

Stock Code: 600873

Stock Abbreviation: Meihua Bio

Meihua Holdings Group Co., Ltd.

Annual Report 2025

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

Important Information

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

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

III. RSM China CPA LLP (Special General Partnership) has issued an unqualified audit report for the Company.

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

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

Upon deliberation and approval of the 2nd meeting of the 11th session of the board of directors, the profit distribution plan (proposal) for 2025 is as follows: The Company plans to distribute cash dividends based on the total share capital registered on the equity distribution record date (after deducting shares in the share repurchase account). A cash dividend of 0.4279 yuan per share (inclusive of tax) will be distributed to all shareholders. As of December 31, 2025, the Company had a total share capital of 2,804,241,650 shares, based on which the estimated total cash dividend distribution amounts to 1,199,935,002.04 yuan (inclusive of tax).

The plan is yet to be submitted to the general meeting for deliberation. The amount that is actually distributed will be subject to the notification on equity distribution published by the Company. If there is any change in the Company's total share capital before the registration date of equity distribution, the total amount to be distributed will remain unchanged, and the distribution proportion per share will be adjusted accordingly.

The total cash dividends expected to be distributed by the Company for 2025, together with 204,301,265.44 yuan used for share buyback and cancellation in 2025, represents approximately 42.80% of the net profit attributable to shareholders of the listed company for 2025.

As of the end of the reporting period, the parent company's uncovered losses and their impact on matters such as the company's dividend distribution.

Applicable Not applicable

VI. Risk Disclosure on Forward-Looking Statements

Applicable Not applicable

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

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

No

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

No

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

No

X. Warning of Key Risks

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

XI. Miscellaneous

Applicable Not applicable

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List of documents for reference	Financial statements signed and sealed by the Company’s principal, the accounting principal, and the principal of the accounting body (the accounting officer)
	The original of the audit report sealed by the CPAs firm and signed and sealed by the certified public accountants
	The originals of the Company’s documents and announcements disclosed on the website of the Shanghai Stock Exchange during the Reporting Period

Section 1 Definitions

I. Definitions

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

Definitions of common terms		
Company, the Company, the listed company, Meihua Bio, Meihua Group, or Meihua Company, Meihua	means	Meihua Holdings Group Co., Ltd., whose stock name is “Meihua Bio” and stock code is 600873.
Tongliao Meihua	means	Tongliao Meihua Biotech Co., Ltd., a wholly-owned subsidiary of the Company.
Tongliao Jianlong	means	Tongliao Jianlong Chemical Co., Ltd., a wholly-owned subsidiary of Tongliao Meihua.
Tongliao Base or Tongliao Company	means	the production base located in Tongliao of the Inner Mongolia autonomous region as formed by Tongliao Meihua and Tongliao Jianlong.
Xinjiang Meihua	means	Xinjiang Meihua Amino Acid Co., Ltd., a wholly-owned subsidiary of the Company.
Wujiaqu Jianlong	means	Wujiaqu Jianlong Chemical Co., Ltd., a wholly owned subsidiary of Xinjiang Meihua.
Xinjiang Base or Xinjiang Company	means	the production base in the Wujiaqu Industry Park located in the Xinjiang Uygur autonomous region where Xinjiang Meihua and Wujiaqu Jianlong are located.
Jilin Meihua	means	Jilin Meihua Amino Acid Co., Ltd., a wholly-owned subsidiary of the Company.
Jilin Base, Baicheng Base, or Jilin Company	means	the production base located in Baicheng of Jilin where Jilin Meihua Amino Acid Co., Ltd. is located.
Three production bases or all production bases	means	the Company’s production bases in Tongliao of Inner Mongolia, Wujiaqu of Xinjiang, and Baicheng of Jilin.
Hong Kong Meihua	means	Meihua Group International Trade (Hong Kong) Co., Ltd., a wholly-owned subsidiary of the Company.
Lhasa Meihua	means	Lhasa Meihua Bio-investment Holdings Co., Ltd., a wholly-owned subsidiary of the Company.
Hengqin Meihua	means	Zhuhai Hengqin Meihua Biotech Co., Ltd., a wholly-owned subsidiary of the Company.
Hong Kong Holdings	means	HONGKONGPLUMHOLDINGLIMITED, a wholly-owned subsidiary of Hengqin Meihua.
Cayman Company	means	CAYMANPLUMHOLDINGLIMITED, a wholly-owned subsidiary of Hong Kong Holdings.
Singapore Company	means	PLUMBIOTECHNOLOGYGROUPPTE.LTD., a wholly-owned subsidiary of Cayman Company.
Singapore spv, SPV, Plumino, Plumino Company, Plumino	means	PLUMINO PRECISION FERMENTATION HOLDINGS PTE.LTD., a wholly-owned subsidiary of Singapore Company.
RSM, RSM China CPA	means	RSM China CPA LLP (Special General Partnership)

LLP		
Zandar or Zandar (Shenzhen) CPAs LLP	means	Zandar (Shenzhen) CPAs LLP (Special General Partnership) (formerly known as Da Hua CPAs LLP (Special General Partnership))
CSRC	means	the China Securities Regulatory Commission.
SSE or the Stock Exchange	means	the Shanghai Stock Exchange.
CSDC Shanghai	means	China Securities Depository and Clearing Co., Ltd. Shanghai Branch.
Amino acids for animal nutrition	means	the amino acids used as feed supplement for animal nutrition, which can enhance the effects of feed, improve the utilization of feed, and supplement and balance nutrition. The amino acids for animal nutrition produced by the Company include lysine, threonine, methionine, and valine.
Lysine	means	2,6-Diaminohexanoic acid, the only amino acid with side-chain primary amine in proteins. It is an amino acid and ketogenic amino acid essential for mammals. The common L-lysine is one of the 20 amino acids that make up proteins. Depending on content, lysine is classified into L-lysine hydrochloride (commonly known as the 98% lysine) and L-lysine sulfate (commonly known as the 70% lysine). The addition of lysine to feed improves meat quality, increases the ratio of lean, and refines meat texture. It increases the utilization of feed proteins and reduce the dosage of crude protein. It also reduces piglet diarrhea, cuts feeding costs, and increases economic returns.
Threonine	means	2-Amino-3-hydroxybutanoic acid, an aliphatic α -amino acid that contains an alcoholic hydroxyl. It is an amino acid and ketogenic amino acid essential for mammals. The common L-threonine is one of the 20 amino acids that make up proteins. Threonine is an essential amino acid. Threonine is often added to the feed for piglets and poultry. It is the first limiting amino acid in pig feed and the third limiting amino acid in poultry feed.
Valine	means	2-amino-3-methylbutanoic acid, a branched-chain non-polar α -amino acid that contains five carbon atoms. It is an amino acid and glycolytic amino acid essential for mammals. The common L-valine is one of the 20 amino acids that make up proteins. The addition of valine to sow feed can help increase lactation yield. It also helps improve animals' immunity and affects endocrine.
Starch byproduct protein powder, feed fiber, germ, mycoprotein, etc.	means	Corn gluten meal is a byproduct of the manufacture of starch from maize grain in the food industry or its purification in the brewing industry. It is rich in protein nutrients, has a special taste and color, and can be used as feed. Corn husk powder (feed fiber) is a byproduct of the manufacturing process of manufacturers engaged in the deep processing of corn. It is produced from maize grains being soaked, put into starch production, washed, squeezed, and dried. Its main components include fiber, starch, and proteins.
Food taste and trait improving products	means	The food additives (flavor enhancers) produced by the Company. It refers to artificial or natural substances that are added to food for the purpose of improving food quality, color, smell, and taste, as well as for preservation and processing.
MSG	means	99% MSG refers to monosodium glutamate. The key composition of MSG

		is glutamic acid monosodium salt, which is produced from the microbial fermentation, purification, and refinement of saccharic or starch raw materials. The finished product is white columnar crystal or crystalline powder. As a basic flavoring agent, MSG not only enhances the taste of dishes and stimulates appetite but also stimulates the secretion of digestive juice, thereby helping food digestion and absorption in human bodies.
Disodium 5'-ribonucleotide	means	a substance composed of disodium 5'-inosine (IMP) and disodium 5'-guanosine (GMP) in a 1:1 proportion. It is mostly used in condiments or condiment blends with MSG to enhance taste.
Trehalose	means	a safe and reliable natural sugar with the superb ability to maintain cell viability and biomacromolecular activity. It is known as the "sugar of life" in the science community. With a moderately sweet taste, it serves as a unique food ingredient that prevents food deterioration, inhibits nutrient deterioration, preserves food flavors, and improves food quality. It is also an important ingredient for cosmetics that maintain cell viability and preserve moisture. It is generally recognized as safe (GRAS) by the FDA.
Amino acids for human medical purposes	means	are also known as pharmaceutical amino acids. The Company's pharmaceutical amino acids are mainly divided into two parts. One is amino acid products, including L-glutamine, branched-chain amino acids (L-isoleucine, L-valine, and L-leucine), and L-proline, etc., which are mainly used as upstream raw materials for sports nutrition food, food for special medical purposes, and drugs. The other part is pharmaceutical intermediate raw materials, including L-proline and nucleoside (inosine, guanosine, and adenosine), which are mainly used as upstream raw materials for drugs that treat chronic diseases (such as hypertension, diabetes, hepatitis B, etc.).
Proline	means	L-proline (known as proline for short) is one of the 18 amino acids for the human body to synthesize proteins. It is an important raw material for amino acid transfusions as well as a key intermediate for synthesizing first-line antihypertensive drugs, such as captopril and enalapril. It is widely applied in food and pharmaceutical industries. The Company produces L-proline through corn fermentation, which is free of all the chemical reagents added in synthesis and is thus safer.
Glutamine	means	with the scientific name of 2-amino-4-formamide butyric acid, is the amide of glutamic acid. L-glutamine is the coding amino acid in protein synthesis and an amino acid essential for mammals. In vivo, it can be converted from glucose. Glutamine prevents muscle breakdown and promotes muscle growth. It is an important nutrition supplement for bodybuilders and bodybuilding enthusiasts. It also improves human immunity and antioxidant capacity. It has superb healthcare and even medical effects for the gastrointestinal and digestive systems.
Isoleucine	means	L-isoleucine is one of the 20 common amino acids that make up proteins. It contains two asymmetric carbon atoms and is an amino acid and ketogenic amino acid essential for mammals.
Leucine	means	L-leucine is one of the 20 common amino acids that make up proteins. It is

		an amino acid and a ketogenic and glycogenic amino acid essential for mammals. Leucine, isoleucine, and valine are all branched-chain amino acids, which help promote muscle recovery after training. In particular, leucine is a very effective branched-chain amino acid that effectively prevents muscle loss as it is able to break down faster into glucose.
Pullulan	means	a water-soluble polysaccharide produced from the fermentation of <i>Aureobasidium pullulans</i> . Pullulan can be processed into a variety of products. With superb film-forming properties, it forms highly stable pullulan film. It also has excellent oxygen isolation performance. In pharmaceutical and food industries, it is widely used in capsule molding agents, thickeners, adhesives, and food packaging. Pullulan has been used as food accessories for more than 20 years in Japan and is generally recognized as safe (GRAS) by the FDA.
Xanthan gum	means	a monospore polysaccharide from the fermentation of <i>pseudoxanthomonas</i> . It offers many functions due to its special macromolecular structure and colloidal characteristics. It is widely used in different fields as emulsifiers, stabilizers, gel thickeners, impregnating compounds, and film molding agents. Xanthan gum is a microbial polysaccharide in mass production with broad applications around the world.
Bio-organic fertilizers	means	the fertilizers containing organic substances that provide multiple inorganic and organic nutrients for crops and fertilize and improve soil.
MES	means	Manufacturing Execution System (MES) is a key component of smart manufacturing. It optimises production processes and enhances efficiency and quality through functions such as real-time monitoring, data collection and analysis, and production scheduling. The core functions of MES include production planning management, materials management, quality control, equipment maintenance and personnel management. Through real-time data collection and feedback, MES is able to dynamically adjust production plans, optimise resource allocation, reduce waste and enable comprehensive traceability of product quality.
AI	means	Artificial Intelligence (AI) is the science of studying, developing, and applying theories, methods, and applications for simulating, extending, and enhancing human intelligence. Its essence lies in using data as fuel, computing power as an engine, and algorithms as a brain, thereby, through machine learning and especially deep learning, endowing machines with the ability to perceive, reason, and generate. Currently, cognitive intelligence—represented by large language models and generative AI—is driving a paradigm shift in technology from ‘discrimination’ to ‘creation’, becoming the core force behind industrial transformation.
HMO	means	Human Milk Oligosaccharides, which are a type of complex oligosaccharide composed of monosaccharides, derivatives, sialic acid, and other structural units linked by glycosidic bonds. Over 150 types of HMO structures have been identified in human milk. As the third most abundant solid component in human breast milk, after lactose and fat, HMO plays a crucial physiological role. HMOs are vital for infant growth and development, both

		in the short and long term. They promote the balance of the intestinal microecology in infants, stimulate the growth of beneficial bacteria, inhibit the growth of harmful bacteria, prevent the colonization of pathogenic bacteria, regulate the immune system, and support cognitive development in infants.
Kirin Holdings	means	Kirin Holdings Company, Limited, a company listed on the Tokyo Stock Exchange with the stock code 2503.T. Founded in 1907 and headquartered in Tokyo, Japan, it is a global leader in beverage and food manufacturing, with business operations spanning multiple sectors, including beer, soft drinks, health products, and pharmaceuticals.
Kyowa Hakko Bio, Japan Kyowa	means	Kyowa Hakko Bio Co., Ltd., a wholly-owned subsidiary of Kirin Holdings. It is a global leader in the biotechnology and fermentation industries, specializing in the development and production of high-quality amino acids and other novel synthetic biology products for pharmaceutical, food, and industrial applications.
Fermentation	means	a reaction process in which massive metabolites are produced and accumulated through the growth and chemical changes of microorganisms (or animal/plant cells).
Bio-fermentation	means	Bio-fermentation refers to the process by which organic raw materials are converted into target products through metabolic activity carried out by microorganisms or enzymes under suitable conditions. Essentially, it utilizes the metabolic mechanisms and biocatalytic action of living organisms to achieve the efficient conversion and synthesis of substances, encompassing industrial applications ranging from traditional food brewing to modern pharmaceuticals and new materials. As a core technology of synthetic biology and green manufacturing, bio-fermentation is driving the transition of production models towards low-carbon and sustainable practices, becoming a vital pillar of the bioeconomy era.
Precision fermentation	means	a process that uses microorganisms as cell factories to produce specific functional components. In general terms, scientists change the genes of selected microorganisms based on specific designs, and their genes are programmed to produce specific fermentation products.

Section 2 Company Overview and Key Financial Indicators

I. Company Information

Chinese name	梅花生物科技集团股份有限公司
Short Chinese name	梅花生物、梅花集团
English name	MeiHua Holdings Group Co., Ltd.
Abbreviation	MEIHUABIO, MeiHuaGroup
Legal representative	Wang Aijun

II. Contact Person and Contact Information

	Board Secretary
Name	Liu Xianfang

Address	66 Huaxiang Road, Langfang Economic and Technological Development Zone, Hebei Province
Tel	0316-2359652
Fax	0316-2359670
Email	mhzqb@meihuagr.com

III. Basic Profile

Registered Address	Unit 5, Building 11, Yangguang Xincheng, 158 Jinzhu West Road, Lhasa, Xizang Autonomous Region
Changes in the registered address	In January 2018, the company's registered address was changed from 'No. 189, Jinzhu West Road, Lhasa' to 'Unit 5, Building 11, Yangguang Xincheng, 158, Jinzhu West Road, Lhasa'. For further details, please refer to the company's Announcement No. 2018-002.
Office address	66 Huaxiang Road, Langfang Economic and Technological Development Zone, Hebei Province
Postal code of the office address	065001
Website	The company completed a full upgrade of its official website in February 2025. The new URL for the official website is https://www.meihua.group
Email	mhzqb@meihuagr.com

IV. Places of Information Disclosure and Report Placement

Names and websites of media where the Company discloses annual reports	Shanghai Securities News (www.cnstock.com), China Securities Journal (www.cs.com.cn), Securities Times (www.stcn.com) and Securities Daily (www.zqrb.cn)
The stock exchange website where the Company discloses annual reports	www.sse.com.cn
Place where the Company prepares and keeps annual reports	The Company's securities department and Shanghai Stock Exchange

V. Company's Stock Information

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

VI. Other Relevant Information

CPA firm appointed by the Company (domestic)	Name	RSM China CPA LLP (Special General Partnership)
	Office address	1001-1 to 1001-26, 10th Floor, Building 1, 22 Fuchengmenwai Street, Xicheng District, Beijing
	Names of signing accountants	Gong Chenyan, Li Qianqian

VII. Key Accounting Data and Financial Indicators for the Last Three Years

(I). Key Accounting Data

Key accounting data	Unit: yuan Currency: RMB			
	2025	2024	Increase/decrease over same period last year (%)	2023
Revenue	24,208,675,106.70	25,069,288,294.62	-3.43	27,760,612,259.07
Total profit	3,729,699,988.92	3,349,460,691.13	11.35	3,723,135,620.15
Net profit attributable to the shareholders of the listed company	3,280,879,912.10	2,740,427,215.56	19.72	3,180,949,695.48
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss	2,205,459,805.05	2,696,673,816.43	-18.22	3,083,801,516.17
Net cash flows from operating activities	4,009,259,646.23	4,626,714,790.47	-13.35	5,228,937,084.88
	At the end of 2025	At the end of 2024	Increase/decrease over same period last year (%)	At the end of 2023
Net assets attributable to the shareholders of the listed company	16,347,570,415.56	14,574,945,300.93	12.16	14,163,014,813.67
Total assets	25,915,976,725.38	23,809,558,011.66	8.85	23,157,179,855.25

(II). Key Financial Indicators

Key financial indicators	2025	2024	Increase/decrease over same period last year (%)	2023
Basic earnings per share (yuan/share)	1.17	0.94	24.47	1.06
Diluted earnings per share (yuan/share)	1.17	0.94	24.47	1.06
Basic earnings per share after deducting non-recurring profit or loss (yuan/share)	0.78	0.92	-15.22	1.03
Weighted average return on equity (%)	21.48	19.04	Increase by 2.44 percentage points	23.48
Weighted average return on equity after deducting non-recurring profit or loss (%)	14.44	18.74	Decrease by 4.30 percentage points	22.76

Notes to the Company's key accounting data and financial indicators for the last three years as at the end of the Reporting Period

□Applicable √Not applicable

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

(I). Differences in the net profit and the net profit attributable to the shareholders of the listed company in the financial report disclosed in accordance with both the international accounting standards and the Chinese accounting standards

Applicable Not applicable

(II). Differences in the net profit and the net profit attributable to the shareholders of the listed company in the financial report disclosed in accordance with both the foreign accounting standards and the Chinese accounting standards

Applicable Not applicable

(III). Explanation of differences between domestic and foreign accounting standards

Applicable Not applicable

IX. Key Financial Indicators for 2025 by Quarter

Unit: Yuan Currency: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Revenue	6,268,563,075.46	6,011,887,528.07	5,934,996,741.47	5,993,227,761.70
Net profit attributable to the shareholders of the listed company	1,018,706,366.46	749,243,750.43	1,257,142,238.16	255,787,557.05
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss	904,569,095.36	723,794,009.04	391,112,036.37	185,984,664.28
Net cash flows from operating activities	453,267,070.69	1,859,524,149.94	2,398,368,777.71	-701,900,352.11

Explanation of differences between the quarter-based data and the data in the disclosed periodic reports

Applicable Not applicable

X. Non-recurring Items and Amounts

Applicable Not applicable

Unit: Yuan Currency: RMB

Non-recurring item	Amount for 2025	Notes (if applicable)	Amount for 2024	Amount for 2023
Gains or losses from the disposal of non-current assets, including the write-offs of the accrued provisions for asset impairment	-36,929,707.83		-35,923,166.36	-38,915,902.24
Government grants recognized in the profit or loss, excluding government grants that are closely related to the Company's normal operations, conform with national policies, are enjoyed in accordance with established standards, and have continuous impact on the Company's profit or loss	228,086,329.20		205,965,697.82	240,560,349.82
Gains or losses from fair value changes arising from the financial assets and financial liabilities held by non-financial enterprises and gains or losses from the	70,432,176.42		30,307,317.28	-35,150,749.48

disposal of financial assets and financial liabilities, except for the effective hedging associated with the Company's normal operations,				
Fund possession fees collected from non-financial enterprises that are recognized in the profit or loss				
Gains or losses from the entrusted investment or management of assets				
Gains or losses from external entrusted loans				
Losses on assets arising from force majeure factors, such as natural disasters				
Reversal of provisions for the impairment of accounts receivable for which the impairment test is conducted separately				1,861,963.30
Gains from the investment costs of the Company for the acquisition of subsidiaries, associates, and joint ventures being less than the fair value of the investees' identifiable net assets due to the Company at the acquisition of investment	831,441,015.05			
Net profit or loss of subsidiaries formed through business combinations under common control for the period from the beginning of the Reporting Period to the combination date				
Gains or losses from the exchange of non-monetary assets				
Gains or losses from debt restructuring				
Non-recurring expenses of the Company arising from the discontinuation of relevant operating activities, such as expenses for staff resettlement				
Once-off effect of adjustments to tax and accounting laws and regulations on the profit or loss				
Share payment expenses recognized once off due to the cancellation or change of the share incentive plan				
For share payment in cash, gains or losses from changes in the fair value of staff remuneration payable after the vesting date				
Gains or losses from changes in the fair value of investment property that is subsequently measured in the fair value model				
Gains from transactions with obviously unfair transaction prices				
Gains or losses from contingencies irrelevant to the Company's normal operations	28,618,647.27		-1,549,545.75	-45,888,616.17
Trusteeship income from trusteeship business				
Other non-operating income and expenditure than the above	-1,657,569.77		-105,868,972.90	-1,380,228.88

Other profit or loss items that fall within the definition of the non-recurring profit or loss				
Less: effect of income tax	44,570,783.29		49,177,930.96	23,938,637.04
effect of minority interest (after tax)				
Total	1,075,420,107.05		43,753,399.13	97,148,179.31

For items not listed in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 - Non-recurring Profits and Losses* but considered as non-recurring profits and losses with significant amounts, as well as items defined as recurring profits and losses in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 - Non-recurring Profits and Losses*, the Company should provide reasons for such classification.

Applicable Not applicable

XI. Companies with equity incentive plans or employee stock ownership plans may choose to disclose net profit after adjusting for the impact of share-based payments.

Applicable Not applicable

XII. Items Measured at Fair Value

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Change	Amount of impact on the profit
Financial assets held for trading	312,033,611.07	1,140,377,416.70	828,343,805.63	61,582,264.32
Other non-current financial assets		282,005,000.00	282,005,000.00	
Derivative financial assets		2,061,300.00	2,061,300.00	6,856,503.34
Derivative financial liabilities	297,500.00		-297,500.00	
Other equity instrument investments	441,294,280.00	301,966,810.00	-139,327,470.00	3,308,800.00
Accounts receivable financing	26,723,054.99	17,978,363.00	-8,744,691.99	171.96
Total	780,348,446.06	1,744,388,889.70	964,040,443.64	71,747,739.62

XIII. Miscellaneous

Applicable Not applicable

Section 3 Discussion and Analysis by the Management

I. Overview of the Company's Businesses during the Reporting Period

Meihua Bio is a global leader in the large-scale production of amino acids using synthetic biology technologies.

During the reporting period, the products produced by the Company include:

- **Amino acids for animal nutrition:** lysine, threonine, tryptophan, feed-grade lysine, starch byproduct feed fiber, corn germ, mycoprotein, MSG residue etc.

- **Food taste and trait improving products:** glutamic acid, monosodium glutamate, Disodium 5'-ribonucleotide, disodium inosinate, food-grade xanthan gum, trehalose, etc.

- **Amino acids for human nutrition and medical purposes:** glutamine, proline, leucine, isoleucine, pharmaceutical valine, inosine, guanosine, adenosine, pullulan, Vitamin B2, histidine, arginine, etc.

- **Other products:** petroleum-grade xanthan gum, bio-organic fertilizers, etc.

The Company operates under an integrated business model encompassing research and development, production, and sales. During the reporting period, there were no material changes to this model.

During the reporting period, the Company focused on advancing the acquisition and integration of projects related to Kyowa of Japan, successfully completing the entire process from asset transfer to business handover. As a result, the Company has added high-end pharmaceutical amino acid products and related businesses to its portfolio.

Explanation of the Company's new significant non-core businesses during the reporting period

Applicable Not applicable

II. Industry Overview

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

Biomanufacturing is an advanced production method centered on industrial biotechnology. It is a manufacturing process that leverages cutting-edge biotechnologies such as genetic engineering and synthetic biology to utilize the physiological metabolic functions or catalytic capabilities of microorganisms, cells, enzymes, and other living organisms. Through industrial fermentation processes, it enables the large-scale production of target products, covering a full range of categories including food and food additives, biopharmaceuticals, bio-based materials, bulk chemicals, and energy.

Synthetic biology is a disruptive technology that integrates knowledge and techniques from multiple disciplines—including biology, engineering, and computer science—to design, modify, reconstruct, and even artificially synthesize living organisms according to engineering principles. It aims to construct artificial biological systems with specific functions to enable innovative applications in fields such as biomedicine and biomanufacturing.

(I) Industry Scale

According to a McKinsey analysis, the annual economic impact of biomanufacturing is projected to reach \$1.7 trillion to \$3.6 trillion between 2030 and 2040, with biomanufactured products expected to account for approximately 70% of chemically manufactured goods. Boston Consulting Group (BCG) forecasts that by the end of the 21st century, biomanufacturing will be applied in one-third of the global manufacturing sector, with the potential to generate \$30 trillion in economic value.

(II) Industry Outlook

1. Global Expansion and Ongoing Policy Benefits

Synthetic biology is one of the core areas of global industrial competition, and major developed countries and regions have already incorporated it into their national strategies. The United States has made synthetic biology-related biomanufacturing a priority for research and development and has consolidated its technological advantages through the Biosecurity Act; the European Union has released

a new bioeconomy strategy that clearly establishes synthetic biology as a core pillar and accelerates the commercialization of products.

China views synthetic biology as key to fostering new productive forces and achieving self-reliance in science and technology. At the national level, the government has explicitly set a goal to establish more than 20 pilot-scale biomanufacturing platforms by 2027, with a focus on bridging the “valley of death” between R&D outcomes and industrialization. At the local level, provinces and municipalities have introduced targeted support policies, focusing on the development of industrial clusters and the creation of innovation sources to provide solid support for the industry’s high-quality development.

2. AI-Driven Transformation: Redefining R&D and the Industrial Ecosystem

AI is fundamentally reshaping the R&D paradigm in synthetic biology, propelling the industry from “trial and error” toward “precision design.”

AI is reshaping the industry’s R&D and industrial ecosystem: by integrating with automated equipment to create “autonomous biological laboratories,” it optimizes R&D processes and shortens development cycles; by leveraging digital twins and biosensors to manage production, it reduces scale-up timelines and lowers investment costs; and by driving the penetration of synthetic biology into multiple sectors, it supports the “dual carbon” goals and the industry’s green transition.

3.The amino acid sector maintains its leading position, driving the industrialization of synthetic biology

China’s amino acid industry holds an absolute leading position in the global field of synthetic biology applications. As the most mature and highly industrialized segment in this sector, the industry has taken the lead in achieving large-scale application of synthetic biology technologies and serves as a global benchmark for the industrial implementation of synthetic biology.

Breakthroughs in synthetic biology technologies can, on the one hand, effectively reduce production costs and enhance production efficiency for existing amino acid products; on the other hand, they can continuously enrich the industry’s product portfolio, accelerate the R&D and iteration of new products, and steadily fill market gaps in niche segments such as high-end pharmaceutical and specialty amino acids; simultaneously, synthetic biology has broken through the traditional boundaries of the industry. Leveraging its robust industrial foundation and the rapid advancement of AI, China’s amino acid industry will continue to expand its applications into emerging fields such as non-grain fermentation, bio-based materials, and bulk chemicals.

(III) The Company’s Competitive Advantages in the Industry

1.Leading Scale: As a global leader in the amino acid industry, the company holds the world’s largest production capacity for lysine and threonine, ranks second globally in MSG production, and leads the global market in xanthan gum. Through the acquisition of Kyowa Hakko Kogyo of Japan, the company has successfully entered the high-end pharmaceutical amino acid market, further solidifying its leading position.

2.Outstanding Full-Industry-Chain Advantages: Leveraging its mature biorefining industry and biological technologies such as whole-genome sequencing, bioinformatics analysis, gene editing,

metabolic engineering, and cell culture, the company has established a comprehensive full-industry-chain for biomanufacturing. At the same time, it has strategically planned and constructed multiple pilot-scale platforms to achieve a closed-loop system spanning “R&D—pilot testing—engineering—scalable production.” On one hand, this accelerates the implementation of new microbial strains and processes into large-scale production, driving continuous cost reductions; on the other hand, it enables the adoption of new technologies and products, bridging the critical gap between the laboratory and production, thereby enriching the product portfolio and expanding the industry’s boundaries.

3.Continuously Enhanced Global Competitiveness: Through years of accumulation, the company has established a comprehensive global operational service system and a replicable management framework. Leveraging robust engineering capabilities and a professional international management team, we provide strong support for future mergers and acquisitions as well as overseas greenfield investments, steadily advancing our international expansion and moving toward the strategic goal of becoming a “leading enterprise in synthetic biology.”

In summary, leveraging its scale, industrial chain advantages, and ability to compete globally, Meihua Bio will continue to lead the global biotechnology industry and serve as a key driver of green, low-carbon, and high-quality development in the biomanufacturing sector.

III. Discussion and Analysis of Business Performance

In 2025, the company achieved operating revenue of RMB 24.209 billion, a decrease of 3.43% compared to the same period last year. During the reporting period, production capacity for products such as lysine and isoleucine continued to expand, and both production and sales volumes increased steadily. However, due to the pass-through effect of falling raw material prices, sales prices for major products declined, resulting in a slight year-over-year decrease in operating revenue. Net profit attributable to shareholders of the listed company reached RMB 3.281 billion, an increase of 19.72% compared to the same period last year, and non-recurring gains arising from the completion of a cross-border asset acquisition increased net profit by RMB 831 million.

During the reporting period, the Company maintained strategic resolve and a long-term perspective. Seizing the opportunity presented by the successful implementation of the Kyowa project, it accelerated global resource integration and production capacity deployment to secure a leading position in the field of synthetic biology. Concurrently, the Company advanced its digital and intelligent transformation and organizational capacity building, thereby strengthening its core competitiveness amid the industry’s profound restructuring.

(I) The Kyowa Project Successfully Completed, with Significant Improvements in Overseas Acquisition and Integration Efficiency

To rapidly enhance its global product portfolio and overcome overseas technical and trade barriers, the company has prioritized overseas acquisitions and integration as a key driver for implementing its globalization strategy. In 2025, the company focused on advancing the acquisition and integration of the

Kyowa-related projects in Japan, successfully completing the entire process from asset transfer to business handover.

The company has successfully achieved seamless integration and efficient collaboration between the overseas team and its existing management system. By optimizing team structures, standardizing operational processes, and upgrading production equipment, the company has achieved technological breakthroughs and a significant increase in production capacity. Notably, the capacity utilization rate of core products has increased by over 20% compared to pre-integration levels, while unit production costs have decreased by 15% year-over-year, demonstrating outstanding integration results.

This acquisition and integration not only enhanced the company's global product supply network and addressed regional supply gaps, but also leveraged Kyowa's established overseas distribution channels to effectively boost the global visibility and core competitiveness of the company's products, laying a solid foundation for future overseas market expansion and the deepening of its global footprint.

Following the successful completion of the project, the company carried out an internal strategic reorganization, integrating all acquired assets and operations into the newly established **Plumino**. Plumino serves not only as a key vehicle for the company's globalization strategy but also as a bridgehead for introducing advanced global technologies, bearing the core mission of technological upgrading and product innovation.

(II) Plumino: A Global Technology Hub and Precision Fermentation Innovation Platform

Currently, all assets and operations acquired in this transaction have been fully integrated into Plumino. In line with the company's strategic positioning, its core business areas, technological strengths, and future plans for differentiated operations are as follows:

1. New Core Business Areas: High-End Pharmaceutical Amino Acids and High-Value Precision Fermentation Products

Through this integration, the company has achieved a leap forward in expanding its business portfolio, extending comprehensively from traditional feed-grade and food-grade amino acids into high-end niche markets such as pharmaceutical-grade amino acids, amino acids for cell culture media, and cosmetic-grade amino acids. The product portfolio covers core categories such as arginine, histidine, serine, and glutamine, as well as niche pharmaceutical-grade amino acids including alanine, branched-chain amino acids, proline, and phenylalanine. This has successfully addressed the previous gaps in the high-end pharmaceutical amino acid business, establishing a comprehensive, multi-tiered amino acid product system encompassing **feed-grade, food-grade, and pharmaceutical-grade** categories.

As a strategic hub for technology introduction, Plumino will build upon its strengths in pharmaceutical amino acids to focus on developing a precision fermentation technology platform, with the goal of producing more high-value active pharmaceutical ingredients through precision fermentation. Its applications will be further expanded into multiple high-value sectors, including innovative drugs, immunomodulation, foods for special medical purposes, cell culture, and cosmetics, thereby continuously enhancing its market competitiveness.

2. New Core Technological Advantages and Breakthroughs Following the Acquisition

(1) Comprehensive Industrial Chain Technology and Quality Control System: The company possesses a complete industrial chain technology spanning from crude fermentation to pharmaceutical-grade purification. It has fully inherited Kyowa's pharmaceutical-grade amino acid purification processes and rigorous quality control systems, which have been refined over many years. The company maintains quality control capabilities that meet high international standards such as those of the FDA and CEP, featuring significant technological barriers that are difficult for competitors to replicate.

(2) Global Intellectual Property Protection and Technological Integration Breakthroughs: Through this acquisition, the company has rapidly established a global intellectual property protection network covering core synthetic biology products and key processes, effectively circumventing technological barriers in overseas markets. At the same time, by combining the company's deep technical expertise in fermentation processes and strain improvement, we have achieved two-way technological integration and iterative upgrades, particularly realizing major breakthroughs in the field of precision fermentation technology, with synergies fully demonstrated.

(3) Development of the Precision Fermentation Technology Platform: Leveraging the Plumino platform, the company has established an advanced R&D system for precision fermentation technology. This system enables targeted optimization of fermentation processes for specific high-value products, significantly enhancing production efficiency and product purity, and laying a solid technical foundation for the large-scale production of high-value products such as bio-API.

3. Future Business Strategy: Technology-Driven and Differentiated Development

Leveraging Plumino's established international compliance and registration team, the company will implement a "technology-driven, category-differentiated" development strategy moving forward. We will focus on the R&D, production, and sales of core pharmaceutical amino acid products, striving to become an industry leader with scale, cost, and technological advantages. At the same time, we will actively pursue high-margin new projects to cultivate new growth drivers and achieve sustainable development.

(1) Performance Goals and Technical Targets: Over the next five years, Plumino aims to lead the market by setting the highest standards in quality control and operational excellence. The company plans to turn a profit by 2026 and double its revenue by 2030. In terms of technological breakthroughs, the company plans to file more than 15 patents in the field of precision fermentation.

(2) Core Product Strategy: Balancing Technological Advancement and Precision Fermentation

Plumino's core development strategy centers on "technology-driven innovation, precision fermentation, and breakthroughs in high-end markets":

Through precision fermentation technology, the company focuses on cost optimization and capacity expansion. In the high-end pharmaceutical amino acid sector, leveraging existing regulatory compliance and a rigorous quality control system, Plumino will continue to consolidate its market position and

increase market share; In the food-grade amino acid sector, we will expand our food-grade arginine production lines and scale up operations. By applying new fermentation processes to enhance product purity and stability, we will improve production efficiency for arginine, histidine, and other products while reducing energy consumption by more than 20%.

(3) New Business Strategy: Focusing on High-End Segments of the Pharmaceutical Industry

By focusing on high-end segments of the pharmaceutical industry, we will utilize precision fermentation to produce a wider range of high-value active pharmaceutical ingredients (APIs) and actively pursue new projects with high profit margins and growth potential.

(III) Focusing on innovation-driven development, strengthening technological leadership, and securing a leading position in the field of synthetic biology

In 2025, the company launched the development of an intelligent R&D system based on an AI Agent architecture as part of its efforts to build a synthetic biology platform. At the same time, it comprehensively advanced various initiatives, including intellectual property strategy, external collaboration, technology commercialization, and talent development:

1.Strong Patent Portfolio, Solid Institutional Foundation

Through the acquisition of relevant product technologies from Japan's Kyowa, the company has rapidly established a global intellectual property protection network covering core synthetic biology products and key processes, effectively circumventing technical barriers in overseas markets; As of the end of 2025, the company had filed a cumulative total of 337 patent applications (of which 115 have been granted), including 40 applications filed throughout 2025 alone. These cover the entire technical process—from strain screening and fermentation processes to product extraction—further consolidating the company's technological advantages.

The company has iteratively refined multiple core systems related to the commercialization of R&D outcomes, establishing comprehensive standards for the entire process—from project initiation, implementation, and acceptance to commercialization—and standardizing the use of R&D funds. This has enabled standardized, regulated, and meticulous management of R&D projects, effectively enhancing R&D efficiency and mitigating R&D risks.

2.Leveraging World-Class Resources to Break Down Barriers in the High-End Market

During the reporting period, the company proactively engaged with world-class research resources, reaching in-depth cooperation agreements with several internationally renowned research institutions and leading scientists in the industry. By focusing on the industry's technical pain points and challenges, the company collaborated on cutting-edge R&D and key technological breakthroughs, effectively addressing development bottlenecks such as low yields of certain strains and difficulties in product extraction.

Building on our global market strategy, we will complete the registration of multiple products in the EU and the U.S. by the end of 2025. The successful implementation of these compliance registrations will not only effectively mitigate operational risks in overseas markets but also significantly enhance our

products' competitiveness in gaining market access, thereby strengthening the company's position in the international market.

3.Deep Integration of Research and Production Leads to Significant Gains in Efficiency

Through sustained R&D efforts, the company successfully implemented the microbial strains and process technologies for several core products in large-scale production in 2025. Thanks to technological upgrades via the synthetic biology platform, the metabolic efficiency of the new strains reached industry-leading levels, while the new processes demonstrated significant advantages in terms of high stability and low cost. This not only substantially improved production efficiency but also further strengthened the company's technological competitiveness. These innovative achievements have generated substantial new benefits, laying a solid foundation for the company's future high-quality development.

4.A Pool of Top-Tier Talent with Comprehensive Capabilities Across the Entire Value Chain

The company adheres to a talent development strategy of "high-end leadership and tiered support." We have strategically recruited a number of PhDs in synthetic biology from renowned domestic and international institutions, covering key technical areas such as strain engineering and metabolic regulation, thereby strengthening our core R&D capabilities. At the same time, we have refined our internal training system. Through mentorship programs, project-based training, and external research and training opportunities, we have further solidified our core talent pipeline, enhanced the team's overall innovation capacity, and laid a solid talent foundation for our R&D efforts.

(IV)AI Drives Digital and Intelligent Transformation, Enhances Management, and Enables Leapfrog Growth

With the goal of building "data-driven smart manufacturing," the company established the Production 4.0 Digital and Intelligent Transformation Office to systematically advance the deep integration of AI technology with production management. By constructing an integrated production operations platform centered on the MES, the company has achieved a fundamental shift in management from an "experience-driven" to a "data-driven" model, laying a solid foundation for the intelligent upgrade of the entire production process.

The deployment of the MES follows an implementation strategy of "comprehensive coverage, integrated data, and intelligence-driven operations," adopting a "unified platform plus regional adaptation" architectural model. During the reporting period, the system was fully implemented at the three core production bases in Xinjiang, Tongliao, and Jilin, establishing a digital management network that covers all production stages and spans the entire process from raw material intake to finished product shipment.

The system's core capabilities enable three major breakthroughs: First, end-to-end visualized control and management, which uses real-time data collection and dynamic monitoring to visually display production status, key process parameters, and equipment performance metrics, allowing for real-time oversight of the entire production process; **second, intelligent early warning and proactive prevention**, which establishes capabilities for early identification and warning of production fluctuations

and equipment anomalies, driving a shift in management from reactive response to proactive prevention; **third, data traceability and decision-making support:** establishing a comprehensive data archive spanning the entire supply chain from raw materials to finished products to support production process traceability, process parameter optimization, and business decision-making, thereby providing data-driven support for continuous improvement in production operations.

(V) Linking Production and Sales, Optimizing the Supply Chain, and Building a Comprehensive Competitive Advantage in the Market

In 2025, faced with a complex landscape marked by widespread industry-wide capacity expansion and intense market competition, the company will adhere to the core principle of “securing supply through procurement, expanding the market through sales, and fostering synergy between production and sales.” By coordinating procurement and sales efforts, the company aims to ensure precise focus and mutual reinforcement across both production and sales operations.

Centered on the core strategies of “in-depth market analysis, structural optimization, and digital and intelligent empowerment,” the company has achieved dual improvements in procurement cost reduction and supply chain resilience. **In raw material procurement,** the company leveraged its three major corn procurement bases to conduct in-depth market analysis, building inventory at opportune moments when market prices were low, thereby outperforming the market. For coal procurement, the company capitalized on the downward shift in market prices to optimize the structure of long-term contract suppliers. Regarding chemical auxiliaries, the company introduced suppliers from outside the region through a “long-term contract as a foundation + market-based supplementary orders” approach, thereby optimizing the supplier structure. **In terms of digital and intelligent empowerment,** the company launched the Kingdee Xinghan Procurement Management System, digitizing the entire procurement process and driving a shift in decision-making from experience-based to data-driven. **Regarding supplier structure optimization,** the proportion of core strategic suppliers was increased to 36%, and a three-tier cultivation system - “potential, strategic, and core” - was established.

In 2025, the company adhered to a strategy of “production-driven sales and full production and sales,” continuously optimizing its sales model and customer structure, resulting in a steady increase in market share for its core products. The company maintained industry-leading market shares in threonine, lysine, and MSG; the 80% lysine project achieved full production and sales within three months of commencement. In response to the EU anti-dumping investigation, the company leveraged its relative tariff advantages and implemented measures such as global inventory allocation, expansion into non-EU regions, and piloting off-site warehouses to effectively stabilize its foreign trade foundation. At the same time, the company continued to refine its standardized sales system, achieving a steady year-over-year 10% growth in the number of regular customers, while customer quality and sales retention continued to improve.

(VI) Corporate Culture Unites Hearts and Minds, Laying the Foundation for High-Quality Development

Culture is the soul and core cohesive force of corporate development. In 2025, the company will focus on fostering a strong sense of cultural identity among all employees and building a corporate community of shared destiny. Adhering to a dual-drive strategy of “strengthening the enterprise through talent and revitalizing it through culture,” we will reinforce employees’ sense of identity, belonging, and mission by establishing solid institutional foundations, creating a supportive work environment, and harnessing the power of our corporate culture.

Laying a Foundation Through Systems: Using cultural transformation as a lever, we have achieved a deep integration of cultural development and standardized management, driving a shift in the management model from “reliance on leaders” to “reliance on systems.”

Creating a Welcoming Environment: Upholding our “people-oriented” cultural ethos, we have prioritized upgrading office and production environments as a key driver of cultural development, completing renovations and functional optimizations in multiple workshop offices and the technical building.

Building Cohesion Through Activities: We have organized cultural events such as the Meihua Competition, Cultural Festival, and employee outings to foster a sense of unity. Additionally, we have held skills competitions on the MES and Feishu applications to promote learning and practical application through competition, thereby enhancing both professional capabilities and team collaboration.

Empowering Through Talent: The Company adheres closely to the philosophy of “Everyone Participates in Management; Creation and Sharing,” promoting the deep integration of cultural development and talent development. We uphold an incentive mechanism based on the principle of “more work, more pay; better performance, better compensation,” and strengthen our talent pipeline through management rotation and competency certification. By incorporating the Company’s core values into our training system, we use culture to unite our talent and talent to carry forward our culture, thereby laying a solid foundation for the Company’s long-term development.

Looking ahead, the Company will strive toward the goals of becoming a “Lighthouse Factory” and a leader in synthetic biology, driving the Company toward higher-quality and more sustainable development.

IV. Analysis of Core Competitiveness during the Reporting Period

Applicable Not applicable

The Company’s core competitiveness is an organic whole driven by synergies across multiple dimensions. It is powered by R&D innovation and the rapid commercialization of its outcomes, underpinned by end-to-end cost control and efficient operations, grounded in a diversified product portfolio and strategic scale, propelled by global expansion and risk management, and supported by a distinctive organizational culture and talent system—all of which collectively build industry-leading competitive barriers.

(I) Integrating R&D and Production to Break Through Boundaries

Leveraging long-term, sustained investment in R&D and a deep foundation of technical expertise, the Company has assembled a core R&D team comprising professionals from renowned academic institutions. We have established an in-house high-performance microbial strain platform capable of optimizing fermentation processes specifically for high-value products. Furthermore, through years of R&D, we have accumulated a vast amount of experimental and technical data. By deploying an intelligent bioinformatics system based on an AI Agent architecture and integrating it with our established global intellectual property network, we are able to **accelerate technology iteration cycles** and maintain a sustained technological lead.

At the same time, the Company has coordinated the planning and construction of multiple pilot-scale platforms, achieving seamless integration between the R&D process and the pilot-scale phase. This has enabled the Company to establish end-to-end capabilities spanning “R&D—pilot-scale testing—engineering—mass production.” On the one hand, this facilitates the rapid implementation of new strains and processes while continuously reducing costs; on the other hand, it allows the Company to adopt new technologies and products, thereby enriching its product portfolio and expanding the boundaries of the industry.

(II) Efficient Operations, Cost Leadership

In terms of strategic layout in key production regions and vertical integration, **the Company prioritizes the resource advantages of core raw materials** when selecting production sites. Each facility has established a comprehensive industrial resource recycling system encompassing “corn processing—self-generated steam—wastewater treatment—biological organic fertilizer production,” providing an inherent advantage in cost leadership; In factory design and construction, **the Company optimizes fixed asset investment through integrated design and reduces energy consumption** during operations. By precisely planning the capacity allocation for multiple products, the Company facilitates seamless integration and coordinated synergy between upstream and downstream processes, ensuring cost leadership; In operational management, **the Company possesses an exceptional integrated operational system**, continuously strengthening organizational efficiency, strictly enforcing daily settlement and closure, and leveraging process optimization, digitalized collaborative control, and closed-loop performance evaluation mechanisms to continuously improve operational efficiency and achieve cost leadership.

(III) Diversified Product Portfolio: Weathering Market Cycles

The Company has established a product matrix centered on amino acids that spans multiple sectors and encompasses a full range of product categories. By leveraging market demand differences and hedging across various application areas, the Company has effectively mitigated the performance volatility associated with industry cycles in individual product lines. Thanks to its world-leading production capacity and advantages in full-chain operations, the Company maintains robust cash flow security and operational stability across its entire business even when specific products are in a downturn.

(IV) From “Exporting Products” to “Exporting Capabilities”: Building New Competitive Advantages in the Global Market

Through years of experience, the Company has established a comprehensive global operational service system and a replicable management framework, and possesses the professional expertise to navigate international trade disputes. Leveraging its specialized capabilities in global investment and mergers and acquisitions, the Company has further expanded its strategic scope for global resource allocation and leapfrog development. By continuously building an intellectual property protection system that spans the entire industrial chain, the Company is steadily transitioning from “exporting products” to “exporting capabilities.”

Through diversified approaches such as overseas capacity expansion and localized operations, we aim to unlock value in regions with optimal resources. Moving forward, the Company will continue to optimize its global supply structure to achieve long-term leadership and high-quality development in the global competitive landscape.

(V) Cultivating a Cohesive Culture to Build a Talent Hub

The steady implementation of our four core pillars—R&D innovation, end-to-end operations, product scale, and global expansion—would not be possible without the strong support of our distinctive organizational culture and comprehensive talent system. By establishing robust systems, fostering a supportive environment, building a cohesive culture, and empowering our talent, the Company drives the deep integration of cultural development and talent development.

The Company upholds a distinctive organizational culture centered on “collective management and shared success,” and has implemented multiple employee stock ownership plans to closely align the Company’s growth with employees’ personal interests. At the same time, it adheres to a strategy of “combining recruitment with development,” implementing the “Zhiyuan Plan” to focus on cultivating high-caliber, diverse talent and building a pool of professionals to support its global expansion and business upgrades.

V. Major Business Performance during the Reporting Period

During the reporting period, the Company achieved operating revenue of RMB 24.209 billion, a decrease of 3.43% year-on-year; net profit attributable to shareholders of the listed company reached RMB 3.281 billion, an increase of 19.72% year-on-year. During the same period, production capacity for products such as lysine and isoleucine continued to expand, and both production and sales volumes increased steadily. However, due to the pass-through effect of falling raw material prices, sales prices for major products declined, resulting in a slight year-on-year decrease in operating revenue.

(I). Analysis of Main Business

1. Analysis of changes in relevant items in the profit statement and the cash flow statement

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the corresponding period in	Change (%)

		the previous year	
Revenue	24,208,675,106.70	25,069,288,294.62	-3.43
Operating costs	19,609,399,374.08	20,036,698,814.74	-2.13
Selling expenses	362,971,160.80	386,866,509.47	-6.18
General and administrative expenses	991,548,421.96	937,932,200.19	5.72
Financial expenses	4,004,552.27	-117,263,931.67	103.41
R&D expenses	389,151,493.26	382,903,265.05	1.63
Net cash flows from operating activities	4,009,259,646.23	4,626,714,790.47	-13.35
Net cash flows from investment activities	-3,144,180,718.04	-2,648,958,807.71	-18.69
Net cash flows from financing activities	-1,007,531,918.24	-2,738,052,283.69	63.20

Explanation of change in revenue: During the Reporting Period, the Company's revenue decreased by 3.43% year-on-year to 24.209 billion yuan. Main reasons: Sales volume increased due to the ramp-up of production capacity for products such as monosodium glutamate and isoleucine at the Company's subsidiaries, as well as the commissioning of a new lysine production line. However, driven by falling raw material prices, sales prices for key products—including monosodium glutamate, xanthan gum, threonine, and lysine—declined, resulting in a decrease in operating revenue.

Explanation of change in operating costs: During the Reporting Period, the Company's operating costs decreased by 2.13% year-on-year to 19.609 billion yuan. Main reasons: Although the increased sales volume of threonine, xanthan gum, and feed-grade valine drove up sales costs, the overall decline in raw material costs and improved production efficiency led to lower manufacturing costs, resulting in a decrease in total operating expenses.

Explanation of change in selling expenses: During the Reporting Period, the Company's selling expenses dropped by 6.18% year-on-year. Main reasons: A decrease in employee bonuses and external consulting fees.

Explanation of change in general and administrative expenses: During the Reporting Period, the Company's general and administrative expenses increased by 5.72% year-on-year. Main reasons: An increase in business from overseas companies.

Explanation of change in financial expenses: During the Reporting Period, the Company's financial expenses increased by 103.41% year-on-year. Main reasons: Both interest expenses and interest income decreased during the period, and foreign exchange gains also decreased due to fluctuations in exchange rates in the foreign exchange market.

Explanation of change in R&D expenses: During the Reporting Period, the Company's R&D expenses increased by 1.63% year-on-year. Main reasons: The Company increased its R&D investment during the period.

Explanation of change in net cash flows from operating activities: During the Reporting Period, the Company's net cash flows from operating activities dropped by 13.35% year-on-year. Main reasons: A decline in the selling price of products during the current period caused cash flow from operating activities to decrease compared to the same period last year.

Explanation of change in net cash flows from investment activities: During the Reporting Period,

the Company's net cash flows from operating activities dropped by 18.69% year-on-year. Main reasons: This was due to an increase in project investments and foreign investments during the period.

Explanation of change in net cash flows from financing activities: During the Reporting Period, the Company's net cash flows from financing activities increased by 63.21% year-on-year. Main reasons: A decrease in dividend payments and share buybacks during the current period.

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

Applicable Not applicable

2. Analysis of Revenue and Costs

Applicable Not applicable

The Company achieved a revenue of 24.209 billion yuan, a 3.43% decrease compared to the same period last year. Operating costs amounted to 19.609 billion yuan, with gross profit decreasing by 433 million yuan. However, the gross profit margin increased by 1.08 percentage points compared to the same period last year.

The main factors for the change in revenue: sales volume increased due to the ramp-up of production capacity for products such as MSG and isoleucine at the Company's subsidiaries, as well as the commissioning of a new lysine production line; however, a decline in market prices for key products—including monosodium glutamate, xanthan gum, threonine, and lysine—led to a decrease in operating revenue.

(1).Main Business Performance by Industry, Product, Region, and Sales Model

Unit: Yuan Currency: RMB

Main business performance by industry						
By industry	Revenue	Operating costs	Gross profit margin (%)	Change in revenue from prior year (%)	Change in operating costs from prior year (%)	Change in gross profit margin from prior year (%)
Biological fermentation	23,269,783,334.22	18,973,852,154.42	18.46	-4.64	-2.97	-1.40
Pharmaceutical and health	740,403,825.14	495,213,216.66	33.12	55.45	39.90	7.44
Main business performance by product						
By product	Revenue	Operating costs	Gross profit margin (%)	Change in revenue from prior year (%)	Change in operating costs from prior year (%)	Change in gross profit margin from prior year (%)
Amino acids for animal nutrition	14,201,982,767.59	11,243,468,450.99	20.83	-2.88	-4.31	1.18
Amino acids for human nutrition and medical purposes	740,403,825.14	495,213,216.66	33.12	55.45	39.90	7.44

Food taste and trait improving products	7,469,939,525.43	6,518,857,108.28	12.73	-5.98	1.86	-6.72
Others	1,597,861,041.20	1,211,526,595.15	24.18	-12.81	-13.79	0.87
Main business performance by region						
By region	Revenue	Operating costs	Gross profit margin (%)	Change in revenue from prior year (%)	Change in operating costs from prior year (%)	Change in gross profit margin from prior year (%)
Domestic	16,875,325,367.19	13,956,612,103.42	17.30	2.93	1.51	1.16
Foreign	7,134,861,792.17	5,512,453,267.66	22.74	-15.89	-10.52	-4.64
Main business performance by sales model						
Sales model	Revenue	Operating costs	Gross profit margin (%)	Change in revenue from prior year (%)	Change in operating costs from prior year (%)	Change in gross profit margin from prior year (%)
Direct sales	13,998,171,092.37	11,420,740,683.44	18.41	1.15	0.41	0.60
Sales via agency	10,012,016,066.99	8,048,324,687.64	19.61	-9.31	-5.70	-3.08

“Direct sales” refers to sales made directly to end customers, while “sales via agency” refers to sales made to parties other than end customers.

Explanation of main business performance by industry, product, region, and sales model

1) During the Reporting Period, the Company’s revenue from animal nutrition amino acid products decreased by 2.88 percentage points year-on-year, and gross profit margin increased by 1.18 percentage points year-on-year. The revenue decrease was mainly due to the fact that the revenue growth from higher sales volumes of lysine, feed-grade isoleucine and other products could not offset the revenue decline caused by the decrease in market prices; the increase in gross profit margin was primarily attributed to the decrease in material costs and improvements in production efficiency, which offset the loss from the price decline.

2) During the Reporting Period, the Company’s revenue from human nutrition and medical amino acid products increased by 55.45% year-on-year, and gross profit margin increased by 7.44% year-on-year. The revenue growth was mainly attributable to higher sales volume and the expanded production scale of the overseas plant acquired during the Period; the gross profit margin improvement was mainly due to lower material costs and better production metrics.

3) During the Reporting Period, the Company’s revenue from food taste and trait optimization products decreased by 5.98 percentage points year-on-year, and gross profit margin decreased by 6.72 percentage points year-on-year. The decline in both revenue and gross profit was primarily due to the decrease in product prices during the Reporting Period.

4) During the Reporting Period, the Company’s revenue from other products decreased by 12.81 percentage points year-on-year, and gross profit margin increased by 0.87 percentage points

year-on-year. The decrease in revenue was mainly due to the decline in the price of petroleum-grade xanthan gum.

(2).Analysis of Production and Sales

√ Applicable □ Not applicable

Main products	Unit	Production	Sales	Inventory	Change in production from prior year (%)	Change in sales from prior year (%)	Change in inventory from prior year (%)
Amino acids for animal nutrition	ton	2,971,563	2,960,445	70,557	6.88	6.33	19.13
Amino acids for human nutrition and medical purposes	ton	10,913	11,884	5,951	7.01	21.30	177.69
Food taste and trait improving products	ton	1,158,248	1,135,421	45,283	17.21	13.64	101.66

Explanation of production and sales

1) Reasons for change in the production, sales, and inventory of amino acids for animal nutrition: This is primarily due to the commissioning of a new lysine production line at our Jilin subsidiary during the reporting period, which has increased the output of lysine and by-products, driving sales growth and a corresponding rise in inventory.

2) Reasons for change in the inventory of amino acids for human nutrition and medical purposes: The increase in production, sales, and inventory is primarily due to the expansion of production and operational scale following the acquisition of overseas factories.

3) Reasons for Changes in Inventory of Food Taste and Trait Optimization Products: During the Reporting Period, the Tongliao MSG project increased its production capacity, leading to increases in output, sales, and inventory.

(3).Performance of Significant Purchase Contracts and Significant Sales Contracts

□ Applicable √ Not applicable

(4).Analysis of Costs

Unit: Yuan Currency: RMB

By industry							
By industry	Cost composition	Amount for the current period	Percentage in total costs (%)	Amount for the corresponding period in prior year	Percentage in total costs (%)	Percentage of change (%)	Explanation
Biological fermentation	Raw materials	13,891,847,091.40	70.84	14,298,071,563.34	71.36	-2.84	
	Energy	2,890,533,743.64	14.74	3,208,997,378.34	16.02	-9.92	
	Labor	649,453,622.42	3.31	680,489,396.71	3.40	-4.56	
	Manufacturing overhead	1,542,017,696.96	7.86	1,367,181,135.27	6.82	12.79	
	Total product manufacturing costs	18,973,852,154.42	96.75	19,554,739,473.66	97.60	-2.97	

Pharmaceutical and healthcare	Product manufacturing costs	495,213,216.66	2.53	353,986,358.20	1.77	39.90	
Sales of materials and others		140,334,003.00	0.72	127,972,982.88	0.63	9.66	
Total		19,609,399,374.08	100.00	20,036,698,814.74	100.00	-2.13	
By product							
By product	Cost composition	Amount for the current period	Percentage in total costs (%)	Amount for the corresponding period in prior year	Percentage in total costs (%)	Percentage of change (%)	Explanation
Amino acids for animal nutrition	Raw materials	8,491,435,562.93	43.3	8,881,860,825.26	44.33	-4.40	
	Energy	1,613,101,100.76	8.23	1,773,842,667.78	8.85	-9.06	
	Labor	328,046,597.75	1.67	327,714,152.66	1.64	0.10	
	Manufacturing overhead	810,885,189.55	4.14	766,484,373.81	3.83	5.79	
	Total product manufacturing costs	11,243,468,450.99	57.34	11,749,902,019.51	58.65	-4.31	
Amino acids for human nutrition and medical purposes	Product manufacturing costs	495,213,216.66	2.53	353,986,358.20	1.77	39.90	
Food taste and trait improving products	Raw materials	5,011,074,663.33	25.55	4,910,554,061.19	24.51	2.05	
	Energy	828,311,987.96	4.22	873,526,025.63	4.36	-5.18	
	Labor	193,366,654.53	0.99	225,229,876.48	1.12	-14.15	
	Manufacturing overhead	486,103,802.46	2.48	390,204,489.46	1.95	24.58	
	Total product manufacturing costs	6,518,857,108.28	33.24	6,399,514,452.76	31.94	1.86	
Others	Product manufacturing costs	1,211,526,595.15	6.17	1,405,323,001.39	7.01	-13.79	
Sales of materials and others		140,334,003.00	0.72	127,972,982.88	0.63	9.66	
Total		19,609,399,374.08	100.00	20,036,698,814.74	100.00	-2.13	

Other information regarding the analysis of costs

None

(5).Change in Consolidation Scope Caused by Share Changes in Key Subsidiaries during the Reporting Period

Applicable Not applicable

(6).Significant Changes or Adjustments to the Company's Businesses, Products, or Services during the Reporting Period

Applicable Not applicable

(7).Information of Key Customers and Suppliers

Customers or suppliers under the control of the same controlling party shall be treated as a single

customer or supplier and presented on a consolidated basis, except for those actually controlled by the same state-owned asset management agency.

Explanation of the consolidation of the following customer and supplier information based on the principle of common control

None

A. Information of the Company's key customers and Suppliers

Applicable Not applicable

Sales to the top five customers amounted to 2,539,781,400yuan, accounting for 10.48% of the total sales for the year; in particular, among sales to the top five customers, sales to related parties were 0 yuan, accounting for 0% of the total sales for the year.

No.	Customer name	Sales (yuan)	Percentage in the total sales for the year (%)
1	No. 1	642,314,209.83	2.65
2	No. 2	615,951,587.57	2.54
3	No. 3	472,829,749.88	1.95
4	No. 4	406,736,567.66	1.68
5	No. 5	401,949,281.96	1.66
6	Total	2,539,781,396.90	10.48

Purchases from the top five suppliers amounted to 1,419,335,300 yuan, accounting for 8.3% of the total purchases for the year; in particular, among purchases from the top five suppliers, purchases from related parties were 0 yuan, accounting for 0% of the total purchases for the year.

No.	Name of supplier	Purchase amount (yuan)	Percentage in the annual total purchase (%)
1	No. 1	417,815,383.59	2.44
2	No. 2	313,245,080.15	1.83
3	No. 3	253,466,022.94	1.48
4	No. 4	229,387,892.97	1.34
5	No. 5	205,420,949.21	1.20
6	Total	1,419,335,328.86	8.30

B. Circumstance during the Reporting Period where sales from a single customer exceeded 50% of the total, there was any new supplier among the top five suppliers, or the Company relied heavily on a minority of suppliers

Applicable Not applicable

Circumstance during the Reporting Period where purchases from a single supplier exceeded 50% of the total, there was any new supplier among the top five suppliers, or the Company relied heavily on a minority of suppliers

Applicable Not applicable

C. During the reporting period, the Company's shares were subject to a delisting warning or other risk warning

Top five customers

Applicable Not applicable

Top five suppliers

Applicable Not applicable

D. The Company generated revenue from trading activities during the reporting period

Applicable Not applicable

Top five customers for whom trading revenue accounted for more than 10% of total revenue

Applicable Not applicable

Top five suppliers for whom trading revenue accounted for more than 10% of total revenue

Applicable Not applicable

Other information:

None

3. Expenses√ Applicable Not applicable

Refer to the Analysis of Main Business

4. R&D Spending**(1).Information of R&D spending**√ Applicable Not applicable

Unit: Yuan Currency: RMB

Expensed R&D spending for the period	724,148,541.67
Capitalized R&D spending for the period	
Total R&D spending	724,148,541.67
Percentage of total R&D spending in revenue (%)	2.99
Proportion of capitalized R&D spending (%)	

(2).Information of R&D personnel√ Applicable Not applicable

Number of R&D personnel	440
Percentage of R&D personnel in total headcount (%)	3.34
Educational structure of R&D personnel	
Educational level	Number of personnel
PhD	13
Master	112
Bachelor	143
Diploma	172
Age structure of R&D personnel	
Age group	Number of personnel
Below 30 (not inclusive of 30)	216
30-40 (inclusive of 30 and not inclusive of 40)	141
40-50 (inclusive of 40 and not inclusive of 50)	72
50-60 (inclusive of 50 and not inclusive of 60)	11
60 and above	0

(3).Explanation Applicable√ Not applicable**(4).Reasons for significant changes in the structure of R&D personnel and impact on the Company's future development** Applicable√ Not applicable**5. Cash flows**√ Applicable Not applicable

Refer to the Analysis of Main Business

(II). Explanation of Significant Changes in Profit Caused by Business Other than Main Business Applicable√ Not applicable

(III). Analysis of Assets and Liabilities

√ Applicable □ Not applicable

1. Assets and liabilities

Unit: Yuan Currency: RMB

Item	Amount as at the end of the Reporting Period	Percentage in total assets (%)	Amount as at the end of the previous reporting period	Percentage in total assets (%)	Change from the previous reporting period (%)	Explanation
Trading Financial Assets	1,140,377,416.70	4.40	312,033,611.07	1.31	265.47	Increase in the purchase of wealth management products during the current period.
Derivative financial assets	2,061,300.00	0.01			Not applicable	This is primarily due to the impact of exchange rate fluctuations on the company's purchase of foreign exchange options.
Notes Receivable	107,542,558.59	0.41	73,697,475.30	0.31	45.92	Increase in endorsed, unmatured bank-accepted bills with lower credit ratings at the end of the current period.
Accounts receivable financing	17,978,363.00	0.07	26,723,054.99	0.11	-32.72	Decrease in high-credit-rating bills held on hand at the end of the current period
Other receivables	70,477,156.58	0.27	49,292,999.56	0.21	42.98	Increase in export tax rebates during the current period
Other Current Assets	214,731,083.57	0.83	164,629,398.67	0.69	30.43	Increase in VAT carryforwards and prepaid taxes during the current period
Long-term receivables	233,244.15		601,043.91		-61.19	This increase is due to the transfer of current-period lease deposits into the "Due within one year" category.
Long-term Equity Investments	4,757,925.21	0.02	6,874,939.88	0.03	-30.79	Losses from associates during the current period.
Investments in Other Equity Instruments	301,966,810.00	1.17	441,294,280.00	1.85	-31.57	Losses from fair value changes in equity instruments during the current period.
Construction in progress	343,559,937.21	1.33	728,524,141.54	3.06	-52.84	Due to the completion and capitalization of projects during the current period
Right-of-Use Assets	4,007,321.13	0.02	8,145,892.35	0.03	-50.81	Due to the expiration of leases and normal depreciation during the current period
Non-current Assets Due Within One Year	75,575,625.48	0.29	182,257,027.81	0.77	-58.53	Decrease in long-term investments during the current period
Other Non-current	282,005,000.00	1.09			Not	Increase in long-term investments

Financial Assets					applicable	during the current period
Deferred Income Tax Liabilities			21,585,228.45	0.09	Not applicable	Resulting from the offset against deferred assets during the current period
Derivative Financial Liabilities			297,500.00		Not applicable	This is primarily due to the impact of exchange rate fluctuations on the company's purchase of foreign exchange options.
Taxes Payable	194,688,876.58	0.75	280,212,685.60	1.18	-30.52	Decrease in current income tax payable
Other Payables	256,349,893.68	0.99	448,115,137.98	1.88	-42.79	Increase in litigation settlement fees during the current period.
Non-current Liabilities Due Within One Year	281,057,349.33	1.08	802,346,793.78	3.37	-64.97	Due to the maturity of long-term borrowings during the current period
Long-term Borrowings	1,918,679,223.83	7.40	1,348,094,044.83	5.66	42.33	Increase in long-term borrowings during the current period
Lease liabilities	1,012,966.64	0.004	1,985,140.84	0.01	-48.97	Due to the maturity of certain leases during the current period
Long-term employee benefits payable	7,474,640.65	0.03			Not applicable	Increase in long-term employee benefits payable during the current period
Provisions			32,438,161.92	0.14	Not applicable	Due to the payment of litigation fees during the current period
Capital Reserve	33,749,867.59	0.13	263,154,867.05	1.11	-87.17	Cancellation of shares during the current period.
Less: Treasury Shares			287,771,455.80	1.21	Not applicable	Cancellation of shares during the current period.
Other Comprehensive Income	-159,220,172.21	-0.61	-55,004,961.46	-0.23	-189.47	Losses from fair value changes in equity instruments during the current period.

Other information:

None

2. Overseas assets

Applicable Not applicable

(1). Asset size

The Company's overseas assets reached 3.029 (unit: billion yuan, currency: RMB), accounting for 11.69% of the total assets.

(2). Explanation of a high proportion of overseas assets

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan

Item	December 31, 2025	Restrictions
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Monetary fund	278,158,282.74	Guarantee Deposits and Other
Monetary fund	2,478,943.96	Funds in Transit
Notes receivable	99,801,405.25	Endorsed or discounted, not yet matured, and cannot be derecognized
Other non-current assets	80,000.00	Other
Total	380,518,631.95	

4. Other information

Applicable Not applicable

(IV). Analysis of Industrial Business Information

Applicable Not applicable

In 2025, as the global economic and trade landscape undergoes profound adjustments and China's livestock industry optimizes and upgrades its production capacity, the amino acid industry enters a new phase of development characterized by both capacity expansion and trade barriers.

According to data from Boyar, global feed-grade amino acid production reached 7.763 million metric tons in 2025, representing a year-on-year increase of 11.1%. China's feed-grade amino acid production stood at 5.584 million metric tons, up 14.2% year-on-year, accounting for over 70% of global output and establishing the country as the world's core production hub for amino acids. Affected by anti-dumping policies in regions such as the EU and the U.S., coupled with domestic capacity expansion, the industry's profit margins were significantly compressed in the second half of the year. Companies actively addressed these challenges through a combination of measures, including upstream and downstream cooperation, overseas expansion, and technological upgrades, thereby driving the restructuring of global supply chains and value recovery.

1. Main raw materials - analysis of change in corn market

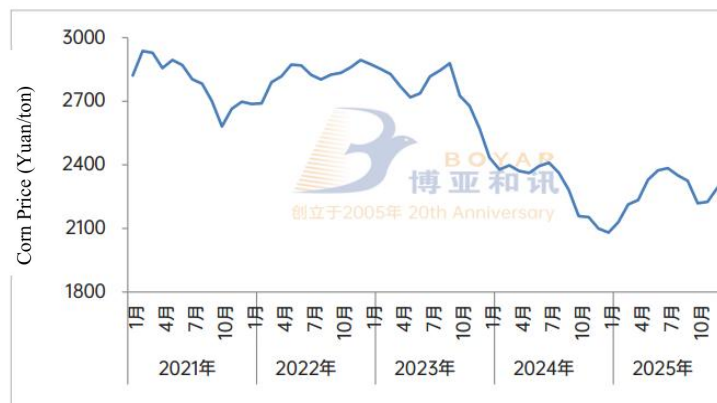
Corn is the core raw material for the Company's main products, accounting for over 50% of production costs during the Reporting Period. Its price fluctuations directly affect the Company's cost control. Corn market conditions are influenced by multiple factors, including the prices of feed substitutes (such as soybeans and wheat), demand from the downstream livestock industry, and the international landscape.

According to a report by Boyar, the government continues to implement policies aimed at "stabilizing planting area and increasing yield per unit area." By 2025, corn production is projected to exceed 300 million metric tons for the first time, with a 1.6% increase in yield per unit area, providing a stable supply for the downstream processing industry.

In terms of prices, the national average price of corn in 2025 was 2,263 yuan per ton (down 2.33% year-on-year). Although this was at a relative low point over the past five years, prices rebounded for six consecutive months after hitting bottom during the year.

Boyar predicts that in 2026, domestic corn supply will be ample and imports will trend upward, while growth in downstream consumption will be limited. Consequently, prices are unlikely to rise

significantly; however, policy support will limit the downside room. The annual average price is expected to remain within a reasonable range of 2,100–2,480 yuan per ton.



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

By 2025, the Company will leverage its production bases in the three major corn-producing regions of Tongliao, Xinjiang, and Jilin. By comprehensively utilizing diverse models such as direct farm purchases, auctions, and collection and storage services, the Company will solidify its raw material supply foundation while continuously optimizing costs without compromising quality.

2. Analysis of changes in main products

According to statistics from Boyar, global production of feed amino acids (including lysine, threonine, methionine, and tryptophan) is projected to reach approximately 7.763 million tons in 2025, representing a year-over-year increase of 11.1%. China’s production of feed-grade amino acids is expected to reach approximately 5.584 million tons, marking a year-over-year increase of 14.2%.



Global and Chinese Feed Amino Acid Industry Size (2021-2025) (Source: Boyar)



Global and Chinese Feed Amino Acid Output Value (2021-2025) (Source: Boyar)

(1) Lysine

In 2025, the lysine industry saw a significant expansion in production capacity, with global capacity increasing by 15.4% year-over-year to 5.528 million tons (on a pure basis). Of this, China’s capacity reached 4.401 million tons, up 20.1% year-over-year, accounting for 79.6% of the global total.

In terms of pricing, the annual average price of 98.5% lysine in 2025 was 8.04 yuan/kg, a year-over-year decline of 22.84%; the average price of 70% lysine was 5.06 yuan/kg, a year-over-year decline of 3.98%. In the fourth quarter of 2025, as industry supply increased, the entire sector operated at a loss.

On the export front, in June 2025, the United States launched an anti-dumping and countervailing duty investigation against Chinese lysine; in July, the European Union issued a final ruling imposing

high anti-dumping duties ranging from 47.4% to 58.2%. Coupled with the ongoing anti-dumping investigation in Brazil, these factors have hindered domestic lysine exports. Data shows that from January to December 2025, cumulative exports of lysine esters and salts from China fell by 6.2% year-on-year. The decline in exports led to high domestic inventory levels and exacerbated the supply-demand imbalance.

(2) Threonine

In 2025, the growth in threonine industry capacity slowed, with global capacity reaching 1.485 million tons, a year-over-year increase of 5.5%. Of this, domestic capacity stood at 1.385 million tons, up 3.7% year-over-year, maintaining a stable global share of 93.3%. Domestic production reached 1.133 million metric tons, a year-over-year increase of 9.0%, accounting for 93.8% of global output, solidifying the industry's dominant supply position.

In terms of pricing, industry data indicates that the average annual price of threonine in 2025 was 9.54 yuan/kg, a year-on-year decline of 12.56%, with prices falling to 7,000–7,100 yuan/ton by the end of December.

Regarding exports, overseas inventory buildup remained cautious in 2025. Domestic threonine exports from January to December declined by 3.5% year-on-year, and the return of foreign trade supplies intensified domestic competition.

(3) Valine

Growth in valine production capacity is expected to slow in 2025. According to a report by Boya and Xun, total capacity is projected to reach approximately 368,000 tons by the end of 2025, with annual production estimated at 191,000 tons—a slight year-over-year decrease of 0.7%. Exports are projected to reach approximately 101,000 tons, while domestic consumption is estimated at 85,000 tons.

In terms of pricing, the average market price of valine in 2025 is projected to be 13.71 yuan/kg, a year-on-year decline of 4.79%. Driven by the combined impact of two rounds of declines in soybean meal prices from their peak levels and the EU's preliminary anti-dumping ruling proposing provisional anti-dumping duties ranging from 32.2% to 53.9%, valine prices are expected to fluctuate at high levels before trending downward throughout the year.

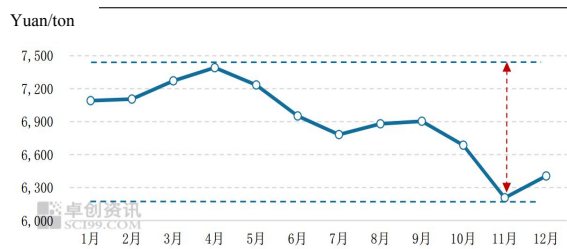
(4) MSG

By 2025, the domestic total production capacity of the MSG industry will reach 3.95 million tons, with output at 3.6535 million tons. The industry exhibits extremely high concentration, with the CR3 reaching 84%, indicating a trend toward consolidation and efficiency. Domestic consumption is projected to reach 2.498 million tons in 2025, with a five-year average growth rate of 7.68%.

In terms of pricing, MSG prices have followed a pattern of rising first and then falling over the past five years. The average price in 2025 is projected to be 6,906.3 yuan per ton, representing a year-on-year decrease of approximately 10%.



National Average Price Trend for 40-mesh MSG, 2021-2025 (Source: SCI)



Monthly Average National Price Trend for 40-mesh MSG in 2025 (Source: SCI)

In terms of exports, the MSG export market has shown an overall upward trend. In 2025, export volume is projected to reach 1.0243 million tons, with a five-year average growth rate of 10.15%.

Analysis of Business Information in the Food Industry

1. Composition of Main Business during the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Main business performance during the Reporting Period by product						
Product	Operating revenue	Operating costs	Gross profit margin (%)	Change in operating revenue from prior year (%)	Change in operating costs from prior year (%)	Change in gross profit margin from prior year (%)
Flavor enhancer	7,004,877,067.56	6,196,218,373.21	11.54	-3.44	3.89	-6.24
Feed amino acid	10,713,816,469.24	8,497,621,775.41	20.69	-6.21	-0.90	-4.25
Pharmaceutical amino acid	740,403,825.14	495,213,216.66	33.12	55.45	39.90	7.44
Major raw material byproduct	4,032,896,391.69	3,126,149,783.83	22.48	7.85	-13.19	18.79
Others	1,518,193,405.73	1,153,862,221.97	24.00	-23.48	-18.41	-4.72
Subtotal	24,010,187,159.36	19,469,065,371.08	18.91	-3.49	-2.21	-1.06
Main business performance during the Reporting Period by sales model						
Sales model	Operating revenue	Operating costs	Gross profit margin (%)	Change in operating revenue from prior year (%)	Change in operating costs from prior year (%)	Change in gross profit margin from prior year (%)
Direct sales	13,998,171,092.37	11,420,740,683.44	18.41	1.15	0.41	0.60
Sales via agency	10,012,016,066.99	8,048,324,687.64	19.61	-9.31	-5.70	-3.08
Subtotal	24,010,187,159.36	19,469,065,371.08	18.91	-3.49	-2.21	-1.06
Main business performance during the Reporting Period by region						
Region	Operating revenue	Operating costs	Gross profit margin (%)	Change in operating revenue from prior year (%)	Change in operating costs from prior year (%)	Change in gross profit margin from prior year (%)
Domestic	16,875,325,367.19	13,956,612,103.42	17.30	2.93	1.51	1.16
Overseas	7,134,861,792.17	5,512,453,267.66	22.74	-15.89	-10.52	-4.64
Subtotal	24,010,187,159.36	19,469,065,371.08	18.91	-3.49	-2.21	-1.06
Total	24,010,187,159.36	19,469,065,371.08	18.91	-3.49	-2.21	-1.06

2. Profit from Online Sales Channels during the Reporting Period

Applicable Not applicable

(V). Analysis of Investment

Overall analysis of external equity investment

√Applicable □Not applicable

Investee	Proportion of shareholding in investee (%)	Book balance			
		Opening balance	Opening balance	Opening balance	Opening balance
Bank of Tibet	4.2414	157,000,000.00			157,000,000.00
AIM Vaccine Corporation	4.1286	284,294,280.00	-139,327,470.00		144,966,810.00
Tongliao Desheng Bio-tech Co., Ltd.	49	6,874,939.88	-2,117,014.67		4,757,925.21
Total		448,169,219.88	-141,444,484.67		306,724,735.21

1. Significant equity investment

√ Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of Investee Company	Main Businesses	Does the target primarily engage in investment activities	Investment method	Investment amount	Ownership percentage	Consolidated in financial statements	Financial statement line items (if applicable)	Source of funds	Partners (if applicable)	Investment term (if any)	Status as of the balance sheet date	Expected Returns (if any)	Impact on Current Period Profit or Loss	Subject to Litigation	Disclosure Date (if any)	Disclosure Index (if any)
Food and Pharmaceutical Amino Acid Businesses of	Food amino acids, pharmac	No	Acquisition	764,448,539.03	100%	Yes		Self-financed			Completed		861,612,552.88	No	The Company disclosed an announcement on November 23, 2024, regarding the	For specific details, please refer to the Shanghai Stock

Kyowa Hakko	aceutical amino acids, etc.															cross-border acquisition of business and assets and the signing of the “Share and Asset Purchase Agreement,” and disclosed related progress announcements on July 2, 2025, and October 23, 2025, respectively	Exchange website at www.sse.com.cn (Interim Announcement Numbers: 2024-061, 2025-045, 2025-055)
Total	/	/	/	764,448,539.03	/	/	/	/	/	/	/		861,612,552.88	/	/	/	

2. Significant non-equity investment

Applicable Not applicable

3. Financial assets measured at fair value

Applicable Not applicable

Unit: Yuan Currency: RMB

Asset type	Opening amount	Gains or losses on changes in fair value for the Reporting Period	Accumulated fair value changes included in equity	Impairment accrued during the Reporting Period	Purchase amount for the Reporting Period	Sales/repurchase amount for the Reporting Period	Other changes	Closing amount
Trust products		6,956,700.00			652,650,000.00	528,037,276.25		131,569,423.75
Private equity	30,868,765.25	-1,285,030.45				29,583,734.80		
Derivatives		6,856,503.34				4,795,203.34		2,061,300.00
Others	749,182,180.81	-83,416,875.23	-204,033,190.00	-171.96	16,483,850,583.19	15,530,113,030.83	-8,744,863.95	1,610,758,165.95
Total	780,050,946.06	-70,888,702.34	-204,033,190.00	-171.96	17,136,500,583.19	16,092,529,245.22	-8,744,863.95	1,744,388,889.70

Securities investment

Applicable Not applicable

Explanation of securities investment

Applicable Not applicable

Private equity investment

Applicable Not applicable

Derivatives investment

Applicable Not applicable

4. Progress of the restructuring and integration of material assets during the Reporting Period

Applicable Not applicable

(VI). Sale of Material Assets and Equity

Applicable Not applicable

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

Applicable Not applicable

Major subsidiaries and equity-invested companies affecting the Company's net profit by 10% or more

Applicable Not applicable

Unit: 100 million yuan Currency: RMB

Company Name	Company Type	Main Business	Registered Capital	Total Assets	Net Assets	Revenue	Operating Profit	Net Profit
Tongliao Meihua	Subsidiary	Production and sale of MSG and amino acids	18.00	76.93	56.59	99.55	9.32	7.86
Xinjiang Meihua	Subsidiary	Production and sale of MSG and amino acids	25.00	61.55	51.72	53.26	10.16	8.74
Jilin Meihua	Subsidiary	Production and sale of MSG and amino acids	20.00	73.66	36.78	66.26	4.98	4.16

Acquisitions and Disposals of Subsidiaries During the Reporting Period

√ Applicable Not applicable

Company Name	Methods of acquiring and disposing of subsidiaries during the reporting period	Impact on Overall Operations and Performance
PLUMINO PRECISION FERMENTATION HOLDINGS PTE. LTD. (SPV)	Investment or establishment	The Company has expanded its product portfolio, extending from traditional feed-grade and food-grade amino acids to high-end niche markets such as pharmaceutical-grade amino acids, amino acids for cell culture media, and cosmetic-grade amino acids. The cross-border asset acquisition completed during the current period resulted in non-recurring gains that increased net profit by RMB 831 million and operating income by RMB 30 million.
Plumino Precision Fermentation US Holdings, Inc. (PUS)	Investment or establishment	
Plumino USA Inc. (PUSA)	Investment or establishment	
Shanghai Plimeno Amino Acids Co., Ltd. (SP)	Business combination not under common control	
Plumino Precision Fermentation (Thailand) Co., Ltd (TP)	Business combination not under common control	
Plumino Precision Fermentation USA, Inc. (UP)	Business combination not under common control	
Plumino Precision Fermentation Japan Co., Ltd.(PJP)	Business combination not under common control	
Plumino Biotechnology (Singapore) Pte. Ltd. (PSG)	Business combination not under common control	
Plumino Precision Fermentation Europe GmbH (PEU)	Business combination not under common control	
Primeno Biotechnology (Guangdong) Co., Ltd. (PGD)	Business combination not under common control	

Other Explanations:

Applicable Not applicable

(VIII). Structured Entities Controlled by the Company

Applicable Not applicable

VI. The Company's Discussion and Analysis of its Future Development

(I). Industrial Landscape and Trend

√ Applicable Not applicable

During the reporting period, against a backdrop of sustained growth in market demand, leading companies in the industry continued to consolidate their dominant positions through capacity expansion and technological iteration. The strong profitability seen in previous years also attracted some upstream companies to cross over into the industry, resulting in a continuous increase in total industry supply. At the same time, changes in the international trade environment led some regions to implement measures such as anti-dumping duties, providing a recovery opportunity for local production capacity that was on the verge of shutting down; as a result, overseas companies saw a rebound in capacity utilization rates and an increase in supply.

The simultaneous release of new domestic production capacity and the recovery of overseas supply have created a compounding effect. In the short term, the industry is experiencing a temporary imbalance in which supply growth outpaces demand growth, leading to downward pressure on product prices and intensified market competition. As a result, the industry landscape has entered a new phase of optimization and restructuring.

1. Demand in the Industry Continues to Grow

Currently, demand in the global amino acid industry continues to grow, and the market is steadily expanding:

(1) Natural Growth in the Industry

As a key feed additive, the natural growth in demand for amino acids is driven not only by increased feed production but also by the following factors:

First, improvements in the aquaculture structure. As large-scale aquaculture expands globally, China's aquaculture model is transitioning from traditional small-scale farming to standardized, industrialized practices. Industrialized aquaculture places higher demands on feed nutrient standardization, driving a corresponding increase in the rigid demand for amino acids.

Second, this is driven by policies promoting the reduced use of soybean meal. Under the national food security strategy, policies aimed at reducing soybean meal usage have been further strengthened. Since soybean meal substitutes have relatively low amino acid content and digestibility, additional amino acids must be added to ensure nutritional balance in feed, thereby driving growth in demand for amino acids.

Third, the application of amino acids in the feed industry has expanded. With the upgrading of industrialized farming and the diversification of livestock and aquaculture species, the use of amino acids has extended from traditional livestock, poultry, and aquaculture to niche sectors such as specialty farming and pet food. At the same time, specialized amino acid formulations tailored to different growth stages and species are gradually being adopted, further driving demand for amino acids in the feed industry.

(2) Expansion into Multiple Applications, Increasing Demand Across Various Sectors

The growth in demand for amino acids is also driven by the diversification of application scenarios, particularly their increasing penetration into the food industry and various emerging high-value-added sectors, which has further expanded the industry's growth potential.

In the food industry, as consumers become increasingly health-conscious, amino acids are being used more widely in the development of low-calorie novel sweeteners, functional foods, and sports nutrition supplements to meet the public's personalized nutritional needs.

In emerging fields, amino acid-based pesticides have become a research focus due to their environmental friendliness and high efficacy, while amino acid-based skincare products have emerged as core ingredients in high-end products thanks to their gentle, skin-friendly properties. At the same time, their application potential in the field of biomaterials continues to be realized, creating a diverse range of demand.

(3) Lower costs have improved the cost-effectiveness of additives, driving an increase in their usage

Advances in technologies such as synthetic biology, artificial intelligence, and enzymatic catalysis have boosted production efficiency, reduced production costs, and improved the cost-effectiveness of products. This, in turn, has led to increased use of amino acids across various sectors, creating a virtuous cycle.

2. Industry Barriers Continue to Rise, with Leading Companies Gaining a Clear Edge

While the scale of industry supply continues to expand driven by demand, barriers to entry are steadily rising due to multiple factors, including intensifying competition, accelerating technological advancements, and a deteriorating international trade environment. This is reflected in the following areas:

(1) R&D and Technological Barriers

Amino acid production places extremely high demands on core technologies and microbial strain performance, requiring companies to continuously increase their R&D investments. Leading companies have maintained high levels of R&D investment over the long term, accumulating a wealth of technical expertise and establishing a distinct competitive edge in core areas such as microbial strain cultivation and process optimization; at the same time, through continuous technological iteration, they have consistently optimized production processes and reduced energy consumption and material loss, transforming their technological advantages into significant cost advantages and establishing a virtuous cycle of "R&D investment → technological iteration → cost optimization." Leveraging these dual advantages of technology and cost, leading companies have secured a dominant position in the high-end market through core patents and relevant international certifications, driving the industry's continuous upgrading.

(2) Capital Barriers

The amino acid industry is a typically capital-intensive sector, with significant capital investment required for expanding supply capacity and upgrading production technology. Leveraging their strong financial resources and stable cash flow, leading companies are well-positioned to manage various

financial pressures, continuously optimize production capacity and upgrade technology, further solidify their market position, and set a benchmark for high-quality development in the industry.

(3) Scale and Multi-Product Barriers

Amino acid production exhibits significant economies of scale. Leading companies effectively reduce unit production costs and improve capacity utilization through large-scale production, while achieving sales synergies to further enhance their market competitiveness. The synergy between a multi-product portfolio and economies of scale creates high barriers to entry in the industry: producing multiple products requires mastery of various core technologies, and leading companies, backed by sustained R&D investment, are the first to overcome technical bottlenecks; their mature and well-established management systems are also difficult to replicate. Furthermore, a multi-product matrix enables sales synergy, precisely meeting the diverse needs of downstream customers and efficiently sharing customer resources, thereby further consolidating the leading companies' core positions and driving the continuous increase in industry concentration.

(4) Trade Barriers

Anti-dumping investigations targeting Chinese amino acid products in overseas markets have become increasingly common. Coupled with rising demands for product quality and safety certifications in these markets, this has further raised the barriers to entry for the industry. Leading companies, backed by robust compliance management systems and ample financial resources, are well-positioned to effectively manage various trade risks, maintain a solid foothold in overseas markets, and steadily expand their global market share, thereby emerging as the core driving force behind the global expansion of China's amino acid products.

3. Accelerating Overseas Expansion

Faced with multiple industry challenges—including rising industry barriers, tightening anti-dumping policies overseas, and the recovery of overseas production capacity—establishing overseas manufacturing facilities has become an inevitable choice for domestic amino acid companies seeking to mitigate risks and achieve sustainable development. Leading companies, leveraging their comprehensive advantages in capital, technology, scale, and compliance, have taken the lead in expanding overseas:

(1) Avoid anti-dumping barriers in overseas markets, effectively safeguard market share abroad, and better meet the growing demand in those markets;

(2) By precisely targeting core markets in Europe, the Americas, Asia, and Africa, this strategic layout not only enables immediate, on-the-ground responsiveness but also allows the Company to swiftly identify and effectively meet customers' diverse needs. Furthermore, through localized value creation, it has established a high-value-added sales system that provides robust support for the Company to continuously enhance its global pricing power, strengthen its core competitiveness, and consolidate its global market position;

(3) Optimize the global supply chain layout to achieve synergy between domestic and overseas supply sources, thereby effectively hedging against the risk of volatility in any single market;

(4) Break through various industry barriers, strengthen our global core competitiveness, and continue to solidify our position as an industry leader.

(II). The Company's Development Strategy

Applicable Not applicable

The Company's development strategy is as follows:

1. focusing on the high-quality growth of the main business, striving to become a leading enterprise in synthetic biology
2. driven by both technology and management, strengthening the Company's defense line through the concerted efforts of its R&D, supply, production, sales, and all functional departments;
3. Persisting in creation and sharing, sticking to a customer-centered approach, and upholding the principle of integrity, thus building a healthy and sustainable corporate development ecosystem.

(III). Business Plan

Applicable Not applicable

1. Business Objectives

In 2026, the Company will continue to focus on its core business, with the strategic goal of becoming a leading enterprise in the field of synthetic biology. We will implement our internationalization strategy, enhance the automation and intelligence of our production processes, promote refined operations and management, complete new construction projects as scheduled, and continuously improve the Company's competitive strength.

2. Main Business Initiatives

(1) Deploy an AI-powered bio-intelligence information system to establish a new paradigm for digital R&D

While continuing to strengthen the development of its synthetic biology platform, the Company has proactively initiated the independent research, development, and deployment of an intelligent bioinformatics system based on a multi-AI agent architecture and integrated with various large language models. As a core initiative in the Company's efforts to drive the digital transformation of its R&D system, this system aims to build a highly intelligent, data-driven R&D support platform to comprehensively enhance R&D innovation efficiency and the ability to build technological barriers.

The system development follows a strategic approach characterized by "phased implementation, modular deployment, and scalable evolution." The system is currently in use within the R&D department. Phase One focuses primarily on the field of bioinformatics, providing precise and efficient intelligent decision-making support for systematic intellectual property planning and the development of high-performance microbial strains. By integrating the Company's long-accumulated genomic data, patent literature, and experimental records, the system has constructed a specialized knowledge graph. This enables core functions such as intelligent patent analysis, strain design optimization, and experimental protocol recommendations, significantly enhancing the scientific rigor and foresight of R&D work.

Looking ahead, the system will gradually expand its functional scope in accordance with the established plan: In the second phase, it will extend to downstream R&D processes such as fermentation, extraction, and purification, and establish process optimization models; in the third phase, it will integrate data across the entire “R&D–pilot–production” chain, enabling production big data to directly inform R&D efforts and creating a data-driven, closed-loop intelligent R&D model.

The successful deployment of this system marks a significant step forward for the Company in the field of deep integration between artificial intelligence and biomanufacturing. By deeply embedding cutting-edge AI technologies into its core R&D processes, the Company is not only able to accelerate technology iteration cycles and optimize the allocation of R&D resources, but also stands to establish a new competitive advantage in data-driven intelligent decision-making, providing a powerful driving force for the Company’s long-term technological leadership and sustainable development in the global biomanufacturing sector.

(2) Deepening International Expansion, Building a New Global Operational Framework

Advancing the globalization strategy through a “greenfield layout + global response” approach: 1) Based on its long-term development strategy, the Company is focusing on high-potential regions such as Southeast Asia, Africa, Central Asia, and the Americas, and completed a global scan of overseas greenfield investment opportunities in 2025. In 2026, the Company plans to center its **efforts on 1–2 key target countries, steadily advancing preliminary work such as feasibility studies for overseas plant construction, site selection planning, and regulatory registration**, to accelerate project implementation and refine its global footprint; 2) Positioning Primeno as a global technological bridgehead and precision fermentation innovation platform, the Company will enhance its competitiveness and profitability, complete the feasibility study for the expansion of its North American plant, and expand overseas production capacity; 3) Strengthen international R&D and project collaboration, promote technology introduction and joint innovation, and expand global industry influence.

(3) Optimize the layout of production capacity and accelerate the implementation and completion of key projects

Coordinate and optimize the domestic production capacity layout, and advance the implementation of key projects: At the Tongliao facility, focus on implementing technical upgrades to production lines and bringing new projects online, ensuring the smooth completion of projects such as the starch production line upgrade and the 300,000-ton threonine project; at the Xinjiang facility, improve the efficiency of existing production lines, advance the commissioning of the 90,000-ton valine project in Xinjiang, and initiate the technical upgrade of the lysine production line as well as the preparatory work for new projects such as arginine, thereby diversifying the product portfolio.

(4) Strengthen organizational, talent, and cultural development to solidify the foundation for core growth

In 2026, the Company will continue to build a talent development and incentive system with a practical focus. By utilizing a problem bank and job rotation training, we will enhance employees’

practical capabilities and ensure that talent development aligns with business needs. We will optimize the bonus pool and performance evaluation mechanisms to energize both the organization and its employees, fostering a learning-oriented and proactive team. At the same time, we will deepen our corporate culture initiatives to improve organizational synergy, advance the implementation of process and system updates to clarify responsibilities, standardize procedures, and reduce internal friction; we will continuously improve the workshop work environment, strengthen safety measures, and enhance employee sense of belonging; we will advocate for management to engage at the grassroots level with a pragmatic and efficient approach, encouraging managerial and technical staff to go to the front lines to resolve issues and eliminate formalism.

In 2026, the Company may face risks such as changes in the international environment and intensified market competition. The Company will improve its risk prevention and control mechanisms, enhance market analysis, strengthen project management, increase investment in research and development, refine talent incentive programs, and improve organizational adaptability to ensure the successful implementation of its business plans.

In 2026, industry consolidation will continue to deepen, presenting both challenges and opportunities. The Company will steadfastly implement the aforementioned business plan, strengthen its operational capabilities, foster team cohesion, and continuously solidify its core competitiveness while addressing these challenges, thereby laying a solid foundation for the Company's long-term, steady development and sustained growth.

(IV). Potential Risks

Applicable Not applicable

1. Business Risks in Overseas Markets

Over the past three years, the proportion of the Company's revenue derived from overseas core business operations has remained relatively stable. Overseas sales and production must strictly comply with the laws, regulations, licensing requirements, and product standards of the respective countries or regions. Should there be significant changes in the international political and economic landscape or in other countries' trade policies toward China, this could lead to obstacles in exporting products and increased operating costs, which in turn could impact overall performance. Specifically, this primarily involves three aspects:

First, exchange rate fluctuation risk: Some of the Company's overseas transactions are denominated in U.S. dollars, and the construction of overseas production facilities, procurement of raw materials, and capacity exports all involve settlements in multiple currencies. Although the Company has established a foreign exchange risk monitoring mechanism and employs financial derivatives for hedging, sharp exchange rate fluctuations or improper hedging strategies could still have a certain impact on the Company's financial condition;

Second, risks associated with anti-dumping and trade remedy investigations: Overseas markets such as the European Union, the United States, and Brazil have already initiated anti-dumping investigations into the Company's relevant products. If the final duty rates are lower than expected, this will directly

undermine the products' competitiveness in overseas markets, leading to a decline in export sales and intensifying competitive pressure in the domestic market;

Third, new risks associated with overseas production: The Company currently operates overseas production facilities. If it continues to establish new overseas production facilities, this will further increase operational risks overseas, including geopolitical risks, construction and operational cost risks, and risks related to supply chain and production capacity alignment.

Response measures: The Company will continue to monitor international developments and trade policies, optimize foreign exchange risk management, and actively address anti-dumping investigations; prior to establishing new overseas production facilities, we will thoroughly assess the compliance of potential sites and their market potential, strictly control construction and operational costs, and establish stable local supply chains; we will strengthen cross-regional operational management and talent development, improve technical confidentiality mechanisms, mitigate various compliance and operational risks, and expand our overseas production and market footprint in a compliant manner.

2. Risks Associated with Changes in Industry Regulation and Industrial Policy

The Company is primarily engaged in the research, development, production, and sale of amino acid products. Its business operations are subject to regulation by various domestic and international authorities and must comply with stringent domestic and international regulations, standards, and quality and technical requirements. As the industry evolves, the regulatory environment both domestically and internationally may undergo further adjustments, with policies and market access requirements potentially becoming more stringent. This could result in restrictions on the Company's production and operations, increased compliance costs, limitations on the market application of certain products, and an impact on overall profitability.

Response measures: The Company will closely monitor developments in relevant policies and regulations, promptly assess potential impacts, adjust its business strategies, and proactively align with regulatory requirements.

3. Intensifying Industry Competition and Project Profitability Risks

In 2026, the Company continues to plan and advance major investment and construction projects, while several other companies in the industry also have plans to expand production capacity. If market demand fails to keep pace with this new capacity, or if outdated capacity is not effectively phased out, it could lead to intensified industry competition and falling product prices, posing a risk that the return on investment may fall short of expectations.

Response measures: The Company will manage project timelines effectively, strengthen market demand analysis, optimize production capacity allocation, and improve project operational efficiency.

4. Risks of Environmental Protection and Safe Production

The Company's main production facility is designated as a key polluting entity; its production processes generate wastewater, exhaust gases, and solid waste. Should an environmental pollution incident occur due to management errors, equipment malfunctions, or force majeure, the Company would face administrative penalties and production suspensions for rectification, which would disrupt

normal production and business operations. Furthermore, the Company's production processes are complex and involve the use and storage of hazardous chemicals and special equipment. If safety management systems are not properly implemented, operations are not conducted in accordance with established procedures, or equipment is not properly maintained, this could lead to safety incidents resulting in personal injury, property damage, and production interruptions, thereby affecting operational stability.

Response measures: The Company will continue to strengthen environmental protection and safety management, improve prevention and control mechanisms, conduct regular equipment maintenance and employee training, increase environmental protection investments as required, and prevent all types of safety and environmental incidents.

5. Technological Risks

These primarily encompass two areas: first, risk of core technology leakage and loss of key technical personnel; second, risk of intellectual property protection. Although the Company holds patents covering the entire industrial chain and has established an intellectual property management system, it still faces the risk of its intellectual property being infringed upon or becoming the subject of litigation; such disputes could restrict product manufacturing and operations and hinder business development.

Response measures: The Company will further improve its technical confidentiality and talent incentive mechanisms, strengthen efforts to retain key technical personnel, continuously optimize intellectual property management, and proactively prevent intellectual property disputes.

6. Risks Associated with Cross-Border M&A

The Company completed the closing of the overseas target asset acquisition in July 2025, but subsequent operations still face risks. First, there are risks associated with acquisition and integration; second, there are force majeure risks, as significant adverse changes in the laws and regulations, natural environment, or socioeconomic conditions of the country or region where the overseas assets are located could disrupt local business operations and the integration process; third, there are risks associated with new product development and marketing.

Response measures: The Company will systematically advance the integration of its domestic and international operations, technologies, supply chains, and teams; continuously assess risks in overseas markets; strengthen management of the R&D process and market analysis; and strictly control risks associated with the development and promotion of new products.

7. Risks of Changes in Tax Incentive Policies

Some of the Company's subsidiaries currently benefit from corporate income tax incentives. If these existing tax incentives are modified or not extended, the Company's tax burden will increase directly, which could have an adverse effect on its operating performance.

Response measures: Closely monitor changes in tax policies, optimize tax planning, enhance profitability, and mitigate the impact of changes in tax incentives.

(V). Miscellaneous

Applicable Not applicable

VII.Explanation of circumstances where the Company does not disclose information according to the standards due to special reasons, such as the standards not applicable to the Company or the information classified as state secret or trade secret, and the reasons

Applicable Not applicable

Section 4 Corporate Governance, Environment, and Society

I. Information of Corporate Governance

Applicable Not applicable

During the reporting period, in order to improve and optimize the Company's governance structure, and in accordance with the relevant provisions of the Company Law of the People's Republic of China and other applicable regulations, while taking into account the Company's actual circumstances, the Company abolished the Board of Supervisors. The powers and responsibilities of the Board of Supervisors were assumed by the Audit Committee of the Board of Directors. The Company also revised the entire text of its Articles of Association. In accordance with the requirements of laws, regulations, and normative documents, as well as the revised Articles of Association, the Company simultaneously revised or established relevant systems for external disclosure and disclosed them on the Shanghai Stock Exchange website (www.sse.com.cn).

In 2025, the Company's Audit Department set compliance-oriented operations as its core management objective, adhered to the principle of risk-oriented auditing, and utilized end-to-end internal control management as a key lever to comprehensively strengthen the Company's operational risk defenses and solidify the foundation of internal control management. During the reporting period, the department focused on the Company's core operational chains and deepened internal control audits in key business areas. It completed specialized audits in seven major business sectors—including consignment management, materials procurement, product sales, asset management, operational control, engineering projects, and human resources—to comprehensively identify weaknesses in internal controls and uncover potential risks. Regarding the issues identified during the audits, the Company implemented full-process tracking and supervision, enforced accountability for rectification, and ensured the closed-loop implementation of corrective measures to achieve tangible results. These efforts have promoted standardized business management, refined risk control, and established a sustainable internal control system, thereby providing a solid foundation for the Company's high-quality and steady development.

In terms of entrusted storage management, the Company exercises strict control over risks throughout the entire process of entrusted procurement and storage. It focuses on the supplier admission and contract signing stages, conducting qualification reviews in advance, and comprehensively evaluating core risk indicators of entrusted storage suppliers, including hardware facilities, financial

strength, storage capacity, and financing capability. By optimizing the deposit and fee payment models and standardizing entrusted storage contract templates, it effectively transfers entrusted storage risks. For the corn entrusted storage operations in Tongliao, Xinjiang, and Jilin, the Company has particularly intensified routine inspections and supervision, shifting the control model from post-event handling to real-time process prevention and control, thereby effectively reducing the risks of corn entrusted storage.

In managing the procurement and payment cycle, we conduct compliance audits across the entire process—from purchase requests, supplier onboarding, and contract signing to order placement, goods receipt, warehousing, invoicing, and payment settlement—with a focus on key risk areas. We closely monitor critical risk points, identify management weaknesses with precision, and implement weekly tracking and closed-loop corrective actions. Through end-to-end compliance controls, we ensure that all procurement transactions and accounts payable are fully documented without omission, thereby safeguarding operational compliance and the security of funds.

In terms of asset management, by 2025, we will comprehensively review and refine our management systems for inventory, fixed assets, and funds. We will conduct quarterly asset inventories, standardize the approval process for asset procurement as well as the control of asset receipt, issuance, and storage, thereby significantly improving the level of basic asset management. For fund management, we will strictly enforce the separation of duties and authorization-based approval processes, strengthen daily oversight of bank accounts, financial instruments, and bank-enterprise reconciliations, and precisely manage cash flows to mitigate liquidity risks.

In terms of operations management, in accordance with the “Operations Department Standardization Manual” and the requirements of the annual Directive No. 1, we conducted on-site inspections and evaluations focused on warehouse management, production-supply-sales coordination, and cost management, with a particular emphasis on end-to-end control of the entire process for raw grain unloading, warehousing, and outbound shipping. Regarding production-supply-sales coordination, we refined standards and prioritized order fulfillment and handling of abnormal inventory situations, thereby enhancing operational efficiency.

In terms of compliance management, in 2025, in line with the Company’s sustainable development plan, anti-bribery compliance audits were conducted across the Group and its subsidiaries. These audits focused on verifying the signing of compliance commitments by employees, suppliers, and customers, and promptly addressing any issues in the implementation of relevant policies. The Human Resources Department conducted due diligence on new hires and transferred employees and had them sign integrity agreements, effectively mitigating business ethics risks. As a result, the compliance awareness and management standards of the entire workforce have continued to improve.

During the reporting period, the Audit Department organized and collaborated with RSM China CPA LLP to complete the 2025 internal control audit and evaluation, during which no material internal control deficiencies were identified. Regarding the deficiencies identified in the 2025 internal control audit, the Audit Department worked with the relevant business departments to formulate corrective measures, all of which have been fully implemented and closed out.

Are there any significant differences between the Company's corporate governance and the laws, administrative regulations, and the CRSC's rules on the governance of listed companies? If yes, state the reasons.

Applicable Not applicable

II. The Company's controlling shareholders and actual controller's specific measures that ensure the Company's independence in assets, personnel, finance, institution, and business, as well as solutions, work progress, and subsequent work plans that affect the Company's independence

Applicable Not applicable

Circumstances where the controlling shareholder, the actual controller, or other entities under their control are engaged in the same or similar business as the Company, or the impact of the competitive business or a substantial change in the competitive business on the Company, the countermeasures taken, the progress of the countermeasures, and subsequent plans for solving the issue

Applicable Not applicable

III. Information of Directors and Officers

(I). Changes in the shares held by and remuneration of the directors and officers currently in office and those who resigned during the Reporting Period

√Applicable □Not applicable

Unit: share

Name	Position	Gender	Age	Start date of term of office	End date of term of office	Number of shares held as at the beginning of the year	Number of shares held as at the end of the year	Change in the shares	Reasons for the change	Total before-tax remuneration received from the Company during the Reporting Period ('0000 yuan)	Any remuneration received from a related party of the Company
Wang Aijun	Chairman	F	54	2017/1/16	2028/12/28	72,452,774	72,452,774			572	No
He Jun	Director and General Manager	M	52	2017/1/16	2028/12/28	24,584,458	24,584,458			628	No
Liang Yubo	Director and Deputy General Manager	M	62	2011/1/21	2025/12/29	54,474,218	54,474,218			358	No
	Director and Senior Deputy General Manager			2025/12/29	2028/12/28						
Liu Xinghua	Independent Director	M	59	2023/1/6	2028/12/28	0	0			20	No
Lu Chuang	Independent Director	M	46	2023/1/6	2028/12/28	0	0			20	No
Zhou	Independent Director	M	41	2025/12/29	2028/12/28	0	0			0	No

Zhen											
Liu Xiaojing	Employee Representative Director	F	51	2025/12/29	2028/12/28	0	0			37	No
Wang Ailing	Senior Deputy General Manager	F	50	2025/12/29	2028/12/28	378,900	378,900			17	No
Wang Lihong	CFO	F	45	2019/9/6	2028/12/28	117,300	117,300			140	No
Liu Xianfang	Board Secretary	F	42	2017/1/16	2028/12/28	187,400	187,400			53	No
Wang You	Deputy General Manager (resignation)	M	51	2017/1/16	2025/12/29	673,000	673,000			209	No
Total	/	/	/	/	/	152,868,050	152,868,050	0	/	2,054	/

Note 1: The Company completed the election of new directors and the appointment of senior management on December 29, 2025. Among them, Mr. Zhou Zhen, an independent director, began receiving director’s fees effective January 2026; Ms. Wang Ailing, Senior Vice President, received compensation for the month of December 2025.

Note 2: Due to the expiration of the Board of Directors’ term, Mr. Wang You will no longer serve as the Company’s Deputy General Manager; however, he will continue to hold other positions within the Company following his departure.

Note 3: The significant year-over-year increase in compensation for certain officers is primarily due to the fact that some quarterly performance targets from the previous period and performance targets committed to at the beginning of the year were not met; consequently, certain performance-based payments (including incentive bonuses) were not accrued or paid out. For this reporting period, performance targets were met, and such payments were accrued and paid out in accordance with established policies.

Name	Main working experience
Wang Aijun	He was born in 1972, is a Chinese national of Han ethnicity. He studied accounting and management at the Beijing International Business College and the Executive Education Program at Peking University. He previously served as a director and general manager of the former Meihua Group, and has been the Company’s chairman since 2017.
He Jun	He was born in 1974, is a Chinese national of Han ethnicity. He previously worked at the Shengfang Construction Branch. He has served as a director and deputy general manager of the Company, and has been the Company’s director and general manager since 2017.
Liang Yubo	He was born in 1964, is a Chinese national of Han ethnicity. He previously served as a director and deputy general manager of the Company, and currently serves as a director and senior deputy general manager.

Liu Xinghua	He was born in 1967 and is a Chinese national of the Han ethnic. He holds a PhD in Management. He has been a distinguished professor at Tongji University since October 2020. Mr. Liu Xinghua has been an independent director of Lihuyai Weiyuan Chemical Co., Ltd. (short stock name: Weiyuan Co.; stock code: 600955) since December 2021, an independent director of Shengtai Smart Manufacturing Group Co., Ltd. (short stock name: Shengtai Group; stock code: 605138) since July 2024, and an independent director of the Company since January 2023. Mr. Liu Xinghua has no association with the Company's actual controller and does not hold any shares in the Company. He has obtained the qualification certificate for independent directors issued by the Shanghai Stock Exchange.
Lu Chuang	He was born in 1980 and is a Chinese national of the Han ethnic. He holds a PhD in Management and has been a professor at the School of Accountancy at the Central University of Finance and Economics since November 2015. Mr. Lu Chuang has been an independent director of China Isotope & Radiation Corporation (short stock name: CIRC; stock code: 01763.HK) since February 2021, an independent director of Qi-Anxin Technology Group Co., Ltd. (short stock name: Qi-Anxin; stock code: 688561) since May 2025, and an independent director of the Company since January 2023. Mr. Lu Chuang has no association with the Company's actual controller and does not hold any shares in the Company. He has obtained the qualification certificate for independent directors issued by the Shanghai Stock Exchange.
Zhou Zhen	He was born in 1985, is a Chinese national of Han ethnicity. He holds a Ph.D. in Economics. Since December 2022, he has served as an associate professor and doctoral advisor at the PBC School of Finance, Tsinghua University, and concurrently holds the positions of Academic Director of the doctoral program, Deputy Director of the Center for Monetary Policy and Financial Stability, and Deputy Director of the Center for Industrial Finance at the PBC School of Finance, Tsinghua University. Mr. Zhou Zhen's primary research focuses on the theory of information economics and its applications in corporate finance and macroeconomics. His research findings have been published in top-tier global academic journals in the field of economics, including the *American Economic Review*, the *Journal of Political Economy*, the *Review of Financial Studies*, and the *Tsinghua Financial Review*, among other domestic and international academic journals. Since December 2025, he has served as an independent director of the Company. Mr. Zhou Zhen has no affiliation with the Company's actual controller and does not hold any shares in the Company. He has completed the relevant training courses offered by the Shanghai Stock Exchange.
Liu Xiaojing	She was born in 1975, is a Chinese national of Han ethnicity. She joined the Company in 2001. Her previous positions include director of the finance department at Tongliao Meihua, finance manager at Tongliao Meihua, and employee supervisor. She currently serves as an employee representative director of the Company and project supervisor of the Asset Management Office of the Finance Department.
Wang Ailing	She was born in 1976, is a Chinese national of Han ethnicity. Since 2002, she has held various positions in the Company, including director of the capital department, deputy director of the finance department, and director of the finance department. She currently serves as the Senior Deputy General Manager of the Company and head of the Finance Department.
Wang Lihong	She was born in 1981, is a Chinese national of Han ethnicity, and is a certified public accountant. Since 2005, she has held various positions in the finance department of Meihua Group, including accountant, accounting supervisor, accounting manager, and general ledger accountant. She has extensive experience and expertise in financial accounting, financial analysis, and financial management. She has been the CFO of the Company since 2019.
Liu Xianfang	She was born in 1984, is a Chinese national of Han ethnicity, and holds a bachelor's degree. She joined the Company in July 2006. Her previous positions include information disclosure specialist, information disclosure supervisor, and securities affairs representative in the securities department of the Company. She has been the board secretary of the

	Company since 2017.
Wang You	He was born in 1975, is a Chinese national of Han ethnicity, and holds a bachelor's degree. He joined Meihua MSG in July 2002. His previous positions include manager of the production office, manager of the amino acid project department, production manager for eastern Tongliao, deputy general manager at Tongliao Meihua, general manager of the Xinjiang Base, and deputy general manager of the Company. He currently serves as the director of the HSE Management Department of the Company's Production Technology Research Institute.

Other information

Applicable Not applicable

(II). Positions held by the directors and officers currently in office and those who resigned during the Reporting Period**1. Positions held in shareholders**

Applicable Not applicable

2. Positions in other entities

Applicable Not applicable

Name of personnel	Name of entity	Position in the entity	Start date of the term of office	End date of the term of office
Liu Xinghua	Lihuayi Weiyuan Chemical Co., Ltd.	Independent Director	December 22, 2021	April 9, 2027
	Sunrise Intelligent Manufacturing Group Co., Ltd.	Independent Director	July 17, 2024	July 16, 2027
Lu Chuang	China Isotope & Radiation Corporation	Independent Director	February 25, 2021	
	Qianxin Technology Group Co., Ltd.	Independent Director	May 29, 2025	May 28, 2028
	CICC Fund Management Co., Ltd.	Director	April 22, 2025	
	Xinyin Financial Asset Investment Co., Ltd.	Director	November 21, 2025	
	Ourpalm Co., Ltd.	Independent Director	January 25, 2021	May 23, 2025
	Beijing Bashi Media Co., Ltd.	Independent Director	June 28, 2022	September 22, 2025
Wang Aijun	AIM Vaccine Corporation	Non-Executive Director	June 9, 2021	April 13, 2025
Explanation of positions in other entities	Ms. Wang Aijun, Chairwoman of the Company, resigned as a non-executive director and member of the Compliance and Risk Control Committee of AIM Vaccine Corporation on April 13, 2025.			

(III). Remuneration of directors and officers

Applicable Not applicable

Procedures for determining the remuneration of directors and officers	The remuneration for the Company's directors is determined by the general meeting after being reviewed and approved by the board of directors. The remuneration for officers is determined by the board of directors after being reviewed by the remuneration and appraisal committee of the board.
Do the directors avoid participating in the discussion of their own remuneration?	Yes
Circumstances where the remuneration and appraisal committee or any meetings of independent directors issue opinions on the remuneration of	At its 2nd meeting of 2025, the Company's remuneration and appraisal committee reviewed and approved the 2024 performance assessment and remuneration payment plan for directors, supervisors, and senior management, formulated the 2025 remuneration plan (draft) for directors, supervisors, and

directors and officers	senior management, and agreed to submit them to the board of directors for deliberation.
Basis for determining the remuneration of directors and officers	According to the Company's 2025 Remuneration Plan for Directors, Supervisors, and Senior Management, directors and senior management who receive remuneration from the Company and actually perform management duties are subject to an annual salary system that combines position-based salary grades with performance evaluations. The total remuneration consists of base salary, position salary, performance-based pay, and incentive bonuses. The Human Resources Department prepares a remuneration report and submits it to the Remuneration and Appraisal Committee for review. The Committee confirms the final remuneration based on comprehensive evaluations, including job responsibilities and performance results; the specific amount of allowance for independent directors of the Company shall be determined by the board of directors based on the actual work performed each year.
Actual payment of the remuneration of directors and officers	This is in accordance with the relevant regulations; please refer to the table titled "Changes in Shareholdings and Remuneration of Current and Former Directors and Senior Officers During the Reporting Period" above for specific amounts.
Total remuneration actually received by all directors and officers as of the end of the Reporting Period	The total remuneration actually received from the Company by the directors and officers was 20.03 million yuan (before tax), inclusive of deferments from previous periods to the Reporting Period.
Assessment basis and completion status of the remuneration actually received by all directors and officers as of the end of the Reporting Period	The remuneration assessment for directors and officers is determined based on assessment targets linked to their specific job responsibilities and their actual completion status.
Deferred payment arrangements for the remuneration actually received by all directors and officers as of the end of the Reporting Period	During the Reporting Period, the monthly base salary and monthly performance-based pay are paid in the following month, the quarterly performance-based pay is paid in the first month of the following quarter, and part of the annual performance-based pay and incentive bonuses are paid after the disclosure of the annual report in April 2026.
Stop-payment and clawback status of the remuneration actually received by all directors and officers as of the end of the Reporting Period	During the Reporting Period, no stop-payment or clawback occurred for all directors and officers. The Company revised the "Directors and Officers Remuneration Management System," which specifies the circumstances related to stop-payment and clawback. The system was reviewed and approved at the second meeting of the 11th Board of Directors on April 21, 2026, and is still subject to deliberation by the general meeting. For details, please refer to the relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn).

(IV). Changes in directors and officers

√ Applicable □ Not applicable

Name	Position	Type of Change	Reason
Liang Yubo	Deputy General Manager	Resigned	Change of term
Liang Yubo	Senior Deputy General Manager	Appointed	Change of term

Wang Ailing	Senior Deputy General Manager	Appointed	Change of term
Wang You	Deputy General Manager	Resigned	Change of term
Zhou Zhen	Independent Director	Elected	Change of term
Liu Xiaojing	Employee Representative Director	Elected	Change of term

(V). Explanation of punishments by securities regulatory bodies during the last three years

Applicable Not applicable

(VI). Miscellaneous

Applicable Not applicable

IV. Duty Performance of Directors**(I). Directors' participation in board meetings and general meetings**

Name of director	Whether the director is an independent director	Attendance at board meetings						Participation in general meetings
		Due attendance for the year	Attendance in person	Attendance by means of telecommunication	Attendance by proxy	Absence	Failed to attend two consecutive meetings in person	Attendance at general meetings
Wang Aijun	No	8	8	1	0	0	No	3
He Jun	No	8	7	1	1	0	No	3
Liang Yubo	No	8	8	2	0	0	No	3
Liu Xinghua	Yes	8	8	5	0	0	No	2
Lu Chuang	Yes	8	8	5	0	0	No	2
Zhou Zhen	Yes	1	1	0	0	0	No	1
Liu Xiaojing	No	1	1	0	0	0	No	2

Explanation of failure to attend two consecutive meetings in person

Applicable Not applicable

Number of board meetings held in the year	8
including: number of onsite meetings	3
number of meetings held by means of telecommunication	1
number of meetings held onsite and by means of telecommunication	4

(II). Circumstances where directors raised an objection to any matter

Applicable Not applicable

(III). Miscellaneous

Applicable Not applicable

V. Information of Specialized Committees under the Board of Directors√ Applicable Not applicable**(I). Members of the specialized committees under the board of directors**

Type of special committee	Member names
Audit Committee	Lu Chuang, Zhou Zhen, Wang Aijun
Nomination Committee	Liu Xinghua, Wang Aijun, Lu Chuang
Remuneration and Appraisal Committee	Zhou Zhen, Liu Xinghua, He Jun
Strategy Committee	Wang Aijun, He Jun, Liang Yubo, Liu Xinghua, Lu Chuang

Note: The Company completed the election of members for the 11th Board of Directors and its specialized committees on December 29, 2025. For details regarding the members of the specialized committees of the 10th Board of Directors, please refer to the relevant announcements previously disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn).

(II). The audit committee held six meetings during the Reporting Period.

Date	Content	Important opinions and suggestions	Other duty performance
January 23, 2025	Conducted pre-audit discussions with Zandar to hear the audit firm's report on the overall audit of the Company's 2024 annual report and internal controls, as well as key focus areas and the audit plan.	At the meeting, the committee members reviewed and discussed the audit firm's audit plan, offered suggestions, and agreed to proceed with the audit of the 2024 annual report and internal controls in accordance with the audit plan. They recommended that Zandar maintain timely communication with the Company and provide feedback on any issues that arise during the audit process.	
March 17, 2025	Reviewed the Company's 2024 Annual Report; reviewed the internal control evaluation report issued by the Company and the internal control audit report issued by Zandar; Heard the Audit Committee's 2024 performance report; reviewed the "Meihua Bio Semi-Annual Inspection Report" issued by the Company's Audit Department, as well as the Audit Department's 2024 audit work summary and 2025 work plan; provided comments on changes to accounting policies; evaluated the performance of the engaged accounting firm and provided an explanation regarding the firm's fulfillment of its supervisory responsibilities.	The Audit Committee provided recommendations on the Audit Department's 2025 work plan; it focused on the three major financial statements in the financial report and concluded that the Company's 2024 annual report truthfully and fairly reflects the Company's operating performance for the 2024 fiscal year; it determined that the changes in accounting policies comply with relevant laws and regulations; and it found that Zandar's audit procedures were conducted in a standardized and orderly manner, and that the audit report issued was objective, impartial, complete, clear, and timely; The Audit Committee effectively supervised the audit work and faithfully fulfilled its supervisory duties regarding the engaged accounting firm. The meeting agreed to submit the relevant	

		proposals to the Board of Directors for review.	
April 21, 2025	The main audit work summary for Q1 2025 and the work plan for Q2 2025 were reviewed; the Q1 2025 report was preliminarily examined.	The committee focused on the three major financial statements in the financial report and concluded that the Company's Q1 report for 2025 provides a true and fair view of the Company's operating performance for the Q1 of 2025; it agreed to submit the report to the Company's board of directors for review. The committee also approved the Audit Department's work plan for the Q2.	
August 19, 2025	The main audit work summary for Q2 2025 and the work plan for Q3 2025 were reviewed; the Half-Year Report for 2025 was preliminarily examined. Consideration of the Proposal Regarding the Selection of an Audit Firm for the Company's 2025 Financial Statements and Internal Control Audit	The committee focused on the three major financial statements in the financial report and concluded that the Company's 2025 Semi-Annual Report truthfully and fairly reflects the Company's operating performance for the first half of 2025; it agreed to submit the report to the Company's Board of Directors for review. The committee also offered recommendations regarding the Audit Department's Q3 work plan; agreed to the Company's selection of RSM China CPA LLP as the auditor for the Company's 2025 annual financial statements and internal control audit, and agreed to submit the relevant resolution to the Company's Board of Directors for review; paid close attention to the procedures related to the selection of the accounting firm.	
October 29, 2025	The main audit work summary for Q3 2025 and the work plan for Q4 2025 were reviewed; the Q3 2025 report was preliminarily examined.	The committee focused on the three major financial statements in the financial report and concluded that the Company's Q3 2025 report accurately and fairly reflects the Company's operating performance for the Q3 of 2025; it agreed to submit the report to the Board of Directors for review. The committee also approved the Audit Department's work plan for the fourth quarter.	
December 29, 2025	Consideration of the Proposal to Appoint the Company's CFO	The Audit Committee reviewed the basic background, work history, professional capabilities, and qualifications of Ms. Wang Lihong, the proposed CFO of the Company. The Committee determined that she meets the eligibility criteria and requirements for senior management positions as stipulated by relevant laws and regulations. Furthermore, given Ms. Wang Lihong's extensive experience in financial management and her professional	

		knowledge and competence to fulfill the duties of CFO, the Committee approved her appointment to the position and agreed to submit the relevant resolution to the Company's Board of Directors for consideration.	
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(III).The nomination committee held two meetings during the Reporting Period.

Date	Content	Important opinions and suggestions	Other duty performance
December 10, 2025	Consideration of the proposal to nominate candidates for non-independent directors of the 11th board of directors and the proposal to nominate candidates for independent directors of the 11th board of directors	The Nomination Committee reviewed the basic information, work experience, qualifications, and independence of the director candidates, and determined that all candidates meet the relevant qualification criteria and requirements stipulated by applicable laws and regulations, and possess the qualifications and capabilities to serve as candidates for the Company's Board of Directors. The committee agrees to nominate Ms. Wang Aijun, Mr. He Jun, and Mr. Liang Yubo as candidates for non-independent directors of the Company's 11th Board of Directors, and agrees to nominate Mr. Liu Xinghua, Mr. Lu Chuang, and Mr. Zhou Zhen as candidates for independent directors of the Company's 11th Board of Directors. The Committee further agrees to submit the relevant resolutions to the Board of Directors for deliberation.	
December 29, 2025	Consideration of the proposal to appoint officers of the Company	The Nomination Committee reviewed the basic information, work experience, professional capabilities, and qualifications of the proposed officers candidates and determined that all of them meet the eligibility criteria and requirements for officers positions as stipulated by relevant laws and regulations, and possess the qualifications and capabilities to serve as officers of the Company. The Committee agrees to appoint Mr. He Jun as General Manager of the Company, Mr. Liang Yubo and Ms. Wang Ailing as Senior Deputy General Managers, Ms. Wang Lihong as CFO, and agrees to submit the proposals for the appointment of the aforementioned officers to	

		the Company's Board of Directors for deliberation.	
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(IV).The remuneration and appraisal committee held three meetings during the Reporting Period.

Date	Content	Important opinions and suggestions	Other duty performance
February 11, 2025	Consideration of the proposal regarding the Company's 2025 Employee Stock Ownership Plan (Draft) and its summary; consideration of the proposal regarding the management rules for the Company's 2025 Employee Stock Ownership Plan	The Remuneration and Appraisal Committee has approved the Company's implementation of the 2025 Employee Stock Ownership Plan and has agreed to submit the relevant proposals regarding the 2025 Employee Stock Ownership Plan to the Company's Board of Directors for consideration.	
March 17, 2025	The 2024 performance appraisal and remuneration payment plan for directors, supervisors, and officers was deliberated and approved, and the 2025 remuneration scheme (Draft) for directors, supervisors, and officers was formulated.	The Remuneration and Appraisal Committee believes that the remuneration to be paid for the 2024 fiscal year is consistent with market norms, performance contributions, and industry remuneration levels; aligns with the principle of aligning responsibilities, authority, and benefits; and is conducive to the Company's operational management and the achievement of its strategic objectives. The Committee agrees to submit the matter to the Company's Board of Directors for review and approves the submission of the 2025 remuneration plan to the Board for review.	
December 11, 2025	Consideration of the proposal regarding the Company's 2026 Employee Stock Ownership Plan (Draft) and its summary; consideration of the proposal regarding the management rules for the Company's 2026 Employee Stock Ownership Plan	The Remuneration and Appraisal Committee has approved the Company's implementation of the 2026 Employee Stock Ownership Plan and has agreed to submit the relevant proposals regarding the 2026 Employee Stock Ownership Plan to the Company's Board of Directors for consideration.	

(V). The strategy committee held one meetings during the Reporting Period.

Date	Content	Important opinions and suggestions	Other duty performance
March 17, 2025	Reviewed the Company's major investment plan for 2025 and matters related to the Company's sustainable development projects	The members of the Strategy Committee thoroughly discussed and reviewed the Company's 2024 Sustainability Report and agreed to submit it to the Board of Directors for review; they focused their discussion on the scale and plans for the Company's 2025	

		investment projects and agreed to submit the 2025 investment plan to the Board of Directors for review.	
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(VI). Circumstances where an objection was raised to any matter

Applicable Not applicable

VI. Explanation of Circumstances Where the Audit Committee Identified Risks in the Company

Applicable Not applicable

The audit committee had no objections to supervised matters during the Reporting Period.

VII. Staff Overview of the Parent Company and Key Subsidiaries as at the end of the Reporting Period**(I). Staff overview**

Headcount of the parent company	915
Headcount of key subsidiaries	12,253
Total headcount	13,168
Number of retirees for whom the parent company and key subsidiaries are required to bear costs	0
Specialty	
Type of specialty	Number of employees
Production personnel	9,538
Sales personnel	354
Technical personnel	769
Financial personnel	366
Administrative personnel	119
Management personnel	2,022
Total	13,168
Educational level	
Educational level	Number of employees
PhD candidate	32
Master's candidate	355
Bachelor's degree	2,068
Diploma	3,392
High school and below	7,321
Total	13,168

(II). Remuneration policy

Applicable Not applicable

The Company has consistently upheld the philosophy of “all staff involved in business, value creation and sharing,” and adheres to the compensation principles of “three fairnesses and one more” (fairness, impartiality, transparency, and more pay for outstanding talents) and “three highs and one

low” (lowest labor cost per ton of product, highest local wage level, highest industry wage level, and highest per capita productivity), and continuously builds and improves a systematic and sustainable compensation system.

The total compensation package consists of fixed pay (base salary, position-based pay, and skill-based pay) and performance-based pay (monthly performance bonuses, quarterly performance bonuses, annual performance bonuses, and the incentive bonus pool). In accordance with the relevant provisions of the “Proposal on Further Improving the Performance Evaluation and Incentive Mechanism” approved at the 2021 Annual General Meeting, the incentive bonus pool is set aside annually at a certain percentage of the annual net profit margin and distributed from the top down. In accordance with the organizational structure, the total bonus pool is first calculated, and then the bonus pools for each entity are calculated based on the profit center management units of each subsidiary (production down to production lines, procurement down to departments, and sales down to divisions).

In 2025, the Company remained committed to sharing the fruits of its growth with its employees. Through a diverse range of incentive measures—including pay raises based on competency certification, project bonuses, performance bonuses, and employee stock ownership plans—the Company effectively encouraged employees to enhance their professional skills, motivated them to excel in their roles, and fostered continuous value creation.

In addition, the Company continues to refine its employee benefits system. Through a range of support measures—including housing, transportation, and meal allowances—we are committed to creating a comfortable, respectful, and inclusive work and development environment, laying a solid foundation for the mutual growth and sustainable development of both employees and the Company.

Through these initiatives, the Company has consistently raised the income levels of all employees, fostering a long-term, stable, and harmonious upward trend in both business performance and employee compensation.

(III). Training plan

Applicable Not applicable

In 2025, the Company will continue to deepen its talent development strategy of “tiered empowerment” and “integrating training with practical application,” iteratively refine its training system, strengthen performance evaluations based on real-world experience and specialized training, and systematically enhance the professional competence and job readiness of employees at all levels.

For senior core management personnel, the Company has established a dual-track development model combining “external education and training” with “internal development.” During the reporting period, the Company completed the establishment of the core framework for this development program: on the one hand, it selected a group of outstanding executives to participate in authoritative external MBA programs to absorb advanced management concepts and industry experience; on the other hand, it selected a group of key personnel to undergo specialized internal training, leveraging their role in

“mentoring and guiding” others to create an empowerment mechanism where “key personnel drive the capability enhancement of internal employees.”

To strengthen the development of middle and front-line management teams, the Company has made the training of department heads and shift supervisors a regular initiative in 2025. During the reporting period, the Company conducted a total of four specialized training sessions for department heads, training a cumulative total of 93 mid-level production managers. Additionally, the Company successfully completed training for 396 shift supervisor candidates and provided off-the-job training for 21 incumbent shift supervisors. These efforts optimized the age and competency structures of the frontline management team, providing strong support for improving the Company’s operational efficiency.

In terms of professional and technical talent development, the Company has launched specialized training programs for technical engineers and established a tiered training system comprising “entry-level, intermediate, and advanced” levels. In 2025, strictly adhering to the plan established at the beginning of the year, the Company has fully completed the training of entry-level technical personnel. During the reporting period, a total of 15 training sessions were conducted, training 382 participants. At the same time, the Company has provided pathways for shop floor workers to advance to technical engineer positions through initiatives such as employee interest classes and workshop cultural activities, thereby fostering a vibrant work environment.

The Company also encourages employees to continuously enhance their professional skills. In 2025, it will launch a special initiative to help potential successors in key departments—such as safety and environmental protection—obtain professional certifications, including the Registered Safety Engineer certification. The Company will incorporate the attainment of these certifications into the core metrics for job qualification assessments and promotion evaluations, thereby incentivizing employees to proactively improve their professional capabilities.

In terms of cultivating future leaders, the Company employs a three-pronged development model for management trainees: “one-third job rotation + one-third project work + one-third departmental training.” Following onboarding training, participants are rotated through substantive and challenging frontline roles in sales, procurement, production, and other departments. Once their career direction is clarified, they undergo pre-employment training for their target positions at the next level. Concurrently, they receive practical training through project-based assignments to enhance their problem-solving and teamwork skills. Moving forward, the Company will continue to optimize its management trainee development system, consistently identifying and cultivating high-caliber management talent to provide sustained momentum for the Company’s high-quality development.

In addition, the Company places great emphasis on recruiting and integrating new talent, and has consistently conducted new employee training programs. By 2025, a total of 125 training sessions had been held. Through systematic and standardized training, the Company has empowered new employees to quickly familiarize themselves with the corporate culture, master job-specific skills, and adapt to the

pace of work, thereby enabling them to fully realize their potential and inject fresh vitality into the Company's sustained and healthy development.

(IV). Labor outsourcing

Applicable Not applicable

Total man hours of labor outsourcing	1,501,888
Total remuneration paid for labor outsourcing (yuan)	73,043,369.86

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

(I). Formulation, implementation, or adjustment to the cash dividend policy

Applicable Not applicable

During the reporting period, the Company placed a high priority on shareholder returns. At the second extraordinary general meeting of shareholders held on December 29, 2025, the revised Articles of Association were reviewed and approved, further clarifying and refining the cash dividend policy and enhancing the standardization and transparency of profit distribution. For specific details, please refer to the relevant announcements disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn).

The changes to the cash dividend policy in the Articles of Association before and after the revision are as follows:

Before the revision: "The specific conditions for cash dividends

1. The Company's distributable profits for the fiscal year (i.e., the after-tax profits remaining after offsetting losses and setting aside capital reserves) are positive;
2. The audit firm issues an unqualified audit opinion on the Company's financial statements for the fiscal year;
3. The Company has no plans for significant external investments or major cash expenditures within the next twelve months (excluding projects funded by raised capital);
4. The weighted average return on net assets for the fiscal year, calculated based on net profit attributable to common shareholders (using the lower of the amounts before and after adjusting for non-recurring gains and losses), is not less than 6%;
5. If the audited debt-to-equity ratio at the end of the fiscal year exceeds 70%, the Company may refrain from distributing cash dividends.

Revised: "The specific conditions and ratios for cash dividends

The following specific conditions must be met simultaneously when distributing cash dividends:

1. The Company's distributable net profit for the current fiscal year or half-year (i.e., the after-tax profit remaining after offsetting losses and setting aside statutory reserves) is positive (based on the parent company's financial statements), and the Company has sufficient cash flow such that the payment of cash dividends will not affect its ongoing operations;
2. The parent company's cumulative distributable profits are positive;

3. The audit firm issues an unqualified audit opinion on the Company's financial statements for the current fiscal year;

4. The Company has no plans for major external investments or significant cash outflows within the next 12 months (excluding projects funded by raised capital);

5. The Company has sufficient funds, and its profitability and cash flow are sufficient to support ongoing operations and long-term development.

“Cash dividend ratio: Provided that the conditions for cash dividends are met and the Company has no major capital expenditure plans, the cumulative cash dividends distributed over the past three years shall not be less than 30% of the average annual distributable profits achieved over the same period.”

During the reporting period, the Company implemented and completed its 2024 annual profit distribution plan on May 23, 2025, distributing a cash dividend of RMB 0.42597 per share to all shareholders, for a total cash dividend of RMB 1,199,991,716.69. For further details, please refer to the Company's “Announcement on the Implementation of the 2024 Annual Equity Distribution of Meihua Bio Group Co., Ltd.” (Announcement No. 2025-039) available on the Shanghai Stock Exchange website at <http://www.sse.com.cn>.

The 2025 annual profit distribution plan (preliminary proposal) was deliberated and approved at the second meeting of the 11th Board of Directors. The proposal is to distribute a cash dividend of 0.4279 yuan per share (inclusive of tax) based on the total share capital as of the equity distribution record date (excluding the number of shares held in the repurchase account). As of December 31, 2025, the total share capital of the Company is 2,804,241,650 shares, and based on this, the total cash dividend to be distributed is estimated at 1,199,935,002.04 yuan (inclusive of tax).

This proposal is subject to approval at the Shareholders' Meeting, and the actual distribution amount will be based on the equity distribution implementation announcement issued by the Company. If there are any changes in the total share capital before the equity distribution record date, the total distribution amount will remain unchanged, and the per-share distribution ratio will be adjusted accordingly. In accordance with regulations, the Company's board of directors will complete the distribution of equity within two months after the shareholders' meeting approves the profit distribution plan.

In addition, the Company has formulated the “Three-Year (2026–2028) Shareholder Dividend Return Plan,” which was reviewed and approved at the second meeting of the 11th Board of Directors and is pending submission to the 2025 Annual General Meeting of Shareholders for approval.

The formulation, implementation, and adjustment of the Company's profit distribution plan are in full compliance with the relevant provisions of the Articles of Association. Going forward, the Company will continue to enhance shareholder returns through a combination of cash dividends and share buybacks and cancellations.

(II). Explanation of specific matters related to the cash dividend policy

Applicable Not applicable

Did it conform to the provisions of the articles of association or the requirements of the general meeting's resolution?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were the distribution standard and proportion specified and clear?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were the relevant decision-making procedures and mechanism complete?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Did the independent directors perform their duties and play their due roles?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Did the minority shareholders have adequate chance to express their opinions and appeals? Were their legitimate rights and interested protected fully?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III). For the circumstance where the Company made a profit and the parent company's profit distributable to shareholders was positive but no cash profit distribution plan was proposed during the Reporting Period, the Company should disclose the reasons as well as the use and use plan of the retained profit in detail.

Applicable Not applicable

(IV). Plans for profit distribution and the conversion of capital reserve during the Reporting Period

Applicable Not applicable

Unit: yuan Currency: RMB

Number of bonus shares per 10 shares (share)	0
Amount of dividends per 10 shares (yuan)	4.279
Number of shares for conversion per 10 shares (share)	0
Amount of cash dividends (inclusive of tax)	1,199,935,002.04
Net profit distributable to the common shareholders of the listed company in the consolidated statements for the year of dividend distribution	3,280,879,912.10
Percentage in the net profit distributable to the common shareholders of the listed company in the consolidated statements (%)	36.57
Amount of share buybacks in cash that are included in cash dividends	204,301,265.44
Total dividends (inclusive of tax)	1,404,236,267.48
Percentage of total cash dividends in the net profit attributable to the common shareholders of the Company in the consolidated statements (%)	42.80

(V). Recent cash dividend distribution in the last three accounting years

Applicable Not applicable

Unit: Yuan Currency: RMB

Cumulative cash dividend amount (tax included) in the last three accounting years (1)	4,097,331,538.57
Cumulative repurchased and cancelled amount in the last three accounting years (2)	1,667,275,262.16
Cumulative cash dividend and repurchase cancellation amount in the last three accounting years (3) = (1) + (2)	5,764,606,800.73
Average annual net profit in the last three accounting years (4)	3,067,418,941.05
Cash dividend ratio in the last three accounting years (%) (5) = (3) / (4)	187.93
Net profit attributable to common shareholders of the listed company in the latest accounting year (Consolidated financial statements)	3,280,879,912.10

Unappropriated profit at the end of the latest accounting year (Parent company financial statements)	2,919,941,598.99
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IX. Information of the Company's Share Incentive Plan, Employee Stock Ownership Plan, or Other Staff Incentives and Their Impact

(I). Relevant incentives that were disclosed in the provisional announcement and had no progress or change in subsequent implementation

Applicable Not applicable

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

Share incentives

Applicable Not applicable

Other information

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

1. Employee Stock Ownership Plan for 2021

The Company held the 14th meeting of the ninth board of directors and the first extraordinary general meeting of 2021 on January 14, 2021, and February 1, 2021, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2021 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2021, and the Proposal on Requesting Full Authorization from the Annual General Meeting for the Board of Directors to Handle Matters Related to the Company's Employee Stock Ownership Plan were deliberated and approved. For details, refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on January 15, 2021, and February 2, 2021, respectively.

Based on confidence in the Company's sustainable development and the judgment of its share value, the extension of the 2021 Employee Stock Ownership Plan for an additional 36 months to February 11, 2027 was deliberated and approved at the first extraordinary general meeting of 2024.

As of the date of this report, all of the shares held under the Company's 2021 Employee Stock Ownership Plan have been sold, and the plan has been fully implemented and terminated.

2. Employee Stock Ownership Plan for 2022

The Company held the 27th meeting of the ninth board of directors and the second extraordinary general meeting of 2021 on December 15, 2021, and December 31, 2021, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2022 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2022, and the Proposal on Requesting Full Authorization from the Annual General Meeting for the Board of Directors to Handle Matters Related to the Company's Employee Stock Ownership Plan were

deliberated and approved. For details, refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on December 16, 2021, and January 1, 2022, respectively.

The Company's 2022 Employee Stock Ownership Plan was automatically terminated upon the expiration of its term on January 9, 2025. All Company shares held under the plan have been fully sold, and the liquidation of the relevant assets has been completed.

3. Employee Stock Ownership Plan for 2023

The Company held the 35th meeting of the ninth board of directors and the first extraordinary general meeting of 2023 on December 21, 2022, and January 6, 2023, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2023 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2023, and the Proposal on Requesting Full Authorization from the General Meeting for the Board of Directors to Handle Matters Related to the Company's Employee Stock Ownership Plan were deliberated and approved. For details, refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on December 22, 2022, and January 9, 2023.

As of the date of this report, all of the shares held under the Company's 2023 Employee Stock Ownership Plan have been sold, and the plan has been fully implemented and terminated.

4. Employee Stock Ownership Plan for 2024

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

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

As of the end of the Reporting Period, the vesting conditions for the first phase of the Company's 2024 Employee Stock Ownership Plan had been satisfied, and 50% of the units had been released from

lock-up. The Company's designated account for the 2024 Employee Stock Ownership Plan held 9,266,101 shares, accounting for 0.33% of the Company's current total share capital of 2,804,241,650 shares.

5. Employee Stock Ownership Plan for 2025

The Company held the 17th meeting of the tenth board of directors and the first extraordinary general meeting of 2025 on February 11 and February 27, 2025, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2025 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2025, and the Proposal on Requesting Full Authorization from the General Meeting for the Board of Directors to Handle Matters Related to the Company's Employee Stock Ownership Plan were deliberated and approved. For details, refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on February 12 and February 28, 2025.

As of the close of trading on August 1, 2025, the Company's designated account for the 2025 employee stock ownership plan had purchased a total of 21,042,422 shares of the Company through centralized bidding on the secondary market, with a total transaction amount of 225,143,665.20 yuan (excluding transaction fees) and an average transaction price of approximately 10.70 yuan per share. The number of shares purchased accounted for 0.74% of the Company's total share capital at that time of 2,852,788,750 shares. In accordance with the plan approved at the first extraordinary general meeting of 2025, the purchase under the Company's 2025 employee stock ownership plan has been completed. The purchased shares are subject to lock-up and will be unlocked in two phases after 12 and 24 months from the date of the announcement disclosing the completion of the purchase, with the maximum lock-up period being 24 months. The proportions of shares to be unlocked in each phase are 50% and 50%, respectively.

As of the date of this report, the shares under the 2025 employee stock ownership plan remain subject to lock-up.

6. Employee Stock Ownership Plan for 2026

The Company held the 23rd meeting of the tenth board of directors and the second extraordinary general meeting of 2025 on December 11 and December 29, 2025, respectively. At the meetings, the Proposal on the Company's Employee Stock Ownership Plan (Draft) for 2026 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2026, and the Proposal on Requesting Full Authorization from the General Meeting for the Board of Directors to Handle Matters Related to the Company's Employee Stock Ownership Plan were deliberated and approved. For details, refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on December 12 and December 30, 2025.

As of the date of this report, the Company has not yet purchased any shares under its 2026 Employee Stock Ownership Plan.

Other incentives

Applicable Not applicable

(III). Information of share incentives granted to directors and officers during the Reporting Period

Applicable Not applicable

(IV). Appraisal mechanism for officers during the Reporting Period, as well as the establishment and implementation of the incentive mechanism

Applicable Not applicable

Adhering to the core philosophy of “Company-wide Management, Creation and Sharing,” the Company has established a comprehensive performance management and compensation incentive system for senior executives. The compensation received by senior executives consists of a base salary, position-based pay, performance-based pay, and incentive bonuses. The Company implements an annual salary system for senior management that combines position-based pay grades with performance evaluations. With the approval of the Board of Directors, the Company may additionally award incentive bonuses to senior management. Through the organic integration and gradual implementation of short-, medium-, and long-term incentives, the Company effectively promotes value creation among senior management, fostering a virtuous cycle of dynamic alignment between contributions and rewards, and continuously driving value creation and the sharing of results.

In accordance with the requirements of the “Guidelines on Corporate Governance for Listed Companies” and other relevant laws and regulations, the Company has formulated the “Remuneration Management System for Directors and Senior Management.” This system further clarifies matters such as the proportion of performance-based compensation for senior executives, deferred payment arrangements, and clawback mechanisms. The system was reviewed and approved by the Company’s 11th Board of Directors at its second meeting on April 21, 2026, and is still subject to approval by the shareholders’ meeting.

The Company’s Board of Directors has established a remuneration and appraisal committee, whose primary responsibilities include formulating and reviewing compensation policies, plans, and evaluation criteria for senior management, as well as organizing and implementing performance evaluations and assessments of senior management in accordance with established performance evaluation standards and procedures. In designing the evaluation mechanism, the Company adheres to the principle of aligning authority with responsibility, ensuring that the compensation levels of senior management are closely linked to their contributions to their roles, the Company’s overall performance, and its long-term strategic objectives, thereby supporting the Company’s pursuit of sustainable, high-quality development.

The Company has long been committed to aligning the interests of its core management team with those of the Company through incentive mechanisms. Since 2017, the Company has implemented seven employee stock ownership plans and one restricted stock incentive plan. By setting challenging company-wide performance targets and individual evaluation criteria, the Company has deeply integrated corporate development with personal growth. This mechanism has not only effectively

stimulated the initiative and creativity of senior management and key personnel but has also created an internal driving force for the steady growth of key financial indicators such as revenue and net profit, achieving synergistic progress in strategy implementation, performance improvement, and talent development.

X. Development and Implementation of Internal Control Policies during the Reporting Period

Applicable Not applicable

In 2025, the Company strictly adhered to the “Basic Standards for Enterprise Internal Control” and relevant laws and regulations. In accordance with the requirements of the Company’s “Internal Control Management System”, and in light of the Company’s annual business objectives and actual development needs, the Company continued to advance the optimization, refinement, and effective implementation of its internal control system.

During the reporting period, to further strengthen the development of its internal control framework, the Company, in accordance with relevant laws and regulations and in light of changes in the internal and external environment as well as internal governance and control requirements, comprehensively reviewed, optimized, and updated the processes and policies of all departments and business segments. The Company also revised relevant internal control management documents, striving to establish a scientifically designed and effectively functioning internal control system. This initiative aims to better align with the Company’s current management practices and future development needs, thereby providing systematic support for the sound and compliant operation of all business activities and the effective prevention and control of operational risks.

The Company’s Board of Directors has established an audit committee to serve as the governing body for the inspection and oversight of internal controls. Under the guidance of the Audit Committee, the Company’s internal audit department is responsible for the day-to-day inspection and evaluation of internal control implementation. Together, these two bodies constitute the Company’s risk and internal control management framework, providing comprehensive oversight and evaluation of the Company’s internal control management.

In 2025, the Company organized and conducted an internal control evaluation in accordance with the corporate internal control standards and the Company’s regulations. In accordance with the management requirements of the “Basic Standards for Enterprise Internal Control” and the Company’s “Internal Control Management System,” the evaluation focused on the Company’s core business operations. It primarily involved internal control testing and evaluation across seven key business areas: consignment management, materials procurement, product sales, asset management, operational control, engineering projects, and human resources. This process accurately identified risk points in critical processes, collaborated with various business departments to establish and improve risk prevention and control mechanisms, optimized internal control requirements, ensured the standardized operation of all business activities, and supported the Company’s high-quality and steady development.

During the reporting period, the Company's internal control system was effectively implemented, meeting management requirements and development needs, and providing a strong foundation for the sound operation of business activities and risk management. Based on an evaluation, the Company's internal control system is complete, reasonable, and effective. As of the end of the reporting period, there were no material or significant internal control deficiencies. The system fulfilled its intended management and control functions across all aspects of the Company's operations, effectively mitigating operational risks and facilitating the achievement of the Company's business objectives.

For specific details regarding the Company's internal control evaluation, please refer to the "Meihua Holding Group Co., Ltd. 2025 Annual Internal Control Evaluation Report," which was disclosed on the Shanghai Stock Exchange website (www.sse.com.cn) on the same day as this report.

Explanation of major defects in internal control during the Reporting Period

Applicable Not applicable

XI. Management and Control of Subsidiaries during the Reporting Period

Applicable Not applicable

Important subsidiaries of the Company include Tongliao Meihua Biotech Co., Ltd., Xinjiang Meihua Amino Acid Co., Ltd., and Jilin Meihua Amino Acid Co., Ltd., among others. The Company provides overall guidance, process supervision, and resource support to the corresponding business departments of its subsidiaries, and implements systematic management and control in such aspects as standard operation, human resource management, financial management, internal audit, information disclosure, investment and financing management, and operational appraisal, thereby ensuring that the operations of each subsidiary comply with the Company's overall development strategy and internal control requirements, thus improving overall operational efficiency, strengthening anti-risk capabilities, and realizing the security, preservation and appreciation of the Company's assets.

During the Reporting Period, each subsidiary strictly followed the Basic Standard for Enterprise Internal Control and the Company's unified standardized management systems and business processes. In alignment with the Company's overall development strategy and annual operational goals, the subsidiaries developed tiered business plans and corresponding risk management mechanisms, continuously improved their internal control systems, and promoted the effective integration of strategy execution, business operations, and risk prevention and control.

On July 1, 2025, the Company and its wholly-owned subsidiary, Singapore Company, completed the closing of the acquisition with Kyowa Hakko. The target assets included Kyowa Hakko's food amino acid and pharmaceutical amino acid businesses, among others. These assets and businesses were consolidated under Primeno, a subsidiary of the Company's wholly-owned subsidiary, Singapore Company.

During the reporting period, the Company actively advanced the operational integration and management system alignment of its overseas subsidiary, Primeno, successfully completing the full-cycle process from asset transfer to business handover.

Risk Warning Regarding Abnormalities in Management Control of Subsidiaries

Applicable Not applicable

XII. Explanation of Relevant Information about the Internal Control Audit Report

Applicable Not applicable

The Company has engaged RSM China CPA LLP (Special General Partnership) to audit the internal control of the Company during the Reporting Period. The internal control audit report (Document No.: RSM Shen Zi [2026] 518Z0526) was issued, which concluded that, as of December 31, 2025, the Company maintained effective internal control over financial reporting in all material respects, in accordance with the Basic Standard for Enterprise Internal Control and related regulations. For details of the Company's internal control audit, please refer to the 2025 Annual Internal Control Audit Report of Meihua Holdings Group Co., Ltd. disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on the same date as this report.

Whether the internal control audit report is disclosed: Yes

Type of opinion of the internal control audit report: Standard Unqualified

Was a non-standard audit opinion on internal controls issued for the reporting period or the prior year?

Yes No

XIII. Rectification of Self-identified Problems in Special Action for the Governance of Listed Company

Not applicable

XIV. Environmental Information on Listed Companies and Their Major Subsidiaries Included in the List of Entities Required to Disclose Environmental Information in Accordance with the Law

Applicable Not applicable

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

		yfplHomeNew/index.js&cantonCode=150000 National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action
3	Xinjiang Meihua Amino Acids Co., Ltd.	National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action
4	Jilin Meihua Amino Acids Co., Ltd.	Enterprise Environmental Information Disclosure System (Jilin) http://36.135.7.198:9015/index National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action
5	Shanghai Pulimino Amino Acids Co., Ltd.	Enterprise Environmental Information Disclosure System (Shanghai) https://e2.sthj.sh.gov.cn/jsp/view/hjpl/index.jsp National Pollutant Discharge Permit Management Information Platform https://permit.mee.gov.cn/perxxgkinfo/syssb/xkgg/xkgg!licenseInformation.action

Other information

Applicable Not applicable

In addition to the companies mentioned above, the Company's other wholly-owned subsidiaries—such as Langfang Meihua Seasoning Food Co., Ltd. and Tongliao Meihua Seasoning Food Co., Ltd., which are primarily engaged in the packaging and sale of seasonings; Lhasa Meihua, which is primarily engaged in external investments; Hong Kong Meihua, a trading company primarily responsible for the export sales of the Company's products; and Meihua (Shanghai) Biotechnology Co., Ltd., which is primarily engaged in technology development—have not been included in the list of enterprises required to disclose environmental information in accordance with the law.

XV. Social Responsibility-Related Work

(I). Whether the social responsibility report, the sustainable development report, or the ESG report was disclosed separately

Applicable Not applicable

The Company's "2025 Environmental, Social, and Governance Report" was disclosed on the Shanghai Stock Exchange website on the same day as this report. The disclosure URL is: <http://www.sse.com.cn>.

(II). Information of social responsibility-related work

Applicable Not applicable

External donations and charity projects	Amount/content	Remark
Total spending ('0000 yuan)	390.110	
including: funds ('0000 yuan)	370.255	
value of supplies ('0000 yuan)	19.855	
Number of beneficiaries (person)	137,082	

Other information

Applicable Not applicable

For detailed information on the Company's corporate social responsibility initiatives, please refer to the Company's "2025 Environmental, Social, and Governance Report," which was disclosed on the Shanghai Stock Exchange website (www.sse.com.cn) on the same day as this report.

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

Applicable Not applicable

Poverty alleviation and rural revitalization projects	Amount/content	Remark
Total spending ('0000 yuan)	73.6	
including: funds ('0000 yuan)	63.0	
value of supplies ('0000 yuan)	10.6	
Number of beneficiaries (person)	2,120	
Form of support (such as industrial poverty alleviation, poverty alleviation through employment opportunities, poverty alleviation through education, etc.)	Industrial poverty alleviation, infrastructure poverty alleviation, social security poverty alleviation, etc.	

Other information

Applicable Not applicable

During the reporting period, the Company focused on rural industrial development and improving living conditions, injecting new vitality into sustainable development:

1. Promoting industrial and cultural development: The Company donated 300,000 yuan to Layu Township, Qiongjie County, Shannan City, Tibet Autonomous Region, earmarked for the rural revitalization and infrastructure improvement project in Qiangji Village, Layu Township, to promote the development of the local cultural industry.

2. Improving Infrastructure and Livelihoods: The Company donated 200,000 yuan to Seqing Township, Nie Rong County, Tibet Autonomous Region, specifically for local rural revitalization infrastructure projects (such as the repair of streetlights and the upgrading of lighting facilities); it also donated 80,000 yuan to Daobao Town, Taobei District, Baicheng City, specifically to assist in poverty alleviation efforts and support the construction of public infrastructure.

3. Supporting Model Development in Frontier Regions: We donated 50,000 yuan to the Wujiaqu City Charity Federation of the Sixth Division, earmarked specifically to support the Aketao Rural Demonstration Zone in Xinjiang in purchasing daily necessities and basic office supplies, thereby enhancing local social welfare and public service capabilities.

4. Empowering Agricultural Development: Tongliao Company and Xinjiang Company donated 140 tons and 7 tons of fertilizer, respectively, to local farmers. This tangible material support helps reduce production costs for farmers while improving soil fertility and overall agricultural productivity.

Going forward, the Company will continue to support the national rural revitalization strategy, actively fulfill its social responsibilities, help rural areas unleash their internal development potential, and promote the coordinated development of the economy, society, and the environment.

XVII. Miscellaneous

Applicable Not applicable

Section 5 Significant Matters

I. Fulfillment of Commitments

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

√ Applicable □ Not applicable

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

			approval in accordance with relevant laws, regulations, and the Articles of Association. They undertake not to harm the legitimate rights and interests of the listed company and other shareholders through related-party transactions.						
Others	Meng Qingshan and persons acting in concert	Upon completion of the transaction, they will maintain the independence of the listed company, observe the principle of separation in personnel, finance, institution, and business, and run the listed company in accordance with the relevant CRSC rules.	July 19, 2010	No		Yes	Not applicable	Not applicable	

(II). Whether the Company reached the original profit forecast in respect of any asset or project, if there was a profit forecast for the asset or project and it was still the profit forecast period during the Reporting Period and statement of the reasons

Yes No Not applicable

(III). Performance Commitments

Applicable Not applicable

Changes to Performance Commitments

Applicable Not applicable

Other information

Applicable Not applicable

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

Applicable Not applicable

III. Guarantees in Violation of Regulations

Applicable Not applicable

IV. Notes of the Board of Directors on the “Modified Audit Report” from the CPA Firm

Applicable Not applicable

V. Analysis of the Reasons for Changes in Accounting Policies or Accounting Estimates or Correction of Material Accounting Errors and the Effect**(I). Analysis of the reasons for changes in accounting policies or accounting estimates and the effect**

Applicable Not applicable

1. Changes in significant accounting policies

Applicable Not applicable

Unit: Yuan Currency: RMB

Changes in accounting policies and the reasons	Name of financial statement item significantly affected	Amount affected
The Company will apply ‘Interpretation No. 19 of the Enterprise Accounting Standards’ (Cai Kui [2025] No. 32), issued by the Ministry of Finance on 5 December 2025, with effect from 1 January 2026.	None	None

Adjustment process and other information:

None

2. Changes in significant accounting estimates

Applicable Not applicable

(II). Analysis of the reasons for correction of material accounting errors and the effect

Applicable Not applicable

(III). Communication with previously appointed CPA firms

Applicable Not applicable

During the reporting period, the Company communicated with both the former and the incoming accounting firms regarding the change of auditor. Both parties were informed of the change and raised no objections. The former and incoming accounting firms conducted communications and responded to relevant inquiries in accordance with the China Standards on Auditing No. 1153 — Communication Between Predecessor and Successor Auditors and other applicable requirements.

(IV). Review and approval procedures and other information

Applicable Not applicable

The aforementioned changes to accounting policies were approved at the second meeting of the Company’s 11th Board of Directors; the aforementioned change of accounting firm was approved at the 20th meeting of the Company’s 10th Board of Directors and at the second extraordinary general meeting of 2025.

VI. Appointment and Dismissal of CPA Firms

Unit: Yuan Currency: RMB

	Former CPA firm in service	Current CPA firm in service
Name of domestic CPA firm	Zandar (Shenzhen) CPAs LLP (special general partnership) (formerly known as Da Hua CPAs LLP (special general partnership))	RSM China CPA LLP (Special General Partnership)
Remuneration for domestic CPA firm	1,400,000	2,100,000
Limit on years of audit by domestic CPA firm	1	1
Names of CPAs from domestic CPA firm	Liu Qianqian, Li Qianqian	Gong Chenyan, Li Qianqian
Total years of audit service by CPAs from domestic CPA firm	Liu Qianqian (1 year), Li Qianqian (3 years)	Gong Chenyan (4 years), Li Qianqian (4 years)

	Name	Remuneration
CPA firm for internal control audit	RSM China CPA LLP (Special General Partnership)	800,000

Explanation of appointment and dismissal of CPA firm

 Applicable Not applicable

In accordance with the “Measures for the Selection and Appointment of Accounting Firms by State-Owned Enterprises and Listed Companies” and other relevant regulations, and after comprehensively considering the Company’s business development and overall audit requirements, and to ensure the independence, objectivity, and fairness of the audit work, the Company’s 10th board of directors’ 20th Meeting and the 2025 second extraordinary general meeting of shareholders have approved the following: the Company has appointed RSM China CPA LLP (Special General Partnership) as its auditor for the 2025 financial statements and internal control audit, to provide audit services to the Company.

Explanation of appointment of another CPA firm during the audit period

 Applicable Not applicable

Explanation of a reduction in audit fees by more than 20% (inclusive) from prior year

 Applicable Not applicable

Due to the establishment of new overseas subsidiaries following the Company’s cross-border acquisition, there has been a corresponding increase of 700,000 yuan in overseas audit services; this change in expenses is consistent with the Company’s actual circumstances.

VII. Delisting Risk**(I). Causes of delisting risk warning**
 Applicable Not applicable

(II). Countermeasures planned by the Company Applicable Not applicable**(III). Termination of listing** Applicable Not applicable**VIII. Bankruptcy and Restructuring-Related Matters** Applicable Not applicable**IX. Significant Litigation and Arbitration** The Company had significant litigation or arbitration in the year The Company did not have significant litigation or arbitration**(I). Circumstances in which litigation or arbitration was disclosed in provisional announcements but did not subsequently progress** Applicable Not applicable

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

(II). Circumstance where any litigation or arbitration was not disclosed in provisional announcements or progressed subsequently Applicable Not applicable**(III). Other information** Applicable Not applicable

1. Litigation related to former Dalian Hanxin Bio-Pharmaceuticals Co., Ltd.

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

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

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

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

On October 18, 2022, the Kunming Intermediate People's Court entered the following judgement: 1) the Defendant AIM Honesty Bio-Pharmaceuticals Co., Ltd. repay 28,967,179.55 yuan to the third person

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

On June 30, 2023, the Yunnan High People's Court issued a judgment with Document No. (2023) YMZ No. 324, ruling to reject the appeal and uphold the original judgment. AIM Honesty has applied for a retrial with the Supreme People's Court in respect of the above dispute. On March 26, 2024, the Supreme People's Court issued Civil Ruling No. (2023) ZGFMZ No. 1737, deciding that: (1) the case would be retried by the Supreme People's Court; and (2) the enforcement of the original judgment would be suspended during the retrial. On October 10, 2024, the case was heard by the Supreme People's Court.

On August 22, 2025, the Supreme People's Court issued a judgment with the reference number [(2024) Supreme Court Civil Rehearing No. 209], with the following outcome: 1) To set aside the civil judgment of the Yunnan High People's Court (2023) Yun Min Zhong No. 324; 2) To set aside the civil judgment of the Kunming Intermediate People's Court of Yunnan Province (2021) Yun 01 Min Chu No. 4275; 3) AIM Honesty shall repay 3,342,226.4 yuan to Sunwise Measure and Control Technology Co., Ltd. within 10 days from the effective date of this judgment, along with fund occupation fees calculated on the principal amount of 3,342,226.4 yuan (calculated from August 17, 2021, until the date of full repayment, based on the Loan Market Quote Rate published by the National Interbank Funding Center); 4) Dismiss the other claims brought by Sunwise Industry Co., Ltd..

The aforementioned amounts totaling RMB 3,819,514.65 were paid in full in November 2025. The difference of RMB 28,618,647.27 from the previously accrued amount was recognized as non-operating income for the current period.

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

Shandong Fufeng Fermentation Co., Ltd. ("Shandong Fufeng") filed a lawsuit against the Company and its subsidiary Xinjiang Meihua over a dispute concerning trade secrets related to xanthan gum production. Through multiple trials of the court, under the auspices of the enforcement judge of the Jinan Intermediate People's Court, in early March 2025, the Company and its wholly-owned subsidiary Xinjiang Meihua reached an enforcement settlement agreement with Shandong Fufeng regarding the trade secrets for the production of xanthan gum involved in the case. For details, please refer to the relevant announcements issued by the Company.

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

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

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

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

Applicable Not applicable

On November 7, 2025, the Company received written notice from its controlling shareholder, Mr. Meng Qingshan, stating that he had received a “Criminal Judgment” issued by the Langfang Intermediate People’s Court of Hebei Province, which ruled as follows: The defendant, Meng Qingshan, was found guilty of manipulating the securities market and sentenced to three years’ imprisonment, suspended for five years, along with a fine (the probationary period shall be calculated from the date the judgment takes effect, and the fine shall be offset by the administrative penalty fines already paid).

Mr. Meng Qingshan has not held any position with the Company since his retirement in January 2017. The aforementioned matter concerns Mr. Meng Qingshan personally and has no relation to the Company. Currently, the Company’s production and business operations are proceeding normally. This matter will not affect the Company’s equity structure, corporate governance, or production and business operations.

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

Applicable Not applicable

XII. Significant Related-Party Transactions

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Related party	Content of related-party transaction	Amount incurred in the current period (yuan)	Amount incurred in the previous period (yuan)
Tongliao Desheng Bio-tech Co., Ltd.	Goods	75,113,020.43	75,539,223.56
Tongliao Desheng Bio-tech Co., Ltd.	Services	994,582.93	26,489.59
Total		76,107,603.36	75,565,713.15

2) Related-party leases

Where the Company is the lessor

Name of lessee	Type of leased asset	Rental income recognized in the current period (yuan)	Rental income recognized in the previous period (yuan)
Tongliao Desheng Bio-tech Co., Ltd.	Housing	1,505,861.10	2,739,061.65
Total		1,505,861.10	2,739,061.65

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

(VI). Miscellaneous

Applicable Not applicable

XIII. Major Contracts and Performance

(I). Trusteeship, contracting, and lease matters

1. Trusteeship

Applicable Not applicable

2. Contracting

Applicable Not applicable

3. Leases

Applicable Not applicable

(II). Guarantees√Applicable Not applicable

Unit: Yuan Currency: RMB

The Company's external guarantees (excluding guarantees for subsidiaries)	
Total amount of guarantees issued during the reporting period (excluding guarantees for subsidiaries)	
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	
The Company's and its subsidiaries' guarantee for subsidiaries	
Total amount of guarantees incurred during the Reporting Period	1,658,608,602.81
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	909,608,602.81
The Company's total guarantees (including guarantees for subsidiaries)	
Total guarantees (A+B)	909,608,602.81
Proportion of total guarantees in the Company's net assets (%)	5.56

(III). Cash asset management through trusteeship**1. Entrusted financing****(1). Overview of entrusted financing**√Applicable Not applicable

Unit: '0000 yuan Currency: RMB

Type	Risk Level	Balance undue	Overdue balance not recovered
Bank wealth management products	R1	32,313.98	
Bank wealth management products	R2	82,267.01	
Brokerage wealth management products	R1	7,200.00	
Brokerage wealth management products	R2	2,000.00	
Brokerage wealth management products	R3	2,800.00	
Trust wealth management products	R2	7,800.00	
Trust wealth management products	R3	1,200.00	
Trust wealth management products	R4	4,165.00	

Others	R3	2,000.00
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Other information

Applicable Not applicable

(2). Single entrusted financing

Applicable Not applicable

Unit: '0000 yuan Currency: RMB

Trustee	Type	Risk Level	Amount	Start Date	End Date	Investment Allocation	Are there any restrictions	Actual gains or losses	Balance undue	Overdue balance not recovered
First Capital Securities Co., Ltd.	Fund of Funds (FOF)	R3	2,000	2025/4/10	Redemption available monthly	Cash-equivalent assets, quantitative funds, and arbitrage funds	No		2,000	

Other information

Applicable Not applicable

(3). Impairment provisions for entrusted financing

Applicable Not applicable

2. Entrusted loans

(1). Overview of entrusted loans

Applicable Not applicable

Other information

Applicable Not applicable

(2). Single entrusted loans

Applicable Not applicable

Other information

Applicable Not applicable

(3). Impairment provisions for entrusted loans

Applicable Not applicable

3. Other information

Applicable Not applicable

(IV). Other major contracts

Applicable Not applicable

XIV. Progress of the use of raised funds

Applicable Not applicable

XV. Other Important Matters That Have a Major Effect on Investors' Value Judgement and Investment Decision-Making

Applicable Not applicable

1. Progress of share repurchases

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

As of the end of March 2026, the Company has not yet conducted any share repurchases and will implement this repurchase plan at an appropriate time based on market conditions.

2. Implementation Status of the Management Shareholding Increase Plan

A total of 76 members, including certain directors, officers, and other key management personnel (or technical leaders) of the Company, driven by their confidence in the Company's future prospects and recognition of its long-term investment value, and with the aim of maintaining stability in the capital markets and boosting investor confidence, plan to increase their holdings of the Company's shares through purchases on the secondary market for a period not exceeding 12 months starting from January 14, 2026. The total amount of shares to be purchased is expected to be no less than RMB 303.75 million (including transaction costs) and no more than RMB 350.15 million (including transaction costs). They have committed not to sell any of their existing shares in the Company during the implementation of this share purchase plan, and not to sell the shares acquired through this plan by any means for a period of 24 months following the full completion of the plan and the Company's lawful public announcement thereof. For specific details, please refer to the “Announcement on the Share Purchase Plan by the Company's Directors, Officers, and Other Key Management Personnel” (Announcement No. 2026-003) disclosed by the Company on January 15, 2026, on the Shanghai Stock Exchange website (www.sse.com.cn).

3. Sale of the Thailand Plant

In July 2025, the Company successfully completed the acquisition of Kyowa Hakko's food and pharmaceutical amino acid and HMO businesses, thereby acquiring multiple overseas production facilities, including the one in Thailand. To focus on core business development and optimize resource allocation, and following a careful evaluation, the Company decided to sell 100% of the equity in the

Thai factory to Novonosis, a globally renowned biotechnology company, in order to further optimize its global production capacity layout and concentrate on the business of high-end amino acid raw materials produced through synthetic biology fermentation. The transaction was completed in early April 2026. Following the completion of the transaction, the Company no longer holds any equity in the Thai company.

Novonosis is a global biotechnology giant headquartered in Denmark. Formed through the official merger of Novozymes and Chr. Hansen in January 2024, it is one of the world's largest suppliers of industrial enzymes and microbial solutions. This successful transaction has laid a solid foundation for broader collaboration between these two leading companies in the biotechnology sector. It will enable both parties to achieve mutual benefits based on trust and cooperation, jointly driving the high-quality development of the global biotechnology industry.

Section 6 Share Changes and Shareholders

I. Changes in Share Capital

(I). Table of share changes

1. Table of share changes

Unit: share

	Before the change		Increase/decrease (+, -)					After the change	
	Quantity	Proportion (%)	New shares issued	Bonus shares	Shares converted from reserve funds	Others	Subtotal	Quantity	Proportion (%)
Restricted shares									
1. Shares held by the state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors									
including: shares held by domestic non-state-owned legal persons									
shares held by domestic natural persons									
4. Shares held by foreign investors									
including: shares held by foreign legal persons									
shares held by foreign natural persons									
II. Non-restricted outstanding shares	2,852,788,750	100				-48,547,100	-48,547,100	2,804,241,650	100
RMB ordinary shares	2,852,788,750	100				-48,547,100	-48,547,100	2,804,241,650	100
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total shares	2,852,788,750	100				-48,547,100	-48,547,100	2,804,241,650	100

2. Explanation of Changes in Share Capital√ Applicable Not applicable

The Company held the 13th meeting of the tenth session of the Board of Directors and the second extraordinary general meeting of shareholders in 2024 on September 23, 2024 and October 11, 2024, respectively, at which the Proposal on Repurchasing the Company's Shares by Means of Centralized Bidding was reviewed and approved, with the repurchased shares to be canceled for the purpose of reducing the registered capital. On October 12, 2024, the Company disclosed the Repurchase Report on the Repurchase of Shares by Means of Centralized Bidding, and carried out the first repurchase on October 23, 2024. For details, please refer to the relevant announcements disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn).

On September 4, 2025, the Company released the Announcement on the Implementation Results of Share Repurchase and Changes in Share Capital (Announcement No. 2025-054). The Company had completed the share repurchase plan, having repurchased a total of 48,547,100 shares, accounting for 1.70% of the total share capital of 2,852,788,750 shares at the time. The average repurchase price was RMB 10.13 per share, and the total amount paid was RMB 492.017 million (excluding transaction fees). The repurchased shares were canceled on September 4, 2025, at China Securities Depository and Clearing Corporation Limited, and the total share capital of the Company changed from 2,852,788,750 shares to 2,804,241,650 shares. On March 18, 2026, the Company completed the relevant industrial and commercial registration procedures and obtained a renewed business license issued by the Market Supervision Administration of the Tibet Autonomous Region.

3. Effect of share changes on financial indicators for the past year and most recent reporting period, including earnings per share and net assets per share (if applicable) Applicable √ Not applicable**4. Other information that the Company deems necessary to disclose or as required by the securities regulatory body** Applicable √ Not applicable**(II). Changes in restricted sales** Applicable √ Not applicable**II. Issue and Listing of Securities****(I). Issue of securities as of the Reporting Period**√ Applicable Not applicable

Unit: share Currency: RMB

Type of shares and their derivative securities	Date of issue	Issue price (or interest rate)	Issued quantity	Date of listing	Quantity approved for listing	End date of trading
Type of ordinary share						
Ordinary A-shares	2013-3-29	6.27	399,990,000	2014-3-30	399,990,000	
Bonds (including enterprise bonds, debentures, and non-financial business debt financing instruments)						

Debenture	2015-7-31	4.47%	15,000,000,000			
Debenture	2015-10-31	4.27%	15,000,000,000			

Explanation of the issue of securities as of the Reporting Period (for bonds with different interests rates during the term, please provide explanation separately):

Applicable Not applicable

(II). Changes in the Company's total shares, shareholder structure, and asset and liability structure

Applicable Not applicable

Upon the Company's application, the Company canceled 48,547,100 repurchased shares with China Securities Depository and Clearing Corporation Limited on September 4, 2025. Consequently, the Company's total issued share capital was reduced from 2,852,788,750 shares to 2,804,241,650 shares.

(III). Shares Held by Internal Staff

Applicable Not applicable

III. Overview of Shareholders and Actual Controller

(I). Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period	71,751
Total number of ordinary shareholders as of the end of the month immediately prior to the disclosure date of the annual report	78,445

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

Unit: Share

Shares held by the top ten shareholders (excluding the shares lent through refinancing)							
Shareholder's name (full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the period	Proportion (%)	Number of restricted shares held	Pledged, marked, or frozen shares		Nature of shareholder
					Share status	Share status	
Meng Qingshan		854,103,033	30.46		None		Domestic natural person
Hong Kong Securities Clearing Company Limited		113,522,685	4.05		None		Other
Wang Aijun		72,452,774	2.58		None		Domestic natural person

Liang Yubo		54,474,218	1.94		None		Domestic natural person
Hu Jijun		52,678,128	1.88		None		Domestic natural person
China Construction Bank Corporation – Huatai-PineBridge CSI Dividend Low Volatility ETF		47,921,706	1.71		None		Other
National Social Security Fund Portfolio 406		38,950,999	1.39		None		Other
Zhejiang Commercial Bank Co., Ltd. – Guotai CSI Livestock and Poultry Farming ETF		38,159,321	1.36		None		Other
Agricultural Bank of China Limited – Southern S&P China A-Share Large-Cap Dividend Low Volatility 50 ETF		36,931,980	1.32		None		Other
Beijing Royal Fortune Co., Ltd. -- Royal Fortune Huichen Strategic Investment Private Securities Investment Fund		33,312,407	1.19		None		Other

Shares held by the top ten holders of non-restricted shares (excluding the shares lent through refinancing)

Name of shareholder	Quantity of non-restricted tradable shares held	Type and quantity of shares	
		Type	Type
Meng Qingshan	854,103,033	RMB ordinary share	854,103,033
Hong Kong Securities Clearing Company Limited	113,522,685	RMB ordinary share	113,522,685
Wang Aijun	72,452,774	RMB ordinary share	72,452,774
Liang Yubo	54,474,218	RMB ordinary share	54,474,218
Hu Jijun	52,678,128	RMB ordinary share	52,678,128
China Construction Bank Corporation – Huatai-PineBridge CSI Dividend Low Volatility ETF	47,921,706	RMB ordinary share	47,921,706
National Social Security Fund Portfolio 406	38,950,999	RMB ordinary share	38,950,999

Zhejiang Commercial Bank Co., Ltd. – Guotai CSI Livestock and Poultry Farming ETF	38,159,321	RMB ordinary share	38,159,321
Agricultural Bank of China Limited – Southern S&P China A-Share Large-Cap Dividend Low Volatility 50 ETF	36,931,980	RMB ordinary share	36,931,980
Beijing Royal Fortune Co., Ltd. -- Royal Fortune Huichen Strategic Investment Private Securities Investment Fund	33,312,407	RMB ordinary share	33,312,407
Information on the Repurchase Account Among the Top Ten Shareholders	None		
Information of voting trust, voting trusteeship, and abstention of voting rights for the above shareholders	Among the above shareholders, Meng Qingshan, Hu Jijun, Wang Aijun, and Liang Yubo have no voting trust, voting trusteeship, and abstention of voting rights. The information of voting trust, voting trusteeship, and abstention of voting rights for other shareholders is not known.		
Information of relationships or acting in concert of the above shareholders	Among the above shareholders, Meng Qingshan and Wang Aijun are persons acting in concert.		
Information of preferred shareholders with restored voting rights and the number of shares held by them	None		

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

Applicable Not applicable

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

Applicable Not applicable

Number of shares held by the top ten holders of restricted shares and the restrictions

Applicable Not applicable

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

Applicable Not applicable

IV. Information of Controlling Shareholder and Actual Controller

(I). Information of controlling shareholder

1. Legal person

Applicable Not applicable

2. Natural person

Applicable Not applicable

Name	Meng Qingshan
Nationality	Chinese
Whether a resident status in other countries	No

or regions is obtained	
Major occupation and position	He served as Chairman of the Company from March 2009 to January 2017.

3. Explanation of circumstance where the Company does not have a controlling shareholder

Applicable Not applicable

4. Explanation of changes in controlling shareholder during the Reporting Period

Applicable Not applicable

5. Diagram of the property right and control relationship between the Company and its controlling shareholder

Applicable Not applicable



(II). Information of actual controller

1. Legal person

Applicable Not applicable

2. Natural person

Applicable Not applicable

Name	Meng Qingshan
Nationality	Chinese
Whether a resident status in other countries or regions is obtained	No
Major occupation and position	He served as Chairman of the Company from March 2009 to January 2017.
Information of any domestic or foreign holding listed company during the past 10 years	None
Name	Wang Aijun
Nationality	Chinese
Whether a resident status in other countries or regions is obtained	No
Major occupation and position	She has served as Chairperson of the Company since January 16, 2017.
Information of any domestic or foreign holding listed company during the past 10 years	None
Name	He Jun
Nationality	Chinese

Whether a resident status in other countries or regions is obtained	No
Major occupation and position	He served as Director and General Manager of the Company from January 16, 2017 as of now.
Information of any domestic or foreign holding listed company during the past 10 years	None
Name	Wang Ailing
Nationality	Chinese
Whether a resident status in other countries or regions is obtained	No
Major occupation and position	She served as Senior Deputy General Manager of the Company from December, 2025 as of now.
Information of any domestic or foreign holding listed company during the past 10 years	None
Name	Wang Aimin
Nationality	Chinese
Whether a resident status in other countries or regions is obtained	No
Major occupation and position	He has served as Chairperson of the Tibet Meihua Public Welfare Foundation since 2018.
Information of any domestic or foreign holding listed company during the past 10 years	None
Name	Wang Aidi
Nationality	Chinese
Whether a resident status in other countries or regions is obtained	No
Major occupation and position	She has served as head of the Company's Treasury Department since 2020.
Information of any domestic or foreign holding listed company during the past 10 years	None

3. Explanation of circumstance where the Company does not have an actual controller

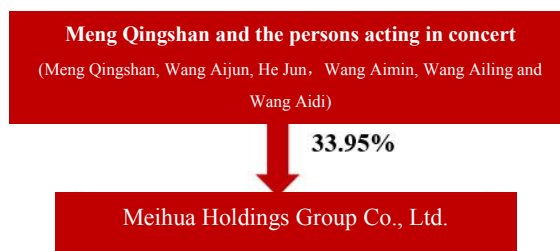
Applicable Not applicable

4. Explanation of changes in the Company's control during the Reporting Period

Applicable Not applicable

5. Diagram of the property right and control relationship between the Company and its actual controller

Applicable Not applicable



6. Actual controller controlling the Company through trust or other asset management methods

Applicable Not applicable

(III). Other information of controlling shareholder and actual controller

Applicable Not applicable

Wang Aijun, He Jun, Wang Ailing, Wang Aimin, Wang Aidi, and the controlling shareholder Meng Qingshan are acting in concert

V. Total number of pledged shares of the Company's controlling shareholder or top shareholder and the persons acting in concert accounting for more than 80% of the Company's total shares

Applicable Not applicable

VI. Corporate shareholders holding more than 10% of the shares

Applicable Not applicable

VII. Explanation of decrease of holding of shares due to share restrictions

Applicable Not applicable

VIII. Implementation of share repurchase during the reporting period

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of the share repurchase plan	Share Repurchase Plan of Meihua Holdings Group Co., Ltd.
Disclosure date of the share repurchase plan	September 24, 2024
Number of shares planned to repurchase and the proportion in the total shares (%)	0.88–1.46% (based on the Company's then-current total issued shares of 2,852,788,750)
Planned amount of repurchase	300 million yuan - 500 million yuan
Planned Duration of Repurchase	Less than 12 months from the date the repurchase plan is approved at the Company's general meeting
Purpose of repurchase	Cancellation - to reduce the registered capital
Repurchased quantity (share)	48,547,100
Proportion of repurchased shares in the underlying shares involved in the share incentive plan (%) (if applicable)	Not applicable
Progress in Reducing Shareholding Through Centralized Bidding	Not applicable

Name of the share repurchase plan	Share Repurchase Plan of Meihua Holdings Group Co., Ltd.
Disclosure date of the share repurchase plan	December 30, 2025
Number of shares planned to repurchase and the proportion in the total shares (%)	0.08~0.12 (based on the Company's current total issued share capital of 2,804,241,650 shares)
Planned amount of repurchase	350 million yuan - 500 million yuan
Planned Duration of Repurchase	Less than 12 months from the date the repurchase plan is approved at the Company's Board of Directors
Purpose of repurchase	To be used for the subsequent implementation of an employee stock ownership plan or equity incentive program. If the Company fails to use all repurchased shares within 36 months of the completion of the share repurchase, the unused repurchased shares will be canceled.
Repurchased quantity (share)	0
Proportion of repurchased shares in the underlying shares involved in the share incentive plan (%) (if applicable)	Not applicable
Progress in Reducing Shareholding Through Centralized Bidding	Not applicable

IX. Information on Preferred Shares

Applicable Not applicable

Section 7 Information on Securities

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

Applicable Not applicable

II. Information of Convertible Debentures

Applicable Not applicable

Section 8 Financial Report

I. Audit Report

Applicable Not applicable

RSMSZ No. [2026] 518Z0527

To all shareholders of Meihua Holdings Group Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Meihua Holdings Group Co., Ltd. (hereinafter referred to as "Meihua Bio"), including the consolidated and parent Company's balance sheets as of December 31, 2025, as well as the consolidated and parent Company's income statements, the consolidated and parent Company's cash flow statements, the consolidated and parent Company's statement of changes in equity, and related notes to the financial statements for the year 2025.

We believe that the accompanying financial statements have been formulated in accordance with the *Accounting Standards for Business Enterprises* in all material respects and present fairly the consolidated and parent Company's financial position of Meihua Bio as of December 31, 2025, and the consolidated and parent Company's operating results and cash flows for the year 2025.

II. Basis for Audit Opinion

We conducted our audit in accordance with the provisions specified in the Auditing Standards for Certified Public Accountants of China. The section "Responsibilities of Certified Public Accountants for the Audit of Financial Statements" of the audit report further explains our responsibilities under these standards. In accordance with the China Code of Ethics for Certified Public Accountants and the China Independence Standards for Certified Public Accountants, we are independent of Meihua Bio and have complied with the provisions of the Independence Standards applicable to the audit of financial statements of public interest entities, and have fulfilled our other professional ethics responsibilities. 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 for 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.

(I) Revenue recognition

1. Matter Description

Meihua Bio is primarily engaged in the production of amino acid products, with operating revenue for the year 2025 amounting to RMB 2,420,867.51 ten thousand. For accounting policies related to revenue, please refer to Note III, 27. Revenue Recognition Principles and Measurement Methods of the consolidated financial statements, and for the book amount of operating revenue, please refer to Note V, 49. Operating Revenue and Operating Costs of the consolidated financial statements. As revenue is one of the key performance indicators for Meihua Bio, there is inherent risk that the Company's management (hereinafter referred to as "management") may manipulate revenue recognition to achieve specific targets or expectations. Therefore, we identified revenue recognition as a key audit matter.

2. Audit Response

The procedures we implement for revenue recognition primarily include:

(1) Understanding, assessing, and testing the management's internal control over the recognition of operating revenues;

(2) Selecting samples to examine sales contracts and conducting interviews with the management to identify contract terms related to the transfer of control of goods and to evaluate whether revenue recognition policies comply with the *Accounting Standards for Business Enterprises*;

(3) Selecting samples to examine supporting documents related to the recognition of revenue from the main businesses, including sales contracts, sales invoices, shipping documents, export customs declaration forms, and bank payment connection records, to assess whether revenue recognition complies with the Company's accounting policies for revenue recognition;

(4) Performing independent confirmation procedures for sales revenue from significant customers to confirm the authenticity and completeness of revenue;

(5) For sales revenue cutoff testing before and after the balance sheet date, select samples and, in conjunction with goods shipment orders, export customs declaration forms, and other supporting documents, evaluate whether the revenue has been recorded in the appropriate accounting period.

(6) Conducting examinations of sales revenue after the balance sheet date to identify whether there are instances of revenue reversal or substantial sales returns;

(7) Perform sample checks on post-period payments.

Based on the results of these procedures, we did not identify any irregularities in revenue recognition.

(II) Business Combinations

1. Matter Description

In 2025, Meihua Bio completed a business combination under non-common control involving Kyowa's food amino acids, pharmaceutical amino acids, and human milk oligosaccharides (HMO)

businesses, and included them in the scope of consolidation for the 2025 financial statements. The consolidated financial statements recognized identifiable assets of RMB 1,779,029,000, identifiable liabilities of RMB 183,139,400, negative goodwill, which was recognized as non-operating income of RMB 831,441,000. For accounting policies related to the business combination, refer to Note III, 6.(2) “Business Combinations Under Non-Common Control” in the Notes to the Consolidated Financial Statements. For the book amount of identifiable assets, identifiable liabilities, and negative goodwill, refer to Note VII, 1. “Business Combinations Under Non-Common Control.” With the assistance of external appraisers, management assessed the fair value of the identifiable assets and liabilities of Kyowa’s food amino acid, pharmaceutical amino acid, and human milk oligosaccharide (HMO) businesses as of the acquisition date. The process of determining the fair value of identifiable assets and liabilities involved judgments regarding the replacement cost and depreciation rate of identifiable assets. Because the process of determining the fair value of identifiable assets and liabilities involves significant judgments regarding relevant parameters and key assumptions, and because the accounting treatment of the business combination of Kyowa Hakko’s food amino acids, pharmaceutical amino acids, and human milk oligosaccharides (HMO) businesses has a significant impact on the financial statements, we have identified this matter as a key audit matter.

With regard to the accounting treatment for the consolidation of Kyowa’s food amino acids, pharmaceutical amino acids, and human milk oligosaccharides (HMO) businesses, the audit procedures we performed primarily included:

- (1) Obtaining and reviewing relevant documents, such as the share purchase agreement, board resolutions related to the share acquisition, and payment vouchers for the purchase price, to verify the specific details of the transaction;
- (2) Understanding the professional qualifications of the external valuation experts engaged by management and assessing their independence and competence;
- (3) With the assistance of internal valuation experts, assessing the reasonableness of the valuation approach and methods, as well as the replacement cost and depreciation rates of the relevant assets;
- (4) Reviewing the calculation process used by management to recognize negative goodwill based on the valuation results of identifiable assets and liabilities, and verifying the business combination accounting treatment as of the acquisition date.

Based on the procedures performed, we found no irregularities in the business combination.

IV. Other Information

The management is responsible for other information. Other information includes the information included in Meihua Bio's 2025 annual report, but excludes the financial statements and our audit report.

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

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 process, or appears to be materially

misstated.

Based on the work we have performed, if we determine that there is a material misstatement of other information, we are required to report that fact. In this regard, we have no matters to report.

V. Responsibilities of the Management and Governance for Financial Statements

The management is responsible for preparing financial statements in accordance with the *Accounting Standards for Business Enterprises* to ensure fair presentation, and for designing, implementing, and maintaining necessary internal controls to prevent material misstatements in the financial statements arising from fraud or error.

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

The governance is responsible for overseeing the financial reporting process of Meihua Bio.

VI. Responsibilities of Certified Public Accountants for the Audit of Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements arising from fraud or error, and to issue an audit report containing audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from either fraud or error, and it is reasonably expected that individual or aggregated misstatements may affect the economic decisions made by users based on the financial statements, such misstatements are generally considered material.

During the audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism. Additionally, we perform the following procedures:

(1) Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for our audit opinion. The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect one due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.

(2) Understand the internal controls relevant to the audit in order to design appropriate audit procedures.

(3) Evaluate the appropriateness of the accounting policies selected by the management and the reasonableness of accounting estimates and related disclosures.

(4) Come to a conclusion regarding the appropriateness of the management's utilization of the going concern assumption. Additionally, based on the audit evidence obtained, conclude whether significant uncertainties exist regarding matters or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a significant uncertainty, the auditing standards require us to draw attention to users of the report in our audit report to the relevant disclosures in the financial statements; if the disclosures are inadequate, we should issue a qualified opinion. We

come to our conclusion based on information available up to the date of our audit report. However, future events or conditions may result in the Company being unable to continue as a going concern.

(5) Evaluate the overall presentation, structure, and content of the financial statements and whether they fairly reflect the relevant transactions and events.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of Meihua Bio's entities or business activities to express an opinion on the financial statements. We are responsible for directing, supervising, and performing the group audit and bear full responsibility for the audit opinion.

We communicate with the governance about matters related to the planned scope of the audit, timing schedule, and significant audit findings, including the communication of significant internal control deficiencies identified during the audit.

We also provide the governance with a statement regarding compliance with professional ethics requirements related to independence and communicate to the governance all relationships and other matters that might reasonably be seen as compromising our independence as well as relevant preventive measures (if applicable).

From the matters communicated with the governance, we determine those matters that are of most significance in the audit of the financial statements for the current period and therefore constitute the key audit matters. We describe these matters in our audit report unless laws or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the audit report if doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM China CPA LLP
(Special General Partnership)

Chinese Certified Public Accountant: _____
Gong Chenyan (Project Partner)

Beijing , China

Chinese Certified Public Accountant: _____
Li Qianqian

April 21, 2026

II. Financial Statements**Consolidated Balance Sheet**

December 31, 2025

Prepared by: Meihua Holdings Group Co., Ltd.

Unit: Yuan Currency: RMB

Items	Notes	December 31, 2025	December 31, 2024
Current Assets:			
Monetary assets	Note 1	4,288,171,778.59	4,561,056,193.96
Deposit reservation for balance			
Placements with banks and other financial institutions			
Financial assets held for trading	Note 2	1,140,377,416.70	312,033,611.07
Derivative financial assets	Note 3	2,061,300.00	
Notes receivable	Note 4	107,542,558.59	73,697,475.30
Accounts receivable	Note 5	577,371,086.06	587,909,538.21
Receivables Financing	Note 7	17,978,363.00	26,723,054.99
Prepaid accounts	Note 8	171,884,582.59	220,000,861.75
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	Note 9	70,477,156.58	49,292,999.56
Including: Interest receivable		1,575,000.00	1,575,000.00
Dividend receivable		1,395,866.49	1,395,866.49
Financial assets purchased under agreements to resell			
Inventories	Note 10	3,021,627,701.05	2,722,279,908.07
Among them: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year	Note 12	75,575,625.48	182,257,027.81
Other current assets	Note 13	214,731,083.57	164,629,398.67
Total Current Assets		9,687,798,652.21	8,899,880,069.39
Non-current Assets:			
Loans and advances			
Debt investments	Note 14	10,500,000.00	10,500,000.00
Other debt investments			
Long-term receivables	Note 16	233,244.15	601,043.91
Long-term equity investments	Note 17	4,757,925.21	6,874,939.88
Investments in other equity instruments	Note 18	301,966,810.00	441,294,280.00
Other non-current financial assets	Note 19	282,005,000.00	
Investment properties			
Fixed assets	Note 21	12,768,478,381.36	11,338,208,623.56
Construction in progress	Note 22	343,559,937.21	728,524,141.54

Productive biological assets			
Oil and gas assets			
Right-of-use assets	Note 25	4,007,321.13	8,145,892.35
Intangible assets	Note 26	1,557,280,758.01	1,356,812,266.82
Among them: Data resources			
Development expenditure			
Among them: Data resources			
Goodwill	Note 27	11,788,911.79	11,788,911.79
Long-term prepaid expenses	Note 28	133,781,048.89	122,538,549.51
Deferred income tax assets	Note 29	126,369,580.18	101,814,807.93
Other non-current assets	Note 30	683,449,155.24	782,574,484.98
Total Non-current Assets		16,228,178,073.17	14,909,677,942.27
Total Assets		25,915,976,725.38	23,809,558,011.66
Current Liabilities:			
Short-term borrowings	Note 32	1,800,136,227.43	1,734,832,631.06
Borrowings from central bank			
Borrowings from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities	Note 34		297,500.00
Notes payable	Note 35	1,777,053,969.91	1,416,217,579.96
Accounts payable	Note 36	1,735,184,321.70	1,441,533,026.72
Advances from customers			
Contract liabilities	Note 38	746,778,983.64	916,515,321.35
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee benefits payable	Note 39	392,494,934.53	310,133,688.99
Taxes payable	Note 40	194,688,876.58	280,212,685.60
Other payables	Note 41	256,349,893.68	448,115,137.98
Including: Interest payable			
Dividends payable		405,000.00	409,445.58
Handling charges and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	Note 43	281,057,349.33	802,346,793.78
Other current liabilities	Note 44	79,369,933.52	88,785,123.74
Total Current Liabilities		7,263,114,490.32	7,438,989,489.18
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings	Note 45	1,918,679,223.83	1,348,094,044.83
Bonds payable			
Including: Preferred shares			

Perpetual bonds			
Lease liabilities	Note 47	1,012,966.64	1,985,140.84
Long-term payables	Note 48	10,500,000.00	10,500,000.00
Long-term employee benefits payable	Note 49	7,474,640.65	
Estimated liabilities	Note 50		32,438,161.92
Deferred income	Note 51	367,624,988.38	381,020,645.51
Deferred income tax liabilities	Note 29		21,585,228.45
Other non-current liabilities			
Total Non-current Liabilities		2,305,291,819.50	1,795,623,221.55
Total Liabilities		9,568,406,309.82	9,234,612,710.73
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)	Note 53	2,804,241,650.00	2,852,788,750.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves	Note 55	33,749,867.59	263,154,867.05
Less: Treasury stock	Note 56		287,771,455.80
Other comprehensive income	Note 57	-159,220,172.21	-55,004,961.46
Special reserves	Note 58	4,992,619.68	4,743,615.67
Surplus reserves	Note 59	1,379,865,682.01	1,426,394,375.00
General risk reserves			
Undistributed profits	Note 60	12,283,940,768.49	10,370,640,110.47
Total Owners' Equity (or Shareholders' Equity) Attributable to the Parent Company		16,347,570,415.56	14,574,945,300.93
Minority stockholder's interest			
Total Owners' Equity (or Shareholders' Equity)		16,347,570,415.56	14,574,945,300.93
Total Liabilities and Owners' Equity (or Shareholders' Equity)		25,915,976,725.38	23,809,558,011.66

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

Parent Company's Balance Sheet

December 31, 2025

Prepared by: Meihua Holdings Group Co., Ltd.

Unit: Yuan Currency: RMB

Items	Notes	December 31, 2025	December 31, 2024
Current Assets:			
Monetary assets		1,748,050,527.78	1,543,851,627.94
Financial assets held for trading		100,005,361.11	50,491,712.32
Derivative financial assets			
Notes receivable		105,165,138.59	73,047,475.30
Accounts receivable	Note 1	240,104,582.30	162,553,781.77
Receivables Financing		12,103,099.96	26,575,904.82
Prepaid accounts		450,465,635.15	475,357.88
Other receivables	Note 2	1,311,253,600.04	1,665,966,380.53

Including: Interest receivable			
Dividend receivable		850,000,000.00	1,000,000,000.00
Inventories		55,550,241.64	65,050,433.21
Among them: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year		33,099,564.60	107,257,777.78
Other current assets		75,941,868.76	64,765,249.83
Total Current Assets		4,131,739,619.93	3,760,035,701.38
Non-current Assets:			
Debt investments			
Other debt investments			
Long-term receivables		811,519,697.93	849,764,271.75
Long-term equity investments	Note 3	8,069,915,728.14	7,637,915,728.14
Investments in other equity instruments		157,000,000.00	157,000,000.00
Other non-current financial assets			
Investment properties			
Fixed assets		243,075,825.89	220,263,004.92
Construction in progress		10,035,634.61	1,158,006.34
Productive biological assets			
Oil and gas assets			
Right-of-use assets		2,474,935.75	5,683,180.01
Intangible assets		28,405,655.84	29,657,849.39
Among them: Data resources			
Development expenditure			
Among them: Data resources			
Goodwill			
Long-term prepaid expenses		7,013,493.09	7,442,964.64
Deferred income tax assets		30,483,502.04	24,003,415.50
Other non-current assets		504,985,170.13	477,168,855.60
Total Non-current Assets		9,864,909,643.42	9,410,057,276.29
Total Assets		13,996,649,263.35	13,170,092,977.67
Current Liabilities:			
Short-term borrowings		446,161,713.00	946,819,589.89
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		2,768,836,932.16	1,801,200,152.53
Accounts payable		1,653,949,501.23	1,546,027,555.51
Advances from customers			
Contract liabilities		484,101,924.45	686,582,514.27
Employee benefits payable		189,707,400.94	122,576,747.39
Taxes payable		41,369,234.14	17,341,488.83
Other payables		93,696,559.66	94,683,082.66

Including: Interest payable			
Dividends payable		405,000.00	409,445.58
Liabilities held for sale			
Non-current liabilities due within one year		242,728,429.22	468,965,560.37
Other current liabilities		155,747,059.16	147,284,751.55
Total Current Liabilities		6,076,298,753.96	5,831,481,443.00
Non-current Liabilities:			
Long-term borrowings		620,700,000.00	504,900,000.00
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		331,053.08	459,482.24
Long-term payables		195,270,525.31	
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred income tax liabilities			833,818.64
Other non-current liabilities			
Total Non-current Liabilities		816,301,578.39	506,193,300.88
Total Liabilities		6,892,600,332.35	6,337,674,743.88
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)		2,804,241,650.00	2,852,788,750.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves			229,404,999.46
Minus: Treasury stock			287,771,455.80
Other comprehensive income			
Special reserves			
Surplus reserves		1,379,865,682.01	1,426,394,375.00
Undistributed profits		2,919,941,598.99	2,611,601,565.13
Total Owners' Equity (or Shareholders' Equity)		7,104,048,931.00	6,832,418,233.79
Total Liabilities and Owners' Equity (or Shareholders' Equity)		13,996,649,263.35	13,170,092,977.67

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

Consolidated Income Statement

January to December 2025

Unit: Yuan Currency: RMB

Items	Notes	2025	2024
I. Total Operating Revenue		24,208,675,106.70	25,069,288,294.62
Including: Operating revenue	Note 61	24,208,675,106.70	25,069,288,294.62
Interest revenue			
Earned premiums			
Handling charges and commission revenue			
II. Total Operating Costs		21,603,821,463.14	21,862,599,657.62
Including: Operating Costs	Note 61	19,609,399,374.08	20,036,698,814.74
Interest Expenses			
Handling charges and commission expenses			
Surrender value			
Net claim paid			
Net provision of insurance reserve			
Policy dividends paid			
Reinsurance expenses			
Taxes and surcharges	Note 62	246,746,460.77	235,462,799.84
Sales expenses	Note 63	362,971,160.80	386,866,509.47
Administrative expenses	Note 64	991,548,421.96	937,932,200.19
Research and development expenses	Note 65	389,151,493.26	382,903,265.05
Financing expenses	Note 66	4,004,552.27	-117,263,931.67
Including: Interest expenses		52,269,326.61	80,472,368.46
Interest revenue		59,618,168.61	97,971,379.97
Plus: Other revenues	Note 67	238,343,273.35	242,640,414.38
Investment gains ("-" for loss)	Note 68	57,847,648.05	30,193,009.09
Including: Investment gains from associates and joint ventures		-2,117,014.67	-3,018,027.22
Gains from derecognition of financial assets measured at amortized cost			
Exchange gains ("-" for loss)			
Net exposure hedging gains (Loss indicated by "-")			
Gains from changes in fair value ("-" for loss)	Note 70	32,838,480.38	14,826,169.53
Credit impairment losses ("-" for loss)	Note 71	10,379,492.70	3,888,525.41
Asset impairment losses ("-" for loss)	Note 72	-36,034,934.84	-6,981,927.26
Asset disposal gains ("-" for loss)	Note 73	834,727.21	29,968.32
III. Operating Profit ("-" for loss)		2,909,062,330.41	3,491,284,796.47
Plus: Non-operating revenue	Note 74	870,774,265.20	140,787,996.42
Minus: Non-operating expenses	Note 75	50,136,606.69	282,612,101.76
IV. Total Profit ("-" for total loss)		3,729,699,988.92	3,349,460,691.13
Minus: Income tax expenses	Note 76	448,820,076.82	609,033,475.57
V. Net Profit ("-" for net loss)		3,280,879,912.10	2,740,427,215.56
(I) Classified by Operating Continuity			

1.Net profit from continuing operations ("- for net loss)		3,280,879,912.10	2,740,427,215.56
2.Net profit from discontinued operations ("- for net loss)			
(II) Classified by Ownership			
1.Net profit attributable to shareholders of the Parent Company ("- for net loss)		3,280,879,912.10	2,740,427,215.56
2.Profit or loss attributable to minority shareholders ("- for net loss)			
VI. Net After-tax Amount of Other Comprehensive Income			
(I) Net After-tax Amount of Other Comprehensive Income Attributable to Owners of the Parent Company		-104,215,210.75	-60,692,608.96
1. Other comprehensive income not reclassified to profit or loss		-98,025,030.50	-60,687,509.50
(1) Changes in the defined benefit plan after remeasurement			
(2) Other comprehensive income under Equity Method that cannot be reclassified to profit or loss			
(3) Changes in fair value of other equity instrument investments		-98,025,030.50	-60,687,509.50
(4) Changes in fair value due to enterprise's own credit risks			
2. Other comprehensive income to be reclassified to profit or loss		-6,190,180.25	-5,099.46
(1) Other comprehensive income under Equity Method that can be reclassified to profit or loss			
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified to other comprehensive income			
(4) Credit impairment reserves other debt investments			
(5) Cash flow hedge reserve			
(6) Converted difference in foreign currency statements		-6,190,180.25	-5,099.46
(7) Others			
(II) Net After-tax Amount of Other Comprehensive Income Attributable to Minority Shareholders			
VII. Total Comprehensive Income			
(I) Total Comprehensive Income Attributable to Owners of the Parent Company		3,176,664,701.35	2,679,734,606.60
(II) Total Comprehensive Income Attributable to Minority Shareholders			
VIII. Earnings per Share:			
(I) Basic Earnings per Share (Yuan/share)		1.17	0.94
(II) Diluted Earnings per Share (Yuan/share)		1.17	0.94

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

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

Parent Company's Income Statement

January to December 2025

Unit: Yuan Currency: RMB

Items	Notes	2025	2024
I. Operating Revenue	Note 4	16,621,867,048.19	16,291,387,822.55
Minus: Operating costs	Note 4	15,840,717,996.72	15,714,980,693.14
Taxes and surcharges		26,046,755.78	25,336,810.64
Sales expenses		233,338,679.82	176,339,627.80
Administrative expenses		412,782,201.19	374,185,652.31
Research and development Expenses			
Financing expenses		-6,639,892.89	-15,825,243.09
Including: Interest expenses		3,251,190.59	10,704,676.75
Interest revenue		16,071,570.91	29,784,524.35
Plus: Other revenues		158,560,711.94	125,717,916.13
Investment gains ("- " for loss)	Note 5	1,480,544,116.22	1,521,253,767.67
Including: Investment gains from associates and joint ventures			
Gains from derecognition of financial assets measured at amortized cost			
Net exposure hedging gains ("- " for loss)			
Gains from changes in fair value ("- " for loss)		1,603,110.35	3,570,120.85
Credit impairment losses ("- " for loss)		-3,812,847.11	595,937.23
Asset impairment losses ("- " for loss)		-3,185,955.75	
Asset disposal gains ("- " for loss)		9,798.24	381,719.13
II. Operating Profit ("- " for loss)		1,749,340,241.46	1,667,889,742.76
Plus: Non-operating revenue		1,000,948.07	621,667.62
Minus: Non-operating expenses		3,793,756.92	4,614,545.40
III. Total Profit ("- " for total loss)		1,746,547,432.61	1,663,896,864.98
Minus: Income tax expenses		70,628,144.67	76,361,393.63
IV. Net Profit ("- " for total loss)		1,675,919,287.94	1,587,535,471.35
(I) Net profit from continuing operations ("- " for net loss)		1,675,919,287.94	1,587,535,471.35
(II) Net profit from discontinued operations ("- " for net loss)			
V. Net After-tax Amount of Other Comprehensive Income			
(I) Other comprehensive income that cannot reclassified to profit or loss			
1. Changes in the defined benefit plan after remeasurement			
2. Other comprehensive income under Equity Method that cannot be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value due to enterprise's own credit risks			
(II) Other comprehensive income to be reclassified to profit or loss			

1. Other comprehensive income under Equity Method that can be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified to other comprehensive income			
4. Credit impairment reserves for other debt investments			
5. Cash flow hedge reserve			
6. Converted difference in foreign currency statements			
7. Others			
VI. Total Comprehensive Income		1,675,919,287.94	1,587,535,471.35
VII. Earnings per Share:			
(I) Basic Earnings per Share (Yuan/share)			
(II) Diluted Earnings per Share (Yuan/share)			

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

Consolidated Cash Flow Statement
January to December 2025

Unit: Yuan Currency: RMB

Items	Notes	2025	2024
I. Cash Flow from Operating Activities:			
Cash received from sales of goods or rendering of services		26,284,830,929.52	27,266,900,172.11
Net increase in customer bank deposits and due to banks and other financial institutions			
Net increase in borrowings from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash received from premiums on original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from insurers			
Cash received from interest, handling charges and commissions			
Net increase in borrowed funds			
Net increase in repurchase business funds			
Net cash received from securities trading brokerage business			
Refunds of taxes received		564,637,199.44	590,412,944.20
Other cash received related to operating activities	Note 78	314,266,906.41	448,943,253.14
Subtotal cash inflows from operating activities		27,163,735,035.37	28,306,256,369.45
Cash paid for goods and services		19,183,664,918.44	20,140,823,405.60
Net increase in loans and advances to customers			
Net increase in placements with central bank and due to banks			
Cash paid for claims for original insurance contracts			
Net increase in funds lent			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		1,888,800,255.38	1,968,598,894.60
Various taxes paid		1,064,967,949.58	859,863,649.52
Other cash paid related to operating activities	Note 78	1,017,042,265.74	710,255,629.26
Subtotal cash outflows from operating activities		23,154,475,389.14	23,679,541,578.98
Net cash flow from operating activities		4,009,259,646.23	4,626,714,790.47
II. Cash Flow from Investing Activities:			
Cash received from recovery of investments		49,416,904.11	190,804,566.68
Cash received from investment income		89,022,905.51	51,309,310.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,929,974.23	3,487,009.20
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities	Note 78		
Subtotal cash inflows from investing activities		142,369,783.85	245,600,886.59
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		2,085,097,608.71	2,004,423,105.69
Cash paid for investments		1,021,970,127.42	881,089,058.61
Net increase in pledge loans			

Net cash paid for acquisition of subsidiaries and other business units		154,418,006.87	
Other cash paid related to investing activities	Note 78	25,064,758.89	9,047,530.00
Subtotal cash outflows from investing activities		3,286,550,501.89	2,894,559,694.30
Net cash flow from investing activities		-3,144,180,718.04	-2,648,958,807.71
III. Cash Flow from Financing Activities:			
Cash received from capital injections			
Including: cash received from minority shareholders' investments of subsidiaries			
Cash received from borrowings		5,303,483,203.63	6,297,183,657.37
Other cash received related to financing activities	Note 78	631,857,578.29	389,646,523.23
Subtotal cash inflows from financing activities		5,935,340,781.92	6,686,830,180.60
Cash paid for debt repayment		5,009,880,000.02	6,411,943,930.69
Cash paid for distribution of dividends, profits or interest repayment		1,255,746,825.79	1,789,239,618.91
Including: Dividends or profits paid to minority shareholders by subsidiaries			
Other cash paid related to financing activities	Note 78	677,245,874.35	1,223,698,914.69
Subtotal cash outflows from financing activities		6,942,872,700.16	9,424,882,464.29
Net cash flow from financing activities		-1,007,531,918.24	-2,738,052,283.69
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		17,029,234.70	111,541,460.34
V. Net Increase in Cash and Cash Equivalents		-125,423,755.35	-648,754,840.59
Plus: Beginning balance of cash and cash equivalents		4,131,859,602.14	4,780,614,442.73
VI. Ending Balance of Cash and Cash Equivalents		4,006,435,846.79	4,131,859,602.14

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

Parent Company's Cash Flow Statement
January to December 2025

Unit: Yuan Currency: RMB

Items	Notes	2025	2024
I. Cash Flow from Operating Activities:			
Cash received from sales of goods or rendering of services		17,454,954,152.09	17,686,938,141.73
Refunds of taxes received		35,757,373.32	36,593,937.03
Other cash received related to operating activities		1,147,679,933.01	216,045,756.78
Subtotal cash inflows from operating activities		18,638,391,458.42	17,939,577,835.54
Cash paid for goods and services		15,358,349,978.42	14,784,566,567.52
Cash paid to and on behalf of employees		280,601,640.91	419,301,417.00
Various taxes paid		174,498,057.42	159,164,187.36
Other cash paid related to operating activities		1,038,483,771.00	275,914,746.78
Subtotal cash outflows from operating activities		16,851,933,447.75	15,638,946,918.66
Net cash flow from operating activities		1,786,458,010.67	2,300,630,916.88

II. Cash Flow from Investing Activities:			
Cash received from recovery of investments		25,000,000.00	
Cash received from investment income		1,627,785,800.01	1,741,708,681.75
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,463,635.23	732,576.80
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investing activities			
Subtotal cash inflows from investing activities		1,658,249,435.24	1,742,441,258.55
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		75,306,179.88	85,083,195.84
Cash paid for investments		482,000,000.00	543,499,005.03
Net cash paid for acquisition of subsidiaries and other business units			
Other cash paid related to investing activities			
Subtotal cash outflows from investing activities		557,306,179.88	628,582,200.87
Net cash flow from investing activities		1,100,943,255.36	1,113,859,057.68
III. Cash Flow from Financing Activities:			
Cash received from capital injections			
Cash received from borrowings		989,034,074.10	1,159,457,970.00
Other cash received related to financing activities		2,633,542,014.71	2,521,477,694.21
Subtotal cash inflows from financing activities		3,622,576,088.81	3,680,935,664.21
Cash paid for debt repayment		2,510,860,000.00	3,650,035,500.00
Cash paid for distribution of dividends, profits or interest repayment		1,222,704,653.17	1,745,904,818.03
Other cash paid related to financing activities		2,423,214,491.14	3,075,876,525.63
Subtotal cash outflows from financing activities		6,156,779,144.31	8,471,816,843.66
Subtotal cash outflows from financing activities		-2,534,203,055.50	-4,790,881,179.45
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		478,020.71	2,418,952.54
V. Net Increase in Cash and Cash Equivalents		353,676,231.24	-1,373,972,252.35
Plus: Beginning balance of cash and cash equivalents		1,115,336,416.01	2,489,308,668.36
VI. Ending Balance of Cash and Cash Equivalents		1,469,012,647.25	1,115,336,416.01

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

Consolidated Statement of Changes in Owner's Equity
January to December 2025

Unit: Yuan Currency: RMB

Items	2025										E q u i t y o f M i n o r i t y S h a r e h o l d e r s	Total Owners' Equity	
	Equity Attributable to Owners of the Parent Company												
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	G e n e r a ; R i s k R e s e r v e			Undistributed Profits
P r e f e r r e d S h a r e s		P e r p e t u a l B o n d s	O t h e r s										
I. Balance at End of Last Year	2,852,788,750.00			263,154,867.05	287,771,455.80	-55,004,961.46	4,743,615.67	1,426,394,375.00		10,370,640,110.47		14,574,945,300.93	14,574,945,300.93
Plus: Changes in accounting policies													
Correction of prior period errors													
Others													
II. Balance at Beginning of the Current Year	2,852,788,750.00			263,154,867.05	287,771,455.80	-55,004,961.46	4,743,615.67	1,426,394,375.00		10,370,640,110.47		14,574,945,300.93	14,574,945,300.93
III. The Amount Changes during the Current Period ("-" for decrease)	-48,547,100.00			-229,404,999.46	-287,771,455.80	-104,215,210.75	249,004.01	-46,528,692.99		1,913,300,658.02		1,772,625,114.63	1,772,625,114.63
(I) Total Comprehensive Income						-104,215,210.75				3,280,879,912.10		3,176,664,701.35	3,176,664,701.35
(II) Owners' Contributions and Decrease of Capital	-48,547,100.00			-229,404,999.46	-287,771,455.80			-214,120,621.78				-204,301,265.44	-204,301,265.44
1. Ordinary shares contributed by owners													
2. Capital contributed by holders of other equipment instruments													
3. Amount of share-based payments recognized in owners' equity													

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4. Others	-48,547,100.00				-229,404,999.46	-287,771,455.80			-214,120,621.78			-204,301,265.44		-204,301,265.44
(III) Profit Distribution									167,591,928.79	-1,367,579,254.08		-1,199,987,325.29		-1,199,987,325.29
1. Withdrawal of surplus reserve									167,591,928.79	-1,67,591,928.79				
2. Withdrawal of General Risk Reserve														
3. Distribution to Owners (or Shareholders)											-1,199,987,325.29	-1,199,987,325.29		-1,199,987,325.29
4. Others														
(IV) Internal Transfer of Owners' Equity														
1. Capital (or stock) increased by capital reserve transfer														
2. Capital (or stock) increased by surplus reserve transfer														
3. Transfer of surplus reserve to offset losses														
4. Transfer of changes in defined benefit plans to retained earnings														
5. Transfer of other comprehensive income to retained earnings														
6. Others														
(V) Special Reserves								249,004.01				249,004.01		249,004.01
1. Withdrawal during the Current Period								56,762,781.11				56,762,781.11		56,762,781.11
2. Usage during the Current Period								-56,513,777.10				-56,513,777.10		-56,513,777.10
(VI) Others														
IV. Balance at End of the Current Period	2,804,241,650.00				33,749,867.59		-159,220,172.21	4,992,619.68	1,379,865,682.01	12,283,940,768.49		16,347,570,415.56		16,347,570,415.56

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Items	2024											Equity of Minority Shareholders	Total Owners' Equity
	Equity Attributable to Owners of the Parent Company												
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	G e n e r a ; R i s k R e s e r v e	Undistributed Profits		
P r e f e r r e d S h a r e s		P e r e t u a l B o n d s	O t h e r s										
I. Balance at End of Last Year	2,943,426,102.00			1,032,707,760.40	576,775,719.27	5,687,647.50	3,952,446.88	1,326,294,444.30		9,427,722,131.86		14,163,014,813.67	14,163,014,813.67
Plus: Changes in accounting policies													
Correction of prior period errors													
Others													
II. Balance at Beginning of the Current Year	2,943,426,102.00			1,032,707,760.40	576,775,719.27	5,687,647.50	3,952,446.88	1,326,294,444.30		9,427,722,131.86		14,163,014,813.67	14,163,014,813.67
III. The Amount of Changes during the Current Period ("-" for decrease)	-90,637,352.00			-769,552,893.35	-289,004,263.47	-60,692,608.96	791,168.79	100,099,930.70		942,917,978.61		411,930,487.26	411,930,487.26
(I) Total Comprehensive Income						-60,692,608.96				2,740,427,215.56		2,679,734,606.60	2,679,734,606.60
(II) Owners' Contributions and Decrease of Capital	-90,637,352.00			-769,552,893.35	-289,004,263.47							-571,185,981.88	-571,185,981.88
1. Ordinary shares contributed by owners													
2. Capital contributed by holders of other equipment instruments													
3. Amount of share-based payments recognized in owners' equity													
4. Others	-90,637,352.00			-769,552,893.35	-289,004,263.47							-571,185,981.88	-571,185,981.88
(III) Profit Distribution								100,099,930.70		-1,797,509,236.95		-1,697,409,306.25	-1,697,409,306.25
1. Withdrawal of surplus reserve								100,099,930.70		-100,099,930.70			
2. Withdrawal of General Risk Reserve													
3. Distribution to Owners (or Shareholders)										-1,697,409,306.25		-1,697,409,306.25	-1,697,409,306.25
4. Others													

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(IV) Internal Transfer of Owners' Equity													
1. Capital (or stock) increased by capital reserve transfer													
2. Capital (or stock) increased by surplus reserve transfer													
3. Transfer of surplus reserve to offset losses													
4. Transfer of changes in defined benefit plans to retained earnings													
5. Transfer of other comprehensive income to retained earnings													
6. Others													
(V) Special Reserves							791,168.79			791,168.79		791,168.79	
1. Withdrawal during the Current Period							74,358,000.95			74,358,000.95		74,358,000.95	
2. Usage during the Current Period							-73,566,832.16			-73,566,832.16		-73,566,832.16	
(VI) Others													
IV. Balance at End of the Current Period	2,852,788,750.00			263,154,867.05	287,771,455.80	-55,004,961.46	4,743,615.67	1,426,394,375.00	10,370,640,110.47	14,574,945,300.93		14,574,945,300.93	

Head of the Company: Wang Aijun

Head of Accounting: Wang Lihong

Head of the Accounting Institution: Wang Ailing

Parent Company's Statement of Changes in Owner's Equity
January to December 2025

Unit: Yuan Currency: RMB

Items	2025										
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Undistributed Profits	Total Owners' Equity
		Preferred Shares	Perpetual Bonds	Others							
I. Balance at End of Last Year	2,852,788,750.00				229,404,999.46	287,771,455.80			1,426,394,375.00	2,611,601,565.13	6,832,418,233.79
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at Beginning of the Current Year	2,852,788,750.00				229,404,999.46	287,771,455.80			1,426,394,375.00	2,611,601,565.13	6,832,418,233.79
III. The Amount of Changes during the Current Period ("-" for decrease)	-48,547,100.00				-229,404,999.46	-287,771,455.80			-46,528,692.99	308,340,033.86	271,630,697.21
(I) Total Comprehensive Income										1,675,919,287.94	1,675,919,287.94
(II) Owners' Contributions and Decrease of Capital	-48,547,100.00				-229,404,999.46	-287,771,455.80			-214,120,621.78		-204,301,265.44
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equipment instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Others	-48,547,100.00				-229,404,999.46	-287,771,455.80			-214,120,621.78		-204,301,265.44
(III) Profit Distribution									167,591,928.79	-1,367,579,254.08	-1,199,987,325.29
1. Withdrawal of surplus reserve									167,591,928.79	-1,675,919,287.94	-1,199,987,325.29
2. Distribution to Owners (or Shareholders)										-1,199,987,325.29	-1,199,987,325.29
3. Others											
(IV) Internal Transfer of Owners' Equity											
1. Capital (or stock) increased by capital reserve transfer											
2. Capital (or stock) increased by surplus reserve transfer											
3. Transfer of surplus reserve to offset losses											
4. Transfer of changes in defined benefit plans to retained earnings											
5. Transfer of other comprehensive income to retained earnings											
6. Others											
(V) Special Reserves											
1. Withdrawal during the Current Period											
2. Usage during the Current Period											

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(VI) Others										
IV. Balance at End of the Current Period	2,804,241,650.00							1,379,865,682.01	2,919,941,598.99	7,104,048,931.00

Items	2024										
	Paid-in Capital (or stock)	Other Equity Instruments			Other Equity Instruments	Other Equity Instruments	Other Compreh ensive Income	Specia l Reserv e	Surplus Reserve	Undistributed Profits	Total Owners' Equity
		Pr efe red Sh are s	Pr efe red Sh are s	Pr efe red Sh are s							
I. Balance at End of Last Year	2,943,426,102.00				998,957,892.81	576,775,719.27			1,326,294,444.30	2,821,575,330.73	7,513,478,050.57
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at Beginning of the Current Year	2,943,426,102.00				998,957,892.81	576,775,719.27			1,326,294,444.30	2,821,575,330.73	7,513,478,050.57
III. The Amount of Changes during the Current Period ("-" for decrease)	-90,637,352.00				-769,552,893.35	-289,004,263.47			100,099,930.70	-209,973,765.60	-681,059,816.78
(I) Total Comprehensive Income										1,587,535,471.35	1,587,535,471.35
(II) Owners' Contributions and Decrease of Capital	-90,637,352.00				-769,552,893.35	-289,004,263.47					-571,185,981.88
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equipment instruments											
3. Amount of share-based payments recognized in owners' equity											
4. Others	-90,637,352.00				-769,552,893.35	-289,004,263.47					-571,185,981.88
(III) Profit Distribution									100,099,930.70	-1,797,509,236.95	-1,697,409,306.25
1. Withdrawal of surplus reserve									100,099,930.70	-100,099,930.70	
2. Distribution to Owners (or Shareholders)										-1,697,409,306.25	-1,697,409,306.25
3. Others											
(IV) Internal Transfer of Owners' Equity											
1. Capital (or stock) increased by capital reserve transfer											
2. Capital (or stock) increased by surplus reserve transfer											
3. Transfer of surplus reserve to offset losses											
4. Transfer of changes in defined benefit plans to retained earnings											

5. Transfer of other comprehensive income to retained earnings											
6. Others											
(V) Special Reserves											
1. Withdrawal during the Current Period											
2. Usage during the Current Period											
(VI) Others											
IV. Balance at End of the Current Period	2,852,788,750.00				229,404,999.46	287,771,455.80			1,426,394,375.00	2,611,601,565.13	6,832,418,233.79

Head of the Company: Wang Aijun

Head of Accounting: Wang Lihong

Head of the Accounting Institution: Wang Ailing

III. Basic Information of the Company

1. Overview of the Company

Applicable Not Applicable

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

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

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

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

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

On February 16, 2003, Shandong Wuzhou Investment Group Co., Ltd. and Weifang Bohai Industry Co., Ltd. respectively entered into agreements with the Tibet Autonomous Region State-owned Assets Management Company (whose shares were obtained through gratuitous transfer by the Tibet Autonomous Region State-owned Assets Management Bureau), whereby Shandong Wuzhou Investment Group Co., Ltd. acquired 27,102,445 shares of the Company's state-owned legal person shares from Tibet Autonomous Region State-owned Assets Management Company, representing 25.04% of the Company's total share capital, and became the Company's largest shareholder; Weifang Bohai Industry Co., Ltd. acquired 21,535,555 shares, accounting for 19.90% of the Company's total share capital. The

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

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

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

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

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

According to the resolutions of the Fifteenth Meeting of the Eighth Board of Directors on May 30, 2018, the Seventeenth Meeting of the Eighth Board of Directors on June 20, 2018, and the annual

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

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

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

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

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

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

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

According to the resolutions passed at the 13th Meeting of the 10th Board of Directors held on September 23, 2024, and the 2024 Second Extraordinary Shareholders' Meeting held on October 11,

2024, the proposal to change the company's registered capital was approved. Based on the relevant resolution from the shareholders' meeting, the company will use 90,637,352 repurchased shares for cancellation to reduce its registered capital. After the cancellation of these shares, the company's total share capital will be reduced from 2,943,426,102 shares to 2,852,788,750 shares.

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

After years of issuing bonus shares, allotting new shares, capitalizing retained earnings, and issuing additional shares, as of December 31, 2025, the company's total share capital amounts to 2,804,241,650 shares, with a total share capital of 2,804,241,650 yuan. The registered address is 158 Jinzhu West Road, Sunshine New City, Building 11, Room 5, Lhasa City. The actual controller is Meng Qingshan.

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

IV. Preparation Basis for Financial Statements

1. Preparation Basis

The Company's financial statements are prepared on a going concern basis. Transactions and events are recognized and measured in accordance with the provisions of the Enterprise Accounting Standards, their application guidelines, and interpretations, and the financial statements are prepared on this basis. In addition, the Company discloses relevant financial information in accordance with the China Securities Regulatory Commission's "Rule No. 15 on Information Disclosure by Companies Issuing Securities—General Provisions for Financial Reporting (Revised in 2023)."

2. Going Concern

Applicable Not Applicable

The Company has evaluated its ability to continue as a going concern for the 12 months following the end of the reporting period and has not identified any matters affecting the Company's ability to continue as a going concern. The preparation of these financial statements on a going concern basis by the Company is reasonable.

V. Significant Accounting Policies and Estimates

Specific accounting policies and estimates indicate:

Applicable Not Applicable

The following significant accounting policies and estimates of the Company have been established in accordance with the Enterprise Accounting Standards. Matters not addressed herein are handled in accordance with the relevant accounting policies set forth in the Enterprise Accounting Standards.

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

The financial statements prepared by the Company comply with the requirements of the Enterprise Accounting Standards and present a true and fair view of the Company's financial position, operating results, changes in equity, and cash flows.

2. Accounting Period

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

3. Operating Cycle

Applicable Not Applicable

The Company's normal operating cycle is one year.

4. Functional Currency

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

5. Determination Method and Selection Basis for Materiality Standards

Applicable Not Applicable

Items	Materiality Standards
Accounts receivable with material individual provision for bad debts	The amount of individual provision for bad debts accounts for more than 10% of the total amount of various accounts receivable with provision for bad debts and exceeds RMB 20 million yuan.
Accounts receivable with provision for bad debts and with material amounts recovered or reversed during the Current Period and	The amount of recovery or reversal of individual provision for bad debts accounts for more than 10% of the total account receivable and exceeds RMB 20 million yuan.
Significant write-offs of accounts receivable	The write-off amount of individual account receivable accounts for more than 10% of the total provision for bad debts for various accounts receivable and exceeds RMB 20 million yuan.
Advance payments, accounts payable, contract liabilities, and other accounts payable with material amounts outstanding for over one year	Individual advance payments, accounts payable, contract liabilities, and other account payable amount to more than 10% of the total amount of such accounts and exceed RMB 20 million yuan.
Material construction in progress	The budget amount for individual construction in progress project exceeds RMB 100 million yuan.
Material cash flows related to investing activities	Individual investing activities account for more than 10% of the total cash inflows or outflows received or paid for the investing activities and exceed RMB 200 million yuan.
Material joint ventures	The book value of long-term equity investments in an individual

	invested party accounts for more than 5% of the consolidated net assets and exceeds RMB 100 million, or the investment gains or losses recognized under the equity method for long-term equity investments account for more than 10% of the consolidated net profit.
Material contingent matters	Any single type of estimated liability accounts for more than 10% of the total estimated liabilities and exceeds RMB 100 million.

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

Applicable Not Applicable

(1) Enterprise merger under the same control

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

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

(2) Enterprise merger not under the same control

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

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

(3) Treatment of transaction costs in enterprise merger

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

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

Applicable Not Applicable

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

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

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

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

(2) Methods for Preparing Consolidated Financial Statements

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

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

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

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

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

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

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

① Addition of Subsidiaries or Businesses

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

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

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

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

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

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

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

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

② Disposal of a Subsidiary or Business

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

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

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

(4) Special Considerations in Consolidation Offsetting

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

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

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

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

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

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

(5) Accounting Treatment for Special Transactions

① Acquisition of Minority Interests

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

premium or share premium). If the capital surplus is insufficient to absorb the difference, it shall be offset against retained earnings and undistributed profits in that order.

② Acquisition of control over a subsidiary through multiple transactions

A. Business combinations under common control achieved through multiple transactions

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

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

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

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

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

In the consolidated financial statements, equity interests in the acquiree held prior to the acquisition date are remeasured at their fair value as of the acquisition date. If an equity interest in the acquiree held prior to the acquisition date is designated as a financial asset at fair value through other comprehensive income, the difference between its fair value and book value is recognized in retained earnings; and the cumulative fair value changes previously recognized in other comprehensive income are transferred to retained earnings; if the equity interest in the acquiree held prior to the acquisition date is classified as a financial asset at fair value through other comprehensive income or as a long-term equity investment

accounted for using the equity method, the difference between its fair value and book value is recognized as investment income for the period; If the equity interest in the acquiree held prior to the acquisition date relates to other comprehensive income under the equity method and changes in other equity under the equity method (excluding net profit or loss, other comprehensive income, and distributions of profits), the related other comprehensive income is accounted for on the acquisition date using the same basis as if the investee had directly disposed of the relevant assets or liabilities, and the related changes in other equity are reclassified to investment income for the period in which the acquisition date falls.

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

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

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

A. One-Time Disposal

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

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

B. Step-by-Step Disposal of Multiple Transactions

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

If the step-by-step transaction does not constitute a “bundled transaction,” in the separate financial statements, for each transaction prior to the loss of control over the subsidiary, the book value of the long-term equity investment corresponding to each disposal of equity interests shall be transferred; the difference between the proceeds received and the book value of the long-term equity investment disposed of shall be recognized as investment income for the current period; In the consolidated financial statements, the transaction should be accounted for in accordance with the relevant provisions

for “the parent company’s disposal of a long-term equity investment in a subsidiary without losing control.”

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

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

- (a) These transactions are concluded simultaneously or taking into account their mutual impacts.
- (b) These transactions collectively achieve a complete business outcome.
- (c) The occurrence of one transaction depends on the occurrence of at least one other transaction.
- (d) A transaction is uneconomical when considered alone, but becomes economical when considered together with other transactions.

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

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

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

Applicable Not Applicable

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

(1) Joint operations

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

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

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

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

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

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

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

(2) Joint Ventures

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

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

9. Determination Criteria for Cash and Cash Equivalents

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

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

Applicable Not Applicable

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

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

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

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

measured at fair value with changes recognized in profit or loss, the difference between the translated amount in the functional currency and the original amount in the functional currency is recognized in profit or loss for the period; for non-trading equity instrument investments designated as measured at fair value with changes recognized in other comprehensive income, the difference between the translated amount in the functional currency and the original amount in the functional currency is recognized in other comprehensive income.

(3) Methods for Translating Foreign Currency Financial Statements

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

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

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

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

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

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

11. Financial Instruments

Applicable Not Applicable

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

(1) Recognition and Derecognition of Financial Instruments

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

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

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

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

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

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

(2) Classification and Measurement of Financial Assets

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

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

The subsequent measurement of financial assets depends on their classification:

① Financial assets measured at amortized cost

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

amortized cost. Gains or losses arising from derecognition, amortization using the effective interest method, or impairment are recognized in profit or loss for the current period.

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

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

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

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

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

(3) Classification and Measurement of Financial Liabilities

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

The subsequent measurement of financial liabilities depends on their classification:

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

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

comprehensive income shall be reclassified out of other comprehensive income and recognized in retained earnings.

② Loan Commitments and Financial Guarantee Contract Liabilities

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

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

③ Financial liabilities measured at amortized cost

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

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

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

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

(4) Derivative Financial Instruments and Embedded Derivatives

Derivative financial instruments are initially measured at fair value on the date the derivative contract is entered into and are subsequently measured at fair value. Derivative financial instruments

with a positive fair value are recognized as assets, while those with a negative fair value are recognized as liabilities.

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

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

(5) Impairment of Financial Instruments

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

① Measurement of Expected Credit Losses

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

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

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

At each balance sheet date, the Company measures expected credit losses separately for financial instruments in different stages. Financial instruments for which credit risk has not increased significantly since initial recognition are classified in Stage 1, and the Company measures loss allowances based on

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

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

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

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

A. Receivables/Contract Assets

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

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

Portfolio Name	Basis for Determining Portfolios	Provision Method
Bank Acceptance Bill Portfolio 1	The issuer exhibits a high credit rating, no history of default on bills, a very low credit loss risk, and a strong ability to fulfill its cash flow obligations under payment contracts.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.
Bank Acceptance Bill Portfolio 2	Acceptors other than those in Bank Acceptance Bill Portfolio 1 are bank-type financial institutions.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.

Commercial Acceptance Bill Portfolio	Acceptors are financial companies or non-bank financial institutions or corporate units.	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to prepare a table comparing the aging of accounts receivable with the expected credit loss rate over the entire duration (similar to accounts receivable) to calculate expected credit losses.
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The basis for determining portfolios for accounts receivable is as follows:

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

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

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

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

Portfolio Name	Basis for Determining Portfolios	Provision Method
Accounts Receivable	This portfolio utilizes the aging of Receivables Financing as a credit risk characteristic	The Company uses aging to assess the expected credit losses of this type of portfolio. This portfolio carries similar risk characteristics, and aging information can reflect the ability of this portfolio to pay when accounts receivable mature. As of the balance sheet date, the Company refers to historical credit loss experience and takes into current conditions and forecasts of future economic conditions to a table comparing the aging of accounts receivable with the expected credit loss rate over the entire duration (similar to accounts receivable) to calculate expected credit losses.

Notes Receivable	This portfolio consists of notes issued by entities with high credit ratings, with no history of note defaults and very low credit loss risks, and with strong ability to fulfill their cash flow obligations under payment contracts in the short term	Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to calculate expected credit losses through default risk exposure and the expected credit loss rate over the entire duration.
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The basis for determining portfolios for contract assets is as follows:

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

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

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

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

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

B. Debt Investments and Other Debt Investments

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

② Low Credit Risk

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

③ Significant Increase in Credit Risk

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

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

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

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

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

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

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

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

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

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

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

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

④ Financial Assets That Have Suffered Credit Impairment

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

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

⑤ Presentation of Allowance for Expected Credit Losses

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

⑥ Write-off

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

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

(6) Transfer of Financial Assets

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

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

① Derecognition of Transferred Financial Assets

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

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

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

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

A. The book value of the transferred financial asset;

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

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

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

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

② Continued involvement in transferred financial assets

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

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

③ Continued Recognition of the Transferred Financial Asset

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

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

(7) Offsetting of Financial Assets and Financial Liabilities

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

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

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

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

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

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

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

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

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

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

① Valuation Techniques

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

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

②Fair Value Hierarchy

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

12. Notes Receivable

Applicable Not Applicable

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Criteria for Individual Provision for Bad Debts at the Individual Level

Applicable Not Applicable

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

13. Accounts Receivable

Applicable Not Applicable

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

Applicable Not Applicable

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

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

✓Applicable Not Applicable

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

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

✓Applicable Not Applicable

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

14. Receivables Financing

✓Applicable Not Applicable

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

✓Applicable Not Applicable

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

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

✓Applicable Not Applicable

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

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

✓Applicable Not Applicable

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

15. Other Receivables

✓Applicable Not Applicable

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

✓Applicable Not Applicable

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

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

✓Applicable Not Applicable

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

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

✓Applicable Not Applicable

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

16. Inventory

✓Applicable Not Applicable

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

✓Applicable Not Applicable

(1) Classification of Inventory

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

(2) Inventory Valuation Method upon Issuance

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

(3) Inventory Counting System

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

(4) Amortization Methods for Reusable Supplies

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

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

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

Recognition Criteria and Provision Method for Inventory Write down

Applicable Not Applicable

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

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

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

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

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

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

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

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

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

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

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

Applicable Not Applicable

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

Applicable Not Applicable

17. Contract Assets

Applicable Not Applicable

Method and Criteria for Recognizing Contract Assets

Applicable Not Applicable

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

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

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

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

Recognition Criteria and Presentation Method for Business Termination

Applicable Not Applicable

19. Long-term Equity Investments

Applicable Not Applicable

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

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

Joint control refers to the shared control over an arrangement pursuant to relevant agreements, whereby decisions regarding the arrangement's activities must be made with the unanimous consent of the parties sharing control. When determining whether joint control exists, one must first assess whether all parties or a combination of parties collectively control the arrangement. If all parties or a group of parties must act in concert to decide on the arrangement's activities, it is deemed that all parties or that group of parties collectively control the arrangement. Second, it must be determined whether decisions regarding the arrangement's activities require the unanimous consent of the parties collectively

controlling the arrangement. If two or more groups of parties are capable of collectively controlling an arrangement, this does not constitute joint control. Protective rights are not considered when determining whether joint control exists.

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

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

(2) Determination of Initial Investment Cost

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

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

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

C. For business combinations not under common control, the initial investment cost of the long-term equity investment is determined as the fair value of the assets given up, liabilities incurred or assumed, and equity securities issued to obtain control of the acquiree as of the acquisition date. The

acquirer recognizes audit, legal, valuation, and other professional fees, as well as other related administrative expenses incurred in connection with the business combination, in profit or loss in the period in which they are incurred.

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

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

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

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

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

(3) Subsequent Measurement and Profit/Loss Recognition

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

① Cost Method

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

② Equity Method

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

If the cost of the Company's long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the initial cost of the long-term equity investment is not adjusted; if the initial cost of the long-term equity investment is less than the Company's share of the fair value of the investee's identifiable net assets at the time of investment, the

difference is recognized in profit or loss for the current period, and the cost of the long-term equity investment is adjusted accordingly.

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

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

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

(4) Equity Investments Held for Sale

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

For equity investments in associates or joint ventures that have been classified as held for sale but no longer meet the criteria for classification as held-for-sale assets, retrospective adjustments using the

equity method are applied from the date of classification as held-for-sale assets. Financial statements for the period during which the investments were classified as held for sale are adjusted accordingly.

(5) Impairment Testing Methods and Recognition of Impairment Losses

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

20. Investment Properties

Not Applicable

21. Fixed Assets

(1). Recognition Conditions

Applicable Not Applicable

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

- ① Economic benefits related to the fixed assets are likely to flow into the enterprise.
- ② The cost of the fixed assets can be reliably measured.

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

(2). Depreciation Method

Applicable Not Applicable

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

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

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

22. Construction in Progress

Applicable Not Applicable

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

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

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

23. Borrowing Costs

Applicable Not Applicable

(1) Recognition criteria and capitalization period for borrowing costs

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

① Expenditure for the asset has been incurred;

② Borrowing costs have been incurred;

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

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

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

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

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

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

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

24. Biological Assets

Applicable Not Applicable

25. Oil and Gas Assets

Applicable Not Applicable

26. Intangible Assets

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

Applicable Not Applicable

(1) Valuation Method for Intangible Assets

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

(2) Useful Lives and Amortization of Intangible Assets

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

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

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

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

③ Amortization of Intangible Assets

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

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

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

√Applicable □ Not Applicable

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

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

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

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

2. Specific Criteria for Capitalizing Development Phase Expenditures

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

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

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

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

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

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

27. Impairment of Long-term Assets

Applicable Not Applicable

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

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

Recoverable amount is determined as the higher of an asset's fair value less costs of disposal and the present value of its estimated future cash flows. The Company estimates the recoverable amount on an individual asset basis; where it is not practicable to estimate the recoverable amount of an individual asset, the recoverable amount is determined on the basis of the asset group to which the asset belongs. The identification of an asset group is based on whether the primary cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

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

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

When performing impairment tests, if there are indications of impairment for an asset group or a portfolio of asset groups related to goodwill, the impairment test is first conducted on the asset group or portfolio of asset groups that do not include goodwill to calculate the recoverable amount and recognize

the corresponding impairment loss. Then, the impairment test is performed on the asset group or portfolio of asset groups that include goodwill, comparing their book value with the recoverable amount; if the recoverable amount is lower than the book value, an impairment loss on goodwill is recognized.

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

28. Long-term Deferred Expenses

Applicable Not Applicable

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

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

Items	Amortization Period
Field usage rights	20 years
Housing Subsidies	9 years
Employee Rewards	5 years
Production Materials	1.5-5 years
Leasehold Improvements	5 years
One-time expansion fee	11.77-21.33 years

29. Contract Liabilities

Applicable Not Applicable

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

30. Employee Compensation

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

Applicable Not Applicable

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

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

② Employee Benefits

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

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

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

④ Short-term paid leave

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

⑤ Short-Term Profit-Sharing Plans

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

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

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

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

Applicable Not Applicable

① Defined Contribution Plans

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

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

② Defined Benefit Plans

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3). Method for Accounting Treatment of Termination Benefits

Applicable Not Applicable

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

- ① When the Company cannot unilaterally withdraw the termination benefits offered in connection with a plan to terminate employment relationships or a proposed workforce reduction;
- ② When the entity recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

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

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

Applicable Not Applicable

- ① Meeting the criteria for establishing a defined contribution plan

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

- ② Meeting the criteria for establishing a defined benefit plan

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

- A. Service cost;
- B. Net interest on the net liability or net asset for other long-term employee benefits;
- C. Changes arising from the remeasurement of the net liability or net asset for other long-term employee benefits.

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

31. Estimated Liabilities

Applicable Not Applicable

- (1) Recognition Criteria for Estimated Liabilities

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

- ① The obligation is a present obligation of the Company;
- ② It is probable that the settlement of the obligation will result in an outflow of economic benefits from the Company;
- ③ The amount of the obligation can be reliably measured.

- (2) Measurement Method for Estimated Liabilities

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

32. Share-based Payment

Applicable Not Applicable

(1) Types of Share-based Payment

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

(2) Method for Determining Fair Value of Equity Instruments

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

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

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

(4) Accounting Treatment for Share-Based Payment Plans

Cash-settled Share-Based Payments

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

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

Equity-settled Share-based Payment

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

② For equity-settled share-based payments in exchange for employee services that become exercisable only after the completion of a vesting period or the satisfaction of specified performance

conditions, the services received during the vesting period are recognized as cost or expense and capital surplus at each balance sheet date during the vesting period, based on the best estimate of the number of equity instruments that will become exercisable, using the fair value of the equity instruments at the grant date.

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

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

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

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

- ① Treats the cancellation or settlement as an accelerated vesting event and immediately recognizes the amount that would otherwise have been recognized over the remaining vesting period;
- ② Any payments made to employees upon cancellation or settlement shall be treated as a repurchase of equity; the portion of the repurchase payment that exceeds the fair value of the equity instrument on the repurchase date shall be recognized as an expense in the current period.

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

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

Applicable Not Applicable

34. Revenue

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

Applicable Not Applicable

(1) General Principles

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

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

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

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

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

- ① The customer obtains and consumes the economic benefits resulting from the entity's performance at the same time the entity performs;
- ② The customer is able to control the goods in the process of being produced during the Company's performance;
- ③ The goods produced during the Company's performance have a non-substitutable use, and the Company has the right to collect payment for the portion of performance completed to date throughout the term of the contract.

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

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

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

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

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

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

⑤ The customer has accepted the goods.

(2) Specific Methods

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

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

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

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

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

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

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

Applicable Not Applicable

35. Contract Costs

Applicable Not Applicable

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

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

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

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

③ The cost is expected to be recoverable.

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

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

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

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

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

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

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

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

36. Government Grants

Applicable Not Applicable

(1) Recognition of Government Grants

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

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

② The Company is able to receive the government grant.

(2) Measurement of Government Grants

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

(3) Accounting Treatment of Government Grants

①Asset-Related Government Grants

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

②Government Grants Related to Income

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

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

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

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

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

③Interest Subsidies on Policy-Based Preferential Loans

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

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

④Return of Government Grants

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

37. Deferred Income Tax Assets / Deferred Income Tax Liabilities

Applicable Not Applicable

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

(1) Recognition of Deferred Income Tax Assets

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

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

A. The transaction is not a business combination;

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

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

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

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

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

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

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

becomes probable that sufficient taxable income will be available, the amount of the write-down is reversed.

(2) Recognition of Deferred Income Tax Liabilities

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

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

A. The initial recognition of goodwill;

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

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

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

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

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

① Deferred Income Tax Liabilities or Assets Related to Business Combinations

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

② Items recognized directly in equity

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

③ Tax Loss Carryforwards and Tax Credits

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

The tax loss carryforward refers to a loss that, in accordance with tax laws, is allowed to be offset against taxable income in future years. Unutilized tax loss carryforwards (tax loss carryforwards) and tax credits that may be carried forward to future years in accordance with tax laws are treated as deductible temporary differences. When it is probable that sufficient taxable income will be available in future

periods to utilize the net operating loss carryforwards or tax credits, a deferred income tax asset is recognized to the extent of such probable taxable income, and the income tax expense in the current period's income statement is reduced accordingly.

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

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

④ Temporary differences arising from consolidation eliminations

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

⑤ Dividends on Financial Instruments Classified as Equity Instruments

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

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

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

- ①The Company has the legal right to settle current income tax assets and liabilities on a net basis;
- ②Deferred income tax assets and deferred income tax liabilities relate either to income taxes levied by the same tax authority on the same taxable entity or to different taxable entities. However, for each significant period in which deferred income tax assets and deferred income tax liabilities are reversed in

the future, the intention of the entity involved is to settle the current income tax assets and liabilities on a net basis or to simultaneously obtain assets and settle liabilities.

38. Leasing

Applicable Not Applicable

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

Applicable Not Applicable

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

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

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

① Right-of-Use Assets

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

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

- The initial measurement amount of the lease liability;
- Lease payments made on or before the commencement of the lease term, net of any lease incentives already received, if applicable;
- Initial direct costs incurred by the lessee;
- Costs expected to be incurred by the lessee for dismantling and removing the leased asset, restoring the site where the leased asset is located, or returning the leased asset to the condition specified in the lease terms. The Company recognizes and measures these costs in accordance with the criteria and methods for recognizing and measuring contingent liabilities; see Section V, 31 for details. The aforementioned costs, if incurred for the production of inventory, are included in the cost of inventory.

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

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

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

②Lease Liabilities

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

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

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

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

Classification Criteria and Accounting Treatment Method for Leases as Lessor

Applicable Not Applicable

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

①Operating Leases

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

② Finance Leases

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

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

39. Other Significant Accounting Policies and Estimates

Applicable Not Applicable

(I) Work Safety Expenses and Maintenance and Renovation Expenses

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

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

(II) Repurchase of Company Shares

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

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

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

(III) Debt Restructuring

(1) When the Company acts as a creditor

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

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

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

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

(2) When the Company acts as the debtor

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

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

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

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

(IV) Significant Accounting Judgments and Estimates

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

(1) Classification of Financial Assets

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

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

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

(2) Measurement of Expected Credit Losses on Accounts Receivable

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

(3) Deferred Income Tax Assets

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

40. Changes in Significant Accounting Policies and Estimates

For further details, please refer to the section titled “Analysis and Explanation of the Reasons for and Impact of Changes in Accounting Policies, Accounting Estimates, or Corrections of Material Accounting Errors” under “Significant Matters.”

41. Financial Statements Involving Adjustments to the First-Time Implementation of New Accounting Standards or Interpretations from 2025 Onward

Applicable Not Applicable

42. Others

Applicable Not Applicable

VI. Taxes

1. Major Tax Types and Tax Rates

Major Tax Types and Tax Rates

Applicable Not Applicable

Tax Type	Basis of Taxation /Revenue Type	Tax Rate
Value-added Tax	Domestic Sales	19%, 13%, 9%, 7%, 0%, tax-free
	Provision of Real Estate Leasing Services	9%
	Other Taxable Sales and Services	6%
	Simplified Tax Calculation Method	5% or 3%
Consumption Tax		
Business Tax		
Urban Maintenance and Construction Tax	Actually Paid Turnover Tax Amount	7%, 5%
Corporate Income	Taxable Income	For details, see *1

Tax		
Property Tax	The tax base is 70% of the original value of the property (or rental income).	12%, 1.2%
Property Tax	Appraised value of real estate and land	Progressive tax rate (0.3%–0.5%), 4.5931%
Education Surcharge	Actually Paid Turnover Tax Amount	3%
Local Education Surcharge	Actually Paid Turnover Tax Amount	2%

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

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

Applicable Not Applicable

Taxpayer Name	Income Tax Rate (%)
The Company	15
Meihua Group International Trading (Hong Kong) Limited (hereinafter referred to as "Hong Kong Meihua")*	16.5
Langfang Meihua Seasoning Co., Ltd. (hereinafter referred to as "Langfang Seasoning")	25
Tongliao Meihua Seasoning Co., Ltd. (hereinafter referred to as "Tongliao Seasoning")	25
Langfang Meihua Bio-Technology Development Co., Ltd. (hereinafter referred to as "Langfang Development")	15
Langfang BAIAN Technology Co., Ltd. (hereinafter referred to as "Langfang BAIAN")	25
Meihua (Shanghai) Biotechnology Co., Ltd. (hereinafter referred to as "Shanghai R & D")	20
Lhasa Meihua Biological Investment Holding Co., Ltd. (hereinafter referred to as "Lhasa Meihua")	25
Tongliao Meihua Biotechnology Co., Ltd. (hereinafter referred to as "Tongliao Meihua")	15
Tongliao Jianlong Chemical Co., Ltd. (hereinafter referred to as "Tongliao Jianlong")	25
Xinjiang Meihua Amino Acid Co., Ltd. (hereinafter referred to as "Xinjiang Meihua")	15
Xinjiang Meihua Agricultural Development Co., Ltd. (hereinafter referred to as "Xinjiang Agriculture")	25
Wujiaqu Jianlong Chemical Co., Ltd. (hereinafter referred to as "Wujiaqu Jianlong")	20
Jilin Meihua Amino Acid Co., Ltd. (hereinafter referred to as "Jilin Meihua")	15
Zhuhai Hengqin Meihua Biotechnology Co., Ltd. (hereinafter referred to as "Hengqin Meihua")	25
HONG KONG PLUM HOLDING LIMITED (hereinafter referred to as "Hong Kong Holdings")*	16.5
CAYMAN PLUM HOLDING LIMITED (hereinafter referred to as "Cayman Company")	0
PLUM BIOTECHNOLOGY GROUP PTE.LTD. (hereinafter referred to as	15

“Singapore Company”)	
Plumino Precision Fermentation Holdings Pte. Ltd. (hereinafter referred to as “SPV”)	17
Shanghai Primeno Amino Acids Co., Ltd. (hereinafter referred to as “SP”)	25
Plumino Precision Fermentation (Thailand) Co., Ltd. (hereinafter referred to as “TP”)	20
Plumino Precision Fermentation US Holdings, Inc. (hereinafter referred to as “PUS”)	29.7 (including a federal corporate income tax rate of 21% and a state corporate income tax rate of 8.7%)
Plumino Precision Fermentation USA, Inc. (hereinafter referred to as “UP”)	25 (including a federal corporate income tax rate of 21% and a state corporate income tax rate of 4%)
Plumino USA Inc. (hereinafter referred to as “PUSA”)	29.7 (including a federal corporate income tax rate of 21% and a state corporate income tax rate of 8.7%)
Plumino Precision Fermentation Japan Co., Ltd. (hereinafter referred to as “PJP”)	20.42
Plumino Biotechnology Singapore Pte. Ltd. (hereinafter referred to as “PSG”)	17
Plumino Precision Fermentation Europe GmbH (hereinafter referred to as “PEU”)	15
Primano Biotechnology (Guangdong) Co., Ltd. (hereinafter referred to as “PGD”)	25

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

2. Tax Benefits

Applicable Not Applicable

(1) Corporate Income Tax

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

② Langfang R & D, a subsidiary of the Company, was certified as a high-tech enterprise by the Hebei High-tech Enterprise Certification and Management Working Group on December 2, 2025, with certificate No. GR202513002211. The certificate is valid from December 2, 2025, to December 2, 2028. Corporate income tax is levied at a rate of 15% for the fiscal year 2025.

③ Jilin Meihua, a subsidiary of the Company, was certified as a high-tech enterprise by the Jilin High-tech Enterprise Certification and Management Working Group on November 1, 2024, with

certificate No. GR202422000344. The validity period is three years, and in 2025, the corporate income tax will be levied at a rate of 15%.

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

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

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

(2) Value-added tax

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

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

③ According to the Notice by the General Office of the Ministry of Industry and Information Technology, the General Office of the Ministry of Finance and the General Office of the State Taxation Administration on *Matters Concerning the Development of the List of Advanced Manufacturing Enterprises Eligible for the Additional Value-Added Tax Input Credit Deduction Policy for 2024* (Gong Xin Ting Lian Cai Han [2024] No. 248 of the General Office of the Ministry of Industry and

Information Technology), the Company's subsidiary Xinjiang Meihua has been included in the list and is entitled to the additional deduction of value-added tax input credits.

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

3. Others

Applicable Not Applicable

VII. Notes to Consolidated Financial Statements

1. Monetary Funds

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Cash on Hand	3,267.17	--
Bank Deposits	3,866,955,277.83	4,112,897,142.87
Other Monetary Funds	420,114,528.49	447,591,156.66
Unexpired Interest Receivable	1,098,705.10	567,894.43
Deposits with Financial Companies		
Total	4,288,171,778.59	4,561,056,193.96
Including: Total Amount Deposited Overseas	1,566,229,170.25	1,075,992,001.16

Other Explanations

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

Items	December 31, 2025	December 31, 2024
Bank Acceptance Draft Guarantee Deposit	277,489,110.74	428,515,211.93
Funds in Transit	2,478,943.96	--
Guarantee Deposits and Other	669,172.00	113,485.46

Items	December 31, 2025	December 31, 2024
Restricted Funds		
Total	280,637,226.70	428,628,697.39

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

2. Financial Assets Held for Trading

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reason and Basis for Designation
Financial Assets Measured at Fair Value with Changes in Fair Value Recorded in the Profit or Loss for the Current Period	1,140,377,416.70	312,033,611.07	/
Including:			
Wealth Management Products	1,140,377,416.70	312,033,611.07	/
Financial Assets Designated as Being Measured at Fair Value with Changes in Fair Value Recorded in the Profit or Loss for the Current Period			
Including:			
Total	1,140,377,416.70	312,033,611.07	/

Other Explanations:

Applicable Not Applicable

The significant change in financial assets at fair value through profit or loss was mainly attributable to the Company's purchase of wealth management products during the period to improve returns on idle funds.

3. Derivative Financial Assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Foreign Exchange Derivative Instruments	2,061,300.00	
Total	2,061,300.00	

Other Explanations:

None

4. Notes Receivable

(1). Classified Presentation of Notes Receivable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Bank Acceptance Notes	107,542,558.59	73,697,475.30

Commercial Acceptance Notes		
Total	107,542,558.59	73,697,475.30

(2). Notes receivable that have been pledged by the Company at the end of the period

Applicable Not Applicable

(3). Notes receivable that have been endorsed or discounted by the Company at the end of the period and are not due as of the balance sheet date

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount derecognized as at the end of the period	Amount not derecognized as at the end of the period
Bank Acceptance Notes		99,801,405.25
Commercial Acceptance Notes		
Total		99,801,405.25

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

Applicable Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

Items for Provision on a Portfolio Basis: Bank Acceptance Bill Portfolio

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Ratio (%)
Bank Acceptance Bill Portfolio	107,542,558.59		
Total	107,542,558.59		

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

As at December 31, 2025, the Company measures loss allowances for bills receivable at lifetime expected credit losses. The Company considers that the bank acceptance bills held are not exposed to significant credit risk, and that no material loss would arise from the default of the issuing banks.

The criteria and descriptions for recognizing loss allowances on a portfolio basis are set out in Section V.11 of this note.

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of Significant Changes in the Book Value of Notes Receivable with Changes in Loss Reserves during the Current Period:

Applicable Not Applicable

(5). Status of Bad Debt Reserves

Applicable Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(6). Notes Receivable Actually Written Off during the Current Period

Applicable Not Applicable

Including write-offs of significant notes receivable:

Applicable Not Applicable

Explanation of Write-offs of Notes Receivable:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

5. Accounts Receivable

(1). Disclosure by Aging

Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Value	Beginning Book Value
Within 1 year (including 1 year)	607,648,713.65	617,940,479.57
Within 1 year	607,648,713.65	617,940,479.57
1 to 2 years	116,453.41	962,314.02
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	607,765,167.06	618,902,793.59

(2). Classified Disclosure by Bad Debt Provision Methods

Applicable Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value	Book Balance		Bad Debt Reserves		Book Value
	Amount	Ratio(%)	Amount	Provision Ratio (%)		Amount	Ratio(%)	Amount	Provision Ratio (%)	

Provisions for Bad Debt Reserves on an Individual-item Basis										
Including:										
Provisions for Bad Debt Reserves on a Portfolio Basis:	607,765,167.06	100.00	30,394,081.00	5.00	577,371,086.06	618,902,793.59	100.00	30,993,255.38	5.01	587,909,538.21
Including:										
Including: Aging Analysis Portfolio	607,765,167.06	100.00	30,394,081.00	5.00	577,371,086.06	618,902,793.59	100.00	30,993,255.38	5.01	587,909,538.21
Total	607,765,167.06	/	30,394,081.00	/	577,371,086.06	618,902,793.59	/	30,993,255.38	/	587,909,538.21

Provisions for Bad Debt Reserves on an Individual-item:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

Items for Provision on a Portfolio Basis: Aging Analysis Portfolio

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Ratio (%)
Within 1 year	607,648,713.65	30,382,435.66	5.00
1-2 years	116,453.41	11,645.34	10.00
Total	607,765,167.06	30,394,081.00	5.00

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of Significant Changes in the Book Value of Accounts Receivable with Changes in Loss Reserves during the Current Period:

Applicable Not Applicable

(3). Status of Bad Debt Reserves

Applicable Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Aging Analysis Portfolio	30,993,255.38		10,745,328.47		10,146,154.09	30,394,081.00
Total	30,993,255.38		10,745,328.47		10,146,154.09	30,394,081.00

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

The other changes mainly represent an amount of 10,264,062.46 yuan arising from a business combination not under common control.

There was no material recovery or reversal of impairment losses during the period.

(4). Accounts Receivable Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant accounts receivable:

Applicable Not Applicable

Explanation of Write-off of Accounts Receivable:

Applicable Not Applicable

There were no receivables actually written off during the period.

(5). Overview of Accounts Receivable and Contract Assets Ranking Top Five in Ending Balances Aggregated by Debtors

Applicable Not Applicable

Unit: Yuan Currency: RMB

Entity Name	Ending Balances of Accounts Receivable	Ending Balances of Contract Assets	Ending Balances of Accounts Receivable and Contract Assets	Proportion in the Total Amount of Ending Balances of Accounts Receivable and Contract Assets (%)	Ending Balances of Bad Debt Reserves
First	146,419,928.48		146,419,928.48	24.09	7,320,996.42
Second	42,799,438.69		42,799,438.69	7.04	2,139,971.93
Third	41,308,531.02		41,308,531.02	6.8	2,065,426.55
Fourth	32,290,281.29		32,290,281.29	5.31	1,614,514.06
Fifth	29,455,639.44		29,455,639.44	4.85	1,472,781.97
Total	292,273,818.92		292,273,818.92	48.09	14,613,690.93

Other Explanations:

None

Other Explanations:

Applicable Not Applicable

6. Contract Assets

(1). Status of Contract Assets

Applicable Not Applicable

(2). Amount of and Reasons for Significant Changes in Book Value during the Reporting Period

Applicable Not Applicable

(3). Classified Disclosure by Bad Debt Provision Methods

Applicable Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of contract assets with changes in loss reserves during the current period:

Applicable Not Applicable

(4). Status of Provisions for Bad Debt Reserves for Contract Assets during the Current Period

Applicable Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(5). Status of Contract Assets Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant contract assets

Applicable Not Applicable

Explanation of Write-off of Contract Assets:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

7. Receivables Financing**(1). Classified Presentation of Receivables Financing**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Notes Receivable	17,834,479.91	26,575,904.82
Accounts Receivable	143,883.09	147,150.17
Total	17,978,363.00	26,723,054.99

(2). Receivables Financing that have been pledged by the Company at the end of the period

Applicable Not Applicable

(3). Receivables Financing that have been endorsed or discounted by the Company at the end of the period and are not due as of the balance sheet date✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount derecognized as at the end of the period	Amount not derecognized as at the end of the period
Bank Acceptance Notes	496,861,364.45	
Total	496,861,364.45	

(4). Classified Disclosure by Bad Debt Provision Methods✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value	Book Balance		Bad Debt Reserves		Book Value
	Amount	Ratio(%)	Amount	Provision Ratio (%)		Amount	Ratio(%)	Amount	Provision Ratio (%)	
Provisions for Bad Debt Reserves on an Individual-item Basis										
Including:										
Provisions for Bad Debt Reserves on a Portfolio Basis:	17,985,935.79	100.00	7,572.79	0.04	17,978,363.00	26,730,799.74	100.00	7,744.75	0.03	26,723,054.99
Including:										
Notes Receivable	17,834,479.91	99.16			17,834,479.91	26,575,904.82	99.42			26,575,904.82
Accounts Receivable	151,455.88	0.84	7,572.79	5.00	143,883.09	154,894.92	0.58	7,744.75	5.00	147,150.17
Total	17,985,935.79	/	7,572.79	/	17,978,363.00	26,730,799.74	/	7,744.75	/	26,723,054.99

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

✓Applicable Not Applicable

Items for provisions on a portfolio basis: Accounts receivable

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Rate (%)
Accounts Receivable	151,455.88	7,572.79	5.00
Total	151,455.88	7,572.79	5.00

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis

Applicable Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of Receivables Financing with changes in loss reserves during the current period:

Applicable Not Applicable

(5). Status of Bad Debt Reserves

Applicable Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Provisions for Bad Debt Reserves on an Individual-item Basis						
Provisions for Bad Debt Reserves on a Portfolio Basis	7,744.75		171.96			7,572.79
Including: Notes Receivable						
Accounts Receivable	7,744.75		171.96			7,572.79
Total	7,744.75		171.96			7,572.79

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

As at December 31, 2025, the Company measures impairment allowances for receivables financing based on lifetime expected credit losses. The Company considers that the bank acceptance bills held do not carry significant credit risk and that no material loss would arise from bank default.

The criteria and descriptions for recognizing impairment allowances on a portfolio basis are set out in Section V.11 of this note.

(6). Status of Receivables Financing Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant Receivables Financing

Applicable Not Applicable

Write-off Explanation:

Applicable Not Applicable

(7). Fluctuations in Receivables Financing and Changes in Fair Value during the Current Period:

Applicable Not Applicable

Items	Beginning Balance		The change amount for this period		Ending Balance	
	Cost	Changes in Fair Value	Cost	Changes in Fair Value	Cost	Changes in Fair Value
Notes Receivable	26,575,904.82		-8,741,424.91		17,834,479.91	
Accounts Receivable	154,894.92	-7744.75	-3,439.04	171.96	151,455.88	-7572.79
Total	26,730,799.74	-7,744.75	-8,744,863.95	171.96	17,985,935.79	-7,572.79

(8). Other Explanations:

Applicable Not Applicable

8. Prepayments**(1). Presentation of Prepayments on Aging**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Balance		Beginning Balance	
	Amount	Ratio (%)	Amount	Ratio (%)
Within 1 year	171,509,299.41	99.78	219,536,259.06	99.79
1 to 2 years	227,605.00	0.13		
2 to 3 years	--	--		
Over 3 years	147,678.18	0.09	464,602.69	0.21
Total	171,884,582.59	100	220,000,861.75	100.00

Explanation for significant prepayments with aging exceeding 1 year and not settled timely:
None

(2). Overview of Prepayments Ranking Top Five in Ending Balances Aggregated by Prepayment Recipients

Applicable Not Applicable

Unit: Yuan Currency: RMB

Entity Name	Ending Balance	Proportion in Total Amount of Ending Balances of Prepayments (%)
First	26,710,268.90	15.54
Second	14,192,661.47	8.26
Third	7,588,353.14	4.41
Fourth	7,414,835.91	4.31
Fifth	6,617,687.37	3.85
Total	62,523,806.79	36.37

Other Explanations:

None

Other Explanations:

Applicable Not Applicable

9. Other Receivables**Presentation of Items**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Receivable	1,575,000.00	1,575,000.00
Dividend Receivable	1,395,866.49	1,395,866.49
Other Receivables	67,506,290.09	46,322,133.07
Total	70,477,156.58	49,292,999.56

Other Explanations:

Applicable Not Applicable

Interest Receivable**(1).Classification of Interest Receivable**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Fixed Deposits		
Entrusted Loans		
Bond Investments		
Debt Investments	1,575,000.00	1,575,000.00
Total	1,575,000.00	1,575,000.00

(2).Significant Overdue Interest

Applicable Not Applicable

(3).Classified Disclosure by Bad Debt Provision Methods

Applicable Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

(4).Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of Significant Changes in the Book Balance of Interest Receivable with Changes in Loss Reserves during the Current Period:

Applicable Not Applicable

(5).Status of Bad Debt Reserves

Applicable Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(6).Status of Interests Receivable Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant interest receivable

Applicable Not Applicable

Write-off Explanation:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

Dividends Receivable**(1).Dividends Receivable**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item (or Investee)	Ending Balance	Beginning Balance
Tongliao Desheng Bio-techn Co., Ltd.	1,395,866.49	1,395,866.49
Total	1,395,866.49	1,395,866.49

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

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item (or Investee)	Ending Balance	Aging	Reason for Non-receipt	Whether Impairment Has Occurred and Basis for Assessment
Tongliao Desheng Bio-techn Co., Ltd.	1,395,866.49	1-2 years	Not yet due	No
Total	1,395,866.49	/	/	/

(3).Classified Disclosure by Bad Debt Provision Methods

Applicable Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

(4).Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves:

None

Explanation of Significant Changes in the Book Balance of Dividends Receivable with Changes in Loss Reserves during the Current Period:

Applicable Not Applicable

(5).Status of Bad Debt Reserves

Applicable Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(6).Status of Dividends Receivable Actually Written off during the Current Period

Applicable Not Applicable

Including write-off of significant dividends receivable

Applicable Not Applicable

Write-off Explanation:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

Other Receivables**(1).Disclosure by Aging**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Book Balance at the End of the Period	Book Balance at the Beginning of the Period
Within 1 year (including 1 year)	67,105,934.96	46,467,795.88
Within 1 year	67,105,934.96	46,467,795.88
1 to 2 years	3,180,293.72	1,275,731.61
2 to 3 years	667,906.00	1,174,814.63
Over 3 years		
3 to 4 years	778,583.55	4,789,260.47
4 to 5 years	4,656,413.54	246,853.74
Over 5 years	110,825,852.83	109,567,343.84
Total	187,214,984.60	163,521,800.17

(2).Classification of Accounts by Nature

Applicable Not Applicable

Unit: Yuan Currency: RMB

Account Nature	Book Balance at the End of the Period	Book Balance at the Beginning of the Period
----------------	---------------------------------------	---

External Unit Account Current	29,727,742.16	27,900,225.75
Guarantee Deposit	8,971,087.73	1,516,947.79
Land and Real Estate Account Receivable	85,672,687.00	85,672,687.00
Export Tax Refunds Receivable	53,078,814.60	37,629,851.01
Others	9,764,653.11	10,802,088.62
Total	187,214,984.60	163,521,800.17

(3).Provisions for Bad Debt Reserves

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Bad Debt Reserves	Stage One	Stage Two	Stage Three	Total
	Expected Credit Losses for the Next 12 Months	Expected Credit Losses for the Entire Duration (Credit Impairment Not Yet Occurred)	Expected Credit Losses for the Entire Duration (Credit Impairment Occurred)	
Balance as of January 1, 2025	4,247,487.67	--	112,952,179.43	117,199,667.10
Balance as of January 1, 2025 for the Current Period				
-- Transferred to Stage Two				
-- Transferred to Stage Three				
-- Reversed to Stage Two				
-- Reversed to Stage One				
Provision for the Current Period	366,007.73	--	--	366,007.73
Reversal for the Current Period	--	--	--	--
Write-Off for the Current Period	--	--	--	--
Write-Off for the Current Period	--	--	--	--
Other Changes	2,143,019.68	--	--	2,143,019.68
Balance as of December 31, 2025	6,756,515.08	--	112,952,179.43	119,708,694.51

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of Significant Changes in the Book Balance of Other Receivables with Changes in Loss Reserves during the Current Period:

□Applicable √Not Applicable

Basis for the Amount of Provisions for Bad Debt Reserves for the Current Period and for the Assessment of Significant Increase in Credit Risk for Financial Instruments:

□Applicable √Not Applicable

(4).Status of Bad Debt Reserves

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	

Provisions for Bad Debt Reserves on an Individual-item Basis	112,952,179.43					112,952,179.43
Provisions for Bad Debt Reserves on a Portfolio Basis	4,247,487.67	366,007.73			2,143,019.68	6,756,515.08
Including: Aging Analysis Portfolio	4,247,487.67	366,007.73			2,143,019.68	6,756,515.08
Total	117,199,667.10	366,007.73			2,143,019.68	119,708,694.51

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(5).Status of Other Receivables Actually Written off during the Current Period

Applicable Not Applicable

Including write-off of significant other receivables:

Applicable Not Applicable

Explanation of Write-Off of Other Receivables:

Applicable Not Applicable

(6).Overview of Other Receivables Ranking Top Five in Ending Balances Aggregated by Debtors

Applicable Not Applicable

Unit: Yuan Currency: RMB

Entity Name	Ending Balance	Proportion in the Total Amount of Ending Balances of Other Receivables (%)	Account Nature	Aging	Ending Balance of Bad Debt Reserves
Baizhou Metal, Glass and Furniture Industrial Park	85,672,687.00	45.76	External Unit Account Current	Over 5 years	85,672,687.00
Baicheng Taxation Bureau, State Taxation Administration	25,858,289.25	13.81	Export Tax Refunds	Within 1 year	1,292,914.46

Tongliao Taxation Bureau, State Taxation Administration	25,246,535.99	13.49	Export Tax Refunds	Within 1 year	1,262,326.80
Kezuo Zhongqi Jucang Grain Trading Co., Ltd.	22,805,887.09	12.18	External Unit Account Current	Over 5 years	22,805,887.09
COFCO Trading Baicheng Co., Ltd.	3,197,000.00	1.71	Guarantee Deposits	Within 1 year	159,850.00
Total	162,780,399.33	86.95	/	/	111,193,665.35

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

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

10. Inventories**(1). Classification of Inventories**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Inventory Write Down/Contract Performance Cost Write Down	Book Value	Book Balance	Inventory Write down/Contract Fulfillment Cost Write Down	Book Value
Raw Materials	1,781,556,032.76	99,407,632.81	1,682,148,399.95	1,869,291,071.68	3,552,300.96	1,865,738,770.72
Work in Progress	352,184,164.47	5,003,649.19	347,180,515.28	364,041,057.73	--	364,041,057.73
Inventory Goods	898,686,454.87	158,239,212.89	740,447,241.98	299,770,551.12	2,895,552.03	296,874,999.09
Turnover Materials						
Consumable Biological Assets						
Contract Performance Cost						
Goods Issued	251,851,543.84	--	251,851,543.84	195,625,080.53	--	195,625,080.53
Total	3,284,278,195.94	262,650,494.89	3,021,627,701.05	2,728,727,761.06	6,447,852.99	2,722,279,908.07

(2). Recognition of Data Resources as Inventory

Applicable Not Applicable

(3). Capitalized Amount of Borrowing Costs Included in Inventory Balance at the End of the Period and Its Calculation Criteria and Basis

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increased Amount for the Current Period	Decreased Amount for the Current Period	Ending Balance
-------	-------------------	---	---	----------------

		Provision	Others *1	Reversed or Written off	Others	
Raw Materials	3,552,300.96	1,038,480.74	131,825,261.26	36,124,958.81	883,451.34	99,407,632.81
Work in Progress		5,146,874.39	13,050,922.96	12,559,439.30	634,708.86	5,003,649.19
Inventory Goods	2,895,552.03	8,522,097.26	291,045,444.85	144,667,064.43	-443,183.18	158,239,212.89
Turnover Materials						
Consumable Biological Assets						
Contract Performance Cost						
Goods in Transit			20,181,873.41	20,181,873.41		
Total	6,447,852.99	14,707,452.39	456,103,502.48	213,533,335.95	1,074,977.02	262,650,494.89

*1 The other changes during the period mainly represent an amount of 456,103,502.48 yuan arising from a business combination not under common control.

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

Applicable Not Applicable

Provision for Inventory Write-down on a Portfolio Basis

Applicable Not Applicable

Provision Criteria for Inventory Write-down on a Portfolio Basis

Applicable Not Applicable

(4). Explanation of the Amortization Amount of Contract Performance Costs for the Current Period

Applicable Not Applicable

(5). Explanation of Amortization of Contract Performance Costs for the Current Period

Applicable Not Applicable

Other Explanation:

Applicable Not Applicable

11. Assets Held for Sale

Applicable Not Applicable

12. Non-Current Assets Due within One Year

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Debt Investments Due within One Year		
Other Debt Investments Due within One Year		
Large-Denomination Certificate of Deposit	75,186,227.80	182,257,027.81

Long-Term Receivables Due within One Year	389,397.68	
Total	75,575,625.48	182,257,027.81

Debt Investments Due within One Year

Applicable Not Applicable

Other Debt Investments Due within One Year

Applicable Not Applicable

Other explanations for non-current assets due within one year:

None

13. Other Current Assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Cost of Contract Acquisition		
Cost of Receivable Returns		
Input Tax Credit for Value-Added Tax	108,032,314.02	82,698,855.12
Prepaid Taxes and Fees	22,592,023.99	4,981,517.30
Deferred Expenses	8,660,495.57	5,353,515.59
Large-denomination Certificate of Deposit	75,446,249.99	71,595,510.66
Total	214,731,083.57	164,629,398.67

Other Explanations:

None

14. Debt Investments**(1). Status of Debt Investments**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Tongliao Hailin Biotechnology Co., Ltd.	10,500,000.00		10,500,000.00	10,500,000.00		10,500,000.00
Total	10,500,000.00		10,500,000.00	10,500,000.00		10,500,000.00

Changes in Debt Investment Impairment Reserves for the Current Period

Applicable Not Applicable

(2). Significant Debt Investments at the End of the Period

Applicable Not Applicable

(3). Provision for Impairment Reserves

Applicable Not Applicable

Basis for Staging and Provision Ratios for Impairment Reserves:

None

Explanation of Significant Changes in Book Balance of Debt Investments with Changes in Loss Reserves during the Current Period:

Applicable Not Applicable

Basis for the Amount of Provisions for Impairment Reserves and the Assessment of Significant Increase in Credit Risk of Financial Instruments

Applicable Not Applicable

(4). Status of Debt Investments Actually Written Off during the Current Period

Applicable Not Applicable

Including the write-off of significant debt investments

Applicable Not Applicable

Explanation of Write-off of Debt Investments:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

15. Other Debt Investments

(1). Status of Other Debt Investments

Applicable Not Applicable

Changes in Impairment Reserves for Other Debt Investments for the Current Period

Applicable Not Applicable

(2). Significant Other Debt Investments at the End of the Period

Applicable Not Applicable

(3). Provisions for Impairment Reserves

Applicable Not Applicable

Basis for Staging and Provision Ratios for Impairment Reserves:

None

Explanation of Significant Changes in the Book Balance of Other Debt Investments with Changes in Loss Reserves during the Current Period:

Applicable Not Applicable

Basis for the Amount of Provisions for Impairment Reserves and the Assessment of Significant Increase in Credit Risk of Financial Instruments

Applicable Not Applicable

(4). Status of Other Debt Investments Actually Written off during the Current Period

Applicable Not Applicable

Including the write-off of significant other debt investments

Applicable Not Applicable

Explanation of write-off of other debt investments:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

16. Long-term Receivables**(1). Status of Long-term Receivables**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance			Range of Discount Rates
	Book Balance	Bad Debt Reserves	Book Value	Book Balance	Bad Debt Reserves	Book Value	
Financing Lease Receivables	622,641.83	--	622,641.83	601,043.91		601,043.91	
Including: Unrealized Financing Income	10,602.32		10,602.32	23,036.85		23,036.85	
Goods Sold on an Installment Basis							
Services Provided on an Installment Basis							
Less: Long-term Receivables Due within One year	389,397.68		389,397.68				
Total	233,244.15	--	233,244.15	601,043.91	--	601,043.91	/

(2). Classified Disclosure by Bad Debt Provision Methods

Applicable Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

(3). Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of Significant Changes in Book Balance of Long-term Receivables with Changes in Loss Reserves during the Current Period:

Applicable Not Applicable

Basis for Amount of Provisions for Bad Debt Reserves and the Assessment of Significant Increase in Credit Risk of Financial Instruments

Applicable Not Applicable

(4). Status of Bad Debt Reserves

Applicable Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(5). Status of Long-term Receivables Actually Written Off during the Current PeriodApplicable Not Applicable

Including Write-off of Significant Long-term Receivables

Applicable Not Applicable

Explanation of Write-off of Long-term Receivables:

Applicable Not Applicable

Other Explanations

Applicable Not Applicable**17. Long-term Equity Investments****(1). Status of Long-term Equity Investments**Applicable Not Applicable

Unit: Yuan Currency: RMB

Invested Unit	Beginning Balance (book value)	Increase/Decrease during the Current Period								Ending Balance (book value)	Ending Balances of Impairment Reserves
		Increase	Decrease	Investment Profit or Loss Recognized under Equity Method	Adjustments to Other Comprehensive Income	Other Equity Changes	Declaration of Cash Dividend or Profits Distribution	Provisions for Impairment Reserves	Others		
I. Joint Ventures											
Subtotal											
II. Associates											
Tongliao Desheng Bio-Tech Co., Ltd.	6,874,939.88			-2,117,014.67							4,757,925.21
Subtotal	6,874,939.88			-2,117,014.67							4,757,925.21
Total	6,874,939.88			-2,117,014.67							4,757,925.21

(2). Impairment Testing of Long-term Equity InvestmentsApplicable Not Applicable

Other Explanations:

None

18. Other Equity Instrument Investments**(1). Status of Other Equity Instrument Investments**✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase/Decrease During the Current Period					Ending Balance	Dividend Income Recognized for the Current Period	Gains Cumulatively Recorded in Other Comprehensive Income	Losses Cumulatively Recorded in Other Comprehensive Income	Reasons for Designation as Measured at Fair Value with Changes Recorded in Other Comprehensive Income
		Increase	Decrease	Gain Recorded in Other Comprehensive Income for the Current Period	Losses Recorded in Other Comprehensive Income for the Current Period	Others					
Bank of Tibet Co., Ltd.	157,000,000.00					157,000,000.00	3,308,800.00			Planned for Long-term Holding	
AIM Vaccine Co., Ltd.	284,294,280.00				139,327,470.00	144,966,810.00			153,024,892.50	Planned for Long-term Holding	
Total	441,294,280.00				139,327,470.00	301,966,810.00	3,308,800.00		153,024,892.50	/	

(2). Explanation of Cases Involving Derecognition During the Current PeriodApplicable Not Applicable

Other Explanations:

Applicable Not Applicable**19. Other Non-Current Financial Assets**✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Ending Balance	Beginning Balance
Financial Assets Designated as Being Measured at Fair Value with	282,005,000.00	

Changes in Fair Value Recorded in the Profit or Loss for the Current Period		
Total	282,005,000.00	

Other Explanations:

Applicable Not Applicable

20. Investment Properties

Measurement Model for Investment Properties
Not Applicable

21. Fixed Assets

Presentation of Items

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Fixed Assets	12,768,478,381.36	11,338,208,623.56
Clearance of Fixed Assets		
Total	12,768,478,381.36	11,338,208,623.56

Other Explanations:

Applicable Not Applicable

Fixed Assets

(1).Status of Fixed Assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Housing and Structures	Machinery and Equipment	Transportation Tools	Office and Other Equipmet	Total
I. Original Book Value					
1. Beginning Balance	7,615,177,316.84	17,724,735,641.43	63,233,482.62	253,099,206.30	25,656,245,647.19
2. Increased Amount for the Current Period	1,484,744,393.75	4,254,931,680.20	7,743,751.32	75,576,992.26	5,822,996,817.53
(1) Acquisition	--	30,175,664.34	3,776,673.87	7,237,963.27	41,190,301.48
(2) Transfer from Construction in Progress	718,348,504.18	1,784,043,868.50	59,413.88	37,912,553.06	2,540,364,339.62
(3) Increase from Enterprise Merger	765,326,739.49	2,439,945,116.13	3,907,663.57	30,426,475.93	3,239,605,995.12
Foreign Currency Translation Differences	1,069,150.08	767,031.23	--	--	1,836,181.31
3. Decreased Amount for the Current Period	175,206,731.22	696,518,828.65	9,584,095.28	19,389,587.51	900,699,242.66
(1) Disposal or Scrapping	132,758,915.12	662,661,534.55	9,536,228.25	18,987,419.65	823,944,097.57
Transfer to Construction in Progress	42,447,816.10	33,857,294.10	--	108,724.58	76,413,834.78
Foreign Currency Translation	--	--	47,867.03	293,443.28	341,310.31

Differences					
4. Ending Balance	8,924,714,979.37	21,283,148,492.98	61,393,138.66	309,286,611.05	30,578,543,222.06
II. Accumulated Depreciation					
1. Beginning Balance	3,299,561,917.61	10,812,132,793.46	49,281,459.83	154,975,714.26	14,315,951,885.16
2. Increased Amount for the Current Period	675,961,068.70	2,687,993,991.08	7,307,581.24	52,215,984.15	3,423,478,625.17
(1) Provision	367,589,821.99	954,287,715.63	3,403,883.53	27,107,622.70	1,352,389,043.85
Increase from Enterprise Merger	308,371,246.71	1,733,706,275.45	3,903,697.71	25,108,361.45	2,071,089,581.32
3. Decreased Amount for the Current Period	118,338,543.57	639,848,333.79	7,485,470.24	18,163,225.47	783,835,573.07
(1) Disposal or Scrapping	117,658,604.96	636,575,624.00	7,437,675.12	17,936,112.58	779,608,016.66
Foreign Currency Translation Differences	679,938.61	3,272,709.79	47,795.12	227,112.89	4,227,556.41
4. Ending Balance	3,857,184,442.74	12,860,278,450.75	49,103,570.83	189,028,472.94	16,955,594,937.26
III. Impairment Reserves					
1. Beginning Balance	1,723,356.44			361,782.03	2,085,138.47
2. Increased Amount for the Current Period	299,403,941.28	560,798,067.47	3,965.86	957,540.15	861,163,514.76
(1) Provision	10,769,658.16	10,196,042.26	--	361,782.03	21,327,482.45
Increase from Enterprise Merger	286,991,893.75	547,640,260.14	3,965.86	595,758.12	835,231,877.87
Foreign Currency Translation Differences	1,642,389.37	2,961,765.07	--	--	4,604,154.44
3. Decreased Amount for the Current Period	8,603,900.00	164,391.63	71.91	10,386.25	8,778,749.79
(1) Disposal or Scrapping	8,603,900.00	164,391.63			8,768,291.63
Foreign Currency Translation Differences			71.91	10,386.25	10,458.16
4. Ending Balance	292,523,397.72	560,633,675.84	3,893.95	1,308,935.93	854,469,903.44
IV. Book Value					
1. Book Value at the End of the Period	4,775,007,138.91	7,862,236,366.39	12,285,673.88	118,949,202.18	12,768,478,381.36
2. Book Value at the Beginning of the Period	4,313,892,042.79	6,912,602,847.97	13,952,022.79	97,761,710.01	11,338,208,623.56

(2).Status of Temporarily Idle Fixed Assets

Applicable Not Applicable

(3).Fixed Assets Leased through Operating Leases

Applicable Not Applicable

(4).Status of Fixed Assets without Property Ownership Certificates

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Book Value	Reasons for Lack of Property Ownership Certificates
Housing and Structures	487,988,419.30	In Process
Total	487,988,419.30	

(5).Impairment Testing of Fixed Assets

Applicable Not Applicable

Recoverable amount is determined as the net amount after deducting disposal costs from fair value

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Book Value	Recoverable amount	Impairment Loss	Determination of Fair Value and Disposal Costs	Key Parameters	Basis for Key Parameters
Housing and Structures	5,067,530,536.63	4,775,007,138.91	292,523,397.72	Fair value is determined based on market quotations, market transaction prices of identical or similar assets after considering adjustment factors, or net realisable value from piecemeal disposal. Disposal costs refer to costs directly attributable to the disposal of assets.	(1) Fair value; (2) Disposal costs	(1) Fair value is determined based on historical transaction prices of assets, market quotations and other relevant data;
Machinery and Equipment	8,422,870,042.23	7,862,236,366.39	560,633,675.84			(2) Disposal costs include handling fees, taxes and other costs related to asset disposal.
Transportation Tools	12,289,567.83	12,285,673.88	3,893.95			
Office and Other Equipment	120,258,138.11	118,949,202.18	1,308,935.93			
Total	13,622,948,284.80	12,768,478,381.36	854,469,903.44	/	/	/

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

Applicable Not Applicable

Reasons for differences between the foregoing information and the information used in impairment tests in previous years or external information

Applicable Not Applicable

Reasons for differences between the information used in impairment tests in previous years and the actual situation in the current year

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable**Clearance of Fixed Assets**Applicable Not Applicable**22. Construction in Progress****Presentation of Items**Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Construction in Progress	331,385,832.85	714,122,720.14
Engineering Materials	12,174,104.36	14,401,421.40
Total	343,559,937.21	728,524,141.54

Other Explanations:

Applicable Not Applicable**Construction in Progress****(1).Status of Construction in Progress**Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Tongliao Meihua West Area Technological Renovation Project	16,888,073.65		16,888,073.65	28,450,008.41		28,450,008.41
Tongliao Meihua East Area Technological Renovation Project	20,820,394.95		20,820,394.95	21,533,131.55		21,533,131.55
Technological Upgrade Project of Tongliao Jianlong	7,632,614.40		7,632,614.40			
500,000-ton MSG Project in the West Zone of Tongliao	3,570,177.51		3,570,177.51	223,215,378.27		223,215,378.27
Expansion Project of the Heating Station in the West Zone of Tongliao	2,434,539.46		2,434,539.46	88,996,489.23		88,996,489.23
Tongliao Meihua Threonine 300,000 t/a Project	100,863,088.44		100,863,088.44			
Tongliao Sulfuric Acid Expansion and Upgrading Project	115,580,409.75		115,580,409.75			
Xinjiang Meihua 90,000 t/a Valine Project	16,477,092.20		16,477,092.20			

Technological Upgrade Project of Xinjiang Meihua	17,779,556.30		17,779,556.30	2,207,646.03		2,207,646.03
Process Optimization Project for Xanthan Gum in Xinjiang	263,771.92		263,771.92	7,588,537.29		7,588,537.29
18,000-ton Technological Upgrade Project for L-Isoleucine in Xinjiang	474,083.23		474,083.23	145,720,675.85		145,720,675.85
Reconstruction Project in Xinjiang				24,967,002.47		24,967,002.47
Phase V 600,000-ton Annual L-Lysine Project in Jilin	12,730,115.50		12,730,115.50	155,468,504.85		155,468,504.85
Technological Upgrade Project of Jilin Meihua	4,391,627.29		4,391,627.29	14,817,339.85		14,817,339.85
Reconstruction Project of the Company	10,035,634.61		10,035,634.61	1,158,006.34		1,158,006.34
Other Projects	1,444,653.64		1,444,653.64			
Total	331,385,832.85		331,385,832.85	714,122,720.14		714,122,720.14

(2).Changes in Significant Construction in Progress for the Current Period

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Project Name	Budget Amount	Beginning Balance	Increased Amount for the Current Period	Amount Transferred to Fixed Assets for the Current Period	Other Decreased Amounts for the Current Period	Ending Balance	Percentage of Cumulative Investment in Budget (%)	Engineering Progress	Accumulated Amount of Capitalized Interest	Including: Amount of Capitalized Interest for the Current Period	Interest Capitalization Rate for the Current Period (%)	Sources of Fund
500,000-ton MSG Project in the West Zone of Tongliao	1,061,347,600.00	223,215,378.27	55,674,610.92	275,319,811.68		3,570,177.51	86.08	86.08	8,629,820.21	1,947,324.08	2.64	Bank loans and self-fund
Project of the Heating Station in the West Zone of Tongliao	427,715,200.00	88,996,489.23	120,272,618.15	206,834,567.92		2,434,539.46	73.70	73.70				Self-funded

Phase V 600,000-ton Annual L-Lysine Project in Jilin	1,832,070,000.00	155,468,504.85	1,455,777,525.27	1,598,515,914.62	12,730,115.50	87.95	87.95	6,139,016.42	5,706,154.97	2.75	Bank loans and self-fund
Process Optimization Project for Xanthan Gum in Xinjiang	167,380,700.00	7,588,537.29	24,640,539.59	31,965,304.96	263,771.92	109.30	99.99				Self-funded
18,000-ton Technological Upgrade Project for L-Isoleucine in Xinjiang	156,558,000.00	145,720,675.85	14,990,573.31	160,237,165.93	474,083.23	102.65	99.99				Self-funded
Tongliao Meihua Threonine 300,000 t/a Project	1,981,000,000.00		101,576,998.18	713,909.74	100,863,088.44	5.13	5.13	93,868.02	93,868.02	2.4	Bank loans and self-fund
Tongliao Sulfuric Acid Expansion and Upgrading Project	248,075,700.00		115,702,161.97	121,752.22	115,580,409.75	46.64	46.64				Self-funded
Xinjiang Meihua 90,000 t/a Valine Project	539,300,000.00		16,477,092.20		16,477,092.20	3.06	3.06				Self-funded
Total	6,413,447,200.00	620,989,585.49	1,905,112,119.59	2,273,708,427.07	252,393,278.01	/	/	14,862,704.65	7,747,347.07	/	/

(3).Provisions for Impairment Reserves for Construction in Progress for the Current Period

Applicable Not Applicable

(4).Impairment Testing of Construction in Progress

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

Engineering Materials

(1).Status of Engineering Materials

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Engineering Materials	12,174,104.36		12,174,104.36	14,401,421.40		14,401,421.40
Total	12,174,104.36		12,174,104.36	14,401,421.40		14,401,421.40

Other Explanations:

None

23. Productive Biological Assets**(1). Productive biological assets measured at cost**

Applicable Not Applicable

(2). Impairment testing of productive biological assets measured at cost

Applicable Not Applicable

(3). Productive biological assets measured at fair value

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

24. Oil and Gas Assets**(1). Status of Oil and Gas Assets**

Applicable Not Applicable

(2). Impairment testing of oil and gas assets

Applicable Not Applicable

Other Explanations:

None

25. Right-of-Use Assets**(1). Status of Right-of-Use Assets**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Housing and Structures	Transportation Tools	Total
I. Original Book Value			
1. Beginning Balance	10,858,686.84	2,521,254.38	13,379,941.22
2. Increased Amount for the Current Period	6,357,380.35	--	6,357,380.35
Lease	--	--	--
Increase from Enterprise Merger	6,357,380.35	--	6,357,380.35
3. Decreased Amount for the Current Period	6,417,029.32	1,543,893.80	7,960,923.12
Expiration of Lease	6,417,029.32	1,543,893.80	7,960,923.12
4. Ending Balance	10,799,037.87	977,360.58	11,776,398.45
II. Accumulated Depreciation			
1. Beginning Balance	4,341,229.52	892,819.35	5,234,048.87
2. Increased Amount for the Current Period	8,457,388.21	504,250.86	8,961,639.07
(1) Provision	3,444,231.37	504,250.86	3,948,482.23
Increase from Enterprise Merger	5,013,156.84	--	5,013,156.84
3. Decreased Amount for the Current Period	5,371,616.58	1,054,994.04	6,426,610.62

(1) Disposal			
Expiration of Lease	5,371,616.58	1,054,994.04	6,426,610.62
4. Ending Balance	7,427,001.15	342,076.17	7,769,077.32
III. Impairment Reserves			
1. Beginning Balance			
2. Increased Amount for the Current Period			
(1) Provision			
3. Decreased Amount for the Current Period			
(1) Disposal			
4. Ending Balance			
IV. Book Value			
1. Book Value at the End of the Period	3,372,036.72	635,284.41	4,007,321.13
2. Book Value at the Beginning of the Period	6,517,457.32	1,628,435.03	8,145,892.35

Note: The depreciation of right-of-use assets for the year 2025 amounted to 3,948,482.23 yuan, and the depreciation expense charged to administrative expenses was 3,948,482.23 yuan.

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

Applicable Not Applicable

Other Explanations:

As at the end of the period, there were no indicators of impairment of the Company's right-of-use assets.

26. Intangible Assets

(1). Status of Intangible Assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Land Use Right	Patent Right	Non-patent Technology	Software	License for Patent Usage	Rights to use drug approvals	Total
I. Original Book Value							
1. Beginning Balance	1,596,007,128.28			50,227,999.55	234,427,829.31		1,880,662,957.14
2. Increased Amount for the Current Period	248,529,611.98			75,952,189.52	4,200,000.00	7,000,000.00	335,681,801.50
(1) Acquisition	7,622,682.99			11,482,524.12			19,105,207.11
(2) Internal Research and Development							
(3) Increase from Enterprise Merger	239,163,790.53			64,469,665.4	4,200,000.00	7,000,000.00	314,833,455.93
Foreign Currency Translation Differences	1,743,138.46						1,743,138.46
3. Decreased Amount for the Current Period				3,177,541.55			3,177,541.55
(1) Disposal				2,850,035.12			2,850,035.12

Foreign Currency Translation Differences				327,506.43			327,506.43
4. Ending Balance	1,844,536,740.26			123,002,647.52	238,627,829.31	7,000,000.00	2,213,167,217.09
II. Accumulated Amortization							
1. Beginning Balance	367,258,212.89			25,133,096.27	131,459,381.16		523,850,690.32
2. Increased Amount for the Current Period	45,636,398.01			53,551,403.33	9,626,010.41	6,299,815.92	115,113,627.67
(1) Provision	32,300,128.75			7,383,698.72	9,626,010.41	132,330.00	49,442,167.88
Increase from Enterprise Merger	13,336,269.26			46,167,704.61		6,167,485.92	65,671,459.79
3. Decreased Amount for the Current Period				2,903,396.00			2,903,396.00
(1) Disposal				2,760,272.04			2,760,272.04
Foreign Currency Translation Differences				143,123.96			143,123.96
4. Ending Balance	412,894,610.90			75,781,103.60	141,085,391.57	6,299,815.92	636,060,921.99
III. Impairment Reserves							
1. Beginning Balance							
2. Increased Amount for the Current Period	17,785,531.82			2,040,005.27			19,825,537.09
(1) Provision							
Increase from Enterprise Merger	17,558,914.76			2,027,624.21			19,586,538.97
Foreign Currency Translation Differences	226,617.06			12,381.06			238,998.12
3. Decreased Amount for the Current Period							
(1) Disposal							
4. Ending Balance	17,785,531.82			2,040,005.27			19,825,537.09
IV. Book Value							
1. Book Value at the End of the Period	1,413,856,597.54			45,181,538.65	97,542,437.74	700,184.08	1,557,280,758.01
2. Book Value at the Beginning of the Period	1,228,748,915.39			25,094,903.28	102,968,448.15		1,356,812,266.82

The ratio of intangible assets generated from the internal research and development by the Company to the balance of intangible assets at the end of the current period is zero.

(2). Data Resources Recognized as Intangible Assets

Applicable Not Applicable

(3). Status of Land Use Rights without Property Ownership Certificates

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item	Book Value	Reason for Pending Title Certificate
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Land Use Right	100,787.81	In process
Total	100,787.81	

(4). Impairment Testing of Intangible Assets

Applicable Not Applicable

Recoverable amount is determined as the net amount after deducting disposal costs from fair value

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Book Value	Recoverable amount	Impairment Loss	Determination of Fair Value and Disposal Costs	Key Parameters	Basis for Key Parameters
Land Use Right	1,431,642,129.36	1,413,856,597.54	17,785,531.82	Fair value is determined based on market quotations, or transaction prices of properties in the same or similar locations after considering relevant adjustment factors, or based on the expected use of the assets. Disposal costs refer to costs directly attributable to the disposal of assets.	(1) Fair value; (2) Disposal costs	(1) Fair value is determined based on historical transaction prices of assets, market quotations and other relevant data; (2) Disposal costs include handling fees, taxes and other costs related to asset disposal.
Software	47,221,543.92	45,181,538.65	2,040,005.27			
License for Patent Usage	97,542,437.74	97,542,437.74				
Rights to use drug approvals	700,184.08	700,184.08				
Total	1,577,106,295.10	1,557,280,758.01	19,825,537.09	/	/	/

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

Applicable Not Applicable

Reasons for differences between the foregoing information and the information used in impairment tests in previous years or external information

Applicable Not Applicable

Reasons for differences between the information used in impairment tests in previous years and the actual situation in the current year

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

27. Goodwill**(1). Original Book Value of Goodwill**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of the Invested Unit or Matters Generating Goodwill	Beginning Balance	Increases during the Current Period	Decreases during the Current Period	Ending Balance
		Arising from Enterprise Merger	Disposal	
Tongliao Jianlong	11,788,911.79			11,788,911.79
Total	11,788,911.79			11,788,911.79

(2). Goodwill Impairment Reserves

Applicable Not Applicable

(3). Relevant Information of Asset Portfolio or Asset Portfolios Where Goodwill Belongs to

Applicable Not Applicable

Changes in Asset Portfolio or Asset Portfolios

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

(4). Specific Methods for Determining Recoverable Amount

Recoverable amount is determined as the net amount after deducting disposal costs from fair value

Applicable Not Applicable

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

Applicable Not Applicable

Reasons for differences between the foregoing information and the information used in impairment tests in previous years or external information

Applicable Not Applicable

Reasons for differences between the information used in impairment tests in previous years and the actual situation in the current year

Applicable Not Applicable

(5). Performance Commitments and Corresponding Goodwill Impairment

When the goodwill was formed, there are performance commitments and the reporting period or the preceding reporting period was within the performance commitment period.

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

28. Long-term Deferred Expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increased Amount for the Current Period	Amortized Amount for the Current Period	Other Decreased Amounts	Ending Balance
Field usage rights	27,323,514.71	152,201.83	1,901,279.43		25,574,437.11
Housing Subsidies	53,853,880.45	15,972,000.00	9,482,539.26	285,185.18	60,058,156.01
Production Materials	38,163,082.19	32,731,250.84	28,663,997.83		42,230,335.20
Staff Rewards	149,999.98		119,999.89	5,000.00	25,000.09
Leasehold Improvements	3,048,072.18	773,656.08	527,179.45		3,294,548.81
One-time expansion fee		2,927,431.01	328,859.34		2,598,571.67
Total	122,538,549.51	52,556,539.76	41,023,855.20	290,185.18	133,781,048.89

Other Explanations:

None

29. Deferred Income Tax Assets/Deferred Income Tax Liabilities**(1). Unoffset Deferred Income Tax Assets**

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance		Beginning Balance	
	Deductible Temporary Differences	Deferred Income Tax Assets	Deductible Temporary Differences	Deferred Income Tax Assets
Asset Impairment Reserves - Bad debts	130,774,330.45	20,132,473.89	125,361,707.14	18,804,914.95
Asset Impairment Reserves - Inventory	21,920,451.88	3,436,100.13	6,447,852.99	1,099,934.94
Unrealized Profits from Internal Transactions			23,434,992.36	3,515,642.53
Government Grants	311,752,382.95	46,762,857.44	322,722,660.36	48,408,399.05
Deductible Losses				
Fair Value Changes	204,033,190.00	51,008,297.49	83,836,954.75	14,488,666.67
Compensation	154,359,967.03	23,153,995.05	83,202,619.91	12,480,392.99
Difference in Depreciation Periods	15,038,851.77	2,255,827.77	17,744,949.45	2,661,742.42
Lease Liabilities			2,367,429.23	355,114.38
Total	837,879,174.08	146,749,551.77	665,119,166.19	101,814,807.93

(2). Unoffset Deferred Income Tax Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance		Beginning Balance	
	Taxable Temporary	Deferred Income	Taxable Temporary	Deferred Income

	Differences	Tax Liabilities	Differences	Tax Liabilities
Increment in valuation of assets from enterprise merger not under the same control				
Changes in Fair Value of Other Debt Investments				
Changes in Fair Value of Other Equity Investments				
Unrealized Profits from Internal Transactions	1,072,763.74	147,295.19		
Fair Value Changes	4,777,685.38	882,833.74	2,096,301.37	314,445.21
Difference in Depreciation Periods	117,440,920.01	19,073,894.96	126,857,856.85	20,662,571.49
Right-of-Use Assets	1,839,651.34	275,947.70	4,054,744.98	608,211.75
Total	125,131,020.47	20,379,971.59	133,008,903.20	21,585,228.45

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

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance		Beginning Balance	
	Offsetting Amount Between Deferred Tax Assets and Deferred Tax Liabilities	Net Balance of Deferred Tax Assets or Liabilities After Offsetting	Offsetting Amount Between Deferred Tax Assets and Deferred Tax Liabilities	Net Balance of Deferred Tax Assets or Liabilities After Offsetting
Deferred Income Tax Assets	20,379,971.59	126,369,580.18	--	101,814,807.93
Deferred Income Tax Liabilities	20,379,971.59	--	--	21,585,228.45

(4). Details of Unrecognized Deferred Income Tax Assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Deductible Temporary Differences		
Bad Debt Reserves	19,336,017.85	22,838,960.09
Inventory Write Down	239,122,027.46	--
Fixed Assets Impairment Reserves	854,469,903.44	2,085,138.47
Intangible Assets Impairment Reserves	19,825,537.09	--

Unrealized Profits from Internal Transactions	71,275,838.72	--
Deductible Losses	118,557,613.15	31,196,481.29
Total	1,322,586,937.71	56,120,579.85

(5). Deductible losses of unrecognized deferred income tax assets will expire in the following years

Applicable Not Applicable

Unit: Yuan Currency: RMB

Year	Ending Balance	Beginning Balance	Remarks
2025	--	3,116,726.22	
2026	8,553,866.71	8,553,866.71	
2027	3,629,579.19	3,629,579.19	
2028	4,501,349.79	4,697,563.09	
2029	11,101,638.17	11,198,746.08	
2030	90,771,179.29	--	
Total	118,557,613.15	31,196,481.29	/

Other Explanations:

Applicable Not Applicable

30. Other Non-current Assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Cost of Contract Acquisition						
Cost of Contract Performance						
Cost of Receivable Returns						
Contract Assets						
Prepaid Equipment and Engineering Payments	76,520,223.54		76,520,223.54	166,908,283.83		166,908,283.83
Large-denomination Certificates of Deposit	682,115,159.50		682,115,159.50	797,923,228.96		797,923,228.96
Less: Non-current assets due within one year	75,186,227.80		75,186,227.80	182,257,027.81		182,257,027.81
Total	683,449,155.24		683,449,155.24	782,574,484.98		782,574,484.98

Other Explanations:

None

31. Assets with Restricted Ownership Right or Usage Right

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	End of the Period				Beginning of the Period			
	Book Balance	Book Value	Restriction Type	Restricted Situation	Book Balance	Book Value	Restriction Type	Restricted Situation
Monetary Funds	278,158,282.74	278,158,282.74	Frozen	Guarantee Deposits and Others	428,628,697.39	428,628,697.39	Frozen	Guarantee Deposits and Others
Monetary Funds	2,478,943.96	2,478,943.96	Others	Funds in Transit				
Notes Receivable	99,801,405.25	99,801,405.25	Others	Endorsed or discounted bills not yet due and not derecognised				
Other Non-current Assets	80,000.00	80,000.00	Frozen	Others				
Fixed Assets					835,206,080.41	393,081,094.85	Mortgage	Loan Collateral
Intangible Assets					36,898,603.23	27,154,158.71	Mortgage	Loan Collateral
Including: Data Resources								
Total	380,518,631.95	380,518,631.95	/	/	1,300,733,381.03	848,863,950.95	/	/

Other Explanations:

None

32. Short-Term Borrowings

(1). Classification of Short-Term Borrowings

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Pledged Borrowings		
Mortgaged Borrowings		
Guaranteed Borrowings		945,000,000.00
Credit Borrowings	704,800,000.00	290,000,000.00
Discounted Bills Not Yet Matured	1,095,200,983.25	499,371,350.50
Unmatured Interest Payable	135,244.18	461,280.56
Total	1,800,136,227.43	1,734,832,631.06

Explanations of Categories of Short-Term Borrowings:

Details of Credit Borrowings

Lending Institution	Ending Balance	Term of Borrowing
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/9/24-2026/9/24
Tibet Autonomous Region Branch, Bank of China	45,000,000.00	2025/9/30-2026/9/30
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/11/11-2026/11/11
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/11/17-2026/11/17
Tibet Autonomous Region Branch, Bank of China	100,000,000.00	2025/12/24-2026/12/24
Langfang Development Zone Sub-branch of China Construction Bank Corporation	150,000,000.00	2025/11/18-2026/5/8
Langfang Development Zone Sub-branch of China Construction Bank Corporation	100,000,000.00	2025/12/16-2026/6/4
Langfang Development Zone Sub-branch of Industrial Bank Corporation	8,800,000.00	2025/9/29-2026/9/28
Changji Hui Autonomous Prefecture Branch, Bank of China	1,000,000.00	2025/3/19-2026/3/19
Total	704,800,000.00	

(2). Status of Overdue and Unpaid Short-Term Borrowings

Applicable Not Applicable

The status of significant overdue and unpaid short-term borrowings is as follows:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

33. Financial Liabilities Held for Trading

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

34. Derivative Financial Liabilities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Foreign Exchange Derivative Instruments		297,500.00
Total		297,500.00

Other Explanations:

None

35. Notes Payable

(1). Presentation of Notes Payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Types	Ending Balance	Beginning Balance
Commercial Acceptance Bills		

Bank Acceptance Bills	1,777,053,969.91	1,416,217,579.96
Total	1,777,053,969.91	1,416,217,579.96

The total amount of overdue and unpaid notes payable at the end of the period is RMB 0 yuan. The reason for non-payment upon maturity is: None

36. Accounts Payable

(1). Presentation of Accounts Payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Payments for Engineering and Equipment	772,692,271.21	547,927,602.59
Provisional Estimation of Payments	220,567,330.50	315,606,671.86
Payments Payable	440,571,645.94	307,171,751.69
Other Payments	301,353,074.05	270,827,000.58
Total	1,735,184,321.70	1,441,533,026.72

(2). Significant Accounts Payable with an Aging Exceeding 1 Year or Overdue

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Reasons for Being Unpaid or Carried Forward
Crossflow (Xiamen) Fluid Technology Co., Ltd.	8,407,500.00	Not Yet Due for Settlement
Shandong Tianli Energy Co., Ltd.	4,026,000.00	Not Yet Due for Settlement
Hangzhou Fortune Gas Cryogenic Group Co., Ltd.	4,000,000.00	Not Yet Due for Settlement
Inner Mongolia Huomei Yicheng Energy Co., Ltd.	3,999,553.50	Unable to Contact Due to Bankruptcy
Shenyang Turbine Machinery Co., Ltd.	3,612,000.00	Not Yet Due for Settlement
Xinjiang Huijia Real Estate Co., Ltd.	3,430,000.00	Not Yet Due for Settlement
Ningbo Lehui International Engineering Equipment Co., Ltd.	3,303,360.00	Not Yet Due for Settlement
Total	30,778,413.50	/

Other Explanations:

Applicable Not Applicable

37. Advance Receipts

(1). Presentation of Advance Receipts

Applicable Not Applicable

(2). Significant Advance Receipts with an Aging Exceeding 1 Year

Applicable Not Applicable

(3). Amount of and Reason for Significant Changes in Book Value During the Reporting Period

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

38. Contract Liabilities

(1). Status of Contract Liabilities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Advance Payments for Goods	746,778,983.64	916,515,321.35
Total	746,778,983.64	916,515,321.35

(2). Significant Contract Liabilities with an Aging Exceeding 1 Year

Applicable Not Applicable

(3). Amount of and Reason for Significant Changes in Book Value During the Reporting Period

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

39. Employee Compensation Payable

(1). Presentation of Employee Compensation Payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
I. Short-Term Compensation	309,884,063.87	1,829,648,359.37	1,750,157,720.78	389,374,702.46
II. Post-employment Benefits - Defined Contribution Plans	249,625.12	146,598,396.37	143,727,789.42	3,120,232.07
III. Termination Benefits				
IV. Other Benefits Due Within One Year				
Total	310,133,688.99	1,976,246,755.74	1,893,885,510.20	392,494,934.53

(2). Presentation of Short-Term Compensation

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
I. Salaries, Bonuses, Allowances, and Subsidies	304,833,964.35	1,664,868,341.47	1,587,021,815.92	382,680,489.90
II. Employee Welfare Expenses	--	12,070,235.67	12,070,235.67	
III. Social Insurance Premiums	--	95,851,701.23	92,735,010.62	3,116,690.61
Including: Medical Insurance Premiums	--	87,854,799.97	84,753,764.75	3,101,035.22

Work Injury Insurance Premiums	--	7,996,901.26	7,981,245.87	15,655.39
Maternity Insurance Premiums				
IV. Housing Provident Fund	--	18,411,880.86	18,388,927.61	22,953.25
V. Union Funds and Employee Education Funds	5,050,099.52	22,614,200.14	24,109,730.96	3,554,568.70
VI. Short-Term Paid Absence	--			--
Other Short-Term Compensation		15,832,000.00	15,832,000.00	
VII. Short-Term Profit-Sharing Plans				
Total	309,884,063.87	1,829,648,359.37	1,750,157,720.78	389,374,702.46

(3). Presentation of Defined Contribution Plans

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
1. Basic Old-Age Insurance	235,107.66	142,073,320.56	139,216,594.33	3,091,833.89
2. Unemployment Insurance Premiums	14,517.46	4,525,075.81	4,511,195.09	28,398.18
1. Corporate Pension Contributions				
Total	249,625.12	146,598,396.37	143,727,789.42	3,120,232.07

Other Explanations:

Applicable Not Applicable

40. Taxes Payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Value-added Tax	22,017,172.18	25,599,120.74
Consumption Tax		
Business Tax		
Corporate Income Tax	133,145,066.29	223,208,443.42
Personal Income Tax	4,981,844.28	4,141,936.00
City Maintenance and Construction Tax	8,396,974.74	2,727,290.52
Environmental Protection Tax	1,344,999.63	1,785,754.86
Education Surcharge	6,139,704.53	2,091,100.43
Water Resource Tax	11,690,927.45	13,923,721.05
Stamp Duty	6,074,142.90	6,261,699.28
Others	898,044.58	473,619.30
Total	194,688,876.58	280,212,685.60

Other Explanations:

None

41. Other Payables**(1). Presentation of Items**✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Payable		
Dividend Payable	405,000.00	409,445.58
Other Payables	255,944,893.68	447,705,692.40
Total	256,349,893.68	448,115,137.98

Other Explanations:

Applicable Not Applicable**(2). Interest Payable**

Classified Presentation

Applicable Not Applicable

Significant Overdue Interest Payable:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable**(3). Dividends Payable**

Classified Presentation

✓Applicable Not Applicable

Unit: Yuan Currency: RMB

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

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

None

(4). Other Payables

Presentation of Other Payables by Nature of Payments

✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Accrued Expenses	120,697,128.08	115,315,362.37
Guarantee Deposits	107,587,506.36	84,940,254.59
Expenses for Litigation Settlement		233,000,000.00
Others	27,660,259.24	14,450,075.44
Total	255,944,893.68	447,705,692.40

Significant other payables with an aging exceeding 1 year or overdue

✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Reasons for Being Unpaid or Carried Forward
Disabled Persons' Federation of the 6th Division, Xinjiang Production and Construction Corps	6,952,578.01	Not Yet Due for Payment
Total	6,952,578.01	/

Other Explanations:

Applicable Not Applicable**42. Liabilities Held for Sale**Applicable Not Applicable**43. Non-Current Liabilities Due within 1 Year**Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Long-term Borrowings Due Within 1 Year	280,045,900.02	746,288,000.00
Bonds Payable Due Within 1 Year		
Long-Term Payables Due Within 1 Year	--	52,520,701.81
Lease Liabilities Due Within 1 Year	1,011,449.31	3,538,091.97
Total	281,057,349.33	802,346,793.78

Other Explanations:

None

44. Other Current Liabilities

Status of Other Current Liabilities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Short-Term Bonds Payable		
Return Refunds Payable		
Long-term Loan Interest Repayable Within One Year	1,332,651.10	1,384,991.74
Sales Tax to be Carried Forward	61,436,860.42	83,774,472.00
Notes Endorsed But Not Yet Derecognized	16,600,422.00	3,625,660.00
Total	79,369,933.52	88,785,123.74

Increase/Decrease in Short-Term Bonds Payable:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

45. Long-Term Borrowings**(1). Classification of Long-Term Borrowings**

√Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Pledged Borrowings		
Mortgaged Borrowings		300,000,000.00
Guaranteed Borrowings	1,146,608,602.81	1,303,592,044.83
Credit Borrowings	1,052,116,521.04	490,790,000.00
Unmatured Interest Payable		
Less: Long-Term Borrowings Due Within One Year	280,045,900.02	746,288,000.00
Total	1,918,679,223.83	1,348,094,044.83

Explanation of Classification of Long-Term Borrowings:

①Details of Credit Borrowings

Lending Institution	Ending Balance	Term of Borrowing
Changji Hui Autonomous Prefecture Branch, Bank of China	9,909,090.90	2025/2/10-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	19,818,181.82	2025/2/13-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	19,818,181.82	2025/2/14-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	9,909,090.90	2025/2/17-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	39,636,363.64	2025/2/20-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	9,909,090.90	2025/3/11-2028/2/10
Changji Hui Autonomous Prefecture Branch, Bank of China	990,000.00	2025/3/19-2028/3/19
Changji Hui Autonomous Prefecture Branch, Bank of China	39,600,000.00	2025/4/17-2028/3/19
Changji Hui Autonomous Prefecture Branch, Bank of China	29,700,000.00	2025/4/22-2028/3/19
Changji Hui Autonomous Prefecture Branch, Bank of China	28,710,000.00	2025/4/27-2028/3/19
Business Department of Baicheng Branch, China Construction Bank Corporation	60,000,000.00	2024/12/28-2027/12/28
Business Department of Baicheng Branch, China Construction Bank Corporation	35,000,000.00	2025/4/24-2027/12/28
Business Department of Baicheng Branch, China Construction Bank Corporation	15,000,000.00	2025/4/29-2028/4/29
Business Department of Baicheng Branch, China Construction Bank Corporation	2,037,368.14	2025/12/11-2035/12/11
Business Department of Baicheng Branch, China Construction Bank Corporation	1,309,152.92	2025/12/22-2035/12/22
Songyuan Branch, Bank of Communications Co., Ltd.	28,500,000.00	2024/4/23-2027/4/23
Songyuan Branch, Bank of Communications Co., Ltd.	33,500,000.00	2024/6/20-2027/6/17
Songyuan Branch, Bank of Communications Co., Ltd.	42,470,000.00	2024/8/20-2027/8/20
Shengfang Sub-branch of Bazhou, Agricultural Bank of China Limited	169,000,000.00	2025/3/13-2028/3/6

Lending Institution	Ending Balance	Term of Borrowing
Langfang Branch, Huaxia Bank Co., Ltd.	108,900,000.00	2025/3/28-2028/3/27
Langfang Branch, Bank of Communications Co., Ltd.	39,700,000.00	2024/9/27-2027/9/24
Langfang Branch, Bank of Communications Co., Ltd.	59,700,000.00	2024/10/22-2027/10/21
Bazhou Sub-branch, Industrial and Commercial Bank of China Limited	2,000,000.00	2025/5/16-2028/4/22
Tibet Autonomous Region Branch, Bank of China	95,000,000.00	2025/4/22-2028/4/22
Tibet Autonomous Region Branch, Bank of China	95,000,000.00	2025/9/23-2028/4/22
Tibet Autonomous Region Branch, Bank of China	47,500,000.00	2025/3/28-2028/3/28
Langfang Branch, Bank of China	9,500,000.00	2025/4/27-2028/4/10
Less: Long-Term Borrowings Due Within One Year	41,620,000.02	
Total	1,010,496,521.02	

②Details of Guaranteed Borrowings

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Tongliao Branch, China Construction Bank Corporation	97,333,400.00	The Company	Tongliao Meihua	2023/5/22-2038/5/8
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	75,000,000.00	Xinjiang Meihua	Tongliao Meihua	2023/8/28-2038/6/20
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	41,000,000.00	Xinjiang Meihua	Tongliao Meihua	2024/2/6-2027/2/4
Tongliao Branch, China Construction Bank Corporation	18,785,307.76	The Company	Tongliao Meihua	2024/6/6-2038/5/8
Tongliao Branch, China Construction Bank Corporation	9,733,320.08	The Company	Tongliao Meihua	2024/6/13-2038/5/8
Tongliao Branch, China Construction Bank Corporation	5,839,992.04	The Company	Tongliao Meihua	2024/6/19-2038/5/8
Tongliao Branch, China Construction Bank Corporation	14,599,980.12	The Company	Tongliao Meihua	2024/6/26-2038/5/8
Tongliao Branch, China Construction Bank Corporation	44,500,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Tongliao Branch, China Construction Bank Corporation	53,400,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Tongliao Branch, China Construction Bank Corporation	44,500,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Tongliao Branch, China Construction Bank Corporation	35,600,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Tongliao Branch, China Construction Bank Corporation	35,600,000.00	The Company	Tongliao Meihua	2024/11/14-2027/10/21
Tongliao Branch, China Construction Bank Corporation	35,600,000.00	The Company	Tongliao Meihua	2024/11/18-2027/10/21
Tongliao Branch, China Construction Bank Corporation	17,800,000.00	The Company	Tongliao Meihua	2024/11/20-2027/10/21

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	14,819,832.28	Xinjiang Meihua	Tongliao Meihua	2024/12/5-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	4,538,021.20	Xinjiang Meihua	Tongliao Meihua	2024/12/12-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	3,978,347.92	Xinjiang Meihua	Tongliao Meihua	2024/12/19-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	2,095,843.43	Xinjiang Meihua	Tongliao Meihua	2024/12/25-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	20,725,937.66	Xinjiang Meihua	Tongliao Meihua	2025/2/13-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	5,033,161.44	Xinjiang Meihua	Tongliao Meihua	2025/2/20-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	2,618,621.00	Xinjiang Meihua	Tongliao Meihua	2025/3/13-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	17,000,000.00	Xinjiang Meihua	Tongliao Meihua	2025/3/25-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	4,345,889.20	Xinjiang Meihua	Tongliao Meihua	2025/4/10-2039/11/27
Tongliao Branch, China Construction Bank Corporation	145,708,000.00	The Company	Tongliao Meihua	2025/5/20-2038/5/8
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	924,221.72	Xinjiang Meihua	Tongliao Meihua	2025/7/4-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	617,779.60	Xinjiang Meihua	Tongliao Meihua	2025/8/6-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	1,786,020.00	Xinjiang Meihua	Tongliao Meihua	2025/8/20-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	6,124,927.36	Xinjiang Meihua	Tongliao Meihua	2025/11/6-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	39,000,000.00	Xinjiang Meihua	Tongliao Meihua	2025/12/23-2039/11/27
Tongliao Huikai Sub-branch, Agricultural Bank of China Limited	14,000,000.00	Xinjiang Meihua	Tongliao Meihua	2025/12/26-2039/11/27
Wujiaqu Sub-branch, China Construction Bank Corporation	97,000,000.00	The Company	Xinjiang Meihua	2024/7/25-2027/7/25
Tibet Autonomous Region Branch, Bank of China	175,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2023/3/31-2026/3/31
Tibet Autonomous Region Branch, Bank of China	35,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2023/4/23-2026/3/31

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Tibet Autonomous Region Branch, Bank of China	27,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/6/11-2027/6/11
Less: Long-term Borrowings Due Within One Year	238,425,900.00			
Total	908,182,702.81			

Other Explanations:

Applicable Not Applicable

46. Bonds Payable

(1). Bonds Payable

Applicable Not Applicable

(2). Specific Status of Bonds Payable: (Excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)

Applicable Not Applicable

(3). Explanation of Convertible Corporate Bonds

Applicable Not Applicable

Accounting Treatment of and Judgement Basis for Rights to Convert Shares

Applicable Not Applicable

(4). Explanation of Other Financial Instruments Classified as Financial Liabilities

Overview of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period

Applicable Not Applicable

Table of Changes in Financial Instruments such as Preferred Shares and Perpetual Bonds Outstanding at the End of the Period

Applicable Not Applicable

Explanation of the Basis for Classifying Other Financial Instruments as Financial Liabilities:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

47. Lease Liabilities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Lease Payments	2,154,152.79	5,896,067.82
Less: Unrecognized Financing Costs	129,736.84	372,835.01
Subtotal	2,024,415.95	5,523,232.81

Less: Lease Liabilities Due Within One Year	1,011,449.31	3,538,091.97
Total	1,012,966.64	1,985,140.84

Other Explanations:

None

48. Long-Term Payables

Presentation of Items

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Long-term Payables	10,500,000.00	10,500,000.00
Special Payables		
Payables for Patent Royalties		52,520,701.81
Subtotal	10,500,000.00	63,020,701.81
Less: Long-term Payables Due Within One Year		52,520,701.81
Total	10,500,000.00	10,500,000.00

Other Explanations:

Applicable Not Applicable

Long-Term Payables

(1). Long-term Payables Presented by Nature of Payments

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Guarantee Deposits	10,500,000.00	10,500,000.00
Payables for Patent Royalties		52,520,701.81
Less: Long-term Payables Due Within One Year		52,520,701.81
Total	10,500,000.00	10,500,000.00

Other Explanations:

None

Special Payables

(1). Special Payables Presented by Nature of Payments

Applicable Not Applicable

49. Long-term Employee Compensation Payable

Applicable Not Applicable

(1). Schedule of Long-term Employee Benefits Payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
I. Post-employment Benefits - Net Defined		

Benefit Obligation		
II. Termination Benefits		
III. Other Long-Term Benefits	7,474,640.65	
Total	7,474,640.65	

Severance pay accrued in accordance with relevant provisions of *Thai Labour Protection Act*.

(2). Changes in defined benefit plans

Present value of defined benefit obligation:

Applicable Not Applicable

Plan assets:

Applicable Not Applicable

Net defined benefit obligation (net assets):

Applicable Not Applicable

Description of the nature of defined benefit plans, related risks, and their impact on the Company's future cash flows, timing and uncertainty:

Applicable Not Applicable

Description of significant actuarial assumptions and results of sensitivity analysis of defined benefit plans:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

50. Estimated Liabilities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reasons for Formation
Guarantees Provided to External Parties			
Pending Litigation		32,438,161.92	
Product Quality Assurance			
Restructuring Obligations			
Loss Contracts to be Executed			
Return Refunds Payable			
Others			
Total		32,438,161.92	/

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

Estimation Explanation: None

51. Deferred Revenue

Status of Deferred Revenue

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance	Reasons for Formation
Government Grants	381,020,645.51	32,833,333.06	46,228,990.19	367,624,988.38	Related to assets
Total	381,020,645.51	32,833,333.06	46,228,990.19	367,624,988.38	/

Other Explanations:

Applicable Not Applicable

Refer to Section X for details of government grants for the Company.

52. Other Non-current Liabilities

Applicable Not Applicable

53. Share Capital

Applicable Not Applicable

Unit: Yuan Currency: RMB

	Beginning Balance	Increase/Decrease (+, -) in the Changes During the Current Period					Ending Balance
		New Shares Issued	Stock Dividend	Capital Reserves Conversion into Shares	Others	Subtotal	
Total Quantity of Shares	2,852,788,750.00	--	--	--	-48,547,100.00	-48,547,100.00	2,804,241,650.00

Other Explanations:

Refer to Section III - Basic Information of the Company for details of changes in share capital.

54. Other Equity Instruments

(1). Overview of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period

Applicable Not Applicable

(2). Table of Changes in Financial Instruments such as Preferred Shares and Perpetual Bonds Outstanding at the End of the Period

Applicable Not Applicable

Explanation of increase/decrease in other equity instruments during the current period, reasons for such changes and basis for relevant accounting treatments:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

55. Capital Reserves✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Capital Premiums (Share Premiums)	263,154,867.05	--	229,404,999.46	33,749,867.59
Other Capital Reserves				
Total	263,154,867.05	--	229,404,999.46	33,749,867.59

Other Explanations: Including explanation of increase/decrease in the current period and reasons for such changes:

The decrease in capital reserve for the current period was mainly attributable to the resolutions of the 23rd meeting of the 10th session of the Board of Directors held on December 11, 2025 and the 2025 second extraordinary general meeting held on December 29, 2025. Pursuant to these resolutions, the Company cancelled 48,547,100 shares held in the share repurchase account. Upon cancellation of treasury shares, the total par value of the cancelled shares, calculated based on the par value per share and the number of shares cancelled, reduced share capital by 48,547,100.00 yuan. The difference between the book balance of the cancelled treasury shares and the share capital was charged against capital reserve in the amount of 229,404,999.46 yuan. Any excess not covered by capital reserve was offset against surplus reserve of 214,120,621.78 yuan. Upon completion of the cancellation, the Company's total share capital decreased from 2,852,788,750 shares to 2,804,241,650 shares.

56. Treasury Shares✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Share Repurchase for Capital Decrease	287,771,455.80	204,301,265.44	492,072,721.24	
Total	287,771,455.80	204,301,265.44	492,072,721.24	

Other Explanations: Including explanation of increase/decrease in the current period and reasons for such changes:

The Company held the 13th meeting of the 10th session of the Board of Directors on September 23, 2024 and the 2024 second extraordinary general meeting on October 11, 2024, at which the *Proposal on the Repurchase of Company Shares via Centralized Auction Trading* was considered and approved. The Company agreed to repurchase its shares using self-owned funds through centralized bidding, with a total repurchase amount of not less than 300 million yuan and not more than 500 million yuan. The repurchase period is 12 months from the date of approval by the general meeting. The repurchase price shall not exceed 12 yuan per share. The repurchased shares will be cancelled to reduce registered capital.

As at the close of trading on September 2, 2025, the share repurchase plan had been fully implemented. The Company had repurchased 48,547,100 shares, representing 1.70% of the total share capital of 2,852,788,750 shares. The highest repurchase price was 10.97 yuan per share, the lowest price

was 9.10 yuan per share, and the average repurchase price was 10.13 yuan per share. The total amount of funds used was 492.017 million yuan (excluding transaction costs).

Pursuant to the resolutions of the 23rd meeting of the 10th session of the Board of Directors held on December 11, 2025 and the 2025 second extraordinary general meeting held on December 29, 2025, the Company cancelled 48,547,100 shares held in the share repurchase account. The total par value of the cancelled shares, calculated based on the par value per share and the number of shares cancelled, reduced share capital by 48,547,100.00 yuan. The difference between the book balance of the cancelled treasury shares and the share capital was charged against capital reserve of 229,404,999.46 yuan. If the capital reserve was insufficient to absorb the difference, the remaining amount reduced surplus reserve by 214,120,621.78 yuan.

57. Other Comprehensive Income

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Amounts Incurred during the Current Period					Attributable to the Minority Shareholders After Tax	Ending Balance
		Amounts Incurred during the Current Period Before Income Tax	Less: Amount Recorded in Other Comprehensive Income in Previous Periods and Transferred to the Profit or Loss for the Current Period	Less: Amount Recorded in Other Comprehensive Income in Previous Periods and Transferred to Retained Earnings for the Current Period	Less: Income Tax Expenses	Attributable to the Parent Company After Tax		
I. Other Comprehensive Income That Cannot Be Reclassified to Profit or Loss	-54,999,862.00	-139,327,470.00			-41,302,439.50	-98,025,030.50		-153,024,892.50
Including: Amount of Changes in Remeasured Defined Benefit Plans								
Other Comprehensive Income That Cannot Be Reclassified to Profit or Loss Under Equity Method								
Changes in Fair Value of Other Equity Instrument Investments	-54,999,862.00	-139,327,470.00			-41,302,439.50	-98,025,030.50		-153,024,892.50
Changes in Fair Value of Enterprises' Own Credit Risk								
II. Other Comprehensive Income to Be Reclassified to	-5,099.46	-6,190,180.25				-6,190,180.25		-6,195,279.71

Profit or Loss							
Including: Other Comprehensive Income That Can Be Transferred to Profit or Loss Under Equity Method							
Changes in Fair Value of Other Debt Investments							
Amount of Financial Assets Reclassified and Recorded in Other Comprehensive Income							
Credit Impairment Reserves for Other Debt Investments							
Cash Flow Hedging Reserves							
Converted Differences in Foreign Currency Financial Statements	-5,099.46	-6,190,180.25			-6,190,180.25		-6,195,279.71
Total Other Comprehensive Income	-55,004,961.46	-145,517,650.25			-41,302,439.50	-104,215,210.75	-159,220,172.21

Other explanations, including the adjustments to the transfer of effective portion of cash flow hedge profit or loss to initially recognized amount of hedged items: None

58. Special Reserves

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Work Safety Expenses	4,743,615.67	56,762,781.11	56,513,777.10	4,992,619.68
Total	4,743,615.67	56,762,781.11	56,513,777.10	4,992,619.68

Other explanations, including explanation of increase/decrease for the current period and reasons for such changes:

The increase in special reserves during the current period was mainly attributable to the appropriation of safety production expenses in accordance with the *Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds* (Cai Zi [2022] No. 136) issued by the Ministry of Finance.

59. Surplus Reserves

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Statutory Surplus Reserves	1,426,394,375.00	167,591,928.79	214,120,621.78	1,379,865,682.01
Discretionary Surplus Reserves				
Reserve Funds				
Enterprise Expand Funds				
Others				

Total	1,426,394,375.00	167,591,928.79	214,120,621.78	1,379,865,682.01
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Explanations of surplus reserves, including including explanation of increase/decrease for the current period and reasons for such changes:

The increase in surplus reserve for the current period was attributable to the appropriation of the statutory surplus reserve at 10% of net profit for the period in accordance with the relevant provisions of the *Company Law* and the Company's Articles of Association.

The decrease in surplus reserve for the current period is detailed in Section VII.55 Capital Reserve.

60. Undistributed Profits

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	For the Current Period	For the Previous Period
Undistributed Profits at the End of the Previous Period Before Adjustment	10,370,640,110.47	9,427,722,131.86
Total Amount of Undistributed Profits at the Beginning of the Adjustment (Increase +, decrease -)		
Undistributed Profits at the Beginning of the Post-adjustment	10,370,640,110.47	9,427,722,131.86
Plus: Net Profit Attributable to the Owners of the Parent Company for the Current Period	3,280,879,912.1	2,740,427,215.56
Minus: Withdrawal of Statutory Surplus Reserves	167,591,928.79	100,099,930.70
Withdrawal of Discretionary Surplus Reserves		
Withdrawal of General Risk Reserves		
Ordinary Share Dividends Payable	1,199,987,325.29	1,697,409,306.25
Ordinary Share Dividends Transferred to Share Capital		
Retained Earnings from the Carry-forward of Other Comprehensive Income		
Undistributed Profits at the End of the Period	12,283,940,768.49	10,370,640,110.47

Details of Undistributed Profits at the Beginning of the Adjustment:

1. Due to retrospective adjustments under the *Accounting Standards for Business Enterprises* and related new regulations, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
2. Due to changes in the accounting standards, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
3. Due to correction of significant accounting errors, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
4. Due to changes in the consolidation scope caused by the same control, the amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.
5. Due to other adjustments, the total amount of undistributed profits at the beginning of the impact period is RMB 0 yuan.

61. Operating Revenues and Operating Costs

(1). Status of Operating Revenues and Operating Costs

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Revenues	Costs	Revenues	Costs
Main Business	24,010,187,159.36	19,469,065,371.08	24,877,721,922.05	19,908,725,831.86
Other Business	198,487,947.34	140,334,003.00	191,566,372.57	127,972,982.88
Total	24,208,675,106.70	19,609,399,374.08	25,069,288,294.62	20,036,698,814.74

(2). Decomposition Information of Operating Revenues and Operating Costs

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

(3). Explanation of Performance Obligations

Applicable Not Applicable

(4). Explanation of Allocation to Remaining Performance Obligations

Applicable Not Applicable

(5). Significant Changes in Contracts or Significant Adjustments to Transaction Prices

Applicable Not Applicable

Other Explanations:

(1) Decomposition Information of Operating Revenues and Operating Costs

Items	2025		2024	
	Revenues	Costs	Revenues	Costs
By product				
Food Flavor and Texture Optimization Products	7,469,939,525.43	6,518,857,108.28	7,945,120,706.10	6,399,514,452.76
Animal Nutrition Amino Acids	14,201,982,767.59	11,243,468,450.99	14,623,714,419.16	11,749,902,019.51
Human Medical Amino Acids	740,403,825.14	495,213,216.66	476,308,595.90	353,986,358.20
Others	1,597,861,041.20	1,211,526,595.15	1,832,578,200.89	1,405,323,001.39
Total	24,010,187,159.36	19,469,065,371.08	24,877,721,922.05	19,908,725,831.86
By region				
Domestic Sales	16,875,325,367.19	13,956,612,103.42	16,395,093,665.85	13,748,410,787.61
Export Sales	7,134,861,792.17	5,512,453,267.66	8,482,628,256.20	6,160,315,044.25
Total	24,010,187,159.36	19,469,065,371.08	24,877,721,922.05	19,908,725,831.86

(2) Top Five Customers by Revenue from Principal Operations

Items	2025	Contribution to Operating Revenues (%)
First	642,314,209.83	2.65
Second	615,951,587.57	2.54
Third	472,829,749.88	1.95
Fourth	406,736,567.66	1.68
Fifth	401,949,281.96	1.66

Total	2,539,781,396.90	10.48
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62. Taxes and Surcharges

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Consumption Tax		
Business Tax		
Urban Maintenance and Construction Tax	33,618,913.92	31,477,136.54
Education Surcharge	26,577,260.20	25,682,634.62
Resource Tax	58,211,723.14	53,821,708.55
Property Tax	56,573,504.24	51,354,671.36
Land Use Tax	36,904,185.84	35,595,194.65
Vehicle and Vessel Usage Tax	74,088.64	72,259.77
Stamp Duty	23,778,917.98	24,263,975.48
Environmental Protection Tax	6,919,371.22	7,500,221.62
Others	4,088,495.59	5,694,997.25
Total	246,746,460.77	235,462,799.84

Other Explanations:

None

63. Sales Expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Transportation Expenses	169,823,921.54	170,579,059.79
Company Expenses	31,021,068.19	41,609,036.78
Promotion Expenses	21,447,014.45	30,030,007.98
Employee Expenses	78,096,698.65	89,596,281.53
Depreciation and Amortization	17,103,746.65	13,834,849.03
Warehousing Expenses	45,478,711.32	41,217,274.36
Total	362,971,160.80	386,866,509.47

Other Explanations:

None

64. Administrative Expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Company Expenses	208,752,780.87	201,618,166.80
Employee Expenses	679,637,106.50	650,833,422.51

Depreciation and Amortization	103,158,534.59	85,480,610.88
Total	991,548,421.96	937,932,200.19

Other Explanations:

None

65. Research and Development Expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Employee Expenses	56,590,938.69	54,114,060.23
Material Consumption	269,330,003.99	266,560,146.06
Depreciation Expenses	23,819,514.99	21,102,386.05
Other Expenses	39,411,035.59	41,126,672.71
Total	389,151,493.26	382,903,265.05

Other Explanations:

None

66. Financial Expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest Expenses	52,269,326.61	80,472,368.46
Including: Interest Expense on Lease Liabilities	284,610.54	407,425.12
Less: Interest Income	59,618,168.61	97,971,379.97
Net Interest Expense	-7,348,842.00	-17,499,011.51
Exchange Profits and Losses	-2,981,024.94	-113,706,529.39
Bank Charges and Other Expenses	14,334,419.21	13,941,609.23
Total	4,004,552.27	-117,263,931.67

Other Explanations:

None

67. Other Income

Applicable Not Applicable

Unit: Yuan Currency: RMB

Classification by Nature	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Government Subsidies	227,240,840.56	203,882,409.00
Refunds of Personal Income Tax Handling Fees	5,574,047.92	3,103,558.18
Additional Deduction of Value-added Tax	5,496,884.87	35,642,447.20
Value-added Tax Exemption for Retired Veterans	31,500.00	12,000.00
Total	238,343,273.35	242,640,414.38

Other Explanations:

None

68. Investment Income✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Investment Income from Long-term Equity Investment Accounted for by the Equity Method	-2,117,014.67	-3,018,027.22
Investment Income from the Disposal of Long-term Equity Investments		-1,547,547.99
Investment Income from Financial Assets Held for Trading during the Holding Period		
Dividend Income from Other Equity Instrument Investments during the Holding Period	3,308,800.00	2,816,000.00
Dividend Income from Debt Investments during the Holding Period	1,485,849.06	1,485,849.06
Dividend Income from other Debt Investments during the Holding Period	19,062,166.68	16,461,436.55
Investment Income from the Disposal of Financial Assets Held for Trading	35,600,287.28	13,854,020.93
Investment Income from the Disposal of Other Equity Instrument Investments		
Investment Income from the Disposal of Debt Investments		
Investment Income from the Disposal of Other Debt Investments	507,559.70	141,277.76
Debt Restructuring Gains		
Total	57,847,648.05	30,193,009.09

Other Explanations:

None

69. Gains from Net Exposure HedgingApplicable Not Applicable**70. Gains from Changes in Fair Value**✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Sources of Gains from Changes in Fair Value	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Financial Assets Held for Trading	32,838,480.38	14,826,169.53
Including: Gains from Changes in Fair Value Arising from Derivative Financial Instruments	8,567,360.00	1,184,930.00
Financial Liabilities Held for Trading		
Investment Properties Measured at Fair Value		
Total	32,838,480.38	14,826,169.53

Other Explanations:

None

71. Credit Impairment Losses✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Bad Debt Losses on Notes Receivable		
Bad Debt Losses on Accounts Receivable		
Bad Debt Losses on Other Receivables		
Impairment Losses on Debt Investments		
Impairment Losses on Other Debt Investments		
Bad Debt Losses on Long-term Receivables		
Financial Guarantee-related Impairment Losses		
Bad Debt Losses	10,379,492.70	3,888,525.41
Total	10,379,492.70	3,888,525.41

Other Explanations:

None

72. Asset Impairment Losses✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
I. Impairment Losses on Contract Assets		
II. Inventory Write-down Losses and Contract Performance Cost Impairment Losses	-14,707,452.39	-5,258,570.82
III. Impairment Losses on Long-term Equity Investments		
IV. Impairment Losses on Investment Properties		
V. Impairment Losses on Fixed Assets	-21,327,482.45	-1,723,356.44
VI. Impairment Losses on Engineering Materials		
VII. Impairment Losses on Construction in Progress		
VIII. Impairment Losses on Productive Biological Assets		
IX. Impairment Losses on Oil and Gas Assets		
X. Impairment Losses on Intangible Assets		
XI. Impairment Losses on Goodwill		
XII. Others		
Total	-36,034,934.84	-6,981,927.26

Other Explanations:

None

73. Gains from Disposal of Assets✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Fixed Assets	781,820.17	29,968.32
Intangible Assets	52,907.04	
Total	834,727.21	29,968.32

Other Explanations:

None

74. Non-operating Revenues

Status of Non-operating Revenues

✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Amounts Recorded in Non-recurring Profits or Losses for the Current Period
Total Gains from Disposal of Non-current Assets	199,510.44	--	199,510.44
Including: Gains from Disposal of Fixed Assets	199,510.44	--	199,510.44
Gains from Disposal of Intangible Assets			
Gains from Exchange of Non-monetary Assets			
Donation Receipts			
Government Grants			
Revenue from Default Compensation	3,836,017.72	791,383.42	3,836,017.72
Insurance Claims	2,934,499.03	10,146,977.57	2,934,499.03
Income from Carbon Emission Rights		127,624,199.99	
Litigation	28,618,647.27		28,618,647.27
Enterprise Merger Not Under the Same Control	831,441,015.05		831,441,015.05
Others	3,744,575.69	2,225,435.44	3,744,575.69
Total	870,774,265.20	140,787,996.42	870,774,265.20

Other Explanations:

Applicable Not Applicable**75. Non-operating Expenditure**✓Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Amounts Recorded in Non-recurring Profits or Losses for the Current Period
Total Losses from Disposal of Non-current Assets			
Including: Losses from Disposal of Fixed Assets			
Losses from Disposal of Intangible Assets			
Losses from Exchange of Non-monetary Assets			
External Donations	2,500,000.00	3,500,000.00	2,500,000.00
Settlement Costs of Litigation		233,000,000.00	
Losses from Destruction or Scrapping of Non-current Assets	37,963,945.48	34,405,586.69	37,963,945.48
Default Losses	1,888,523.78	1,583,575.13	1,888,523.78
Others	7,784,137.43	10,122,939.94	7,784,137.43
Total	50,136,606.69	282,612,101.76	50,136,606.69

Other Explanations:

None

76. Income Tax Expenses

(1). Table of Income Tax Expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Current Income Tax Expenses	453,657,638.02	593,906,133.42
Deferred Income Tax Expenses	-4,837,561.20	15,127,342.15
Total	448,820,076.82	609,033,475.57

(2). Adjustment Process for Accounting Profits and Income Tax Expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period
Total Profits	3,729,699,988.92
Income Tax Expenses Calculated at Statutory/Applicable Tax Rates	559,454,998.34
Impact of Different Tax Rates Applicable to Subsidiaries	22,002,519.72
Impact of Income Tax for the Previous Period Before Adjustment	-22,528,090.92

Impact of Non-taxable Income	-113,632,677.51
Impact of Non-deductible Costs, Expenses and Losses	4,129,180.99
Impact of Deductible Losses from Unrecognized Deferred Income Tax Assets for the Previous Periods Before Usage	-30,593,503.07
Impact of Deductible Temporary Difference or Deductible Losses from Unrecognized Deferred Income Tax Assets for the Current Period	39,912,634.83
Impact of Additional Deduction of Research and Development Expenses	-9,924,985.56
Income Tax Expenses	448,820,076.82

Other Explanations:

Applicable Not Applicable

77. Other Comprehensive Income

Applicable Not Applicable

Refer to the notes for details.

78. Cash Flow Statement Items

(1).Cash Related to Operating Activities

Other received cash related to operating activities received

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest Income	58,103,040.72	114,039,182.47
Income from Government Grants	212,063,058.58	202,025,706.38
Others	44,100,807.11	132,878,364.29
Total	314,266,906.41	448,943,253.14

Explanation of other received cash related to operating activities:

None

Other paid cash related to operating activities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Expense Expenditure	995,239,495.1	670,841,147.77
Temporary Borrowings	1,606,224.14	1,091,366.04
Other Expenditures	20,196,546.50	38,323,115.45
Total	1,017,042,265.74	710,255,629.26

Explanation of other paid cash related to operating activities:

None

(2).Cash Related to Investment Activities

Significant received cash related to investment activities

Applicable Not Applicable

Significant paid cash related to investment activities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Acquisition and construction of property, plant and equipment, intangible assets and other long-term assets	2,085,097,608.71	2,004,423,105.69
Purchases of wealth management products, trust products and structured deposits	1,021,970,127.42	881,089,058.61
Net cash paid for equity acquisitions not under common control	154,418,006.87	
Total	3,261,485,743.00	2,885,512,164.30

Explanation of significant paid cash related to investment activities:

None

Other received cash related to investment activities

Applicable Not Applicable

Other paid cash related to investment activities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Investment Losses	25,064,758.89	9,047,530.00
Total	25,064,758.89	9,047,530.00

Explanation of other paid cash related to investment activities:

None

(3).Cash Related to Financing Activities

Other received cash related to financing activities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Restricted Monetary Funds	619,671,768.29	389,646,523.23
Others	12,185,810.00	
Total	631,857,578.29	389,646,523.23

Explanation of other received cash related to financing activities:

None

Other paid cash related to financing activities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Restricted Monetary Funds	468,641,353.64	647,996,830.06
Repurchased Shares	204,301,265.44	571,185,981.88
Principal and Lease Deposits for Lease Liabilities	4,303,255.27	4,516,102.75
Total	677,245,874.35	1,223,698,914.69

Explanation of other paid cash related to financing activities:

None
Changes in liabilities arising from financing activities

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period		Decrease during the Current Period		Ending Balance
		Cash Changes	Non-cash Changes	Cash Changes	Non-cash Changes	
Short-term Borrowings	1,734,832,631.06	4,235,260,124.59	12,112,521.39	4,058,438,557.77	123,630,491.84	1,800,136,227.43
Long-term Borrowings	2,094,382,044.83	1,068,223,079.04		963,880,000.02		2,198,725,123.85
Lease Liabilities	5,523,232.81		1,954,568.73	4,303,255.27	1,150,130.32	2,024,415.95
Total	3,834,737,908.70	5,303,483,203.63	14,067,090.12	5,026,621,813.06	124,780,622.16	4,000,885,767.23

(4).Explanation of Presenting Cash Flows at Net Amount

Applicable Not Applicable

(5).Significant events and financial effects that do not involve current cash receipts or payments but may affect the company's financial position or may affect the company's cash flows in the future

Applicable Not Applicable

79. Supplementary Information for Cash Flow Statements

(1). Supplementary Information for Cash Flow Statements

Applicable Not Applicable

Unit: Yuan Currency: RMB

Supplementary Information	Amount for the Current Period	Amount for the Previous Period
1. Adjusting Net Profit to Cash Flows from Operating Activities:		
Net Profit	3,280,879,912.10	2,740,427,215.56
Plus: Asset Impairment Reserves	36,034,934.84	6,981,927.26
Credit Impairment Losses	-10,379,492.70	-3,888,525.41
Depreciation of Fixed Assets, Depletion of Oil and Gas Assets, and Depreciation of Productive Biological Assets	1,352,389,043.85	1,275,227,848.29
Amortization of Right-of-Use Assets	3,948,482.23	3,715,360.79
Amortization of Intangible Assets	49,442,167.88	45,749,650.73
Amortization of Long-term Deferred Expenses	41,023,855.20	36,976,072.81
Losses on Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets ("- " for gains)	-834,727.21	-29,968.32
Losses on Scrapping of Fixed Assets ("- " for gains)	37,764,435.04	34,405,586.69
Losses on Changes in Fair Value ("- " for gains)	-32,838,480.38	-14,826,169.53
Financial Expenses ("- " for gains)	19,056,345.85	-29,377,272.58
Investment Losses ("- " for gains)	-57,847,648.05	-30,193,009.09

Decrease in Deferred Income Tax Assets ("-" for increase)	16,747,667.25	14,034,060.21
Increase in Deferred Income Tax Liabilities ("-" for decrease)	-21,585,228.45	1,093,281.94
Decrease in Inventories ("-" for increase)	32,921,201.66	202,965,494.39
Decrease in Operating Receivables ("-" for increase)	291,262,779.09	306,096,165.23
Increase in Operating Payables ("-" for decrease)	-197,284,586.92	37,357,071.50
Others *1	-831,441,015.05	
Net Cash Flow Arising from Operating Activities	4,009,259,646.23	4,626,714,790.47
2. Significant Investment and Financing Activities not Involving Cash Receipts or Payments:		
Debt to Capital		
Convertible Corporate Bonds Due Within One Year		
Financing Leasing Fixed Assets		
3. Net Changes in Cash and Cash Equivalents:		
Ending Cash Balance	4,006,435,846.79	4,131,859,602.14
Minus: Beginning Cash Balance	4,131,859,602.14	4,780,614,442.73
Plus: Ending Cash Equivalent Balance		
Minus: Beginning Cash Equivalent Balance		
Net Increase in Cash and Cash Equivalents	-125,423,755.35	-648,754,840.59

*1 Other items mainly represent negative goodwill arising from business combinations not under common control during the current period.

Note: Bank acceptance bills received from the sale of goods and subsequently endorsed and transferred by the Company amounted to 494,088,963.30 yuan.

(2). Net Cash Paid for Acquiring Subsidiaries for the Current Period

Applicable Not Applicable

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents paid for business combinations in the current period	768,296,087.74
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	613,878,080.87
Add: Cash or cash equivalents paid for business combinations in prior periods	--
Net Cash Paid for Acquiring Subsidiaries	154,418,006.87

Other Explanations:

None

(3). Net Cash Received for Disposing Subsidiaries for the Current Period

Applicable Not Applicable

(4). Composition of Cash and Cash Equivalents

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
I. Cash	4,006,435,846.79	4,131,859,602.14
Including: Cash on Hand	3,267.17	--
Bank Deposits Available for Immediate Payment	3,866,955,277.83	4,112,890,088.86
Other Monetary Funds Available for Immediate Payment	139,477,301.79	18,969,513.28

Deposits with Central Banks Available for Payment		
Interbank Deposits		
Interbank Placements		
II. Cash Equivalents		
Including: Bond Investment Due within Three Months		
III. Ending Balance of Cash and Cash Equivalents	4,006,435,846.79	4,131,859,602.14
Including: Cash and Cash Equivalents Restricted for Use by the Parent Company or Subsidiaries within the Group		

(5). Instances Where Usage is Restricted but Still Classified as Cash and Cash Equivalents

Applicable Not Applicable

(6). Monetary Funds Not Classified as Cash and Cash Equivalents

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reason
Margin Deposits for Bank Acceptance Bills	277,489,110.74	428,515,211.93	Not Available for Immediate Withdrawal
Funds in Transit	2,478,943.96		Not Available for Immediate Withdrawal
Guarantee Deposits and Other Restricted Funds	669,172.00	113,485.46	Not Available for Immediate Withdrawal
Unexpired Interest Receivable	1,098,705.10	567,894.43	Not Available for Immediate Withdrawal
Total	281,735,931.80	429,196,591.82	/

Other Explanations:

Applicable Not Applicable

80. Notes to Items in the Statement of Changes in Owner's Equity

Explanation of Name of "Other" Items Adjusted Against the Ending Balance for the Previous Year, Adjusted Amount and Other Matters:

Applicable Not Applicable

81. Foreign Currency Monetary Items**(1).Foreign Currency Monetary Items**

Applicable Not Applicable

Unit: Yuan

Items	Ending Foreign Currency Balance	Conversion Rate	Ending Balance Converted to Renminbi
Monetary Funds			512,591,969.27
Including: US Dollar	70,274,067.47	7.0288	493,827,298.77
Euro	2,211,985.26	8.2355	18,216,804.07
Hong Kong Dollar	6,887.68	0.9032	6,221.09
British Pound	34.2	9.4345	322.66

Singapore Dollar	93,852.93	5.4586	512,305.45
Japanese Yen	513,405.00	0.0449	22,997.77
Australian Dollar	1,283.68	4.6892	6,019.46
Accounts Receivable			205,242,499.24
Including: US Dollar	29,213,865.34	7.0288	205,242,499.24
Other Receivables			491,592.38
Including: US Dollar	60,000.00	7.0288	421,728.00
Singapore Dollar	12,799.50	5.4586	69,864.38
Other Current Assets			30,894.53
Including: Singapore Dollar	5,659.83	5.4586	30,894.53
Long-term Receivables			233,244.15
Including: Singapore Dollar	42,730.05	5.4586	233,244.15
Accrued Employee Compensation			1,023,201.96
Including: Hong Kong Dollar	369,666.00	0.9032	333,889.72
Singapore Dollar	126,280.83	5.4586	689,312.24
Accounts Payable			5,258,240.29
Including: US Dollar	747,613.38	7.0288	5,258,240.29
Other Payables			9,540,828.58
Including: US Dollar	1,196,232.96	7.0288	8,408,082.22
Japanese Yen	25,263,150.00	0.0449	1,131,713.34
Singapore Dollar	187.50	5.4586	1,033.02
Lease Liabilities			681,913.56
Including: Singapore Dollar	124,926.41	5.4586	681,913.56
Non-current Liabilities Due Within One Year			883,020.09
Including: Singapore Dollar	161,766.77	5.4586	883,020.09

Other Explanations:

None

(2).Explanation of overseas operating entities, including disclosure of their main overseas operating locations, functional currencies and selection basis for significant overseas operating entities as well as disclosure of reasons for changes in functional currencies

Applicable Not Applicable

Company Name	Main Operating Location	Functional Currency	Basis of Determination	Whether Functional Currency Has Changed
Hong Kong Meihua	Hong Kong	CNY	The currency of the primary economic environment in which the entity operates	No
Hong Kong Holdings	Hong Kong	US Dollar	The currency of the primary economic environment in which the entity operates	No

Cayman Company	Cayman Islands	US Dollar	The currency of the primary economic environment in which the entity operates	No
Singapore Company	Singapore	US Dollar	The currency of the primary economic environment in which the entity operates	No
SPV	Singapore	US Dollar	The currency of the primary economic environment in which the entity operates	No
TP	Thailand	Thai Baht	The currency of the primary economic environment in which the entity operates	No
PUS	United States	US Dollar	The currency of the primary economic environment in which the entity operates	No
UP	United States	US Dollar	The currency of the primary economic environment in which the entity operates	No
PUSA	United States	US Dollar	The currency of the primary economic environment in which the entity operates	No
PJP	Japan	Japanese Yen	The currency of the primary economic environment in which the entity operates	No
PSG	Singapore	US Dollar	The currency of the primary economic environment in which the entity operates	No
PEU	Germany	Euro	The currency of the primary economic environment in which the entity operates	No

In preparing the consolidated financial statements, the financial statements of foreign operations are translated into the presentation currency of the Company (i.e., the functional currency of the parent company) using the following exchange rates:

Item	Balance Sheet Items (Assets and Liabilities)	Income Statement Items (Income and Expenses)	Paid-in Capital
Exchange Rate Used for Translation	Spot Exchange Rate at the Balance Sheet Date	Approximate Exchange Rates at the Date of Transactions	Historical Exchange Rates

82. Leases

(1). As Lessee

Applicable Not Applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not Applicable

Lease expenses on short-term leases or leases of low-value assets with simplified treatment

Applicable Not Applicable

RMB 4,238,037.13 yuan

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest of Lease Liabilities	284,610.54	407,425.12
Expenses on Short-term Leases	3,953,426.59	1,108,049.47

Sale-leaseback Transactions and Judgement Basis

Applicable Not Applicable

Total cash outflows related to leases: 8,256,681.86 (Unit: Yuan Currency: RMB)

(2). As Lessor

Operating leases as lessor

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Revenue from Leases	Including: Revenue Related to Variable Lease Payments Not Recorded in Lease Receipts
Revenue from Leases	14,135,702.66	
Total	14,135,702.66	

Financing leases as lessor

Applicable Not Applicable

Adjustment Table for Undiscounted Lease Receipts and Net Lease Investments

Applicable Not Applicable

Undiscounted Lease Receipts over the Next Five Years

Applicable Not Applicable

(3). Recognition of Profits and Losses from Financing Leases as Manufacturer or Dealer

Applicable Not Applicable

Other Explanations:

None

83. Data Resources

Applicable Not Applicable

84. Others

Applicable Not Applicable

VIII. Research and Development Expenses

1. Presented by Expense Nature

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Employee Expenses	56,590,938.69	54,114,060.23
Material Consumption	269,330,003.99	266,560,146.06
Depreciation Expenses	23,819,514.99	21,102,386.05
Other Expenses	39,411,035.59	41,126,672.71
Total	389,151,493.26	382,903,265.05
Including: Expensed Research and Development Expenditures	389,151,493.26	382,903,265.05
Capitalized Development		

Costs		
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Other Explanations:

None

2. Development Expenditures on Research and Development Projects Qualifying for Capitalization

Applicable Not Applicable

Significant Capitalized Research and Development Projects

Applicable Not Applicable

Development Expenditure Impairment Reserves

Applicable Not Applicable

Other Explanations:

None

3. Significant Outsourced Research Projects

Applicable Not Applicable

IX. Changes in Consolidation Scope

1. Enterprise Merger Not Under the Same Control

Applicable Not Applicable

(1). Business Combinations Not Under Common Control Occurred in the Current Period

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of Acquiree	Date of Acquisition of Equity Interest	Cost of Acquisition	Percentage of Equity Interest Acquired (%)	Method of Acquisition	Acquisition Date	Basis for Determining Acquisition Date	Revenue from Acquisition Date to Period End	Net Profit from Acquisition Date to Period End	Cash Flows from Acquisition Date to Period End
Food Amino Acids, Pharmaceutical Amino Acids and Human Milk Oligosaccharides (HMO) Businesses of Kyowa Hakko Bio	2025/7/1	764,448,539.03	100	Cash Acquisition	2025/7/1	Obtained Control	307,541,742.98	30,171,537.83	-64,524,001.75

Other Explanations:

On November 22, 2024, the Company and its wholly-owned subsidiary PLUM BIOTECHNOLOGY GROUP PTE. LTD. (hereinafter referred to as the “Singapore Company”) entered into a *Share and Asset Purchase Agreement* with Kyowa Hakko Bio Co., Ltd. (hereinafter referred to as

the “Kyowa Hakko Bio”), a wholly-owned subsidiary of Kirin Holdings Company, Limited (Kirin Holdings, Tokyo Stock Exchange-listed company, stock code: 2503.T). Under the agreement, the Singapore Company or a special purpose entity newly established under the Singapore Company plans to acquire, for a cash consideration of JPY 10.5 billion, the food amino acids, pharmaceutical amino acids, and human milk oligosaccharides (HMO) businesses under Kyowa Hakko Bio Co., Ltd. The scope of this transaction specifically includes the following companies and business asset packages:

Name	Country/Region	Abbreviation
Plumino Precision Fermentation USA, Inc. (Formerly: BIOKYOWA INC.)	United States	UP
Shanghai Primeno Amino Acids Co., Ltd. (Formerly: Shanghai Kyowa Amino Acids Co., Ltd.)	Shanghai	SP
Plumino Precision Fermentation(Thailand) Co., Ltd. (Formerly: Thai Kyowa Biotechnologies Co.,Ltd.)	Thailand	TP
Plumino Biotechnology Singapore Pte.Ltd. (Formerly: Kyowa Hakko Bio Singapore Pte.Ltd.)	Singapore	PSG
Plumino Precision Fermentation Europe GmbH (Formerly : Kyowa Hakko Europe GmbH)	Germany	PEU
Primeno Biotechnology (Guangdong) Co., Ltd. (Formerly: Kyowa Fermentation (Guangdong) Pharmaceutical Co., Ltd.)	Guangzhou	PGD
Plumino Precision Fermentation Japan Co., Ltd.	Japan	PJP
Plumino Precision Fermentation US Holdings, Inc.	United States	PUS

Prior to this transaction, the above-mentioned companies were directly held by Kyowa Hakko Bio Co., Ltd. (excluding PUS). Following completion of the transaction, 100% equity interest in the above-mentioned companies is held by Plumino Precision Fermentation Holdings Pte. Ltd., a wholly-owned subsidiary of the Company.

(2). Cost of Business Combination and Goodwill

Applicable Not Applicable

Unit: Yuan Currency: RMB

Cost of the Business Combination	Food Amino Acids, Pharmaceutical Amino Acids and Human Milk Oligosaccharides (HMO) Businesses of Kyowa Hakko Bio
--Cash	764,448,539.03
-- Fair Value of Non-Cash Assets	
-- Fair Value of Liabilities Issued or Assumed	
-- Fair Value of Equity Instruments Issued	
-- Fair Value of Contingent Consideration	
-- Fair Value of Previously Held Equity Interest as at the Acquisition Date	
--Others	
Total Cost of the Business Combination	764,448,539.03
Less: Fair Value of Identifiable Net Assets Acquired	1,595,889,554.08

Goodwill / Excess of Fair Value of Identifiable Net Assets Acquired Over Cost of the Business Combination	-831,441,015.05
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Determination method of fair value of consideration:

Applicable Not Applicable

Performance commitment fulfillment:

Applicable Not Applicable

Main reasons for significant goodwill:

Applicable Not Applicable

Other Explanations:

In the acquisition of the food amino acids, pharmaceutical amino acids and human milk oligosaccharides (HMO) businesses from Kyowa Hakko Bio Co., Ltd., the excess of the fair value of the identifiable net assets over the consideration transferred is recognised as a gain on bargain purchase in the consolidated financial statements.

(3). Identifiable assets and liabilities of the acquiree as at the acquisition date.

Applicable Not Applicable

Unit: Yuan Currency: RMB

	Food Amino Acids, Pharmaceutical Amino Acids and Human Milk Oligosaccharides (HMO) Businesses of Kyowa Hakko Bio	
	Acquisition-Date Fair Value	Book Value as at the Acquisition Date
Assets:		
Monetary Funds	613,878,080.87	613,878,080.87
Notes Receivable	4,040,000.00	4,040,000.00
Accounts Receivable	195,017,187.78	195,017,187.78
Receivables Financing	2,395,000.00	2,395,000.00
Prepaid accounts	4,285,911.13	4,285,911.13
Other Receivables	12,868,207.94	12,868,207.94
Inventories	345,901,470.01	345,901,470.01
Other Current Assets	26,096,998.33	26,096,998.33
Fixed Assets	333,078,533.82	304,329,853.88
Construction in Progress	4,176,234.47	4,176,234.47
Right-of-Use Assets	1,344,223.51	1,344,223.51
Intangible Assets	229,781,459.28	146,386,964.56
Long-term prepaid expenses	2,927,431.01	2,927,431.01
Other Non-Current Assets	3,238,246.16	3,238,246.16
Liabilities:		
Accounts Payable	38,368,929.55	38,368,929.55
Contract liabilities	1,039,698.26	1,039,698.26
Employee benefits payable	30,387,332.07	30,387,332.07
Taxes payable	22,500,765.67	22,500,765.67
Other payables	18,691,335.46	18,691,335.46

Non-current liabilities due within one year	1,182,567.00	1,182,567.00
Other current liabilities	62,923,964.33	62,923,964.33
Lease Liabilities	249,841.37	249,841.37
Long-term employee benefits payable	6,147,827.11	6,147,827.11
Estimated liabilities	1,063,836.35	1,063,836.35
Deferred income	583,333.06	583,333.06
Net Assets	1,595,889,554.08	1,483,746,379.42
Less: Minority Shareholders' Equity		
Net Assets Acquired	1,595,889,554.08	1,483,746,379.42

Valuation methods used to determine the fair value of identifiable assets and liabilities:

Fair value is determined based on quoted market prices, transaction prices of identical or similar assets in comparable locations adjusted by relevant factors, or determined based on intended use.

Disposal costs refer to costs directly attributable to the disposal of the assets.

Contingent liabilities of the acquiree assumed in a business combination:

None

Other Explanations:

None

(4). Gains or losses arising from remeasurement of previously held equity interests at fair value before the acquisition date

Whether control is obtained through a step acquisition achieved in multiple transactions during the reporting period:

Applicable Not Applicable

(5). Explanations on situations where the fair value of the consideration transferred or the identifiable assets and liabilities of the acquiree cannot be reasonably determined at the acquisition date or at the end of the reporting period:

Applicable Not Applicable

(6). Other Explanations

Applicable Not Applicable

2. Enterprise Merger Under the Same Control

Applicable Not Applicable

3. Reverse Acquisitions

Applicable Not Applicable

4. Disposal of Subsidiaries

Whether there are transactions or matters resulting in loss of control over subsidiaries during the current period

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

Whether there are instances in which the disposal of investment in subsidiaries is conducted through multiple transactions and results in loss of control during the current period

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

5. Changes in Consolidation Scope Due to Other Reasons

Explanation of changes in consolidation scope due to other reasons (such as establishment of new subsidiaries and liquidation of subsidiaries) and related circumstances:

Applicable Not Applicable

Name	Reason for Changes
Plumino Precision Fermentation HoldingsPte. Ltd.	New Establishment
Plumino Precision Fermentation US Holdings,Inc.	New Establishment
Plumino USA Inc.	New Establishment

6. Others

Applicable Not Applicable

X. Equity in Other Entities

1. Equity in Subsidiaries

(1). Composition of Business Group

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Names of Subsidiaries	Main Operating Location	Registered Capital	Currency	Place of Registration	Business Nature	Stock Ownership Ratio (%)		Acquisition Method
						Direct	Indirect	
Tongliao Meihua	Tongliao	1,800,000,000	CNY	Tongliao	Manufacturing	100		Investment or Establishment
Tongliao Jianlong	Tongliao	233,000,000	CNY	Tongliao	Manufacturing		100	Merger Not Under the Same Control
Xinjiang Meihua	Wujiaqu	2,500,000,000	CNY	Wujiaqu	Manufacturing	100		Investment or Establishment
Xinjiang Agriculture	Wujiaqu	260,000,000	CNY	Wujiaqu	Manufacturing		100	Merger Not Under the Same Control
Wujiaqu Jianlong	Wujiaqu	160,000,000	CNY	Wujiaqu	Manufacturing		100	Investment or Establishment
Langfang R & D	Langfang	38,000,000	CNY	Langfang	Technological Development	100		Investment or Establishment
Shanghai R & D	Shanghai	31,000,000	CNY	Shanghai	Technological Development		100	Investment or Establishment
Langfang BAIAN	Langfang	25,000,000	CNY	Langfang	Warehousing		100	Investment or Establishment
Langfang Seasoning	Langfang	250,000,000	CNY	Langfang	Manufacturing	100		Investment or Establishment
Tongliao Seasoning	Tongliao	5,000,000	CNY	Tongliao	Manufacturing		100	Investment or Establishment
Hong Kong Meihua	Hong Kong	6,277,900	CNY	Hong Kong	Trading	100		Investment or Establishment
Lhasa Meihua	Lhasa	800,000,000	CNY	Lhasa	Investment	100		Investment or Establishment
Jilin Meihua	Baicheng	2,000,000,000	CNY	Baicheng	Manufacturing	100		Investment or Establishment
Hengqin Meihua	Hengqin	432,315,000	CNY	Zhuhai	Investment	100		Investment or Establishment
Hong Kong Holding	Hong Kong	490,463,215	Hong Kong	Hong Kong	Investment		100	Investment or Establishment

			Dollar					
Cayman Company	Cayman	5,000,000	US Dollar	Cayman	Investment		100	Investment or Establishment
Singapore Company	Singapore	10,000,000	Singapore Dollar	Singapore	Trading		100	Investment or Establishment
SPV	Singapore	1.00	Singapore Dollar	Singapore	Investment		100	Investment or Establishment
PUS	United States	5,000	US Dollar	United States	Investment		100	Investment or Establishment
PUSA	United States	5,000	US Dollar	United States	Trading		100	Investment or Establishment
SP	Shanghai	88,900,000	US Dollar	Shanghai	Manufacturing		100	Merger Not Under the Same Control
TP	Thailand	7,150,000,000	Thai Baht	Thailand	Manufacturing		100	Merger Not Under the Same Control
UP	United States	20,000,000	US Dollar	United States	Manufacturing		100	Merger Not Under the Same Control
PJP	Japan	5,000,000	Japanese Yen	Japan	Trading		100	Merger Not Under the Same Control
PSG	Singapore	4,000,000	US Dollar	Singapore	Trading		100	Merger Not Under the Same Control
PEU	Germany	1,030,000	Euro	Germany	Trading		100	Merger Not Under the Same Control
PGD	Guanagzhou	3,361,280	CNY	Guanagzhou	Trading		100	Merger Not Under the Same Control

Explanation of the Difference between Ownership Ratio and Voting Rights Ratio in Subsidiaries:

None

Basis for Controlling Invested Units with Half or Less than Half of Voting Rights, and Not Controlling Invested Units with More than Half of Voting Rights:

None

Basis for Controlling Significant Structured Entities Included in the Consolidation Scope:

None

Basis for Determining Whether the Company is an Agent or Principal:

None

Other Explanations:

None

(2). Significant Non-Wholly-Owned Subsidiaries

Applicable Not Applicable

(3). Main Financial Information of Significant Non-Wholly-Owned Subsidiaries

Applicable Not Applicable

(4). Significant Restrictions on the Use of Business Group's Assets and Settlement of Business Group's Debts

Applicable Not Applicable

(5). Financial Support or Other Support Provided for Structured Entities Included in the Scope of Consolidated Financial Statements

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

2. Transactions where Owners' Equity Shares in Subsidiaries Change but Control is Maintained

Applicable Not Applicable

3. Equity in Joint Ventures or Associates

Applicable Not Applicable

(1). Significant Joint Ventures or Associates

Applicable Not Applicable

Names of Joint Ventures or Associates	Main Operating Location	Place of Registration	Business Nature	Stock Ownership Ratio (%)		Accounting Treatment Methods for Investment in Joint Venture or Associates
				Direct	Indirect	
Tongliao Desheng Bio-Tech Co., Ltd.	Tongliao	Tongliao	Manufacturing	49	--	Equity Method

Explanation of the Difference between Ownership Ratio and Voting Rights Ratio in Joint Ventures or Associates:

None

Basis for Holding Less than 20% Voting Rights but Having Significant Influence, or Holding 20% or More Voting Rights but Not Having Significant Influence:

None

(2). Main Financial Information of Significant Joint Ventures

Applicable Not Applicable

(3). Main Financial Information of Significant Associates

Applicable Not Applicable

Unit: Yuan Currency: RMB

	Ending Balance/ Amount Incurred During the Current Period	Beginning Balance/ Amount Incurred During the Previous Period
	Tongliao Desheng Bio-Tech Co., Ltd.	Tongliao Desheng Bio-Tech Co., Ltd.
Current Assets	11,941,216.25	27,738,137.26
Non-Current Assets	16,563,759.25	18,485,239.24
Total Assets	28,504,975.50	46,223,376.50
Current Liabilities	17,145,692.57	26,873,303.27
Non-Current Liabilities		

Total Liabilities	17,145,692.57	26,873,303.27
Minority Shareholders' Equity		
Shareholders' Equity Attributable to the Parent Company	11,359,282.93	19,350,073.23
Net Asset Share Calculated by Stock Ownership Ratio	5,566,048.64	9,481,535.88
Adjustments		
--Goodwill		
--Unrealized Profits on Internal Transactions		
--Others		
Book Value of Equity Investments in Associates	4,757,925.21	6,874,939.88
Fair Value of Equity Investments in Associates with Public Quotation		
Operating Revenues	95,413,568.31	101,724,233.18
Net Profits	-3,274,789.19	-4,255,571.27
Net Profits from Discontinued Operations		
Other Comprehensive Income		
Total Comprehensive Income	-3,274,789.19	-4,255,571.27
Dividends Received from Associates during the Current Year	--	2,395,866.49

Other Explanations:

None

(4). Consolidated Financial Information of Insignificant Joint Ventures and Associates

Applicable Not Applicable

(5). Explanation of Significant Restrictions on the Ability of Joint Ventures or Associates to Transfer Funds to the Company

Applicable Not Applicable

(6). Excessive Losses Incurred by Joint Ventures or Associates

Applicable Not Applicable

(7). Unrecognized Commitments Related to Investments in Joint Ventures

Applicable Not Applicable

(8). Contingent Liabilities Related to Investments in Joint Ventures or Associates

Applicable Not Applicable

4. Significant Joint Operations

Applicable Not Applicable

5. Equity in Structured Entities Not Included in the Scope of Consolidated Financial Statements

Explanation of Structured Entities Not Included in the Scope of Consolidated Financial Statements:

Applicable Not Applicable**6. Others**Applicable Not Applicable**XI. Government Grants****1. Government Grants Recognized as Receivables at the End of the Reporting Period**Applicable Not Applicable

Reasons for Not Receiving Expected Amounts of Government Grants at the Anticipated Timing

Applicable Not Applicable**2. Items of Liabilities Related to Government Grants**Applicable Not Applicable

Unit: Yuan Currency: RMB

Financial Statement Items	Beginning Balance	Newly Added Grants for the Current Period	Amount Recorded in Non-operating Revenue for the Current Period	Amount Transferred to Other Income for the Current Period	Other Changes for the Current Period	Ending Balance	Asset/Income-related
Deferred Income	381,020,645.51	32,833,333.06		46,228,990.19		367,624,988.38	Asset-related
Total	381,020,645.51	32,833,333.06		46,228,990.19		367,624,988.38	/

3. Government Grants Recorded in the Profit or Loss for the Current PeriodApplicable Not Applicable

Unit: Yuan Currency: RMB

Types	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Asset-related	46,228,990.19	44,077,769.22
Income-related	181,857,339.01	161,887,928.60
Total	228,086,329.20	205,965,697.82

Other Explanations:

1. Government Grants Recorded in the Profit or Loss for the Current Period

Income Statement Presentation Items	2025	2024	Asset/Income-related
Other Income	46,228,990.19	44,077,769.22	Asset-related
Other Income	181,011,850.37	159,804,639.78	Income-related
Financial Expenses (Government Interest Subsidies)	845,488.64	2,083,288.82	Income-related
Total	228,086,329.20	205,965,697.82	—

2. Government Grants Offset Against the Book Value of Related Assets

Income Statement Presentation Items	2025	2024	Asset/Income-related
Construction in Progress (Government Interest		27,777.78	Asset-related

Subsidiaries)			
	Total		27,777.78
			—

XII. Risks Related to Financial Instruments

1. Risks of Financial Instruments

Applicable Not Applicable

The Company's risks related to financial instruments arise from various financial assets and financial liabilities recognised in the course of its operations, including credit risk, liquidity risk and market risk.

The formulation of objectives and policies for managing these risks related to financial instruments is the responsibility of the Company's management. The operating management team is responsible for day-to-day risk management through functional departments. The Company's internal audit department conducts ongoing supervision over the implementation of risk management policies and procedures and reports relevant findings to the Company's Audit Committee in a timely manner.

The overall objective of the Company's risk management is to establish risk management policies that minimise risks related to financial instruments as far as possible without unduly affecting the Company's competitiveness and responsiveness.

1. Credit Risk

Credit risk refers to the risk that one party to a financial instrument will fail to discharge its obligations, thereby causing financial loss to the other party. The Company's credit risk mainly arises from cash and cash equivalents, notes receivable, accounts receivable, financing receivables, other receivables, contract assets and long-term receivables. The credit risk of these financial assets originates from counterparty default, and the maximum exposure to credit risk is equal to their book amounts.

The Company's cash and cash equivalents are mainly deposited with commercial banks and other financial institutions. The Company considers that these commercial banks have relatively high credit standing and sound financial conditions, and therefore the associated credit risk is low.

For notes receivable, accounts receivable, financing receivables, other receivables, contract assets and long-term receivables, the Company has established relevant policies to control credit risk exposure. The Company assesses customers' creditworthiness based on their financial condition, the availability of third-party guarantees, credit history and other factors such as current market conditions, and sets appropriate credit terms accordingly. The Company regularly monitors customers' credit records. For customers with poor credit history, the Company adopts measures such as issuing written reminders, shortening credit terms or cancelling credit terms to ensure that the overall credit risk remains within a controllable range.

(1) Criteria for Significant Increase in Credit Risk

At each balance sheet date, the Company assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. In determining whether a significant increase in credit risk has occurred since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative

analysis based on the Company's historical data, external credit risk ratings, and forward-looking information. The Company determines changes in the risk of default over the expected life of a financial instrument by comparing the risk of default at the reporting date with that at initial recognition, on an individual financial instrument basis or a portfolio basis with similar credit risk characteristics.

The Company considers that the credit risk of a financial instrument has increased significantly when one or more of the following quantitative or qualitative criteria are triggered: quantitative criteria mainly include a significant increase in the probability of default over the remaining lifetime at the reporting date compared with that at initial recognition exceeding a certain threshold; qualitative criteria include significant adverse changes in the debtor's operating or financial conditions, inclusion on a watchlist of customers, etc.

(2) Definition of Credit-Impaired Financial Assets

To determine whether a financial asset is credit-impaired, the Company applies criteria consistent with its internal credit risk management objectives for the relevant financial instruments, and considers both quantitative and qualitative indicators.

In assessing whether a debtor is credit-impaired, the Company mainly considers the following factors: significant financial difficulty of the issuer or debtor; breach of contract by the debtor, such as default or overdue payment of interest or principal; concessions granted to the debtor for economic or contractual reasons related to the debtor's financial difficulty that would not otherwise be considered; high probability of bankruptcy or other financial restructuring of the debtor; disappearance of an active market for the financial asset due to financial difficulties of the issuer or debtor; purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

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

(3) Parameters for Measurement of Expected Credit Losses

Based on whether there has been a significant increase in credit risk and whether credit impairment has occurred, the Company measures loss allowances at an amount equal to 12-month expected credit losses or lifetime expected credit losses for different assets. The key parameters used in measuring expected credit losses include probability of default (PD), loss given default (LGD), and exposure at default (EAD). The Company incorporates both quantitative analysis of historical statistical data (such as counterparty credit ratings, types of guarantees and collateral, repayment methods, etc.) and forward-looking information to develop PD, LGD, and EAD models.

The relevant definitions are as follows:

Probability of default refers to the likelihood that a debtor will be unable to fulfil its repayment obligations over the next 12 months or over the remaining lifetime of the instrument.

Loss given default refers to the Company's expectation of the extent of loss arising from exposure at default. LGD varies depending on the type of counterparty, the method and priority of recovery, and the nature of collateral. It represents the percentage of exposure that will be lost in the event of default, calculated on a 12-month basis or over the remaining lifetime.

Exposure at default refers to the amount that the Company expects to be repaid in the event of default within the next 12 months or over the remaining lifetime of the instrument. Forward-looking information is incorporated in both the assessment of significant increases in credit risk and the calculation of expected credit losses. The Company identifies key economic indicators affecting credit risk and expected credit losses for each business type through historical data analysis.

The Company's maximum exposure to credit risk is the book amount of each financial asset presented in the balance sheet. The Company has not provided any other guarantees that would expose it to additional credit risk.

For the Company's accounts receivable and contract assets, the top five customers accounted for 48.09% (comparative period: 60.51%) of total accounts receivable. For other receivables, the top five debtors accounted for 86.95% (comparative period: 90.88%) of total other receivables.

2.Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter a shortage of funds when it is unable to meet its obligations settled by delivering cash or other financial assets. The Company centrally manages cash across all its subsidiaries, including short-term investment of surplus cash and arranging borrowings to meet anticipated cash requirements. The Company's policy is to regularly monitor both short-term and long-term liquidity needs, as well as compliance with borrowing covenants, to ensure sufficient cash reserves and readily realisable marketable securities are maintained.

As at December 31, 2025, the maturities of the Company's financial liabilities are as follows:

Items	December 31, 2025			
	Within one year	1-2 years	2-3 years	Over 3 years
Short-term borrowings	1,800,136,227.43			
Notes payable	1,777,053,969.91			
Accounts payable	1,735,184,321.70			
Other payables	256,349,893.68			
Long-term borrowings	280,045,900.02	756,401,933.35	707,451,933.27	454,825,357.21
Lease liabilities	1,011,449.31	825,023.64	159,469.07	28,473.93
Long-term payables				10,500,000.00
Total	5,849,781,762.05	757,226,956.99	707,611,402.34	465,353,831.14

(Continued)

Items	December 31, 2024			
	Within one year	1-2 years	2-3 years	Over 3 years
Short-term borrowings	1,734,832,631.06			
Derivative financial liabilities	297,500.00			
Notes payable	1,416,217,579.96			
Accounts payable	1,441,533,026.72			
Other payables	448,115,137.98			
Long-term borrowings	746,288,000.00	357,299,933.33	737,699,933.33	253,094,178.17
Lease liabilities	3,538,091.96	989,287.27	807,910.58	187,943.00
Long-term payables	52,520,701.81			10,500,000.00

Items	December 31, 2024			
	Within one year	1-2 years	2-3 years	Over 3 years
Total	5,843,342,669.49	358,289,220.60	738,507,843.91	263,782,121.17

3. Market Risk

(1) Exchange Risk

The Company's foreign exchange risk mainly arises from foreign currency-denominated assets and liabilities held by the Company and its subsidiaries that are not denominated in their respective functional currencies. The Company is exposed to exchange rate risk primarily in relation to recognised foreign currency assets and liabilities and future foreign currency transactions (the principal currencies of such assets, liabilities and transactions are USD). Except for subsidiaries established in the Hong Kong Special Administrative Region of the People's Republic of China and other overseas jurisdictions, which conduct transactions and settlements in USD, THB, JPY and EUR, the Company's other major operations are denominated and settled in RMB.

① As at December 31, 2025, the Company's principal foreign currency exposure arising from foreign currency assets and liabilities is set out below (for presentation purposes, the exposure amounts are stated in RMB and translated at the spot exchange rates prevailing at the balance sheet date):

Items	December 31, 2025													
	US Dollar		Euro		Hong Kong Dollar		British Pound		Singapore Dollar		Japanese Yen		Australian Dollar	
	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY
Monetary Funds	70,274,067.47	493,827,298.77	2,211,985.26	18,216,804.07	6,887.68	6,221.09	34.20	322.66	93,852.93	512,305.45	513,405.00	22,997.77	1,283.68	6,019.46
Accounts Receivable	29,213,865.34	205,242,499.24			-	-	-	-	-	-	-	-	-	-
Other Receivables	60,000.00	421,728.00			-	-	-	-	12,799.50	69,864.38	-	-	-	-
Other Current Assets	-	-			-	-	-	-	5,659.83	30,894.53	-	-	-	-
Long-Term Receivables	-	-			-	-	-	-	42,730.05	233,244.15	-	-	-	-
Accounts Payable	747,613.38	5,258,240.29			-	-	-	-	-	-	-	-	-	-
Other Payables	1,196,232.96	8,408,082.22			-	-	-	-	187.50	1,033.02	25,263,150.00	1,131,713.34	-	-
Accrued Employee Compensation	-	-			369,666.00	333,889.72	-	-	126,280.83	689,312.24	-	-	-	-
Lease Liabilities	-	-			-	-	-	-	124,926.41	681,913.56	-	-	-	-
Non-Current Liabilities Due Within One Year	-	-			-	-	-	-	161,766.77	883,020.09	-	-	-	-

(Continued)

Items	December 31, 2024									
	US Dollar		Euro		Hong Kong Dollar		British Pound		Singapore Dollar	
	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY	Foreign currency	CNY
Monetary Funds	56,872,351.39	408,821,210.75	979,928.83	7,374,650.39	687.31	636.47	34.20	310.42	29,800.00	158,582.86
Accounts Receivable	61,724,251.75	443,698,611.28	60.00	451.54						
Other Receivables	75,898.40	545,588.06							6,363.00	33,861.17
Long-Term Receivables									42,108.00	224,080.76
Accounts Payable	1,622,230.00	11,661,238.13							26,962.67	143,479.15
Other Payables	16,867.79	121,252.42								
Long-Term Payables	7,421,322.85	52,520,701.81								
Accrued Employee Compensation									11,000.00	58,537.30
Lease Liabilities									286,694.05	1,525,658.60
Non-Current Liabilities Due Within One Year									156,443.79	832,531.60

The Company continuously monitors the scale of its foreign currency transactions and foreign currency assets and liabilities in order to minimise exposure to foreign exchange risk. To this end, the Company may enter into forward foreign exchange contracts or currency swap agreements to hedge against foreign exchange risk.

(2) Interest Rate Risk

The Company's interest rate risk mainly arises from interest-bearing liabilities such as short-term borrowings and long-term bank borrowings. Financial liabilities with floating interest rates expose the Company to cash flow interest rate risk, while those with fixed interest rates expose the Company to fair value interest rate risk. The Company determines the appropriate proportion of fixed-rate and floating-rate arrangements based on prevailing market conditions.

The Group's head office finance department continuously monitors the overall interest rate environment. An increase in interest rates would raise the cost of new interest-bearing borrowings and the interest expenses on the Company's outstanding floating-rate debt, thereby potentially exerting a material adverse impact on the Company's financial performance. Management makes timely adjustments in response to the latest market conditions.

2. Hedging**(1). The Company conduct hedging transactions for risk management**

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

(2). The Company conducts eligible hedging transactions and applies hedging accounting

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

(3). The Company conducts eligible hedging transactions for risk management and expects to achieve risk management objectives but does not apply hedging accounting

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

3. Transfer of Financial Assets**(1). Classification of Transfer Methods**

Applicable Not Applicable

(2). Financial Assets Derecognized Due to Transfer

Applicable Not Applicable

(3). Financial Assets Continuously Involved in Transfer

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

XIII. Disclosure of Fair Value**1. Ending Fair Value of Assets and Liabilities Measured at Fair Value**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Fair Value			
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Continuous Fair Value Measurement				
(1) Financial Assets Held for Trading			1,142,438,716.70	1,142,438,716.70
1. Financial Assets Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period			1,142,438,716.70	1,142,438,716.70
(1) Debt Instrument Investments				

(2) Equity Instrument Investments				
(3) Derivative Financial Assets			2,061,300.00	2,061,300.00
Wealth Management Products			1,140,377,416.70	1,140,377,416.70
2. Financial Assets Designated as Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period				
(1) Debt Instrument Investments				
(2) Equity Instrument Investments				
(II) Other Debt Investments				
(III) Other Equity Instrument Investments	144,966,810.00		157,000,000.00	301,966,810.00
(IV) Investment Properties				
Leased Land Use Rights				
Leased Buildings				
Land Use Right Held for Transfer After Appreciation				
(V) Biological Assets				
Consumable Biological Assets				
Productive Biological Assets				
(VI) Receivables Financing			17,978,363.00	17,978,363.00
(VII) Other Non-Current Financial Assets			282,005,000.00	282,005,000.00
Total Amount of Assets Measured at Fair Value on a Continuous Basis	144,966,810.00		1,599,422,079.70	1,744,388,889.70
(VI) Financial Liabilities Held for Trading				
Financial Liabilities Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period				
Including: Issued Bonds Held for Trading				
Derivative Financial Liabilities				
Others				
2. Financial Liabilities Designated as Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period				
Total Amount of Liabilities Measured at Fair Value on a Continuous Basis				
II. Non-Continuous Fair Value Measurement				
(I) Assets Held for Sale				
Total Amount of Assets Measured at Fair Value on a Non-Continuous Basis				
Total Amount of Liabilities Measured at Fair Value on a Non-Continuous Basis				

2. Basis for Determining Market Prices for Continuous and Non-continuous Level 1 Fair Value Measurement Items

Applicable Not Applicable

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

3. Qualitative and Quantitative Information on Valuation Techniques and Significant Parameters Adopted for Continuous and Non-continuous Level 2 Fair Value Measurement Items

Applicable Not Applicable

Level 2: Directly or indirectly observable inputs other than quoted prices included in Level 1 for related assets or liabilities.

The Company's financial assets at fair value through profit or loss include bank wealth management products and equity instrument investments. The Company determines their fair value using specific valuation techniques.

4. Qualitative and Quantitative Information on Valuation Techniques and Significant Parameters Adopted for Continuous and Non-continuous Level 3 Fair Value Measurement Items

Applicable Not Applicable

Level 3: Unobservable inputs for related assets or liabilities.

Given their relatively short remaining maturities, the book value of receivables financing approximates their fair values. The face value is used as the basis for determining fair value.

5. Adjustment Information of Beginning and Ending Book Values and Sensitivity Analysis of Unobservable Parameters for Continuous Level 3 Fair Value Measurement Items

Applicable Not Applicable

6. Reasons for Transition between Various Levels Occurring during the Current Period and Policies for Determining Transitioning Timing for Continuous Fair Value Measurement Items

Applicable Not Applicable

7. Changes in Valuation Techniques Occurring During the Current Period and Reasons for Such Changes

Applicable Not Applicable

8. Status of Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

Applicable Not Applicable

The Company's financial assets and financial liabilities measured at amortized cost mainly include: cash and cash equivalents, notes receivable, accounts receivable, other receivables, debt investments, short-term borrowings, notes payable, accounts payable, and other payables. The book values of the above financial assets and liabilities not measured at fair value differ only slightly from their fair values.

9. Others

Applicable Not Applicable

XIV. Related Parties and Related Transactions**1. Information of the Company's Parent Company**

Applicable Not Applicable

Unit: 10,000 yuan Currency: RMB

Name of Parent Company	Place of Registration	Business Nature	Registered	Parent Company's Stock Ownership in the Company (%)	Parent Company's Voting Rights in the Company (%)
Meng Qingshan				30.46	

Explanation of the Status of the Company's Parent Company

None

The Company's ultimate controlling party is Mr. Meng Qingshan. Ms. Wang Aijun, Mr. He Jun, Ms. Wang Ailing, Mr. Wang Aimin, and Ms. Wang Aidi are his parties acting in concert.

Other Explanations:

None

2. Information of the Company's Subsidiaries

Refer to the notes for the details of the Company's Subsidiaries

Applicable Not Applicable

Refer to 1 in Section IX for equity in subsidiaries

3. Information of the Company's Joint Ventures and Associates

Refer to the notes for the details of the Company's significant joint ventures or associates

Applicable Not Applicable

Other joint ventures or associates with related transactions with the Company during the current period or with balances formed from related transaction with the Company during the previous period are as follows:

Applicable Not Applicable

Names of Joint Ventures or Associates	Relationship with the Company
Tongliao Desheng Bio-tech Co., Ltd.	Associate

Other Explanations:

Applicable Not Applicable

4. Information of Other Related Parties

Applicable Not Applicable

Names of Other Related Parties	Relationship with the Company
Hu Jijun	Shareholder of the Company
Liang Yubo	The Shareholders and Senior Executive of the company.
Wang Aijun	The Shareholders and Senior Executive of the company.
He Jun	The Shareholders and Senior Executive of the company.
Liu Xinghua	Director of the Company
Lu Chuang	Director of the Company
Chang Libin	Supervisor of the Company
Liu Xiaojing	Supervisor of the Company
Liu Qiang	Supervisor of the Company
Liu Xianfang	Senior Executive of the Company
Wang Lihong	Senior Executive of the Company

Wang You	Senior Executive of the Company
Beitun Zefeng Agricultural Development Co., Ltd.	Former associates of the Company*1
Tibet Meihua Charity Foundation	The Legal Representative of the company is a direct relative of the shareholder of the Company

Other Explanations:

*1 The equity interest in this company held by the Company's subsidiary Xinjiang Agriculture was transferred to an external party in August 2024.

Note: The above table only lists related parties with which the Company had related-party transactions and dealings during the reporting period.

5. Information of Related Transactions

(1). Related Transactions for Purchasing and Selling Goods/Providing and Accepting Labor Services

Table of Purchasing Goods/Accepting Labor Services

Applicable Not Applicable

Unit: Yuan Currency: RMB

Related Party	Content of Related Transaction	Amount Incurred during the Current Period	Approved Transaction Amount (if applicable)	Exceeding Transaction Limit or Not (if applicable)	Amount Incurred during the Previous Period
Beitun Zefeng Agricultural Development Co., Ltd.	Raw Materials				24,187,662.88

Table of Selling Goods/Providing Labor Services

Applicable Not Applicable

Unit: Yuan Currency: RMB

Related Party	Content of Related Transaction	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Tongliao Desheng Bio-tech Co., Ltd.	Goods	75,113,020.43	75,539,223.56
Tongliao Desheng Bio-tech Co., Ltd.	Services and Others	994,582.93	26,489.59
Total		76,107,603.36	75,565,713.15

Explanation of Related Transactions for Purchasing and Selling Goods / Providing and Accepting Services

Applicable Not Applicable

(2). Information of Related Delegated Management/Contracting and Delegating Management /Outsourcing

Table of the Delegated Management/Contracting by the Company:

Applicable Not Applicable

Explanation of Related Delegated Management/Contracting

Applicable Not Applicable

Table of Delegating Management/Outsourcing by the Company

Applicable Not Applicable

Explanation of Related Management/Outsourcing

Applicable Not Applicable

(3). Information of Related Leases

The Company as the Lessor:

Applicable Not Applicable

Unit: Yuan Currency: RMB

Name of Lessee	Types of Leased Asset	Lease Revenue Recognized during the Current Period	Lease Revenue Recognized during the Previous Period
Tongliao Desheng Bio-tech Co., Ltd.	Property	1,505,861.10	2,739,061.65

The Company as the Lessee:

Applicable Not Applicable

Explanation of Related Leases

Applicable

Not Applicable

(4). Information of Related Guarantee

The Company as the Guarantor

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Guaranteed Party	Guaranteed Amount	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Tongliao Meihua	80,000,000.00	2024/1/31	2025/1/31	Yes
Tongliao Meihua	40,000,000.00	2024/3/25	2025/3/21	Yes
Tongliao Meihua	60,000,000.00	2024/3/27	2025/3/21	Yes
Tongliao Meihua	20,000,000.00	2024/3/29	2025/3/21	Yes
Tongliao Meihua	80,000,000.00	2025/1/21	2025/7/21	Yes
Tongliao Meihua	30,000,000.00	2025/2/10	2025/7/21	Yes
Tongliao Meihua	50,000,000.00	2025/2/17	2025/7/21	Yes
Tongliao Meihua	40,000,000.00	2025/2/17	2025/7/21	Yes
Jilin Meihua	30,000,000.00	2024/4/10	2025/4/1	Yes
Jilin Meihua	40,000,000.00	2024/4/15	2025/4/1	Yes
Jilin Meihua	25,000,000.00	2024/4/18	2025/4/1	Yes
Tongliao Meihua	97,333,400.00	2023/5/22	2038/5/8	No
Tongliao Meihua	2,666,600.00	2023/5/22	2038/5/8	Yes
Tongliao Meihua	18,785,307.76	2024/6/6	2038/5/8	No
Tongliao Meihua	514,692.24	2024/6/6	2038/5/8	Yes
Tongliao Meihua	9,733,320.08	2024/6/13	2038/5/8	No
Tongliao Meihua	266,679.92	2024/6/13	2038/5/8	Yes
Tongliao Meihua	5,839,992.04	2024/6/19	2038/5/8	No
Tongliao Meihua	160,007.96	2024/6/19	2038/5/8	Yes
Tongliao Meihua	14,599,980.12	2024/6/26	2038/5/8	No
Tongliao Meihua	400,019.88	2024/6/26	2038/5/8	Yes
Tongliao Meihua	44,500,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	5,500,000.00	2024/10/21	2027/10/21	Yes
Tongliao Meihua	53,400,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	6,600,000.00	2024/10/21	2027/10/21	Yes
Tongliao Meihua	44,500,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	5,500,000.00	2024/10/24	2027/10/21	Yes
Tongliao Meihua	35,600,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	4,400,000.00	2024/10/24	2027/10/21	Yes
Tongliao Meihua	35,600,000.00	2024/11/14	2027/10/21	No
Tongliao Meihua	4,400,000.00	2024/11/14	2027/10/21	Yes
Tongliao Meihua	35,600,000.00	2024/11/18	2027/10/21	No
Tongliao Meihua	4,400,000.00	2024/11/18	2027/10/21	Yes
Tongliao Meihua	17,800,000.00	2024/11/20	2027/10/21	No
Tongliao Meihua	2,200,000.00	2024/11/20	2027/10/21	Yes
Tongliao Meihua	145,708,000.00	2025/5/20	2038/5/8	No

Tongliao Meihua	3,992,000.00	2025/5/20	2038/5/8	Yes
Jilin Meihua	103,000,000.00	2022/6/28	2025/4/17	Yes
Jilin Meihua	29,000,000.00	2023/9/22	2025/5/7	Yes
Xinjiang Meihua	97,000,000.00	2024/7/25	2027/7/25	No
Xinjiang Meihua	2,000,000.00	2024/7/25	2027/7/25	Yes
Xinjiang Meihua	49,000,000.00	2024/8/21	2025/9/19	Yes
Total	1,375,000,000.00			

The Company as the Guaranteed Party

Applicable Not Applicable

Unit: Yuan Currency: RMB

Guarantor	Guaranteed Amount	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Tongliao Meihua, Xinjiang Meihua	200,000,000.00	2024/2/23	2025/2/23	Yes
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/6/5	2025/6/5	Yes
Tongliao Meihua, Xinjiang Meihua	150,000,000.00	2024/9/26	2025/9/26	Yes
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/11/11	2025/11/11	Yes
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/11/26	2025/11/26	Yes
Tongliao Meihua, Xinjiang Meihua	46,860,000.00	2022/6/13	2025/3/5	Yes
Tongliao Meihua, Xinjiang Meihua	175,000,000.00	2023/3/31	2026/3/31	No
Tongliao Meihua, Xinjiang Meihua	2,000,000.00	2023/3/31	2026/3/31	Yes
Tongliao Meihua, Xinjiang Meihua	35,000,000.00	2023/4/23	2026/3/31	No
Tongliao Meihua, Xinjiang Meihua	2,000,000.00	2023/4/23	2026/3/31	Yes
Tongliao Meihua, Xinjiang Meihua	27,000,000.00	2024/6/11	2027/6/11	No
Tongliao Meihua, Xinjiang Meihua	2,000,000.00	2024/6/11	2027/6/11	Yes
Tongliao Meihua	112,000,000.00	2022/11/17	2025/4/7	Yes
Total	1,051,860,000.00			

Explanation of Related Guarantees

Applicable Not Applicable

Xinjiang Meihua as the guarantor

Guarantor	Guaranteed Amount	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Tongliao Meihua	75,000,000.00	2023/8/28	2038/6/20	No
Tongliao Meihua	25,000,000.00	2023/8/28	2038/6/20	Yes
Tongliao Meihua	41,000,000.00	2024/2/6	2027/2/4	No
Tongliao Meihua	5,000,000.00	2024/2/6	2027/2/4	Yes
Tongliao Meihua	14,819,832.28	2024/12/5	2039/11/27	No
Tongliao Meihua	4,538,021.20	2024/12/12	2039/11/27	No
Tongliao Meihua	3,978,347.92	2024/12/19	2039/11/27	No
Tongliao Meihua	2,095,843.43	2024/12/25	2039/11/27	No
Tongliao Meihua	20,725,937.66	2025/2/13	2039/11/27	No
Tongliao Meihua	5,033,161.44	2025/2/20	2039/11/27	No
Tongliao Meihua	2,618,621.00	2025/3/13	2039/11/27	No
Tongliao Meihua	17,000,000.00	2025/3/25	2039/11/27	No
Tongliao Meihua	4,345,889.20	2025/4/10	2039/11/27	No
Tongliao Meihua	924,221.72	2025/7/4	2039/11/27	No
Tongliao Meihua	617,779.60	2025/8/6	2039/11/27	No
Tongliao Meihua	1,786,020.00	2025/8/20	2039/11/27	No
Tongliao Meihua	6,124,927.36	2025/11/6	2039/11/27	No
Tongliao Meihua	39,000,000.00	2025/12/23	2039/11/27	No
Tongliao Meihua	14,000,000.00	2025/12/26	2039/11/27	No
Total	283,608,602.81			

(5). Fund Borrowing by Related Parties

Applicable Not Applicable

(6). Status of Transfer of Assets and Debt Restructuring by Related Parties

Applicable Not Applicable

(7). Compensation of Key Management Personnel

Applicable Not Applicable

Unit: 10,000 yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Compensation of Key Management Personnel	2,054	1,937

(8). Other Related Transactions

Applicable Not Applicable

Related Donations

Lessee Name	Type of Related Transaction	Amount Incurred in 2025	Amount Incurred in 2024
Tibet Meihua Charity Foundation	Donation	2,500,000.00	3,500,000.00
Total		2,500,000.00	3,500,000.00

6. Status of Items Receivable and Payable Unsettled by Related Parties

(1). Items Receivable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item Name	Related Party	Ending Balance		Beginning Balance	
		Book Balance	Bad Debt Reserves	Book Balance	Bad Debt Reserves
Dividends Receivable	Tongliao Desheng Bio-tech Co., Ltd.	1,395,866.49		1,395,866.49	
Accounts Receivable	Tongliao Desheng Bio-tech Co., Ltd.	467,401.24	23,370.06	578,234.45	28,911.72

(2). Items Payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Item Name	Related Party	Ending Book Balance	Beginning Book Balance
Contract Liabilities	Tongliao Desheng Bio-tech Co., Ltd.	1,500,884.96	1,651,503.01
Other Current Liabilities	Tongliao Desheng Bio-tech Co., Ltd.	195,115.04	214,695.39

(3). Other Items

Applicable Not Applicable

7. Commitments by Related Parties

Applicable Not Applicable

8. Others

Applicable Not Applicable

XV. Share-based Payments

1. Various Equity Instruments

(1). Details

Applicable Not Applicable

(2). Stock options or other equity instruments outstanding at the end of the period

Applicable Not Applicable

2. Status of Share-based Payments Settled by Equity

Applicable Not Applicable

Unit: Yuan Currency: RMB

Recipients of Equity-settled Share-based Payments	
Methods for Determining the Fair Value of Equity Instruments on the Grant Date	Closing Price on the Grant Date
Significant Parameters for Determining the Fair Value of Equity Instruments on the Grant Date	
Basis for Determining the Quantity of Exercisable Equity Instruments	Estimation Based on the Actual Quantity of Restricted Stock Recipients
Reasons for Significant Differences between Estimates for the Current Period and Previous Period	
Accumulated Amount of Share-based Payments Settled by Equity Recorded in Capital Reserves	240,893,078.26

Other Explanations:

None

3. Status of Share-based Payments Settled by Cash

Applicable Not Applicable

4. Share-based Payment Expenses during the Current Period

Applicable Not Applicable

5. Modification and Termination of Share-based Payment

Applicable Not Applicable

6. Others

Applicable Not Applicable

XVI. Commitments and Contingencies**1. Significant Commitments**

Applicable Not Applicable

Significant Commitments to External Parties as of the Balance Sheet Date and Their Nature and Amounts

As of December 31, 2025, the Company has no significant commitments that require disclosure but have not been disclosed.

2. Contingencies**(1). Significant Contingencies as of the Balance Sheet Date**

Applicable Not Applicable

(1) Contingencies Arising from Pending Litigation or Arbitration and Their Financial Impact

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Amount in Dispute	Case Status

Plaintiff	Defendant	Cause of Action	Court of Acceptance	Amount in Dispute	Case Status
Ajinomoto Co., Inc. (Japan)	The Company and its wholly-owned subsidiaries Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua	The plaintiff alleges that it is a legal entity duly incorporated in Japan and has been engaged in the R&D and production of monosodium glutamate (MSG) and other seasonings since its establishment. The plaintiff holds Invention Patent No. 200580045189.5, titled “Microorganisms Producing L-Glutamic Acid and Method for Producing L-Glutamic Acid.” The plaintiff claims that the defendants infringed its patent rights (patent No. 200580045189.5) during the production and sale of MSG products and has therefore filed a lawsuit with the Higher People's Court of Guangdong Province.	Higher People's Court of Guangdong Province	130 million yuan	Case has been accepted by the court and has not yet gone to trial
Ajinomoto Co., Inc. (Japan)	The Company and its wholly-owned subsidiaries Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua	The plaintiff holds Invention Patent No. 201480005332.7, titled “Method for Producing L-Amino Acids.” The plaintiff claims that the defendants infringed its patent rights (patent No. 201480005332.7) during the production and sale of MSG products and has therefore filed a lawsuit with the Higher People's Court of Guangdong Province.	Higher People's Court of Guangdong Province	130 million yuan	Case has been accepted by the court and has not yet gone to trial

The Company and its wholly-owned subsidiaries Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua have been sued by third parties in relation to debt disputes, with a claimed amount of 260 million yuan. As of the date of this report, the case is still under trial.

Except for the above contingencies, the Company has no other significant contingencies that require disclosure as of December 31, 2025.

(2). Explanation should be also provided even if the Company has no significant contingencies that require disclosure:

Applicable Not Applicable

3. Others

Applicable Not Applicable

XVII. Matters after the Balance Sheet Date

1. Significant Non-Adjusting Matters

Applicable Not Applicable

2. Status of Profit Distribution

Applicable Not Applicable

Unit: Hundreds of Millions Currency: RMB

Profits or Dividends to be Distributed	12.00
Profits or Dividends Declared for Distribution After Deliberation and Approval	

3. Sales Returns

Applicable Not Applicable

4. Explanation of Matters after Other Balance Sheet Dates

Applicable Not Applicable

Except for the above subsequent event, as of the date of approval of this financial report, the Company had no other material subsequent events that should have been disclosed but were not.

XVIII. Other Significant Matters

1. Correction of Prior Accounting Errors

For further details, please refer to the section titled “Analysis and Explanation of the Reasons for and Impact of Changes in Accounting Policies, Accounting Estimates, or Corrections of Material Accounting Errors” under “Significant Matters.”

2. Significant Debt Restructuring

Applicable Not Applicable

3. Asset Swap

(1).Exchange of Non-monetary Assets

Applicable Not Applicable

(2).Other Asset Swap

Applicable Not Applicable

4. Pension Plans

Applicable Not Applicable

5. Termination of Operations

Applicable Not Applicable

6. Segment Information

(1).Determination Basis and Accounting Policies for Reporting Segments

Applicable Not Applicable

(2).Financial Information of Reporting Segments

Applicable Not Applicable

(3).If the company does not have reporting segments, or cannot disclose the total assets and liabilities of each reporting segment, the reasons should be explained.

Applicable Not Applicable

(4).Other Explanations

Applicable Not Applicable

7. Other Significant Transactions and Matters Affecting Decisions by Investors

□Applicable ✓Not Applicable

8. Others

□Applicable ✓Not Applicable

XIX. Notes to Main Items on the Parent Company's Financial Statement**1. Accounts Receivable****(1).Disclosure by Aging**

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year (including 1 year)	252,454,693.41	170,567,658.48
Within 1 year	252,454,693.41	170,567,658.48
1 to 2 years		
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	252,454,693.41	170,567,658.48

(2).Classified Disclosure by Bad Debt Provision Methods

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance					Beginning Balance				
	Book Balance		Bad Debt Reserves		Book Value	Book Balance		Bad Debt Reserves		Book Value
	Amount	Ratio (%)	Amount	Provision Ratio (%)		Amount	Ratio (%)	Amount	Provision Ratio (%)	
Provisions for Bad Debt Reserves on an Individual-item Basis										
Including:										
Provisions for Bad Debt Reserves on a Portfolio Basis:	252,454,693.41	100	12,350,111.11	4.89	240,104,582.30	170,567,658.48	100	8,013,876.71	4.70	162,553,781.77
Including:										
Including: Related Party Portfolio within the Consolidation Scope	5,452,471.29	2.16			5,452,471.29	10,290,124.30	6.03			10,290,124.30
Aging Analysis Portfolio	247,002,222.12	97.84	12,350,111.11	5.00	234,652,111.01	160,277,534.18	93.97	8,013,876.71	5.00	152,263,657.47
Total	252,454,693.41	/	12,350,111.11	/	240,104,582.30	170,567,658.48	/	8,013,876.71	/	162,553,781.77

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

Items for provisions on a portfolio basis: Aging Analysis Portfolio

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Book Balance	Bad Debt Reserves	Provision Ratio (%)
Within 1 year	247,002,222.12	12,350,111.11	5.00
Total	247,002,222.12	12,350,111.11	5.00

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of accounts receivable with changes in loss reserves during the current period:

Applicable Not Applicable

(3).Status of Bad Debt Reserves

Applicable Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes in the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Bad debt provision on an individual basis						
Bad debt provision on a portfolio basis	8,013,876.71	4,336,234.4				12,350,111.11
Including: Related Party Portfolio within the Consolidation Scope						
Aging Analysis Portfolio	8,013,876.71	4,336,234.4				12,350,111.11
Total	8,013,876.71	4,336,234.4				12,350,111.11

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(4).Status of Accounts Receivable Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant accounts receivable

Applicable Not Applicable

Explanation of write-off of accounts receivable:

Applicable Not Applicable

(5).Overview of Accounts Receivable and Contract Assets Ranking Top Five in Ending Balances Aggregated by Debtors

Applicable Not Applicable

Unit: Yuan Currency: RMB

Company Name	Ending Balance of Accounts Receivable	Ending Balance of Contract Assets	Ending Balance of Accounts Receivable and Contract Assets	Proportion in the Total Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Bad Debt Reserves
First	88,827,485.86		88,827,485.86	35.19	4,441,374.29
Second	42,799,438.69		42,799,438.69	16.95	2,139,971.93
Third	29,455,639.44		29,455,639.44	11.67	1,472,781.97
Fourth	19,246,037.00		19,246,037.00	7.62	962,301.85
Fifth	13,134,060.56		13,134,060.56	5.20	656,703.03
Total	193,462,661.55		193,462,661.55	76.63	9,673,133.07

Other Explanations:

None

Other Explanations:

Applicable Not Applicable

2. Other Receivables

Presentation of Items

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Receivable		
Dividends Receivable	850,000,000.00	1,000,000,000.00
Other Receivables	461,253,600.04	665,966,380.53
Total	1,311,253,600.04	1,665,966,380.53

Other Explanations:

Applicable Not Applicable

Interest Receivable

(1).Classification of Interest Receivable

Applicable Not Applicable

(2).Significant Overdue Interest

Applicable Not Applicable

(3).Classified Disclosure by Bad Debt Provision Methods

Applicable Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

(4).Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of interest receivable with changes in loss reserves during the current period:

Applicable Not Applicable

(5).Status of Bad Debt Reserves

Applicable Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(6).Status of Interest Receivable Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant interest receivable

Applicable Not Applicable

Write-off Explanation:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

Dividends Receivable

(1).Dividends Receivable

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items (or Invested Units)	Ending Balance	Beginning Balance
Tongliao Meihua	350,000,000.00	450,000,000.00
Jilin Meihua	200,000,000.00	350,000,000.00
Hong Kong Meihua	300,000,000.00	200,000,000.00
Total	850,000,000.00	1,000,000,000.00

(2).Significant Dividends Receivable with an Aging Exceeding 1 year

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items (or Invested Units)	Ending Balance	Aging	Reason for Non-receipt	Whether Impairment Has Occurred and Basis for Assessment
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Hong Kong Meihua	300,000,000.00	RMB100,000,000 due Within one year and RMB 200,000,000 due in 1 to 2 years.	No Payment Has Been Scheduled Yet	No
Total	300,000,000.00	/	/	/

(3).Classified Disclosure by Bad Debt Provision Methods

Applicable Not Applicable

Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:

Applicable Not Applicable

Provisions for Bad Debt Reserves on a Portfolio Basis:

Applicable Not Applicable

(4).Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

Applicable Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of dividends receivable with changes in loss reserves during the current period:

Applicable Not Applicable

(5).Status of Bad Debt Reserves

Applicable Not Applicable

Including bad debts with significant amounts to be recovered or reversed during the period:

Applicable Not Applicable

Other Explanations:

None

(6).Status of Dividends Receivable Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant dividends receivable

Applicable Not Applicable

Write-off Explanation:

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

Other Receivables**(1).Disclosure by Aging**

Applicable Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year (including 1 year)	461,077,611.94	666,459,181.92
Within 1 year	461,077,611.94	666,459,181.92

1 to 2 years	188,732.82	100,000.00
2 to 3 years	100,000.00	187,214.39
Over 3 years		
3 to 4 years	143,883.77	
4 to 5 years		200,000.00
Over 5 years	86,042,687.00	85,842,687.00
Total	547,552,915.53	752,789,083.31

(2).Classification by Nature of Accounts

Applicable Not Applicable

Unit: Yuan Currency: RMB

Nature of Accounts	Ending Book Balance	Beginning Book Balance
Intercompany Account Current	458,361,345.55	651,382,152.78
Deposits	470,000.00	600,000.00
Receivables for Land and Real Estate	85,672,687.00	85,672,687.00
Others	1,074,893.62	782,060.81
Export Tax Refunds receivable	1,973,989.36	14,352,182.72
Total	547,552,915.53	752,789,083.31

(3).Provision for Bad Debt Reserves

Applicable Not Applicable

Unit: Yuan Currency: RMB

Bad Debt Reserves	Phase 1	Phase 2	Phase 3	Total
	Expected Credit Losses over the Next 12 Months	Expected Credit Losses for the entire Duration (without Credit Impairment)	Expected Credit Losses for the entire Duration (with Credit Impairment)	
Balance as of January 1, 2025	1,150,015.78		85,672,687.00	86,822,702.78
Balance as of January 1, 2025 during the Current Period				
-- Transferred to Phase 2				
-- Transferred to Phase 3				
-- Reversed to Phase 2				
-- Reversed to Phase 1				
Provision for the Current Period				
Reversal for the Current Period	523,387.29			523,387.29
Write-off for the Current Period				
Write-off for the Current Period				
Other Changes				

Balance as of December 31, 2025	626,628.49		85,672,687.00	86,299,315.49
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Basis for Staging and Provision Ratios for Bad Debt Reserves

None

Explanation of significant changes in the book balance of other receivables with changes in loss reserves during the current period:

Applicable Not Applicable

Basis for amount of provisions for bad debt reserves and the assessment of significant increase in credit risk of financial instruments:

Applicable Not Applicable

(4).Status of Bad Debt Reserves

Applicable Not Applicable

Including bad debt reserves with significant amount reversed or recovered during the current period:

Applicable Not Applicable

Other Explanations:

None

(5).Status of Other Receivables Actually Written Off during the Current Period

Applicable Not Applicable

Including write-off of significant other receivables:

Applicable Not Applicable

Explanation of write-off of other receivables:

Applicable Not Applicable

(6).Overview of Other Receivables Ranking Top Five in Ending Balances Aggregated by Debtor

Applicable Not Applicable

Unit: Yuan Currency: RMB

Company Name	Ending Balance	Proportion in Total Amount of Ending Balances of Other Receivables (%)	Nature of Accounts	Aging	Ending Balance of Bad Debt Reserves
Jilin Meihua Amino Acid Co., Ltd.	445,325,305.55	81.33	Intercompany Account Current	Within 1 year	
Bazhou Metal Glass Furniture Industrial Park	85,672,687.00	15.65	Receivables for Land and Real Estate	Over 5 years	85,672,687.00
Langfang Meihua Biotechnology Development Co., Ltd.	13,000,000.00	2.37	Intercompany Account Current	Within 1 year	

Tibet Lhasa Economic and Technological Development Zone Taxation Bureau, State Taxation Administration	1,973,989.36	0.36	Receivables for Land and Real Estate	Within 1 year	98,699.47
Bazhou Work Injury Insurance Management Office	986,724.57	0.18	Others	RMB 654,107.98 due within one year, RMB 188,732.82 due in 1 to 2 years and RMB 143,883.77 due in 3 to 4 years	123,520.57
Total	546,958,706.48	99.89	/	/	85,894,907.04

(7). Presented Under Other Receivables Due to Centralized Fund Management

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

3. Long-term Equity Investments

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Investment in Subsidiaries	8,069,915,728.14		8,069,915,728.14	7,637,915,728.14		7,637,915,728.14
Investment in Associates and Joint Ventures						
Total	8,069,915,728.14		8,069,915,728.14	7,637,915,728.14		7,637,915,728.14

(1). Investment in Subsidiaries

Applicable Not Applicable

Unit: Yuan Currency: RMB

Invested Units	Beginning Balance (Book Value)	Beginning balance of impairment provision	Increase/decrease during the period				Ending Balance (Book Value)	Ending balance of impairment provision
			Additional investment	Investment reduction	Provision for impairment during the period	Others		
Tongliao Meihua Bio-Tech Co., Ltd	1,955,251,411.24						1,955,251,411.24	
Xinjiang Meihua Amino Acid Co., Ltd.	2,521,485,877.51						2,521,485,877.51	

Langfang Meihua Seasoning Co., Ltd.	252,167,723.87					252,167,723.87	
Langfang Meihua Bio-Technology Development Co., Ltd.	72,751,138.20					72,751,138.20	
Lhasa Meihua Biological Investment Holding Co., Ltd.	800,000,000.00					800,000,000.00	
Meihua Group International Trading (Hong Kong) Limited	6,277,900.00					6,277,900.00	
Jilin Meihua Amino Acid Co., Ltd.	2,029,666,677.32					2,029,666,677.32	
Zhuhai Hengqin Meihua Bio-Technology Co., Ltd.	315,000.00		432,000,000.00			432,315,000.00	
Total	7,637,915,728.14		432,000,000.00			8,069,915,728.14	

(2). Investment in Associates and Joint Ventures

Applicable Not Applicable

(3). Impairment Testing of Long-term Equity Investments

Applicable Not Applicable

Other Explanations:

None

4. Operating Revenues and Operating Costs

(1). Status of Operating Revenues and Operating Costs

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Revenues	Costs	Revenues	Costs
Main Business	16,608,976,114.22	15,828,752,840.14	16,274,518,468.77	15,698,384,731.99
Other Business	12,890,933.97	11,965,156.58	16,869,353.78	16,595,961.15
Total	16,621,867,048.19	15,840,717,996.72	16,291,387,822.55	15,714,980,693.14

(2). Decomposition Information of Operating Revenues and Operating Costs

Applicable Not Applicable

Other Explanations:

Applicable Not Applicable

(1) Decomposition Information of Operating Revenues and Operating Costs

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Revenues	Costs	Revenues	Costs
By product				
Food Flavor and Texture Optimization Products	5,609,626,972.10	5,403,057,361.81	5,800,892,800.04	5,613,804,836.97
Animal Nutrition Amino Acids	9,673,936,210.31	9,173,660,613.04	9,099,073,256.54	8,754,982,982.07
Human Medical Amino Acids	398,820,490.24	379,681,005.81	397,913,690.47	382,619,305.03

Others	926,592,441.57	872,353,859.48	976,638,721.72	946,977,607.92
Total	16,608,976,114.22	15,828,752,840.14	16,274,518,468.77	15,698,384,731.99
By region				
Domestic Sales	16,416,352,265.78	15,654,931,260.25	15,986,559,260.56	15,491,862,997.82
Export Sales	192,623,848.44	173,821,579.89	287,959,208.21	206,521,734.17
Total	16,608,976,114.22	15,828,752,840.14	16,274,518,468.77	15,698,384,731.99

(2) Top Five Customers by Revenue from Principal Operations

Items	Amount	Contribution to Operating Revenues (%)
First	642,314,209.83	3.86
Second	609,290,269.12	3.67
Third	406,736,567.66	2.45
Fourth	399,642,347.08	2.40
Fifth	398,981,043.32	2.40
Total	2,456,964,437.01	14.78

(3). Explanation of Performance Obligations

Applicable Not Applicable

(4). Explanation of Allocation to Remaining Performance Obligations

Applicable Not Applicable

(5). Significant Contract Changes or Significant Adjustments to Transaction Prices

Applicable Not Applicable

Other Explanations:

None

5. Investment Income

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Investment Income from Long-term Equity Investments Accounted for by the Cost Method	1,450,000,000.00	1,500,000,000.00
Investment Income from Long-term Equity Investments Accounted for by the Equity Method		
Investment Income from the Disposal of Long-term Equity Investments		
Investment Income from Financial Assets Held for Trading during the Holding Period		
Dividend Income from Other Equity Instrument Investments during the Holding Period	3,308,800.00	2,816,000.00
Dividend Income from Debt Investments during the Holding Period		
Dividend Income from other Debt Investments during the	14,062,361.11	12,623,494.45

Holding Period		
Investment Income from the Disposal of Financial Assets Held for Trading	13,016,339.82	5,814,273.22
Investment Income from the Disposal of Other Equity Instrument Investments		
Investment Income from the Disposal of Debt Investments		
Investment Income from the Disposal of Other Debt Investments	156,615.29	--
Debt Restructuring Gains		
Total	1,480,544,116.22	1,521,253,767.67

Other Explanations:

None

6. Others

Applicable Not Applicable

XX. Supplementary Information

1. Detailed Statement of Non-recurring Profits and Losses for the Current Period

Applicable Not Applicable

Unit: Yuan Currency: RMB

Items	Amount	Explanation
Profits or losses from disposal of non-current assets, including the portion offset against impairment provisions already accrued	-36,929,707.83	
Government grants recorded in the profit or loss for the current period, excluding those closely related to the Company's normal operating activities, complying with national policies, entitled according to specified standards, and having a continuous impact on the Company's profit or loss	228,086,329.20	
Profits or losses arising from fair value changes of financial assets and financial liabilities held by non-financial enterprises, as well as profits or losses arising from the disposal of financial assets and financial liabilities, excluding the effective hedging business related to the Company's normal operating activities	70,432,176.42	
Fund usage fees charged to non-financial enterprises and recorded in the profit or loss for the current period		
Profits or losses from entrusting others to invest or manage assets		
Profits or losses from loans entrusted to others		
Asset losses incurred due to force majeure, such as natural disasters		
Reversal of impairment reserves for receivables undergoing individual impairment testing		
Income generated when the investment costs borne by the Company in acquisition of subsidiaries, associates, and joint ventures are less than the fair value of identifiable net assets entitled to the Company when the investment is acquired	831,441,015.05	
Net profits or losses of subsidiaries generated from the beginning of the period to the date of consolidation through enterprise merger under the same control		
Profits or losses from non-monetary asset exchanges		
Profits or losses from debt restructuring		
One-time expenses incurred by enterprises due to discontinuation of related operating activities, such as employee resettlement expenses, etc.		

One-time impact on profit or loss for the current period due to adjustments to tax, accounting, and other laws and regulations		
Stock-based payment expenses recognized one-time due to cancellation or modification of equity incentive plans		
Profits or losses from changes in the fair value of employee compensation payable after the exercise date for share-based payments settled by cash		
Profits or losses from changes in the fair value of investment properties measured subsequently using the fair value model		
Income from transactions with significant price misalignment		
Profits or losses from contingencies unrelated to the Company's normal operating activities	28,618,647.27	
Custodian fee income from entrusted operations		
Other non-operating revenues and expenditures not mentioned above	-1,657,569.77	
Other profit or loss items meeting the definition of non-recurring profits and losses		
Less: Income tax impact	44,570,783.29	
Minority shareholders' equity impact (after tax)		
Total	1,075,420,107.05	

For items not listed in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 - Non-recurring Profits and Losses* but considered as non-recurring profits and losses with significant amounts, as well as items defined as recurring profits and losses in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No. 1 - Non-recurring Profits and Losses*, the Company should provide reasons for such classification.

Applicable Not Applicable

Other Explanations

Applicable Not Applicable

2. Return on Equity and Earnings per Share

Applicable Not Applicable

Profits during the Reporting Period	Weighted Average Return on Equity (%)	Earnings per Share	
		Basic Earnings per Share	Basic Earnings per Share
Net profit attributable to ordinary shareholders of the Company	21.48	1.17	1.17
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	14.44	0.78	0.78

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

Applicable Not Applicable

4. Others

Applicable Not Applicable

Chairman: Wang Aijun

Date Approved by the Board of Directors for Submission: April 21, 2026

Revision Information

Applicable Not Applicable