16
Including: Payment of goods	363,178,387.78
Purchase of long-term assets	127,735,385.38
Total	490,913,773.16

53. Supplementary information to cash flow statement

(1) Supplemental information for cash flow statement

Unit: RMB

Supplemental information	Amount during the current period	Amount of the previous period
1. Reconciliation of net profit to net cash flows generated from operating activities:		
Net profit	475,849,436.12	185,393,419.87
Plus: Provision for asset impairment	5,116,359.44	23,840,334.39
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	135,368,329.21	142,796,860.01
Depreciation of right-of-use assets	5,119,671.63	33,688.56
Amortization of intangible assets	3,757,371.40	3,775,070.24
Amortization of long-term prepaid expenses		
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-2,386.93	-22.74
Losses on the retirement of fixed assets ("-" for gains)	959,382.44	216,781.72
Losses from fair value changes ("-" for gains)		
Financial expenses ("-" for gains)	12,955,823.12	21,401,932.73
Losses on investments ("-" for gains)	-43,493.53	374,818.94
Decrease in deferred income tax assets ("-" for increase)	-2,179,910.50	22,380,836.36
Increase in deferred income tax liabilities ("-" for reduction)	4,844,952.95	-812,700.38

Supplemental information	Amount during the current period	Amount of the previous period
Decrease in inventories (“-” for increase)	-180,596,984.24	-214,060,417.22
Decrease in operating receivables (“-” for increase)	-234,424,773.20	-61,433,721.67
Increase in operating payables (“-” for reduction)	71,172,905.40	18,904,934.78
Others		
Net cash flows from operating activities	297,896,683.31	142,811,815.59
2. Significant investing and financing activities without involvement of cash receipts and payments		
Debts converted to capital		
Convertible corporate bonds due within one year		
Fixed asset acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	853,567,907.41	378,787,894.98
Less: Opening balance of cash	378,787,894.98	724,690,908.75
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	474,780,012.43	-345,903,013.77

(2) Cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	853,567,907.41	378,787,894.98
Bank deposits on demand	853,567,907.41	378,787,894.98
III. Closing balance of cash and cash equivalents	853,567,907.41	378,787,894.98
Including: Cash and cash equivalents the use of which by the parent company or subsidiaries in the group is restricted	460,960,827.42	114,051,326.32

(3) Presentation of cash and cash equivalents that are subject to certain restrictions on their usage

Unit: RMB

Item	Amount of the current period	Amount of the previous period	Reason for classifying the item as cash and cash equivalents
Raised funds	460,960,827.42	114,051,326.32	Restricted in use but can be withdrawn at any time
Total	460,960,827.42	114,051,326.32	

(4) Monetary funds not classified as cash and cash equivalents

Unit: RMB

Item	Amount of the current period	Amount of the previous period	Reasons for not classifying the funds as cash and cash equivalents
Time deposits		340,000,000.00	Cannot be withdrawn at any time
Deposits for letter of credit	19,442,000.10	13,270,083.93	Cannot be withdrawn at any time
Locked currency exchange margin	2,253,997.94	4,159,826.86	Cannot be withdrawn at any time
Business frozen funds	5,073,771.97	211,660.39	Cannot be withdrawn at any time
Total	26,769,770.01	357,641,571.18	

Other notes:

54. Foreign currency monetary items**(1) Foreign currency monetary items**

Unit: RMB

Item	Foreign currency balance at the end of the Reporting Period	Exchange rate	Ending balance converted to RMB
Monetary funds			
Of which: USD	37,750,009.24	7.0288	265,337,264.95
EUR			
HKD	145,906.15	0.90322	131,785.35
EGP	40,081,093.63	0.14729	5,903,544.28
Accounts receivable			
Of which: USD	5,553,004.75	7.0288	39,030,959.79
EUR			
HKD			
Long-term loans			
Of which: USD			
EUR			
HKD			
Other receivables			
Of which: USD	1,675,761.08	7.0288	11,778,589.48
Accounts payable			
Of which: USD	3,346,348.07	7.0288	23,520,811.31
Long-term payables			
Of which: USD	10,744,263.34	7.0288	75,519,278.16

Other notes:

(2) Notes to overseas entities including: for significant overseas entities, main place of business, bookkeeping base currency and selection criteria shall be disclosed; if there are changes in recording currency, relevant reasons shall be disclosed.

Applicable Not applicable

Overseas entities	Main place of business	Bookkeeping base currency	Selection criteria
Chuan Jin Nuo Hong Kong Co., Ltd.	Hong Kong	USD	Main settlement currency for operating activities
Chuan Jin Nuo International Co., Ltd.	Hong Kong	USD	Main settlement currency for operating activities
Chuan Jin Nuo Middle East International Holding Co., Ltd.	UAE	USD	Main settlement currency for operating activities
Egypt Chuan Jin Nuo Chemical Co., Ltd.	Egypt	USD	Main settlement currency for operating activities

55. Leases**(1) The Company as lessee:**
Applicable Not applicable

Variable lease payments that are not covered in the measurement of the lease liabilities

 Applicable Not applicable

Simplified short-term lease or lease expense for low-value assets

Applicable Not applicable

Item	Amount incurred in the current year	Amount incurred last year
Interest expenses on lease liabilities	268,331.52	25,650.18
Short-term lease expenses accounted for using simplified treatment included in profit and loss for the current period	465,465.60	86,775.00
Total cash outflow related to leases	6,573,312.94	136,775.00

Circumstances involving sale and leaseback transactions

(2) The Company was lessor:

Operating leases as a lessor

Applicable Not applicable

Financial leases as a lessor

Applicable Not applicable

Undiscounted lease receipts for each of the next five years

Applicable Not applicable

Reconciliation statement of undiscounted lease receipts and net investment in leases

(3) Recognition of gain or loss on sales under finance leases with the Company as a manufacturer or distributor

Applicable Not applicable

VIII. Research and development expenditure

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Material and service costs	8,374,072.74	29,620,495.63
Labor expense	6,816,443.23	10,948,201.87
Depreciation charges	2,898,081.57	6,426,041.20
Other expenses	549,967.66	3,547,063.70
Total	18,638,565.20	50,541,802.40
Including: Expensed R&D expenditure	18,638,565.20	50,541,802.40

IX. Change of consolidation scope

1. Subsidiaries established and acquired during the current period

Name of subsidiaries	Shareholding	Reasons for changes
Chuan Jin Nuo International Co., Ltd.	100%	Newly established
Chuan Jin Nuo Middle East International Holding Co., Ltd.	60%	Newly established
Egypt Chuan Jin Nuo Chemical Co., Ltd.	60.04%	Newly established
Yunnan Xinshenghai International Trade Co., Ltd.	100%	Newly established

X. Equity in other entities

1. Equity in subsidiary

(1) Compositions of the Group

Name of subsidiaries	Registered capital	Main place of business	Registration place	Nature of business	Shareholding percentage (%)		Way of gaining
					Directly	Indirect	
Kunming Jingcui Engineering Technology Co., Ltd.	RMB5,000,000.00	Kunming	Kunming	Phosphorus chemical technology research and experimental development	100.00%		Establishment
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	RMB 553,960,000.00	Fangchenggang City, Guangxi	Fangchenggang City, Guangxi	Production and sales of chemical products, fertilizers, etc.	93.64%		Establishment
Kunming Heliwan Industrial Solid Waste Treatment Co., Ltd.	RMB 6,000,000.00	Dongchuan District, Kunming City	Dongchuan District, Kunming City	Solid waste residue treatment	100.00%		Establishment
Guangxi Chuan Jin Nuo New Energy Co., Ltd.	RMB 2,000,000.00	Fangchenggang City, Guangxi	Fangchenggang City, Guangxi	Production and sales of new energy batteries and materials	100.00%		Establishment
Yingkou Chuan Xin Nuo High Technology Co., Ltd.	RMB 75,000,000.00	Yingkou City	Yingkou City	Production and sales of new energy batteries and materials		100.00%	Purchase
Yunnan Xinshenghai International Trade Co., Ltd.	RMB 20,000,000.00	Kunming	Kunming	Sales of material equipment	100.00%		Establishment
Chuan Jin Nuo Hong Kong Co., Ltd.	USD2,000,000.00	Hong Kong	Hong Kong	Manufacture of chemicals and chemical products	100.00%		Establishment
Chuan Jin Nuo International Co., Ltd.	USD100,000,000.00	Hong Kong	Hong Kong	Investment holding	100.00%		Establishment
Chuan Jin Nuo Middle East International Holding Co., Ltd.	USD150,000,000.00	UAE	UAE	Investment holding		60.00%	Establishment
Egypt Chuan Jin Nuo Chemical Co., Ltd.	USD50,000,000.00	Egypt	Egypt	Production and sales of chemical products		60.04%	Establishment

(2) Significant non-wholly-owned subsidiary

Unit: RMB

Name of subsidiaries	Shareholding proportion of non-controlling interests	The profit or loss attributable to the non-controlling interests in the current period	Dividends declared to be distributed to minority shareholders in the current period	Minority Equity balance at the end of the period
Guangxi Chuan Jin Nuo	6.36%	22,153,112.76	8,904,000.00	67,218,479.52

Chemical Co., Ltd.				
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Note to the difference between the shareholdings of the minority shareholders of subsidiaries and the proportion of their voting rights:

Other notes:

(3) The main financial information of significant not wholly-owned subsidiary

Unit: RMB

Name of subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	1,025,428,664.50	1,022,318,541.94	2,047,747,206.44	957,003,789.74	33,830,265.32	990,834,055.06	781,966,342.90	1,046,573,593.04	1,828,539,935.94	906,516,903.11	76,696,938.57	983,213,841.68

Unit: RMB

Name of subsidiaries	Amount accounted for in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows of operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	2,639,514,369.04	348,324,859.76	351,461,649.96	242,642,368.84	2,068,523,172.40	146,817,960.90	146,482,913.90	18,340,110.52

Other notes:

XI. Government grants

1. Government grants recognized at the end of the Reporting Period at the amount receivable

Applicable Not applicable

Reasons for failing to receive government grants in the estimated amount at the estimated point in time

Applicable Not applicable

2. Liability items involving government grants

Applicable Not applicable

3. Government grants recognized in profit and loss for the current period

Applicable Not applicable

Unit: RMB

Accounting items	Amount accounted for in the current period	Amount incurred in the previous period
Other income	11,401,629.93	8,236,537.78
Non-operating revenue		

Other notes:

XII. Risks associated with financial instruments

1. Various types of risks arising from financial instruments

The Group faces various financial instrument risks in its daily activities, mainly including market

risks (such as exchange rate risk, interest rate risk, and commodity price risk), credit risk, and liquidity risk. The risks related to these financial instruments and the risk management policies adopted by the Group to mitigate these risks are described below. The management of the Group manages and monitors these risk exposures to ensure that these risks are controlled within a limited scope.

● Management objectives and policies for various risks

The Group's objective in engaging in the risk management is to achieve the proper balance between the risks and benefits, minimize the negative impact of these risks on the Company's operating results, and maximize the profits of shareholders and other equity investors. Based on the risk management goal, the basic strategy of the Company's risk management is determining and analyzing the various risks faced by the Group, setting up the bottom line of risk and conducting appropriate risk management, and timely supervising various risks in a reliable way and controlling the risk within the range of limit.

Market risk

(1) Exchange rate risk

The Group's exposure to exchange rate risks mainly involves USD, EGP, and HKD. Except for purchases and sales conducted by Chuan Jin Nuo International Co., Ltd., Chuan Jin Nuo Middle East International Holding Co., Ltd., Egypt Chuan Jin Nuo Chemical Co., Ltd., and Chuan Jin Nuo Hong Kong Co., Ltd. in USD, EGP, and HKD, as well as some of the purchases and sales by Kunming Chuan Jin Nuo Chemical Co., Ltd. and Guangxi Chuan Jin Nuo Chemical Co., Ltd. in USD, the Group's other major business activities are settled in RMB. As of December 31, 2025, the Group's assets and liabilities were mainly the balance in RMB except for the assets or liabilities of a balance in foreign currency as listed below. The exchange rate risk arising from the foreign currency balances of assets and liabilities may have an impact on the Company's financial performance.

Item	December 31, 2025	December 31, 2024
Monetary funds - USD	37,750,009.24	13,096,743.49
Monetary funds - EGP	40,081,093.63	
Monetary funds - HKD	145,906.15	
Accounts receivable - USD	5,553,004.75	10,086,697.94
Other receivables - USD	1,675,761.08	
Accounts payable - USD	3,346,348.07	936,674.71
Long-term payables - USD	10,744,263.34	

The Group closely monitors the impact of exchange rate fluctuations on its operations.

(2) Interest rate risk

The Group's interest rate risk arises from bank loans. Financial liabilities based on the floating interest rate will cause the cash flow interest rate risk to the Company, and financial liabilities based on the fixed interest rate the fair value interest rate risk. To mitigate this risk, the Group's strategy is as follows: If the country lowers interest rates in the future, the Company will repay outstanding loans ahead of schedule. If the country raises interest rates in the future, the Company will not repay the outstanding loans ahead of schedule.

As of December 31, 2025, the Company's interest-bearing liabilities mainly consisted of loans,

including short-term loans, long-term loans, and long-term payables, totaling RMB703,764,800.00, of which RMB446,014,800.00 are fixed-rate loans and RMB257,750,000.00 are floating-rate loans.

(3) Price risk

Commodity price risk

The Group purchases and sells various products at market prices and is therefore exposed to the impact of such price fluctuations.

(4) Credit risk

The Group shall manage the credit risk based on the specific Group Classification, Credit risk primarily arises from monetary funds, notes receivable, accounts receivable, receivables financing, and other receivables.

In order to reduce credit risk, the Group has set up a specialized department to determine the credit limit, conduct credit approval, and implement other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of each single receivable on each balance sheet date to ensure that sufficient provision for bad debts is made for the unrecoverable amount. Therefore, the Group's management believes that the Group's credit risk has been greatly reduced.

The Group's working capital is deposited in banks with a high credit rating, so the credit risk of working capital is low.

The Group has adopted necessary policies to ensure that all customers have good credit records. Apart from the top 5 amounts of accounts receivable and contract assets, the Group has no other significant concentration of credit risk. The total amount owed by the top five accounts receivable represents RMB52,802,219.52, accounting for 42.97% of the Group's total accounts receivable.

Criteria for significant increase in credit risk

At each balance sheet date, the Group determines whether the credit risk of a financial instrument has significantly increased since initial recognition by comparing the default probability over the expected life of the instrument, as determined at initial recognition, with the default probability over the expected life of the instrument as determined at the balance sheet date. However, if the Group determines that the financial instrument has only a low credit risk at the balance sheet date, it can be assumed that the credit risk of the financial instrument has not significantly increased since initial recognition.

The Group's main criteria for determining a significant increase in credit risk are when the days overdue exceed 30 days, or when one or more of the following indicators experience significant changes: the debtor's operating environment, internal and external credit ratings, or a significant adverse change in actual or expected operating results.

Definition of a credit-impaired asset

When one or more events that the Company expects to have an adverse impact on the future cash flows of financial assets occur, the financial assets will become the financial assets that have suffered credit impairment. The Group's main criterion for determining credit impairment is when the days overdue exceed 90 days. However, in certain cases, if internal or external information indicates that, considering any credit enhancements held, the full contractual amount may not be recoverable, the Group will also consider the asset to be credit-impaired. A credit impairment of a financial asset may be the result of a combination of events and may not necessarily be the result of separately identifiable events.

Evidence of credit impairment for financial assets includes the following observable information: The issuer or debtor experiences significant financial difficulties; The debtor breaches the contract, such as defaulting on interest or principal payments or overdue payments; The Group makes concessions to the debtor due to economic or contractual considerations related to the debtor's financial difficulties, which would not otherwise be made under normal circumstances; The debtor is likely to go bankrupt or undergo other financial restructuring; Financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset.

Credit risk exposure

As of December 31, 2025, the maximum credit risk exposure that could potentially cause financial loss to the Group primarily arises from the loss of financial assets due to the failure of the counterparty to fulfill its obligations, as well as the financial guarantees provided by the Group.

The carrying amount of financial assets recognized in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects their risk exposure, but not the maximum risk exposure, and the maximum risk exposure will change with the change of future fair value.

● Liquidity risk

Liquidity risk refers to the risk that the Group is unable to fulfil its financial obligations on the due date. The Group manages liquidity risk in the method of ensuring that there is sufficient liquidity to fulfil debt obligations without causing unacceptable loss or damage to the Group's reputation. The Group regularly analyzes its debt structure and maturity schedule to ensure adequate liquidity and sufficient funding. The Group's management will monitor the use of bank loans and guarantee the fulfillment of loan agreement. At the same time, the Group engages in financing discussions with financial institutions to maintain certain credit limits and reduce liquidity risk.

The Group primarily relies on sales of goods and bank loans as its main sources of funding. As of December 31, 2025, the Group's unused bank loan quota was RMB727,773,300 (December 31, 2024: RMB610 million), of which the unused short-term bank loan quota was RMB502,773,300 (December 31, 2024: RMB308 million).

The analysis of the financial assets and financial liabilities held by the Group based on the maturity period of the undiscounted remaining contractual obligations is as follows:

Amount as at December 31, 2025:

Item	Within one year	One to two years	Two to five years	Over five years	Total
Financial assets					
Monetary funds	880,337,677.42				880,337,677.42
Notes receivable	129,417,984.6				129,417,984.60
Accounts receivable	120,242,318.52				120,242,318.52
Other receivables	27,872,559.68				27,872,559.68
Financial Liabilities					-
Short-term loans	537,457,449.83				537,457,449.83
Notes payable	5,000,000.00				5,000,000.00
Accounts payable	220,186,306.77				220,186,306.77
Other payables	8,115,034.25				8,115,034.25
Payroll payable	34,792,494.09				34,792,494.09
Current portion of non-current liabilities	217,726,380.06				217,726,380.06
Long-term loans		47,310,123.60	30,752,486.82		78,062,610.42
Long-term payables		59,639,461.76		15,879,816.40	75,519,278.16

2. Sensitivity analysis

The Group adopts sensitivity analysis technology to analyze the possible impact of reasonable and possible changes of risk variables on profit and loss for the current period or shareholders' equity. As any risk variable rarely changes in isolation, and the correlation between variables will have a significant effect on the final impact amount of the change of a risk variable, the following content is based on the assumption that the change of each variable is independent.

3. Sensitivity analysis on foreign exchange risk

Assumption for the sensitivity of foreign exchange risk: All net investment hedging and cash flow hedging of overseas operations are highly effective.

On the basis of the above assumption, under the condition that other variables remain unchanged, the impact of reasonable changes in the exchange rate on profit and loss for the current period and equity after tax is as follows:

Item	Exchange rate fluctuations	2025		2024	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
All foreign currencies	Appreciation of 5% against RMB	18,572,692.38	18,572,692.38	7,739,713.74	7,739,713.74
All foreign currencies	Depreciation of 5% against RMB	-18,572,692.38	-18,572,692.38	-7,739,713.74	-7,739,713.74

4. Sensitivity analysis on interest rate risk

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rates;

For financial instruments with fixed interest rates measured at fair value, market interest rate changes affect only their interest income or expense;

Changes in the fair values of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate on the balance sheet date by discounted cash flow.

On the basis of the above assumptions and under the condition that other variables remain unchanged, the impact of reasonable changes in the interest rate on profit and loss for the current period and equity after tax is as follows:

Item	Interest rate fluctuations	2025		2024	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowings at floating interest rates	Up 1%	-2,190,875.00	-2,190,875.00	-2,800,750.00	-2,800,750.00
Borrowings at floating interest rates	Down 1%	2,190,875.00	2,190,875.00	2,800,750.00	2,800,750.00

3. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

Unit: RMB

Transfer modality	Nature of financial	Amount of financial	Derecognition	Basis for determining
-------------------	---------------------	---------------------	---------------	-----------------------

	assets transferred	assets transferred		derecognition
Endorsement/discount of bills	Bank acceptance bills under notes receivable that have not yet matured	117,411,304.07	Not derecognized	Retained almost all risks and rewards, including related default risk
Endorsement/discount of bills	Bank acceptance bills that have not yet matured in receivables financing	204,354,828.10	Derecognition	Almost all risks and remuneration have been transferred
Total		321,766,132.17		

(2) Financial assets derecognized due to transfer

Applicable Not applicable

Unit: RMB

Item	Modality for the transfer of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Receivables financing	Endorsement/discount of bills	204,354,828.10	
Total		204,354,828.10	

(3) Continued involvement in the transfer of assets financial assets

Applicable Not applicable

Other descriptions

XIII. The disclosure of fair value

1. Ending fair value of assets and liabilities at fair value

Unit: RMB

Item	Closing fair value			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
I. Consistent fair value measurement	--	--	--	--
Total assets continuously measured at fair value		4,329,785.08	90,300,965.46	94,630,750.54
II. Non-continuous fair value measurement	--	--	--	--

2. Continuous and non-continuous Level 2 fair value measurement items, valuation techniques used, and the qualitative and quantitative information of important parameters

Derivative financial assets are forward foreign exchange contracts. The fair value at the balance sheet date can be determined through a calculation based on the forward exchange rate provided by the bank and the exchange rate at the balance sheet date.

3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at Level 3

Receivables financing refers to the accounts receivable in the form of undue bank acceptance bills. Since the credit risk adjustment factors are not directly observable from market inputs, and the remaining term is short, the book balance is close to the fair value.

4. Fair value of financial asset and liabilities not measured at fair value

The Group's financial assets and financial liabilities measured at amortized cost primarily include monetary funds, notes receivable, accounts receivable, other receivables, short-term loans, notes

payable, accounts payable, other payables, and long-term loans. The carrying amounts of the Group's financial assets and financial liabilities that are not measured at fair value are close to their fair values.

XIV. Related party and related-party transactions

1. Subsidiaries of the Company

The details of the Company's subsidiaries are provided in Note "10, Section 1. (1) Structure of the Corporate Group".

2. List of related-party transactions

(1) Information on related-party guarantee

The Company as a guaranteed party

Unit: RMB

Guarantor	Amount of guarantee	Start date of guarantee	Expiry date of guarantee	Guarantee is completed Y/N
Liu Meng/Kunming Chuan Jin Nuo Chemical Co., Ltd.	366,275,000.00	June 23, 2021	June 23, 2027	No

Descriptions on related-party guarantees

On June 23, 2021, the Company, along with its controlling shareholder and de facto controller Liu Meng, signed a maximum guarantee contract with Fangchenggang Branch, China Construction Bank Corporation. The maximum guarantee liability is RMB366,275,000, which is used for China Construction Bank Co., Ltd. Fangchenggang Branch's provision of loans, acceptance of commercial bills, issuance of letters of credit, issuance of guarantees, and other related services to Guangxi Chuan Jin Nuo Chemical.

(2) Information on remuneration for key management personnel

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Total remuneration	4,245,499.02	4,795,402.00

Note: The Company dissolved the Board of Supervisors in 2025, and the statistical scope of key management personnel compensation refers to non-independent directors and senior management personnel.

XV. Share-based payment

1. The overall situation of share-based payments

Applicable Not applicable

2. Equity-settled share-based payments

Applicable Not applicable

3. Cash-settled share-based payments

Applicable Not applicable

4. Share-based payment expenses in the current period

Applicable Not applicable

5. Modification and termination of share-based payment**6. Others****XVI. Commitments and contingency****1. Significant commitments**

Significant commitments on balance sheet date

(1) Commitment regarding share repurchase

If the Company's prospectus for the initial public offering (IPO) and listing on the ChiNext Board contains false records, misleading statements, or significant omissions that materially and substantively affect the determination of whether the Company meets the legal conditions for issuance, the Company shall promptly convene a board meeting to review a plan for repurchasing all newly issued shares from the IPO, and the plan shall be implemented after being submitted to and resolved by the Board of Shareholders. The Company will determine the repurchase price in accordance with the relevant laws, normative documents issued by the China Securities Regulatory Commission (CSRC), the Shenzhen Stock Exchange, and the *Articles of Association*, and the repurchase price shall not be lower than the market price at the time of repurchase.

(2) Commitment regarding compensation for losses due to false records, misleading statements, or significant omissions

The Company confirms that its prospectus for the initial public offering (IPO) and listing on the ChiNext Board does not contain false records, misleading statements, or significant omissions, and the Company assumes individual and joint legal responsibility for its truthfulness, accuracy, and completeness. 1. If the prospectus contains false records, misleading statements, or significant omissions that materially and substantively affect the determination of whether the Company meets the legal conditions for issuance, the Company will repurchase all newly issued shares from the IPO at the secondary market price of the Company's shares. 2. If investors incur loss in securities issue and trade due to false records, misleading statements or material omissions in the Prospectus, the Company will compensate investors for their losses according to law.

2. Contingency**(1) Significant contingency on balance sheet date**

As of December 31, 2025, the Company has no other significant contingent liabilities that need to be disclosed.

(2) Explanation shall be given even if there is no significant contingency for the Company to disclose

There was no significant contingency in the Company to disclose.

XVII. Events after balance sheet date**1. Distribution of profit**

Amount to be distributed for every 10 shares (RMB)	4
Dividend shares to be distributed for every 10 shares (share)	0
Number of shares to be converted into share capital for every 10 shares (share)	0

Amount to be distributed for every 10 shares after consideration and approval (RMB)	4
Dividend shares to be distributed for every 10 shares after consideration and approval	0
Number of shares to be converted into share capital for every 10 shares after consideration and approval (share)	0
Distribution of profit	On March 18, 2026, the 19th meeting of the 5th Board of Directors of the Company approved the <i>Proposal Regarding the Profit Distribution Plan for the Year 2025</i> . The profit distribution plan for 2025 is as follows: based on the total share capital of 274,867,523 shares, a cash dividend of RMB4 per 10 shares (including tax) will be distributed to all shareholders, totaling RMB109,947,009.20. No bonus shares will be issued, and no capital reserves will be converted into share capital. This matter is subject to approval by the Board of Shareholders. If there is any change in the total share capital between the disclosure date of the profit distribution proposal and the equity registration date for the distribution, the total amount of cash dividends will be adjusted according to the principle of maintaining the “fixed cash dividend distribution ratio”

XVIII. Other important matters

1. Division information

(1) Determination basis and accounting policies of reporting division

Based on the Group’s internal structure, management requirements, and internal reporting system, the Group’s business operations for the year mainly include the production, sale, and R&D of feed additives and fertilizers in the Kunming region, the production, sale, and R&D of phosphoric acid and fertilizers by Guangxi Chuan Jin Nuo Chemical, and sales by Chuan Jin Nuo Hong Kong. Accordingly, these are divided into three reporting divisions: Kunming Chuan Jin Nuo Chemical Co., Ltd., Guangxi Chuan Jin Nuo Chemical, and Chuan Jin Nuo Hong Kong. The management of the Group regularly evaluates the operational results of these reporting division to decide on the allocation of resources and to assess their performance.

Division reporting information is disclosed based on the accounting policies and measurement bases used by each division in reporting to the management. These accounting policies and measurement bases are consistent with the accounting policies and measurement bases used in preparing the financial statements.

(2) The financial information of reporting division

Unit: RMB

Item	Kunming Chuan Jin Nuo Chemical Co., Ltd.	Guangxi Chuan Jin Nuo Chemical	Chuan Jin Nuo Hong Kong	Others and offset	Total
Operating income	1,512,138,943.83	2,639,514,369.04	14,210,467.52	91,203,415.97	4,074,660,364.42
Income from foreign transactions	1,433,808,618.50	2,626,641,278.40	14,210,467.52		4,074,660,364.42
Income from inter-division transactions	78,330,325.33	12,873,090.64		91,203,415.97	
Operating costs and expenses	1,216,954,663.60	2,252,041,509.51	14,000,748.70	-52,345,992.90	3,535,342,914.71
Costs of external sales	1,180,969,686.77	2,146,275,380.32	13,977,509.04		3,341,222,576.13
Costs of inter-division sales	77,402,604.89	12,873,088.07		90,275,692.96	
Period expenses and impairment losses	-41,417,628.06	92,893,041.12	23,239.66	-142,621,685.86	194,120,338.58

Operating Profit	295,184,280.23	387,472,859.53	209,718.82	143,549,408.87	539,317,449.71
Total assets	2,834,227,885.64	2,047,747,206.44	356,612.00	539,255,603.60	4,343,076,100.48
Total liabilities	288,926,621.92	990,834,055.06	24,424.16	-62,070,554.32	1,341,855,655.46
Supplementary information					
Depreciation and amortization expenses	52,801,576.26	85,818,445.69		-5,625,350.29	144,245,372.24
Non-cash expenses other than depreciation and amortization	2,290,168.11	514,932.49		-2,308,871.91	5,113,972.51
Capital expenditures	90,138,530.37	38,087,726.97		-6,331,287.07	134,557,544.41

2. Other significant transactions and events with influence on investors' decision-making

XIX. Notes of main items in the financial statements of the parent company

1. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
Within one year (inclusive)	83,179,616.27	62,042,999.90
Above three years		1,202,840.16
Three to four years		804.33
Over five years		1,202,035.83
Total	83,179,616.27	63,245,840.06

(2) Disclosure by withdrawal methods for bad debts

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision percentage		Amount	Proportion	Amount	Provision percentage	
Including:										
Accounts receivable of bad debt provision by portfolio	83,179,616.27	100.00%	831,796.16	1.00%	82,347,820.11	63,245,840.06	100.00%	1,762,161.54	2.79%	61,483,678.52
Where:										
Aging portfolio	83,179,616.27	100.00%	831,796.16	1.00%	82,347,820.11	57,134,940.06	90.34%	1,762,161.54	3.08%	55,372,778.52
Risk-free portfolio						6,110,900.00	9.66%			6,110,900.00
Total	83,179,616.27	100.00%	831,796.16	1.00%	82,347,820.11	63,245,840.06	100.00%	1,762,161.54	2.79%	61,483,678.52

Bad debt provision by portfolio: RMB831,796.16

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision percentage
Within six months	83,179,616.27	831,796.16	1.00%
Total	83,179,616.27	831,796.16	

Notes to the determination basis for the group:

If adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable:

Applicable Not applicable

(3) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

Category	Opening balance	Change in the current period				Closing balance
		Provision	Reversed or recovered	Write-offs	Others	
Bad debt provision	1,762,161.54	849,483.45	594,664.68	1,185,184.15		831,796.16
Total	1,762,161.54	849,483.45	594,664.68	1,185,184.15		831,796.16

(4) Accounts receivable written-off in the current period

Unit: RMB

Item	Written-off amount
Written-off accounts receivable	1,185,184.15

(5) Top 5 of the closing balance of the accounts receivable and the contract assets collected according to arrears party

Unit: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion to total closing balance of accounts receivable and contract assets	Closing balance of bad debt provision of accounts receivable and impairment provision for contract assets
Yunnan Yuneng New Energy Battery Material Co., Ltd.	15,790,016.85		15,790,016.85	18.98%	157,900.17
SiamJavaTradingCo.,Ltd	13,837,872.69		13,837,872.69	16.64%	138,378.73
NUTRECONEDERLANDB.V.	5,706,141.50		5,706,141.50	6.86%	57,061.42
Sichuan New Hope Animal Nutrition Technology Co., Ltd.	4,214,544.45		4,214,544.45	5.07%	42,145.44
SCANBIOCORPORATIONCO.,LTD.	2,828,951.42		2,828,951.42	3.40%	28,289.51
Total	42,377,526.91		42,377,526.91	50.95%	423,775.27

2. Other receivables

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	442,375,504.39	851,145,331.71
Total	442,375,504.39	851,145,331.71

(1) Other receivables**1) Other receivables classified by nature**

Unit: RMB

Nature	Closing book balance	Opening book balance
Transactions with subsidiaries	440,344,461.36	848,945,582.90
Equity payment		1,000,000.00
Trading funds		763,937.41
Advances on behalf of others	803,203.19	740,775.78
Margin and deposit	1,471,600.00	451,600.00
Reserve fund		271,801.92
Total	442,619,264.55	852,173,698.01

2) Disclosure by aging

Unit: RMB

Aging	Closing book balance	Opening book balance
Within one year (inclusive)	91,841,453.35	210,510,494.30
One to two years	164,492,443.11	617,353,956.26
Two to three years	184,031,970.05	2,018,524.04
Over three years	2,253,398.04	22,290,723.41
Three to four years	2,001,798.04	21,550,000.00
Four to five years	250,000.00	1,600.00
Over five years	1,600.00	739,123.41
Total	442,619,264.55	852,173,698.01

3) Disclosure by withdrawal methods for bad debts

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Carrying amount	Book balance		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision percentage		Amount	Proportion	Amount	Provision percentage	
Bad debt provision by single item						763,937.41	0.09%	763,937.41	100.00%	
Where:										
For individually significant amounts, the bad debt provision is made on an individual basis						615,347.27	0.07%	615,347.27	100.00%	
For amounts that are not individually significant but are assessed on an individual basis, a provision for bad						148,590.14	0.02%	148,590.14	100.00%	

debts is made										
Bad debt provision by portfolio	442,619,264.55	100.00%	243,760.16	0.06%	442,375,504.39	851,409,760.60	99.91%	264,428.89	0.03%	851,145,331.71
Where:										
Aging portfolio	2,274,803.19	0.51%	243,760.16	10.72%	2,031,043.03	2,464,177.70	0.29%	264,428.89	10.73%	2,199,748.81
Risk-free portfolio	440,344,461.36	99.49%			440,344,461.36	848,945,582.90	99.62%			848,945,582.90
Total	442,619,264.55	100.00%	243,760.16	0.06%	442,375,504.39	852,173,698.01	100.00%	1,028,366.30	0.12%	851,145,331.71

Bad debt provision separately accrued: 0

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision percentage	Reasons for the provision
Kunming Xunhechuan Mining Co., Ltd.	615,347.27	615,347.27				
Total	615,347.27	615,347.27				

Bad debt provision separately accrued: 0

Unit: RMB

Name	Opening balance		Closing balance			
	Book balance	Bad debt provision	Book balance	Bad debt provision	Provision percentage	Reasons for the provision
Miscellaneous customers	148,590.14	148,590.14				
Total	148,590.14	148,590.14				

Withdrawal of bad debt provision by group: 243,760.16

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision percentage
Within one year (inclusive)	1,823,203.19	91,160.16	5.00%
One to two years	180,000.00	18,000.00	10.00%
Two to three years	20,000.00	8,000.00	40.00%
Four to five years	250,000.00	125,000.00	50.00%
Over five years	1,600.00	1,600.00	100.00%
Total	2,274,803.19	243,760.16	

Notes to the determination basis for the group:

Bad debt provision by portfolio: 0

Unit: RMB

Name	Closing balance		
	Book balance	Bad debt provision	Provision percentage
Within one year (inclusive)	90,018,250.16		
One to two years	164,312,443.11		
Two to three years	184,031,970.05		
Three to four years	1,981,798.04		
Total	440,344,461.36		

Notes to the determination basis for the group:

Withdrawal of bad debt provision by adopting the general mode of expected credit loss:

Unit: RMB

bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment loss)	Expected credit loss during the whole outstanding maturity (with credit impairment loss)	
Balance as of January 1, 2025		264,428.89	763,937.41	1,028,366.30
Balance as of January 1, 2025 in the current period				
Provision in the current period		26,440.36		26,440.36
Reclassification in the current period		47,109.09	6,047.98	53,157.07
Write-off in the current period			757,889.43	757,889.43
Balance on December 31, 2025		243,760.16		243,760.16

Basis of classification of stages and bad debt provision percentage

Changes of book balance with significant amount changed of loss provision in the current period

Applicable Not applicable

4) Bad debt provision withdrawal, reversed or recovered in the current period

Withdrawal of bad debt provision in the current period:

Unit: RMB

Category	Opening balance	Change in the current period				Closing balance
		Provision	Reversed or recovered	Charged-off/Verification	Others	
Bad debt provision	1,028,366.30	26,440.36	53,157.07	757,889.43		243,760.16
Total	1,028,366.30	26,440.36	53,157.07	757,889.43		243,760.16

5) Other receivables with actual verification during the current period

Unit: RMB

Item	Written-off amount
Other receivables with actual verification	757,889.43

Including: Write-off of significant other receivables:

Unit: RMB

Name of the entity	Nature of other receivables	Written-off Amount	Reasons for write-off	Write-off procedures performed	Whether the accounts arise from related party transactions
Kunming Xunhechuan Mining Co., Ltd.	Trading funds	609,299.29	Long-term outstanding accounts that cannot be recovered	Execute internal approval process for bad debt write-off	No
Total		609,299.29			

Notes to the write-off of other receivables:

6) Top 5 of the closing balance of the other receivables collected according to the arrears party

Unit: RMB

Name of the entity	Nature	Closing balance	Aging	Proportion to total closing balance of other receivables %	Closing balance of bad debt provision
Guangxi Chuan Jin Nuo New Energy Co., Ltd.	Borrowings	287,787,873.13	Within one year, one to two years, two to three years	65.02%	
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	Borrowings	142,574,790.19	Within one year and one to two years	32.21%	
Kunming Jingcui Engineering Technology Co., Ltd.	Borrowings	9,981,798.04	Within one year, one to two years, two to three years, and three to four years	2.26%	
Guizhou Jinlin Chemical Co., Ltd.	Margin and deposit	1,000,000.00	Within one year	0.23%	50,000.00
Yunnan Chihong Zn & Ge Co., Ltd.	Margin and deposit	250,000.00	Four to five years	0.06%	125,000.00
Total		441,594,461.36		99.78%	175,000.00

3. Long-term equity investments

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment losses	Carrying amount	Book balance	Provision for impairment losses	Book value
Investment in subsidiaries	687,483,448.00		687,483,448.00	559,610,000.00		559,610,000.00
Total	687,483,448.00		687,483,448.00	559,610,000.00		559,610,000.00

(1) Investment to subsidiaries

Unit: RMB

Investee	Opening balance (Book value)	Opening balance of the provision for impairment	Increase/decrease for the current period				Closing balance (Book value)	Closing balance of the provision for impairment
			Increase in the investment	Reduced investment	Withdrawal of impairment provision	Others		
Guangxi Chuan Jin Nuo Chemical Co., Ltd.	548,660,000.00						548,660,000.00	
Kunming Jingcui Engineering Technology Co., Ltd.	5,000,000.00						5,000,000.00	
Kunming Heliwan Industrial Solid Waste Treatment Co.,	3,950,000.00						3,950,000.00	

Investee	Opening balance (Book value)	Opening balance of the provision for impairment	Increase/decrease for the current period				Closing balance (Book value)	Closing balance of the provision for impairment
			Increase in the investment	Reduced investment	Withdrawal of impairment provision	Others		
Ltd.								
Guangxi Chuan Jin Nuo New Energy Co., Ltd.	2,000,000.00						2,000,000.00	
Chuan Jin Nuo Hong Kong Co., Ltd.			144,028.00				144,028.00	
Chuan Jin Nuo International Co., Ltd.			127,729,420.00				127,729,420.00	
Total	559,610,000.00		127,873,448.00				687,483,448.00	

4. Operating revenue and cost of sales

Unit: RMB

Item	Amount accounted for in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main operations	1,511,333,319.44	1,258,372,291.66	1,327,825,286.46	1,159,173,308.57
Other operations	805,624.39		3,023,652.23	592,197.28
Total	1,512,138,943.83	1,258,372,291.66	1,330,848,938.69	1,159,765,505.85

Breakdown information of operating income and operating cost:

Unit: RMB

Classification of contracts	Division 1		Division 2		Kunming Chuan Jin Nuo Chemical Co., Ltd.		Total	
	Operating income	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating cost
Business type					1,512,138,943.83	1,258,372,291.66		
Where:								
Feed grade phosphate					1,032,296,282.47	854,136,258.89		
Phosphate fertilizer					227,044,559.00	184,202,447.89		
Phosphoric acid					220,739,824.89	205,490,383.60		
Others					32,058,277.47	14,543,201.28		
Classified by operating region					1,512,138,943.83	1,258,372,291.66		
Where:								
Northeast China					2,634,225.75	2,099,499.05		
North China					29,815,482.38	24,845,880.97		
East China					108,614,573.83	90,241,785.21		
South China					203,177,280.81	161,313,348.38		
Central China					52,648,424.31	43,238,862.65		
Northwest China					26,567,964.66	22,067,777.01		
Southwest China					490,366,128.41	412,610,071.64		
International					598,314,863.68	501,955,066.75		
Market or customer type					1,512,138,943.83	1,258,372,291.66		
Where:								
Phosphate chemical industry					1,480,080,666.36	1,243,829,090.38		
Others					32,058,277.47	14,543,201.28		
Contract type					1,512,138,943.83	1,258,372,291.66		
Where:								

Classification of contracts	Division 1		Division 2		Kunming Chuan Jin Nuo Chemical Co., Ltd.		Total	
	Operating income	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating cost
Product sales					1,511,333,319.44	1,258,372,291.66		
Others					805,624.39			
Classified by the time of goods transfer					1,512,138,943.83	1,258,372,291.66		
Where:								
Recognition at a certain point in time					1,512,138,943.83	1,258,372,291.66		
Recognition within a certain period of time								
Classification by contract term					1,512,138,943.83	1,258,372,291.66		
Where:								
Within one year					1,512,138,943.83	1,258,372,291.66		
Over one year								
Classification by sales channel					1,512,138,943.83	1,258,372,291.66		
Where:								
Direct sales					783,847,112.38	667,840,511.92		
Distribution					728,291,831.45	590,531,779.74		
Total					1,512,138,943.83	1,258,372,291.66		

Information about performance obligations:

Item	Time for contract fulfillment obligations	Important payment terms	The nature of the Company's commitment to the transfer of the goods	Whether or not the person is primarily responsible	Company's share of expected refunds to customers	Types of quality assurance offered by the Company and related obligations
Overseas	February 26, 2026	1) 100% prepayment before loading; 2) Payment via sight letter of credit after shipment; 3) Payment by wire transfer within 30 days after the bill of lading date.	Goods	Yes	None	Product quality assurance
Domestic	February 26 2026	1) Payment in advance before goods are shipped; 2) Payment in full within 3-10 working days after the goods are delivered, inspected and accepted, and after receiving the invoice.	Goods	Yes	None	Product quality assurance

Other descriptions

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

As of the end of the Reporting Period, the amount of revenue corresponding to the performance obligations that have been contracted but not yet fulfilled or not fully fulfilled was RMB175,440,352.15, of which RMB175,440,352.15 is expected to be recognized as revenue in 2026.

5. Investment income

Unit: RMB

Item	Amount accounted for in the current period	Amount incurred in the previous period
Long-term equity investment income by cost method	131,096,000.00	

Investment income from the disposal of held-for-trading financial assets	310,885.40	455,154.71
Total	131,406,885.40	455,154.71

XX. Supplementary materials

1. Items and amounts of non-recurring gains and losses

Applicable Not applicable

Unit: RMB

Item	Amount	Description
Gains and losses on disposal of non-current assets	2,386.93	
Government grants recorded in the profit and loss for the current period (except for those acquired in the ordinary course of the Company's business, in line with national policies and regulations, or those enjoyed according to established standards and consistently affect the Company's gain or loss)	11,406,025.93	
Gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises and gains or losses arising from the disposal of financial assets and financial liabilities, other than effective hedging business related to the Company's normal operating business	310,885.40	
Other non-operating income and expenses other than the items above	1,418,423.71	
Less: Income tax effects	1,647,832.93	
Non-controlling interests effects (after tax)	337,024.48	
Total	11,152,864.56	--

Details of other profit and loss items in line with the definition of non-recurring gains and losses:

Applicable Not applicable

There are no other profit and loss items in line with the definition of non-recurring gains and losses in the Company.

Explanation of situations where items listed as non-recurring profits and losses in the *Explanatory Notice of Information Disclosure by Companies Offering Securities to the Public No.1 - Non-recurring Gains and Losses* are classified as non-recurring gains and losses

Applicable Not applicable

2. Return on equity and earnings per share

Profit as of the Reporting Period	Weighted average return on equity (ROE) (%)	Earnings per share	
		Basic earnings per share (RMB/share)	Diluted earnings per share (RMB/share)
Net profits attributable to common shareholders of the Company	16.67%	1.6510	1.6510
Net profits attributable to common shareholders of the Company after deducting non-recurring gains and losses	16.26%	1.6104	1.6104

3. Accounting data differences under PRC GAAP and those under the GAAP of a foreign jurisdiction

(1) Differences between disclosed net profits and net assets in financial statement in accordance with International Accounting Standards and Chinese Accounting Standards

Applicable Not applicable

(2) Differences between disclosed net profits and net assets in financial statement in accordance with Domestic Accounting Standards and Chinese Accounting Standards

Applicable Not applicable

(3) Notes to reasons for the differences in accounting data under domestic and overseas accounting standards; for any adjustment made to the differences in the data audited by overseas audit institutions, the name of such overseas institutions shall be specified.

Applicable Not applicable