Company Code: 600873 Short name: Meihua Bio

Meihua Holdings Group Co., Ltd.
Annual Report 2024

This is an English translation from the Annual Report 2024, in case of any inconsistency, the Chinese Version shall prevail.

Important Information

I. The Company's board of directors, board of supervisors, directors, supervisors, and officers guarantee that the contents of this 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. Zandar (Shenzhen) CPAs LLP (Special General Partnership) (formerly known as Da Hua CPAs 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 18th meeting of the 10th session of the board of directors, the profit distribution plan (proposal) for 2024 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 0.4206 yuan per share (inclusive of tax) will be distributed to all shareholders. As of December 31, 2024, the Company had a total share capital of 2,852,788,750 shares, based on which the estimated total cash dividend distribution amounts to 1.2 billion 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.

In November 2024, the Company executed the 2024 interim profit distribution, which was approved at the Company's second extraordinary general meeting of 2024. Based on the total share capital registered on the equity distribution record date (November 21, 2024) of 2,852,788,750 shares, after deducting 15,589,700 shares in the repurchase account at that time, the total number of shares participating in the distribution was 2,837,199,050 shares. A cash dividend of 0.17596 yuan per share (inclusive of tax) was distributed, amounting to a total interim cash dividend of 499,233,544.84 yuan (inclusive of tax).

In summary, the total cash dividends expected to be distributed by the Company for 2024 amount to approximately 1,699,116,493.09 yuan (inclusive of tax). Together with 571,185,981.88 yuan used for share buyback and cancellation in 2024, the total amount represents approximately 83% of the net profit attributable to shareholders of the listed company for 2024.

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 10 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	means	Meihua Holdings Group Co., Ltd., whose stock name is “Meihua Bio” and stock code is 600873.
Xinjiang Meihua	means	Xinjiang Meihua Amino Acid Co., Ltd., a wholly-owned subsidiary of the Company.
Wujiaqu Jianlong	means	Wujiaqu Jianlong Chemical Co., Ltd., a wholly owned subsidiary of Xinjiang Meihua.
Xinjiang Base or Xinjiang Company	means	the production base in the Wujiaqu Industry Park located in the Xinjiang Uygur autonomous region where Xinjiang Meihua is located.
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.
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.
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.
Lhasa Meihua	means	Lhasa Meihua Bio-investment Holdings Co., Ltd., a wholly-owned subsidiary of the Company.
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.
Environmental authorities	means	the Ministry of Ecology and Environment of the People’s Republic of China and the environmental authorities authorized by it.
Amino acids for animal nutrition	means	the amino acids used as feed supplement for animal nutrition, which can enhance the effects of feed, improve the utilization of feed, and supplement and balance nutrition. The amino acids for animal nutrition produced by the Company include lysine, threonine, 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 glycogenic amino acid essential for mammals. The common L-valine is one of the 20 amino acids that make up proteins. The addition of valine to sow feed can help increase lactation yield. It also helps improve animals' immunity and affects endocrine.
Starch byproduct protein powder, feed fiber, germ, mycoprotein, etc.	means	Corn gluten meal is a byproduct of the manufacture of starch from maize grain in the food industry or its purification in the brewing industry. It is rich in protein nutrients, has a special taste and color, and can be used as feed. Corn husk powder (feed fiber) is a byproduct of the manufacturing process of manufacturers engaged in the deep processing of corn. It is produced from maize grains being soaked, put into starch production, washed, squeezed, and dried. Its main components include fiber, starch, and proteins.
Food taste and trait improving products	means	The food additives (flavor enhancers) produced by the Company. It refers to artificial or natural substances that are added to food for the purpose of improving food quality, color, smell, and taste, as well as for preservation and processing.
MSG	means	99% MSG refers to monosodium glutamate. The key composition of MSG is glutamic acid monosodium salt, which is produced from the microbial fermentation, purification, and refinement of saccharic or starch raw materials. The finished product is white columnar crystal or crystalline powder. As a basic flavoring agent, MSG not only enhances the taste of dishes and stimulates appetite but also stimulates the secretion of digestive juice, thereby helping food digestion and absorption in human bodies.
Disodium 5'-ribonucleotide	means	a substance composed of disodium 5'-inosine (IMP) and disodium 5'-guanosine (GMP) in a 1:1 proportion. It is mostly used in condiments or condiment blends with MSG to enhance taste.
Disodium inosinate	means	is a flavor enhancer produced from glucose as the key raw material through microbial fermentation, extraction, and refinement.
Trehalose	means	a safe and reliable natural sugar with the superb ability to maintain cell viability and biomacromolecular activity. It is known as the "sugar of life" in the science community. With a moderately sweet taste, it serves as a unique food ingredient that prevents food deterioration, inhibits nutrient deterioration, preserves food flavors, and improves food quality. It is also an important ingredient for cosmetics that maintain cell viability and preserve moisture. It is generally recognized as safe (GRAS) by the FDA.
Amino acids for human medical purposes	means	are also known as pharmaceutical amino acids. The Company's pharmaceutical amino acids are mainly divided into two parts. One is amino acid products, including L-glutamine, branched-chain amino acids (L-isoleucine, L-valine, and L-leucine), and L-proline, etc., which are mainly used as upstream raw materials for sports nutrition food, food for special medical purposes, and drugs. The other part is pharmaceutical intermediate raw materials, including L-proline and nucleoside (inosine, guanosine, and adenosine), which are mainly used as upstream raw materials for drugs that treat chronic diseases (such as hypertension, diabetes, hepatitis B, etc.).
Proline	means	L-proline (known as proline for short) is one of the 18 amino acids for the human body to synthesize proteins. It is an important raw material for amino acid

		transfusions as well as a key intermediate for synthesizing first-line antihypertensive drugs, such as captopril and enalapril. It is widely applied in food and pharmaceutical industries. The Company produces L-proline through corn fermentation, which is free of all the chemical reagents added in synthesis and is thus safer.
Glutamine	means	with the scientific name of 2-amino-4-formamide butyric acid, is the amide of glutamic acid. L-glutamine is the coding amino acid in protein synthesis and an amino acid essential for mammals. In vivo, it can be converted from glucose. Glutamine prevents muscle breakdown and promotes muscle growth. It is an important nutrition supplement for bodybuilders and bodybuilding enthusiasts. It also improves human immunity and antioxidant capacity. It has superb healthcare and even medical effects for the gastrointestinal and digestive systems.
Isoleucine	means	L-isoleucine is one of the 20 common amino acids that make up proteins. It contains two asymmetric carbon atoms and is an amino acid and ketogenic amino acid essential for mammals.
Leucine	means	L-leucine is one of the 20 common amino acids that make up proteins. It is an amino acid and a ketogenic and glycogenic amino acid essential for mammals. Leucine, isoleucine, and valine are all branched-chain amino acids, which help promote muscle recovery after training. In particular, leucine is a very effective branched-chain amino acid that effectively prevents muscle loss as it is able to break down faster into glucose.
Pullulan	means	a water-soluble polysaccharide produced from the fermentation of Aureobasidium pullulans. Pullulan can be processed into a variety of products. With superb film-forming properties, it forms highly stable pullulan film. It also has excellent oxygen isolation performance. In pharmaceutical and food industries, it is widely used in capsule molding agents, thickeners, adhesives, and food packaging. Pullulan has been used as food accessories for more than 20 years in Japan and is generally recognized as safe (GRAS) by the FDA.
Xanthan gum	means	a monospore polysaccharide from the fermentation of pseudoxanthomonas. It offers many functions due to its special macromolecular structure and colloidal characteristics. It is widely used in different fields as emulsifiers, stabilizers, gel thickeners, impregnating compounds, and film molding agents. Xanthan gum is a microbial polysaccharide in mass production with broad applications around the world.
Bio-organic fertilizers	means	the fertilizers containing organic substances that provide multiple inorganic and organic nutrients for crops and fertilize and improve soil.
HMO	means	Human Milk Oligosaccharides, which are a type of complex oligosaccharide composed of monosaccharides, derivatives, sialic acid, and other structural units linked by glycosidic bonds. Over 150 types of HMO structures have been identified in human milk. As the third most abundant solid component in human breast milk, after lactose and fat, HMO plays a crucial physiological role. HMOs are vital for infant growth and development, both in the short and long term. They promote the balance of the intestinal microecology in infants, stimulate the growth of beneficial bacteria, inhibit the growth of harmful bacteria, prevent the colonization of pathogenic bacteria, regulate the immune system, and support cognitive development in infants.
Kirin Holdings	means	Kirin Holdings Company, Limited, a company listed on the Tokyo Stock Exchange with the stock code 2503.T. Founded in 1907 and headquartered in Tokyo, Japan, it is a global leader in beverage and food manufacturing, with business operations spanning multiple sectors, including beer, soft drinks, health products, and pharmaceuticals.
Kyowa Hakko Bio	means	Kyowa Hakko Bio Co., Ltd., a wholly-owned subsidiary of Kirin Holdings. It is a global leader in the biotechnology and fermentation industries, specializing in the development and production of high-quality amino acids and other novel synthetic biology products for pharmaceutical, food, and industrial applications.
Fermentation	means	a reaction process in which massive metabolites are produced and accumulated through the growth and chemical changes of microorganisms (or animal/plant

		cells).
Traditional fermentation	means	mainly involves matrix conversion (the converted matrix is the product itself). Traditional fermentation gives unique tastes and nutrients to the product and changes the texture of the product, such as the fermentation process involved in the production of wine, bread, yogurt, fermented beancurd, and pickled vegetables. Traditional fermentation is generally natural fermentation. In this case, there are many kinds of fermentation microorganisms, and it is usually impossible to conduct pure culture. The specific microorganism types and proportions are not even known. There is also traditional fermentation involving pure microorganisms.
Precision fermentation	means	a process that uses microorganisms as cell factories to produce specific functional components. In general terms, precision fermentation is a process of genetic reprogramming. It is synthetic biology. Scientists change the genes of selected microorganisms based on specific designs, and their genes are programmed to produce specific fermentation products.

Section 2 Company Overview and Key Financial Indicators

I. Company Information

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

II. Contact Person and Contact Information

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

III. Basic Profile

Registered Address	Unit 5, Building 11, Yangguang Xincheng, 158 Jinzhu West Road, Lhasa, Xizang Autonomous Region
Changes in the registered address	189 Jinzhu West Road, Lhasa (announcement published on January 23, 2018; change approved at the fourth extraordinary general meeting of 2017)
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. Global users can now easily access the latest company news and business information via the new website at https://www.meihua.group. The previous website, http://www.meihuagrp.com, will be deactivated at 24:00 Beijing Time on February 4, 2026.
Email	mhzqb@meihuagrp.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) and Securities Times (www.stcn.com)
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	Zandar (Shenzhen) CPAs LLP (Special General Partnership) (formerly known as Da Hua CPAs LLP (Special General Partnership))

	Office address	11th Floor, Media Group (SZMG) Tower, No. 9 Pengcheng 1st Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen
	Names of signing accountants	Liu Qianqian, Li Qianqian

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

(I) Key Accounting Data

Unit: yuan Currency: RMB

Key accounting data	2024	2023	+ (%)	2022
Revenue	25,069,288,294.62	27,760,612,259.07	-9.69	27,937,152,798.85
Net profit attributable to the shareholders of the listed company	2,740,427,215.56	3,180,949,695.48	-13.85	4,406,241,981.92
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss	2,696,673,816.43	3,083,801,516.17	-12.55	4,220,155,225.29
Net cash flows from operating activities	4,626,714,790.47	5,228,937,084.88	-11.52	5,654,954,446.36
	At the end of 2024	At the end of 2023	+ (%)	At the end of 2022
Net assets attributable to the shareholders of the listed company	14,574,945,300.93	14,163,014,813.67	2.91	13,515,990,374.75
Total assets	23,809,558,011.66	23,157,179,855.25	2.82	24,491,133,112.07

(II) Key Financial Indicators

Key financial indicators	2024	2023	±(%)	2022
Basic earnings per share (yuan/share)	0.94	1.06	-11.32	1.44
Diluted earnings per share (yuan/share)	0.94	1.06	-11.32	1.43
Basic earnings per share after deducting non-recurring profit or loss (yuan/share)	0.92	1.03	-10.68	1.38
Weighted average return on equity (%)	19.04	23.48	Decrease by 4.44 percentage points	35.95
Weighted average return on equity after deducting non-recurring profit or loss (%)	18.74	22.76	Decrease by 4.02 percentage points	34.43

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 2024 by Quarter

Unit: yuan Currency: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Revenue	6,486,560,309.24	6,156,157,744.13	6,038,067,422.69	6,388,502,818.56
Net profit attributable to the shareholders of the listed company	751,704,565.79	722,119,224.13	521,497,858.37	745,105,567.27
Net profit attributable to the shareholders of the listed company after deducting non-recurring profit or loss	636,707,025.33	666,143,862.29	466,245,366.69	927,577,562.12
Net cash flows from operating activities	-30,402,361.94	2,266,220,485.06	1,849,893,800.63	541,002,866.72

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 2024	Notes (if applicable)	Amount for 2023	Amount for 2022
Gains or losses from the disposal of non-current assets, including the write-offs of the accrued provisions for asset impairment	-35,923,166.36		-38,915,902.24	-14,259,233.56
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	205,965,697.82		240,560,349.82	176,066,538.92
Gains or losses from fair value changes arising from the financial assets and financial liabilities held by non-financial enterprises and	30,307,317.28		-35,150,749.48	46,017,976.33

gains or losses from the 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				
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	-1,549,545.75		-45,888,616.17	
Trusteeship income from trusteeship business				
Other non-operating income and expenditure than the above	-105,868,972.90		-1,380,228.88	11,936,886.89
Other profit or loss items that fall within the definition of the non-recurring profit or loss				
Less: effect of income tax	49,177,930.96		23,938,637.04	33,675,411.95
effect of minority interest (after tax)				
Total	43,753,399.13		97,148,179.31	186,086,756.63

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

Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Non-recurring Gains or Losses as recurring items, the Company should provide the reasons.

☐ Applicable √Not applicable

XI. Items Measured at Fair Value

√ Applicable ☐Not applicable

Unit: yuan Currency: RMB

<table>
<tr><th>Item</th><th>Opening balance</th><th>Closing balance</th><th>Change</th><th>Amount of impact on the profit</th></tr>
<tr><td>Financial assets held for trading</td><td>172,376,801.33</td><td>312,033,611.07</td><td>139,656,809.74</td><td>35,240,396.29</td></tr>
<tr><td>Derivative financial assets</td><td>200,000.00</td><td></td><td>-200,000.00</td><td rowspan="2">-6,560,205.83</td></tr>
<tr><td>Derivative financial liabilities</td><td>250,000.00</td><td>297,500.00</td><td>47,500.00</td></tr>
<tr><td>Other equity instrument investments</td><td>512,691,350.00</td><td>441,294,280.00</td><td>-71,397,070.00</td><td>2,816,000.00</td></tr>
<tr><td>Accounts receivable financing</td><td>60,013,169.98</td><td>26,723,054.99</td><td>-33,290,114.99</td><td>-7,013.14</td></tr>
<tr><td>Total</td><td>745,531,321.31</td><td>780,348,446.06</td><td>34,817,124.75</td><td>31,489,177.32</td></tr>
</table>

XII. Miscellaneous

☐ Applicable √Not applicable

Section 3 Discussion and Analysis by the Management

I. Discussion and Analysis of Business Performance

In 2024, leveraging its diversified portfolio, economies of scale, continuous R&D innovation, and refined management, the company demonstrated strong resilience and counter-cyclicality. The company recorded annual revenue of 25.069 billion yuan, a year-on-year decrease of 9.69%. The decline was primarily due to lower selling prices of MSG, xanthan gum, and corn by-products, reducing revenue by approximately 4.046 billion yuan. However, increased sales of threonine, xanthan gum, and feed-grade valine contributed to a revenue increase of approximately 1.355 billion yuan. Net profit attributable to shareholders of the listed company was 2.74 billion yuan, down 13.85% year-on-year, including an additional 233 million yuan in non-operating expenses due to settlement payments.

During the reporting period, the company successfully advanced its internationalization strategy by acquiring Kyowa Hakko Bio's pharmaceutical amino acid business. The MES system upgrade at the Jilin facility was successfully implemented, accelerating the company's digital and intelligent transformation. Meanwhile, the production capacity expansion of key products reached full operation, significantly enhancing scale and efficiency. These achievements further reinforced the company's leading position in the global amino acid industry.

1. Accelerated Global Expansion, Embarking on a New Journey in Overseas Markets

During the reporting period, the company made breakthrough progress in its international strategic layout, significantly accelerating its overseas expansion. Through systematic global market research and strategic planning, the company conducted site selection evaluations in key regions and successfully advanced strategically significant industrial acquisition projects. These initiatives not only marked a tangible step forward in global expansion but also laid a solid foundation for sustainable overseas business growth.

In 2024, the company established a dedicated overseas project team to conduct in-depth assessments of greenfield investment opportunities across five continents. The team screened over 100 countries based on factors such as raw materials and energy availability, ultimately selecting nine key regions for further evaluation. The project team conducted on-site investigations of these locations, analyzing critical factors including raw materials, energy, chemical auxiliaries, transportation, and business environment. Subsequent assessments will further compare these regions to determine the final greenfield investment location and define product types and production scale, supporting the company's overseas expansion and global strategic foundation.

On the acquisition front, the company signed the "Shares and Assets Purchase Agreement" with Kyowa Hakko, committing approximately 500 million yuan to acquire its food-grade and pharmaceutical amino acid, as well as HMO (Human Milk Oligosaccharide) businesses and assets. The acquisition includes:

Full equity and related assets (land, facilities, production equipment, and pharmaceutical product certifications) of Kyowa Hakko's operational entities in Shanghai, Thailand, and North America.

Proprietary strains and intellectual property rights for more than ten pharmaceutical amino acids, including arginine, histidine, glutamine, serine, hydroxyproline, valine, leucine, isoleucine, threonine, citrulline, and ornithine.

Strains, production lines, intellectual property rights, regulatory approvals, and market licenses for multiple HMO products, including 2'-FL, 3'-SL, and 6'-SL.

A professional team has been formed to integrate Kyowa Hakko's business processes and operational systems, ensuring efficient synergy in technology, resources, and market operations. The transaction is progressing as per the agreed schedule. Upon completion, the company's business structure will extend along the industrial chain, enhancing its capacity for high-value-added pharmaceutical amino acid fermentation and purification. It will also gain GMP (Good Manufacturing Practice) certifications and amino acid active pharmaceutical ingredient (API) registrations across multiple global markets. Furthermore, the acquisition will introduce a precision fermentation platform for synthetic biology to produce three HMO products, backed by a robust intellectual property system. Strategically, the acquisition will provide multiple domestic and international production entities, reinforcing the company's global expansion efforts. Post-acquisition, the company plans to introduce new production capacities in overseas facilities for products facing high trade barriers, based on market demand and supply dynamics.

As international expansion continues, the company is poised to enhance China's influence in the global bio-fermentation industry, leveraging its economies of scale, technological advancements, and management expertise to further cement its leading position in the global market and contribute to industry development.

2. MES Upgrade Drives Digital and Intelligent Transformation, with Initial Success in Lighthouse Factory Development

During the reporting period, the company leveraged digital transformation as a strategic pivot, continuously advancing the intelligent upgrade of its production management system. As the pioneer in the company’s journey toward a “Lighthouse Factory,” the Baicheng plant achieved a breakthrough in its smart manufacturing initiatives. In August 2024, the MES (Manufacturing Execution System) was fully implemented at the Baicheng facility, integrating digital intelligence across six key operational modules: quality, safety, environmental protection, process management, equipment, and production management. This transformation shifted production management from reactive remediation to proactive contingency planning, significantly enhancing the digitalization and transparency of production processes.

The implementation of the MES system in production management aims to standardize and institutionalize management policies and workflows. Prioritizing production stability, the Baicheng plant has established smart production lines and a centralized dispatch and command center. Leveraging the MES system, it has refined its production management framework, achieving end-to-end process monitoring. By the end of 2024, the MES system at Baicheng had been systematically deployed across all product lines, enabling seamless integration of manufacturing execution data and business operations. Through a BI (Business Intelligence) visualization platform and an automated reporting system, the company has fully digitalized routine management, process monitoring, and exception handling, further enhancing the digitalization and intelligence of production management.

Building on the successful implementation in Jilin, the company will continue to advance the digitalization and standardization of its production systems in 2025, extending MES deployment to its Tongliao and Xinjiang plants. Efforts will focus on optimizing SOPs (Standard Operating Procedures) and workflow systems, enforcing unified data management (“One Integrated Dashboard”), and driving performance transformation. These initiatives will provide a solid foundation for continuous operational efficiency improvements, accelerating the company’s progress toward its Lighthouse Factory vision.

3. New Projects Drive Business Expansion, Strengthening Competitive Edge

The company remains committed to the high-quality development of its core amino acid business. For products with cost advantages, continuous technological advancements, and growing market demand, the company is decisively expanding production capacity to reinforce its industry leadership. The capacity expansion project for monosodium glutamate (MSG) in Tongliao has reached full production efficiency, while the technological upgrades for isoleucine, valine, and xanthan gum in Xinjiang have been launched as planned. Additionally, construction of the lysine project in Baicheng officially commenced in September 2024. These successful project advancements have significantly enhanced the company's competitiveness in the bio-fermentation industry. During the reporting period, the company's capital expenditure on projects amounted to approximately 2 billion yuan. Throughout the year, the company maintained a strong cash flow, with cash dividend payouts totaling approximately 1.697 billion yuan and share repurchases amounting to 571 million yuan. Net cash flow from operating activities reached 4.627 billion yuan.

In recent years, the company has consistently expanded production capacity for its key products to increase market share. Compared to 2023, sales volume of threonine in 2024 grew by 25.31% year-over-year. The company's core products, lysine and threonine, have maintained a leading global market share. In Q4 2024, despite declining raw material prices, the company leveraged its keen market insight and strong management capabilities to drive up the prices of threonine and lysine against market trends, thereby increasing the industry's average profit margin and fostering sustainable industry growth.

Looking ahead, the company will strategically plan capacity expansions at its overseas production bases, particularly for products facing potential trade barriers, adjusting production capacity based on market supply and demand dynamics. By precisely managing capacity deployment, the company will continue to solidify its leadership position in the industry.

4. Multi-Pronged Approach to Building a Synthetic Biology Application Platform, Driving Technological Advancements and Enhancing Competitive Strength

To accelerate the strategic goal of becoming a leading enterprise in synthetic biology, the company has continued to increase R&D investment. In 2024, R&D expenditure reached 733 million yuan, primarily allocated to fundamental research and the promotion of new technologies and strains. Additionally, the company established pilot-scale synthetic biology application facilities in Baicheng and other locations, successfully creating an industry-leading intelligent pilot-scale platform. This initiative effectively overcomes the challenges of industrializing synthetic biology technologies, achieving full integration of the entire process—from intelligent strain development to laboratory-to-engineering scale-up, industrialized intelligent production, and market application—significantly enhancing industrial intelligent manufacturing capabilities. The company will continue to leverage its core strengths in industrialization, engineering, and cost management, using the new pilot facilities as key platforms to accelerate the large-scale production and commercialization of new technologies and processes, solidifying its leadership in the synthetic biology sector.

To build a comprehensive synthetic biology application platform, the company's 2024 R&D focus has been on team development, intellectual property (IP) strategy, research model refinement, and collaboration with leading global synthetic biology scientists. At the same time, the company has been rapidly implementing and scaling up new strains or iterative technologies for existing products in large-scale production, providing a strong technological foundation for maintaining product competitiveness.

In terms of R&D team development, the company successfully recruited top-tier professionals from renowned institutions such as Tsinghua University, Shanghai Jiao Tong University, the Chinese Academy of Sciences, Tianjin University, and Nankai University. These experts specialize in cutting-edge fields such as gene editing, fermentation engineering, and enzymatic catalysis, filling gaps in extraction and purification research. Additionally, five new doctoral research studios were established, leveraging platform-driven institutional advantages to foster innovation, further strengthening the company's core competitiveness and injecting strong momentum into its long-term growth.

Regarding IP strategy, in 2024, the company expanded its portfolio of invention patents to multiple countries, including Australia, Brazil, and Japan, establishing a global intellectual property protection system. By the end of 2024, the company had filed nearly 240 patent applications, marking a 33.5% increase compared to 2023, covering key areas such as strain design, fermentation control, and downstream processing.

In terms of technology collaboration, the company actively pursued a "go global" strategy, forging deep partnerships with leading synthetic biology scientists and research institutions worldwide, yielding significant results. In 2024, the company reached cooperation agreements with multiple domestic and international organizations and top-tier scientists. These collaborations aim to address critical challenges in production and development by integrating cutting-edge synthetic biology technologies, thereby enhancing the company's R&D and innovation capabilities.

On the implementation of new technologies, the company made phased technical breakthroughs by investing in dedicated funds and conducting pilot trials. In 2024, the company successfully scaled up the production of new strains for inosine, guanosine, and glutamine, as well as new processes for glutamic acid, lysine, and threonine. These innovations generated nearly 100 million yuan in additional benefits for the company. Through synthetic biology modifications, the metabolic efficiency of the new strains has significantly improved, reaching an industry-leading level. Meanwhile, the new processes offer high stability and low-cost advantages, which not only enhance production efficiency but also further strengthen the company's technological competitiveness.

5. Building a Comprehensive Talent Development System to Provide a Strong Talent Foundation for the Globalization Strategy

Talent is the core driving force behind the company's rapid development. For four consecutive years, the company has implemented the "Zhiyuan Plan," focusing on building a diverse and high-level management talent pipeline. The plan is personally overseen by the company's core leadership team, who serve as career mentors, guiding the development of potential successors for various departments over the next five years through a one-on-one coaching model, ensuring the sustainable growth of the management team.

In terms of talent acquisition, the company innovated its recruitment strategy in 2024 by focusing on professional fit and strategically targeting key universities. As a result, more than 100 master's and doctoral graduates were successfully recruited into the company's management trainee program. Simultaneously, the company actively attracts outstanding international students from top Chinese universities. This international talent acquisition strategy provides strong support for the company's global expansion plans.

Regarding the construction of its talent development system, the Human Resources Department has innovatively developed a unique management trainee program. The program adopts a "threedimensional integrated" training model, which combines "onboarding training + senior management mentorship + project practice." Through this comprehensive, multi-level development mechanism, the company can accurately identify high-potential talent and establish fast-track promotion channels. For frontline employees, the company has introduced an innovative "workshop interest class" program, combining professional skills training with engaging learning activities. This effectively opens up career development pathways for grassroots employees and contributes to the technical system by supplying skilled talent.

During the reporting period, the company achieved comprehensive talent development through a variety of initiatives, including performance management for executives, technical promotions, employee capability certifications, workshop interest classes, the Zhiyuan management trainee program, and a "small steps, quick wins" approach. The establishment of this system not only provides strong support for the company's current business expansion but also reserves ample talent resources for future overseas factory development, ensuring the company's continued competitive advantage in the global market.

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. According to the industrial classification results for listed companies as published by the China Association for Public Companies, the Company is in the food production industry of the manufacturing industry.

Meihua Bio is a fully integrated synthetic biology company that covers the entire process from genome editing to product commercialization.

Synthetic biology primarily enables product manufacturing through the design and optimization of biosynthetic pathways, gradually replacing traditional chemical synthesis and extraction-based production methods. As this technology and large-scale biomanufacturing capabilities continue to advance and mature, biomanufactured products are gaining clear advantages in terms of cost, environmental impact, and energy efficiency, and are expected to eventually replace traditional manufacturing methods altogether. Recognized as one of the most promising and disruptive technologies of the future, synthetic biology is poised for rapid development, especially with the deep integration of artificial intelligence and biotechnology, as well as ongoing breakthroughs in novel genome editing tools. These forces will accelerate the emergence of new technology platforms, applications, and products.

The company holds a leading position globally in synthetic biology, particularly in the large-scale production of amino acids. It possesses strong application R&D capabilities that allow for the rapid conversion of technological achievements into commercial value. With core strengths in strain engineering, process optimization, engineering design, and application development, Meihua Bio has established a fast and efficient pipeline for transitioning new technologies and products from lab to client.

The company's large-scale biomanufacturing capability is a critical asset for the application and commercialization of synthetic biology, making it a rare resource in the global synthetic biology sector. Meihua Bio is a world leader in the large-scale production of amino acids using synthetic biology, with strong applied research and development capabilities that enable the rapid conversion of technological achievements into commercial value. The rapid progress of synthetic biology has significantly enhanced strain construction and testing capabilities, providing crucial opportunities to improve construction efficiency and meet the fast-evolving and diverse demands of the market. The accelerated development of high-performance amino acid-producing strains ensures the company's ability to produce bulk amino acids cost-effectively while also expanding the market for high-value niche amino acids.

Looking ahead, Meihua Bio will strengthen its collaboration with leading global biotechnology enterprises and research institutions, focusing on identifying opportunities in fundamental synthetic biology technologies, precision fermentation, and non-grain fermentation. By leveraging its globally leading expertise in chassis engineering, process scaling, and large-scale production, the company will continue to drive the adoption of cutting-edge R&D technologies and the commercialization of innovative products.

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

The company specializes in the large-scale production and innovative applications of amino acids. Upholding its "Amino Acid+" development strategy, it has continuously expanded its product portfolio and business footprint since its inception. Today, the company has built a comprehensive industrial ecosystem encompassing animal nutrition amino acids (such as lysine, threonine, and valine), food flavor enhancers (including monosodium glutamate and disodium 5′-ribonucleotide), pharmaceutical-grade amino acids (such as glutamine and proline), colloidal polysaccharides (including xanthan gum and trehalose), and bulk by-products (such as corn germ and protein powder).

With three state-of-the-art production bases in Tongliao, Inner Mongolia; Wujiaqu, Xinjiang; and Baicheng, Jilin, along with two R&D innovation centers in Langfang and Shanghai, the company has established a fully integrated industry chain covering research, production, and sales. Its core products—including lysine, MSG, threonine, xanthan gum, disodium 5′-ribonucleotide, and pharmaceutical-grade amino acids—rank among the world's leaders in both production capacity and technological advancement, underscoring its excellence and market leadership in the amino acid industry.

The products produced by the Company include:

- Amino acids for animal nutrition: lysine, threonine, tryptophan, feed-grade lysine, MSG residue, starch byproduct feed fiber, corn germ, mycoprotein, etc.
- Food taste and trait improving products: glutamic acid, monosodium glutamate, Disodium 5'-ribonucleotide, disodium inosinate, food-grade xanthan gum, trehalose, natamycin, etc.
- Amino acids for human medical purposes: glutamine, proline, leucine, isoleucine, pharmaceutical valine, inosine, guanosine, adenosine, pullulan, Vitamin B2, 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.

IV. Analysis of Core Competitiveness during the Reporting Period

√ Applicable ☐Not applicable

(I) Years of Deep Expertise in Synthetic Biology: Multi-Product Portfolio and Production Capacity Driving Stable Growth

As a global leader in the amino acid industry, the company has established an industrial framework centered on amino acids while fostering the synergistic development of multiple product categories. Leveraging its strengths in synthetic biology, the company has built a fully integrated industry chain encompassing research, production, and sales. This has resulted in a diversified product portfolio, with core offerings in animal nutrition amino acids, flavor enhancers, pharmaceutical-grade amino acids, and colloidal polysaccharides, forming a highly competitive platform-based business model.

In terms of production capacity, the company demonstrates strong industry leadership: its lysine and threonine production capacities rank first globally, while its MSG production capacity is the second largest worldwide. With the gradual commissioning of capacity expansion projects for lysine, xanthan gum, and other products, the company is set to further solidify its global market leadership. Adhering to a dual-focused strategy of "refinement and precision" alongside "scale and strength," the company continues to expand production capacity across product categories, reinforcing its industry dominance.

This strategic approach—spanning multiple product lines and market segments—not only ensures stable performance growth but also significantly enhances resilience against industry cyclicality, laying a solid foundation for sustainable development. Through continuous technological innovation and capacity optimization, the company is steadily advancing toward its goal of becoming a globally leading biotechnology enterprise.

(II) Comprehensive, Fully Integrated Industrial Chain and High-Efficiency Operations Driving Cost Advantages

As an industry pioneer, the company has established a significant competitive edge through its forward-looking strategic planning and outstanding operational management. Its production facilities are strategically located in key raw material regions rich in corn and coal, ensuring a stable supply chain while significantly reducing procurement and transportation costs. Each facility is equipped with advanced integrated resource utilization production lines, forming a closed-loop industrial chain—from corn processing, in-house steam supply, and product manufacturing to wastewater treatment and bio-organic fertilizer production—achieving tiered energy recycling. This unique industrial layout has positioned the company as one of the most fully integrated and resource-efficient modern manufacturing enterprises in China.

Thanks to its proximity to raw material sources and a fully integrated industrial chain, the company enjoys substantial advantages in procurement costs and resource utilization. Compared with enterprises lacking geographical advantages and industrial chain integration, the company maintains a clear competitive edge in production cost control, securing a strong position in the highly competitive market.

On the operational front, the company continues to advance the standardization of its business segments, enhancing management efficiency through systematic implementation and continuous optimization. During the reporting period, the company maintained an impressive inventory turnover period of approximately 60 days, reflecting its highly efficient inventory management. Additionally, by adopting a cash-on-delivery and advance payment sales model, the company kept its accounts receivable turnover period at around 10 days—an industry-leading level. This exceptional operational efficiency not only reduces overall management costs but also generates substantial cash flow, further strengthening the company's financial stability.

(III) Sustained R&D Accumulation and Strong Industrialization Capabilities Ensure Industry-Leading Technical Indicators

With years of deep research and large-scale production experience in biological fermentation, the company has established significant competitive advantages in industrial production and cost control, demonstrating exceptional ability to rapidly transform cutting-edge technologies into commercial value. Each of the company's production facilities is equipped with state-of-the-art equipment from internationally renowned brands or leading industry manufacturers. Key production equipment meets world-class standards, ensuring precise process parameter control, superior energy efficiency, and a distinct emphasis on modern intelligent manufacturing.

Leveraging its long-term technical expertise in biological fermentation and extensive experience in constructing large-scale factories, the company has developed unique advantages in engineering design, project construction, technical performance management, environmental governance, and resource recycling. It has built a comprehensive "R&D–pilot testing–engineering–large-scale production" chain, integrating genetic engineering, metabolic engineering, and other modern molecular biology technologies. With a proprietary high-performance strain platform, the company continuously optimizes fermentation and extraction processes, supported by strong industrialization capabilities. As a result, it maintains industry-leading performance in key metrics such as product yield, production efficiency, and product quality, laying a solid foundation for sustained market competitiveness.

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

Since 2017, the company has implemented employee stock ownership plans (ESOPs) and continuously deepened their execution, establishing a sustainable and institutionalized mechanism. Upholding the philosophy of "collective management and shared value creation," the company has developed a comprehensive incentive system that integrates ESOPs, diversified bonus structures (including bonus pools, project-based rewards, and performance evaluations), fostering a unique culture of co-creation, sharing, and mutual success.

In terms of talent incentives, the company has, since 2017, introduced rolling equity incentives and ESOPs targeting department heads and key business personnel, seamlessly aligning organizational growth strategies with individual career development. This dual empowerment approach is reinforced by a “responsibility-performance-reward” positive feedback loop, which recognizes and incentivizes high-performing and proactive management leaders, fully unlocking the potential and value-creation capability of its core teams. Over the years, the company has built a multi-tiered and multi-dimensional performance-driven system that aligns with its culture of co-creation and shared success. This system has not only played a crucial role in achieving strategic business objectives but has also ensured the stability of the core management team, establishing a distinctive and sustainable long-term incentive framework.

V. Major Business Performance during the Reporting Period

During the Reporting Period, the Company registered a revenue of 25.069 billion yuan, down 9.69% year-on-year; the net profit attributable to the shareholders of the listed company was 2.74 billion yuan, down 13.85% year-on-year.

(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 the previous year	Change (%)
Revenue	25,069,288,294.62	27,760,612,259.07	-9.69
Operating costs	20,036,698,814.74	22,297,122,025.25	-10.14
Selling expenses	386,866,509.47	413,512,921.96	-6.44
General and administrative expenses	937,932,200.19	924,598,280.87	1.44
Financial expenses	-117,263,931.67	-33,426,675.32	-250.81
R&D expenses	382,903,265.05	314,222,682.89	21.86
Net cash flows from operating activities	4,626,714,790.47	5,228,937,084.88	-11.52
Net cash flows from investment activities	-2,648,958,807.71	-1,509,146,234.23	-75.53
Net cash flows from financing activities	-2,738,052,283.69	-3,108,097,192.17	11.91

Explanation of change in revenue: During the Reporting Period, the Company’s revenue decreased by 9.69% year-on-year to 25.069 billion yuan.

Main reasons: The market selling prices of key products, including MSG, xanthan gum, and corn by-products, declined during the Reporting Period, offsetting the increase in sales volume driven by the capacity expansion of threonine, xanthan gum, and feed-grade valine by the Company’s subsidiaries.

Explanation of change in operating costs: During the Reporting Period, the Company’s operating costs decreased by 10.14% year-on-year to 20.037 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 6.44% year-on-year.

Main reasons: A decrease in product allocations from external warehouses led to lower transportation costs, while a decline in freight rates further contributed to the reduction in expenses.

Explanation of change in general and administrative expenses: During the Reporting Period, the Company’s general and administrative expenses increased by 1.44% year-on-year.

Main reasons: The increase was mainly due to a rise in labor costs.

Explanation of change in financial expenses: During the Reporting Period, the Company’s financial expenses dropped by 250.81% year-on-year.

Main reasons: The decrease was primarily driven by lower interest expenses, a reduction in interest income, and increased exchange gains.

Explanation of change in R&D expenses: During the Reporting Period, the Company’s R&D expenses increased by 21.86% 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 11.52% year-on-year.

Main reasons: The decline was mainly due to lower sales revenue resulting from a drop in product market prices following a decrease in raw material prices.

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 11.52% year-on-year. Main reasons: The decline was mainly due to lower sales revenue resulting from a drop in product market prices following a decrease in raw material prices.

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 11.91% year-on-year.

Main reasons: Although dividend distribution increased, a net increase in bank loans contributed to the overall rise in financing cash flows.

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 25.069 billion yuan, a 9.69% decrease compared to the same period last year. Operating costs amounted to 20.037 billion yuan, with gross profit decreasing by 431 million yuan. However, the gross profit margin increased by 0.39 percentage points compared to the same period last year.

The main factors for the change in revenue: The increase in sales volume of threonine, xanthan gum, and feed-grade valine driven by the release of production capacity from the Company’s subsidiaries was offset by the decline in market selling prices of key products such as MSG, xanthan gum, and corn by-products, leading to a reduction in main business 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	24,401,413,326.15	19,554,739,473.66	19.86	-9.21	-9.56	0.31
Pharmaceutical and health	476,308,595.90	353,986,358.20	25.68	-15.35	-13.52	-1.57
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	14,623,714,419.16	11,749,902,019.51	19.65	0.58	-7.94	7.43
Amino acids for human medical purposes	476,308,595.90	353,986,358.20	25.68	-15.35	-13.52	-1.57
Food taste and trait improving products	7,945,120,706.10	6,399,514,452.76	19.45	-19.19	-15.55	-3.48
Others	1,832,578,200.89	1,405,323,001.39	23.31	-26.82	9.67	-25.52
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	16,395,093,665.85	13,748,410,787.61	16.14	-13.56	-12.74	-0.80
Foreign	8,482,628,256.20	6,160,315,044.25	27.38	0.13	-1.86	1.48
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	13,838,502,833.20	11,374,118,837.87	17.81	-13.91	-14.52	0.59
Sales via agency	11,039,219,088.85	8,534,606,993.99	22.69	-2.86	-2.20	-0.52

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 increased by 0.58 percentage points year-on-year, and gross profit margin increased by 7.43 percentage points year-on-year. The revenue increase was mainly due to the higher sales volumes of threonine and valine. The increase in gross profit margin was primarily attributed to the price increase of key products like threonine and 98% lysine, along with the decrease in raw material costs and improvements in production efficiency.

2) During the Reporting Period, the Company's revenue from human medical amino acid products decreased by 15.35 percentage points year-on-year, and gross profit margin decreased by 1.57 percentage points year-on-year. The decline in both revenue and gross profit margin was mainly due to the drop in product prices during the Reporting Period.

3) During the Reporting Period, the Company's revenue from food taste and trait optimization products decreased by 19.19 percentage points year-on-year, and gross profit margin decreased by 3.48 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 26.82 percentage points year-on-year, and gross profit margin decreased by 25.52 percentage points year-on-year. The decrease in both revenue and gross profit 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	2,780,407	2,784,230	59,229	6.51	5.65	-6.06
Amino acids for human medical purposes	ton	10,198	9,797	2,143	-4.81	-1.66	23.02
Food taste and trait improving products	ton	988,208	999,165	22,455	-5.22	-4.54	-32.79

Explanation of production and sales

1) Reasons for change in the production, sales, and inventory of amino acids for animal nutrition: During the Reporting Period, the release of production capacity for threonine at the Company's subsidiaries, along with the increased production of threonine and corn by-products, drove an increase in sales volume. At the same time, inventory of corn by-products decreased.

2) Reasons for change in the inventory of amino acids for human medical purposes: During the Reporting Period, the production and sales of adenosine decreased, while the production of glutamine products increased but sales decreased, leading to an increase in inventory.

3) Reasons for Changes in Inventory of Food Taste and Trait Optimization Products: During the Reporting Period, the decrease in the production of MSG products led to a reduction in both sales and inventory.

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

☐ Applicable √ Not applicable

(4) Analysis of Costs

Unit: yuan

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	14,298,071,563.34	71.36	16,648,593,644.08	74.67	-14.12	
	Energy	3,208,997,378.34	16.02	3,091,052,434.82	13.86	3.82	
	Labor	680,489,396.71	3.40	575,261,550.75	2.58	18.29	

	Manufacturing overhead	1,367,181,135.27	6.82	1,307,965,978.52	5.87	4.53	
	Total product manufacturing costs	19,554,739,473.66	97.60	21,622,873,608.16	96.98	-9.56	
Pharmaceutical and healthcare	Product manufacturing costs	353,986,358.20	1.77	409,339,493.72	1.84	-13.52	
Sales of materials and others		127,972,982.88	0.63	264,908,923.37	1.18	-51.69	
Total		20,036,698,814.74	100.00	22,297,122,025.25	100.00	-10.14	
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	8,881,860,825.26	44.33	10,111,486,972.12	45.35	-12.16	
	Energy	1,773,842,667.78	8.85	1,647,784,617.63	7.39	7.65	
	Labor	327,714,152.66	1.64	270,485,094.51	1.21	21.16	
	Manufacturing overhead	766,484,373.81	3.83	733,460,597.43	3.29	4.50	
	Total product manufacturing costs	11,749,902,019.51	58.65	12,763,217,281.69	57.24	-7.94	
Amino acids for human medical purposes	Product manufacturing costs	353,986,358.20	1.77	409,339,493.72	1.84	-13.52	
Food taste and trait improving products	Raw materials	4,910,554,061.19	24.51	6,068,929,235.15	27.22	-19.09	
	Energy	873,526,025.63	4.36	873,192,281.80	3.92	0.04	
	Labor	225,229,876.48	1.12	211,491,210.59	0.95	6.50	
	Manufacturing overhead	390,204,489.46	1.95	424,597,569.93	1.90	-8.10	
	Total product manufacturing costs	6,399,514,452.76	31.94	7,578,210,297.47	33.99	-15.55	
Others	Product manufacturing costs	1,405,323,001.39	7.01	1,281,446,029.00	5.75	9.67	
Sales of materials and others		127,972,982.88	0.63	264,908,923.37	1.18	-51.69	
Total		20,036,698,814.74	100.00	22,297,122,025.25	100	-10.14	

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

A. Information of the Company's key customers

√ Applicable ☐Not applicable

Sales to the top five customers amounted to 2,902,672,200 yuan, accounting for 11.57% 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	660,165,103.89	2.63
2	No. 2	577,405,436.39	2.30
3	No. 3	571,680,621.71	2.28
4	No. 4	564,373,811.01	2.25
5	No. 5	529,047,276.10	2.11
6	Total	2,902,672,249.10	11.57

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

☐ Applicable √ Not applicable

B. **Information of the Company's key suppliers**

√ Applicable ☐Not applicable

Purchases from the top five suppliers amounted to 1,645,362,400, accounting for 9.86% 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	656,745,531.02	3.94
2	No. 2	314,314,131.77	1.88
3	No. 3	246,671,970.11	1.48
4	No. 4	228,915,298.35	1.37
5	No. 5	198,715,471.42	1.19
6	Total	1,645,362,402.67	9.86

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

☐ 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

Expensed R&D spending for the period	733,490,052.59
Capitalized R&D spending for the period	
Total R&D spending	733,490,052.59
Percentage of total R&D spending in revenue (%)	2.93
Proportion of capitalized R&D spending (%)	0

(2) Information of R&D personnel

√ Applicable ☐Not applicable

Number of R&D personnel	402
Percentage of R&D personnel in total headcount (%)	3.13
Educational structure of R&D personnel	
Educational level	Number of personnel
PhD	13
Master	93
Bachelor	139
Diploma	157
Age structure of R&D personnel	
Age group	Number of personnel
Below 30 (not inclusive of 30)	191
30-40 (inclusive of 30 and not inclusive of 40)	142
40-50 (inclusive of 40 and not inclusive of 50)	59
50-60 (inclusive of 50 and not inclusive of 60)	10
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: ten thousand yuan

Item	Amount as at the end of the Reporting Period	Percentage in total assets (%)	Amount as at the end of the previous reporting period	Percentage in total assets (%)	Change from the previous reporting period (%)	Explanation
Trading Financial Assets	312,033,611.07	1.31	172,376,801.33	0.74	81.02	Increase in the purchase of wealth management products during the current period.
Derivative financial assets			200,000.00		Not applicable	Forward transactions have been settled during the current period.
Notes Receivable	73,697,475.30	0.31	129,231,952.45	0.56	-42.97	Decrease in bank-accepted bills, particularly from smaller banks, during the current period.
Accounts receivable financing	26,723,054.99	0.11	60,013,169.98	0.26	-55.47	Increase in the amount held to collect contractual cash flows during the current period.
Non-current Assets Due Within One Year	182,257,027.81	0.77	19,356,000.00	0.08	841.60	Reclassification from long-term fixed deposits due within one year during the current period.
Other Current Assets	164,629,398.67	0.69	289,218,469.96	1.25	-43.08	Decrease in VAT credit balances during the current period.
Long-term receivables	601,043.91		364,927.03		64.70	Increase in lease security deposits during the current period.
Long-term Equity Investments	6,874,939.88	0.03	18,942,230.64	0.08	-63.71	Losses from associates and recovery of external investments during the current period.
Construction in progress	728,524,141.54	3.06	161,961,713.29	0.70	349.81	New construction projects initiated during the current period.
Other Non-current Assets	782,574,484.98	3.29	209,122,415.35	0.90	274.22	Increase in long-term fixed deposits during the current period.
Other Payables	448,115,137.98	1.88	249,853,910.40	1.08	79.35	Increase in litigation settlement fees during the current period.
Non-current Liabilities Due Within One Year	802,346,793.78	3.37	535,085,272.76	2.31	49.95	Reclassification of long-term borrowings due within one year during the current period.
Long-term Borrowings	1,348,094,044.83	5.66	1,999,963,021.77	8.64	-32.59	Increase in long-term borrowings during the current period.
Capital Reserve	263,154,867.05	1.11	1,032,707,760.40	4.46	-74.52	Cancellation of shares during the current period.
Less: Treasury	287,771,455.80	1.21	576,775,719.27	2.49	-50.11	Cancellation of shares

Shares						during the current period.
Other Comprehensive Income	-55,004,961.46	-0.23	5,687,647.50	0.02	-1,067.10	Losses from fair value changes in equity instruments during the current period.

Other information

None

2. Overseas assets

√ Applicable ☐Not applicable

(1) Asset size

The Company's overseas assets reached 1.696 (unit: billion yuan, currency: RMB), accounting for 7.12% 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

Item	Book value (Unit: yuan)	Reasons for restriction
Monetary fund	428,628,697.39	Refer to VII. Note 1 to the Financial Report in Section X for more detail
Fixed assets	393,081,094.85	Mortgage
Intangible assets	27,154,158.71	Mortgage
Total	848,863,950.95	

4. Other information

☐ Applicable √ Not applicable

(IV) Analysis of Industrial Business Information

√ Applicable ☐Not applicable

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

(1) Corn

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. Several factors influence corn prices: (1) national grain reserve and regulatory policies; (2) price fluctuations of alternative feed grains such as soybeans and wheat; (3) demand conditions in the downstream livestock and poultry industries; and (4) changes in international geopolitical dynamics.

According to the latest report from Boyar Communications, China's grain output hit a new record high in 2024, with corn production reaching 295 million tons, up 1.4% year-on-year. Against the backdrop of a global economic slowdown and easing inflationary pressures, rising protectionism and escalating geopolitical tensions, combined with global bumper harvests, exerted downward pressure on commodity prices. International wheat and corn prices both fell to four-year lows.

In this context, China's domestic corn prices in 2024 followed a volatile trend of "early decline – mid-year rebound – late-year dip." In the first half, as grassroots grain supply increased and imported grains remained elevated, prices fell for five consecutive months, dropping to 2,362 yuan/ton in May—the lowest since October 2020. With stronger reserve purchases by China Grain Reserves Corporation and tightening bonded zone import policies, prices rebounded to 2,410 yuan/ton in July. However, panic selling occurred in August following overseas price drops. After new corn hit the market in September, active supply and substandard grain pressure led to sharp declines. Prices continued to fall in Q4, with the December average down to 2,099 yuan/ton—a 4.5-year low. To stabilize the market, the government adopted a package of measures including expanding reserves and suspending auctions of imported corn. According to Boyar Communications, the national average corn price in 2024 was 2,317 yuan/ton, down 16.50% year-on-year.

Figure 2 National Average Corn Price Trend (2020–2024)
Source: Boyar Intelligence

The Company's three major production bases are located in China's primary corn-producing regions. Leveraging these geographical advantages, the Company has built a diversified and flexible procurement system: securing high-quality supply through consignment and storage models, capitalizing on market trends via spot purchases, ensuring stable supply through active participation in state reserve auctions, and strengthening direct cooperation with traders. This "four-pronged" procurement network is supported by a robust market monitoring mechanism, enabling dynamic optimization of procurement scale and mix in response to market conditions, price movements, and policy changes, thereby maximizing procurement efficiency.

According to internal management statistics, due to increased production capacity, the Company's total corn procurement volume rose 10.39% year-on-year during the Reporting Period, while total procurement spending decreased by 8.83% due to falling corn prices.

(2) Coal

Coal, especially thermal coal, plays a key role in providing heat energy for the Company's production processes.

According to a report by Sublime China Information (SCI99), China's coal market in 2024 was marked by abundant supply and shifting demand dynamics. On the supply side, domestic coal production remained at a high level, while imports hit a record high of over 500 million tons, helping to ensure ample overall availability. On the demand side, steady macroeconomic growth supported continued increases in coal consumption. However, with long-term contracts dominating the power sector, spot market activity declined, and price fluctuations were increasingly driven by demand from non-power industries.

SCI99 data shows that coal prices trended downward over the year. By the end of 2024, the average price of Q5000 thermal coal in Shandong stood at RMB 787.94/ton, down RMB 90.13 from 2023—a year-on-year drop of 10.26%.

The Company refined its coal procurement strategy through active negotiations and stronger supply chain management, ensuring a stable and cost-effective supply. Based on internal data, total coal purchases in 2024 were slightly higher than the previous year, while overall spending on coal fell by about 8% due to lower prices.

2. Analysis of changes in products

According to the latest research report from Sublime China Information (SCI99), China, as the world's largest producer and exporter of amino acids, continues to play a leading role in the global market. With ongoing innovations and breakthroughs in production technology, the domestic amino acid industry has entered a period of rapid development over the past five years, marked by continuous capacity expansion, significantly improved supply capabilities, and accelerated industry consolidation.

On the supply side, China's amino acid production capacity has expanded considerably. In an effort to enhance global competitiveness, producers have increased capacity to reduce overall production costs and seize market share overseas. As a result, outdated and inefficient capacity is gradually being phased out, leading to a more concentrated and optimized industry structure.

On the demand side, the domestic market has maintained steady growth. Rising living standards have driven consistent increases in the consumption of animal protein such as meat, eggs, and dairy, which in turn has supported the expansion of livestock and poultry farming. In recent years, the Ministry of Agriculture and Rural Affairs has actively promoted the reduction and replacement of soybean meal, and encouraged the widespread adoption of low-protein feed formulas—further fueling demand for amino acids. Products such as lysine and threonine, which are produced via corn fermentation, have played a key role in replacing soybean meal with alternative protein sources, thereby enhancing feed supply security.

Against a backdrop of growing overall feed output and broad adoption of low-protein feed technologies, domestic demand for amino acids continues to rise steadily. At the same time, driven by robust international demand, China's amino acid exports have expanded consistently, further strengthening its global competitiveness.

(1) Lysine

According to a report by Sublime China Information (SCI99), China's lysine industry witnessed notable growth in 2024. Total domestic production capacity reached 3.47 million tons, with actual output at 2.82 million tons and consumption at 963,000 tons. This growth was primarily driven by two factors: significantly improved industry profitability, which boosted production enthusiasm, and a rebound in overseas demand that fueled strong export momentum. Looking ahead to 2025, with new capacity gradually coming online, domestic demand is expected to expand further, and total output is projected to surpass 3.02 million tons.

In terms of pricing trends, the lysine market showed clear divergence in 2024. Supported by robust international demand, 98% lysine maintained strong export performance and remained at high price levels. In contrast, 70% lysine faced weaker domestic demand and persistent bearish market sentiment, resulting in sustained price pressure. Specifically, the average price of 98% lysine rose to 10.54 yuan/kg, up 1.34 yuan/kg or 14.57% year-on-year. Meanwhile, 70% lysine fell to 5.21 yuan/kg, down 0.36 yuan/kg or 6.46% year-on-year.

A key highlight in 2024 was the marked improvement in overall profitability across the lysine industry. This was largely due to falling corn prices, which reduced production costs, and the recovery in market demand.

During the reporting period, the European Union launched an anti-dumping investigation into Chinese lysine exports and issued a preliminary ruling at the turn of 2024–2025, imposing steep tariffs ranging from 58.3% to 84.8%. This move is expected to impact the global sales landscape of lysine products.

Looking ahead, the industry is expected to continue facing challenges such as overcapacity and product homogeneity. In response, companies will need to adopt more sophisticated procurement strategies, strengthen cost control on raw materials, and lower operational expenses through process optimization—steps that are essential for sustaining profitability in the long term.

As a global leader in the lysine industry, the company will continue to leverage its strengths in manufacturing technology, R&D innovation, and sales network integration to drive high-quality development and contribute to greater value creation across the lysine supply chain.

(2) Threonine

China remains the world’s largest producer of threonine. As of 2024, the industry’s concentration ratio (CR4) had reached 84%, with the company maintaining a leading position in terms of production capacity.

In terms of capacity and output, China’s total threonine production capacity reached 1.244 million tons in 2024, up 4.2% year-on-year. Actual output rose significantly to 1.013 million tons, representing a sharp 31.2% increase from the previous year. This growth was primarily driven by the commissioning of new production facilities and the resumption of operations at several plants. Meanwhile, strong overseas demand for threonine helped sustain high price levels, further encouraging expansion and boosting production enthusiasm across the industry.

On the demand side, domestic consumption of threonine reached 213,000 tons in 2024, an increase of 11,000 tons or 5.4% year-on-year, reflecting steady growth in the domestic market.

In terms of pricing, although the addition of new production capacity has led to a more diversified supply landscape, major players still hold dominant market positions. Continued growth in export volume provided solid support for the domestic market, allowing prices to remain relatively elevated throughout the year. Specifically, the average threonine price in 2024 stood at 10.85 yuan/kg, a slight increase of 0.19 yuan/kg or 1.78% year-on-year. According to customs data, China's threonine exports reached approximately 689,400 tons in 2024, up 27.1% from the previous year.

In summary, 2024 marked a positive year for the threonine industry, with encouraging developments across capacity, output, demand, and pricing. Leading enterprises continued to consolidate their market positions, while robust demand both at home and abroad provided strong momentum for the industry's sustained growth.

(3) Valine

According to industry analysis by Boyar Communications, 2024 marked a concentrated surge in domestic valine production capacity. Multiple major manufacturers expanded their capacity, with new production lines coming online throughout the year, further intensifying the issue of oversupply. By the end of 2024, China's total valine production capacity is expected to reach 302,000 tons, with actual output estimated at approximately 191,000 tons. Of this, exports are projected to account for around 106,000 tons, while domestic demand is estimated at just 75,000 tons.

Under the strain of a supply-demand imbalance, market prices came under significant downward pressure. As of the end of October, transaction prices had dropped to historic lows of 11.5–11.8 yuan/kg. Facing mounting losses, some producers chose to suspend or shift production. However, the combination of downstream stockpiling triggered by low prices and reduced supply from production shifts helped ease the supply-demand mismatch, prompting a modest rebound in prices. For the year as a whole, the average price of valine fell to 14.40 yuan/kg, down 37.45% year-on-year.

In 2024, over 50% of China's valine output was exported, securing a significant presence in the global market. On December 19, 2024, the European Commission formally launched an anti-dumping investigation into valine originating from China, citing the need to protect local industries. If the investigation results in a final ruling confirming dumping practices and leads to the imposition of anti-dumping duties, it would have far-reaching consequences for the involved Chinese enterprises. First, the sharp rise in export costs would erode the price competitiveness of Chinese valine in the EU market, potentially leading to a loss of market share and profit margins, with some companies possibly forced to exit the EU market altogether. Second, at the industry level, such trade barriers could dampen enterprises' capacity expansion plans and R&D investments, hampering industrial upgrading and long-term sustainable growth. Lastly, this move by the EU may prompt other countries and regions to follow suit, further complicating the international positioning of China's valine industry.

(4) MSG

In 2024, China continued to dominate the global MSG industry, accounting for a commanding 80.3% of global production capacity, firmly maintaining its position as the world's largest producer and exporter of MSG. Benefiting from abundant domestic corn resources, Chinese manufacturers primarily use corn-based fermentation processes, with MSG production accounting for approximately 7%–8% of total deep-processed corn consumption.

According to the latest data from Sublime China Information (SCI), MSG production in China reached 3.2037 million tons in 2024, representing a significant year-on-year increase of 20.21%. Total supply also climbed to 3.4855 million tons, up 16.91% from the previous year. Looking ahead to 2025, as leading enterprises continue to scale up and new capacities launched in 2024 are gradually brought online, the overall supply of MSG is expected to increase further. Domestic MSG output is projected to reach approximately 3.761 million tons in 2025, a year-on-year growth of 17.40%.

On the consumption side, China's MSG market has demonstrated steady growth over the past five years, driven by rising per capita income and the ongoing trend of consumption upgrading.

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	7,254,455,105.84	5,964,315,393.31	17.78	-17.09	-15.56	-1.50
Feed amino acid	11,423,525,867.12	8,574,917,054.29	24.94	10.66	-6.39	13.67
Pharmaceutical amino acid	476,308,595.90	353,986,358.20	25.68	-15.35	-13.52	-1.57
Major raw material byproduct	3,739,338,058.99	3,601,214,680.64	3.69	-23.26	-11.63	-12.67
Others	1,984,094,294.20	1,414,292,345.42	28.72	-32.28	6.76	-26.06
Subtotal	**24,877,721,922.05**	**19,908,725,831.86**	**19.97**	**-9.33**	**-9.64**	**0.27**
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	13,838,502,833.20	11,374,118,837.87	17.81	-13.91	-14.52	0.59
Sales via agency	11,039,219,088.85	8,534,606,993.99	22.69	-2.86	-2.20	-0.52
Subtotal	**24,877,721,922.05**	**19,908,725,831.86**	**19.97**	**-9.33**	**-9.64**	**0.27**
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	16,395,093,665.85	13,748,410,787.61	16.14	-13.56	-12.74	-0.80
Overseas	8,482,628,256.20	6,160,315,044.25	27.38	0.13	-1.86	1.48
Subtotal	24,877,721,922.05	19,908,725,831.86	19.97	-9.33	-9.64	0.27
Total	**24,877,721,922.05**	**19,908,725,831.86**	**19.97**	**-9.33**	**-9.64**	**0.27**

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

Unit: yuan

Investee	Proportion of shareholding in investee (%)	Book balance			
		Opening balance	Increase	Decrease	Closing balance
Bank of Tibet	4.2414	157,000,000.00			157,000,000.00
AIM Vaccine Corporation	4.1286	355,691,350.00	-71,397,070.00		284,294,280.00
Tongliao Desheng Bio-tech Co., Ltd.	49	12,219,697.23	-5,344,757.35		6,874,939.88
Beitun Zefeng Agricultural Development Co., Ltd.	33.33	6,722,533.41		6,722,533.41	
Total		531,633,580.64	-76,741,827.35	6,722,533.41	448,169,219.88

1. Significant equity investment

☐ Applicable √ Not applicable

2. Significant non-equity investment

☐ Applicable √ Not applicable

3. Financial assets measured at fair value

√ Applicable ☐Not applicable

Unit: yuan Currency: RMB

Asset type	Opening amount	Gains or losses on changes in fair value for the Reporting Period	Accumulated fair value changes included in equity	Impairment accrued during the Reporting Period	Purchase amount for the Reporting Period	Sales/repurchase amount for the Reporting Period	Other changes	Closing amount
Trust products		3,299,854.83			200,000,000.00	203,299,854.83		-
Private equity	29,966,801.33	901,963.92						30,868,765.25
Derivatives	200,000.00	-6,262,705.83				-6,062,705.83		-
Others	715,114,519.98	-40,358,492.46	-64,705,720.00	7,013.14	6,553,584,500.00	6,445,868,231.72	-33,283,101.85	749,182,180.81
Total	745,281,321.31	-42,419,379.54	-64,705,720.00	7,013.14	6,753,584,500.00	6,643,105,380.72	-33,283,101.85	780,050,946.06

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

The Company's subsidiary Tongliao Meihua mainly produces MSG and amino acids, which is classified as the manufacturing industry. Its registered capital is 1.8 billion yuan, and its legal representative is Yan Jin. As of December 31, 2024, Tongliao Meihua had 7.845 billion yuan in total assets and 5.223 billion yuan in net assets and realized a revenue of 10.104 billion yuan and net profits of 936 million yuan.

The Company's subsidiary Xinjiang Meihua mainly produces amino acids, which is classified as the manufacturing industry. Its registered capital is 2.5 billion yuan, and its legal representative is Wang You. As of December 31, 2024, Xinjiang Meihua had 6.104 billion yuan in total assets and 5.098 billion yuan in net assets and realized a revenue of 5.938 billion yuan and net profits of 783 million yuan.

The Company's subsidiary Jilin Meihua mainly produces MSG and amino acids, which is classified as the manufacturing industry. Its registered capital is 2 billion yuan, and its legal representative is Zhang Jinlong. As of December 31, 2024, Jilin Meihua had 6.236 billion yuan in total assets and 3.463 billion yuan in net assets and realized a revenue of 7.392 billion yuan and net profits of 733 million yuan.

(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

The global amino acid industry is undergoing a profound transformation. Both domestic and international enterprises are confronted with a multitude of challenges, including rising trade protectionism, frequent anti-dumping investigations, intensified capacity expansion, and increasingly fierce market competition. These dynamics are collectively reshaping the industrial landscape and compelling enterprises to respond through technological innovation, strategic restructuring, and global deployment.

1. Escalation of Trade Protectionism and Heightened Anti-dumping Risks: The resurgence of global trade protectionism has led to a notable increase in anti-dumping investigations, which have become a recurrent feature in international trade. The European Union has initiated anti-dumping investigations against Chinese-produced lysine and valine, while Brazil has launched similar inquiries targeting feed-grade lysine from China. These developments pose substantial challenges for Chinese amino acid exporters. With the scheduled commissioning of new production capacities in China over the next two years, the risk exposure in external trade is expected to further intensify.

In response, enterprises must closely monitor evolving international trade policies, actively engage in legal defense against anti-dumping actions, and mitigate associated risks through overseas capacity allocation and diversified market strategies. These measures are critical to sustaining and enhancing their global market competitiveness.

2. Acceleration of Domestic Capacity Expansion: Coexistence of Export Growth and Internal Competitive Pressures China's amino acid production capacity continues to grow rapidly, with export volumes maintaining historically high levels. However, the domestic market is becoming increasingly saturated, giving rise to intensified competition and "internal friction." To break through this bottleneck, Chinese enterprises must accelerate their globalization efforts. Strategies such as offshore manufacturing, international marketing, and localized operations are essential to enhancing global competitiveness. Concurrently, enterprises should adopt a forward-looking strategic vision, optimize resource allocation, and reduce reliance on any single regional market to ensure sustainable development.

3. Bankruptcy Restructuring and Business Realignment Among International Enterprises: International amino acid companies have undertaken bankruptcy restructuring or business adjustments due to strategic shifts and various operational factors. For example, METabolic Explorer in France filed for bankruptcy protection and was restructured under the new name Eurolysine SAS; Sumitomo Chemical adjusted its methionine sales and distribution channels toward a globally integrated sales system; CJ CheilJedang Corporation announced plans to sell its bio division, which mainly produces amino acids and other related products; and Evonik launched a large-scale restructuring initiative, reorganizing its business lines into two major segments: Customized Solutions and Advanced Technologies. These changes are reshaping the global industry landscape and, at the same time, creating multiple strategic opportunities for Chinese enterprises: first, market space released by the capacity reduction of multinational corporations; second, merger and acquisition opportunities stemming from the reorganization of technological assets; and third, a chance to enhance China's international influence during global industrial chain restructuring. With mature industrial support systems and cost advantages, Chinese amino acid producers are well-positioned to move up the value chain through technological upgrading and globalized operations.

Domestic companies should leverage their advantages in advanced production and management systems to accelerate global expansion through overseas facility construction and international mergers and acquisitions. Meanwhile, enhancing localized operational capabilities to precisely address regional market needs will be key to capturing strategic opportunities amid global industrial restructuring.

4. Product Portfolio Optimization and Downstream Application-Driven Innovation: Against the backdrop of capacity expansion, increasing trade barriers, and evolving global production patterns, enterprises are actively adjusting their product portfolios to respond to shifting market demand. For example, many companies are strategically phasing out production of 98% lysine and reallocating resources toward more diversified amino acid products. In light of anti-dumping investigations by the EU, companies are also revising their global distribution strategies, redirecting product flows originally intended for the EU market to other regions. These measures have enhanced the flexibility of supply-demand matching. Such portfolio adjustments are driving structural transformations in downstream industries such as animal feed and food production. In turn, a more adaptive application ecosystem is

gradually taking shape—one that supports new product matrices and promotes value creation across the entire industrial chain.

5. Technological Innovation and Improvements in Production Efficiency: Advancements in fermentation processes and the development of new microbial strains are unlocking new growth trajectories for the industry. Both domestic and international firms are leveraging biotechnology innovation to enhance production efficiency and reduce costs, thereby improving the industry's sustainability. Examples include: gene editing to optimize microbial performance, the development of highly efficient customized enzymes, and systematic process enhancements to improve product yield and quality. These innovations are enhancing firms' core competitiveness and reinforcing their positioning in global markets.

In summary, the amino acid industry is at a critical juncture marked by profound structural changes. To navigate this complex and rapidly evolving environment, enterprises must prioritize technological advancement, strategic flexibility, and internationalization. In the years ahead, industry competition is expected to intensify further. Only enterprises with strong core competencies, innovation capacity, and adaptive strategies will be able to maintain competitiveness and secure sustainable growth amid this transformative shift.

(II) The Company's Development Strategy

√ Applicable ☐Not applicable

The Company's development strategy remains unchanged: 1) focusing on the high-quality growth of the main business, striving to become a leading enterprise in synthetic biology, ensuring the sustainable growth of profitability, and becoming the most competitive industrial leader, and building a smart factory and a lighthouse factory in the amino acid industry; 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.

The Company has established a large-scale biomanufacturing platform that serves as the core vehicle for the industrialization of synthetic biology technologies and functions as a strategic infrastructure underpinning its long-term development. This platform integrates key modules—biotechnological innovation, process development, engineering scale-up, and lean production management—forming a systematic and highly differentiated competitive advantage that is difficult to replicate.

In 2025, the Company will focus on deepening multidimensional collaborations with leading global biotechnology firms and research institutions. Efforts will be directed toward systematically identifying and exploring breakthrough opportunities and product potential in foundational synthetic biology, precision fermentation, and non-grain fermentation technologies. By integrating its proprietary strain development platform, robust process scale-up systems, and large-scale production capabilities, the company aims to accelerate the commercialization of cutting-edge technologies and the transformation of high-value innovations.

To support project advancement, the Company has adopted an adaptive, stage-specific collaboration strategy. Tailored to the different phases of early-stage technology incubation, mid-stage industrial validation, and late-stage commercial operation, this model flexibly incorporates a combination of approaches—including technology licensing, joint ventures, strategic equity participation, and mergers and acquisitions. This mechanism enables the company to actively expand strategic pathways for acquiring new technologies and products.

(III) Business Plan

√ Applicable ☐Not applicable

In 2025, the Company will continue to increase investments in information technology development, organizational growth, international expansion, and research and development. The company will enhance the automation and intelligence of production, refine operations and management, complete new construction projects according to plan, and continuously improve its competitive capabilities:

1.Information Technology Development: A comprehensive upgrade of production information systems will be implemented, achieving full coverage of the MES system across the entire factory. Key projects, including the MES implementation at the Tongliao and Xinjiang production bases, will be prioritized, with the goal of establishing a unified production information management platform for end-to-end digital control. To deepen the application of the MES system, it will be established as the core management tool of the Production Technology Research Institute, with a focus on optimizing production processes and improving management efficiency. A system application evaluation mechanism will be developed to maximize the system's effectiveness. To enhance on-site problem-solving efficiency, the "Frontline Work Method" will be promoted, requiring technical experts to immerse themselves in production environments, establish a "problem list" management system, implement a "one-table" work model, optimize meeting management, and improve problem-solving timeliness and relevance. For standardization, a continuous optimization mechanism for SOPs will be established, with regular iterative updates to strengthen standardized operating procedures and ensure the normativity and efficiency of production operations.

2. Organizational Development: In talent development, the company will deepen the "All Employees Operate, Create and Share" philosophy to stimulate employee innovation and vitality. The management trainee training system will be optimized, and an international talent reserve will be established. The internal training system will be refined, with successful cases being promoted to improve the overall quality of management personnel. For management mechanism optimization, performance management reforms will be advanced, and a process-based performance evaluation system will be established. The company will strengthen strategic goal management to ensure the execution of strategies and optimize talent promotion channels with a well-rounded incentive mechanism. Regarding the improvement of work environment, the production base environmental beautification project will be

implemented, and workshop and office environment upgrades will be pursued to create a comfortable and safe working environment.

3.International Expansion: A specialized team will be established to ensure the successful delivery of the Xiehe project and the implementation of the international operational mechanism, driving business transformation and upgrading.

4.Research and Development Innovation: International R&D cooperation will be strengthened, and new technology introduction channels will be expanded, with a focus on key product areas to achieve technological breakthroughs and enhance competitiveness in international markets.

5.Capacity Construction: The priority will be ensuring the on-schedule production launch of the 600,000-ton lysine project in Baicheng. The Tongliao threonine and Xinjiang valine modification projects will be advanced, and a project progress control mechanism will be established. In terms of capacity optimization, a capacity enhancement plan will be implemented, production layout will be optimized, resource utilization efficiency will be improved, and a dynamic capacity adjustment mechanism will be established.

(IV) Potential Risks

√ Applicable ☐Not applicable

1. Overseas Market Sales May Face Uncertainty Risks Due to Changes in International Trade Environment

In the past three years, the company’s overseas main business sales revenue were 8.65 billion yuan, 8.47 billion yuan, and 8.48 billion yuan, accounting for 31.18%, 30.87%, and 34.10% of the total main business revenue, respectively. Overseas sales must comply with the laws and regulations of the countries or regions where the clients are located, meet the required supplier qualifications, and fulfill customer product requirements. If international political and economic situations change, or if significant changes occur in the trade policies of various countries toward China, this may lead to a decline in the company’s overseas sales or an increase in costs, which will adversely affect the company’s overall business performance.

(1) Anti-Dumping Investigation

On May 23, 2024, the European Commission announced the initiation of an anti-dumping investigation into lysine originating from China. By the end of 2024, the European Commission issued a preliminary ruling, imposing an initial anti-dumping duty of up to 84.8% on lysine exports to the European Union. The company has already submitted documentation detailing raw material price information for the final ruling. If the final ruling is less favorable than expected, it will negatively impact the company’s performance and may affect future capacity allocation plans.

On December 19, 2024, the European Commission announced the initiation of an anti-dumping investigation on Valine originating from China, following a complaint from EU enterprises filed on November 5, 2024. On December 27, 2024, the Brazilian Ministry of Development, Industry, Trade, and Services also initiated an anti-dumping investigation on lysine used in animal feed, following a request from Brazilian domestic enterprises filed on July 18, 2024.

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

(2) National Trade Restrictions

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

2. Risk of Lower-than-Expected Returns on New Project Investments

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

3. Environmental, Safety, and Compliance Risks

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

4. Risk of Changes in Industry Regulatory Policies

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

5. Technological Risks

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

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

(2) Risk of Intellectual Property Protection

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

(3) Risk of New Product Development and Commercialization

Developing and commercializing new products is a key strategy for maintaining the company’s competitive edge. However, new technologies and products typically require long development cycles and substantial investment. Although the company has built a mature R&D system and assembled a professional talent pool, the risk of R&D failure remains. Even after successful development, the market performance of new products depends on various internal and external factors, including the company’s sales capabilities and downstream market conditions. Delays in development or underperformance in market adoption could negatively impact the company’s financial results. In response, the company will continue to increase R&D investment and refine its marketing and commercialization mechanisms to mitigate these risks.

6. Financial Risks

(1) Exchange Rate Risk

As a company primarily operating in the Chinese market, most of the company’s transactions are settled in RMB. However, it holds foreign currency assets, bears foreign currency liabilities, and may engage in future transactions denominated in foreign currencies (primarily USD), all of which are subject to exchange rate fluctuations. To effectively manage exchange rate risk, the finance department has established a robust foreign exchange risk monitoring system, adopting measures such as dynamically adjusting the scale of foreign currency transactions and optimizing the asset-liability structure. In addition, the company uses financial derivatives such as forward foreign exchange contracts and currency swap agreements for hedging purposes. Nevertheless, if exchange rate volatility intensifies and the company fails to properly match its foreign trade activities with its forward settlement and purchase arrangements, it may negatively affect the company’s operating performance.

(2) Risk of Changes in Tax Policies

Some of the company’s subsidiaries currently benefit from regional corporate income tax incentives. However, changes in national tax policies may lead to adjustments or even the cancellation of existing preferential treatments, which would directly increase the company’s tax burden and negatively impact its overall financial performance. The company will continue to closely monitor tax policy developments and adjust its tax planning strategies in a timely manner to mitigate potential impacts.

(3) Interest Rate Risk

The company’s interest rate risk primarily arises from its financing activities, including bank loans. Specifically, liabilities with floating interest rates expose the company to cash flow interest rate risk, while fixed-rate liabilities pose fair value interest rate risk. The finance department has implemented an interest rate risk monitoring framework and actively adjusts the mix of fixed- and floating-rate debt based on market interest rate trends. However, a rise in market interest rates may increase the cost of new borrowings and the interest expense on existing floating-rate debt, which could adversely affect the company’s profitability.

7. Risks Associated with Cross-Border M&A

In November 2024, the company entered into an asset purchase agreement with Kyowa Hakko to acquire its food-grade amino acid, pharmaceutical amino acid, and HMO businesses along with related assets. Given the complexity of the transaction structure—where both parties are listed entities in China and Japan, respectively—and the fact that the target assets involve legal, financial, tax, and compliance matters across multiple jurisdictions, the transaction entails several potential risks despite the company's engagement of professional financial, tax, and legal advisors to support due diligence, agreement execution, and closing processes:

(1) Closing Risk

The agreement outlines specific pre-closing and post-closing conditions. The company is actively coordinating with relevant authorities to facilitate a smooth completion of the transaction. However, if the closing conditions are not met as scheduled, the deal may fail to close. The company will closely monitor the transaction progress and fulfill its disclosure obligations in a timely manner. Investors are advised to remain aware of the associated risks.

(2) Post-Acquisition Integration Risk

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

(3) Force Majeure Risk

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

8. Risk of Improper Control by the Actual Controllers

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

(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

I. Information of Corporate Governance

√ Applicable ☐Not applicable

In 2024, the Company's Audit Department, with risk control as its core objective and internal control review as its key approach, established a closed-loop inspection mechanism to achieve end-to-end coverage of critical business areas such as funds, entrusted storage, procurement, assets, inventory, cost, projects, and human resources. The department focused on compliance review, resources waste prevention, and potential loss management, systematically identifying weaknesses and risk points in daily operations, thereby enhancing the company's ability to manage, transfer, and mitigate risks. The continuous optimization of the internal control system and risk management mechanisms provided strong support and assurance for business decision-making.

In terms of entrusted storage project management, the company enhanced oversight of entrusted corn storage projects in Tongliao, Jilin, and Xinjiang. It strictly implemented management standards for entrusted corn storage and carried out dynamic monitoring throughout the process. On-site inspections and sealed inventory checks were conducted to systematically verify storage quantities, grain quality, facility operations, safety controls, and the performance of on-site personnel. In response to discrepancies in inbound inventory identified during sealed inspections, a dedicated task force was formed at the company level to manage rectification through a problem-tracking ledger and ensured follow-through, thus forming a closed-loop management cycle.

In asset management, the Audit Department revised asset inspection standards to strengthen the management foundation, promote effective implementation of relevant systems, and improve the performance of asset accounting positions. For expense management, targeted inspections covered the Xinjiang, Tongliao, and Jilin bases as well as the group headquarters. The sampling scope and sample size were adjusted dynamically based on the materiality of financial statements to systematically assess compliance in expense accounting and the quality of accounting execution, identify key risks in expense management, and provide improvement recommendations. In fund management, comprehensive reviews were completed covering monthly key item inventories, bank acceptances, blank checks, bank reconciliations, as well as quarterly financing, wealth management, financial derivatives, and bank account openings and closures. Issues identified were addressed promptly through supervised rectification.

In procurement management, special audits were conducted on corn, coal, and hardware materials. The end-to-end compliance of auxiliary material and packaging procurement—from the business side to the financial side—was systematically reviewed. The procurement internal control mechanism was optimized to strengthen risk prevention. In quality management, multi-dimensional audits were conducted based on key control nodes in the quality control system. These audits were guided by process steps, risk factors, review focus areas, and inspection methods. Identified issues were compiled into a checklist, and specific rectification plans were developed to achieve closed-loop quality management. In process management, inventory and expense management processes at 16 financial nodes across four locations were reviewed. Diagnostic reports and quantitative evaluation scores were issued. Accompanying rectification suggestions were prepared, and implementation progress was closely tracked. By evaluating the performance of various roles, responsibilities were reinforced, risks were accurately identified, and control strategies were formulated to support the Finance Department in system optimization and management improvement.

In human resources management, special inspections were carried out on HR operations at the Xinjiang and Jilin bases. A standardized inspection framework was developed to solidify HR management foundations, identify potential risks, and formulate targeted response measures. In terms of securities business supervision, multi-dimensional compliance reviews were conducted across key areas such as information disclosure, investor communication mechanisms, compliance of related-party transactions, risk control in external guarantees, investment decision-making processes, capital operations, and executive compensation systems. Issues identified were promptly rectified, and compliance assessment reports were produced. In addition, on-site audit investigations were conducted for safety-related incidents, aiming to establish facts, determine responsibilities, issue penalties, identify management loopholes, and ensure follow-up and corrective actions.

Aligned with the company’s sustainability strategy, the Audit Department also completed a reassessment of the anti-bribery compliance system in collaboration with external legal counsel, further strengthening both internal and external compliance management.

During the reporting period, the Audit Department actively organized and supported Zandar (Shenzhen) CPAs LLP in conducting the company’s 2024 internal control review and assessment. No significant internal control deficiencies were identified. For general deficiencies, the Audit Department worked with relevant departments to formulate and implement rectification plans, all of which were completed, effectively improving the overall internal control level of the company.

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. Overview of General Meetings

Meeting	Date	Search index of the designated website on which the resolution was published	Resolution disclosure date	Resolutions
1st extraordinary general meeting of 2024	February 1, 2024	http://www.sse.com.cn	February 2, 2024	The Proposal on Extending the Duration of the Company's 2021 Employee Stock Ownership Plan, the Proposal on the Company's Employee Stock Ownership Plan 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 Authorizing the Board of Directors to Handle Matters Related to the Employee Stock Ownership Plan at Its Full Discretion were deliberated and approved at the meeting.
Annual general meeting of 2023	April 8, 2024	http://www.sse.com.cn	April 9, 2024	The proposals on the Board of Directors and Supervisory Board work reports for 2023, the 2023 Annual Report and its Summary, the 2023 Financial Statements, the 2024 Budget Proposal, the 2023 Profit Distribution Proposal (Preliminary), the Proposal on Guarantee for 2024 to Subsidiaries, the Proposal on Financial Derivative Trading Business, the Proposal on Using Idle Funds to Purchase Wealth Management Products, the Proposal on Changing the Financial Report Audit and Internal Control Audit Institutions, the 2024 Major Investment Plan Proposal, the Proposal on Performance Evaluation and Compensation of Directors, Supervisors, and Senior Management for 2023, and the Proposal on the 2024 Compensation Scheme for Directors, Supervisors, and Senior Management were deliberated and approved at the meeting. Detailed content is available in the relevant announcements published on the Shanghai Stock Exchange website.
2nd extraordinary general meeting of 2024	October 11, 2024	http://www.sse.com.cn	October 12, 2024	The proposals on changing the company's registered capital, revising certain provisions of the Articles of Association, repurchasing company shares through centralized bidding, authorizing the Board of Directors to handle share repurchase matters, and the 2024 Half-Year Profit Distribution Proposal (Preliminary) were deliberated and approved at the meeting. Detailed content is available in the relevant announcements published on the Shanghai Stock Exchange website.

Any extraordinary general meeting convened at the request of preferred shareholders with restored voting rights

☐ Applicable √ Not applicable

Explanation of general meetings

√ Applicable ☐Not applicable

During the Reporting Period, the Company held three general meetings, including one annual general meeting and two extraordinary general meetings. There was no rejection of proposals at the general meetings.

IV. Information of Directors, Supervisors, and Officers

(I) Changes in the shares held by and remuneration of the directors, supervisors, 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	53	January 16, 2017	January 6, 2026	71,316,274	72,452,774	1,136,500	Increase of shareholding in the secondary market	201	No
He Jun	Director and General Manager	M	51	January 16, 2017	January 6, 2026	23,449,758	24,584,458	1,134,700	Increase of shareholding in the secondary market	318	No
Liang Yubo	Director and Deputy General Manager	M	61	January 21, 2011	January 6, 2026	53,668,518	54,474,218	805,700	Increase of shareholding in the secondary market	388	No
Lu Chuang	Independent Director	M	45	January 6, 2023	January 6, 2026	0	0			20	No
Liu Xinghua	Independent Director	M	58	January 6, 2023	January 6, 2026	0	0			20	No
Chang Libin	Chairman of Board of Supervisors	M	56	January 16, 2017	January 6, 2026	0	577,300	577,300	Increase of shareholding in the secondary market	396	No
Liu Qiang	Supervisor	M	55	January 6, 2023	January 6, 2026	0	0			60	No
Liu Xiaojing	Staff Supervisor	F	50	January 6, 2023	January 6, 2026	0	0			45	No
Wang You	Deputy General Manager	M	50	January 16, 2017	January 6, 2026	294,600	673,000	378,400	Increase of shareholding in the secondary	271	No

									market		
Wang Lihong	CFO	F	44	September 6, 2019	January 6, 2026	62,400	117,300	54,900	Increase of shareholding in the secondary market	147	No
Liu Xianfang	Board Secretary	F	41	January 16, 2017	January 6, 2026	156,600	187,400	30,800	Increase of shareholding in the secondary market	71	No
Total	/	/	/	/	/	148,948,150	153,066,450	4,118,300	/	1,937	/

Explanation of the statistical basis for the "total before-tax remuneration received from the Company during the Reporting Period:" In previous annual reports, the statistical basis is the remuneration (before tax) paid to the directors, supervisors, and officers in the payroll for a complete accounting year. In the 2023 annual report 2023, the accrual basis is used. In other words, the total before-tax remuneration of the directors, supervisors, and officers for 2023 is not inclusive of the amount deferred to the Reporting Period but is inclusive of the amount deferred to subsequent years.

Name	Main working experience
Wang Aijun	Her previous positions include general manager of Meihua MSG and director and general manager of Meihua Group. She is the chairman of Meihua Group now.
He Jun	His previous positions include plant director and department manager at Meihua MSG and director and general manager of Meihua Group. He is a director and the general manager of Meihua Group now.
Liang Yubo	His previous positions include department manager and general manager of the marketing center at Meihua MSG and director and deputy general manager of Meihua Group. He is a director and the deputy general manager of Meihua Group now.
Liu Xinghua	He was born in 1967 and is a Chinese national and of the Han ethnic group. He holds a PhD in Management Science and Engineering and an EMBA from Tsinghua University. He is a distinguished professor at Tongji University. Mr. Liu Xinghua has been an independent director at Lihuayi Weiyuan Chemical Co., Ltd. (short stock name: Weiyuan Co.; stock code: 600955) since December 2021, and an independent director at Shengtai Smart Manufacturing Group Co., Ltd. (short stock name: Shengtai Group; stock code: 605138) since July 2024. He has been an independent director at the Company since January 6, 2023. Mr. Liu Xinghua is not associated with the Company's actual controller and does not hold any shares in the Company. He has obtained the qualification certificate for independent directors from the Shanghai Stock Exchange and received the follow-up training certificate for independent directors of listed companies from the Shanghai Stock Exchange in January 2024.
Lu Chuang	He was born in 1980 and is a Chinese national and of the Han ethnic group. 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 at Ourpalm Co., Ltd. (short stock name: Ourpalm; stock code: 300315) since January 2021, an independent director at China Isotope & Radiation Corporation (short stock name: CIRC; stock code: 01763.HK) since February 2021, and an independent director at Beijing Bashi Media Co., Ltd. (short stock name: Beiba Media; stock code: 600386) since June 2022. He has been an independent director at the Company since January 6, 2023. Mr. Lu Chuang is not associated with the Company's actual controller and does not hold any shares in the Company. He has

	obtained the qualification certificate for independent directors from the Shanghai Stock Exchange and received the follow-up training certificate for independent directors of listed companies from the Shanghai Stock Exchange in August 2024.
Chang Libin	He was born in 1969 and is a Chinese national and of the Han ethnic group. He joined the former Meihua Group in February 2005 and served as head of engineering at the Company's Tongliao Base, head of project technology at Xinjiang Company, and head of the engineering company. He is currently the head of the Company's business units for pharmaceutical and xanthan gum products, as well as the Chairman of the Supervisory Committee.
Liu Qiang	He was born in 1970 and is a Chinese national and of the Han ethnic group. He joined the former Meihua Group in 1999 and served as executive deputy general manager of the marketing center, head of the food raw materials office at the sales company, and head of the sales department for domestic sales of food. Now he serves as sales manager at the sales company and supervisor at the Company.
Liu Xiaojing	She was born in 1975, and her native place is Baoding, Hebei. She joined Meihua Hebei in 2001. Her previous positions include senior manager of the finance office at Tongliao Meihua and head of the finance office at Tongliao Meihua. Now she serves as project head at the asset management office of the finance department and staff supervisor of the Company.
Wang You	He was born in 1975 and is a Chinese national. He holds a bachelor's degree and is a member of the CPC. 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, and general manager of the Xinjiang Base. Now he serves as the Deputy General Manager of the Company.
Wang Lihong	She was born in 1981 and is a Chinese national. She is a member of the CPC. She graduated from Tianjin University of Commerce as a major in accounting. She is a certified public accountant. Since 2005, she has served as an accountant, accounting supervisor, accounting manager, and general ledger accountant in the finance department of Meihua Group. She has extensive experience and expertise in financial accounting, financial analysis, and financial management. Now she is the CFO of the Company.
Liu Xianfang	She was born in 1984 and is a Chinese national. She holds a bachelor's degree. She joined the Company in July 2006. Her previous positions include information disclosure specialist, information disclosure supervisor, and corporate securities representative in the securities department of the Company. She is the board secretary of the Company.

Other information

☐ Applicable√ Not applicable

(II) Positions held by the directors, supervisors, 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
Lu Chuang	Ourpalm Co., Ltd.	Independent Director	January 25, 2021	
	China Isotope & Radiation Corporation	Independent Director	February 25, 2021	
	Beijing Bashi Media Co., Ltd.	Independent Director	June 28, 2022	
Liu Xinghua	Lihuayi Weiyuan Chemical Co., Ltd.	Independent Director	December 22, 2021	
	Sunrise Intelligent Manufacturing Group Co., Ltd.	Independent Director	July 17, 2024	
Wang Aijun	AIM Vaccine Corporation	Director	September 2017	
Chang Libin	Tongliao Desheng Bio-tech Co., Ltd.	Supervisor	March 2019	
Liu Qiang	Tibet Hezhong Investment Co., Ltd.	Director and General Manager	July 4, 2014	March 14, 2024
Explanation of positions in other entities	Tibet Hezhong Investment Co., Ltd. was deregistered on March 14, 2024.			

(III) Remuneration of directors, supervisors, and officers

√ Applicable ☐Not applicable

Procedures for determining the remuneration of directors, supervisors, and officers	The remuneration for the Company’s directors and non-staff supervisors 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 submitted by the general manager’s office to the remuneration and appraisal committee of the board. The remuneration for staff supervisors is determined based on their positions and position levels and in accordance with the Company’s internal HR management policy.
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 directors, supervisors, and officers	At the 2nd meeting of 2025 of the Company’s remuneration and appraisal committee, the remuneration report for directors, supervisors, and senior management for 2024 was reviewed and approved, and the 2024 remuneration payment proposal for directors, supervisors, and senior management was agreed to be submitted to the board of directors for deliberation.
Basis for determining the remuneration of directors, supervisors, and officers	According to the Company’s 2024 Remuneration Plan for Directors, Supervisors, and Senior Management, those 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. In accordance with the Company’s performance evaluation management regulations, the total remuneration consists of base salary, position salary, performance-based pay, and incentive bonuses. The Human Resources Department regularly prepares remuneration reports, which are submitted to the Remuneration and Appraisal Committee for review. The Committee confirms the final remuneration based on comprehensive evaluations, including job responsibilities and performance.
Actual payment of the remuneration of	On an accrual basis, the directors, supervisors, and officers received a total remuneration of

directors, supervisors, and officers	19.37 million yuan (before tax) from the Company in 2024. During the Reporting Period, the monthly salary and performance pay were paid. Some annual pay and incentives were paid in March 2025.
Total remuneration actually received by all directors, supervisors, and officers as of the end of the Reporting Period	The total remuneration actually received from the Company by the directors, supervisors, and officers in 2024 was 58.30 million yuan (before tax), inclusive of deferments from previous periods to the Reporting Period.

(IV) Changes in directors, supervisors, and officers

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

(VI) Miscellaneous

☐ Applicable √ Not applicable

V. Information of Board Meetings Held during the Reporting Period

Meeting	Date	Resolutions
The 8th Meeting of the 10th Board of Directors	January 16, 2024	The Proposal on the Company's Employee Stock Ownership Plan for 2024 and its Summary, the Proposal on the Management Measures for the Company's Employee Stock Ownership Plan for 2024, the Proposal on Authorizing the Board of Directors to Handle Matters Related to the Employee Stock Ownership Plan, and the Proposal on Convening the 1st Extraordinary General Meeting of 2024 were deliberated and approved at the meeting.
The 9th Meeting of the 10th Board of Directors	March 18, 2024	The Proposal on the Board of Directors' Work Report for 2023, the Proposal on the 2023 Annual Report and Its Summary, the Proposal on the 2023 Financial Final Accounts Report, the Proposal on the Profit Distribution Plan (Draft) for 2023, the Proposal on the Internal Control Evaluation Report and the Internal Control Audit Report for 2023, the Proposal on Providing Guarantees to Wholly-Owned Subsidiaries in 2024, the Proposal on Conducting Financial Derivative Trading Business, the Proposal on Using Idle Own Funds to Purchase Wealth Management Products, the Proposal on Changing the Financial Statement Auditor, the Proposal on the Performance Appraisal and Remuneration Payment Plan for Directors, Supervisors, and Senior Management for 2023, and proposals on revising relevant work rules were deliberated and approved at the meeting. For details, please refer to the relevant announcements published on the website of the Shanghai Stock Exchange.
The 10th Meeting of the 10th Board of Directors	April 8, 2024	The proposal on the 2024 Q1 report was deliberated and approved at the meeting.
The 11th Meeting of the 10th Board of Directors	July 29, 2024	The proposals on the 2024 semi-annual report and its summary, the adjustment of the Shanghai R&D center into a wholly owned second-tier subsidiary, the capital increase to Tongliao Jianlong Acid-making Co., Ltd., and the revisions to the Rules of Procedure for the Remuneration and Appraisal Committee, the Internal Control Policy for Financial Derivatives Business, and the Information Disclosure Management Policy were deliberated and approved at the meeting.
The 12th Meeting of the 10th Board of Directors	August 29, 2024	The proposals on waiving the notice period for the board meeting and on the transfer of equity in Zefeng Agriculture by the subsidiary Xinjiang Agriculture to Zetong Agriculture were deliberated and approved at the meeting.
The 13th Meeting of the 10th Board of Directors	September 23, 2024	The proposals on changing the Company's registered capital, amending certain provisions of the Articles of Association, repurchasing the Company's shares via centralized bidding, authorizing the board of directors to handle matters related to the share repurchase, the 2024 "Enhancing Quality, Improving Efficiency, and Maximizing Returns" action plan, the 2024 interim profit distribution plan (draft), and convening the Company's second

		extraordinary general meeting of 2024 were deliberated and approved at the meeting.
The 14th Meeting of the 10th Board of Directors	October 11, 2024	The proposal on authorization for external investment was also deliberated and approved.
The 15th Meeting of the 10th Board of Directors	October 22, 2024	The proposal on the Company's Q3 2024 report was deliberated and approved.
The 16th Meeting of the 10th Board of Directors	November 22, 2024	The proposals on asset acquisition and the signing of the Share and Asset Purchase Agreement, the proposal on providing guarantees to wholly owned subsidiaries, and the proposal on the establishment of a wholly owned subsidiary by Xinjiang Meihua were deliberated and approved.

VI. 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	9	9	1	0	0	No	3
He Jun	No	9	8	2	1	0	No	3
Liang Yubo	No	9	9	1	0	0	No	3
Lu Chuang	Yes	9	9	5	0	0	No	3
Liu Xinghua	Yes	9	9	7	0	0	No	3

Explanation of failure to attend two consecutive meetings in person
☐ Applicable √ Not applicable

Number of board meetings held in the year	9
including: number of onsite meetings	2
number of meetings held by means of telecommunication	1
number of meetings held onsite and by means of telecommunication	6

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

☐ Applicable √ Not applicable

(III) Miscellaneous

☐ Applicable √ Not applicable

VII. 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, Liu Xinghua, Wang Aijun
Nomination Committee	Liu Xinghua, Lu Chuang, Wang Aijun
Remuneration and Appraisal Committee	Liu Xinghua, Lu Chuang, He Jun
Strategy Committee	Wang Aijun, He Jun, Liang Yubo, Lu Chuang, Liu Xinghua

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

Date	Content	Important opinions and suggestions	Other duty performance
January 16, 2024	Pre-audit communication was conducted	The meeting communicated and discussed the	

	with Dahua Audit, covering the overall audit of the annual report and internal controls, key focus areas, audit plan, etc. The company's audit department reported on the previous year's work summary and the work plan for the upcoming year.	audit plan with the audit institution, and suggestions were made. It was agreed to proceed with the audit according to the plan, with the recommendation that Dahua Audit promptly communicates and provides feedback to the company during the audit process. The meeting also agreed to the Audit Department's work plan for 2024.	
March 18, 2024	A number of proposals were reviewed, including the 2023 Annual Report, the Audit Committee's 2023 Duty Performance Report, the Internal Control Evaluation Report and the Internal Control Audit Report, the Accounting Policy Changes, the Performance of the Engaged Accounting Firm, and the Proposal for Changing the Audit Institution.	The 2023 Annual Report prepared by the company accurately and fairly reflects the company's business performance for 2023. The meeting agreed to submit the relevant proposals to the board of directors for deliberation and emphasized the need to focus on the process of changing the accounting firm.	
April 8, 2024	The main audit work summary for Q1 2024 and the work plan for Q2 2024 were reviewed; the Q1 2024 report was preliminarily examined.	The 2024 Q1 report prepared by the company accurately and fairly reflects the company's business performance for the first quarter of 2024. The meeting agreed to submit it to the board of directors for deliberation, and suggested further optimization of the internal audit work by the Audit Department.	
July 29, 2024	The main audit work summary for Q2 2024 and the work plan for Q3 2024 were reviewed; the Half-Year Report for 2024 was preliminarily examined.	The 2024 Half-Year Report prepared by the company accurately and fairly reflects the company's business performance for the first half of 2024. The meeting agreed to submit it to the board of directors for deliberation and endorsed the Audit Department's work plan for Q3.	
October 22, 2024	The main audit work summary for Q3 2024 and the work plan for Q4 2024 were reviewed; the Q3 2024 report was preliminarily examined.	The 2024 Q3 report prepared by the company accurately and fairly reflects the company's business performance for the third quarter of 2024. The meeting agreed to submit it to the board of directors for deliberation and endorsed the Audit Department's work plan for Q4.	

(III) The remuneration and appraisal committee held two meetings during the Reporting Period.

Date	Content	Important opinions and suggestions	Other duty performance
January 16, 2024	The Proposal on the 2024 Employee Stock Ownership Plan (Draft) and its summary was deliberated and approved at the meeting.	The meeting agreed to submit the proposals to the board of directors for deliberation.	
March 18, 2024	The 2023 performance appraisal and remuneration payment plan for directors, supervisors, and officers was deliberated and approved, and the 2024 remuneration scheme (Draft) for directors, supervisors, and officers was formulated.	The meeting agreed to submit the proposals to the board of directors for deliberation.	

(IV) The strategy committee held two meetings during the Reporting Period.

Date	Content	Important opinions and suggestions	Other duty performance
March 18, 2024	The meeting reviewed the Company's major investment plan for 2024.	Key discussions focused on the scale and plan of future investments, and the meeting agreed to submit the proposal to the board of directors for deliberation.	
November 22, 2024	The meeting conducted a	Attention was given to the liabilities of the	

	preliminary review of the asset acquisition and the signing of the Share and Asset Purchase Agreement.	target assets and subsequent planning issues, and the meeting agreed to submit the proposal to the board of directors for deliberation.	

(V) Circumstances where an objection was raised to any matter

☐ Applicable √ Not applicable

VIII. Explanation of Circumstances Where the Board of Supervisors Identified Risks in the Company

☐ Applicable √ Not applicable

The board of supervisors had no objections to supervised matters during the Reporting Period.

IX. 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	1,076
Headcount of key subsidiaries	11,782
Total headcount	12,858
Number of retirees for whom the parent company and key subsidiaries are required to bear costs	
Specialty	
Type of specialty	Number of employees
Production personnel	9,325
Sales personnel	320
Technical personnel	575
Financial personnel	353
Administrative personnel	120
Management personnel	2,165
Total	12,858
Educational level	
Educational level	Number of employees
PhD	35
Master’s degree and above	272
Bachelor’s degree	1,947
Diploma	4,319
High school and below	6,285
Total	12,858

(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 more work) and “three highs and one low” (high performance, high incentives, high growth, and low risk). By maintaining a competitive remuneration and incentive system, the Company continues to attract a large number of outstanding talents and remains a leader in compensation levels within both the industry and the region.

In recent years, the Company has further increased investment in human resources and established a sound salary adjustment mechanism to enhance employee welfare. In 2024, the Company allocated over 100 million yuan to implement a 10% general salary increase for all employees, significantly boosting its market competitiveness in compensation.

During the reporting period, the Company completed the optimization and upgrade of its performance management system and improved the bonus pool incentive scheme. These efforts effectively put into practice the “more creation, more sharing” concept and ensured fairness between input and output. Employees’ compensation is closely linked to their job responsibilities, qualifications, and performance, effectively stimulating enthusiasm and creativity. This not only helps retain key internal talents but also attracts high-caliber external candidates, promoting the high-quality development of the Company’s talent team and achieving mutual growth between employees and the enterprise.

In addition, the Company remains attentive to employees’ basic living needs in areas such as housing, transportation, children’s education, and healthcare. It continues to provide various benefits, including housing and transportation subsidies. The Company has also upgraded its office buildings and employee cafeteria, further optimized the working environment and striving to offer a more comfortable and efficient platform for work and development.

(III) Training plan

√ Applicable ☐Not applicable

In 2024, the company continued to deepen its “Training and Practical Application Integration” talent development strategy, systematically extracting excellent practical cases and valuable experiences from business management, and continuously optimizing the training curriculum. The company collaborated closely with top global consulting firms to innovatively establish a practical assessment mechanism for both mid-term and final exams, successfully achieving the talent development goals of making implicit knowledge explicit and standardizing best practices.

In terms of high-end talent development, the company benchmarked the international top-tier business school EMBA curriculum system and successfully completed the first phase of the “Manager and Department Head Advanced Training Program.” This project significantly enhanced the core competencies of middle and senior managers in areas such as strategy implementation, team leadership, and organizational effectiveness, providing strong talent support for the company’s strategic implementation. For grassroots management team development, the company adopted a “Dual Improvement” approach (improving training quality and enhancing managerial competency), innovatively launching the Department Head Training Program, which effectively addressed the shortage of reserve talent for key positions like workshop directors and production section heads, thus supplying high-quality managerial talent to the production and operation system.

In terms of professional and technical talent development, the company established a systematic and standardized technical talent training system for the first time. By offering technical advanced courses, the company focused on three key areas: “professional knowledge accumulation, problem-solving ability, and career development,” providing comprehensive training from job competency to professional technical ability. This initiative aims to build a team of engineers who are not only skilled in technical expertise but also possess strong professional qualities, aligning employee growth with the company’s development needs.

In 2024, the company’s talent development efforts yielded remarkable results: 12 specialized training courses were held, training 312 individuals in various fields; 148 internally developed courses were created, and 41 high-quality external courses were introduced; the total training hours for both online and offline courses exceeded 1,500 hours. A comprehensive, multi-level talent development system was established, providing strong talent support for the company’s sustainable development.

(IV) Labor outsourcing

√ Applicable ☐Not applicable

Total man hours of labor outsourcing	1,922,232
Total remuneration paid for labor outsourcing (in ten thousand yuan)	75,817,271.63

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

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

√ Applicable ☐Not applicable

The Articles of Association has very specific provisions on the cash dividend policy.

According to the Company’s Articles of Association: “The Company shall actively distribute dividends in cash, in principle on an annual basis. The Board of Directors may propose an interim cash dividend based on the Company’s profitability and funding requirements. The specific distribution plan shall be formulated by the Board of Directors in accordance with its authority, based on the Company’s actual operational and financial situation, and submitted to the General Meeting of Shareholders for approval. Before the General Meeting reviews the cash dividend distribution plan, the Company shall communicate and engage with shareholders—particularly minority shareholders—through various channels, fully considering their opinions and demands, and respond in a timely manner to issues of concern to minority shareholders.”

The Company’s profit distribution plan conforms to the relevant provisions of the Articles of Association. In the future, the Company will continue to increase returns to shareholders through cash dividends and the cancellation of buybacks combined.

The 2024 interim profit distribution plan was deliberated and approved at the 2024 Second Extraordinary Shareholders’ Meeting and was implemented on November 22, 2024. Based on the total share capital as of the equity distribution record date, excluding the number of shares held in the repurchase account, a total of 2,837,199,050 shares were used as the base. A cash dividend of 0.17596 yuan per share (inclusive of tax) was distributed, totaling a cash dividend of 499,233,544.84 yuan (inclusive of tax).

The 2024 annual profit distribution plan (preliminary proposal) was deliberated and approved at the 18th meeting of the 10th Board of Directors. The proposal is to distribute a cash dividend of 0.4206 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, 2024, the total share capital of the Company is 2,852,788,750 shares, and based on this, the total cash dividend to be distributed is estimated at 1.2 billion 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.

(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?	√ Yes ☐No
Were the distribution standard and proportion specified and clear?	√ Yes ☐No
Were the relevant decision-making procedures and mechanism complete?	√ Yes ☐No
Did the independent directors perform their duties and play their due roles?	√ Yes ☐No
Did the minority shareholders have adequate chance to express their opinions and appeals? Were their legitimate rights and interested protected fully?	√ Yes ☐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)	5.9656
Number of shares for conversion per 10 shares (share)	0
Amount of cash dividends (inclusive of tax)	1,699,116,493.09
Net profit distributable to the common shareholders of the listed company in the consolidated statements for the year of dividend distribution	2,740,427,215.56
Percentage in the net profit distributable to the common shareholders of the listed company in the consolidated statements (%)	62.00
Amount of share buybacks in cash that are included in cash dividends	571,185,981.88

Total dividends (inclusive of tax)	2,270,302,474.97
Percentage of total cash dividends in the net profit attributable to the common shareholders of the Company in the consolidated statements (%)	82.84

Note: The dividend amount per 10 shares in the table above includes the distribution of the 2024 interim profit, which has already been implemented and fully distributed. The 2024 interim profit distribution was 1.7596 yuan per 10 shares. Adding the 2024 annual dividend of 4.206 yuan per 10 shares, the total dividend is 5.9656 yuan per 10 shares.

(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)	4,074,658,208.89
Cumulative repurchased and cancelled amount in the last three accounting years (2)	2,247,688,459.63
Cumulative cash dividend and repurchase cancellation amount in the last three accounting years (3) = (1) + (2)	6,322,346,668.52
Average annual net profit in the last three accounting years (4)	3,442,539,630.99
Cash dividend ratio in the last three accounting years (%) (5) = (3) / (4)	183.65
Net profit attributable to common shareholders of the listed company in the latest accounting year (Consolidated financial statements)	2,740,427,215.56
Unappropriated profit at the end of the latest accounting year (Parent company financial statements)	2,611,601,565.13

XI. 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.

The 2021 employee stock ownership plan expired on February 11, 2024. Based on confidence in the Company’s sustainable development and the judgment of its share value, the extension of the plan for an additional 36 months to February 11, 2027 was deliberated and approved at the first extraordinary general meeting of 2024. As of the end of the Reporting Period, there were 21,420,471 shares in the Company’s employee stock ownership plan designated account, accounting for 0.75% of the Company’s current total share capital (2,852,788,750 shares).

2. Employee stock ownership plan for 2022

The Company held the 27th meeting of the ninth board of directors and the second extraordinary general meeting of 2021 on December 15, 2021, and December 31, 2021, respectively. At the meetings, the Proposal on the Company’s Employee Stock Ownership Plan (Draft) for 2022 and its Summary, the Proposal on the Management Measures for the Company’s Employee Stock Ownership Plan for 2022, and the Proposal on Requesting Full Authorization from the Annual General Meeting for the Board of Directors to Handle Matters Related to the Company’s Employee Stock Ownership Plan were deliberated and approved. For details, refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) on December 16, 2021, and January 1, 2022, respectively.

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

3. Employee stock ownership plan for 2023

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

As of January 28, 2023, the Company’s designated account for the 2023 employee stock ownership plan had purchased a total of 28,260,800 shares of Meihua Bio through centralized bidding on the secondary market, with a total transaction amount of 295,296,438 yuan and an average transaction price of approximately 10.45 yuan per share. The number of shares purchased accounted for 0.93% of the Company’s then total share capital of 3,042,465,447 shares. In accordance with the plan approved at the first extraordinary general meeting of 2023, the purchase under the 2023 employee stock ownership plan has been completed. The purchased shares are subject to lock-up and will be unlocked in two phases after 12 and 24 months from the date of the announcement, with the maximum lock-up period being 24 months. The proportions of shares to be unlocked in each phase are 50% and 50%, respectively.

As of February 28, 2025, all shares under the 2023 employee stock ownership plan had been released from lock-up. The Company's designated account for the 2023 employee stock ownership plan held 17,076,400 shares, accounting for 0.60% of the Company's current total share capital of 2,852,788,750 shares.

4. Employee stock ownership plan for 2024

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

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

As of the date of this report, the shares under the 2024 employee stock ownership plan remain subject to lock-up.

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

The Company has established a comprehensive performance management system centered on the core concepts of "all-employee participation, value creation and sharing," and "financial results as the ultimate criterion for evaluating management." A senior management annual compensation system, integrating job grade-based salaries with performance evaluations, has also been put in place. This system is structured around the principle of incentive timing and is divided into three dimensions: Short-term incentives are implemented on a monthly basis, including base salary and monthly performance bonuses. Mid-term incentives are carried out quarterly, covering assessments based on quarterly performance indicators. Long-term incentives are granted on an annual cycle and include annual performance evaluations, equity-based incentives, employee stock ownership plan (ESOP) awards, and special incentive bonuses. Through a progressive, multi-level incentive structure, the Company fosters a virtuous cycle of value creation and benefit sharing.

The Company's Board of Directors has established a Remuneration and Appraisal Committee, which is responsible for formulating and supervising the implementation of compensation and performance assessment schemes for senior management. The Committee develops compensation and appraisal plans based on the Company's annual business objectives as set by the Board, organizes the annual performance evaluations of senior executives, and monitors the execution of these plans. Proposals made by the Committee must be reviewed and approved by the Board before implementation. The evaluation mechanism adheres to the principle of matching responsibilities and rewards, ensuring that individual compensation corresponds to the value and responsibilities of the position. Senior management remuneration is directly linked to Company performance and personal objectives to drive continuous business growth, discourage short-term behaviors, and promote the Company's long-term sustainability.

Since 2017, the Company has launched six phases of employee stock ownership plans and one restricted stock incentive scheme specifically for senior management. These incentive plans incorporate challenging corporate and individual performance targets, tightly integrating Company development with personal growth. The system has not only effectively motivated key personnel and stimulated innovation, but also established a strong linkage between performance results and incentive realization. This long-term mechanism has become a sustained driving force behind the Company's steady growth in core financial metrics such as operating revenue and net profit, enabling deep synergy between strategic goals and talent value enhancement.

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

√ Applicable ☐Not applicable

In 2024, in accordance with the management requirements of the Basic Specifications for Internal Control of Enterprises and the Company's Management Policy for Internal Control and based on the Company's annual business targets and actual development needs, the Company conducted internal control tests and evaluations for fund activities, the circulation of purchases and payment, inventory management, costing and control, the circulation of sales and payment collection, engineering project management, asset management, comprehensive budget management, human resource management, and financial reporting.

During the Reporting Period, based on its operational characteristics, the Company kept developing and improving internal control policies and effectively implemented them. The policies fit the Company's existing management requirements and development needs and could provide a beneficial guarantee for the sound operations of its business and the control of its operational risk. Overall, the Company's internal control was complete, reasonable, and effective without any major defects. It played a managerial and controlling role in all the Company's operations management processes and key links, thus ensuring the long-term and stable development of the Company.

Explanation of major defects in internal control during the Reporting Period

☐ Applicable √ Not applicable

XIII. Management and Control of Subsidiaries during the Reporting Period

√ Applicable ☐Not applicable

In accordance with the requirements of the Management Policy for internal control, the Company has set up an audit committee under the board of directors as a leading body to inspect and supervise the implementation of the Company's internal control policies. The Company has an audit department to inspect and supervise the implementation of the Company's internal control policies under the guidance of the audit committee.

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's departments guide, supervise, and support the corresponding departments of its subsidiaries and control risk through the standard operation, human resource management, financial management, internal audit, information disclosure, investment and financing management, and operational appraisal of its subsidiaries. The Company improves the overall operation efficiency and anti-risk capabilities and ensures the security, preservation, and appreciation of assets according to its overall development strategy and planning.

Each subsidiary strictly follows the management regulations and business processes issued by the Company. In alignment with the Company's overall development strategy and annual operational goals, the subsidiaries develop tiered business implementation plans and corresponding risk management systems to effectively integrate strategy execution with risk prevention and control.

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

√ Applicable ☐Not applicable

The Company has engaged Zandar (Shenzhen) CPAs LLP (Special General Partnership) (formerly known as Da Hua CPAs LLP (Special General Partnership)) to audit the internal control situation of the Company during the reporting period. The internal control audit report (Document No.: ZDZYNZ No. 2500001) was issued, which concluded that, as of December 31, 2024, the Company maintained effective internal control over financial reporting in all material respects, in accordance with the Basic Norms for Enterprise Internal Control and related regulations.

Whether the internal control audit report is disclosed: Yes

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

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

In accordance with the requirements of the Notice on Special Actions for the Governance of Listed Companies (ZZJF [2020] No. 230), the Company conducted a self-assessment on the implementation of its Articles of Association, the performance of duties by the shareholders' meeting, board of directors, and supervisory board, information disclosure management, seal management, contract execution, major investment management, independence and fairness of related party transactions, external guarantees, fund occupation, and other business areas. The issues identified during the self-inspection have been rectified.

XVI. Miscellaneous

☐ Applicable √ Not applicable

Section 5 Environmental and Social Responsibility

I. Environmental Information

Whether there is an environmental protection-related mechanism	Yes
Spending on environmental protection during the Reporting Period (unit: ‘0000 yuan)	6,851

(I) Information on the environmental protection of the Company and its key subsidiaries if the Company is classified as a key pollutant discharge entity by the environmental authorities

√ Applicable ☐Not applicable

1. Information of pollutant discharge

√ Applicable ☐Not applicable

The three key subsidiaries under Meihua Group are classified as key pollutant discharge entities by the environmental authorities. The pollutants discharged mainly include wastewater and waste gas. The key monitoring indicators for waste gas are fume, SO_2 and NO_x, and those for wastewater are COD and ammonia nitrogen.

Tongliao Company has six detection ports for waste gas emissions and two detection ports for wastewater discharge. The actual concentration of particulate matter in the flue gas at the heating station is controlled below 30 mg/m³, the SO_2 emission concentration is controlled to below 200 mg/m³, and the NO_x emission concentration is controlled to below 200 mg/m³. The actual concentration of sulfur dioxide in the waste gas from sulfuric acid production is controlled to below 400 mg/m³, while the actual concentration of sulfur dioxide in the waste gas from ammonia synthesis recovery is controlled to below 100 mg/m³. The COD concentration in the wastewater is controlled to below 500 mg/L.

Xinjiang Company has two detection ports for waste gas emissions and one detection port for wastewater discharge. For waste gas, the actual emission concentration for fume is controlled below 10 mg/m³, that for SO_2 is controlled below 35 mg/m³, and that for NO_x is controlled below 50 mg/m³. For wastewater, the emission concentration for COD is controlled below 300 mg/L, and that for ammonia nitrogen is controlled below 35 mg/L.

Jilin Company has four detection ports for waste gas emissions and one detection port for wastewater discharge. For waste gas, the actual emission concentration for fume is controlled below 30 mg/m³, that for SO_2 is controlled below 100 mg/m³, and that for NO_x is controlled below 100 mg/m³. For wastewater, the emission concentration for COD is controlled below 30 mg/L, and that for ammonia nitrogen is controlled below 35 mg/L.

During the Reporting Period, the verified total discharge of Tongliao Company, Xinjiang Company, and Jilin Company did not exceed the permitted total discharge, and the pollutant discharge concentrations at all discharge outlets are within the national limits.

2. Construction and operation of pollution prevention control facilities

√ Applicable ☐Not applicable

(1) Wastewater treatment

During the production of amino acids by fermentation, Tongliao Company generates high-concentration organic wastewater. This wastewater has a high organic matter content, making biological treatment challenging. To thoroughly treat the high-concentration organic wastewater produced during the production process, the company invested 250.41 million yuan in building the microbial protein workshop and organic fertilizer workshop in phases. Through flocculation and flotation of the high-concentration organic wastewater to extract feed microbial protein, followed by evaporation concentration and spray granulation of the protein-extracted liquid to produce organic fertilizer, the company has been recognized as a resource recycling product by the Autonomous Region Economic Commission and received a circular economy project reward, enabling waste recycling. To treat low-concentration wastewater, the company reduces the extraction of fresh water through internal recycling and inter-workshop coordination in the wastewater treatment workshop. Additionally, the company initially invested over 26 million yuan in building an anaerobic+ aerobic UASB wastewater treatment system. In 2009, the company further invested over 100 million yuan to upgrade the technology by introducing the IC reactor and ANAMMOX biological nitrogen removal process from the Dutch company Park Environmental. This technology is currently the most advanced wastewater treatment technology in the world. Currently, Tongliao Company operates two workshops using IC anaerobic + aeration aerobic + ANAMMOX biological nitrogen removal processes, with an annual treatment capacity of 34,150 tons per day. The treated water quality is far below the required standards. To save precious groundwater resources and reduce wastewater discharge, the company invested 150 million yuan to build two reclaimed water workshops, with a daily production of 13,000 cubic meters of reclaimed water. This reclaimed water is used for the power plant’s boilers and cooling water for production cycles, reducing water usage and also decreasing the total amount of wastewater discharge. In 2024, to support the new monosodium glutamate project, the company expanded the existing West District wastewater treatment plant, adding a 10,000 cubic meters per day wastewater treatment system. After this expansion, the company’s wastewater treatment capacity increased to 44,150 cubic meters per day. The expanded system will use the anaerobic + aerobic + Anammox nitrogen removal treatment process, including the construction of new IC operating rooms, sludge removal rooms, phosphorus removal workshops, pre-acidification tanks, ICX inlet tanks, ICX anaerobic reactors, aeration tanks, secondary sedimentation tanks, ANAMMOX reactors, accident ponds, and anaerobic sedimentation/sludge concentration tanks.

Likewise, Xinjiang Company has adopted a combination of tiered utilization and recycling to reduce water consumption. The high-concentration wastewater generated by the company is rich in nitrogen, phosphorus, potassium, and organic matter. Through granulation processes, it is converted into organic fertilizer and distributed to corn farmers in exchange for grain, forming a virtuous cycle in which the organic, high-efficiency fertilizer is reused in corn cultivation. The company's wastewater treatment plant has a total investment of 500 million yuan, with annual operating costs exceeding 17 million yuan. It continues to use the most advanced wastewater treatment technology developed by the Dutch company Paques—namely the IC internal circulation anaerobic reactor, ANAMMOX biological nitrogen removal, and A/O process—together with automated control systems. This places the company's wastewater treatment technology among the best in China, with pollutant discharges far below national standards. While meeting environmental requirements, Xinjiang Company has also become the world's largest supplier of ANAMMOX sludge, which is sold both domestically and internationally. In addition, biogas generated through IC reactors is used to supply clean energy to the production workshops, reducing coal consumption by more than 10,000 tons annually. To further improve water conservation, Xinjiang Company invested 35 million yuan in a reclaimed water reuse project with a daily capacity of 15,000 m^3. Using V-shaped filters, ultrafiltration, and reverse osmosis technologies, the facility saves approximately 10,000 m^3 of fresh water per day.

Jilin Company invested nearly 120 million yuan in its wastewater treatment workshop, which applies a five-stage biological treatment process consisting of anaerobic and aerobic reactions, ANAMMOX nitrogen removal, A/O process, and coagulation-sedimentation. The anaerobic reactor utilizes the latest third-generation ICX reactor developed by Paques, which offers 20% higher efficiency compared to other reactors. The designed treatment capacity is 30,000 m^3/day. To fully embody Meihua Group's vision of building an "environmentally friendly, resource-efficient, technologically innovative, and quality-safe" enterprise, Jilin Company has continuously promoted energy-saving, emission reduction, and clean production initiatives. It has proactively explored innovative technologies and identified opportunities for process optimization, enabling both environmental protection and cost-effective operations. In 2024, the company achieved a daily discharge reduction of approximately 2,000 m^3, with its clean production standards reaching internationally advanced levels.

The wastewater treatment workshops of Tongliao Company, Xinjiang Company, and Jilin Company all have online surveillance equipment for their discharge outlets, which is connected with the networks of environmental authorities to monitor the Company's wastewater discharge in real time. Additionally, regular third-party testing is conducted, with results confirming that all three subsidiaries meet the required discharge standards for all pollutants.

(2) Waste gas treatment

① Treatment of fume from boilers:

The Company employs an integrated flue gas treatment process combining electrostatic-bag hybrid dust removal (baghouse dust collector), SNCR and PSCR denitrification, ammonia-based desulfurization, and ultrasonic desulfurization-dust removal. After treatment, the concentration of flue gas emissions is significantly lower than the limits set in the Emission Standards of Air Pollutants for Thermal Power Plants, achieving the "ultra-low-emission" standard. The denitrification process reduces nitrogen oxides into N_2 and H_2O, without producing secondary pollution. The ammonia-based desulfurization technology relies on the reaction between NH_3 and SO_2. In a multifunctional flue gas desulfurization absorption tower, ammonia absorbs SO_2 from the flue gas and oxidizes it into ammonium sulfate. The resulting by-product can be used in the production of the Company's amino acid products, thus meeting emission standards while also promoting resource recycling—a dual benefit. In 2024, Xinjiang Company invested 1.54 million yuan to upgrade its online monitoring facilities. The upgrade enhanced real-time supervision and data application capabilities to comply with the Notice on Further Strengthening the Management of Automatic Monitoring Facilities for Key Units in the XPCC (Bing Huan Han [2024] No. 28) and the Technical Specification for Continuous Monitoring of Flue Gas Emissions from Stationary Pollution Sources (HJ75-2017). Following the upgrade, all flue gas monitoring equipment has been equipped with "dynamic" management functions.

The flue gas outlets of Tongliao, Xinjiang, and Jilin Companies are all equipped with online monitoring systems, which are connected to the networks of environmental authorities for real-time supervision. Emission indicators from all three subsidiaries meet the requirements for ultra-low emissions.

② Treatment of organized odors:

In treating organized odor emissions, the Company uses a combination of advanced treatment technologies, including dedusting, washing, cooling and dewatering, catalytic oxidation, cryo-condensation, DDBD (double dielectric barrier discharge), photo-electrocatalysis, and activated carbon adsorption, and biological deodorization. All odors are discharged through three to nine tiers of treatment. In 2024, Tongliao Company invested 3.4 million yuan to introduce biological deodorization devices for the treatment of nucleotide residue drying exhaust gases, continuously exploring and applying innovative new process technologies for ongoing odor control improvements. In 2024, Xinjiang Company invested 3 million yuan in deep treatment of wastewater odors. On the basis of existing odor control facilities, the Company constructed additional facilities, including washing towers and biological deodorization systems, striving to meet the requirements of the Odor Pollutant Emission Standards (Draft for Comment) before national environmental regulations are implemented. At the same time, the Company continues to innovate in odor treatment processes for fermentation smells and product drying exhaust gases. It has adopted a combination of advanced domestic and international techniques, such as multi-stage washing, cooling and dewatering, electrostatic mist removal, low-temperature plasma, deep oxidation, activated carbon adsorption, and biological deodorization. Automation control has been implemented to ensure more precise and stable operational control.

③Treatment of unorganized odors:

In treating unorganized odor emissions, the Company has installed closed collection devices to treat unorganized waste gas from production equipment and storage tanks and equipment. The collected waste gas is discharged after being treated by environmental devices, which solves the impact of unorganized waste gas emissions on ambient air quality. Further, through the continuous improvement of its internal management, the Company strives to eliminate the locations of unorganized diffusion and reduce indoor and outdoor odor concentrations.

④Treatment of unorganized dust:

The Company spent hundreds of millions of yuan to reduce the unorganized dust produced from the storage and transportation of coal by building four completely closed coal yards. The yards are equipped with high-pressure fog ejectors that eject fog into the yards to prevent dust. In the plants, coals are transported in a fully closed way. The car dumper system has dry fog-based dust prevention devices to automatically eject fog when unloading coals. The transportation and storage of coal thoroughly eliminate the impact of unorganized dust.

3. Environmental impact assessment for construction projects and other administrative licensing for environmental protection

√ Applicable ☐Not applicable

① Tongliao Meihua

In 2024, Tongliao Meihua obtained the environmental impact assessment (EIA) approval for the 500,000 tons/year monosodium glutamate and supporting projects, as well as the heating boiler energy-saving technology renovation project. Additionally, the completion of the 250,000 tons/year threonine and supporting projects, along with the raw material ammonia plant technical upgrade project, passed the self-assessment of environmental protection.

②Xinjiang Meihua

The overall project of Xinjiang Company has completed the environmental impact assessment and acceptance. In 2024, it received approval for the environmental impact reports of the isoleucine technical upgrade project, the xanthan gum expansion project, and the activated carbon regeneration project.

③ Jilin Meihua

The overall project of the Jilin Company has completed the environmental impact assessment and acceptance. In 2024, it obtained approval for the environmental impact report of the 600,000-ton lysine and supporting facilities project.

Tongliao Company, Xinjiang Company, and Jilin Company have obtained the pollutant discharge license according to the national regulations on the issue of the pollutant discharge license.

4. Environmental emergency response plan

√ Applicable ☐Not applicable

The Company complies with the requirements of the Emergency Response Law of the People's Republic of China, the National Environmental Emergency Response Plan, the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, and the Air Pollution Prevention and Control Law of the People's Republic of China to prevent and actively respond to potential environmental emergencies, handle such emergencies in a rapid, affective, and orderly manner, and maintain the normal work order of the Company. In accordance with the latest national laws and regulations as well as relevant requirements, the Company observes the principle of "prioritizing prevention and self-rescue, unifying command and coordination, implementing accountability, and combining corporate self-rescue and social rescue" based on its actual situation in a bid to avoid and minimize the impact of emergencies on personnel, equipment, property, and in particular, the environment. The Company strives to improve its capabilities for preventing environmental accidents, emergency responses, and aftermath handling. Tongliao Company, Xinjiang Company, and Jilin Company have all developed emergency rescue plans for environmental pollution accidents, filed them with the local environmental authorities, and organized emergency drills according to the requirements.

5. Environmental self-monitoring plan

√ Applicable ☐Not applicable

Tongliao Company, Xinjiang Company, and Jilin Company have developed self-test plans in accordance with the Measures on Self-Monitoring and Information Disclosure for State-Monitored Key Enterprises (Trial) and the Management Measures for Pollutant Discharge Licensing to regularly test the wastewater and waste gas in the factories. For wastewater, they use the online CODcr analyzer and the online ammonia nitrogen analyzer to perform continuous automatic tests. The monitored items are pH value, COD, and ammonia nitrogen, and the flow monitoring frequency is once every two hours. For waste gas, they have installed online testers on the desulfurizer outlets to automatically test fumes, SO_2, and NO_x. All the automatic monitoring equipment used by the Company has passed inspection by the environmental authorities. In addition, the Company strengthens the management of equipment operation and maintenance to ensure its normal operations and normal data transmission. The Company also appoints qualified monitoring entities to monitor relevant indicators, including fumes, wastewater, and boundary noise, to ensure the truthfulness and effectiveness of their values. At the same time, the Company has developed emergency environmental monitoring plans to immediately monitor environmental pollution accidents and cooperate with local environmental monitoring agencies in emergency monitoring.

6. Administrative punishments due to environmental problems during the Reporting Period

☐ Applicable √ Not applicable

7. Other environmental information that should be disclosed

√ Applicable ☐Not applicable

The Company calculates and duly pays the environmental protection tax in full according to relevant laws, including the Environmental Protection Tax Law.

The Company has built a carbon emission management system to incorporate carbon emissions into its daily management. The Company monitors carbon emissions regularly, captures the data according to the standards, cooperates in third-party inspections, duly performs the protocol, and clears the emission quota.

Upholding the principle of “combining self-audits with assisted external audits,” the Company engages a third-party consulting institution to assist in the audit of clean production, survey the Company’s production, energy consumption, and emission reduction during recent years, prepare the Clean Production Audit Report, and file it with the local environmental authority.

(II) Environmental information of the Company other than the information as a key pollutant discharge entity

√ Applicable ☐Not applicable

1. Administrative punishments for environmental problems

☐ Applicable √ Not applicable

2. Disclosure of other environmental information by reference to the standards for key pollutant discharge entities

☐ Applicable √ Not applicable

3. Reasons for not disclosing other environmental information

√ Applicable ☐Not applicable

Except for Tongliao Meihua, Xinjiang Meihua, and Jilin Meihua, other wholly-owned subsidiaries of the Company are not key pollutant discharge entities as classified by the environmental authorities. These subsidiaries include Langfang Meihua Condiments Co., Ltd. and Tongliao Meihua Condiments Co., Ltd., which are engaged in the packaging and sales of condiments; Lhasa Meihua, which is engaged in external investment; Hong Kong Meihua, a trading company responsible for exporting the Company’s products; and Meihua (Shanghai) Biotech Co., Ltd., which focuses on technology development. These subsidiaries are not involved in the discharge or monitoring of major pollutants.

(III) Information favorable to ecological conservation, pollution control, and the fulfillment of environmental responsibility

√ Applicable ☐Not applicable

The Company always prioritizes management and investment in environmental protection, and adheres to the principle of promoting both economic growth and environmental improvement by focusing on energy conservation, emission reduction, and green manufacturing. In the context of advancing carbon neutrality during the “14th Five-Year” Plan period, and in response to national policies aimed at reducing energy consumption and carbon emissions, the Company established an Energy Conservation and Emission Reduction Committee. Comprising chief engineers of products, equipment, processes, and environmental protection, the committee is responsible for studying the dual-control policy on total energy consumption and energy intensity, optimizing internal process roadmaps across production lines, and seizing strategic opportunities arising from national industrial restructuring. The Company continues to move toward green, bio-based, and intelligent manufacturing

(IV) Measures taken to reduce carbon emissions during the Reporting Period and the effects

Carbon reduction measures in place or not	Yes
CO_2 emissions reduced (unit: ton)	654,000
Key measures (such as using clean energy for power generation, using carbon reduction technology during production, and developing new products that help reduce carbon emissions	The Company upgraded energy supply, equipment, and process management, such as reclaimed water utilization, secondary condensate reuse, and boiler renovation at the heating station.

Specific information
√ Applicable ☐Not applicable

In 2021, the Company established an Energy Conservation and Emission Reduction Committee, under which an Energy Conservation and Emission Reduction Office was set up to carry out specific tasks. The Office organizes exchanges and learning among the offices at various production bases, promoting the sharing of efficient energy-saving and emission-reduction practices and technical upgrade measures. In the past two years, Tongliao Meihua, Jilin Meihua, and Xinjiang Meihua have been successively recognized as leading enterprises in energy conservation and environmental protection by industry associations.

During the reporting period, in order to further reduce carbon emissions, the Company's bases implemented energy-saving and emission-reduction measures from multiple aspects, including production process management, heating station upgrades, and photovoltaic power generation, achieving diversification in technology, systematization in management, and low-carbon development. Efforts have also been made in energy supply (power plants), energy usage (workshops), green finance, and carbon sinks, resulting in remarkable achievements.

Some cases of energy conservation and emission reduction are as follows:

1. Project of technological improvements for energy supply

(1) Reclaimed Water Output Expansion Project: Tongliao Company invested RMB 4.98 million in the second Water Treatment Workshop to upgrade the existing reclaimed water treatment system. The upgrades included the addition of a 36 m³ sand filter tank, a new UF membrane unit, and a new RO membrane unit, increasing the reclaimed water output from 4,100 m³/day to 8,000 m³/day and reducing daily water intake and discharge by approximately 3,500 m³. Additionally, the third Water Treatment Workshop invested RMB 1.2435 million to add a 1,500 m³ AMX reactor to reduce total nitrogen, replacing the original A/O and secondary sedimentation tanks, thereby restoring the function of the tertiary sedimentation tank. The A/O tank was converted into an aerobic tank to address the current OEE shortfall and handle gray water from synthetic ammonia, allowing the plant to accept 800 m³/day of additional production wastewater and reserve anaerobic capacity for abnormal conditions. The tertiary sedimentation tank now pre-treats reclaimed water, reducing turbidity from 15 NTU to below 5 NTU and increasing output by 1,000 m³/day.

(2) Water Resource Reuse: The chemical water workshop receives primary, secondary, and tertiary

condensate from production lines including xanthan gum and synthetic ammonia. Previously, substandard water could not be recovered and was discharged via the neutralization tank, with an average daily discharge of 1,514 tons. In 2024, a project was launched to redirect this water back to the raw water tank in the chemical water workshop for reuse, reducing the burden on the discharge system and cutting down on external wastewater discharge.

(3) Heating Station Boiler Upgrade Project: The six existing 130 t/h circulating fluidized bed boilers in the second workshop of the Tongliao Company heating station were replaced with three higher-efficiency 350 t/h circulating fluidized bed boilers.

(4) An ejector was installed at the steam turbine inlet of the third ammonia synthesis line to utilize 2.6 MPa medium-pressure steam generated from the Endo furnace waste heat boiler as the motive steam source. This increased the steam pressure supplied to the air separation turbine to 0.6 MPa, allowing the overall steam pipeline pressure to be reduced from 0.55 MPa to 0.50 MPa. As a result, the steam consumption of the back-pressure generator at Heating Station No. 4 decreased from 7.2 kg/kWh to 7.05 kg/kWh.

(5) Xinjiang Company Steam Distribution Header Upgrade: The power plant supplies steam at 0.55 MPa and 230°C, but the steam usage at Header No. 8 was low, leading to slow flow and high heat loss. Although the pressure remained high, the temperature dropped to 150–160°C, resulting in high moisture content. A new DN300 pipeline was added to direct steam to the nucleotide synthesis evaporator, increasing flow speed, improving temperature, and reducing moisture. After the modification, the header temperature increased from 160°C to over 195°C, saving an equivalent of 4.8 t/h.

(6) Xinjiang Company External Power Project: An investment of RMB 38.35 million was made to introduce 110 kV external electricity supply, saving approximately 90,000 tons of coal annually.

2. Energy Conservation and Emission Reduction Technological Renovation Plan for 2025:

(1) In 2025, Tongliao Company plans to invest RMB 2.3 million to upgrade the rotors of two compressor units in the air supply section of the Turbine Workshop No. 3 at the heating station. After the upgrade, the minimum air volume will be reduced from 5,170 Nm^3/min to 4,530 Nm^3/min, while the original design maximum air volume will remain unchanged, meeting production requirements without the need for venting. Theoretical calculations indicate potential energy savings of 1,610 kWh.

(2) The new boiler to be built at the Jilin base in 2025 will be constructed in accordance with ultra-low emission standards.

II. Social Responsibility-Related Work

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

√ Applicable ☐Not applicable

The Company’s environmental, social, and governance reports were disclosed on the website of the Shanghai Stock Exchange on the same day as this report. The disclosure website is http://www.sse.com.cn.

(2) Information of social responsibility-related work

√ Applicable □Not applicable

External donations and charity projects	Amount/content	Remark
Total spending (‘0000 yuan)	245.875	
including: funds (‘0000 yuan)	235.475	
value of supplies (‘0000 yuan)	10.4	
Number of beneficiaries	102,876	

Specific information

√ Applicable □Not applicable

During the reporting period, the Tibet Meihua Charity Foundation fulfilled its social responsibilities through diverse initiatives. It donated RMB 100,000 to the industrial park in Baicheng, Jilin, to support infrastructure development; RMB 920,000 to the Shanghai Chunhe Youth Development Center’s research-based learning program to help students in Baicheng and rural children in Guizhou cultivate innovative thinking and discover a more independent, open, and confident self; and RMB 39,700 to the Blue Envelope pen pal volunteer program to provide long-term emotional support and care for 110 rural children in Guizhou. In addition, the Foundation donated RMB 30,000 to the 4th Company of the Sixth Division of Xinjiang Production and Construction Corps to support agricultural production and community development; approximately RMB 40,000 through an employee online step-donation campaign to organizations such as the One Foundation in Shenzhen, the Beijing Entrepreneur Environmental Protection Foundation, and the Tongxin Guangcai Charity Foundation in Guizhou; and RMB 400,000 to support 45 underprivileged students in Baicheng through the local “Hanhai Lixue” initiative, helping them overcome financial challenges and continue their education. Further donations made by the Tibet Meihua Charity Foundation included RMB 70,000 to impoverished households in Shandong, RMB 65,000 to Wujiaqu No. 3 Primary School in Xinjiang to support the construction of a reading pavilion and promote a reading culture, and RMB 50,000 to Tianjin University. The Foundation also donated RMB 165,000 to assist underprivileged students in Duobi Township and Beila Town Primary School in Tibet, helping to alleviate their financial difficulties and support talent development in the western regions. RMB 50,000 was donated to Nagga Village in Tibet for the renovation of the village activity center, enriching community life and promoting social harmony. Additionally, RMB 75,000 was given to Beila Town Health Center to aid in the development of healthcare services in Tibet, while RMB 200,000 was provided to the Tibet Highland Cultural Development Foundation to promote cultural initiatives in the region. The Foundation also contributed RMB 150,000 to the Tibet Children’s Welfare Institute to improve children’s living conditions and educational environments for their healthy growth and development. Finally, 130 tons of fertilizer, valued at RMB 104,000, were donated to registered impoverished households in Tongliao to support local agriculture and help farmers increase their income.

As a vital part of the Company’s sustainable development efforts, the Tibet Meihua Charity Foundation will continue to uphold its mission of “giving back to society and benefiting the people,” constantly innovating in its charitable approaches, expanding its public welfare outreach, and demonstrating a strong sense of corporate social responsibility through concrete actions.

III. 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
External donations and charity projects	217.37	
Total spending (‘0000 yuan)	206.97	
including: funds (‘0000 yuan)	10.4	
value of supplies (‘0000 yuan)	10,729	
Form of support (such as industrial poverty alleviation, poverty alleviation through employment opportunities, poverty alleviation through education, etc.)	Poverty alleviation through education, medical assistance poverty alleviation, industrial poverty alleviation, infrastructure poverty alleviation, social security poverty alleviation, and psychological care assistance, etc.	

Specific information

√ Applicable ☐Not applicable

While rapidly developing and striving to enhance economic benefits, the Company fully leverages its industry advantages, actively participates in and supports public welfare causes, and carries out a series of public welfare activities covering rural revitalization, medical assistance poverty alleviation, industrial poverty alleviation, infrastructure poverty alleviation, social security poverty alleviation, and psychological care assistance, among other areas. The Company is committed to promoting social welfare through charity, fulfilling its social responsibility with the spirit of “benefiting the world,” and striving to become a company that is not only responsible but also full of warmth.

In 2024, the Tibet Meihua Public Welfare Foundation donated RMB 920,000 to the Shanghai Chunhe Youth Development Center’s Research-Based Learning Public Welfare Project, aiming to open up a “Research-Based Learning” curriculum for students in Jilin Baicheng and rural children in Guizhou. This initiative creates an open space and classroom to help stimulate innovative thinking and help these students discover a more independent, open, and confident version of themselves. Through the Blue Envelope Communication Volunteer Activity, the foundation organized employee volunteers to provide long-term psychological companionship and care to 110 rural children in Guizhou. Through the “Han Hai Li Xue” campaign in Baicheng, the foundation donated RMB 400,000 to support 45 underprivileged students, helping them resolve practical difficulties and ensuring they can successfully complete their studies. Additionally, the foundation donated RMB 70,000 to impoverished households in Shandong, RMB 165,000 to support underprivileged students in Duobi Township and Beila Town Primary School in Tibet to alleviate hardships and foster talent development in western regions, RMB 50,000 to Nagga Village in Tibet for the renovation of the village activity center, and RMB 75,000 to Beila Town Health Center to support the development of healthcare services in Tibet. Furthermore, RMB 200,000 was donated to the Tibet Highland Cultural Development Foundation to support cultural initiatives in the region, and RMB 150,000 was donated to the Tibet Children’s Welfare Institute to improve children’s living conditions and educational environments, promoting their healthy growth and comprehensive development. The foundation also donated 130 tons of fertilizer (worth RMB 104,000) to registered impoverished households in Tongliao, supporting local agricultural development, increasing farmers' income, and driving rural revitalization.

Section 6 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 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.	July 19, 2010	No		Yes	Not applicable	Not applicable
	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) Accomplishment of committed performance and its impact on the goodwill impairment test

☐ 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 accounting policies

Changes in accounting policies and the reasons	Remark
The Company has implemented the “Accounting Treatment for Sale and Leaseback Transactions” under Interpretation No. 17 of the Accounting Standards for Business Enterprises issued by the Ministry of Finance in 2023, effective from January 1, 2024.	（1）
The Company has also implemented the “Provisional Provisions on Accounting Treatment for Corporate Data Resources” issued by the Ministry of Finance on August 1, 2023, effective from January 1, 2024.	（2）
The Company will implement the “Interpretation No. 18 of the Accounting Standards for Business Enterprises” issued by the Ministry of Finance on December 6, 2024, effective from December 6, 2024.	（3）

(1) Impact of Implementing Interpretation No. 17 of the Accounting Standards for Business Enterprises

On October 25, 2023, the Ministry of Finance issued Interpretation No. 17 of the Accounting Standards for Business Enterprises (CK [2023] No. 21, hereinafter referred to as “Interpretation No. 17”). The Company will implement Interpretation No. 17 from January 1, 2024 (the “Implementation Date”). The implementation of Interpretation No. 17 does not have a significant impact on the financial statements for this reporting period.

1) Classification of Current and Non-current Liabilities

The Company will implement Interpretation No. 17 on the classification of current and non-current liabilities from the Implementation Date. The financial statements for this period remain largely unaffected by the changes.

2) Disclosure of Supplier Financing Arrangements

According to Interpretation No. 17, the Company is not required to disclose comparable period information and is also not required to disclose initial information regarding “amounts received by suppliers from financing providers” in “financial liabilities” or the “payment due date range of financial liabilities, as well as the payment due date range for comparable payables not part of supplier financing arrangements.”

3) Accounting Treatment for Sale and Leaseback Transactions

The Company will implement Interpretation No. 17 on the accounting treatment for sale and leaseback transactions from the Implementation Date. The implementation of this interpretation does not have a significant impact on the financial statements for this reporting period.

(2) Impact of Implementing the Provisional Provisions on Accounting Treatment for Corporate Data Resources

The Company will implement the Provisional Provisions on Accounting Treatment for Corporate Data Resources (hereinafter referred to as the "Provisional Provisions") from January 1, 2024. The implementation of the Provisional Provisions does not have a significant impact on the financial statements for this reporting period.

(3) Impact of Implementing Interpretation No. 18 of the Accounting Standards for Business Enterprises

On December 6, 2024, the Ministry of Finance issued Interpretation No. 18 of the Accounting Standards for Business Enterprises (CK [2024] No. 24, hereinafter referred to as "Interpretation No. 18"). The Company will implement Interpretation No. 18 from December 6, 2024. The implementation of Interpretation No. 18 does not have a significant impact on the financial statements for this reporting period.

(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 above changes in accounting policies and the change of accounting firm were reviewed and approved at the 9th meeting of the 10th Board of Directors of the Company.

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	Da Hua CPAs LLP (special general partnership)	Zandar (Shenzhen) CPAs LLP (special general partnership) (formerly known as Da Hua CPAs LLP (special general partnership))
Remuneration for domestic CPA firm	1,400,000.00	1,400,000
Limit on years of audit by domestic CPA firm	14	1
Names of CPAs from domestic CPA firm	Gong Chenyan, Li Qianqian	Liu Qianqian, Li Qianqian
Total years of audit service by CPAs from domestic CPA firm	Gong Chenyan (3 years), Li Qianqian (2 years)	Liu Qianqian (1 year), Li Qianqian (3 years)

	Name	Remuneration
CPA firm for internal control audit	Zandar (Shenzhen) CPAs LLP (special general partnership) (formerly known as Da Hua CPAs LLP (special general partnership))	800,000

Explanation of appointment and dismissal of CPA firm
√ Applicable ☐Not applicable

In light of the original audit team serving the Company having joined Da Hua CPAs LLP (special general partnership), and in order to ensure continuity of the Company's audit work, the Company, upon approval at the 2023 Annual General Meeting of Shareholders, appointed Da Hua CPAs LLP (special general partnership) as the auditor for the Company's 2024 financial statements and internal controls.

Subsequently, as approved by the Shenzhen Municipal Administration for Market Regulation, Da Hua CPAs LLP (special general partnership) changed its name to Zandar (Shenzhen) CPAs LLP (Special General Partnership). Following the name change, all relevant professional qualifications, rights, and obligations have been assumed by Zandar (Shenzhen) CPAs LLP (Special General Partnership).

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

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

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

☐ Applicable √ Not applicable

(III) Other information

√ Applicable ☐Not applicable

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

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

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

According to relevant agreements, including the Agreement on the Transfer of the Shares of Dalian Hanxin Bio-Pharmaceuticals Co., Ltd. between the Company’s subsidiary, Lhasa Meihua, and AIM Vaccine Co., Ltd., Lhasa Meihua shall be responsible for solving the realization of the non-operating creditor’s right and the settling of debts for AIM Honesty in respect of its former shareholder, Tibet

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

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

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

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

As of December 31, 2024, the Company accrued a total of RMB 32,438,161.92 in estimated compensation for liabilities and related interest based on the judgment of the Yunnan High People's

Court.

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

Shandong Fufeng Fermentation Co., Ltd. (“Shandong Fufeng”) filed a lawsuit against the Company and its subsidiary Xinjiang Meihua over a dispute concerning trade secrets related to xanthan gum production. Through multiple trials of the court, the Supreme People’s Court entered the final judgement on January 9, 2024: 1) Xinjiang Meihua Amino Acids Co., Ltd., Meihua Holdings Group Co., Ltd., and Zhang Wei immediately discontinue the infringement of Shandong Fufeng Fermentation Co., Ltd.’s trade secret for the production of xanthan gum, including not disclosing, using, or allowing others to use the said trade secret for the production of xanthan gum; 2) Xinjiang Meihua Amino Acids Co., Ltd., Meihua Holdings Group Co., Ltd., and Zhang Wei compensate Shandong Fufeng Fermentation Co., Ltd. for an economic loss of 15 million yuan within ten days of the entry into force of the judgement.

On March 5, 2024, the Jinan Intermediate People’s Court of Shandong Province issued an Enforcement Notice (2024) Lu 01 Zhi No. 573, stating that the Supreme People’s Court’s judgment (2022) ZGFMZ No. 64 had become legally effective. Shandong Fufeng applied for enforcement, requesting: (1) performance of obligations stipulated in the effective legal document; (2) payment of double interest for delayed performance; (3) payment of enforcement fees of RMB 500. Prior to receiving the above enforcement notice, Xinjiang Meihua had voluntarily fulfilled the compensation obligation of RMB 15 million on February 1, 2024.

Following receipt of the enforcement notice, the Company actively cooperated with the enforcement proceedings of the Jinan Intermediate People’s Court (“Jinan Court”). In December 2024, the Company received the Enforcement Ruling and Penalty Decision issued by the Jinan Court under the same case number. The Jinan Court determined that Xinjiang Meihua and Meihua Biotechnology failed to perform the obligations determined in the judgment (2022) ZGFMZ No. 64 by the Supreme People’s Court. As a result, the Court included Xinjiang Meihua and Meihua Biotechnology in the list of dishonest judgment debtors and imposed fines of RMB 1 million on each party. For details, please refer to the “Announcement on Inclusion of the Company and Its Subsidiary in the List of Dishonest Judgment Debtors” (Announcement No. 2024-064).

On February 13, 2025, Xinjiang Meihua received a Notice of Response and related documents from the Shandong High People’s Court. Shandong Fufeng filed a new lawsuit against the Company and Xinjiang Meihua on the grounds of continued infringement. For details, please refer to the “Announcement on Litigation Involving the Company and Its Subsidiary” (Announcement No. 2025-010).

Under the mediation of enforcement judges from the Jinan Court, the Company and its wholly-owned subsidiary Xinjiang Meihua reached an enforcement settlement agreement with Shandong Fufeng in early March 2025 regarding the xanthan gum production trade secrets dispute. According to the agreement, the Company and Xinjiang Meihua made a one-time settlement payment of RMB 233 million to Shandong Fufeng by March 14, 2025. In return, Shandong Fufeng agreed to file a withdrawal application with the Shandong High People’s Court for Case No. (2025) Lu Min Chu No. 4 by March 7, 2025, and to request the Jinan Court to lift the enforcement measures against the Company, Xinjiang Meihua, and relevant individuals, including but not limited to the removal from the list of dishonest debtors, and to cooperate in concluding the enforcement process. For details, please refer to the "Announcement on Litigation Progress Involving the Company and Its Subsidiary" (Announcement No. 2025-013).

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

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

☐ Applicable √ Not applicable

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)
Beitun Zefeng Agricultural Development Co., Ltd.	Goods	75,539,223.56	66,793,916.44
Beitun Zefeng Agricultural Development Co., Ltd.	Services	26,489.59	23,899.93
Total		75,565,713.15	66,817,816.37

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	2,739,061.65	2,200,057.73
Total		2,739,061.65	2,200,057.73

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 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	3,335,130,475.52
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	1,196,732,044.83
The Company's total guarantees (including guarantees for subsidiaries)	
Total guarantees (A+B)	1,196,732,044.83
Proportion of total guarantees in the Company's net assets (%)	8.21

(III) Cash asset management through trusteeship

1. Entrusted financing

(1) Overview of entrusted financing

√ Applicable ☐Not applicable

Unit: '0000 yuan Currency: RMB

Type	Fund source	Transacted amount	Balance undue	Overdue balance not recovered
Bank financing	Self-owned funds	276,380.00	26,894.41	
Trust financing	Self-owned funds	18,000.00		
Brokerage products	Self-owned funds	1,000.00	1,000.00	
Others	Self-owned funds	15,540.00	5,000.00	

Other information

☐ Applicable √ Not applicable

(2) Single entrusted financing

☐ Applicable √ Not applicable

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

(1) Previous Share Repurchase

The Company held the 3rd meeting of the tenth session of the board of directors and the 2nd extraordinary general meeting of 2023 on April 8, 2023, and April 28, 2023, respectively. The Proposal on Repurchasing the Company's Shares by Means of Centralized Bidding was deliberated and approved at the meetings. On April 29, 2023, the Company disclosed the Repurchase Report of Meihua Holdings Group Co., Ltd. on the Repurchase of Shares by Means of Centralized Bidding. On May 10, 2023, the Company carried out the first repurchase. For details, refer to the relevant announcement published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn).

On April 30, 2024, the Company issued the "Announcement on the Results of Share Repurchase and Changes in Shares" (Announcement No. 2024-031). The Company has completed the repurchase plan, having repurchased a total of 90,637,352 shares, accounting for 3.08% of the total share capital of the Company at the time (2,943,426,102 shares). The average repurchase price was RMB 9.49 per share, with a total payment of RMB 86,003.02 thousand (excluding transaction fees). These repurchased shares were canceled on April 30, 2024, by China Securities Depository and Clearing Corporation Limited. After the cancellation, the Company's total share capital was changed from 2,943,426,102 shares to 2,852,788,750 shares, and the necessary industrial and commercial registration procedures for the capital change have been completed.

(2) Ongoing Repurchase Plan

The Company held the 13th meeting of the 10th Board of Directors on September 23, 2024, and the second extraordinary general meeting of shareholders in 2024 on October 11, 2024. During these meetings, the proposal on the share repurchase through centralized bidding transactions was approved. On October 12, 2024, the Company disclosed the “Repurchase Report of MeiHua Biotechnology Group Co., Ltd. on Share Repurchase through Centralized Bidding Transactions,” and the first repurchase was implemented on October 23, 2024. For more details, please refer to the related announcements disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn).

As of the end of February 2025, the Company has repurchased 34,189,100 shares through centralized bidding transactions, accounting for 1.20% of the Company’s current total share capital (2,852,788,750 shares). The lowest repurchase price was RMB 9.15 per share, and the highest repurchase price was RMB 10.68 per share, with a total payment of RMB 338,159,200 (excluding transaction fees). This repurchase complies with relevant laws, regulations, normative documents, and the Company’s share repurchase plan.

2. Implementation Status of the Management Shareholding Increase Plan

On January 8, 2024, the Company received a notice from its directors, supervisors, senior management, and other core members of management (hereinafter referred to as the “Management”). Confident in the Company’s intrinsic value and future development potential, and with the ability to continuously create value for investors, the Management proposed to increase their shareholdings in the Company. The shareholding increase plan was to be carried out within six months from the date of the notice (January 8, 2024 – July 8, 2024) through methods permitted by the Shanghai Stock Exchange trading system (including but not limited to centralized bidding and block trades). The total amount planned for the shareholding increase was not less than RMB 80 million (including transaction fees), with no upper limit on the purchase price. For details, please refer to the relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange.

As of May 22, 2024, the parties committed to implementing the plan had increased their shareholdings by a total of RMB 82.5561 million (including transaction fees) through centralized bidding on the Shanghai Stock Exchange trading system, exceeding the lower limit of the planned increase amount. The shareholding increase plan has been completed. For details, please refer to the relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn).

3. Progress on Cross-border Acquisition and Related Assets

On November 23, 2024, the Company issued the Announcement on the Cross-border Acquisition and Signing of the Share and Asset Purchase Agreement by Meihua Bio, stating its intention to acquire the food amino acids, pharmaceutical amino acids, and human milk oligosaccharides businesses and related assets of Kyowa Hakko Bio Co., Ltd. (“Kyowa Hakko”), a wholly-owned subsidiary of Kirin Holdings Company, Limited (“Kirin Holdings”), for a total consideration of JPY 10.5 billion (approximately RMB 500 million).

As of the date of this report, the transaction has not yet been completed. The Company will continue to monitor its progress and disclose relevant updates in accordance with applicable regulations.

4. Update on Company VI System Upgrade and Logo Change

To meet the needs of international development, the Company began a comprehensive upgrade of its existing Visual Identity (VI) System on October 15, 2024, and launched a new corporate logo. The new logo features a more distinctive and modern design that represents the Company's spirit of innovation and global vision, further enhancing brand recognition, increasing market awareness, and supporting global brand consistency and clearly conveying the Company's mission and strategic positioning.

Comparison of Original and New Logo:

Original Logo	New Logo
梅花集团 MEIHUA GROUP	MEIHUA

The new logo consists of both a symbol and a wordmark. The symbol inherits the original logo's underlying meaning of "harmony and prosperity." Based on a circular shape, the design uses a recurring composition to portray the concept of "from one comes two, from two comes three, and from three comes all things," symbolizing vitality and continuous growth. The wordmark retains only the Company's English name, presenting a more international brand image.

In addition, to continuously improve the digital service experience for global customers, partners, and the public, the Company completed a full upgrade of its official website in February 2025. Global users can now access up-to-date company news and business information via the new website at: https://www.meihua.group.

To ensure a seamless transition, the original website (http://www.meihuagrp.com) will remain accessible for one year, after which it will be formally decommissioned at 24:00 (Beijing Time) on February 4, 2026.

Section 7 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 (%)
I. 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	2,943,426,102	100				-90,637,352	-90,637,352	2,852,788,750	100
1. RMB ordinary shares	2,943,426,102	100				-90,637,352	-90,637,352	2,852,788,750	100
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total shares	2,943,426,102	100				-90,637,352	-90,637,352	2,852,788,750	100

2. Explanation of Changes in Share Capital

√ Applicable ☐Not applicable

The Company held the 3rd meeting of the tenth session of the Board of Directors and the second extraordinary general meeting of shareholders in 2023 on April 8 and April 28, 2023, respectively. At the meetings, the Proposal on Repurchasing the Company's Shares by Means of Centralized Bidding was reviewed and approved. On April 29, 2023, the Company disclosed the Repurchase Report of Meihua Holdings Group Co., Ltd. on the Repurchase of Shares by Means of Centralized Bidding. The Company carried out the first repurchase on May 10, 2023. The repurchased shares were canceled for the purpose of reducing the registered capital. For further details, please refer to the relevant announcements disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn).

On April 30, 2024, the Company released the Announcement on the Implementation Results of Share Repurchase and Changes in Share Capital (Announcement No. 2024-031). The Company had completed the share repurchase plan, having repurchased a total of 90,637,352 shares, accounting for 3.08% of the total share capital of 2,943,426,102 shares at the time. The average repurchase price was RMB 9.49 per share, and the total amount paid was RMB 860.03 million (excluding transaction fees). The repurchased shares were canceled on April 30, 2024, at China Securities Depository and Clearing Corporation Limited, and the total share capital of the Company changed from 2,943,426,102 shares to 2,852,788,750 shares. On December 31, 2024, 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			
Other financial derivatives						

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

(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	65,991
Total number of ordinary shareholders as of the end of the month immediately prior to the disclosure date of the annual report	70,321

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

Unit: Share

Shares held by the top ten shareholders (excluding the shares lent through refinancing)							
Shareholder's name (full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the period	Proportion (%)	Number of restricted shares held	Pledged, marked, or frozen shares		Nature of shareholder
					Share status	Quantity	
Meng Qingshan		854,103,033	29.94		None		Domestic natural person
Beijing Royal Fortune Co., Ltd. -- Royal Fortune Huichen Strategic Investment Private Securities Investment Fund		88,679,769	3.11		None		Other
Hu Jijun		86,044,351	3.02		None		Domestic natural person
Hong Kong Securities Clearing Company Limited		83,403,927	2.92		None		Other
Wang Aijun		72,452,774	2.54		None		Domestic natural person
China Merchants Bank Co., Ltd. -- Xingquan Herun Mixed Securities Investment Fund		55,247,808	1.94		None		Other
Liang Yubo		54,474,218	1.91		None		Domestic natural person
China Merchants Bank Co., Ltd. -- Xingquan Herun Flexible Allocation Mixed Securities Investment Fund (LOF)		31,621,940	1.11		None		Other
Yang Weiyong		30,646,962	1.07		None		Domestic natural person
Agricultural Bank of China Limited – CSI 500 Exchange Traded Index Securities		27,984,821	0.98		None		Other

Investment Fund							

Shares held by the top ten holders of non-restricted shares			
Name of shareholder	Quantity of non-restricted tradable shares held	Type and quantity of shares	
		Type	Quantity
Meng Qingshan	854,103,033	RMB ordinary share	854,103,033
Beijing Royal Fortune Co., Ltd. -- Royal Fortune Huichen Strategic Investment Private Securities Investment Fund	88,679,769	RMB ordinary share	88,679,769
Hu Jijun	86,044,351	RMB ordinary share	86,044,351
Hong Kong Securities Clearing Company Limited	83,403,927	RMB ordinary share	83,403,927
Wang Aijun	72,452,774	RMB ordinary share	72,452,774
China Merchants Bank Co., Ltd. -- Xingquan Herun Mixed Securities Investment Fund	55,247,808	RMB ordinary share	55,247,808
Liang Yubo	54,474,218	RMB ordinary share	54,474,218
China Merchants Bank Co., Ltd. -- Xingquan Herun Flexible Allocation Mixed Securities Investment Fund (LOF)	31,621,940	RMB ordinary share	31,621,940
Yang Weiyong	30,646,962	RMB ordinary share	30,646,962
Agricultural Bank of China Limited – CSI 500 Exchange Traded Index Securities Investment Fund	27,984,821	RMB ordinary share	27,984,821
Information on the Repurchase Account Among the Top Ten Shareholders	The Company's repurchase account is not presented in the " Shares held by the top ten holders of non-restricted shares" section. As of the end of the Reporting Period, there were 28,808,500 of the Company's shares held in the repurchase account, accounting for 1.01% of the Company's total shares at present.		
Information of voting trust, voting trusteeship, and abstention of voting rights for the above shareholders	Among the above shareholders, Meng Qingshan, Hu Jijun, Wang Aijun, and Liang Yubo have no voting trust, voting trusteeship, and abstention of voting rights. The information of voting trust, voting trusteeship, and abstention of voting rights for other shareholders is not known.		
Information of relationships or acting in concert of the above shareholders	Among the above shareholders, Meng Qingshan and Wang Aijun are persons acting in concert.		
Information of preferred shareholders with restored voting rights and the number of shares held by them	None		

Notes:

1. As of the end of the reporting period, Wang Aijun held 57,452,774 shares through a regular securities account and 15,000,000 shares through a margin trading and securities lending (credit) account.

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

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

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

☐ Applicable √ Not applicable

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 or regions is obtained	No
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

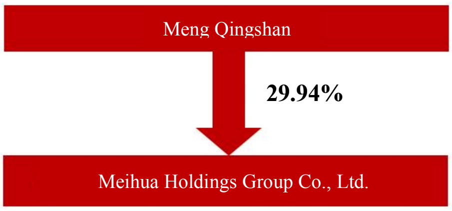
☐ Applicable √ Not applicable

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

Legal person

☐ Applicable √ Not applicable

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	None

listed company during the past 10 years	
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

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

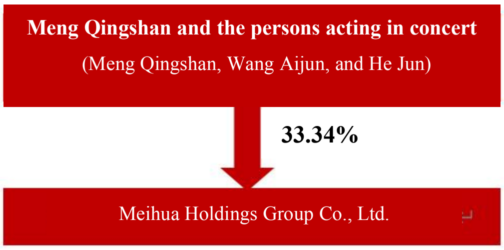
☐ Applicable √ Not applicable

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

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	April 10, 2023
Number of shares planned to repurchase and the proportion in the total shares (%)	2.74
Planned amount of repurchase	800 million yuan - 1 billion 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)	90,637,352
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	September 24, 2024
Number of shares planned to repurchase and the proportion in the total shares (%)	1.20
Planned amount of repurchase	**300 million** yuan **to 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)	34,189,100
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

Section 8 Information on Preferred Shares

☐ Applicable √ Not applicable

Section 9 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 10 Financial Report

I. Audit Report

✓Applicable □ Not Applicable

ZDZYSZ No. 2500014

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, 2024, 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 shareholders' equity, and related notes to the financial statements for the year 2024.

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, 2024, and the consolidated and parent Company's operating results and cash flows for the year 2024.

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,* we are independent of Meihua Bio 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.

We identified revenue recognition as a key audit matter that needed to be communicated in our audit report.

1. Matter Description

Meihua Bio is primarily engaged in the production of amino acid products, with operating revenue for the year 2024 amounting to RMB 25,069,288,294.62. For accounting policies related to revenue, please refer to Paragraph 34 Revenue of Sub-Section V of this Section, and for the carrying amount of operating revenue, please refer to Paragraph 61 Operating Revenue and Operating Costs of Sub-section VII of this Section. As revenue is one of the key performance indicators for Meihua Bio, there is inherent risk that the Company's management may manipulate revenue recognition to achieve specific targets or expectations. Therefore, we identified revenue recognition as a key audit matter.

2. Audit Response

Key audit procedures we've carried out for revenue recognition 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 audit work conducted, we believe that the management's judgment regarding revenue recognition is reasonable.

IV. Other Information

The management of Meihua Bio is responsible for other information. Other information includes the information included in the 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 of Meihua Bio 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 of Meihua Bio 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.

Zandar (Shenzhen) CPAs LLP (Special General Partnership)

Chinese Certified Public Accountant:
(Project Partner) Liu Qianqian

Shenzhen , China

Chinese Certified Public Accountant:
Li Qianqian

March 17, 2025

II. Financial Statements

Consolidated Balance Sheet

December 31, 2024

Prepared by: MeiHua Holdings Group Co., Ltd

Unit: Yuan Currency: RMB

Items	Notes	December 31, 2024	December 31, 2023
Current Assets:			
Monetary assets	Note 1	4,561,056,193.96	4,969,794,482.39
Deposit reservation for balance		-	-
Placements with banks and other financial institutions		-	-
Financial assets held for trading	Note 2	312,033,611.07	172,376,801.33
Derivative financial assets	Note 3		200,000.00
Notes receivable	Note 4	73,697,475.30	129,231,952.45
Accounts receivable	Note 5	587,909,538.21	641,127,885.22
Receivables Financing	Note 7	26,723,054.99	60,013,169.98
Prepaid accounts	Note 8	220,000,861.75	252,089,088.23
Premiums receivable		-	-
Reinsurance accounts receivable		-	-
Reinsurance contract reserves receivable		-	-
Other receivables	Note 9	49,292,999.56	51,384,535.97
Including: Interest receivable		1,575,000.00	1,575,000.00
Dividend receivable		1,395,866.49	
Financial assets purchased under agreements to resell			
Inventories	Note 10	2,722,279,908.07	2,922,518,782.97
Among them: Data resources			
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year	Note 12	182,257,027.81	19,356,000.00
Other current assets	Note 13	164,629,398.67	289,218,469.96
Total Current Assets		8,899,880,069.39	9,507,311,168.50
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	601,043.91	364,927.03
Long-term equity investments	Note 17	6,874,939.88	18,942,230.64
Investments in other equity instruments	Note 18	441,294,280.00	512,691,350.00
Other non-current financial assets		-	-
Investment properties		-	-
Fixed assets	Note 21	11,338,208,623.56	11,428,700,356.22
Construction in progress	Note 22	728,524,141.54	161,961,713.29
Productive biological assets		-	-
Oil and gas assets		-	-
Right-of-use assets	Note 25	8,145,892.35	9,633,644.09
Intangible assets	Note 26	1,356,812,266.82	1,075,943,303.26
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	122,538,549.51	104,076,824.93
Deferred income tax assets	Note 29	101,814,807.93	106,143,010.15
Other non-current assets	Note 30	782,574,484.98	209,122,415.35
Total Non-current Assets		14,909,677,942.27	13,649,868,686.75
Total Assets		23,809,558,011.66	23,157,179,855.25
Current Liabilities:			
Short-term borrowings	Note 32	1,734,832,631.06	1,543,869,058.69
Borrowings from central bank			

Borrowings from banks and other financial institutions			
Financial liabilities held for trading		-	-
Derivative financial liabilities	Note 34	297,500.00	250,000.00
Notes payable	Note 35	1,416,217,579.96	1,183,031,652.44
Accounts payable	Note 36	1,441,533,026.72	1,425,597,196.27
Advances from customers		-	-
Contract liabilities	Note 38	916,515,321.35	892,931,047.76
Financial assets sold for repurchase			
Deposits from customers and interbank			
Customer brokerage deposits			
Securities underwriting brokerage deposits			
Employee benefits payable	Note 39	310,133,688.99	322,959,640.35
Taxes payable	Note 40	280,212,685.60	256,472,526.55
Other payables	Note 41	448,115,137.98	249,853,910.40
Including: Interest payable		-	-
Dividends payable		409,445.58	405,000.00
Handling charges and commissions payable			
Dividend payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	Note 43	802,346,793.78	535,085,272.76
Other current liabilities	Note 44	88,785,123.74	118,688,728.75
Total Current Liabilities		7,438,989,489.18	6,528,739,033.97
Non-current Liabilities:			
Insurance contract reserves			
Long-term borrowings	Note 45	1,348,094,044.83	1,999,963,021.77
Bonds payable		-	-
Including: Preferred shares		-	-
Perpetual bonds		-	-
Lease liabilities	Note 47	1,985,140.84	2,590,305.92
Long-term payables	Note 48	10,500,000.00	10,500,000.00
Long-term employee benefits payable		-	-
Estimated liabilities	Note 50	32,438,161.92	45,888,616.17
Deferred income	Note 51	381,020,645.51	384,988,414.73
Deferred income tax liabilities	Note 29	21,585,228.45	21,495,649.02
Other non-current liabilities	Note 52	-	-
Total Non-current Liabilities		1,795,623,221.55	2,465,426,007.61
Total Liabilities		9,234,612,710.73	8,994,165,041.58
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)	Note 53	2,852,788,750.00	2,943,426,102.00
Other equity instruments		-	-
Including: Preferred shares		-	-
Perpetual bonds		-	-
Capital reserves	Note 55	263,154,867.05	1,032,707,760.40
Less: Treasury stock	Note 56	287,771,455.80	576,775,719.27
Other comprehensive income	Note 57	-55,004,961.46	5,687,647.50
Special reserves	Note 58	4,743,615.67	3,952,446.88
Surplus reserves	Note 59	1,426,394,375.00	1,326,294,444.30
General risk reserves		-	-
Undistributed profits	Note 60	10,370,640,110.47	9,427,722,131.86
Total Owners' Equity (or Shareholders' Equity) Attributable to the Parent Company		14,574,945,300.93	14,163,014,813.67
Minority stockholder's interest		-	-
Total Owners' Equity (or Shareholders' Equity)		14,574,945,300.93	14,163,014,813.67
Total Liabilities and Owners' Equity (or Shareholders' Equity)		23,809,558,011.66	23,157,179,855.25

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, 2024

Prepared by: MeiHua Holdings Group Co., Ltd

Unit: Yuan Currency: RMB

Items	Notes	December 31, 2024	December 31, 2023
Current Assets:			
Monetary assets		1,543,851,627.94	2,645,832,017.55
Financial assets held for trading		50,491,712.32	
Derivative financial assets		-	-
Notes receivable		73,047,475.30	129,231,952.45
Accounts receivable	Note 1	162,553,781.77	166,039,222.60
Receivables Financing		26,575,904.82	58,499,269.30
Prepaid accounts		475,357.88	5,204,039.16
Other receivables	Note 2	1,665,966,380.53	1,727,988,609.74
Including: Interest receivable		-	-
Dividend receivable		1,000,000,000.00	1,230,000,000.00
Inventories		65,050,433.21	99,282,226.40
Among them: Data resources			
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year		107,257,777.78	
Other current assets		64,765,249.83	20,849,368.61
Total Current Assets		3,760,035,701.38	4,852,926,705.81
Non-current Assets:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables		849,764,271.75	1,289,997,831.50
Long-term equity investments	Note 3	7,637,915,728.14	7,637,850,728.14
Investments in other equity instruments		157,000,000.00	157,000,000.00
Other non-current financial assets		-	-
Investment properties		-	-
Fixed assets		220,263,004.92	134,003,097.45
Construction in progress		1,158,006.34	32,442,084.70
Productive biological assets		-	-
Oil and gas assets		-	-
Right-of-use assets		5,683,180.01	9,633,644.09
Intangible assets		29,657,849.39	37,969,368.52
Among them: Data resources			
Development expenditure		-	-
Among them: Data resources			
Goodwill		-	-
Long-term prepaid expenses		7,442,964.64	8,469,060.83
Deferred income tax assets		24,003,415.50	38,096,333.83
Other non-current assets		477,168,855.60	131,863,080.38
Total Non-current Assets		9,410,057,276.29	9,477,325,229.44
Total Assets		13,170,092,977.67	14,330,251,935.25
Current Liabilities:			
Short-term borrowings		946,819,589.89	918,219,847.24
Financial liabilities held for trading		-	-
Derivative financial liabilities		-	-
Notes payable		1,801,200,152.53	1,015,696,430.02
Accounts payable		1,546,027,555.51	2,458,377,219.77
Advances from customers		-	-
Contract liabilities		686,582,514.27	604,109,374.58
Employee benefits payable		122,576,747.39	165,424,073.35
Taxes payable		17,341,488.83	72,309,045.89
Other payables		94,683,082.66	87,758,510.82
Including: Interest payable		-	-
Dividends payable		409,445.58	405,000.00
Liabilities held for sale		-	-
Non-current liabilities due within one year		468,965,560.37	226,685,272.76

Other current liabilities		147,284,751.55	198,067,506.25
Total Current Liabilities		5,831,481,443.00	5,746,647,280.68
Non-current Liabilities:			
Long-term borrowings		504,900,000.00	1,063,961,000.00
Bonds payable		-	-
Including: Preferred shares		-	-
Perpetual bonds		-	-
Lease liabilities		459,482.24	2,590,305.92
Long-term payables		-	-
Long-term employee benefits payable		-	-
Estimated liabilities		-	-
Deferred income		-	-
Deferred income tax liabilities		833,818.64	3,575,298.08
Other non-current liabilities		-	-
Total Non-current Liabilities		506,193,300.88	1,070,126,604.00
Total Liabilities		6,337,674,743.88	6,816,773,884.68
Owners' Equity (Shareholders' Equity):			
Paid-in capital (or stock)		2,852,788,750.00	2,943,426,102.00
Other equity instruments		-	-
Including: Preferred shares		-	-
Perpetual bonds		-	-
Capital reserves		229,404,999.46	998,957,892.81
Minus:Treasury stock		287,771,455.80	576,775,719.27
Other comprehensive income			
Special reserves		-	-
Surplus reserves		1,426,394,375.00	1,326,294,444.30
Undistributed profits		2,611,601,565.13	2,821,575,330.73
Total Owners' Equity (or Shareholders' Equity)		6,832,418,233.79	7,513,478,050.57
Total Liabilities and Owners' Equity (or Shareholders' Equity)		13,170,092,977.67	14,330,251,935.25

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

Consolidated Income Statement

January to December 2024

Unit: Yuan Currency: RMB

Items	Notes	2024	2023
I. Total Operating Revenue		25,069,288,294.62	27,760,612,259.07
Including: Operating revenue	Note 61	25,069,288,294.62	27,760,612,259.07
Interest revenue			
Earned premiums			
Handling charges and commission revenue			
II. Total Operating Costs		21,862,599,657.62	24,158,622,972.00
Including: Operating Costs	Note 61	20,036,698,814.74	22,297,122,025.25
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	235,462,799.84	242,593,736.35
Sales expenses	Note 63	386,866,509.47	413,512,921.96
Administrative expenses	Note 64	937,932,200.19	924,598,280.87
Research and development expenses	Note 65	382,903,265.05	314,222,682.89
Financing expenses	Note 66	-117,263,931.67	-33,426,675.32

Including: Interest expenses		80,472,368.46	115,220,289.90
Interest revenue		97,971,379.97	118,865,910.23
Plus: Other revenues	Note 67	242,640,414.38	248,461,028.47
Investment gains ("-" for loss)	Note 68	30,193,009.09	7,627,189.35
Including: Investment gains from associates and joint ventures		-3,018,027.22	1,845,935.98
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	14,826,169.53	-38,116,002.85
Credit impairment losses ("-" for loss)	Note 71	3,888,525.41	-5,225,785.54
Asset impairment losses ("-" for loss)	Note 72	-6,981,927.26	-5,415,349.06
Asset disposal gains ("-" for loss)	Note 73	29,968.32	4,073,026.92
III. Operating Profit ("-" for loss)		3,491,284,796.47	3,813,393,394.36
Plus: Non-operating revenue	Note 74	140,787,996.42	10,357,039.99
Minus: Non-operating expenses	Note 75	282,612,101.76	100,614,814.20
IV. Total Profit ("-" for total loss)		3,349,460,691.13	3,723,135,620.15
Minus: Income tax expenses	Note 76	609,033,475.57	542,185,924.67
V. Net Profit ("-" for net loss)		2,740,427,215.56	3,180,949,695.48
(I) Classified by Operating Continuity			
1. Net profit from continuing operations ("-" for net loss)		2,740,427,215.56	3,180,949,695.48
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)		2,740,427,215.56	3,180,949,695.48
2. Profit or loss attributable to minority shareholders ("-" for net loss)			
VI. Net After-tax Amount of Other Comprehensive Income		-60,692,608.96	-535,384,994.54
(I) Net After-tax Amount of Other Comprehensive Income Attributable to Owners of the Parent Company		-60,692,608.96	-535,384,994.54
1． Other comprehensive income not reclassified to profit or loss		-60,687,509.50	-529,805,827.49
(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		-60,687,509.50	-529,805,827.49
(4) Changes in fair value due to enterprise's own credit risks			
2 Other comprehensive income to be reclassified to profit or loss		-5,099.46	-5,579,167.05
(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		-5,099.46	
(7) Others			-5,579,167.05
(II) Net After-tax Amount of Other Comprehensive Income Attributable to Minority Shareholders			
VII. Total Comprehensive Income		2,679,734,606.60	2,645,564,700.94
(I) Total Comprehensive Income Attributable to Owners of the Parent Company		2,679,734,606.60	2,645,564,700.94
(II) Total Comprehensive Income Attributable to			

Minority Shareholders			
VIII. Earnings per Share:			
(I) Basic Earnings per Share (Yuan/share)		0.94	1.06
(II) Diluted Earnings per Share (Yuan/share)		0.94	1.06

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 2024

Unit: Yuan Currency: RMB

Items	Notes	2024	2023
I. Operating Revenue	Note 4	16,291,387,822.55	18,919,490,981.95
Minus: Operating costs	Note 4	15,714,980,693.14	18,389,994,122.42
Taxes and surcharges		25,336,810.64	24,154,909.06
Sales expenses		176,339,627.80	195,496,971.28
Administrative expenses		374,185,652.31	398,322,560.12
Research and development Expenses		-	-
Financing expenses		-15,825,243.09	-41,298,204.55
Including: Interest expenses		10,704,676.75	11,342,280.65
Interest revenue		29,784,524.35	57,734,925.08
Plus: Other revenues		125,717,916.13	162,071,891.14
Investment gains ("-" for loss)	Note 5	1,521,253,767.67	1,742,971,064.95
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)		3,570,120.85	5,465,622.36
Credit impairment losses ("-" for loss)		595,937.23	4,628,141.89
Asset impairment losses ("-" for loss)		-	-
Asset disposal gains ("-" for loss)		381,719.13	1,478,236.80
II. Operating Profit ("-" for loss)		1,667,889,742.76	1,869,435,580.76
Plus: Non-operating revenue		621,667.62	411,160.99
Minus: Non-operating expenses		4,614,545.40	3,761,852.18
III. Total Profit ("-" for total loss)		1,663,896,864.98	1,866,084,889.57
Minus: Income tax expenses		76,361,393.63	28,185,979.24
IV. Net Profit ("-" for total loss)		1,587,535,471.35	1,837,898,910.33
(I) Net profit from continuing operations ("-" for net loss)		1,587,535,471.35	1,837,898,910.33
(II) Net profit from discontinued operations ("-" for net loss)			
V. Net After-tax Amount of Other Comprehensive Income			-243,628.56
(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			-243,628.56
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			-243,628.56
VI. Total Comprehensive Income		1,587,535,471.35	1,837,655,281.77
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 2024

Unit: Yuan Currency: RMB

Items	Notes	2024	2023
I. Cash Flow from Operating Activities			
Cash received from sales of goods or rendering of services		27,266,900,172.11	29,091,346,599.25
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		590,412,944.20	598,220,147.30
Other cash received related to operating activities	Note 78	448,943,253.14	343,744,773.05
Subtotal cash inflows from operating activities		28,306,256,369.45	30,033,311,519.60
Cash paid for goods and services		20,140,823,405.60	21,211,308,539.84
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		1,968,598,894.60	1,780,261,966.43
Various taxes paid		859,863,649.52	1,131,976,118.37
Other cash paid related to operating activities	Note 78	710,255,629.26	680,827,810.08
Subtotal cash outflows from operating activities		23,679,541,578.98	24,804,374,434.72
Net cash flow from operating activities		4,626,714,790.47	5,228,937,084.88
II. Cash Flow from Investing Activities			
Cash received from recovery of investments		190,804,566.68	88,628,666.67
Cash received from investment income		51,309,310.71	31,215,210.80
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,487,009.20	4,600,429.92
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		245,600,886.59	124,444,307.39
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		2,004,423,105.69	1,333,258,499.81
Cash paid for investments		881,089,058.61	266,053,482.02
Net increase in pledge loans		-	-
Net cash paid for acquisition of subsidiaries and other business units		-	-
Other cash paid related to investing activities	Note 78	9,047,530.00	34,278,559.79
Subtotal cash outflows from investing activities		2,894,559,694.30	1,633,590,541.62
Net cash flow from investing activities		-2,648,958,807.71	-1,509,146,234.23
III. Cash Flow from Financing Activities			
Cash received from capital injections		-	-
Including: cash received from minority shareholders' investments of subsidiaries		-	-
Cash received from borrowings		6,297,183,657.37	4,065,122,989.15
Other cash received related to financing activities	Note 78	389,646,523.23	441,674,397.67
Subtotal cash inflows from financing activities		6,686,830,180.60	4,506,797,386.82
Cash paid for debt repayment		6,411,943,930.69	4,984,013,700.00
Cash paid for distribution of dividends, profits or interest repayment		1,789,239,618.91	1,325,273,487.51
Including: Dividends or profits paid to minority shareholders by subsidiaries		-	-
Other cash paid related to financing activities	Note 78	1,223,698,914.69	1,305,607,391.48
Subtotal cash outflows from financing activities		9,424,882,464.29	7,614,894,578.99
Net cash flow from financing activities		-2,738,052,283.69	-3,108,097,192.17
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		111,541,460.34	40,121,088.53
V. Net Increase in Cash and Cash Equivalents		-648,754,840.59	651,814,747.01
Plus: Beginning balance of cash and cash equivalents		4,780,614,442.73	4,128,799,695.72
VI. Ending Balance of Cash and Cash Equivalents		4,131,859,602.14	4,780,614,442.73

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 2024

Unit: Yuan Currency: RMB

Items	Notes	2024	2023
I. Cash Flow from Operating Activities:			
Cash received from sales of goods or rendering of services		17,686,938,141.73	20,090,046,833.31
Refunds of taxes received		36,593,937.03	63,342,809.62
Other cash received related to operating activities		216,045,756.78	964,120,633.59
Subtotal cash inflows from operating activities		**17,939,577,835.54**	21,117,510,276.52
Cash paid for goods and services		14,784,566,567.52	16,803,682,337.39
Cash paid to and on behalf of employees		419,301,417.00	334,818,484.66
Various taxes paid		159,164,187.36	168,669,190.85
Other cash paid related to operating activities		275,914,746.78	1,920,048,159.29
Subtotal cash outflows from operating activities		**15,638,946,918.66**	**19,227,218,172.19**
Net cash flow from operating activities		**2,300,630,916.88**	**1,890,292,104.33**
II. Cash Flow from Investing Activities:			
Cash received from recovery of investments		-	-
Cash received from investment income		1,741,708,681.75	1,415,342,664.72
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		732,576.80	38,347.42
Net cash received from disposal of subsidiaries and other business units		-	-
Other cash received related to investing activities		-	-
Subtotal cash inflows from investing activities		**1,742,441,258.55**	1,415,381,012.14
Cash paid for acquisition and construction of fixed assets, intangible assets, and other long-term assets		85,083,195.84	46,443,046.89
Cash paid for investments		543,499,005.03	498,644,666.66
Net cash paid for acquisition of subsidiaries and other		-	-

business units			
Other cash paid related to investing activities		-	-
Subtotal cash outflows from investing activities		**628,582,200.87**	545,087,713.55
Net cash flow from investing activities		**1,113,859,057.68**	870,293,298.59
III. Cash Flow from Financing Activities:			
Cash received from capital injections		-	-
Cash received from borrowings		1,159,457,970.00	1,395,000,000.00
Other cash received related to financing activities		2,521,477,694.21	4,313,903,940.13
Subtotal cash inflows from financing activities		**3,680,935,664.21**	5,708,903,940.13
Cash paid for debt repayment		3,650,035,500.00	2,771,354,500.00
Cash paid for distribution of dividends, profits or interest repayment		1,745,904,818.03	1,260,995,005.10
Other cash paid related to financing activities		3,075,876,525.63	3,493,971,399.61
Subtotal cash outflows from financing activities		**8,471,816,843.66**	7,526,320,904.71
Subtotal cash outflows from financing activities		**-4,790,881,179.45**	-1,817,416,964.58
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents		2,418,952.54	464,418.27
V. Net Increase in Cash and Cash Equivalents		-1,373,972,252.35	943,632,856.61
Plus: Beginning balance of cash and cash equivalents		2,489,308,668.36	1,545,675,811.75
VI. Ending Balance of Cash and Cash Equivalents		1,115,336,416.01	2,489,308,668.36

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 2024

Unit: Yuan Currency: RMB

Items	2024														
	Equity Attributable to Owners of the Parent Company													Equity of Minority Shareholders	Total Owners' Equity
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	General Risk Reserve	Undistributed Profits	Others	Subtotal		
		Preferred Shares	Perpetual Bonds	Others											
I. Balance at End of Last Year	2,943,426,102.00				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 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															
(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

Items	2023														
	Equity Attributable to Owners of the Parent Company													Equity of Minority Shareholders	Total Owners' Equity
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Genera; Risk Reserve	Undistributed Profits	Others	Subtotal		
		Preferred Shares	Perpetual Bonds	Others											
I. Balance at End of Last Year	3,042,465,447.00				1,929,260,092.43	747,013,074.21	541,072,642.04	2,060,395.42	1,142,504,553.27		7,605,640,318.80		13,515,990,374.75		13,515,990,374.75
Plus: Changes in accounting policies															
Correction of prior period errors															
Others															
II. Balance at Beginning of the Current Year	3,042,465,447.00				1,929,260,092.43	747,013,074.21	541,072,642.04	2,060,395.42	1,142,504,553.27		7,605,640,318.80		13,515,990,374.75		13,515,990,374.75
III. The Amount of Changes during the Current Period ("-" for decrease)	-99,039,345.00				-896,552,332.03	-170,237,354.94	-535,384,994.54	1,892,051.46	183,789,891.03		1,822,081,813.06		647,024,438.92		647,024,438.92
(I) Total Comprehensive Income							-535,384,994.54				3,180,949,695.48		2,645,564,700.94		2,645,564,700.94
(II) Owners' Contributions and Decrease of Capital	-99,039,345.00				-896,552,332.03	-170,237,354.94							-825,354,322.09		-825,354,322.09
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					3,933,692.75	-62,500,000.00							66,433,692.75		66,433,692.75
4. Others	-99,039,345.00				-900,486,024.78	-107,737,354.94							-891,788,014.84		-891,788,014.84
(III) Profit Distribution									183,789,891.03		-1,361,160,331.83		-1,177,370,440.80		-1,177,370,440.80
1. Withdrawal of surplus reserve									183,789,891.03		-183,789,891.03				
2. Withdrawal of General Risk Reserve															
3. Distribution to Owners (or Shareholders)											-1,177,370,440.80		-1,177,370,440.80		-1,177,370,440.80
4. Others															
(IV) Internal Transfer of Owners' Equity											2,292,449.41		2,292,449.41		2,292,449.41
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											2,292,449.41		2,292,449.41		2,292,449.41
6．Others															
(V) Special Reserves								1,892,051.46					1,892,051.46		1,892,051.46
1. Withdrawal during the Current Period								24,824,346.77					24,824,346.77		24,824,346.77
2．Usage during the Current Period								22,932,295.31					22,932,295.31		22,932,295.31
(VI) Others															
IV. Balance at End of the Current Period	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

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 2024

Unit: Yuan　Currency: RMB

Items	2024										
	Paid-in Capital (or stock)	Other Equity Instruments			Capital Reserve	Minus: Treasury Stock	Other Comprehensive Income	Special Reserve	Surplus Reserve	Undistributed Profits	Total Owners' Equity
		Preferred Shares	Perpetual Bonds	Others							
I. Balance at End of Last Year	2,943,426,102.00				998,957,892.81	576,775,719.27			1,326,294,444.30	2,821,575,330.73	7,513,478,050.57
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at Beginning of the Current Year	2,943,426,102.00				998,957,892.81	576,775,719.27			1,326,294,444.30	2,821,575,330.73	7,513,478,050.57
III. 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

Items	2023										
	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	3,042,465,447.00				1,895,510,224.84	747,013,074.21	243,628.56		1,142,504,553.27	2,344,836,752.23	7,678,547,531.69
Plus: Changes in accounting policies											
Correction of prior period errors											
Others											
II. Balance at Beginning of the Current Year	3,042,465,447.00				1,895,510,224.84	747,013,074.21	243,628.56		1,142,504,553.27	2,344,836,752.23	7,678,547,531.69
III. Amount of Changes during the Current Period ("-" for decrease)	-99,039,345.00				-896,552,332.03	-170,237,354.94	-243,628.56		183,789,891.03	476,738,578.50	-165,069,481.12
(I) Total Comprehensive Income							-243,628.56			1,837,898,910.33	1,837,655,281.77
(II) Owners' Contributions and Decrease of Capital	-99,039,345.00				-896,552,332.03	-170,237,354.94					-825,354,322.09
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					3,933,692.75	-62,500,000.00					66,433,692.75
4．Others	-99,039,345.00				-900,486,024.78	-107,737,354.94					-891,788,014.84
(III) Profit Distribution									183,789,891.03	-1,361,160,331.83	-1,177,370,440.80
1．Withdrawal of surplus reserve									183,789,891.03	-183,789,891.03	
2．Distribution to Owners (or Shareholders)										-1,177,370,440.80	-1,177,370,440.80
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	2,943,426,102.00				998,957,892.81	576,775,719.27			1,326,294,444.30	2,821,575,330.73	7,513,478,050.57

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

III. Basic Information of the Company

1. Overview of the Company

✓Applicable □ Not Applicable

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

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

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

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

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

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

On February 16, 2003, Shandong Wuzhou Investment Group Co., Ltd. and Weifang Bohai Industry Co., Ltd. respectively entered into agreements with the Tibet Autonomous Region State-owned Assets Management Company (whose shares were obtained through gratuitous transfer by the Tibet Autonomous Region State-owned Assets Management Bureau), whereby Shandong Wuzhou Investment Group Co., Ltd. acquired 27,102,445 shares of the Company's state-owned legal person shares from Tibet Autonomous Region State-owned Assets Management Company, representing 25.04% of the Company's total share capital, and became the Company's largest shareholder; Weifang Bohai Industry Co., Ltd. acquired 21,535,555 shares, accounting for 19.90% of the Company's total share capital. The aforementioned equity transfer was formally approved by the State-owned Assets Supervision and Administration Commission of the State Council through document "State-owned Assets Ownership Letter [2003] No. 25" on May 29, 2003. On August 11, 2003, the Company entered into the Asset Exchange Agreement with Shandong Wuzhou Investment Group Co., Ltd. and Shandong Wuzhou Electric Co., Ltd. and executed a significant asset exchange. Following the completion of this exchange, the total share capital remained unchanged.

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

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

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

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

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

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

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

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

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

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

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

After years of issuing bonus shares, allotting new shares, capitalizing retained earnings, and issuing additional shares, as of December 31, 2024, the company's total share capital amounts to 2,852,788,750 shares, with a total share capital of 2,852,788,750 yuan. The registered address is 158 Jinzhu West Road, Sunshine New City, Building 11, Room 5, Lhasa City. The actual controller is Meng Qingshan.

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

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

(III) Scope of Consolidated Financial Statements

The company currently consolidates 19 subsidiaries, as detailed in Note 7 and other entities' interests. The number of subsidiaries included in the consolidated financial statements has increased by 2 and decreased by 2 compared to the previous period. Detailed information about the changes in the consolidation scope is provided in Note 6, which outlines the changes in consolidation scope.

(IV) Approval for Issuance of Financial Statements

These financial statements were approved for issuance by the Company's Board of Directors on March 17, 2025.

IV. Preparation Basis for Financial Statements

1. Preparation Basis

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

The Company recognizes and measures the actual transactions and matters based on the *Accounting Standards for Business Enterprises—Basic Standards* issued by the Ministry of Finance, specific Accounting Standards for Business Enterprises, application guidelines for the Accounting Standards for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as "The Accounting Standards for Business Enterprises"), and prepares its financial statements in accordance with these standards, along with the provisions specified in the Rules for the Information Disclosure and Compilation by Companies Offering Securities to the Public No.24—General Provisions on Financial Reports (2023 revision).

2. Going Concern

✓Applicable □ Not Applicable

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

V. Significant Accounting Policies and Estimates

Specific accounting policies and estimates indicate:

□ Applicable ✓Not Applicable

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

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

2. Accounting Period

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

3. Operating Cycle

✓Applicable □ Not Applicable

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

4. Functional Currency

The company uses RMB as its functional currency for accounting.

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

5. Determination Method and Selection Basis for Materiality Standards

✓Applicable □ Not Applicable

Items	Materiality Standards
Accounts receivable with material individual provision for bad debts	The amount of individual provision for bad debts accounts for more than 10% of the total amount of various accounts receivable with provision for bad debts and exceeds RMB 20 million 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. If the terms, conditions, and economic impacts of various transactions involved in the staged

implementation of the enterprise merger meet one or more of the following criteria, treat the multiple transactions as a package deal for accounting treatment.

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

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

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

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

2. Enterprise merger under the same control

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

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

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

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

3. Enterprise merger not under the same control

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

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

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

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

4．Expenses related to the merger

Intermediary expenses such as audit, legal services, evaluation consultation, and other directly related expenses incurred for the enterprise merger are recognized in the profit and loss for the current period at the time of occurrence. Transaction costs for issuing equity securities for the enterprise merger can be directly attributed to equity transactions and deducted from equity.

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

✓Applicable □ Not Applicable

1．Determination criteria for controls

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

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

(1) The purpose of establishing the invested party.

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

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

relevant activities.

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

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

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

2. Consolidation Scope

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

3. Consolidation Procedures

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

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

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

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

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

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

(1) Addition of Subsidiaries or Businesses

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

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

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

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

(2) Disposal of Subsidiaries or Businesses

1) Regular disposal method

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

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

2) Phased disposal of subsidiaries

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

A. These transactions are concluded simultaneously or taking into account their mutual impacts;

B. These transactions collectively achieve a complete business outcome;

C. The occurrence of one transaction depends on the occurrence of at least one other transaction;

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

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

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

(3) Acquisition of minority equity in subsidiary

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

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

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

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

✓Applicable □ Not Applicable

1. Classification of joint arrangements

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

2. Accounting treatment method for joint operations

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

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

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

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

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

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

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

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

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

9. Determination Criteria for Cash and Cash Equivalents

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

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

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

✓Applicable □ Not Applicable

1. Foreign Currency Transactions

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

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

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

2. Translation of Foreign Currency Financial Statements

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

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

11. Financial Instruments

✓Applicable □ Not Applicable

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

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

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

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

4. Classification, Recognition, and Measurement of Financial Assets

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

(1) Financial assets measured at amortized cost.

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

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

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

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

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

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

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

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

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

2) For purchased or originated financial assets without credit impairment incurred but becoming credit impaired in subsequent periods, the Company calculates their interest income by applying their amortized cost and the effective interest rate. If the credit risk of the financial instruments improves in subsequent periods such that there is no longer any credit impairment, the Company calculates the interest income by multiplying the book balance of the financial assets by the effective interest rate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Classification, Recognition and Measurement of Financial Liabilities

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

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

Subsequent measurement of financial liabilities depends on their classification:

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

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

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

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

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

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

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

(2) Other financial liabilities

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

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

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

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

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

6.Derecognition of Financial Assets and Financial Liabilities

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

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

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

(2) Conditions for derecognition of financial liabilities

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

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

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

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

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

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

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

(3) If the Company neither transfers nor retains almost all risks and rewards related to the ownership of the financial assets (i.e., in situations other than those specified in (1) and (2) above), it

deals with the following situations separately based on whether it retains control of the financial assets:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.Impairment of Financial Instruments

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

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

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

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

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

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

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

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

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

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

(1) Significant increase in credit risk

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

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

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

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

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

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

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

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

(2) Financial assets with credit impairment

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

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

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

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

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

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

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

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

(3) Determination of expected credit losses

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

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

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

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

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

3) For financial guarantee contracts, credit losses represent the present value of the estimated payments that the Company would make to compensate the contract holder for the credit losses incurred minus the amounts expected to be received from the contract holder, the debtor, or any other party.

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

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

(4) Write-down of financial assets

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

10. Offsetting of Financial Assets and Financial Liabilities

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

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

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

12. Notes Receivable

✓Applicable □ Not Applicable

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

✓Applicable □ Not Applicable

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

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

Portfolio Name	Basis for Determining Portfolios	Provision Method
Bank Acceptance Bill 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.

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

✓Applicable □ Not Applicable

Refer to historical credit loss experience and take into consideration current conditions and forecasts of future economic conditions to prepare a table comparing the aging of accounts receivable with the expected credit loss rate over the entire duration (similar to accounts receivable) to calculate expected credit losses.

Criteria for Individual Provision for Bad Debts at the Individual Level

✓Applicable □ Not Applicable

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

13 Accounts Receivable

✓Applicable □ Not Applicable

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

✓Applicable □ Not Applicable

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

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

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

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

✓Applicable □ Not Applicable

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

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

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

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

✓Applicable □ Not Applicable

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

14. Receivables Financing

✓Applicable □ Not Applicable

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

✓Applicable □ Not Applicable

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

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

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

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

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

✓Applicable □ Not Applicable

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

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

✓Applicable □ Not Applicable

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

15. Other Receivables

✓Applicable □ Not Applicable

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

✓Applicable □ Not Applicable

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

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

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

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

✓Applicable □ Not Applicable

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

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

✓Applicable □ Not Applicable

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

16. Inventory

✓Applicable □ Not Applicable

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

✓Applicable □ Not Applicable

1. Classification of Inventory

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

2. Inventory Valuation Method upon Issuance

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

3. Inventory Counting System

The perpetual inventory system is used for inventory counting.

4. Amortization Method for Low-value Consumables and Packaging

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

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

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

Recognition Criteria and Provision Method for Inventory Write down

✓Applicable □ Not Applicable

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

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

Once the factors affecting the write-down of inventory value have disappeared, the amount of write-down should be restored and reversed within the originally provided inventory write-down amount, with the reversed amount recorded in the profit or loss for the current period.

Portfolio Categories and Determination Basis for the Provision for Inventory Write-Down on a Portfolio Basis and Determination Basis for Net Realizable Values of Different Categories of Inventories
□Applicable ✓Not Applicable

Calculation Method and Determination Basis for Net Realizable Values of Various Inventory Age Portfolios Based on Inventory Age
□Applicable ✓Not Applicable

17. Contract Assets
✓Applicable □ Not Applicable
Method and Criteria for Recognizing Contract Assets
✓Applicable □ Not Applicable

The Company has the right to receive consideration from customers for goods transferred to them and recognizes the rights depending on factors beyond the passage of time as contract assets. The Company separately presents the unconditional (i.e., solely dependent on the passage of time) right to receive consideration from customers as accounts receivable.

Portfolio Categories and Determination Basis for Provision for Bad Debts based on Credit Risk Characteristics
✓Applicable □ Not Applicable

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

Aging Calculation Method for Determining Portfolios of Credit Risk Characteristics Based on Aging Analysis
□Applicable ✓Not Applicable

Criteria for Identifying Individual Provisions for Bad Debts on an Individual-item Basis
□Applicable ✓Not Applicable

18. Non-current Asset or Disposal Portfolio Held for Sale
□Applicable ✓Not Applicable

Recognition Criteria and Accounting Treatment Method for Non-current Assets or Disposal Portfolios Held for Sale
✓Applicable □ Not Applicable

1. Recognition Criteria for Classification as Held for Sale

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

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

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

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

2．Accounting Treatment Method for Classification as Held for Sale

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

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

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

Recognition Criteria and Presentation Method for Business Termination

□Applicable ✓Not Applicable

19. Long-term Equity Investments

✓Applicable □ Not Applicable

1.Determination of Initial Investment Cost

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

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

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

For long-term equity investments acquired through the issuance of equity securities, the initial investment cost is the fair value of the equity securities issued. Transaction costs incurred in the issuance or acquisition of equity instruments can be directly attributed to equity transactions and deducted from equity.

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

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

2. Subsequent Measurement and Profit/Loss Recognition

(1) Cost Method

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

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

(2) Equity Method

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Conversion of Cost Method to Equity Method

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

(5) Conversion of Cost Method to Fair Value Measurement

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

4. Disposal of Long-term Equity Investments

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

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

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

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

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

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

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

(1) In individual financial statements, the difference between the book value and the actually received price for the disposed equity should be recorded in the profit or loss for the current period. If the remaining equity after disposal can exercise joint control or exert significant influence over the invested unit, it should be accounted for using the equity method, and should be adjusted as if it had been accounted for using the equity method from the acquisition date; if the remaining equity after disposal cannot exercise joint control or exert significant influence over the invested unit, it should be accounted for in accordance with the relevant provisions specified in the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, and the difference between the fair value and the book value on the day of losing control should be recorded in the profit or loss for the current period.

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

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

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

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

period when control is lost.

5. Judgement Criteria for Joint Control and Significant Influence

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

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

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

20. Investment Properties

Not Applicable

21. Fixed Assets

(1) Recognition Conditions

✓Applicable □ Not Applicable

1. Recognition Conditions for Fixed Assets

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

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

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

2. Initial Measurement of Fixed Assets

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

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

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

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

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

3. Subsequent Measurement and Disposal of Fixed Assets

(1) Depreciation of Fixed Assets

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

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

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

(2) Subsequent Expenditures on Fixed Assets

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

(3) Disposal of Fixed Assets

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

(2) Depreciation Method

✓Applicable □ Not Applicable

Category	Depreciation Method	Depreciation Period	Residual Value Rate (%)	Annual Depreciation Rate (%)
Housing and Structures	Straight-Line Method	Housing and Structures 20-40 years Architectures 10-20 years	5.00	2.375-9.50
Machinery and Equipment	Straight-Line Method	5-20 years	5.00	4.75-19.00

Transportation Tools	Straight-Line Method	5 years	5.00	19.00
Office and Other Equipment	Straight-Line Method	5 years	5.00	19.00

22. Construction in Progress

✓Applicable □ Not Applicable

1．Initial Measurement of Construction in Progress

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

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

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

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

23. Borrowing Costs

✓Applicable □ Not Applicable

1．Recognition Principle for Capitalization of Borrowing Costs

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

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

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

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

(2) Borrowing costs have been incurred;

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

2．Capitalization Period for Borrowing Costs

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

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

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

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

3．Suspension Period for Capitalization

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

4．Calculation Method for Capitalized Amount of Borrowing Costs

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

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

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

24. Biological Assets

□Applicable ✓Not Applicable

25. Oil and Gas Assets

□Applicable ✓Not Applicable

26. Intangible Assets

(1) useful life and Its Determination Basis, Estimation, Amortization Method, or Review Procedures

✓Applicable □ Not Applicable

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

1.Recognition Criteria for Intangible Assets

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

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

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

2.Initial Measurement of Intangible Assets

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

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

3.Subsequent Measurement of Intangible Assets

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

(1) Intangible Assets with Finite Useful Lives

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

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

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

(2) Intangible Assets with Indefinite Useful Lives

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

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

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

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

✓Applicable □ Not Applicable

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

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

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

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

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

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

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

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

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

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

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

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

27. Impairment of Long-term Assets

✓Applicable □ Not Applicable

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

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

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

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

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

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

28. Long-term Deferred Expenses

✓Applicable □ Not Applicable

1. Amortization Method

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

2. Amortization Period

Category	Amortization Period (Years)	Remarks
Site Lease Fees	20	Lease Term
Syndicated Arrangement Fees	7.5	Loan Term
Housing Subsidies	9	Service Period
Employee Rewards	5	Service Period
Production Materials	1.5-5	Usage Period
Leasehold Improvements	5	Usage Period

29. Contract Liabilities

✓Applicable □ Not Applicable

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

30. Employee Compensation

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

✓Applicable □ Not Applicable

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

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

✓Applicable □ Not Applicable

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

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

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

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

(3) Method for Accounting Treatment of Termination Benefits

✓Applicable □ Not Applicable

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

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

✓Applicable □ Not Applicable

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

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

31. Estimated Liabilities

✓Applicable □ Not Applicable

1．Recognition Criteria for Estimated Liabilities

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

2．Measurement Method for Estimated Liabilities

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

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

The best estimate is handled as follows:

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

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

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

32. Share-based Payment

✓Applicable □ Not Applicable

1．Types of Share-based Payment

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

2．Method for Determining Fair Value of Equity Instruments

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

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

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

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

4．Accounting Treatment Method

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

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

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

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

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

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

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

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

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

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

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

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

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

□Applicable ✓Not Applicable

34. Revenue

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

✓Applicable □ Not Applicable

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

1． General Principles of Revenue Recognition

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

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

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

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

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

2.Specific Methods for Revenue Recognition

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

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

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

3.Revenue Treatment Principles for Specific Transactions

(1) Contracts with Sales Return Provisions

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

(2) Contracts with Quality Assurance Provisions

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

(3) Contracts with Customer Options for Additional Purchases

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

(4) Principal vs. Agent

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

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

□Applicable ✓Not Applicable

35. Contract Costs

✓Applicable □ Not Applicable

1． Contract Performance Costs

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

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

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

(3) The cost is expected to be recoverable.

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

2． Contract Obtaining Costs

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

3． Amortization of Contract Costs

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

4． Impairment of Contract Costs

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

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

36. Government Grants

✓Applicable □ Not Applicable

1．Types

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

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

2．Recognition of Government Grants

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

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

3．Accounting Treatment Method

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

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

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

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

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

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

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

37. Deferred Income Tax Assets / Deferred Income Tax Liabilities

✓Applicable □ Not Applicable

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

1．Recognition Basis for Deferred Income Tax Assets

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

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

2．Recognition Basis for Deferred Income Tax Liabilities

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

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

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

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

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

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

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

38 Leasing

✓Applicable □ Not Applicable

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

✓Applicable □ Not Applicable

At the commencement of the lease term, the Company recognizes right-of-use assets and lease liabilities for leases other than short-term leases and leases of low-value assets subject to simplified disposal.

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

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

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

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

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

(I) Right-of-Use Assets

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

1. Initially measured amount of lease liabilities;

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

3. Initial direct costs incurred by the Company;

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

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

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

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

(II) Lease Liabilities

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

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

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

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

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

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

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

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

Classification Criteria and Accounting Treatment Method for Leases as Lessor

✓Applicable □ Not Applicable

(1) Classification of Leases

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

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

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

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

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

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

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

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

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

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

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

(2) Accounting Treatment of Financing Leases

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

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

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

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

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

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

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

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

(3) Accounting Treatment of Operating Leases

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

39. Other Significant Accounting Policies and Estimates
✓Applicable □ Not Applicable

(1) Repurchase of the Shares

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

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

(2) Work Safety Fees

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

40. Changes in Significant Accounting Policies and Estimates
(1) Changes in Significant Accounting Policies
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Content of and Reasons for Changes in Accounting Policies	Name of Materially Affected Statement Items	Affected Amount
The Company has adopted the Interpretation No. 17 of the Accounting Standards for Business Enterprises – Accounting Treatment of Sale and Leaseback Transactions, issued by the Ministry of Finance in 2023, effective from January 1, 2024.	(1)	
The Company has adopted the Provisional Regulations on Accounting Treatment Related to Enterprise Data Resources, issued by the Ministry of Finance on August 1, 2023, effective from January 1, 2024.	(2)	
The Company has adopted the Interpretation No. 18 of the Accounting Standards for Business Enterprises, issued by the Ministry of Finance on December 6, 2024, effective from the same date.	(3)	

Other Explanation

(1) Impact of the Implementation of Interpretation No. 17 of the Accounting Standards for Business Enterprises

On October 25, 2023, the Ministry of Finance issued the Interpretation No. 17 of the Accounting Standards for Business Enterprises (CK [2023] No. 21, hereinafter referred to as “Interpretation No. 17”), which has been implemented by the Company since January 1, 2024 (the “Effective Date”). The Company has applied Interpretation No. 17 from the Effective Date, and its implementation has had no material impact on the financial statements for the current reporting period.

1) Classification of Current and Non-current Liabilities

From the Effective Date, the Company has applied the provisions on the classification of current and non-current liabilities in Interpretation No. 17. The implementation of these provisions has had no material impact on the financial statements for the current reporting period.

2) Disclosures on Supplier Financing Arrangements

According to Interpretation No. 17, the Company is not required to disclose comparative period information. Additionally, the Company is not required to disclose the opening balances of “the amounts received by suppliers from financing providers included in financial liabilities” and the opening balances of “the maturity profile of financial liabilities and the maturity profile of comparable trade payables not included in supplier financing arrangements.”

3) Accounting Treatment of Sale and Leaseback Transactions

From the Effective Date, the Company has applied the provisions on the accounting treatment of sale and leaseback transactions in Interpretation No. 17. The implementation of these provisions has had no material impact on the financial statements for the current reporting period.

(2) Impact of the Implementation of the Provisional Regulations on Accounting Treatment Related to Enterprise Data Resources

The Company has implemented the Provisional Regulations on Accounting Treatment Related to Enterprise Data Resources (hereinafter referred to as the “Provisional Regulations”) since January 1, 2024. The implementation of the Provisional Regulations has had no material impact on the financial statements for the current reporting period.

(3) Impact of the Implementation of Interpretation No. 18 of the Accounting Standards for Business Enterprises

On December 6, 2024, the Ministry of Finance issued the Interpretation No. 18 of the Accounting Standards for Business Enterprises (CK [2024] No. 24, hereinafter referred to as “Interpretation No. 18”), which the Company has implemented from the same date. The implementation of Interpretation No. 18 has had no material impact on the financial statements for the current reporting period.

(2) Significant Changes in Accounting Estimates

□Applicable ✓Not Applicable

(3) Financial Statements Involving Adjustments to the First-Time Implementation of New Accounting Standards or Interpretations from 2024 Onward

□Applicable ✓Not Applicable

41 Others

□Applicable ✓Not Applicable

VI. Taxes

1. **Major Tax Types and Tax Rates**

Major Tax Types and Tax Rates

✓Applicable □ Not Applicable

Tax Type	Basis of Taxation	Tax Rate
Value-added Tax	Domestic Sales	13%、9%、0%
	Provision of Real Estate Leasing Services	9%
	Other Taxable Sales and Services	6%
	Simplified Tax Calculation Method	5% or 3%
Consumption Tax		
Business Tax		
Urban Maintenance and Construction Tax	Actually Paid Turnover Tax Amount	7%、5%
Corporate Income Tax	Taxable Income	15%、16.5%、20%、25%、0%、17%
Property Tax	The tax base is 70% of the original value of the property (or rental income).	1.2%、12%
Education Surcharge	Actually Paid Turnover Tax Amount	3%
Local Education Surcharge	Actually Paid Turnover Tax Amount	2%

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

✓Applicable □ Not Applicable

Taxpayer Name	Income Tax Rate (%)
The Company	15
Meihua Group International Trading (Hong Kong) Limited (hereinafter referred to as "Hong Kong Meihua")*	16.5
Langfang Meihua Seasoning Co., Ltd. (hereinafter referred to as "Langfang Seasoning")	25
Tongliao Meihua Seasoning Co., Ltd. (hereinafter referred to as "Tongliao Seasoning")	25
Langfang Meihua Bio-Technology Development Co., Ltd. (hereinafter referred to as "Langfang Development")	15
Langfang BAIAN Technology Co., Ltd. (hereinafter referred to as "Langfang BAIAN")	25
Meihua (Shanghai) Biotechnology Co., Ltd. (hereinafter referred to as "Shanghai R & D")	20
Lhasa Meihua Biological Investment Holding Co., Ltd. (hereinafter referred to as "Lhasa Meihua")	15
Tongliao Meihua Biotechnology Co., Ltd. (hereinafter referred to as "Tongliao Meihua")	15
Tongliao Jianlong Chemical Co., Ltd. (hereinafter referred to as “Tongliao Jianlong”)	25
Tongliao Tongde Starch Co., Ltd. (hereinafter referred to as "Tongde Starch")	20
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
Xinjiang Meihua Investment Co., Ltd. (hereinafter referred to as "Xinjiang Investment")	20
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 “Singapore Company”)	17

* 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. Income Tax Benefits

(1) The Company is registered in Lhasa City, Tibet Autonomous Region. According to the document People's Government of Tibet Autonomous Region ZZF [2014] No. 51 - Implementation Measures for Corporate Income Tax Policies in Tibet Autonomous Region, enterprises in the Tibet Autonomous Region are subject to a unified corporate income tax rate of 15% under the Strategy of the Western Development.

(2) Langfang R & D, a subsidiary of the Company, was certified as a high-tech enterprise by the Hebei High-tech Enterprise Certification and Management Working Group on November 22, 2022, with certificate No. GR202213002637. The certificate is valid from November 22, 2022, to November 22, 2025. Corporate income tax is levied at a rate of 15% for the fiscal year 2024.

(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 2024, 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, Tongde Starch, a subsidiary of the Company, is 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%. According to the Notice Issued by the Party Committee and People's Government of the Inner Mongolia Autonomous Region (NDF [2018] No. 23), the portion of local share of corporate income tax (i.e., 40%) is exempted, and as stipulated in the Notice on Adjusting the Implementation Period of Policies Related to the Document NDF [2018] No. 23 (NDBFD [2022] No. 3), the execution period of the tax preferential policies specified in Article 1, Clause 1 of this document (excluding stamp duty) is extended until December 31, 2025, effective from January 1, 2022.

(6) According to the Announcement No. 6 [2023] of the State Taxation Administration and the Ministry of Finance - Announcement of the Ministry of Finance on the Income Tax Preferential Policies for Small and

Micro Enterprises and Individual Industrial and Commercial Businesses, 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%.

(7) According to Article V of Document ZZF [2022] No. 11 - Notice of the People's Government of the Tibet Autonomous Region on Issuance of the Interim Measures for the Implementation of Corporate Income Tax Policies in the Tibet Autonomous Region, Lhasa Meihua, a subsidiary of the Company, is entitled to exemption from the local portion of corporate income tax and should pay corporate income tax at a rate of 15%, provided that it absorbs more than 70% of the permanent residents in Tibet and employs more than 15 individuals from January 1, 2022 to December 31, 2025.

3. Others

□Applicable ✓Not Applicable

VII. Notes to Consolidated Financial Statements

1. Monetary Funds

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Cash on Hand		
Bank Deposits	4,112,897,142.87	4,773,515,435.82
Other Monetary Funds	447,591,156.66	179,642,319.01
Unexpired Interest Receivable	567,894.43	16,636,727.56
Deposits with Financial Companies		
Total	4,561,056,193.96	4,969,794,482.39
Including: Total Amount Deposited Overseas	1,075,992,001.16	447,124,553.09

Other Explanations

1. Details of restricted monetary funds are as follows:

Items	Ending Balance	Beginning Balance
Bank Acceptance Draft Guarantee Deposit	428,515,211.93	170,164,905.10
Others	113,485.46	2,378,407.00
Total	428,628,697.39	172,543,312.10

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

2. Financial Assets Held for Trading

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reason and

			Basis for Designation
Financial Assets Measured at Fair Value with Changes in Fair Value Recorded in the Profit or Loss for the Current Period	312,033,611.07	172,376,801.33	/
Including:			
Others	312,033,611.07	172,376,801.33	/
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	312,033,611.07	172,376,801.33	/

Other Explanations:
✓Applicable □ Not Applicable

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

3. Derivative Financial Assets
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Derivative Financial Assets	--	200,000.00
Total	--	200,000.00

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	73,697,475.30	129,231,952.45
Commercial Acceptance Notes		
Total	73,697,475.30	129,231,952.45

As of December 31, 2024, the Company believes that the notes receivable held do not have significant credit risks and will not incur significant losses due to default by banks or other issuers.

(2) Notes receivable that have been pledged by the Company at the end of the period
□Applicable ✓Not Applicable

(3) Notes receivable that have been endorsed or discounted by the Company at the end of the period and are not due as of the balance sheet date
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount derecognized as at the end of	Amount not derecognized as at the end of

	the period	the period
Bank Acceptance Notes		72,997,010.50
Commercial Acceptance Notes		
Total		72,997,010.50

(4) Classified Disclosure by the Bad Debt Provision Method
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves on an Individual-item Basis:
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves on a Portfolio Basis:
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses
□Applicable ✓Not Applicable
Basis for Staging and Provision Ratios for Bad Debt Reserves
None
Explanation of Significant Changes in the Book Value of Notes Receivable with Changes in Loss Reserves during the Current Period:
□Applicable ✓Not Applicable
(5) Status of Bad Debt Reserves
□Applicable ✓Not Applicable
Including bad debts with significant amounts to be recovered or reversed during the period:
□Applicable ✓Not Applicable
Other Explanations:
None
(6) Notes Receivable Actually Written Off during the Current Period
□Applicable ✓Not Applicable
Including write-offs of significant notes receivable:
□Applicable ✓Not Applicable
Explanation of Write-offs of Notes Receivable:
□Applicable ✓Not Applicable
Other Explanations
□Applicable ✓Not Applicable

5. Accounts Receivable
(1) Disclosure by Aging
□Applicable ✓Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Value	Beginning Book Value
Within 1 year		
Including: Sub-items for within 1 year		
Within 1 year	617,940,479.57	674,710,891.63
Within 1 year Subtotal	617,940,479.57	674,710,891.63
1 to 2 years	962,314.02	169,486.86
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	618,902,793.59	674,880,378.49

(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:	618,902,793.59	100.00	30,993,255.38	5.01	587,909,538.21	674,880,378.49	100.00	33,752,493.27	5.00	641,127,885.22
Including:										
Including: Aging Analysis Portfolio	618,902,793.59	100.00	30,993,255.38	5.01	587,909,538.21	674,880,378.49	100.00	33,752,493.27	5.00	641,127,885.22
Total	618,902,793.59	/	30,993,255.38	/	587,909,538.21	674,880,378.49	/	33,752,493.27	/	641,127,885.22

Provisions for Bad Debt Reserves on an Individual-item:
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves on a Portfolio Basis:
✓Applicable □ Not Applicable

Items for Provision on a Portfolio Basic: **Aging Analysis Portfolio**

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Accounts Receivable	Bad Debt Reserves	Provision Ratio (%)
Within 1 year	617,940,479.57	30,897,023.98	5.00
1-2 years	962,314.02	96,231.40	10.00
Total	618,902,793.59	30,993,255.38	5.01

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	
Notes Receivable with Provisions for Bad Debt Reserves on an Individual-item Basis						
Notes Receivable with Provisions for Bad Debt Reserves on a Portfolio Basis	33,752,493.27		2,759,237.89			30,993,255.38
Including: Aging Analysis Portfolio	33,752,493.27		2,759,237.89			30,993,255.38
Total	33,752,493.27		2,759,237.89			30,993,255.38

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

Other Explanations:
None
(4) Accounts Receivable Actually Written Off during the Current Period
□Applicable ✓Not Applicable
Including write-off of significant accounts receivable:
□Applicable ✓Not Applicable
Explanation of Write-off of Accounts Receivable:
□Applicable ✓Not Applicable
(5) Overview of Accounts Receivable and Contract Assets Ranking Top Five in Ending Balances Aggregated by Debtors
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Entity Name	Ending Balances of Accounts Receivable	Ending Balances of Contract Assets	Ending Balances of Accounts Receivable and Contract Assets	Proportion in the Total Amount of Ending Balances of Accounts Receivable and Contract Assets (%)	Ending Balances of Bad Debt Reserves
First	139,397,161.67		139,397,161.67	22.52	6,969,858.08
Second	80,300,218.29		80,300,218.29	12.97	4,015,010.91
Third	75,171,118.74		75,171,118.74	12.15	3,758,555.94
Fourth	44,688,085.87		44,688,085.87	7.22	2,234,404.29
Fifth	34,996,686.63		34,996,686.63	5.65	1,749,834.33
Total	374,553,271.20		374,553,271.20	60.51	18,727,663.55

Other Explanations:
None
Other Explanations:
✓Applicable □ Not Applicable

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

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

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

6. Contract Assets

(1) Status of Contract Assets
□Applicable ✓Not Applicable
(2) Amount of and Reasons for Significant Changes in Book Value during the Reporting Period
□Applicable ✓Not Applicable
(3) Classified Disclosure by Bad Debt Provision Methods
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves on an Individual-item Basis:
□Applicable ✓Not Applicable
Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves on a Portfolio Basis:
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses
□Applicable ✓Not Applicable
Basis for Staging and Provision Ratios for Bad Debt Reserves
None
Explanation of significant changes in the book balance of contract assets with changes in loss reserves during the current period:

□Applicable ✓Not Applicable

(4) Status of Provisions for Bad Debt Reserves for Contract Assets during the Current Period
□Applicable ✓Not Applicable
Including bad debts with significant amounts to be recovered or reversed during the period:
□Applicable ✓Not Applicable
Other Explanations:
None

(5) Status of Contract Assets Actually Written Off during the Current Period
□Applicable ✓Not Applicable
Including write-off of significant contract assets
□Applicable ✓Not Applicable
Explanation of Write-off of Contract Assets:
□Applicable ✓Not Applicable
Other Explanations:
□Applicable ✓Not Applicable

7. Receivables Financing

(1) Classified Presentation of Receivables Financing
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Notes Receivable	26,575,904.82	59,999,269.30
Accounts Receivable	147,150.17	13,900.68
Total	26,723,054.99	60,013,169.98

(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	411,409,190.09	
Accounts Receivable Factoring		
Total	411,409,190.09	

(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	26,730,799.74	100.00	7,744.75	0.03	26,723,054.99	60,013,901.59	100.00	731.61	0.01	60,013,169.98

on a Portfolio Basis:										
Including:										
Notes Receivable	26,575,904.82	99.42	--	--	26,575,904.82	59,999,269.30	99.98	--	--	59,999,269.30
Accounts Receivable	154,894.92	0.58	7,744.75	5.00	147,150.17	14,632.29	0.02	731.61	5.00	13,900.68
Total	26,730,799.74	/	7,744.75	/	26,723,054.99	60,013,901.59	/	731.61	/	60,013,169.98

Provisions for Bad Debt Reserves on an Individual-item Basis:
□Applicable ✓Not Applicable
Explanation of Provisions for Bad Debt Reserves on an Individual-item Basis:
□Applicable ✓Not Applicable
Provisions for Bad Debt Reserves on a Portfolio Basis:
✓Applicable □ Not Applicable
Items for provisions on a portfolio basis: Accounts receivable

Unit: Yuan Currency: RMB

Name	Ending Balance		
	Receivables Financing	Bad Debt Reserves	Provision Rate (%)
Accounts Receivable	154,894.92	7,744.75	5
Total	154,894.92	7,744.75	5

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	731.61	7,013.14				7,744.75
Including: Notes Receivable						
Accounts Receivable	731.61	7,013.14				7,744.75
Total	731.61	7,013.14				7,744.75

Including bad debts with significant amounts to be recovered or reversed during the period:
□Applicable ✓Not Applicable
Other Explanations:
None
(6) Status of Receivables Financing Actually Written Off during the Current Period
□Applicable ✓Not Applicable
Including write-off of significant Receivables Financing
□Applicable ✓Not Applicable

Write-off Explanation:
□Applicable ✓Not Applicable

(7) Fluctuations in Receivables Financing and Changes in Fair Value during the Current Period:

✓Applicable □Not Applicable

Items	Beginning Balance		The change amount for this period		Ending Balance	
	Cost	Changes in Fair Value	Cost	Changes in Fair Value	Cost	Changes in Fair Value
Notes Receivable	59,999,269.30	--	(33,423,364.48)	--	26,575,904.82	--
Accounts Receivable	14,632.29	(731.61)	140,262.63	(7,013.14)	154,894.92	(7,744.75)
Total	60,013,901.59	(731.61)	(33,283,101.85)	(7,013.14)	26,730,799.74	(7,744.75)

(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	219,536,259.06	99.79	250,022,409.94	99.18
1 to 2 years			1,602,075.60	0.64
2 to 3 years			464,602.69	0.18
Over 3 years	464,602.69	0.21		
Total	220,000,861.75	100.00	252,089,088.23	100.00

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

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

(2) Overview of Prepayments Ranking Top Five in Ending Balances Aggregated by Prepayment Recipients
✓Applicable □ Not Applicable

Entity Name	Ending Balance	Proportion in Total Amount of Ending Balances of Prepayments (%)
First	27,718,671.33	12.60
Second	13,460,910.63	6.12
Third	12,980,094.14	5.90
Fourth	12,496,801.92	5.68
Fifth	7,827,077.07	3.56
Total	74,483,555.09	33.86

Other Explanations

The prepayments at the end of the period do not include amounts paid to shareholders holding 5% or more (inclusive) of the company's voting shares or other related party amounts. For details, please refer to Section 14, Related Parties and Related Party Transactions (6).

Other Explanations
□Applicable ✓Not Applicable

9. Other Receivables
Presentation of Items
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Receivable	1,575,000.00	1,575,000.00
Dividend Receivable	1,395,866.49	
Other Receivables	46,322,133.07	49,809,535.97
Total	49,292,999.56	51,384,535.97

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

(7) Dividends Receivable

✓Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item (or Investee)	Ending Balance	Beginning Balance
Tongliao Desheng Bio-techn Co., Ltd.	1,395,866.49	
Total	1,395,866.49	

(8) Significant Dividends Receivable with Aging Exceeding 1 Year

□Applicable ✓Not Applicable

(9) 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

(10) 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

(11) 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

(12) 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

(13) 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: Sub-items for within 1 year		
Within 1 year	46,467,795.88	48,970,416.54
Within 1 year Subtotal	46,467,795.88	48,970,416.54
1 to 2 years	1,275,731.61	2,723,530.38
2 to 3 years	1,174,814.63	4,912,130.92
Over 3 years		
3 to 4 years	4,789,260.47	450,262.05
4 to 5 years	246,853.74	1,521,820.00
Over 5 years	109,567,343.84	109,567,343.84
Total	163,521,800.17	168,145,503.73

(14) 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	27,900,225.75	28,178,262.18
Guarantee Deposit	1,516,947.79	8,655,846.10
Land and Real Estate Account Receivable	85,672,687.00	85,672,687.00
Export Tax Refunds Receivable	37,629,851.01	37,750,127.66
Others	10,802,088.62	7,888,580.79
Total	163,521,800.17	168,145,503.73

(15) 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, 2024	5,383,788.33		112,952,179.43	118,335,967.76
Balance as of January 1, 2024 for the Current Period				
-- Transferred to Stage Two				
-- Transferred to Stage Three				
-- Reversed to Stage Two				
-- Reversed to Stage One				

Provision for the Current Period				
Reversal for the Current Period	1,136,300.66			1,136,300.66
Write-Off for the Current Period				
Write-Off for the Current Period	--	--		
Other Changes	--	--	--	--
Balance as of December 31, 2024	4,247,487.67		112,952,179.43	117,199,667.10

Basis for Staging and Provision Ratios for Bad Debt Reserves
None
Explanation of Significant Changes in the Book Balance of Other Receivables with Changes in Loss Reserves during the Current Period:
□Applicable ✓Not Applicable
Basis for 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

(16) Status of Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Beginning Balance	Amount of Changes during the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Other Accounts Receivable based on Provisions for Bad Debt Reserves on an Individual-item Basis	112,952,179.43					112,952,179.43
Other Accounts Receivable based on Provisions for Bad Debt Reserves on a Portfolio Basis	5,383,788.33		1,136,300.66			4,247,487.67
Including: Aging Analysis Portfolio	5,383,788.33		1,136,300.66			4,247,487.67
Total	118,335,967.76		1,136,300.66			117,199,667.10

Including bad debts with significant amounts to be recovered or reversed during the period:
□Applicable ✓Not Applicable
Other Explanations:
None

(17) 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

(18) 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	52.39	Land and Real Estate Accounts Receivable	Over 5 years	85,672,687.00
Tongliao Taxation Bureau, State Taxation Administration	23,277,668.29	14.24	Export Tax Refunds	Within 1 year	1,163,883.41
Kezuo Zhongqi Jucang Grain Trading Co., Ltd.	22,805,887.09	13.95	External Unit Account Current	Over 5 years	22,805,887.09
Lhasa Economic and Technological Development Zone Taxation Bureau, State Taxation Administration	14,352,182.72	8.78	Export Tax Refunds	3–4 years	717,609.14
Zhang Wei	2,495,195.17	1.53	Receivables from Other Units	Within 1 year	2,495,195.17
Total	148,603,620.27	90.88	/	/	112,855,261.81

(19) Presented under Other Receivables due to Centralized Fund Management

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

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

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

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

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

10. Inventories

(1) Classification of Inventories

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Inventory Write Down/Contract	Book Value	Book Balance	Inventory Write down/Contract	Book Value

		Performance Cost Write Down			Fulfillment Cost Write Down	
Raw Materials	1,869,291,071.68	3,552,300.96	1,865,738,770.72	1,879,948,699.84	2,198,601.19	1,877,750,098.65
Work in Progress	364,041,057.73		364,041,057.73	374,808,516.13		374,808,516.13
Inventory Goods	299,770,551.12	2,895,552.03	296,874,999.09	316,474,272.81	4,249,605.97	312,224,666.84
Turnover Materials						
Consumable Biological Assets						
Contract Performance Cost						
Goods Issued	195,625,080.53		195,625,080.53	357,735,501.35		357,735,501.35
Total	2,728,727,761.06	6,447,852.99	2,722,279,908.07	2,928,966,990.13	6,448,207.16	2,922,518,782.97

(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				Ending Balance
		Provision	Others	Reversed or Written off	Others	
Raw Materials	2,198,601.19	1,719,410.41	--	336,478.64	29,232.00	3,552,300.96
Work in Progress						
Inventory Goods	4,249,605.97	3,539,160.41	--	4,893,214.35	--	2,895,552.03
Turnover Materials						
Consumable Biological Assets						
Goods Issued						
Total	6,448,207.16	5,258,570.82	--	5,229,692.99	29,232.00	6,447,852.99

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

√ Applicable □ Not Applicable

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

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

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

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

Provision for Inventory Write-down on a Portfolio Basis

□ Applicable √ Not Applicable

Provision Criteria for Inventory Write-down on a Portfolio Basis

□ Applicable √ Not Applicable

(4) Explanation of the Amortization Amount of Contract Performance Costs for the Current Period
□Applicable ✓Not Applicable

(5). Explanation of Amortization of Contract Performance Costs for the Current Period
□ Applicable √ Not Applicable
Other 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	182,257,027.81	
Long-Term Receivables Due within One Year		19,356,000.00
Total	182,257,027.81	19,356,000.00

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	82,698,855.12	163,892,520.02
Prepaid Taxes and Fees	4,981,517.30	20,862,439.54
Deferred Expenses	5,353,515.59	5,761,388.16
Large-denomination Certificate of Deposit	71,595,510.66	98,702,122.24
Total	164,629,398.67	289,218,469.96

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	10,500,000.00	--	10,500,000.00	10,500,000.00	--	10,500,000.00

Co., Ltd.						
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	601,043.91		601,043.91	364,927.03		364,927.03	
Including: Unrealized Financing Income	23,036.85		23,036.85	35,072.97		35,072.97	
Goods Sold on an Installment Basis							
Services Provided on an Installment Basis							
Equity Transfer Payment				19,356,000.00		19,356,000.00	
Less: Long-term Receivables Due within One year				19,356,000.00		19,356,000.00	
Total	601,043.91		601,043.91	364,927.03		364,927.03	/

(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 Period

□Applicable ✓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

As of the end of the reporting period, there were no long-term receivables that had been derecognized due to the transfer of financial assets.
As of the end of the reporting period, there were no assets or liabilities arising from transferred long-term receivables in which the Company retained continuing involvement.

17. Long-term Equity Investments

(1) Status of Long-term Equity Investments

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Invested Unit	Beginning Balance	Increase/Decrease during the Current Period								Ending Balance	Ending Balances of Impairment Reserves
		Increase Investment	Decrease Investment	Investment Profit or Loss Recognized under Equity Method	Adjustments to Other Comprehensive Income	Other Equity Changes	Declaration of Cash Dividend or Profits Distribution	Provisions for Impairment Reserves	Others		
I. Joint Ventures											
II. Associates											
Tongliao Desheng Bio-Tech Co., Ltd.	12,219,697.23			(2,948,890.86)			(2,395,866.49)			6,874,939.88	
Beitun Zefeng Agricultural Development Co., Ltd.	6,722,533.41		(5,000,000.00)	(1,156,495.67)			(566,037.74)			--	
Subtotal	18,942,230.64		(5,000,000.00)	(4,105,386.53)			(2,961,904.23)			6,874,939.88	
Total	18,942,230.64		(5,000,000.00)	(4,105,386.53)			(2,961,904.23)			6,874,939.88	

(2) Impairment Testing of Long-term Equity Investments

□Applicable ✓Not Applicable

Other Explanations:

None

18. Other Equity Instrument Investments

(1) Status of Other Equity Instrument Investments

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase/Decrease During the Current Period					Ending Balance	Dividend Income Recognized for the Current Period	Gains Cumulatively Recorded in Other Comprehensive Income	Losses Cumulatively Recorded in Other Comprehensive Income	Reasons for Designation as Measured at Fair Value with Changes Recorded in Other Comprehensive Income
		Increase Investment	Decrease Investment	Gains Recorded in Other Comprehensive Income for the Current Period	Losses Recorded in Other Comprehensive Income for the Current Period	Others					
Bank of Tibet Co., Ltd.	157,000,000.00						157,000,000.00	2,816,000.00			Planned for Long-term Holding
AIM Vaccine Co., Ltd.	355,691,350.00				71,397,070.00		441,294,280.00	2,816,000.00		54,999,862.00	Planned for Long-term Holding
Total	512,691,350.00				71,397,070.00		284,294,280.00			54,999,862.00	/

(2) Explanation of Cases Involving Derecognition During the Current Period

□Applicable ✓ Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

(1) After being deliberated and approved at the 11th meeting of the 9th Board of Directors, Langfang Seasoning signed an equity transfer agreement with Niu Napeng on December 28, 2020 to transfer all its shares in Langfang Development Zone Rongshang Rural Commercial Bank Co., Ltd. to Niu Napeng for RMB 4 million yuan, which has been received. Following the completion of the transfer agreement, the company repeatedly reminded Langfang Rongshang Rural Commercial Bank via telephone and email to promptly handle the relevant registration procedures for shareholder changes. As of December 31, 2024, according to a search conducted via Tianyancha, Langfang Seasoning remains a shareholder of Langfang Development Zone Rongshang Rural Commercial Bank Co., Ltd.

(2) After mutual consultation, the company agreed to Xinjiang Huier Agriculture Group Co., Ltd.'s repurchase of the 6 million shares of its own stock held by Xinjiang Meihua. The transfer of equity has been completed.

The business change registration is still in process.

□Applicable ✓ Not Applicable

19. Other Non-Current Financial Assets

□Applicable ✓Not Applicable
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	11,338,208,623.56	11,428,700,356.22
Clearance of Fixed Assets		
Total	11,338,208,623.56	11,428,700,356.22

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	7,573,462,549.36	17,032,146,393.13	67,447,812.82	253,901,244.72	24,926,958,000.03
2. Increased Amount for the Current Period	327,191,043.83	1,153,482,243.63	11,824,293.87	70,191,531.02	1,562,689,112.35
(1) Acquisition	892,719.85	19,570,377.91	5,992,701.01	13,267,177.29	39,722,976.06
(2) Transfer from Construction in Progress	310,610,808.02	920,757,011.93	1,991,150.44	38,684,461.20	1,272,043,431.59
(3) Increase from Enterprise Merger					
Others	15,687,515.96	213,154,853.79	3,840,442.42	18,239,892.53	250,922,704.70
3. Decreased Amount for the Current Period	285,476,276.35	460,892,995.33	16,038,624.07	70,993,569.44	833,401,465.19
(1) Disposal or	58,522,096.37	219,556,392.56	16,010,624.07	9,387,134.60	303,476,247.60

Scrapping					
Transfer to Construction in Progress	65,702,019.51	214,722,169.32		136,597.96	280,560,786.79
Other Decreases	161,252,160.47	26,614,433.45	28,000.00	61,469,836.88	249,364,430.80
4. Ending Balance	7,615,177,316.84	17,724,735,641.43	63,233,482.62	253,099,206.30	25,656,245,647.19
II. Accumulated Depreciation					
1. Beginning Balance	3,102,955,416.21	10,150,760,120.92	59,366,521.79	184,751,893.20	13,497,833,952.12
2. Increased Amount for the Current Period	353,186,259.61	1,025,935,157.41	4,870,315.21	25,230,640.26	1,409,222,372.49
(1) Provision	351,037,535.93	899,406,810.25	2,583,636.75	22,199,865.36	1,275,227,848.29
Other Increases	2,148,723.68	126,528,347.16	2,286,678.46	3,030,774.90	133,994,524.20
3. Decreased Amount for the Current Period	156,579,758.21	364,562,484.87	14,955,377.17	55,006,819.20	591,104,439.45
(1) Disposal or Scrapping	41,140,537.02	190,590,226.05	14,955,377.17	8,911,995.50	255,598,135.74
Transfer to Construction in Progress	32,582,011.55	170,994,684.46		47,328.27	203,624,024.28
Other Decreases	82,857,209.64	2,977,574.36		46,047,495.43	131,882,279.43
4. Ending Balance	3,299,561,917.61	10,812,132,793.46	49,281,459.83	154,975,714.26	14,315,951,885.16
III. Impairment Reserves					
1. Beginning Balance		57,483.08		366,208.61	423,691.69
2. Increased Amount for the Current Period	1,723,356.44				1,723,356.44
(1) Provision	1,723,356.44				1,723,356.44
3. Decreased Amount for the Current Period		57,483.08		4,426.58	61,909.66
(1) Disposal or Scrapping		57,483.08		4,426.58	61,909.66
4. Ending Balance	1,723,356.44			361,782.03	2,085,138.47
IV. Book Value					

1. Book Value at the End 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. Book Value at the Beginning of the Period	4,470,507,133.15	6,881,328,789.13	8,081,291.03	68,783,142.91	11,428,700,356.22

(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	148,696,601.68	In Process
Total	148,696,601.68	

5) Impairment Testing of Fixed Assets

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

The book value of fixed assets used for mortgage at the end of the period is RMB 393,081,094.85 yuan. Please refer to (1) in Section XVI - Commitments and Contingencies for details.

Clearance of Fixed Assets

□Applicable ✓Not Applicable

22. Construction in Progress

Presentation of Items

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Construction in Progress	714,122,720.14	154,737,172.81
Engineering Materials	14,401,421.40	7,224,540.48
Total	728,524,141.54	161,961,713.29

Other Explanations:

□Applicable ✓Not Applicable

1. 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	28,450,008.41		28,450,008.41	4,073,147.61		4,073,147.61
Tongliao Meihua East Area Technological Renovation Project	21,533,131.55		21,533,131.55	3,478,947.26		3,478,947.26
500,000-ton MSG Project in the West Zone of Tongliao	223,215,378.27		223,215,378.27			
Expansion Project of the Heating Station in the West Zone of Tongliao	88,996,489.23		88,996,489.23			
Technological Upgrade Project of Tongliao Meihua Fertilizer Facilities				25,042,391.04		25,042,391.04
Technological Upgrade Project of Tongliao Jianlong				149,400.00		149,400.00
Technological Upgrade Project of Xinjiang Meihua	2,207,646.03		2,207,646.03	77,285,449.22		77,285,449.22
Process Optimization Project for Xanthan Gum in Xinjiang	7,588,537.29		7,588,537.29			
18,000-ton Technological Upgrade Project for L-Isoleucine in Xinjiang	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	155,468,504.85		155,468,504.85			
Technological Upgrade Project of Jilin Meihua	14,817,339.85		14,817,339.85	12,265,752.98		12,265,752.98
Reconstruction Project of the Company	1,158,006.34		1,158,006.34	32,442,084.70		32,442,084.70
Total	714,122,720.14		714,122,720.14	154,737,172.81		154,737,172.81

(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		857,963,192.30	634,747,814.03	--	223,215,378.27	80.84	80.84	6,682,496.13	6,682,496.13	2.93	Self-funded
Project of the Heating Station in the West Zone of Tongliao	427,715,200		194,955,661.53	105,959,172.30	--	88,996,489.23	45.58	45.58	--	--	--	Self-funded
Phase V 600,000-ton Annual L-Lysine Project in Jilin	1,832,070,000		155,468,504.85	--	--	155,468,504.85	8.49	8.49	432,861.45	432,861.45	2.48	Self-funded
Process Optimization Project for Xanthan Gum in Xinjiang	167,380,700		158,312,967.20	150,724,429.91	--	7,588,537.29	94.58	94.58	--	--	/	Self-funded
18,000-ton Technological Upgrade Project for L-Isoleucine in Xinjiang	156,558,000		145,720,675.85	--	--	720,675.85	93.08	93.08	--	--		Self-funded
Total	3,645,071,500		1,512,421,001.73	891,431,416.24	--	989,585.49			7,115,357.58	7,115,357.58		

(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

(5) 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	14,401,421.40		14,401,421.40	7,224,540.48		7,224,540.48
Total	14,401,421.40		14,401,421.40	7,224,540.48		7,224,540.48

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	8,172,091.49	5,134,761.06	13,306,852.55
2. Increased Amount for the Current Period	2,686,595.35	977,360.58	3,663,955.93
Lease	2,686,595.35	977,360.58	3,663,955.93
3. Decreased Amount for the Current Period		3,590,867.26	3,590,867.26
Expiration of Lease		3,590,867.26	3,590,867.26

4. Ending Balance	10,858,686.84	2,521,254.38	13,379,941.22
II. Accumulated Depreciation			
1. Beginning Balance	1,799,424.99	1,873,783.47	3,673,208.46
2. Increased Amount for the Current Period	2,541,804.53	1,173,556.26	3,715,360.79
(1) Provision	2,541,804.53	1,173,556.26	3,715,360.79
3. Decreased Amount for the Current Period		2,154,520.38	2,154,520.38
(1) Disposal			
Expiration of Lease		2,154,520.38	2,154,520.38
4. Ending Balance	4,341,229.52	892,819.35	5,234,048.87
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	6,517,457.32	1,628,435.03	8,145,892.35
2. Book Value at the Beginning of the Period	6,372,666.50	3,260,977.59	9,633,644.09

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

□Applicable ✓Not Applicable

Other Explanations:

None

26. Intangible Assets

(1) Status of Intangible Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Land Use Right	Patent Right	Non-patent Technology	Software	License for Patent Usage	Total
I. Original Book Value						
Beginning Balance	1,391,158,942.26			33,194,145.96	130,247,342.94	1,554,600,431.16
Increased Amount for the Current Period	204,848,186.02			17,752,603.23	104,180,486.37	326,781,275.62
Acquisition	204,848,186.02			17,707,455.23	104,180,486.37	326,736,127.62
Internal Research and Development						
Increase from Enterprise Merger						
Others				45,148.00		45,148.00
Decreased Amount for the Current Period				718,749.64		718,749.64
Disposal				718,749.64		718,749.64
Ending Balance	1,596,007,128.28			50,227,999.55	234,427,829.31	1,880,662,957.14
II. Accumulated Amortization						

Beginning Balance	337,821,705.73			23,659,303.82	117,176,118.35	478,657,127.90
Increased Amount for the Current Period	29,436,507.16			2,072,771.36	14,283,262.81	45,792,541.33
(1) Provision	29,436,507.16			2,029,880.76	14,283,262.81	45,749,650.73
Others				42,890.60		42,890.60
Decreased Amount for the Current Period				598,978.91		598,978.91
Disposal				598,978.91		598,978.91
Ending Balance	367,258,212.89			25,133,096.27	131,459,381.16	523,850,690.32
III. Impairment Reserves						
Beginning Balance						
Increased Amount for the Current Period						
(1) Provision						
Decreased Amount for the Current Period						
Disposal						
Ending Balance						
IV. Book Value						
Book Value at the End of the Period	1,228,748,915.39			25,094,903.28	102,968,448.15	1,356,812,266.82
Book Value at the Beginning of the Period	1,053,337,236.53			9,534,842.14	13,071,224.59	1,075,943,303.26

The ratio of intangible assets generated from the internal research and development by the Company to the balance of intangible assets at the end of the current period is zero.

(2)Data Resources Recognized as Intangible Assets

□Applicable ✓Not Applicable

(3)Status of Land Use Rights without Property Ownership Certificates

✓Applicable □Not Applicable

Unit: Yuan Currency: RMB

Item	Book Value	Reason for Pending Title Certificate
Land Use Right	102,880.28	In process
Total	102,880.28	

(1)Impairment Testing of Intangible Assets

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □Not Applicable

The carrying amount of intangible assets pledged by the Company at the end of the reporting period was RMB 27,154,158.71 yuan. For details, please refer to Section 16 – Commitments and Contingencies (1).

27. Goodwill

(1) Original Book Value of Goodwill

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name of the Invested Unit or Matters Generating Goodwill	Beginning Balance	Increases during the Current Period	Decreases during the Current Period	Ending Balance
		Arising from	Disposal	

		Enterprise Merger		
Tongliao Jianlong	11,788,911.79			11,788,911.79
Total	11,788,911.79			11,788,911.79

(2) Goodwill Impairment Reserves
□Applicable ✓Not Applicable
(3) Relevant Information of Asset Portfolio or Asset Portfolios Where Goodwill Belongs to
□Applicable ✓Not Applicable
Changes in Asset Portfolio or Asset Portfolios
□Applicable ✓Not Applicable
Other Explanations
□Applicable ✓Not Applicable
(4) Specific Methods for Determining Recoverable Amount
Recoverable amount is determined as the net amount after deducting disposal costs from fair value
□Applicable ✓Not Applicable
Recoverable amount is determined based on the present value of expected future cash flows
□Applicable ✓Not Applicable
Reasons for differences between the foregoing information and the information used in impairment tests in previous years or external information
□Applicable ✓Not Applicable
Reasons for differences between the information used in impairment tests in previous years and the actual situation in the current year
□Applicable ✓Not Applicable
(5) Performance Commitments and Corresponding Goodwill Impairment
When the goodwill was formed, there are performance commitments and the reporting period or the preceding reporting period was within the performance commitment period.
□Applicable ✓Not Applicable
Other Explanations
□Applicable ✓Not Applicable

28. Long-term Deferred Expenses

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increased Amount for the Current Period	Amortized Amount for the Current Period	Other Decreased Amounts	Ending Balance
Site Lease Fees	28,863,906.03		1,525,371.69	15,019.63	27,323,514.71
Syndicated Arrangement Fees	3,668,333.24		3,668,333.24		
Housing Subsidies	48,052,894.99	15,950,000.00	7,359,014.54	2,790,000.00	53,853,880.45
Consumption of Production Materials	20,613,912.52	41,267,500.81	23,718,331.14		38,163,082.19
Staff Rewards	349,333.18	-	199,333.20		149,999.98
Leasehold Improvements	2,528,444.97	1,025,316.21	505,689.00		3,048,072.18
Total	104,076,824.93	58,242,817.02	36,976,072.81	2,805,019.63	122,538,549.51

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	131,809,560.13	19,904,849.89	132,085,052.28	19,832,554.29
Unrealized Profits from Internal Transactions	23,434,992.36	3,515,642.53	27,136,259.93	4,066,235.55
Deductible Losses	--	--	159,208,838.99	23,881,325.85
Government Grants	322,722,660.36	48,408,399.05	323,781,716.86	48,567,257.53
Fair Value Changes	83,836,954.75	14,488,666.67	20,033,198.67	5,008,299.67
Compensation	83,202,619.91	12,480,392.99	6,646,024.36	996,903.65
Difference in Depreciation Periods	17,744,949.45	2,661,742.42	20,717,695.58	3,107,654.34
Lease Liabilities	2,367,429.23	355,114.38	4,551,861.82	682,779.27
Total	665,119,166.19	101,814,807.93	694,160,648.49	106,143,010.15

Other Explanations:
None

(2) Unoffset Deferred Income Tax Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance		Beginning Balance	
	Taxable Temporary Differences	Deferred Income Tax Liabilities	Taxable Temporary Differences	Deferred Income Tax Liabilities
Increment in valuation of assets from enterprise merger not under the same control				
Changes in Fair Value of Other Debt Investments				
Changes in Fair Value of Other Equity Investments				
Fair Value Changes	2,096,301.37	314,445.21	6,691,350.00	1,003,702.51
Difference in Depreciation Periods	126,857,856.85	20,662,571.49	96,781,731.29	16,114,538.19
Unearned Interest	--	--	21,626,677.80	3,421,508.34
Right-of-Use Assets	4,054,744.98	608,211.75	6,372,666.50	955,899.98
Total	133,008,903.20	21,585,228.45	131,472,425.59	21,495,649.02

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

□Applicable ✓Not Applicable

(4) Details of Unrecognized Deferred Income TaxAssets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Deductible Temporary Differences		

Deductible Losses	31,196,481.29	36,343,282.47
Bad Debt Reserves	22,838,960.09	26,451,615.91
Fixed Asset Impairment Reserves	2,085,138.47	423,691.69
Total	56,120,579.85	63,218,590.07

Due to the uncertainty of whether sufficient taxable income will be available in the future, temporary deductible differences and deductible losses have not been recognized as deferred income tax assets.

(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
2024		7,582,942.83	
2025	3,116,726.22	3,216,597.75	
2026	8,553,866.71	8,553,866.71	
2027	3,629,579.19	12,148,954.97	
2028	4,697,563.09	4,840,920.21	
2029	11,198,746.08		
Total	31,196,481.29	36,343,282.47	/

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	166,908,283.83	--	166,908,283.83	22,595,082.00	--	22,595,082.00
Large-denomination Certificates of Deposit	797,923,228.96	--	797,923,228.96	186,527,333.35	--	186,527,333.35
Less: Non-current assets due within one year	182,257,027.81	--	182,257,027.81			

Total	782,574,484.98	--	782,574,484.98	209,122,415.35	--	209,122,415.35

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	428,628,697.39	428,628,697.39	Others	Refer to 1 in Section VII	172,543,312.10	172,543,312.10	Others	Refer to 1 in Section VII
Notes Receivable								
Inventories								
Including: Data Resources								
Fixed Assets	835,206,080.41	393,081,094.85	Mortgage	Refer to 2 in Section XVI	827,303,398.98	423,641,966.22	Mortgage	Refer to 2 in Section XVI
Intangible Assets	36,898,603.23	27,154,158.71	Mortgage	Refer to 2 in Section XVI				
Including: Data Resources								
Total	1,300,733,381.03	848,863,950.95	/	/	999,846,711.08	596,185,278.32	/	/

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	1,223,000,000.00
Credit Borrowings	290,000,000.00	100,000,000.00
Discounted Bills Not Yet Matured	499,371,350.50	220,391,544.80
Unmatured Interest Payable	461,280.56	477,513.89
Total	1,734,832,631.06	1,543,869,058.69

Explanations of Categories of Short-Term Borrowings:

(1) Details of Guaranteed Borrowings

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Business Department of Tibet Branch, Bank of China Limited	100,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/6/5-2025/6/5
Business Department of Tibet Branch, Bank of China Limited	200,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/2/23-2025/2/23

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Business Department of Tibet Branch, Bank of China Limited	150,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/9/26-2025/9/25
Business Department of Tibet Branch, Bank of China Limited	100,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/11/11-2025/11/11
Business Department of Tibet Branch, Bank of China Limited	100,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/11/26-2025/11/26
Liaotong Branch, China Construction Bank Corporation	80,000,000.00	The Company	Tongliao Meihua	2024/1/31-2025/1/31
Liaotong Branch, China Construction Bank Corporation	40,000,000.00	The Company	Tongliao Meihua	2024/3/25-2025/3/21
Liaotong Branch, China Construction Bank Corporation	60,000,000.00	The Company	Tongliao Meihua	2024/3/27-2025/3/21
Liaotong Branch, China Construction Bank Corporation	20,000,000.00	The Company	Tongliao Meihua	2024/3/29-2025/3/21
Baicheng Branch, Bank of China Limited	30,000,000.00	The Company	Jilin Meihua	2024/4/10-2025/4/10
Baicheng Branch, Bank of China Limited	40,000,000.00	The Company	Jilin Meihua	2024/4/15-2025/4/10
Baicheng Branch, Bank of China Limited	25,000,000.00	The Company	Jilin Meihua	2024/4/18-2025/4/10
Total	945,000,000.00			

(2) Details of Credit Borrowings

Lending Institution	Ending Balance	Term of Borrowing
Langfang Development Zone Sub-branch of China Construction Bank Corporation	150,000,000.00	2024/9/24-2025/6/5
Langfang Development Zone Sub-branch of China Construction Bank Corporation	70,000,000.00	2024/10/28-2025/5/12
Langfang Branch of China Merchants Bank Co., Ltd.	70,000,000.00	2024/10/25-2025/7/24
Total	290,000,000.00	

(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
Derivative Financial Liabilities	297,500.00	250,000.00
Total	297,500.00	250,000.00

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	1,416,217,579.96	1,183,031,652.44
Total	1,416,217,579.96	1,183,031,652.44

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	547,927,602.59	539,356,692.74
Provisional Estimation of Payments	315,606,671.86	301,070,630.19
Payments Payable	307,171,751.69	332,235,118.51
Other Payments	270,827,000.58	252,934,754.83
Total	1,441,533,026.72	1,425,597,196.27

(2) Significant Accounts Payable with an Aging Exceeding 1 Year or Overdue

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Reasons for Being Unpaid or Carried Forward
Hangzhou Fortune Gas Cryogenic Group Co., Ltd.	4,000,000.00	Not Yet Due for Settlement
Inner Mongolia Huomei Yicheng Energy Co., Ltd.	3,999,553.50	Unable to Contact Due to Bankruptcy
Jiangsu Yulong Construction Engineering Co., Ltd.	3,847,735.00	Not Yet Due for Settlement
Shenyang Turbine Machinery Co., Ltd.	3,612,000.00	Not Yet Due for Settlement
Xinjiang Huijia Real Estate Co., Ltd.	3,479,843.17	Not Yet Due for Settlement
Total	18,939,131.67	/

Other Explanations

✓Applicable □ Not Applicable

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

37. Advance Receipts

(1) Presentation of Advance Receipts

□Applicable ✓Not Applicable

(2) Significant Advance Receipts with an Aging Exceeding 1 Year

□Applicable ✓Not Applicable

(3) Amount of and Reason for Significant Changes in Book Value During the Reporting Period

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

38. Contract Liabilities

(1) Status of Contract Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Advance Payments for Goods	916,515,321.35	892,931,047.76
Total	916,515,321.35	892,931,047.76

(2) Significant Contract Liabilities with an Aging Exceeding 1 Year

□Applicable ✓Not Applicable

(3) Amount of and Reason for Significant Changes in Book Value During the Reporting Period

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

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

39. Employee Compensation Payable

(1) Presentation of Employee Compensation Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
I. Short-Term Compensation	322,959,640.35	1,747,912,437.14	1,760,988,013.62	309,884,063.87
II. Post-employment Benefits - Defined Contribution Plans	--	127,445,247.00	127,195,621.88	249,625.12
III. Termination Benefits				
IV. Other Benefits Due Within One Year				
Total	322,959,640.35	1,875,357,684.14	1,888,183,635.50	310,133,688.99

(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	319,919,662.68	1,624,930,394.59	1,640,016,092.92	304,833,964.35
II. Employee Welfare Expenses	--	5,475,068.71	5,475,068.71	--

III. Social Insurance Premiums	--	68,414,308.16	68,414,308.16	--
Including: Medical Insurance Premiums	--	61,802,700.88	61,802,700.88	--
Work Injury Insurance Premiums	--	6,611,607.28	6,611,607.28	--
Maternity Insurance Premiums				
IV. Housing Provident Fund	--	13,195,968.15	13,195,968.15	--
V. Union Funds and Employee Education Funds	3,039,977.67	22,736,697.53	20,726,575.68	5,050,099.52
VI. Short-Term Paid Absence	--	13,160,000.00	13,160,000.00	--
VII. Short-Term Profit-Sharing Plans				
Total	322,959,640.35	1,747,912,437.14	1,760,988,013.62	309,884,063.87

(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		123,136,376.70	122,901,269.04	235,107.66
2. Unemployment Insurance Premiums		4,308,870.30	4,294,352.84	14,517.46
1. Corporate Pension Contributions				
Total		127,445,247.00	127,195,621.88	249,625.12

Other Explanations:

□Applicable ✓Not Applicable

40. Taxes Payable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Value-added Tax	25,599,120.74	6,718,904.45
Consumption Tax		
Business Tax		
Corporate Income Tax	223,208,443.42	138,281,216.82
Personal Income Tax	4,141,936.00	85,396,272.23
City Maintenance and Construction Tax	2,727,290.52	2,418,469.57
Environmental Protection Tax	1,785,754.86	1,718,490.66
Education Surcharge	2,091,100.43	1,897,988.98
Water Resource Tax	13,923,721.05	12,528,820.00
Stamp Duty	6,261,699.28	7,022,025.42
Others	473,619.30	490,338.42
Total	280,212,685.60	256,472,526.55

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	409,445.58	405,000.00
Other Payables	447,705,692.40	249,448,910.40
Total	448,115,137.98	249,853,910.40

Other Explanations:

□Applicable ✓Not Applicable

(1) Interest Payable

Classified Presentation

□Applicable ✓Not Applicable

Significant Overdue Interest Payable:

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

(2) Dividends Payable

Classified Presentation

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

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

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

The unpaid dividends pertain to the Employee Stock Ownership Plan.

(3) Other Payables

Presentation of Other Payables by Nature of Payments

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Accrued Expenses	115,315,362.37	181,138,357.90
Guarantee Deposits	84,940,254.59	57,708,196.32
Expenses for Litigation Settlement	233,000,000.00	
Others	14,450,075.44	10,602,356.18
Total	447,705,692.40	249,448,910.40

Significant other payables with an aging exceeding 1 year or overdue

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Reasons for Being Unpaid or Carried Forward

Khorchin District Tax Bureau, Tongliao City, State Taxation Administration	10,685,008.72	Not Yet Due for Payment
Disabled Persons' Federation of the 6th Division, Xinjiang Production and Construction Corps	6,952,578.01	Not Yet Due for Payment
Xinjiang Hengyuan Water Co., Ltd.	4,114,643.33	Not Yet Due for Payment
Total	21,752,230.06	/

Other Explanations:
✓Applicable □ Not Applicable

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

42. Liabilities Held for Sale
□Applicable ✓Not Applicable

43. Non-Current Liabilities Due within 1 Year
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Long-term Borrowings Due Within 1 Year	746,288,000.00	531,634,500.00
Bonds Payable Due Within 1 Year		
Long-Term Payables Due Within 1 Year	52,520,701.81	
Lease Liabilities Due Within 1 Year	3,538,091.97	3,450,772.76
Total	802,346,793.78	535,085,272.76

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-tern Loan Interest Repayable Within One Year	1,384,991.74	2,210,728.07
Sales Tax to be Carried Forward	83,774,472.00	71,806,893.03
Notes Endorsed But Not Yet Derecognized	3,625,660.00	44,671,107.65
Total	88,785,123.74	118,688,728.75

Increase/Decrease in Short-Term Bonds Payable:
□Applicable ✓Not Applicable

Other Explanations:
□Applicable ✓Not Applicable

45. Long-Term Borrowings

(1) Classification of Long-Term Borrowings
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Pledged Borrowings		

Mortgaged Borrowings	300,000,000.00	300,000,000.00
Guaranteed Borrowings	1,303,592,044.83	2,181,597,521.77
Credit Borrowings	490,790,000.00	50,000,000.00
Less: Long-Term Borrowings Due Within One Year	746,288,000.00	531,634,500.00
Total	1,348,094,044.83	1,999,963,021.77

Explanation of Classification of Long-Term Borrowings:

Details of Credit Borrowings

Lending Institution	Ending Balance	Term of Borrowing
Songyuan Branch, Bank of Communications Co., Ltd.	29,500,000.00	2024/4/23-2027/4/23
Songyuan Branch, Bank of Communications Co., Ltd.	34,500,000.00	2024/6/20-2027/6/17
Songyuan Branch, Bank of Communications Co., Ltd.	47,490,000.00	2024/8/20-2027/8/20
Shengfang Sub-branch of Bazhou, Agricultural Bank of China Limited	169,500,000.00	2024/11/14-2027/11/12
Langfang Branch, Bank of Communications Co., Ltd.	39,900,000.00	2024/9/27-2027/9/24
Langfang Branch, Bank of Communications Co., Ltd.	59,900,000.00	2024/10/22-2027/10/21
Khorchin District Sub-branch of Tongliao, Agricultural Development Bank of China	50,000,000.00	2024/12/30-2026/12/27
Business Department of Baicheng Branch, China Construction Bank Corporation	60,000,000.00	2024/12/28-2027/12/28
Less: Long-Term Borrowings Due Within One Year	28,420,000.00	
Total	462,370,000.00	

(2) Details of Mortgaged Borrowings

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

(3) Details of Guaranteed Borrowings

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Business Department of Tibet Branch, Bank of China Limited	177,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2023/3/31-2026/3/31
Business Department of Tibet Branch, Bank of China Limited	37,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2023/4/23-2026/3/31
Business Department of Tibet Branch, Bank of China Limited	46,860,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2022/6/13-2025/6/13
Business Department of Tibet Branch, Bank of China Limited	29,000,000.00	Tongliao Meihua, Xinjiang Meihua	The Company	2024/6/11-2027/6/11
Langfang Branch, Hua Xia Bank Co. Ltd.	112,000,000.00	Tongliao Meihua	The Company	2022/11/17-2025/11/14
Songyuan Branch, Bank of Communications	29,000,000.00	The Company	Jilin Meihua	2023/9/22-

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Co., Ltd.				2025/9/22
Baicheng Branch, China Construction Bank Corporation	103,000,000.00	The Company	Jilin Meihua	2022/6/28-2025/6/27
Tongliao Branch, China Construction Bank Corporation	100,000,000.00	The Company	Tongliao Meihua	2023/5/22-2038/5/8
Tongliao Branch, China Construction Bank Corporation	19,300,000.00	The Company	Tongliao Meihua	2024/6/6-2038/5/8
Tongliao Branch, China Construction Bank Corporation	10,000,000.00	The Company	Tongliao Meihua	2024/6/13-2038/5/8
Tongliao Branch, China Construction Bank Corporation	6,000,000.00	The Company	Tongliao Meihua	2024/6/19-2038/5/8
Tongliao Branch, China Construction Bank Corporation	15,000,000.00	The Company	Tongliao Meihua	2024/6/26-2038/5/8
Tongliao Jianguo Road Sub-branch, China Construction Bank Corporation	50,000,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	60,000,000.00	The Company	Tongliao Meihua	2024/10/21-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	40,000,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Tongliao Jianguo Road Sub-branch, China Construction Bank Corporation	50,000,000.00	The Company	Tongliao Meihua	2024/10/24-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	40,000,000.00	The Company	Tongliao Meihua	2024/11/14-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	40,000,000.00	The Company	Tongliao Meihua	2024/11/18-2027/10/21
Business Department of Tongliao Branch, China Construction Bank Corporation	20,000,000.00	The Company	Tongliao Meihua	2024/11/20-2027/10/21
Huihai Sub-branch, Agricultural Bank of China Limited	14,819,832.28	Xinjiang Meihua	Tongliao Meihua	2024/12/5-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	4,538,021.20	Xinjiang Meihua	Tongliao Meihua	2024/12/12-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	3,978,347.92	Xinjiang Meihua	Tongliao Meihua	2024/12/19-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	2,095,843.43	Xinjiang Meihua	Tongliao Meihua	2024/12/25-2039/11/27
Huihai Sub-branch, Agricultural Bank of China Limited	46,000,000.00	Xinjiang Meihua	Tongliao Meihua	2024/2/6-2027/2/4
Huihai Sub-branch, Agricultural Bank of China Limited	100,000,000.00	Xinjiang Meihua	Tongliao Meihua	2023/8/28-2038/6/20
Wujiaqu Sub-branch, China Construction Bank Corporation	99,000,000.00	The Company	Xinjiang Meihua	2024/7/25-2027/7/25
Wujiaqu Sub-branch, China Construction Bank Corporation	49,000,000.00	The Company	Xinjiang Meihua	2024/8/21-2025/9/21

Lending Institution	Ending Balance	Guarantor	Guaranteed Party	Term of Borrowing
Less: Long-term Borrowings Due Within One Year	417,868,000.00			
Total	885,724,044.83			

Other Explanations:
□Applicable ✓Not Applicable

46. Bonds Payable

(1) Bonds Payable
□Applicable ✓Not Applicable

2) Specific Status of Bonds Payable: (Excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)
□Applicable ✓Not Applicable

(3) Explanation of Convertible Corporate Bonds
□Applicable ✓Not Applicable

Accounting Treatment of and Judgement Basis for Rights to Convert Shares
□Applicable ✓Not Applicable

(4) Explanation of Other Financial Instruments Classified as Financial Liabilities
Overview of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period
□Applicable ✓Not Applicable

Table of Changes in Financial Instruments such as Preferred Shares and Perpetual Bonds Outstanding at the End of the Period
□Applicable ✓Not Applicable

Explanation of the Basis for Classifying Other Financial Instruments as Financial Liabilities:
□Applicable ✓Not Applicable

Other Explanations:
□Applicable ✓Not Applicable

47. Lease Liabilities
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Within 1 year	3,782,304.67	3,787,177.91
1-2 years	1,068,434.90	2,713,869.77
2-3 years	844,354.16	
3-4 years	172,111.80	
4-5 years	28,862.29	
Less: Unrecognized Financing Costs	372,835.01	459,969.00
Less: Lease Liabilities Due Within One Year	3,538,091.97	3,450,772.76
Total	1,985,140.84	2,590,305.92

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	
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
Less: Long-term Payables Due Within One Year	--	--
Total	10,500,000.00	10,500,000.00

Other Explanations:

None

Special Payables

(2) Special Payables Presented by Nature of Payments

□Applicable ✓Not Applicable

49. Long-term Employee Compensation Payable

□Applicable ✓Not Applicable

50. Estimated Liabilities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance	Reasons for Formation
Guarantees Provided to External Parties			
Pending Litigation	32,438,161.92	45,888,616.17	Refer to 2 in Section XVI for details
Product Quality Assurance			
Restructuring Obligations			
Loss Contracts to be Executed			
Return Refunds Payable			
Others			
Total	32,438,161.92	45,888,616.17	/

Other Explanations: Including related significant assumptions for significant estimated liabilities.
Estimation Explanation: None

51 Deferred Revenue

Status of Deferred Revenue

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance	Reasons for Formation
Asset-related Government Grants	384,988,414.73	40,110,000.00	44,077,769.22	381,020,645.51	Refer to 2 in Section X

					for details
Total	384,988,414.73	40,110,000.00	44,077,769.22	381,020,645.51	/

Other Explanations:
✓Applicable □ Not Applicable

Refer to 2 in Section XI for details of government grants for the Company.

52 Other Non-current Liabilities
□Applicable ✓Not Applicable

53. Share Capital
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

	Beginning Balance	Increase/Decrease (+, -) in the Changes During the Current Period					Ending Balance
		New Shares Issued	Stock Dividend	Capital Reserves Conversion into Shares	Others	Subtotal	
Total Quantity of Shares	2,943,426,102.00				(90,637,352.00)	(90,637,352.00)	2,852,788,750.00

Other Explanations:

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

54. Other Equity Instruments

(1) Overview of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the period
□Applicable ✓Not Applicable

(2) Table of Changes in Financial Instruments such as Preferred Shares and Perpetual Bonds Outstanding at the End of the Period
□Applicable ✓Not Applicable

Explanation of increase/decrease in other equity instruments during the current period, reasons for such changes and basis for relevant accounting treatments:
□Applicable ✓Not Applicable

Other Explanations:
□Applicable ✓Not Applicable

55. Capital Reserves
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Capital Premiums (Share Premiums)	1,032,707,760.40	--	769,552,893.35	263,154,867.05
Other Capital Reserves				
Total	1,032,707,760.40	--	769,552,893.35	263,154,867.05

Other Explanations: Including explanation of increase/decrease in the current period and reasons for such changes:

The decrease in capital surplus during the reporting period was due to the cancellation of 90,637,352 shares held in the company's repurchase account, in accordance with the resolutions passed at the 13th meeting of the 10th Board of Directors on September 23, 2024, and the 2nd Extraordinary General Meeting of Shareholders in 2024 held on October 11, 2024. This cancellation resulted in a reduction of RMB 769,552,893.35 yuan in capital surplus.

Pursuant to the resolutions passed at the aforementioned board and shareholder meetings regarding the proposal to change the company's registered capital, the previously repurchased 90,637,352 shares were used for cancellation and to reduce the registered capital. Upon completion of the cancellation, the company's total share capital decreased from 2,943,426,102 shares to 2,852,788,750 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	576,775,719.27	571,185,981.88	860,190,245.35	287,771,455.80
Total	576,775,719.27	571,185,981.88	860,190,245.35	287,771,455.80

Other Explanations: Including explanation of increase/decrease in the current period and reasons for such changes:

1. Increase during the current period

(1) On April 8 and April 28, 2023, the Company convened the 3rd meeting of the 10th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders in 2023, respectively, at which the proposal on the repurchase of the Company's shares through centralized bidding was reviewed and approved. The total amount of this repurchase was not less than RMB 800 million and not more than RMB 1 billion. The repurchased shares were intended to be canceled to reduce the registered capital. As of April 28, 2024, the repurchase period had ended, and the Company completed the repurchase of 90,637,352 shares, with a total payment of RMB 860.03 million, including RMB 283.41 million paid in 2024.

(2) On September 23 and October 11, 2024, the Company convened the 13th meeting of the 10th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders in 2024, respectively, at which the proposal on the repurchase of the Company's shares through centralized bidding was reviewed and approved. The total amount of this repurchase was not less than RMB 300 million and not more than RMB 500 million. The repurchased shares were intended to be canceled to reduce the registered capital. As of December 31, 2024, the Company had repurchased 28.81 million shares, accounting for 1.01% of the total share capital (2,852,788,750 shares), with a total payment of RMB 287.77 million.

2. Decrease during the current period

On September 23 and October 11, 2024, the Company convened the 13th meeting of the 10th Board of Directors and the 2nd Extraordinary General Meeting of Shareholders in 2024, respectively, at which the proposal on the change of the Company's registered capital was reviewed and approved. Pursuant to the relevant resolutions, all repurchased shares were canceled, resulting in a reduction in the

Company's registered capital. A total of 90,637,352 repurchased shares were canceled. As of December 31, 2024, the Company had completed the related industrial and commercial registration procedures and obtained a new business license issued by the Market Supervision Administration of the Tibet Autonomous Region. The treasury shares were reduced by RMB 860,190,245.35, with a corresponding deduction of RMB 90,637,352.00 from share capital and RMB 769,552,893.35 from capital reserve.

57. Other Comprehensive Income

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Amounts Incurred during the Current Period						Ending Balance
		Amounts Incurred during the Current Period Before Income Tax	Less: Amount Recorded in Other Comprehensive Income in Previous Periods and Transferred to the Profit or Loss for the Current Period	Less: Amount Recorded in Other Comprehensive Income in Previous Periods and Transferred to Retained Earnings for the Current Period	Less: Income Tax Expenses	Attributable to the Parent Company After Tax	Attributable to the Minority Shareholders After Tax	
I. Other Comprehensive Income That Cannot Be Reclassified to Profit or Loss	5,687,647.50	(71,397,070.00)	--	--	(10,709,560.50)	(60,687,509.50)		(54,999,862.00)
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	5,687,647.50	(71,397,070.00)	--	--	(10,709,560.50)	(60,687,509.50)		(54,999,862.00)
Changes in Fair Value of Enterprises' Own Credit Risk								
II. Other Comprehensive Income to Be Reclassified to Profit or Loss	--	(5,099.46)	--	--	--	(5,099.46)		(5,099.46)
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)	--	--	--	(5,099.46)		(5,099.46)
Total Other Comprehensive Income	5,687,647.50	(71,402,169.46)	--	--	(10,709,560.50)	(60,692,608.96)		(55,004,961.46)

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	3,952,446.88	74,358,000.95	73,566,832.16	4,743,615.67
Total	3,952,446.88	74,358,000.95	73,566,832.16	4,743,615.67

Other explanations, including explanation of increase/decrease for the current period and reasons for such changes: None

59. Surplus Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Beginning Balance	Increase during the Current Period	Decrease during the Current Period	Ending Balance
Statutory Surplus Reserves	1,326,294,444.30	100,099,930.70	--	1,426,394,375.00
Discretionary Surplus Reserves				
Reserve Funds				
Enterprise Expand Funds				
Others				
Total	1,326,294,444.30	100,099,930.70	--	1,426,394,375.00

Explanations of surplus reserves, including including explanation of increase/decrease for the current period and reasons for such changes:

The increase in the statutory surplus reserve for the current period was made at 10% of the parent company's net profit, in accordance with applicable laws. In accordance with the Company Law, no further appropriation is required once the statutory surplus reserve has reached 50% or more of the company's registered capital.

60 Undistributed Profits

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	For the Current Period	For the Previous Period
Undistributed Profits at the End of the Previous Period Before Adjustment	9,427,722,131.86	7,605,640,318.80
Total Amount of Undistributed Profits at the Beginning of the Adjustment (Increase +, decrease－)		
Undistributed Profits at the Beginning of the Post-adjustment	9,427,722,131.86	7,605,640,318.80
Plus: Net Profit Attributable to the Owners of the Parent Company for the Current Period	2,740,427,215.56	3,180,949,695.48
Minus: Withdrawal of Statutory Surplus Reserves	100,099,930.70	183,789,891.03
Withdrawal of Discretionary Surplus Reserves		
Withdrawal of General Risk Reserves		
Ordinary Share Dividends Payable	1,697,409,306.25	1,177,370,440.80
Ordinary Share Dividends Transferred to Share Capital		

Retained Earnings from the Carry-forward of Other Comprehensive Income		2,292,449.41
Undistributed Profits at the End of the Period	10,370,640,110.47	9,427,722,131.86

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	24,877,721,922.05	19,908,725,831.86	27,438,511,615.65	22,032,213,101.88
Other Business	191,566,372.57	127,972,982.88	322,100,643.42	264,908,923.37
Total	25,069,288,294.62	20,036,698,814.74	27,760,612,259.07	22,297,122,025.25

(1) Decomposition Information of Operating Revenues and Operating Costs

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

(2) Explanation of Performance Obligations

□Applicable ✓Not Applicable

(3) Explanation of Allocation to Remaining Performance Obligations

□Applicable ✓Not Applicable

(4) Significant Changes in Contracts or Significant Adjustments to Transaction Prices

□Applicable ✓Not Applicable

Other Explanations:

1. Main Business(by product)

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Revenues	Costs	Revenues	Costs
Food Flavor and Texture	7,945,120,706.10	6,399,514,452.76	9,832,306,593.11	7,578,210,297.47

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
Optimization Products				
Animal Nutrition Amino Acids	14,623,714,419.16	11,749,902,019.51	14,539,372,320.25	12,763,217,281.69
Human Medical Amino Acids	476,308,595.90	353,986,358.20	562,658,107.07	409,339,493.72
Others	1,832,578,200.89	1,405,323,001.39	2,504,174,595.22	1,281,446,029.00
Total	24,877,721,922.05	19,908,725,831.86	27,438,511,615.65	22,032,213,101.88

2. Main Business (by region)

Region Name	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Operating Revenues	Operating Costs	Operating Revenues	Operating Costs
Domestic Sales	16,395,093,665.85	13,748,410,787.61	18,966,892,718.66	15,754,837,487.69
Export Sales	8,482,628,256.20	6,160,315,044.25	8,471,618,896.99	6,277,375,614.19
Total	24,877,721,922.05	19,908,725,831.86	27,438,511,615.65	22,032,213,101.88

3. Income from the Company's Top Five Customers

Company Name	Amount	Contribution to Total Operating Revenues (%)
First	660,165,103.89	2.63
Second	577,405,436.39	2.30
Third	571,680,621.71	2.28
Fourth	564,373,811.01	2.25
Fifth	529,047,276.10	2.11
Total	2,902,672,249.10	11.57

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	31,477,136.54	42,460,054.73
Education Surcharge	25,682,634.62	32,562,320.81
Resource Tax	53,821,708.55	44,956,471.41
Property Tax	51,354,671.36	49,652,143.48
Land Use Tax	35,595,194.65	34,578,742.33
Vehicle and Vessel Usage Tax	72,259.77	45,378.29
Stamp Duty	24,263,975.48	26,227,479.11
Environmental Protection Tax	7,500,221.62	6,556,377.55
Others	5,694,997.25	5,554,768.64
Total	235,462,799.84	242,593,736.35

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	170,579,059.79	221,950,304.39
Company Expenses	41,609,036.78	53,079,202.42
Promotion Expenses	30,030,007.98	24,025,191.89
Employee Expenses	89,596,281.53	65,874,971.73
Depreciation and Amortization	13,834,849.03	14,392,292.89
Warehousing Expenses	41,217,274.36	33,974,810.27
Equity Incentive Expenses	--	216,148.37
Total	386,866,509.47	413,512,921.96

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	201,618,166.80	211,813,309.05
Employee Expenses	650,833,422.51	585,717,181.90
Depreciation and Amortization	85,480,610.88	123,647,918.48
Equity Incentive Expenses		3,419,871.44
Total	937,932,200.19	924,598,280.87

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	54,114,060.23	43,670,604.00
Material Consumption	266,560,146.06	219,425,458.83
Depreciation Expenses	21,102,386.05	15,169,996.55
Other Expenses	41,126,672.71	35,885,166.14
Equity Incentive Expenses		71,457.37
Total	382,903,265.05	314,222,682.89

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	80,472,368.46	115,220,289.90
Less: Interest Income	97,971,379.97	118,865,910.23

Exchange Profits and Losses	(113,706,529.39)	(41,114,503.87)
Bank Charges and Other Expenses	13,941,609.23	11,333,448.88
Total	(117,263,931.67)	(33,426,675.32)

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	203,882,409.00	240,560,349.82
Refunds of Personal Income Tax Handling Fees	3,103,558.18	1,950,175.35
Additional Deduction of Value-added Tax	35,642,447.20	5,869,503.30
Value-added Tax Exemption for Retired Veterans	12,000.00	81,000.00
Total	242,640,414.38	248,461,028.47

Other Explanations:

Refer to (3) in Section XI for details of government subsidies for the Company

68. Investment Income

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Investment Income from Long-term Equity Investment Accounted for by the Equity Method	(3,018,027.22)	1,845,935.98
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	--	5,814,900.02
Dividend Income from Other Equity Instrument Investments during the Holding Period	2,816,000.00	2,816,000.00
Dividend Income from Debt Investments during the Holding Period	1,485,849.06	1,535,377.36
Dividend Income from other Debt Investments during the Holding Period	16,461,436.55	4,118,595.00
Investment Income from the Disposal of Financial Assets Held for Trading	13,854,020.93	(8,503,619.01)
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	141,277.76	
Debt Restructuring Gains		
Total	30,193,009.09	7,627,189.35

Other Explanations:

None

69. Gains from Net Exposure Hedging

□Applicable ✓Not Applicable

70. Gains from Changes in Fair Value

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Sources of Gains from Changes in Fair Value	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Financial Assets Held for Trading	14,826,169.53	(38,116,002.85)
Including: Gains from Changes in Fair Value Arising from Derivative Financial Instruments	1,184,930.00	(36,309,830.06)
Financial Liabilities Held for Trading		
Investment Properties Measured at Fair Value		
Total	14,826,169.53	(38,116,002.85)

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	3,888,525.41	(5,225,785.54)
Total	3,888,525.41	(5,225,785.54)

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	(5,258,570.82)	(5,317,795.33)
III. Impairment Losses on Long-term Equity Investments		
IV. Impairment Losses on Investment Properties		
V. Impairment Losses on Fixed Assets	(1,723,356.44)	(97,553.73)
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	(6,981,927.26)	(5,415,349.06)

Other Explanations:

None

73. Gains from Disposal of Assets

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Gains or Losses from Disposal of Fixed Assets	29,968.32	4,073,026.92
Total	29,968.32	4,073,026.92

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			
Including: Gains from Disposal of Fixed Assets			
Gains from Disposal of Intangible Assets			
Gains from Exchange of Non-monetary Assets			
Donation Receipts	--		--
Government Grants			
Revenue from Default Compensation	791,383.42	2,185,396.12	791,383.42
Revenue from Outstanding Unsolved Matters		191,568.73	
Insurance Claims	10,146,977.57	5,691,021.62	10,146,977.57
Income from Carbon Emission Rights	127,624,199.99		127,624,199.99
Others	2,225,435.44	2,289,053.52	2,225,435.44
Total	140,787,996.42	10,357,039.99	140,787,996.42

Other Explanations:

□Applicable ✓Not Applicable

75. Non-operating Expenditure

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount	Amount Incurred	Amounts Recorded in

	Incurred during the Current Period	during the Previous Period	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	3,500,000.00	6,614,300.00	3,500,000.00
Settlement Costs of Litigation	233,000,000.00		233,000,000.00
Expenditure for Outstanding Unsolved Matters		13,806.01	
Inventory Losses		13,806.01	
Losses from Destruction or Scrapping of Non-current Assets	34,405,586.69	42,988,929.16	34,405,586.69
Default Losses	1,583,575.13	329,691.76	1,583,575.13
Others	10,122,939.94	50,586,631.95	10,122,939.94
Total	282,612,101.76	100,614,814.20	282,612,101.76

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	593,906,133.42	494,001,746.26
Deferred Income Tax Expenses	15,127,342.15	48,184,178.41
Total	609,033,475.57	542,185,924.67

Due to the implementation of Interpretation No. 16, the amount incurred during the previous period has been adjusted. Refer to (40) in Section V for details.

(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	3,349,460,691.13
Income Tax Expenses Calculated at Statutory/Applicable Tax Rates	502,419,103.67
Impact of Different Tax Rates Applicable to Subsidiaries	6,093,774.47
Impact of Income Tax for the Previous Period Before Adjustment	3,293,007.68
Impact of Non-taxable Income	69,020,124.44
Impact of Non-deductible Costs, Expenses and Losses	37,442,680.99
Impact of Deductible Losses from Unrecognized Deferred Income Tax Assets for the Previous Periods Before Usage	465,072.17
Impact of Deductible Temporary Difference or Deductible Losses from Unrecognized Deferred Income Tax Assets for the Current Period	6,564,263.75

Impact of Additional Deduction of Research and Development Expenses	(16,264,551.60)
Income Tax Expenses	609,033,475.57

Other Explanations:

□Applicable ✓Not Applicable

None

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	114,039,182.47	102,290,433.65
Income from Government Grants	202,025,706.38	198,687,827.92
Others	132,878,364.29	42,766,511.48
Total	448,943,253.14	343,744,773.05

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	670,841,147.77	652,607,761.30
Temporary Borrowings	1,091,366.04	1,698,173.60
Other Expenditures	38,323,115.45	26,521,875.18
Total	710,255,629.26	680,827,810.08

Explanation of other paid cash related to operating activities: None

(2) Cash Related to Investment Activities

Significant received cash related to investment activities

□Applicable ✓Not Applicable

Significant paid cash related to investment activities

□Applicable ✓Not Applicable

Other received cash related to investment activities

□Applicable ✓Not Applicable

Other paid cash related to investment activities

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Gains from Exchange Settlement	9,047,530.00	34,278,559.79
Total	9,047,530.00	34,278,559.79

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	389,646,523.23	441,674,397.67
Total	389,646,523.23	441,674,397.67

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	647,996,830.06	409,416,747.79
Repurchased Shares	571,185,981.88	891,788,014.84
Principal and Lease Deposits for Lease Liabilities	4,516,102.75	4,402,628.85
Total	1,223,698,914.69	1,305,607,391.48

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	1,543,869,058.69	5,147,451,612.54	28,249,672.43	4,853,262,314.68	131,475,397.92	1,734,832,631.06
Long-term Borrowings	2,531,597,521.77	1,149,732,044.83	--	1,586,947,521.77	--	2,094,382,044.83
Lease Liabilities	6,041,078.68	--	4,128,474.03	4,014,942.61	631,377.29	5,523,232.81
Total	4,081,507,659.14	6,297,183,657.37	32,378,146.46	6,444,224,779.06	132,106,775.21	3,834,737,908.70

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	2,740,427,215.56	3,180,949,695.48
Plus: Asset Impairment Reserves	6,981,927.26	5,415,349.06

Credit Impairment Losses	(3,888,525.41)	5,225,785.54
Depreciation of Fixed Assets, Depletion of Oil and Gas Assets, and Depreciation of Productive Biological Assets	1,275,227,848.29	1,311,010,852.63
Amortization of Right-of-Use Assets	3,715,360.79	3,888,280.66
Amortization of Intangible Assets	45,749,650.73	37,303,367.68
Amortization of Long-term Deferred Expenses	36,976,072.81	26,321,001.29
Losses on Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets ("-" for gains)	(29,968.32)	(2,679,296.59)
Losses on Scrapping of Fixed Assets ("-" for gains)	34,405,586.69	43,033,940.23
Losses on Changes in Fair Value ("-" for gains)	(14,826,169.53)	38,116,002.85
Financial Expenses ("-" for gains)	(29,377,272.58)	75,739,035.49
Investment Losses ("-" for gains)	(30,193,009.09)	(7,627,189.35)
Decrease in Deferred Income Tax Assets ("-" for increase)	14,034,060.21	30,436,785.37
Increase in Deferred Income Tax Liabilities ("-" for decrease)	1,093,281.94	17,704,399.74
Decrease in Inventories ("-" for increase)	202,965,494.39	1,128,652,537.16
Decrease in Operating Receivables ("-" for increase)	306,096,165.23	(23,422,883.89)
Increase in Operating Payables ("-" for decrease)	37,357,071.50	(644,846,543.75)
Others	--	3,715,965.28
Net Cash Flow Arising from Operating Activities	4,626,714,790.47	5,228,937,084.88
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	4,131,859,602.14	4,780,614,442.73
Minus: Beginning Cash Balance	4,780,614,442.73	4,128,799,695.72
Plus: Ending Cash Equivalent Balance		
Minus: Beginning Cash Equivalent Balance		
Net Increase in Cash and Cash Equivalents	-648,754,840.59	651,814,747.01

(2) Net Cash Paid for Acquiring Subsidiaries for the Current Period

□Applicable ✓Not Applicable

(3) Net Cash Received for Disposing Subsidiaries for the Current Period

□Applicable ✓Not Applicable

(4) Composition of Cash and Cash Equivalents

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
I. Cash	4,131,859,602.14	4,780,614,442.73
Including: Cash on Hand		
Bank Deposits Available for Immediate Payment	4,112,890,088.86	4,771,137,028.82
Other Monetary Funds Available for Immediate Payment	18,969,513.28	9,477,413.91
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	4,131,859,602.14	4,780,614,442.73
Including: Cash and Cash Equivalents Restricted for Use by the Parent Company or Subsidiaries within the Group		

(5) Instances Where Usage is Restricted but Still Classified as Cash and Cash Equivalents

□Applicable ✓Not Applicable

(6) Monetary Funds Not Classified as Cash and Cash Equivalents

□Applicable ✓Not Applicable

Other Explanations:

□Applicable ✓Not Applicable

80. Notes to Items in the Statement of Changes in Owner's Equity

Explanation of Name of "Other" Items Adjusted Against the Ending Balance for the Previous Year, Adjusted Amount and Other Matters:

□Applicable ✓Not Applicable

81. Foreign Currency Monetary Items

(1) Foreign Currency Monetary Items

✓Applicable □ Not Applicable

Unit: Yuan

Items	Ending Foreign Currency Balance	Conversion Rate	Ending Balance Converted to Renminbi
Monetary Funds			416,355,390.89
Including: US Dollar	56,872,351.39	7.1884	408,821,210.75
Euro	979,928.83	7.5257	7,374,650.39
Hong Kong Dollar	687.31	0.9260	636.47
British Pound	34.20	9.0765	310.42
Singapore Dollar	29,800.00	5.3214	158,582.86
Accounts Receivable			443,699,062.82
Including: US Dollar	61,724,251.75	7.1884	443,698,611.28
Euro	60.00	7.5257	451.54
Hong Kong Dollar			
Other Receivables			579,449.23
Including: US Dollar	75,898.40	7.1884	545,588.06
Singapore Dollar	6,363.00	5.3214	33,861.17
Long-term Receivables			224,080.76
Including:			
Singapore Dollar	42,108.00	5.3214	224,080.76
Accounts Payable			11,804,717.28
Including: US Dollar	1,622,230.00	7.1884	11,661,238.13
Singapore Dollar	26,962.67	5.3214	143,479.15
Other Payables			121,252.42
Including: US Dollar	16,867.79	7.1884	121,252.42

Long-term Payables			52,520,701.81
Including: US Dollar	7,421,322.85	7.1884	52,520,701.81
Accrued Employee Compensation			58,537.30
Including:			
Singapore Dollar	11,000.00	5.3214	58,537.30
Lease Liabilities			1,525,658.60
Including:			
Singapore Dollar	286,694.05	5.3214	1,525,658.60
Current Portion of Non-current Liabilities			832,531.60
Including:			
Singapore Dollar	156,443.79	5.3214	832,531.60

Other Explanations:
None

(2) Explanation of overseas operating entities, including disclosure of their main overseas operating locations, functional currencies and selection basis for significant overseas operating entities as well as disclosure of reasons for changes in functional currencies

□Applicable ✓Not Applicable

82. Leases

(1) As Lessee

✓Applicable □ Not Applicable
Variable lease payments not included in the measurement of lease liabilities
□Applicable ✓Not Applicable
Lease expenses on short-term leases or leases of low-value assets with simplified treatment
✓Applicable □ Not Applicable
RMB 1,515,474.59 yuan

Items	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Interest of Lease Liabilities	407,425.12	648,864.51
Expenses on Short-term Leases	1,108,049.47	1,076,505.08

Sale-leaseback Transactions and Judgement Basis
□Applicable ✓Not Applicable

Total cash outflows related to leases: 4,516,102.75 (Unit: Yuan Currency: RMB)

(2) As Lessor

Operating leases as lessor
✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Revenue from Leases	Including: Revenue Related to Variable Lease Payments Not Recorded in Lease Receipts
Housing Structures	14,526,861.45	
Equipment	340,344.35	
Vehicles	195,796.46	
Total	15,063,002.26	

Financing leases as lessor
□Applicable ✓Not Applicable
Adjustment Table for Undiscounted Lease Receipts and Net Lease Investments
□Applicable ✓Not Applicable
Undiscounted Lease Receipts over the Next Five Years
□Applicable ✓Not Applicable

(3) Recognition of Profits and Losses from Financing Leases as Manufacturer or Dealer

□Applicable ✓Not Applicable
Other Explanations:
None

83. Data Resources

□Applicable ✓Not Applicable

84. Others

□Applicable ✓Not Applicable

VIII. Research and Development Expenses

(1) Presented by Expense Nature

□Applicable ✓Not Applicable

(2) Development Expenditures on Research and Development Projects Qualifying for Capitalization

□Applicable ✓Not Applicable
Significant Capitalized Research and Development Projects
□Applicable ✓Not Applicable
Development Expenditure Impairment Reserves
□Applicable ✓Not Applicable
Other Explanations
None

(3) Significant Outsourced Research Projects

□Applicable ✓Not Applicable

IX. Changes in Consolidation Scope

1. Enterprise Merger Not Under the Same Control

□Applicable ✓Not Applicable

2. Enterprise Merger Under the Same Control

□Applicable ✓Not Applicable

3. Reverse Acquisitions

□Applicable ✓Not Applicable

4. Disposal of Subsidiaries

Whether there are transactions or matters resulting in loss of control over subsidiaries during the current period
□Applicable ✓Not Applicable

Other Explanations:
✓Applicable □ Not Applicable

Name	Reason for Changes
Tongliao Tongde Starch Co., Ltd.	Disposal
Xinjiang Meihua Investment Co., Ltd.	Disposal

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
PLUM BIOTECHNOLOGY GROUP PTE.LTD.	New Establishment
Wujiaqu Jianlong Chemical Co., Ltd.	New Establishment

6. Others

□Applicable ✓Not Applicable

X. Equity in Other Entities

1. Equity in Subsidiaries

(1) Composition of Business Group

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Names of Subsidiaries	Main Operating Location	Registered Capital	Place of Registration	Business Nature	Stock Ownership Ratio (%)		Acquisition Method
					Direct	Indirect	
Tongliao Meihua	Tongliao	1,800,000,000	Tongliao	Manufacturing	100		Investment or Establishment
Xinjiang Meihua	Wujiaqu	2,500,000,000	Wujiaqu	Manufacturing	100		Investment or Establishment
Xinjiang Agriculture	Wujiaqu	260,000,000	Wujiaqu	Manufacturing		100	Merger Not Under the Same Control
Langfang R & D	Langfang	38,000,000	Tongliao	Technological Development	100		Investment or Establishment
Langfang Seasoning	Langfang	250,000,000	Tongliao	Manufacturing	100		Investment or Establishment
Hong Kong Meihua	Hong Kong	6,277,900	Hong Kong	Trading	100		Investment or Establishment
Lhasa Meihua	Lhasa	800,000,000	Lhasa	Investment	100		Investment or Establishment
Tongliao Jianlong	Tongliao	133,000,000	Tongliao	Manufacturing		100	Merger Not Under the Same Control
Tongde Starch	Tongliao	9,400,000	Tongliao	Manufacturing		100	Merger Not Under the Same Control
Tongliao Seasoning	Tongliao	5,000,000	Tongliao	Manufacturing		100	Investment or Establishment
Shanghai R & D	Shanghai	31,000,000	Shanghai	Technological Development		100	Investment or Establishment
Jilin Meihua	Baicheng	2,000,000,000	Baicheng	Manufacturing	100		Investment or Establishment
Xinjiang Investment	Urumqi	10,000,000	Urumqi	Trading		100	Investment or Establishment
Langfang BAIAN	Langfang	50,000,000	Langfang	Warehousing	100		Investment or Establishment
Hengqin Meihua	Hengqin	50,000,000	Zhuhai	Investment		100	Investment or Establishment
Hong Kong Holding	Hong Kong	5,000,000	Hong Kong	Investment		100	Investment or Establishment
Cayman	Cayman	1,800,000,000	Cayman	Investment	100		Investment or

Company							Establishment
Singapore Company	Singapore	10,000,000	Singapore	Trading		100	Investment or Establishment
Wujiaqu Jianlong	Wujiaqu	160,000,000	Wujiaqu	Manufacturing		100	Investment or Establishment

Explanation of the Difference between Ownership Ratio and Voting Rights Ratio in Subsidiaries:
None
Basis for Controlling Invested Units with Half or Less than Half of Voting Rights, and Not Controlling Invested Units with More than Half of Voting Rights:
None
Basis for Controlling Significant Structured Entities Included in the Consolidation Scope:
None
Basis for Determining Whether the Company is an Agent or Principal:
None
Other Explanations:

The above registered capital amounts are subscription-based. The registered capital of the Hong Kong holding company is HKD 50 million, that of the Cayman company is USD 5 million, and that of the Singapore company is SGD 10 million.

(2) Significant Non-Wholly-Owned Subsidiaries

□Applicable ✓Not Applicable

(3) Main Financial Information of Significant Non-Wholly-Owned Subsidiaries

□Applicable ✓Not Applicable

(4) Significant Restrictions on the Use of Business Group's Assets and Settlement of Business Group's Debts

□Applicable ✓Not Applicable

(5) Financial Support or Other Support Provided for Structured Entities Included in the Scope of Consolidated Financial Statements

□Applicable ✓Not Applicable
Other Explanations:
□Applicable ✓Not Applicable

2. Transactions where Owners' Equity Shares in Subsidiaries Change but Control is Maintained

□Applicable ✓Not Applicable

3. Equity in Joint Ventures or Associates

✓Applicable □ Not Applicable

(1) Significant Joint Ventures or Associates

✓Applicable □ Not Applicable

Names of Joint Ventures or Associates	Main Operating Location	Place of Registration	Business Nature	Stock Ownership Ratio (%)		Accounting Treatment Methods for Investment in
				Direct	Indirect	

						Joint Venture or Associates
Tongliao Desheng Bio-Tech Co., Ltd.	Tongliao	Tongliao	Manufacturing	49	--	Equity Method

Explanation of the Difference between Ownership Ratio and Voting Rights Ratio in Joint Ventures or Associates:

None

Basis for Holding Less than 20% Voting Rights but Having Significant Influence, or Holding 20% or More Voting Rights but Not Having Significant Influence:

None

(2) Main Financial Information of Significant Joint Ventures

□Applicable ✓Not Applicable

(3) Main Financial Information of Significant Associates

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

	Ending Balance/ Amount Incurred During the Current Period		Beginning Balance/ Amount Incurred During the Previous Period	
	Tongliao Desheng Bio-Tech Co., Ltd.	XX Company	Tongliao Desheng Bio-Tech Co., Ltd.	XX Company
Current Assets	27,738,137.26		35,266,317.68	
Non-Current Assets	18,485,239.24		16,902,235.23	
Total Assets	46,223,376.50		52,168,552.91	
Current Liabilities	26,873,303.27		25,595,120.54	
Non-Current Liabilities				
Total Liabilities	26,873,303.27		25,595,120.54	
Minority Shareholders' Equity				
Shareholders' Equity Attributable to the Parent Company	19,350,073.23		26,573,432.37	
Net Asset Share Calculated by Stock Ownership Ratio	9,481,535.88		13,020,981.86	
Adjustments				
--Goodwill				
--Unrealized Profits on Internal Transactions				
--Others				
Book Value of Equity Investments in Associates	6,874,939.88		12,219,697.23	
Fair Value of Equity Investments in Associates with Public Quotation				

Operating Revenues	101,724,233.18		84,281,037.60	
Net Profits	-4,255,571.27		437,493.17	
Net Profits from Discontinued Operations				
Other Comprehensive Income				
Total Comprehensive Income	-4,255,571.27		437,493.17	
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

Unit: Yuan Currency: RMB

	Ending Balance/ Amount Incurred During the Current Period	Beginning Balance/ Amount Incurred During the Previous Period
Joint Ventures:		
Aggregate Book Value of Investment		
Aggregate Amount Calculated Based on Ownership Ratios for the Following Items		
--Net Profits		
--Other Comprehensive Income		
--Total Comprehensive Income		
Associates:		
Aggregate Book Value of Investment		6,722,533.41
Aggregate Amount Calculated Based on Ownership Ratios for the Following Items		
--Net Profits		1,631,564.33
--Other Comprehensive Income		
--Total Comprehensive Income		1,631,564.33

Other Explanations:

None

(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	384,988,414.73	40,110,000.00		44,077,769.22		381,020,645.51	Asset-related
Total	384,988,414.73	40,110,000.00	--	44,077,769.22		381,020,645.51	/

3. Government Grants Recorded in the Profit or Loss for the Current Period

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Types	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Asset-related	44,077,769.22	44,910,976.90
Income-related	159,804,639.78	195,649,372.92
Total	203,882,409.00	240,560,349.82

Other Explanations:

Government Grants Recorded in the Profit or Loss for the Current Period

Grant Items	Accounting Subjects	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Asset/Income-related
Supporting Subsidies for Infrastructure	Other Income	1,260,236.72	1,260,236.72	Asset-related
Subsidy for Production Water Pipeline Construction Projects	Other Income	1,599,600.00	1,599,600.00	Asset-related
Subsidy for Boiler Desulfurization Technology Transformation Projects	Other Income	333,600.00	333,600.00	Asset-related
Subsidy for Electric Bag Composite Dust Removal Retrofit Project at Heating Stations	Other Income	159,600.00	159,600.00	Asset-related
Infrastructure Subsidy Funds	Other Income	48,876.00	48,876.00	Asset-related
Construction of a Green-Designed Industrialized Demonstration Line for Lysine Production with an Annual Capacity of 400,000 Tons	Other Income	652,708.40	500,490.93	Asset-related
Industrial Development Guidance Fund	Other Income	32,861,847.92	33,746,870.74	Asset-related
Industrial Development Guidance Fund	Other Income	2,830,160.76	2,831,076.03	Asset-related
Technology Transformation Projects	Other Income	3,913,107.44	3,996,537.00	Asset-related
Building Innovative Capacity - Biomass Portion	Other Income	418,031.98	434,089.48	Asset-related
Special Fund Incentives for Business Development	Other Income	122,831,585.00	160,738,138.85	Income-related
Special Fund for Foreign Trade Development	Other Income	3,062,666.37	3,282,987.40	Income-related
Subsidies for Stable Positions in Enterprises	Other Income	715,182.95	2,671,396.36	Income-related
Social Insurance Subsidies	Other Income	2,839,663.12	7,061,541.99	Income-related
2020 Baicheng Municipal-Level Agricultural Industrialization Consortium	Other Income	--	1,900,000.00	Income-related
Government Guidance Funds	Other Income	15,000,000.00	14,000,000.00	Income-related
International Logistics Project for 2021	Other Income	--	1,740,800.00	Income-related
One-time Subsidy for Expansion of Posts in Enterprises	Other Income	229,500.00	1,715,000.00	Income-related
One-time Subsidy for Retained Worker Training	Other Income	90,801.77	29,000.00	Income-related
Employment Training Subsidies	Other Income	2,527,589.68	1,068,570.01	Income-related
Special Subsidy for Air Quality Improvement	Other Income	5,000,000.00	--	Income-related
Special Fund for Science and Technology Development	Other Income	3,726,000.00	--	Income-related
Others	Other Income	3,781,650.89	1,441,938.31	Income-related
Total		203,882,409.00	240,560,349.82	

（III） Government Grants Offset Against the Book Value of Related Assets

Grant Items	Type	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Items of Offset Costs
Government Interest Subsidies	Asset-related	27,777.78	877,777.72	Construction in Progress
Total		27,777.78	877,777.72	

(IV) Government Grants Deducted from Costs and Expenses

Grant Items	Type	Amount Incurred during the Current Period	Amount Incurred during the Previous Period	Items of Offset Costs
Government Interest Subsidies	Income-related	2,083,288.82	--	Financial Expenses - Interest Expense
Total		2,083,288.82	--	

XII. Risks Related to Financial Instruments

1. Risks of Financial Instruments

✓Applicable □ Not Applicable

The Company's main financial instruments include monetary funds, equity investments, debt investments, borrowings, receivables, payables, etc. Various risks of financial instruments faced in daily activities mainly include credit risk, liquidity risk and market risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are as follows:

The Board of Directors is responsible for planning and establishing the Company's risk management framework, formulating the Company's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by it. These risk management policies provide specific provisions for specific risks, covering various aspects such as market risk, credit risk, and liquidity risk management. The Company regularly evaluates the market environment and changes in its operations to determine whether to update risk management policies and systems. The Company's risk management is conducted by the Risk Management Committee in accordance with policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates, and avoids relevant risks through close cooperation with other business departments of the Company. The Company's Internal Audit Department conducts regular audits of risk management controls and procedures, and reports the audit results to the Company's Audit Committee. The Company diversifies its investments and business portfolios appropriately to mitigate financial instrument risks and reduces risks concentrated in a single industry, specific regions, or specific counterparties by formulating corresponding risk management policies.

(I) Various Risks Arising from Financial Instruments

1. Credit Risk

Credit risk refers to the risk of financial loss incurred by the Company due to the counterparty's failure to fulfill its obligations under the contract. The management has formulated appropriate credit policies and maintains ongoing oversight of credit risk exposure.

The Company has adopted a policy to conduct transactions solely with counterparties with good credit standing. In addition, the Company evaluates the credit qualifications of customers based on factors such as their financial position, the likelihood of obtaining guarantees from third parties, credit records, and such as current market conditions. The Company continuously monitors the balance of notes receivable, accounts receivable, and recovery situations. For customers with poor credit records, the Company adopts measures such as written payment reminders, shortening credit periods, or canceling credit periods to ensure that it won't face significant credit losses. Furthermore, the Company reviews the recovery situation of financial assets on each balance sheet date to ensure that sufficient expected credit loss reserves are provided for relevant financial assets.

Other financial assets held by the Company include monetary funds, other receivables, debt investments, etc., and the credit risk of these financial assets stems from defaults by counterparties, with the maximum credit risk exposure being the book value of each financial asset in the balance sheet. Except for the financial guarantees made by the Company as disclosed in (1) in Note XIII, the Company doesn't provide any other guarantees that may expose it to credit risk.

The monetary funds held by the Company are mainly deposited with financial institutions such as state-owned holding banks and other large and medium-sized commercial banks. The management believes that these commercial banks exhibit high credibility and asset conditions, and there is no significant credit risk that may lead to any significant losses due to default by counterparties. The Company's policy is to control the amount of deposits in various well-known financial institutions based on the market reputation, operating scale, and financial background of these institutions to limit the amount of credit risk exposure to any single financial institution.

As part of the Company's credit risk asset management, the Company uses aging to assess impairment losses on accounts receivable and other receivables. The Company's accounts receivable and other receivables involve a significant number of customers and the aging information can reflect the payment ability and bad debt risk of these customers with respect to accounts receivable and other receivables. The Company calculates historical actual bad debt rates for different aging periods based on historical data and makes adjustments to obtain the expected loss rate, taking into account the forecasts of current and future economic conditions, such as national GDP growth rate, total investment in infrastructure, national monetary policy, and other forward-looking information. For long-term receivables, the Company comprehensively considers settlement periods, payment periods agreed in the contract, the financial position of debtors, and the economic situation of the industry in which the debtors are located, and makes adjustments to reasonably assess the expected credit losses based on the above forward-looking information.

As of December 31, 2024, the book balance of related assets and the status of expected credit impairment losses are as follows:

Items	Book Balance	Impairment Reserves
Notes Receivable	73,697,475.30	--
Accounts Receivable	618,902,793.59	30,993,255.38
Other Receivables	163,521,800.17	117,199,667.10
Debt Investments	10,500,000.00	--
Long-term Receivables (including those due within one year)	601,043.91	--
Total	867,223,112.97	148,192,922.48

As of December 31, 2024, the amount of financial guarantees provided by the Company to external parties amounted to RMB 1,196.732 million. Refer to (5) in Section XIV for details of the financial guarantee contracts. The Company's management assessed the overdue status of related borrowings under the guarantees, the financial position of the borrowers, and the economic situation of their respective industries and concluded that since the initial recognition of these financial guarantee contracts, there has been no significant increase in credit risk. Therefore, the Company measured its impairment reserves based on the amount equivalent to the expected credit losses within the next 12 months for the aforementioned financial guarantee contracts. During the reporting period, there were no changes in the Company's assessment methods and significant assumptions. According to the assessment by the Company's management, there were no significant expected impairment reserves for the related financial guarantees.

The Company's major customers have reliable and good reputations; therefore, the Company believes that these customers do not pose significant credit risks. Given the extensive range of customers, the Company does not face any significant credit concentration risks.

2. Liquidity Risk

Liquidity risk refers to the risk of funds shortage when the Company fulfills its obligations for settlement through cash delivery or other financial assets. Subsidiaries of the Company are responsible for their respective cash flow forecasts. The Company's Financial Management Department continuously monitors the short-term and long-term fund requirements of the Company based on the cash flow forecast results of each subsidiary at the Company level, to ensure the maintenance of adequate cash reserves. Additionally, it continuously monitors compliance with provisions specified in loan agreements, and obtains commitments from major financial institutions to provide sufficient standby funds to meet short-term and long-term fund requirements. Furthermore, the Company has entered into credit agreements with major banks involved in its main business to support itself in fulfilling obligations related to commercial notes. As of December 31, 2024, the Company has secured bank credit lines, totaling RMB 17.119 billion, from multiple banks in China, of which RMB 4.754 billion has been utilized.

3. Market Risk

(1) Exchange Risk

Although the Company's main operations are based in China, with transactions primarily settled in Renminbi, there still exists exchange risk associated with recognized foreign currency assets, liabilities, and future foreign currency transactions (where the US dollar is used as the primary valuation currency). The Company's Financial Management Department is responsible for monitoring the scale of the Company’s foreign currency transactions and foreign currency assets and liabilities to minimize the exposure to exchange risk. To this end, the Company may enter into forward foreign exchange contracts or currency swap contracts to avoid the exchange risk.

1) The forward foreign exchange contracts or currency swap contracts signed by the Company in this year are as follows:

The Company’s subsidiary, Meihua Hong Kong, signed a forward foreign exchange contract with Standard Chartered Bank (Hong Kong) Limited in the amount of USD 5 million.

The Company’s subsidiary, Meihua Hong Kong, also signed a forward foreign exchange contract with The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Hong Kong Branch) in the amount of USD 5 million.

2) As of December 31, 2024, the amounts of foreign currency financial assets and liabilities held by the Company converted into Renminbi are as follows:

(2) Interest Rate Risk

Items	Ending Balance					
	USD Items	Euro Items	HKD Items	GBP Items	SGD Items	Total
Foreign Currency Financial Assets:						
Monetary Funds	408,821,210.75	7,374,650.39	636.47	310.42	158,582.86	416,355,390.89
Accounts Receivable	443,698,611.28	451.54	--	--	--	443,699,062.82
Other Receivables	545,588.06	--	--	--	33,861.17	579,449.23
Long-term Receivables	--	--	--	--	224,080.76	224,080.76
Subtotal	853,065,410.09	7,375,101.93	636.47	310.42	416,524.79	860,857,983.70
Foreign Currency Financial Liabilities:						
Accounts Payable	11,661,238.13	--	--	--	143,479.15	11,804,717.28
Other Payables	121,252.42	--	--	--	--	121,252.42
Long-term Payables	52,520,701.81	--	--	--	--	52,520,701.81
Lease Liabilities					1,525,658.60	1,525,658.60
Current Portion of Non-current Liabilities					832,531.60	832,531.60
Subtotal	64,527,273.12	--	--	--	2,501,669.35	67,028,942.47

The Company's interest rate risk mainly arises from bank borrowings, etc. Financial liabilities with floating interest rate expose the Company to cash flow interest rate risk, while financial liabilities with fixed interest rate expose the Company to fair value interest rate risk. The Company determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market conditions at the time.

The Company’s Financial Management Department continuously monitors the Company’s interest rate levels. A rise in interest rates would increase the cost of newly added interest-bearing debts and interest expenditures on outstanding interest-bearing debts with floating rates, and pose significant adverse effects on the Company's financial performance. The management will make timely adjustments based on the latest market conditions and these adjustments may include interest rate swap arrangements to mitigate interest rate risk.

(1) The Company’s interest rate swap arrangements for this year are as follows:

The Company had no interest rate swap arrangements for this year.

(2) As of December 31, 2024, the Company's long-term interest-bearing debts were mainly floating-rate contracts denominated in Renminbi, with a total amount of RMB 1,348,094,044.83 yuan, as detailed in (45) in Section VII.

(3) Price Risk

Price risk refers to the risk of fluctuations caused by market price changes other than exchange rate risk and interest rate risk, mainly arising from changes in commodity prices, stock market indices, equity instrument prices, and other risk variables.

2. Hedging

(1) The Company conduct hedging transactions for risk management

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

(2) The Company conducts eligible hedging transactions and applies hedging accounting

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

(3) The Company conducts eligible hedging transactions for risk management and expects to achieve risk management objectives but does not apply hedging accounting

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

3. Transfer of Financial Assets

(1) Classification of Transfer Methods

□Applicable ✓Not Applicable

(2) Financial Assets Derecognized Due to Transfer

□Applicable ✓Not Applicable

(3) Financial Assets Continuously Involved in Transfer

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

XIII. Disclosure of Fair Value

1. Ending Fair Value of Assets and Liabilities Measured at Fair Value

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Fair Value			
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Continuous Fair Value Measurement				
(I) Financial Assets Held for Trading			312,033,611.07	312,033,611.07
1. Financial Assets Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current Period				
(1) Debt Instrument Investments				
(2) Equity Instrument Investments				
(3) Derivative Financial Assets				
Others			312,033,611.07	312,033,611.07
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	284,294,280.00		157,000,000.00	441,294,280.00
(IV) Investment Properties				
1. Leased Land Use Rights				
2. Leased Buildings				
3. Land Use Right Held for Transfer After Appreciation				
(V) Biological Assets				
1. Consumable Biological Assets				
2. Productive Biological Assets				
(VI) Receivables Financing			26,723,054.99	26,723,054.99
Total Amount of Assets Measured at Fair Value on a Continuous Basis	284,294,280.00		495,756,666.06	780,050,946.06
(VI) Financial Liabilities Held for Trading				
1. Financial Liabilities Measured at Fair Value with Changes Recorded in the Profit or Loss for the Current	297,500.00			297,500.00

Period				
Including: Issued Bonds Held for Trading				
Derivative Financial Liabilities	297,500.00			297,500.00
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	297,500.00			297,500.00
II. Non-Continuous Fair Value Measurement				
(I) Assets Held for Sale				
Total Amount of Assets Measured at Fair Value on a Non-Continuous Basis				
Total Amount of Liabilities Measured at Fair Value on a Non-Continuous Basis				

2. Basis for Determining Market Prices for Continuous and Non-continuous Level 1 Fair Value Measurement Items

✓Applicable □ Not Applicable

Level 1: Unadjusted quoted prices for identical assets or liabilities that can be obtained in active markets on the measurement date;

3. Qualitative and Quantitative Information on Valuation Techniques and Significant Parameters Adopted for Continuous and Non-continuous Level 2 Fair Value Measurement Items

✓Applicable □ Not Applicable

Level 2: Directly or indirectly observable inputs other than quoted prices included in Level 1 for related assets or liabilities;

Inputs for Level 2 include: 1) Quotations for similar assets or liabilities in active markets; 2) Quotations for identical or similar assets or liabilities in inactive markets; 3) Other observable inputs besides quotations, including interest and yield curves, implied volatility, credit spreads observable during normal quotation intervals, etc.; 4) Inputs validated by the market, etc.

4. Qualitative and Quantitative Information on Valuation Techniques and Significant Parameters Adopted for Continuous and Non-continuous Level 3 Fair Value Measurement Items

✓Applicable □ Not Applicable

Level 3: Unobservable inputs for related assets or liabilities.

5. Adjustment Information of Beginning and Ending Book Vales and Sensitivity Analysis of Unobservable Parameters for Continuous Level 3 Fair Value Measurement Items

□Applicable ✓Not Applicable

6. Reasons for Transition between Various Levels Occurring during the Current Period and Policies for Determining Transitioning Timing for Continuous Fair Value Measurement Items

□Applicable ✓Not Applicable

7. Changes in Valuation Techniques Occurring During the Current Period and Reasons for Such Changes

□Applicable ✓Not Applicable

8. Status of Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

✓Applicable □ Not Applicable

Financial assets and liabilities not measured at fair value mainly include: receivables, debt investments, short-term borrowings, payables, non-current liabilities due within one year, long-term borrowings, and equity instrument investments for which there are no quotations in active markets and whose fair value cannot be reliably measured.

The book values of the above financial assets and liabilities not measured at fair value differ only slightly from their fair values.

9. Others

□Applicable ✓Not Applicable

XIV. Related Parties and Related Transactions

1. Information of the Company's Parent Company

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Name of Parent Company	Place of Registration	Business Nature	Registered	Parent Company's Stock Ownership in the Company (%)	Parent Company's Voting Rights in the Company (%)
Meng Qingshan				29.94	

Explanation of the Status of the Company's Parent Company

None

The ultimate controlling party of the Company is Meng Qingshan

Other Explanations: None

2. Information of the Company's Subsidiaries

Refer to the notes for the details of the Company's Subsidiaries

✓Applicable □ Not Applicable

Refer to (1) in Section X for equity in subsidiaries

3. Information of the Company's Joint Ventures and Associates

Refer to the notes for the details of the Company's significant joint ventures or associates

✓Applicable □ Not Applicable

For details of the Company's significant joint ventures or associates, refer to 3 - Equity in Joint Arrangements or Associates in Section X.

Other joint ventures or associates with related transactions with the Company during the current period or with balances formed from related transaction with the Company during the previous period are as follows:

✓Applicable □ Not Applicable

Names of Joint Ventures or Associates	Relationship with the Company
Tongliao Desheng Bio-tech Co., Ltd.	Associate
Beitun Zefeng Agricultural Development Co., Ltd.	Associate

*The equity held by the Company's subsidiary, Xinjiang Agriculture, in the company was transferred to external parties in August 2024.

Other Explanations

□Applicable ✓Not Applicable

4. Information of Other Related Parties

✓Applicable □ Not Applicable

Names of Other Related Parties	Relationship with the Company
Hu Jijun	Shareholder of the Company
Liang Yubo	The Shareholders and Senior Executive of the company.
Wang Aijun	The Shareholders and Senior Executive of the company.
He Jun	The Shareholders and Senior Executive of the company.
Liu Xinghua	Director of the Company
Lu Chuang	Director of the Company
Chang Libin	Supervisor of the Company
Liu Xiaojing	Supervisor of the Company
Liu Qiang	Supervisor of the Company
Liu Xianfang	Senior Executive of the Company
Wang Lihong	Senior Executive of the Company
Wang You	Senior Executive of the Company
Tibet Meihua Charity Foundation	The Legal Representative of the company is a direct relative of the shareholder of the Company

Other Explanations:

None

5. Information of Related Transactions

(1) Related Transactions for Purchasing and Selling Goods/Providing and Accepting Labor Services

Table of Purchasing Goods/Accepting Labor Services

✓Applicable □ Not Applicable

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			66,368,711.12
Tacheng Green Agricultural Development Co., Ltd. *	Raw Materials				1,292,257.14
Total		24,187,662.88			67,660,968.26

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	75,539,223.56	66,793,916.44
Tongliao Desheng Bio-tech Co., Ltd.	Services	26,489.59	23,899.93
Total		75,565,713.15	66,817,816.37

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	2,739,061.65	2,200,057.73
Total		2,739,061.65	2,200,057.73

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	10,000,000.00	2021/9/9	2024/9/7	Yes
Tongliao Meihua	40,000,000.00	2021/9/15	2024/9/7	Yes
Tongliao Meihua	32,000,000.00	2021/9/27	2024/9/7	Yes
Tongliao Meihua	97,000,000.00	2022/3/30	2025/3/30	Yes
Tongliao Meihua	100,000,000.00	2023/5/22	2038/5/8	No
Tongliao Meihua	120,000,000.00	2023/3/17	2024/3/17	Yes
Tongliao Meihua	80,000,000.00	2023/3/23	2024/3/17	Yes
Tongliao Meihua	100,000,000.00	2023/3/30	2024/3/30	Yes
Tongliao Meihua	10,000,000.00	2023/11/29	2024/11/26	Yes
Tongliao Meihua	80,000,000.00	2024/1/25	2025/1/25	Yes
Tongliao Meihua	80,000,000.00	2024/1/25	2025/1/25	Yes
Tongliao Meihua	80,000,000.00	2024/1/31	2025/1/31	No
Tongliao Meihua	60,000,000.00	2024/3/21	2025/3/21	Yes
Tongliao Meihua	40,000,000.00	2024/3/25	2025/3/21	No
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	No
Tongliao Meihua	80,000,000.00	2024/3/29	2025/3/21	Yes
Tongliao Meihua	20,000,000.00	2024/3/29	2025/3/21	No
Tongliao Meihua	19,300,000.00	2024/6/6	2038/5/8	No
Tongliao Meihua	10,000,000.00	2024/6/13	2038/5/8	No
Tongliao Meihua	6,000,000.00	2024/6/19	2038/5/8	No
Tongliao Meihua	15,000,000.00	2024/6/26	2038/5/8	No
Tongliao Meihua	50,000,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	60,000,000.00	2024/10/21	2027/10/21	No
Tongliao Meihua	40,000,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	50,000,000.00	2024/10/24	2027/10/21	No
Tongliao Meihua	40,000,000.00	2024/11/14	2027/10/21	No
Tongliao Meihua	40,000,000.00	2024/11/18	2027/10/21	No
Tongliao Meihua	20,000,000.00	2024/11/20	2027/10/21	No

Tongliao Meihua	10,000,000.00	2021/5/26	2024/5/7	Yes
Jilin Meihua	15,238,690.48	2021/9/13	2029/8/30	Yes
Jilin Meihua	21,875,000.00	2021/10/22	2029/8/30	Yes
Jilin Meihua	39,772,727.27	2021/11/25	2029/8/30	Yes
Jilin Meihua	22,840,909.09	2021/12/22	2029/8/30	Yes
Jilin Meihua	5,000,000.00	2021/12/22	2029/8/30	Yes
Jilin Meihua	774,778.91	2021/8/30	2028/12/21	Yes
Jilin Meihua	36,500,000.00	2021/9/13	2029/8/4	Yes
Jilin Meihua	9,025,000.00	2021/10/19	2029/8/4	Yes
Jilin Meihua	16,309,090.91	2021/11/26	2029/8/4	Yes
Jilin Meihua	11,486,363.64	2021/12/23	2029/8/4	Yes
Jilin Meihua	846,552.38	2021/9/2	2029/8/4	Yes
Jilin Meihua	41,170,200.00	2021/9/18	2029/8/4	Yes
Jilin Meihua	10,301,000.00	2021/10/22	2029/8/4	Yes
Jilin Meihua	18,728,981.82	2021/11/26	2029/8/4	Yes
Jilin Meihua	13,032,727.27	2021/12/24	2029/8/4	Yes
Jilin Meihua	103,000,000.00	2022/6/28	2025/6/26	No
Jilin Meihua	1,000,000.00	2022/6/28	2025/6/26	Yes
Jilin Meihua	34,000,000.00	2022/11/21	2025/10/6	Yes
Jilin Meihua	29,000,000.00	2023/9/22	2025/9/22	No
Jilin Meihua	500,000.00	2023/9/22	2025/9/22	Yes
Jilin Meihua	500,000.00	2023/9/22	2025/9/22	Yes
Jilin Meihua	50,000,000.00	2023/12/25	2024/12/21	Yes
Jilin Meihua	20,000,000.00	2023/6/30	2024/6/30	Yes
Jilin Meihua	25,000,000.00	2023/6/13	2024/5/5	Yes
Jilin Meihua	30,000,000.00	2024/4/10	2025/4/10	No
Jilin Meihua	40,000,000.00	2024/4/15	2025/4/10	No
Jilin Meihua	25,000,000.00	2024/4/18	2025/4/10	No
Jilin Meihua	30,000,000.00	2024/1/29	2024/10/19	Yes
Jilin Meihua	40,000,000.00	2024/2/26	2024/10/19	Yes
Jilin Meihua	45,000,000.00	2024/3/27	2025/3/26	Yes
Jilin Meihua	11,000,000.00	2024/4/9	2025/3/26	Yes
Jilin Meihua	50,000,000.00	2024/11/11	2024/12/21	Yes
Tongliao Meihua	27,000,000.00	2022/8/3	2032/4/23	Yes
Tongliao Meihua	23,000,000.00	2022/8/3	2032/4/23	Yes
Tongliao Meihua	40,000,000.00	2022/11/9	2032/4/23	Yes
Tongliao Meihua	53,000,000.00	2022/11/23	2032/4/23	Yes
Tongliao Meihua	12,000,000.00	2022/11/25	2032/4/23	Yes
Tongliao Meihua	19,500,000.00	2023/6/27	2029/5/30	Yes
Tongliao Meihua	500,000.00	2023/6/27	2029/5/30	Yes
Xinjiang Meihua	150,000,000.00	2021/7/14	2024/7/11	Yes
Xinjiang Meihua	9,500,000.00	2023/5/23	2026/5/23	Yes
Xinjiang Meihua	11,222,973.50	2023/5/25	2026/5/23	Yes
Xinjiang Meihua	28,777,026.50	2023/5/29	2026/5/23	Yes

Xinjiang Meihua	15,000,000.00	2024/2/26	2027/2/26	Yes
Xinjiang Meihua	35,000,000.00	2024/3/14	2027/2/26	Yes
Xinjiang Meihua	4,769,421.44	2024/2/20	2025/2/19	Yes
Xinjiang Meihua	2,900,000.00	2024/2/21	2025/2/21	Yes
Xinjiang Meihua	9,000,000.00	2024/2/22	2025/2/22	Yes
Xinjiang Meihua	16,600,000.00	2024/2/23	2025/2/22	Yes
Xinjiang Meihua	9,539,261.17	2024/2/26	2025/2/26	Yes
Xinjiang Meihua	9,000,000.00	2024/2/27	2025/2/27	Yes
Xinjiang Meihua	16,726,946.60	2024/2/28	2025/2/28	Yes
Xinjiang Meihua	15,266,675.16	2024/3/1	2025/3/1	Yes
Xinjiang Meihua	19,843,843.13	2024/3/4	2025/3/3	Yes
Xinjiang Meihua	9,900,000.00	2024/3/6	2025/3/5	Yes
Xinjiang Meihua	9,000,000.00	2024/3/7	2025/3/5	Yes
Xinjiang Meihua	9,900,000.00	2024/3/11	2025/3/8	Yes
Xinjiang Meihua	9,900,000.00	2024/3/13	2025/3/12	Yes
Xinjiang Meihua	9,900,000.00	2024/3/14	2025/3/14	Yes
Xinjiang Meihua	21,200,261.42	2024/3/21	2025/3/21	Yes
Xinjiang Meihua	26,550,000.00	2024/3/25	2025/3/25	Yes
Xinjiang Meihua	99,000,000.00	2024/7/25	2027/7/25	No
Xinjiang Meihua	1,000,000.00	2024/7/25	2027/7/25	Yes
Xinjiang Meihua	49,000,000.00	2024/8/21	2025/9/21	No
Xinjiang Meihua	1,000,000.00	2024/8/21	2025/9/21	Yes
Total	3,060,698,430.69			

The Company as the Guaranteed Party

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Guarantor	Guaranteed Amount	Start Date of Guarantee	Expiry Date of Guarantee	Whether the Guarantee Has Been Fully Fulfilled
Xinjiang Meihua	197,000,000.00	2021/12/28	2024/12/15	Yes
Tongliao Meihua	66,438,250.00	2022/12/14	2025/12/8	Yes
Tongliao Meihua	337,250.00	2022/12/14	2025/12/8	Yes
Xinjiang Meihua	98,500,000.00	2022/12/14	2025/12/8	Yes
Xinjiang Meihua	500,000.00	2022/12/14	2025/12/8	Yes
Tongliao Meihua, Xinjiang Meihua	46,860,000.00	2022/6/13	2025/6/13	No
Tongliao Meihua, Xinjiang Meihua	3,280,000.00	2022/6/13	2025/6/13	Yes
Tongliao Meihua, Xinjiang Meihua	3,280,000.00	2022/6/13	2025/6/13	Yes
Tongliao Meihua, Xinjiang Meihua	177,000,000.00	2023/3/31	2026/3/31	No
Tongliao Meihua,	2,000,000.00	2023/3/31	2026/3/31	Yes

Xinjiang Meihua				
Tongliao Meihua, Xinjiang Meihua	37,000,000.00	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	29,000,000.00	2024/6/11	2027/6/11	No
Tongliao Meihua, Xinjiang Meihua	1,000,000.00	2024/6/11	2027/6/11	Yes
Tongliao Meihua, Xinjiang Meihua	98,000,000.00	2022/3/7	2025/2/24	Yes
Tongliao Meihua	1,000,000.00	2021/9/18	2024/9/17	Yes
Tongliao Meihua	9,000,000.00	2021/9/18	2024/9/17	Yes
Tongliao Meihua	112,000,000.00	2022/11/17	2025/11/14	No
Tongliao Meihua	84,000,000.00	2022/11/17	2025/11/14	Yes
Tongliao Meihua	50,000,000.00	2023/8/10	2024/1/8	Yes
Tongliao Meihua	38,000,000.00	2023/9/6	2024/2/5	Yes
Tongliao Meihua	50,000,000.00	2023/10/25	2024/3/14	Yes
Tongliao Meihua	50,000,000.00	2023/11/29	2024/4/30	Yes
Tongliao Meihua	150,000,000.00	2023/11/20	2024/2/18	Yes
Tongliao Meihua	30,000,000.00	2023/12/8	2024/6/7	Yes
Tongliao Meihua	50,000,000.00	2024/1/18	2024/2/26	Yes
Tongliao Meihua	50,000,000.00	2024/1/19	2024/2/27	Yes
Tongliao Meihua	60,000,000.00	2024/1/30	2024/4/8	Yes
Tongliao Meihua	39,000,000.00	2024/2/28	2024/4/26	Yes
Tongliao Meihua	100,000,000.00	2024/4/19	2024/6/25	Yes
Tongliao Meihua	100,000,000.00	2024/4/19	2024/5/17	Yes
Tongliao Meihua	50,000,000.00	2024/5/13	2024/6/26	Yes
Tongliao Meihua	49,000,000.00	2024/5/13	2024/6/27	Yes
Tongliao Meihua	100,000,000.00	2024/5/23	2024/7/12	Yes
Tongliao Meihua	100,000,000.00	2024/6/28	2024/8/28	Yes
Tongliao Meihua	100,000,000.00	2024/3/26	2024/9/25	Yes
Tongliao Meihua	90,000,000.00	2024/7/31	2024/9/18	Yes
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2023/7/12	2024/7/12	Yes
Tongliao Meihua, Xinjiang Meihua	150,000,000.00	2023/9/7	2024/9/7	Yes
Tongliao Meihua, Xinjiang Meihua	200,000,000.00	2023/10/23	2024/10/23	Yes
Tongliao Meihua, Xinjiang Meihua	200,000,000.00	2024/2/23	2025/2/23	No
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/6/5	2025/6/5	No
Tongliao Meihua, Xinjiang Meihua	150,000,000.00	2024/9/26	2025/9/25	No

Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/11/11	2025/11/11	No
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/11/26	2025/11/26	No
Tongliao Meihua, Xinjiang Meihua	80,000,000.00	2024/4/29	2024/7/25	Yes
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/5/22	2024/7/16	Yes
Tongliao Meihua, Xinjiang Meihua	100,000,000.00	2024/7/23	2024/10/8	Yes
Tongliao Meihua, Xinjiang Meihua	50,000,000.00	2024/7/30	2024/9/23	Yes
Tongliao Meihua, Xinjiang Meihua	50,000,000.00	2024/7/30	2024/9/25	Yes
Total	3,704,195,500.00			

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	50,000,000.00	2024/4/19	2025/4/17	Yes
Tongliao Meihua	49,000,000.00	2021/12/6	2024/11/30	Yes
Tongliao Meihua	100,000,000.00	2023/8/28	2038/6/20	No
Tongliao Meihua	46,000,000.00	2024/2/6	2027/2/4	No
Tongliao Meihua	4,000,000.00	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
Total	274,432,044.83			

(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: Yuan Currency: RMB

Items	Amount Incurred during the	Amount Incurred during the

	Current Period	Previous Period
Compensation of Key Management Personnel	1,937.00	6,171.00

(8) Other Related Transactions

□Applicable ✓Not Applicable

Related Donations

Lessee Name	Type of Related Transaction	Amount Incurred during the Current Period	Amount Incurred during the Previous Period
Tibet Meihua Charity Foundation	Donation	3,500,000.00	6,500,000.00
Total		3,500,000.00	6,500,000.00

6. Status of Items Receivable and Payable Unsettled by Related Parties

(1) Items Receivable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Item Name	Related Party	Ending Balance		Beginning Balance	
		Book Balance	Bad Debt Reserves	Book Balance	Bad Debt Reserves
Accounts Receivable	Tongliao Desheng Bio-tech Co., Ltd.	578,234.45	28,911.72	241,064.20	12,053.21
Advance Payments	Beitun Zefeng Agricultural Development Co., Ltd.			2,930,706.86	

(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.	1,651,503.01	2,466,558.36
Other Current Liabilities	Tongliao Desheng Bio-tech Co., Ltd.	214,695.39	320,652.59

(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

□Applicable ✓ Not Applicable

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

Methods for Determining the Fair Value of Equity Instruments on the Grant Date	Closing Price on the Grant Date
Significant Parameters for Determining the Fair Value of Equity Instruments on the Grant Date	
Basis for Determining the Quantity of Exercisable Equity Instruments	Estimation Based on the Actual Quantity of Restricted Stock Recipients
Reasons for Significant Differences between Estimates for the Current Period and Previous Period	--
Accumulated Amount of Share-based Payments Settled by Equity Recorded in Capital Reserves	240,893,078.26

Other Explanations:

None

3. Status of Share-based Payments Settled by Cash

□Applicable ✓Not Applicable

4. Share-based Payment Expenses during the Current Period

□Applicable ✓ Not Applicable

5. Modification and Termination of Share-based Payment

□Applicable ✓Not Applicable

6. Others

□Applicable ✓Not Applicable

XVI. Commitments and Contingencies

1. Significant Commitments

✓Applicable □ Not Applicable

Significant Commitments to External Parties as of the Balance Sheet Date and Their Nature and Amounts

1． Other Significant Financial Commitments

(1) Executed or Pending M&A Agreements

In November 2024, the Company's wholly-owned subsidiary in Singapore signed a Share and Asset Purchase Agreement with Kyowa Hakko Bio Co., Ltd. ("Kyowa Hakko"), a wholly-owned subsidiary of Kirin Holdings Company, Limited ("Kirin Holdings", listed on the Tokyo Stock Exchange, stock code: 2503.T). According to the agreement, the subsidiary intends to acquire Kyowa Hakko's Food Amino Acids, Pharmaceutical Amino Acids, and Human Milk Oligosaccharides (HMO) businesses and related assets for JPY 10.5 billion (equivalent to approximately RMB 500 million based on the exchange rate as of December 31, 2024). The transaction is subject to the final terms of the executed agreements.

(2) Status of Mortgaged Assets

Collateral	Mortgage Certificate No.	Original Value	Net Value
Raw Material Storage 9＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	14,990,404.00	6,979,906.66
Raw Material Storage 8＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	14,201,059.00	6,612,367.94
Raw Material Storage 7＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,514,204.00	6,292,551.44
Raw Material Storage 6＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,583,081.00	6,324,622.26
Raw Material Storage 4＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,742,814.00	6,398,997.74
Raw Material Storage 1＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	20,163,386.00	8,870,579.66
Raw Material Storage 5＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	13,503,165.00	6,287,411.16
Raw Material Storage 3＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	17,435,333.00	8,118,326.97
Raw Material Storage 2＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	18,996,456.00	8,357,206.23
Drying and Screening Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	307,552.00	143,204.07
Drying Workshop Heater Room 2＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	529,135.00	246,378.64
Drying Workshop Heater Room 1＃	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	516,159.00	240,336.52
Solid Material Warehouse 1	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	13,079,741.00	5,754,236.17
Solid Material Warehouse 2	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,996,312.00	4,894,280.42
Finished Product Warehouse 1#	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,717,243.00	4,990,216.30
Finished Product Warehouse 2#	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,577,682.00	4,925,233.28

Collateral	Mortgage Certificate No.	Original Value	Net Value
Finished Product Warehouse 3#	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,701,563.00	4,982,915.47
By-product Warehouse 3#Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,866,449.00	5,059,690.23
By-product Warehouse 2#Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	11,247,592.00	5,237,159.94
By-product Warehouse 1#Warehouse	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	10,997,633.00	4,838,243.99
Xanthan Gum Alcohol Distillation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	8,187,283.48	5,224,264.67
Xanthan Gum Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	16,893,614.83	8,270,502.93
Xanthan Gum Transformer Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	1,434,516.48	697,902.99
Protein Separation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	14,058,624.73	6,374,977.99
Natamycin Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	8,231,315.42	4,360,744.86
Five-effect Evaporator Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	6,933,282.00	3,042,571.69
Raw Material Sugar Screening Warehouse No. 2	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	634,154.00	294,686.67
Raw Material Soaking Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	29,640,460.00	14,402,232.07
Raw Material Sugar By-product Packaging Floor	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	17,822,889.94	7,871,159.02
Raw Material Sugar Purification Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	14,646,936.25	7,254,817.78
Raw Material Sugar Distribution and Air Compression	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	2,117,267.00	983,878.22
Raw Material Sugar Glucose Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	37,794,396.15	16,642,358.92
Raw Material Sugar Screening Warehouse 1	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	412,800.00	191,825.22
Raw Material Sugar Circulating Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	3,186,753.00	1,480,860.24
Raw Material Main Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	59,323,738.89	27,305,566.30
Lysine 4#Gas Distribution Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	772,826.00	359,126.45
Lysine 35KV Substation	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	1,465,463.00	680,989.56
Lysine Circulating Pump Room	Xin (2019) Sixth Division Real Estate	2,500,247.30	1,321,113.65

Collateral	Mortgage Certificate No.	Original Value	Net Value
	Ownership No. 0009809		
Xanthan Gum Power Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	2,222,388.00	1,010,607.68
Xanthan Gum Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	14,346,498.12	10,058,119.03
Nucleotide Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	30,815,812.46	14,887,331.06
Compound Fertilizer2＃Gas Distribution Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	580,671.00	269,833.57
Heating Station Steam-driven Air Compressor Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	16,688,383.10	7,798,898.22
Heating Station Circulating Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	1,196,729.00	557,227.11
Glutamic Acid Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	1,893,406.00	830,894.31
Glutamic Acid Freezing Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	8,183,385.00	3,591,161.49
Glutamic Acid Hydrolysis Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	5,212,818.96	2,291,573.36
Glutamic Acid Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	28,462,914.44	13,073,617.40
Glutamic Acid 35KV Substation	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	799,965.56	372,199.13
Glutamic Acid Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	17,715,647.28	7,811,526.15
Xanthan Gum Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	4,114,910.00	1,871,212.63
Sulfuric Acid Pump Room (Glutamic Acid)	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	1,210,180.00	530,227.07
Serine 3＃Gas Distribution Station	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	609,865.00	283,399.84
Serine Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	2,629,842.00	1,222,067.77
Serine Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	17,693,098.55	7,803,560.42
Serine Ingredients	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	13,096,211.83	6,115,559.47
Serine Extraction Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	8,510,956.00	3,684,518.71
Lysine Power Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	4,385,976.00	2,038,130.36
Lysine Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	40,377,343.73	18,825,769.70
Lysine Extraction Workshop	Xin (2019) Sixth Division Real Estate	67,382,586.50	31,650,103.01

Collateral	Mortgage Certificate No.	Original Value	Net Value
	Ownership No. 0009809		
Nucleotide Synthesis into Phosphorous Trichloride Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	3,334,525.46	1,693,099.55
Nucleotide Refining Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	13,480,692.34	6,556,929.93
Nucleotide Alcohol Tank Area Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	224,782.09	108,799.40
Nucleotide Alcohol Recovery Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	2,363,728.50	1,198,205.95
Nucleotide Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	4,419,390.13	2,128,956.91
Nucleotide Fermentation Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	22,545,342.65	10,860,789.13
Nucleotide Synthesis Workshop	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	28,375,495.02	13,908,152.31
Nucleotide Utility Building	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	12,768,362.22	6,437,528.50
Raw Material Weighing Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	903,725.00	397,580.43
Power Distribution Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	430,830.00	200,203.59
Rainwater Pump Room	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	1,506,087.00	699,867.34
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009811	10,225,735.75	7,687,737.61
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009809	9,371,986.53	6,839,873.37
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009810	9,536,118.32	6,959,660.21
Land Use Rights	Xin (2019) Sixth Division Real Estate Ownership No. 0009813	7,764,762.63	5,666,887.52
Total		**827,303,398.98**	872,104,683.64

*Except for the above commitments, the Company has not made other significant commitments that necessitate disclosure but have not been disclosed as of December 31, 2024.

2. Contingencies

(1) Significant Contingencies as of the Balance Sheet Date

✓Applicable □ Not Applicable

1．Contingencies Arising from Pending Litigation or Arbitration and Their Financial Impact

Litigation related to the Original Dalian Hanxin Bio-Pharmaceutical Co., Ltd.

As stipulated in the Equity Transfer Agreement signed by Lhasa Meihua Biological

Investment Holding Co., Ltd., a wholly-owned subsidiary of the Company, to transfer 100% of the equity held in the Dalian Hanxin Bio-Pharmaceutical Co., Ltd.. (now known as AIM Honesty Biopharmaceutical Co., Ltd., hereinafter referred to as "AIM Honesty") to Liaoning AIM Biological Vaccine Technology Group Co., Ltd. (now known as AIM Vaccine Co., Ltd.), Lhasa Meihua Biological Investment Holding Co., Ltd. undertakes that except for the liabilities expressly recorded in the audit report and financial statements provided to the acquirer, and liabilities that were abnormally incurred by AIM Honesty and its subsidiaries in the normal course of business after the audit base date and have been disclosed to the acquirer, AIM Honesty and its subsidiaries have no other debts or contingent debts, and agrees that in the event of a breach of the commitment, Lhasa Meihua should bear the compensation liability for all direct or indirect economic losses suffered by other parties involved due to the breach. In accordance with the above provisions specified in the Equity Transfer Agreement, the Company has already fulfilled some compensation obligations in advance. Please refer to the Company's previous annual reports for details.

Lhasa Meihua Biological Investment Holding Co., Ltd. (hereinafter referred to as “Lhasa Meihua”), a subsidiary of the Company, received a Notice of Debt Repayment issued by AIM Honesty on October 13, 2020. Pursuant to the Civil Judgment, (2015) DMSCZ No. 438 issued by the Intermediate People's Court of Dalian, Liaoning Province, Kunming Sunshine Measurement and Control Technology Co., Ltd. (hereinafter referred to as "Sunshine Measurement and Control") provided guarantee for the loan under the RMB Loan Contract, LJZ No. DL1114010272 signed with Dalian Branch, Bank of Jilin Co., Ltd. on behalf of AIM Honesty, with the No. 17-1-3 and 17-2 Land and five properties with right of use above the land in Kunming Economic and Technological Development Zone as collateral. The above-mentioned mortgaged land and properties were judicially auctioned on April 19, 2018, and the auction proceeds were used to repay the bank loans. Based on this, Sunshine Measurement and Control has the right to recover the debt from AIM Honesty.

According to relevant agreements such as the Equity Transfer Agreement of Dalian Hanxin Bio-Pharmaceutical Co., Ltd. signed between Lhasa Meihua, a subsidiary of the Company, and AIM Vaccine Co., Ltd., Lhasa Meihua is responsible for realizing the non-operating creditor’s rights of AIM Honesty related to its former shareholder Tibet Yiyuan Industry Co., Ltd. (hereinafter referred to as "Tibet Yiyuan") and clearing the debts. Based on this, AIM Honesty issued the aforementioned Notice of Debt Repayment to Lhasa Meihua. According to the relevant agreements such as the Equity Transfer Agreement signed between Lhasa Meihua and AIM Honesty's former shareholder Tibet Yiyuan, Tibet Yiyuan is responsible for realizing the non-operating creditor’s rights of AIM Honesty and clearing the debts. Based on the agreements mentioned above, all parties involved have reached a consensus agreement that Tibet Yiyuan and its affiliates will assume all the debts and their interest generated based on the recovery rights.

In December 2021, according to materials such as the copy of the lawsuit and the notice of response to action filed by Kunming Sunwise Co., Ltd. (hereinafter referred to as "Sunwise"), a company holding 100% of the shares of Sunshine Measurement and Control, against AIM Honesty and the Third Party Sunshine Measurement and Control for contract disputes [The Intermediate People's Court of Kunming, Yunnan Province (2021) Y01MC No. 4275] delivered by the Intermediate People's Court of Kunming, Yunnan Province, Sunwise, as a shareholder of Sunshine Measurement and Control, was declared bankrupt by the Intermediate People's Court of Kunming, Yunnan Province on March 15, 2019, and Yunnan Zhenxu Law Firm was appointed as the administrator by the court. The administrator claimed that AIM Honesty had not pursued recovery from Sunshine Measurement and Control since it fulfilled its guarantee obligations and demanded AIM Honesty to repay the indemnity and pay the related interest and funds usage fees to Sunshine Measurement and Control. According to the agreements mentioned above, the Company have reached a consensus agreement with all related parties that Tibet Yiyuan and its affiliates will assume all the debts and their interest generated based on the recovery rights.

On October 18, 2022, the Intermediate People's Court of Kunming made the following judgments: 1) Defendant AIM Honesty Biopharmaceutical Co., Ltd. shall repay RMB 28,967,179.55 to the Third Party Kunming Sunshine Measurement and Control Technology Co., Ltd. within ten days from the effective date of the judgment; 2) Defendant AIM Honesty Biopharmaceutical Co., Ltd. shall pay the fund usage fees on the basis of RMB 28,967,179.55 yuan from August 17, 2021 to the date of repayment calculated according to the loan prime rate published by the National Interbank Funding Center within ten days from the effective date of the judgment; 3) Other litigation requests from the plaintiff Kunming Sunwise Co., Ltd. were dismissed. Both the plaintiff and the defendant have submitted appeals.

On June 30, 2023, the Higher People's Court of Yunnan Province issued a judgment with the document number of [(2023) YMZ No. 324], ruling to dismiss the appeal and uphold the original judgment. AIM Honesty subsequently filed a petition for retrial with the Supreme People’s Court. On March 26, 2024, the Supreme People’s Court issued (2023) ZGFMS No.1737, deciding that: 1) The case would be heard by the Supreme People’s Court; 2)Execution of the original judgment would be suspended during the retrial process. The case was heard by the Supreme People’s Court on October 10, 2024. As of the date of this report, no final judgment has been received.

As of December 31, 2024, based on the judgment issued by the Yunnan High People’s Court, the Company has recognized a provision for compensation and related interest totaling RMB 32,438,161.92 yuan.

2．Contingencies Arising from the Provision of Debt Guarantees to External Parties and Their Financial Impact

Refer to 5(4) - Status of Related Guarantees in Section XIV for details of guarantees provided to related parties.

Except for the above contingencies, the Company has no other significant contingencies that require disclosure but have not been disclosed as of December 31, 2024.

(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

Shandong Fufeng Fermentation Co., Ltd. (“Shandong Fufeng”) initially filed a legal complaint against the Company and its subsidiary Xinjiang Meihua on December 3, 2014, alleging infringement of trade secrets related to xanthan gum production. Following multiple court proceedings, on March 4, 2025, under the mediation of an enforcement judge of the Jinan Intermediate People’s Court, the Company and its wholly owned subsidiary Xinjiang Meihua entered into an enforcement settlement agreement with Shandong Fufeng regarding the trade secret dispute. According to the agreement, the Company and Xinjiang Meihua made a one-time payment of RMB 233 million to Shandong Fufeng by March 14, 2025. In return, Shandong Fufeng was to submit an application for withdrawal of its lawsuit (Case (2025) LMC No. 4) to the Shandong High People’s Court by March 7, 2025, and request the Jinan Intermediate People’s Court to lift enforcement measures against the Company, Xinjiang Meihua, and related personnel, including but not limited to the removal from the list of dishonest persons subject to enforcement, and to cooperate in the completion of case closure procedures.

As of the date of approval of this financial report, Shandong Fufeng has submitted the relevant application for withdrawal, Xinjiang Meihua has fully paid the settlement amount, the Company and related parties have been removed from the list of enforcement and dishonest persons, and the Jinan Intermediate People’s Court has issued a “Notice of Case Closure.”

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

(1) Retrospective Restatement

□Applicable ✓Not Applicable

(2) Prospective Application

□Applicable ✓Not Applicable

2. Significant Debt Restructuring

□Applicable ✓Not Applicable

3. Asset Swap

(1) Exchange of Non-monetary Assets

□Applicable ✓Not Applicable

(2) Other Asset Swap

□Applicable ✓Not Applicable

4. Pension Plans

□Applicable ✓Not Applicable

5. Termination of Operations

□Applicable ✓Not Applicable

6. Segment Information

(1) Determination Basis and Accounting Policies for Reporting Segments

□Applicable ✓Not Applicable

(2) Financial Information of Reporting Segments

□Applicable ✓Not Applicable

(3) If the company does not have reporting segments, or cannot disclose the total assets and liabilities of each reporting segment, the reasons should be explained.

✓Applicable □ Not Applicable

The Company determines operating segments based on internal organizational structure, management requirements, and internal reporting systems. The operating segments of the Company refer to components that meet the following conditions:

(1) The component generates revenue and incurs expenses in its daily activities;

(2) The management can evaluate the operating results of the component on a regular basis to decide the resource allocation for it and assess its performance;

(3) Relevant accounting information such as financial status, operating results, and cash flows of the component can be obtained.

The Company determines reporting segments based on operating segments, and an operating segment is determined as a reporting segment if it meets one of the following conditions:

(1) The operating segment's revenue accounts for 10% or more of the total revenue of all segments;

(2) The absolute amount of segment profit (or loss) for the segment accounts for 10% or more of either the total profit of profitable segments or the total loss of loss-making segments, whichever is greater.

The Company has not disclosed segment reports mainly because: the Company's sales revenue and gross profit are disclosed based on the segment basis of daily operating management. Additionally, items such as management expenses, financial expenses and taxes on the income statement and assets and liabilities cannot be split and disclosed according to segment requirements.

(1) Tongliao Meihua and Xinjiang Meihua, subsidiaries of the Company, produce multiple products across several segments. Therefore, management expenses, financial expenses, income tax, and other items on the income statement, including corresponding items of the Company, cannot be attributed to specific products;

(2) The Company is a capital-intensive manufacturing enterprise. Although it produces various products, the manufacturing processes are similar, with many fixed assets being shared. Some production lines also produce multiple kinds of products throughout the year. Hence, the fixed assets used for production cannot be distinguished by segments.

(3) Apart from production lines, the Company has numerous shared facilities such as heating stations, sewage treatment, and basic chemical production lines. The products and services provided by these facilities are shared among multiple segments, making it impossible to distinguish them by segments.

(4) The Company's debt financing cannot be specifically allocated to specific business segments.

Therefore, segment information is not presented in this financial statement.

(4) Other Explanations

□Applicable ✓Not Applicable

7. Other Significant Transactions and Matters Affecting Decisions by Investors

□Applicable ✓Not Applicable

8. Others

□Applicable ✓Not Applicable

XIX. Notes to Main Items on the Parent Company’s Financial Statement

1. Accounts Receivable

(1) Disclosure by Aging

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year		
Including: Sub-items for within 1 year		
Within 1 year	170,567,658.48	174,600,238.32
Within 1 year Subtotal	170,567,658.48	174,600,238.32
1 to 2 years		
2 to 3 years		
Over 3 years		
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	170,567,658.48	174,600,238.32

(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:	170,567,658.48	/	8,013,876.71	/	162,553,781.77	174,600,238.32	/	8,561,015.72	/	166,039,222.60
Including:										
Including: Related Party Portfolio within the Consolidation Scope	10,290,124.30	6.03			10,290,124.30	3,379,923.96	1.94			3,379,923.96
Aging Analysis Portfolio	160,277,534.18	93.97	8,013,876.71	5.00	152,263,657.47	171,220,314.36	98.06	8,561,015.72	5.00	162,659,298.64
Total	170,567,658.48	/	8,013,876.71	/	162,553,781.77	174,600,238.32	/	8,561,015.72	/	166,039,222.60

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

	Accounts Receivable	Bad Debt Reserves	Provision Ratio (%)
Within 1 year	160,277,534.18	8,013,876.71	5.00
Total	160,277,534.18	8,013,876.71	5.00

Explanation of Provisions for Bad Debt Reserves on a Portfolio Basis:

□Applicable ✓Not Applicable

Provisions for Bad Debt Reserves based on the General Model of Expected Credit Losses

□Applicable ✓Not Applicable

Basis for Staging and Provision Ratios for Bad Debt Reserves

0

Explanation of significant changes in the book balance of accounts receivable with changes in loss reserves during the current period:

□Applicable ✓Not Applicable

(3) Status of Bad Debt Reserves

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Category	Ending Balance	Amount of Changes in the Current Period				Ending Balance
		Provision	Recovered or Reversed	Written off	Other Changes	
Bad debt provision on an individual basis	--	--	--	--	--	--
Bad debt provision on a portfolio basis	8,561,015.72		547,139.01			8,013,876.71
Including: Related Party Portfolio within the Consolidation Scope						
Aging Analysis Portfolio	8,561,015.72		547,139.01			8,013,876.71
Total	8,561,015.72		547,139.01			8,013,876.71

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	43,574,540.00		43,574,540.00	25.55	2,178,727.00
Second	34,996,686.63		34,996,686.63	20.52	1,749,834.33
Third	15,694,350.00		15,694,350.00	9.20	784,717.50
Fourth	14,533,922.17		14,533,922.17	8.52	726,696.11
Fifth	10,930,352.50		10,930,352.50	6.41	546,517.63
Total	119,729,851.30		119,729,851.30	70.20	5,986,492.57

Other Explanations:
None
Other Explanations:
✓Applicable □ Not Applicable

At the end of the period, there were no accounts receivable derecognized due to the transfer of financial assets.

At the end of the period, there were no balances of assets and liabilities formed by the transfer of accounts receivable and continued involvement.

2. Other Receivables

Presentation of Items

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance	Beginning Balance
Interest Receivable		
Dividends Receivable	1,000,000,000.00	1,230,000,000.00
Other Receivables	665,966,380.53	497,988,609.74
Total	1,665,966,380.53	1,727,988,609.74

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

(7) Dividends Receivable

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items (or Invested Units)	Ending Balance	Beginning Balance
Tongliao Meihua	450,000,000.00	630,000,000.00
Xinjiang Meihua		400,000,000.00
Jilin Meihua	350,000,000.00	200,000,000.00
Hong Kong Meihua	200,000,000.00	
Total	1,000,000,000.00	1,230,000,000.00

(8) Significant Dividends Receivable with an Aging Exceeding 1 year

□Applicable ✓Not Applicable

(9) 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

(10) 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

(11) 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

(12) 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

(13) Disclosure by Aging

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Aging	Ending Book Balance	Beginning Book Balance
Within 1 year		
Including: Sub-items for within 1 year		
Within 1 year	666,459,181.92	498,225,281.32
Within 1 year Subtotal	666,459,181.92	498,225,281.32
1 to 2 years	100,000.00	592,142.42
2 to 3 years	187,214.39	
Over 3 years		
3 to 4 years		200,000.00
4 to 5 years	200,000.00	--

Over 5 years	85,842,687.00	85,842,687.00
Total	666,459,181.92	498,225,281.32

(14) Classification by Nature of Accounts

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Nature of Accounts	Ending Book Balance	Beginning Book Balance
Intercompany Account Current	651,382,152.78	480,833,286.11
Deposits	600,000.00	600,000.00
Receivables for Land and Real Estate	85,672,687.00	85,672,687.00
Others	782,060.81	1,828,587.91
Export Tax Refunds receivable	14,352,182.72	15,925,549.72
Total	752,789,083.31	584,860,110.74

(15) 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, 2024	1,198,814.00		85,672,687.00	86,871,501.00
Balance as of January 1, 2024 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	48,798.22			48,798.22
Write-off for the Current Period				
Write-off for the Current Period				
Other Changes				
Balance as of December 31, 2024	1,150,015.78		85,672,687.00	86,822,702.78

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

(16) 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

(17) 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

(18) 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.	650,732,152.78	86.44	Intercompany Account Current	Within 1 year	--
Bazhou Metal Glass Furniture Industrial Park	85,672,687.00	11.38	Receivables for Land and Real Estate	Over 5 years	85,672,687.00
Tibet Lhasa Economic and Technological Development Zone Taxation Bureau, State Taxation Administration	14,352,182.72	1.91	Export Tax Refunds Receivable	Within 1 year	717,609.14

Bazhou Work Injury Insurance Management Office	687,214.39	0.09	Others	RMB 500,000.00 due within one year, and RMB 187,214.39 due in 2 to 3 years.	81,164.32 --
Langfang Meihua Biotechnology Development Co., Ltd.	650,000.00	0.09	Intercompany Account Current	Within 1 year	--
Total	752,094,236.89	99.91	/	/	86,471,460.46

(19) Presented Under Other Receivables Due to Centralized Fund Management

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

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

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

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

3. Long-term Equity Investments

✓Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Ending Balance			Beginning Balance		
	Book Balance	Impairment Reserves	Book Value	Book Balance	Impairment Reserves	Book Value
Investment in Subsidiaries	7,637,915,728.14	--	7,637,915,728.14	7,637,850,728.14	--	7,637,850,728.14
Investment in Associates and Joint Ventures						
Total	7,637,915,728.14	--	7,637,915,728.14	7,637,850,728.14	--	7,637,850,728.14

(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.	41,751,138.20		31,000,000.00				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	
Meihua (Shanghai) Bio-Technology Co., Ltd.	31,000,000.00		--	31,000,000.00			--	
Jilin Meihua Amino Acid Co., Ltd.	2,029,666,677.32		--	--			2,029,666,677.32	
Zhuhai Hengqin Meihua Bio-Technology Co., Ltd.	250,000.00		65,000.00	--			315,000.00	
Total	7,637,850,728.14		31,065,000.00	31,000,000.00			7,637,915,728.14	

(2) Investment in Associates and Joint Ventures

□Applicable ✓Not Applicable

(1) 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	16,274,518,468.77	15,698,384,731.99	18,901,240,236.28	18,372,725,610.35
Other Business	16,869,353.78	16,595,961.15	18,250,745.67	17,268,512.07
Total	16,291,387,822.55	15,714,980,693.14	18,919,490,981.95	18,389,994,122.42

(2) Decomposition Information of Operating Revenues and Operating Costs

□Applicable ✓Not Applicable

Other Explanations:

✓Applicable □ Not Applicable

1. Main Business (by products)

Items	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Revenues	Costs	Revenues	Costs
Food Flavor and Texture Optimization Products	5,800,892,800.04	5,613,804,836.97	7,288,717,376.80	7,087,695,867.84
Animal Nutrition Amino Acids	9,099,073,256.54	8,754,982,982.07	9,957,628,301.13	9,692,616,383.97
Human Medical Amino Acids	397,913,690.47	382,619,305.03	471,065,908.19	460,573,161.60
Others	976,638,721.72	946,977,607.92	1,183,828,650.16	1,131,840,196.94
Total	16,274,518,468.77	15,698,384,731.99	18,901,240,236.28	18,372,725,610.35

2. Main Business (by regions)

Region Name	Amount Incurred during the Current Period		Amount Incurred during the Previous Period	
	Operating Revenues	Operating Costs	Operating Revenues	Operating Costs
Domestic Sales	15,986,559,260.56	15,491,862,997.82	18,678,019,409.87	18,274,817,341.61
Export Sales	287,959,208.21	206,521,734.17	223,220,826.41	97,908,268.74
Total	16,274,518,468.77	15,698,384,731.99	18,901,240,236.28	18,372,725,610.35

3. Revenues of the Company's Top Five Customers

(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	1,500,000,000.00	1,730,000,000.00
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	--	3,796,166.67
Dividend Income from Other Equity Instrument Investments during the Holding Period	2,816,000.00	2,816,000.00
Dividend Income from Debt Investments during the Holding Period		
Dividend Income from other Debt Investments during the Holding Period	12,623,494.45	4,118,595.00
Investment Income from the Disposal of Financial Assets Held for Trading	5,814,273.22	2,240,303.28
Investment Income from the Disposal of Other Equity Instrument Investments		
Investment Income from the Disposal of Debt Investments		
Investment Income from the Disposal of Other Debt Investments		
Debt Restructuring Gains		
Total	1,521,253,767.67	1,742,971,064.95

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	(35,923,166.36)	
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	205,965,697.82	
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	30,307,317.28	
Fund usage fees charged to non-financial enterprises and recorded in the profit or loss for the current period		
Profits or losses from entrusting others to invest or manage assets		
Profits or losses from loans entrusted to others		
Asset losses incurred due to force majeure, such as natural disasters		
Reversal of impairment reserves for receivables undergoing individual impairment testing		
Income generated when the investment costs borne by the Company in acquisition of subsidiaries, associates, and joint ventures are less than the fair value of identifiable net assets entitled to the Company when the investment is acquired		
Net profits or losses of subsidiaries generated from the beginning of the period to the date of consolidation through enterprise merger under the same control		
Profits or losses from non-monetary asset exchanges		
Profits or losses from debt restructuring		
One-time expenses incurred by enterprises due to discontinuation of related operating activities, such as employee resettlement expenses, etc.		
One-time impact on profit or loss for the current period due to adjustments to tax, accounting, and other laws and regulations		
Stock-based payment expenses recognized one-time due to cancellation or modification of equity incentive plans		
Profits or losses from changes in the fair value of employee compensation payable after the exercise date for share-based payments settled by cash		

Profits or losses from changes in the fair value of investment properties measured subsequently using the fair value model		
Income from transactions with significant price misalignment		
Profits or losses from contingencies unrelated to the Company's normal operating activities	(1,549,545.75)	
Custodian fee income from entrusted operations		
Other non-operating revenues and expenditures not mentioned above	-105,868,972.90	
Other profit or loss items meeting the definition of non-recurring profits and losses		
Less: Income tax impact	49,177,930.96	
Minority shareholders' equity impact (after tax)		
Total	43,753,399.13	

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

□Applicable ✓Not Applicable

Other Explanations

□Applicable ✓Not Applicable

2. Return on Equity and Earnings per Share

✓Applicable □ Not Applicable

Profits during the Reporting Period	Weighted Average Return on Equity (%)	Earnings per Share	
		Basic Earnings per Share	Diluted Earnings per Share
Net profit attributable to ordinary shareholders of the Company	19.04	0.94	0.94
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	18.74	0.92	0.92

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: March 17, 2025

Revision Information

□Applicable ✓Not Applicable