

Zhejiang NHU Company Ltd.

2024 Semi-Annual Report



【August 2024】

Section I Important Notes, Contents, and Definitions

The Board of Directors and its members, Board of Supervisors and its members, and senior executives of the Company hereby guarantee that the information presented in this semi-annual report is authentic, accurate, complete and free of false records, misleading statements or material omissions, and they will bear individual and joint liabilities for such information.

胡柏藩 (Hu Baifan), the Company's legal representative, 石观群 (Shi Guanqun), the officer in charge of accounting, and 何江勇 (He Jiangyong), the head of accounting department hereby declare that they guarantee the financial statements in this semi-annual report are authentic, accurate and complete.

All members of the Board of Directors have attended the meeting of the Board of Directors for deliberation of this semi-annual report.

The future plan and other forward-looking information disclosed in this semi-annual report shall not be regarded as a commitment to investors. We kindly remind investors of all possible risks in investments. The company provides a detailed description of the potential risks and countermeasures that may exist in the company's operations in X. Risks and countermeasures under Section III Management Discussion and Analysis section of this report. We kindly remind investors of all possible risks in investments.

The Company will not distribute cash dividend, distribute bonus shares, or distribute shares from capital reserve during the current reporting period.

This Semi-Annual Report is an English translation of the Chinese Semi-Annual Report. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Contents

Section I Important Notes, Contents, and Definitions	1
Section II Company Profile and Key Financial Indicators	5
Section III Management Discussion and Analysis	8
Section IV Corporate Governance	23
Section V Environmental and Social Responsibilities	26
Section VI Significant Events	35
Section VII Movements in Shares and Information about Shareholders	43
Section VIII Preferred Shares	48
Section IX Bonds	49
Section X Financial Report	50

Documents Available for Reference

- I. Financial statements signed and sealed by the Company's legal representative, officer in charge of accounting, and head of accounting department;
- II. Original copy of all the Company's documents and announcements published on the newspapers designated by CSRC within the reporting period
- III. Other documents for reference.

Definitions

Abbreviations	Refers to	Contents of definitions
The Company, NHU	Refers to	ZHEJIANG NHU CO., LTD.
CSRC	Refers to	China Securities Regulatory Commission
PPS	Refers to	Polyphenylene Sulfide
PPA	Refers to	Poly Phthalamide
HA	Refers to	New material project, products including HDI and IPDA
HDI	Refers to	Hexamethylene Diisocyanate
IPDA	Refers to	Isophorone Diamine
VOC	Refers to	Volatile Organic Compound
HSE	Refers to	Health, safety and environment
ESG	Refers to	Environmental, social and corporate governance
Ecovadis	Refers to	Corporate social responsibility assessment and rating
CLA	Refers to	Karon anhydride
NBC	Refers to	Azabicycles
SA	Refers to	Anisole
EJ	Refers to	Nylon material
7S	Refers to	Seiri、Seiton、Seiso、Seiketsu、Shitsuke、Safety and Saving
A4	Refers to	Cystine Project

Section II Company Profile and Key Financial Indicators

I. Company profile

Stock abbreviation	NHU	Stock code	002001
Stock Exchange	Shenzhen Stock Exchange		
Company Name in Chinese	浙江新和成股份有限公司		
Company Abbreviation in Chinese	新和成		
Company name in foreign language (if any)	ZHEJIANG NHU COMPANY LTD.		
Company Abbreviation in foreign language (if any)	NHU		
Legal representative	Hu Baifan		

II. Contact information

Items	Board secretary	Securities affairs representative
Name	石观群 (Shi Guanqun)	曾淑颖 (Zeng Shuying)
Contact address	No.418 Xinchang Dadao West Road, Xinchang, Zhejiang, P.R.China	No.418 Xinchang Dadao West Road, Xinchang, Zhejiang, P.R.China
Tel.	+86 575 86017157	+86 575 86017157
Fax	+86 575 86125377	+86 575 86125377
E-mail address	sgq@cnhu.com	002001@cnhu.com

III. Other Information

1. Company's Contact Information

Whether the Company's registered address, office address, zip code, website and e-mail address has changed during the reporting period

Applicable Not applicable

The Company's registered address, office address, zip code, website and e-mail address have not changed during the reporting period, which can be found in the 2023 Annual Report.

2. Information Disclosure and Location

Whether information disclosure and location has changed during the reporting period

Applicable Not applicable

The name of the Company's selected information disclosure newspaper, the URL of the website designated by the CSRC where the semi-annual report is posted, and the place where the Company's semi-annual report is available have not changed during the reporting period, which can be found in the 2023 Annual Report.

3. Other relevant Information

Whether other relevant information has changed during the reporting period

Applicable Not applicable

IV. Key accounting data and financial indicators

Whether the Company needs to perform retroactive adjustment or restatement on financial data of prior years

Yes No

Items	The Current Reporting Period	The Same Period of the Previous Year	Increase/ Decrease at the end of the current reporting period compared with the same period of the previous year
Operating revenue (yuan)	9,844,712,214.36	7,418,514,576.09	32.70%
Net profit attributable to shareholders of listed company (yuan)	2,204,361,642.96	1,483,229,236.96	48.62%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (yuan)	2,157,462,467.70	1,375,218,885.82	56.88%
Net cash flows from operating activities (yuan)	2,138,324,059.35	1,235,562,621.93	73.06%
Basic EPS (yuan/share)	0.71	0.48	47.92%
Diluted EPS (yuan/share)	0.71	0.48	47.92%
Weighted average ROE	8.58%	6.09%	Increased by 2.49 percentage points
Items	Jun. 30, 2024	Dec. 31, 2023	Increase/Decrease at the end of the current reporting period compared with the end of the previous year
Total assets (yuan)	40,094,294,896.00	39,156,246,864.67	2.40%
Net assets attributable to shareholders of listed company (yuan)	25,658,295,255.25	24,804,662,320.99	3.44%

V. Differences in accounting data under Chinese accounting standards and overseas accounting standards

1. Difference in net profit and net assets in financial statements disclosed respectively under IFRS Standards and Chinese accounting standards

Applicable Not Applicable

The Company has no difference in net profit or net assets in financial statements disclosed respectively under IFRS Standards and Chinese accounting standards.

2. Difference in net profit and net assets in financial statements disclosed respectively under overseas accounting standards and Chinese accounting standards

Applicable Not Applicable

The Company has no difference in net profit or net assets in financial statements disclosed respectively under overseas accounting standards and Chinese accounting standards.

VI. Non-recurring profit or loss√ Applicable Not Applicable

Unit: RMB Yuan

Items	Amount	Remarks
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	-1,128,442.54	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity or quota based on certain standards)	59,818,451.66	
Gains or losses on changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets and held-for-trading financial liabilities, excluding those arising from hedging business related to operating activities	-4,445,860.49	
Gains or losses on assets consigned to the third party for investment or management	808,128.72	
Other non-operating revenue or expenditures	-203,096.63	
Less: Enterprise income tax affected	7,854,767.77	
Non-controlling interest affected (after tax)	95,237.69	
Total	46,899,175.26	

Remarks on other profit or loss satisfying the definition of non-recurring profit or loss:

 Applicable Not Applicable

The Company has no other profit or loss satisfying the definition of non-recurring profit or loss.

Remarks on defining non-recurring profit or loss listed in the “*Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss*” as recurring profit or loss. Applicable Not ApplicableThe Company has no situation of defining non-recurring profit or loss listed in the “*Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss*” as recurring profit or loss.

Section III Management Discussion and Analysis

I. The main business of the Company during the reporting period

The Company is a national high-tech company mainly engaged in the production and sales of nutrition, aroma chemicals, new polymer materials, and APIs. It focuses on fine chemicals, adheres to the concept of innovation-led development and competition-driven growth, and continuously develops various functional chemicals based on the two core platforms of chemical and biology, providing value-added services and solutions to customers in more than 100 countries and regions around the world. It continuously improves the quality of human life with high-quality, healthy and green products, and creates sustainable value for stakeholders. With leading technology, scientific management and sincere service, the Company has become one of the top 100 national fine chemical companies, one of the top 10 companies in China's light of industry fragrance and a well-known special engineering plastics manufacturer.

1. Main products and applications

Nutrition: The current products mainly cover vitamins, amino acids and pigments, etc. Specific products include vitamin E, vitamin A, vitamin C, methionine, vitamin D3, biotin, coenzyme Q10, carotenoids, vitamin B5, vitamin B6, vitamin B12, taurine, serine, etc. They are mainly used in feed additives and nutrition supplements of food, beverages, health food, etc. The Company actively implements the serialized and differentiated development of nutrition, and continuously improves the competitiveness of its products by optimizing the processing line and tackling key issues. In addition, through internal integration and external cooperation, it embraces the ideology of open cooperation. It actively deploys cutting-edge biotechnology, and builds the Company's "Bio+" platform.

Aroma Chemicals: At present, our main fragrance products include linalool, citral, and cis-3-hexenol series, and methyl dihydrojasmonate, raspberry ketone and ligustral, which are widely used in personal care, cosmetic and food fields. From the perspective of competitiveness and market share, NHU becomes an important supplier in the global aroma chemicals industry. The Company continuously enriches the varieties of fragrance products to meet the changing market demands.

Polymer materials: The company focuses on the development of high-performance polymers and key intermediates, moderate development of downstream applications of materials, the main products include polyphenyl sulfide (PPS), high temperature nylon (PPA), HDI, IPDA, downstream applications include automotive, electronic appliances, environmental protection, industrial applications and other fields. At present, the company has created a whole industry chain of PPS from basic raw materials to high polymer, then to modified processing, to special fibers, becoming the only domestic enterprise that can stably produce fiber grade, injection grade, extrusion grade, coating grade PPS, and is developing new material projects in the whole industry chain.

APIs: The main products are concentrated in the series of vitamins and antibiotics. The main products include moxifloxacin hydrochloride, vitamin A, vitamin D3, etc., which are mainly used as active pharmaceutical ingredients for processing and producing pharmaceutical preparations.

2. Main business models

(1) Procurement model

The company has always adhered to the procurement principle of "fairness, transparency and optimal cost", adopted the dual strategy of long-term strategic cooperation and open competitive procurement, deepened the market trend and market analysis, and ensured

the steady supply of strategic materials. Pay attention to source procurement, reduce intermediate links, reduce procurement costs. Promote sunshine procurement, establish an information system, and make the procurement process transparent, standardized and efficient. Select suppliers with good reputation and quality products, and sign quality assurance agreements to ensure stable and reliable performance of purchased items. We will give priority to environmentally friendly, energy-saving and sustainable products and services, encourage suppliers to achieve green production and operation, and gradually promote carbon emission reduction and carbon neutrality plans. Select suppliers with a good sense of social responsibility, pay attention to their social responsibility performance, establish long-term cooperative relations, and achieve sustainable development of procurement activities.

(2) Production model

The Company has always been adhering to the production strategy based on the principle of “production and sales coordination, efficient operation, excellent quality, and cost leadership”. The Company maintained a balance between production and sales through analysis of changes in market demands, effective response to repeated epidemic waves and dual-control power cuts, and reasonable production plans. In addition, the Company keeps innovating the production model, digging out internal potentials, and optimizing the production process, in order to promote safe, green, standardized and efficient production, and continuously improve the competitiveness of its products.

(3) Sales model

The Company has always been adhering to the “customer-centric, market-oriented” sales strategy. It divides business lines by product application fields, and establishes a sales model that suits market needs according to market characteristics and industry practices. Most of the Company’s sales are achieved through direct sales. By doing so, it establishes long-term and stable strategic cooperative relationships with end customers to create greater value for them. Meanwhile, it also selects excellent agents or distributors for distribution. By doing so, it services customers indirectly based on market and customer features. At the same time, through measures such as holding customer service months, strengthening customer strategic cooperation, establishing customer evaluation models, and optimizing customer classification management, we will continue to expand market areas, increase new large-scale customers, and enhance brand influence.

3. Key performance drivers

The Company has built four modern industrial bases across the country. It adheres to the development strategy of integration, serialization and synergy, and insists on innovation-driven. Relying on the solid foundation of fine chemical industry, it focuses on “chemical+” and “biology+” to form NHU featured R&D models with industrial clusters, and technology and industry platforms interdependent. Not only can its products connect basic chemical raw materials in the upstream, but also extend to special intermediates, nutrition, aroma chemicals, new polymer materials, and APIs in the downstream. It has formed a product network structure to resist risks and respond to market emergencies.

During the reporting period, the development and construction of new projects and new products were carried out in an orderly manner. In the nutrition sector, the production capacity of the methionine project released, achieving normal production and sales of 300,000 tons/year of products, and enhancing market competitiveness. The 180,000 tons/year liquid methionine (conversion) project of the company and China Petroleum & Chemical Corporation was put into construction; 4,000 tons/year cystine project was in stable production operation, the pilot project of glufosinate-ammonium project went smoothly. In the aroma chemicals sector, the series of aldehyde projects, SA projects, and the first phase project of the spice industrial park were steadily promoted. In the new polymer materials sector, the development of PPS new field applications was smooth, continuous detail optimization of EJ project and promotion of large-scale production approval, the HA project products were smoothly produced and sold.

During the reporting period, the company's main product market prices were restored, and the company took multiple measures to expand market share, accelerate the market development of new products and applications, strengthen sales team building, optimize customer service, strengthen brand building, and achieve steady growth in the sales volume of its main products. At the same time,

the company achieved stable growth in performance by continuously innovating to reduce costs and increase efficiency, optimizing production processes, resource allocation, energy consumption, and reasonably reducing operating costs.

During the reporting period, the Company's main business and its business model remained unchanged.

II. Core competitiveness analysis

Since its establishment, the Company has focused on fine chemicals, and adhered to innovation-driven development. Through decades of development, it has gradually formed an industrial system with nutrition, aroma chemicals, new polymer materials and APIs as its main business. The market share of its main products is among the top tier in the world market. The Company's core competitiveness lies in its cooperate culture, R&D, management, talent and brand.

1. Corporate culture

Adhering to the enterprise objective of "creating wealth, employees' success, and benefit the society", core values of "new, harmony, union", business philosophy of "create wealth, balanced and sustainable", and enterprise spirit of "realism, innovation, high-quality and efficiency", the Company innovates its operation, and continuously improves management, to ensure the steady development. Under the guidance of the "teacher culture", the Company pursues high-quality and sustainable development, creates spiritual wealth and material wealth, provides a platform and opportunity for employees to develop and realize life value, and contributes to social innovation development, green development, and shared development. During the reporting period, the Company deepened cultural publicity and implementation, organized corporate culture lectures, strengthened the integration of corporate culture and management, promoting the improvement of management capabilities.

2. R&D

The company adheres to the research and development concept of "demand-oriented, internal and external integration", and has invested more than 5% of its operating income in research and development for many consecutive years. Through the establishment of an innovative organizational structure at three levels of science, technology and application, the company has formed a three-level innovative research and development system of scientific research, technology transformation and technology application, and formed a research and development model with the General research Institute as the core, research branches, four production bases, NHU-Zhejiang University joint research and development center, and external scientific research cooperation institutions. The company cooperates closely with well-known research institutes and universities at home and abroad, such as Zhejiang University, Chinese Academy of Sciences, Jiangnan University, China Agricultural University, Zhejiang University of Technology, and CysBio Biotechnology Co., LTD., organizing and utilizing global basic science research resources to jointly carry out prospective and applied research in chemistry. As the core of enterprise technology innovation, the research institute of the company has set up biomedical laboratory, supercritical reaction laboratory, engineering equipment research center and other laboratories, equipped with 600M ultra-low temperature probe nuclear magnetic resonance instrument and other world advanced scientific research equipment, master the supercritical reaction, high vacuum distillation, high pressure hydrogenation continuous, peroxide and continuous crystallization and other leading technologies at home and abroad. It has been rated as a national enterprise technology center, a national postdoctoral research workstation, and a national model academician expert workstation.

3. Production management

The Company has always been adhering to the production strategy based on the principle of "production and sales coordination, efficient operation, excellent quality, and cost leadership" and the HSE guideline of "safety first, green development, full participation, and continuous improvement". The Company takes planning as the goal, cost management as the main line, and maximizing company benefits as the principle for the allocation of resources. Through oriented management and the cyclic operation of planning, organization, implementation and control of the operation process, the Company continuously strengthens the level of

cost control. Meanwhile, it also improves the level of digitalization and intelligence. Through process reform, efficient management, and intelligent operation, it promotes the continuous improvement of management efficiency. In addition, the Company is committed to the development of green chemicals, vigorously promotes clean production, recyclable economy and 7S on-site management, and adopts an environmental governance model that focuses on source control and final disposal. It is determined to take the road of sustainable development.

4. Process and equipment

The Company values highly the effective combination of process and equipment. It has a process and equipment research institute, and cooperates with famous engineering companies and scientific research institutes at home and abroad. Through joint innovation and other methods, the Company improves the overall level of its process and equipment. The Company is dedicated to the R&D of process and equipment towards larger scale, better airtightness, greater continuity, and higher level of automation, aiming to save energy and reduce emissions, to improve productivity and product quality, to increase the intrinsic safety of production process, to lower production costs, and to improve the level of automation. Currently, the Company has developed various efficient reaction and separation platforms including continuous reaction, high vacuum distillation, continuous extraction, continuous crystallization, efficient filtration, simulated moving bed separation, microchannel and micro-interface reaction with respect to specific processes, and remarkable results have been achieved in continuous transformation of reaction, vapor-liquid-solid heterogeneous reaction, and separation of air sensitive and heat sensitive materials through continuous improvement of large-size equipment.

5. Talent

The company has always adhered to the management concept of "standardized and efficient" and the employment concept of "both virtue and talent, people and posts matching", and has shaped a pioneering and innovative, pragmatic, and efficient talent team and a long-term stable and excellent management team with a high sense of responsibility, to promote the sustainable, healthy and rapid development of the company. The company continues to strengthen the construction of talent supply chain, constantly improve the talent training system, strengthen the training of "management talents, skilled talents, international talents, core technical talents, and leadership talents", systematically train and reserve college students, introduce various professional talents, continue to promote the training of reserve cadres such as the sailing class and the departure class, and promote the cross-sequence rotation training of the front type. Promote the improvement of management and professional ability, and build a balanced talent structure.

6. Brand

The company adheres to the "integrity-based", and has always adhered to serving customers and creating industry value with customers as the goal pursued by enterprises over the years. Through technological innovation, the company continues to provide customers with safe and high-quality products and efficient and satisfactory services. After years of development and accumulation, the company has won many honorary titles in the global fine chemical industry, such as one of China's top ten feed additive brands, one of the country's large vitamin feed additive enterprises, and won the list of China's top 500 petroleum and chemical enterprises (comprehensive) and China's top 100 basic chemical raw material manufacturing enterprises. Good market reputation has laid a solid foundation for the healthy and long-term development of the company. In addition, the company has repeatedly won the top 30 best internal control in Zhejiang Province, the mainstream media listed companies "Best Investor relations Award", "Best Board of Directors award" and other awards, widely favored by the market and investors. During the reporting period, the company was rated as "Zhejiang Export Famous Brand", "Top 100 Private Enterprises in Shaoxing City 2024", and won the "15th Tianma Award for Investor Relations of Chinese Listed Companies Tianma Award for Shareholder Return" and "Top 30 Zhejiang Listed Companies Best Internal Control Award in 2023".

7. Globalization

Globally oriented, the company has set up overseas sales companies in Hong Kong, Singapore, Germany, Mexico, Brazil and other regions or countries, and built overseas research institutes in Singapore to connect global innovation resources, providing

comprehensive solutions in the fields of nutrition and health, daily care, transportation, environmental protection, energy, and other fields for customers in more than 100 countries and regions around the world. We will strive to optimize the allocation of resources at home and abroad, help expand overseas markets and provide localized services, and continue to move toward "Global NHU".

8. Intelligent Manufacturing

The company establishes the "one headquarters and multiple bases" management and control mode, builds a large-middle desk technical route with new and successful characteristics, and strengthens the awareness of data management and the management platform support system by building the business center, data center and technology center, so as to realize the smooth management process of the headquarters and production base, the same source of business data, and supports the efficient business decision-making of enterprises. The company constantly promotes automation, informatization and digitalization, strives to create a new and characteristic intelligent manufacturing system, build smart factories, promote intelligent operation management, achieve efficient, flexible, punctual, lean production of high-quality products, better meet and serve customers, and shape new advantages of industrial competition.

III. Main Business Analysis

Overview

Refer to "I. The Main Business of the Company during the Reporting Period"

Year-on-year changes in key financial data

Unit: RMB Yuan

Item	The Current Reporting Period	The Same Period of the Previous Year	YoY growth rate	Reasons for Changes
Operating revenue	9,844,712,214.36	7,418,514,576.09	32.70%	It was mainly due to the increase in volume and price of methionine and vitamins during the reporting period.
Operating Cost	6,191,379,061.37	4,989,533,832.95	24.09%	It was mainly due to the increase in sales of major products during the reporting period.
Sales Expenses	74,869,581.39	66,941,370.80	11.84%	It was mainly due to the increase in remuneration of sales staff during the reporting period.
Administration Expenses	295,567,957.53	244,646,451.17	20.81%	It was mainly due to the increase in personnel remuneration and loss on work stoppage of CLA and NBC projects during the reporting period.
R&D Expense	480,961,724.14	416,575,391.59	15.46%	It was mainly due to the increase in direct material inputs in research and development projects during the reporting period.
Financial Expenses	71,051,340.26	-37,162,425.39	291.19%	It was mainly due to the decrease in interest income and foreign exchange gains during the reporting period.
Income Tax Expense	482,498,449.43	251,283,197.83	92.01%	It was mainly due to the increase in total profit during the reporting period.
Net Cash Flows from Operating Activities	2,138,324,059.35	1,235,562,621.93	73.06%	It was mainly due to the increase in revenue and the rise in payment for goods during the reporting period..
Net Cash Flows from Investing Activities	-745,685,689.42	-2,089,507,038.68	64.31%	It was mainly due to t lower expenditure on acquisition of fixed assets during the reporting period

Item	The Current Reporting Period	The Same Period of the Previous Year	YoY growth rate	Reasons for Changes
Net Cash Flows from Financing Activities	-1,070,263,034.77	-865,319,516.45	-23.68%	It was mainly due to the decrease in bank loans during the reporting period.
Net Increase in Cash and Cash Equivalents	383,746,932.62	-1,643,950,329.76	123.34%	It was mainly due to the increase in payment for goods and the decrease in expenditure on the purchase and construction of fixed assets during the reporting period.

Significant changes in the composition of the Company's profit or sources of profit during the reporting period

Applicable Not applicable

No significant changes in the composition of the Company's profit or sources of profit during the reporting period.

Operating Income Structure

Unit: RMB Yuan

Items	The Current Reporting Period		The Same Period of the Previous Year		YoY growth rate
	Amount	% to total	Amount	% to total	
Total	9,844,712,214.36	100%	7,418,514,576.09	100%	32.70%
By industry					
Pharmaceutical chemicals	9,076,866,530.54	92.20%	6,771,211,341.41	91.27%	34.05%
Others	767,845,683.82	7.80%	647,303,234.68	8.73%	18.62%
By product					
Nutrition	6,680,260,846.33	67.86%	4,830,212,886.75	65.10%	38.30%
Aroma Chemicals	1,924,696,068.19	19.55%	1,631,864,728.45	22.00%	17.94%
New polymer materials	722,250,116.77	7.34%	578,308,624.04	7.80%	24.89%
Others	517,505,183.07	5.25%	378,128,336.85	5.10%	36.86%
By region					
Domestic sales	4,404,308,500.06	44.74%	3,557,426,385.63	47.95%	23.81%
Overseas sales	5,440,403,714.30	55.26%	3,861,088,190.46	52.05%	40.90%
By sales model					
Direct sales	7,519,499,621.91	76.38%	5,896,114,550.44	79.48%	27.53%
Agent sales	2,325,212,592.45	23.62%	1,522,400,025.65	20.52%	52.73%

Industry, product, or regions accounting for more than 10% of the Company's operating revenue or profit

Applicable Not applicable

Unit: RMB Yuan

Items	Operating revenue	Operating cost	Gross rate	Growth rate of operating revenue	Growth rate of operating cost	Growth rate of gross rate
By industry						
Pharmaceutical chemicals	9,076,866,530.54	5,615,207,021.00	38.14%	34.05%	23.86%	Increased by 5.09 percentage points
By product						
Nutrition	6,680,260,846.33	4,284,597,858.42	35.86%	38.30%	24.73%	Increased by

Items	Operating revenue	Operating cost	Gross rate	Growth rate of operating revenue	Growth rate of operating cost	Growth rate of gross rate
						6.98 percentage points
Aroma Chemicals	1,924,696,068.19	968,275,425.04	49.69%	17.94%	22.29%	Decreased by 1.79percentage points
By region						
Domestic sales	4,404,308,500.06	2,828,623,386.54	35.78%	23.81%	8.66%	Increased by 8.96 percentage points
Overseas sales	5,440,403,714.30	3,362,755,674.83	38.19%	40.90%	40.92%	stay level

When the statistical caliber of the Company's main business data is adjusted in the reporting period, the Company's main business data in the most recent period should be subject to the one after the statistical caliber adjusted at the end of the reporting period.

Applicable Not applicable

IV. Non-main business analysis

Applicable Not Applicable

Unit: RMB Yuan

Items	Amount	% to total profit before tax	Reason for balance	Whether has continuity
Investment income	47,554,398.65	1.76%	It was mainly due to the transfer of equity interests in subsidiaries and profits realized by associates during the reporting period.	No
Gains on changes in fair value (Losses are shown with a "-" sign)	-4,445,860.49	-0.16%	It was mainly due to changes in the fair value of forward exchange products during the reporting period.	No
Other income	130,215,288.28	4.82%	It was mainly due to the receipt of government grants during the reporting period.	No
Credit impairment loss (Losses are shown with a "-" sign)	-98,041,802.36	-3.63%	It was mainly due to the increase in credit impairment losses as a result of the increase in accounts receivable as a result of the increase in revenue during the reporting period.	No
Impairment losses on assets (Losses are shown with a "-" sign)	-10,175,642.76	-0.38%	It was mainly due to due to the impairment of losses arising from the provision for decline in value of inventories during the reporting period.	No
Non-operating revenue	2,373,545.46	0.09%	It is mainly due to income from claims.	No
Non-operating expenditures	3,797,633.81	0.14%	This was mainly due to losses on assets scrapped during the reporting period.	No

V. Assets and liabilities analysis

1. Significant changes in asset composition

Unit: RMB Yuan

Items	Jun. 30, 2024		Dec. 31, 2023		Percentage of change	Remarks on significant changes
	% to total	Amount	% to total	% to total		
Cash and bank balances	4,901,773,897.05	12.23%	4,543,361,146.98	11.60%	Increased by 0.63 percentage points	
Accounts receivable	3,246,276,963.34	8.10%	2,483,266,952.88	6.34%	Increased by 1.76 percentage points	
Inventories	4,289,303,730.42	10.70%	4,318,878,875.34	11.03%	Decreased by 0.33 percentage points	
Long-term equity investments	862,008,342.50	2.15%	697,145,200.08	1.78%	Increased by 0.37 percentage points	
Fixed assets	22,034,912,795.44	54.96%	21,860,082,637.13	55.83%	Decreased by 0.87 percentage points	
Construction in progress	912,349,768.88	2.28%	1,621,882,507.56	4.14%	Decreased by 1.86 percentage points	
Right-of-use assets	5,658,877.20	0.01%	6,603,631.56	0.02%	Decreased by 0.01 percentage points	
Short-term borrowings	1,576,838,512.31	3.93%	1,235,688,062.90	3.16%	Increased by 0.77 percentage points	
Contract liabilities	174,322,469.67	0.43%	251,008,240.97	0.64%	Decreased by 0.21 percentage points	
Long-term borrowings	6,551,494,021.20	16.34%	6,821,643,194.58	17.42%	Decreased by 1.08 percentage points	
Lease liabilities	4,299,247.61	0.01%	5,240,136.43	0.01%	stay level	

2. Major overseas assets

Applicable Not applicable

3. Assets and liabilities at fair value

Applicable Not Applicable

Unit: RMB Yuan

Items	Opening balance	Gains on changes in fair value	Accumulated changes in fair value included in equity	Provision for impairment made in the current period	Amount purchased during the reporting period	Amount sold during the reporting period	Other changes	Closing balance
Financial assets								
1. Held-for-trading financial assets (derivative financial assets excluded)	145,000,000.00					145,000,000.00		0.00

Items	Opening balance	Gains on changes in fair value	Accumulated changes in fair value included in equity	Provision for impairment made in the current period	Amount purchased during the reporting period	Amount sold during the reporting period	Other changes	Closing balance
2. Derivative financial assets	28,056,050.95	-19,314,954.56						8,741,096.39
Subtotal of financial assets	173,056,050.95	-19,314,954.56				145,000,000.00		8,741,096.39
Total	173,056,050.95	-19,314,954.56				145,000,000.00		8,741,096.39
Financial liabilities	0.00	0.00				0.00		0.00

Whether the Company has significant changes in measurement attributes of main assets during the reporting period

Yes No

4. Restrictions on assets as of the end of the reporting period

Unit: RMB Yuan

Items	Book balance	Carrying amount	Type of restriction	Restrictions
Cash and bank balances	55,388,324.90	55,388,324.90	pledged	Banker's acceptance deposit
	1,641,394.48	1,641,394.48	pledged	Letter of Credit Deposit
	3,830,850.00	3,830,850.00	pledged	customs Deposit
	872,914.81	872,914.81	pledged	Safety Construction deposit
	854,083.87	854,083.87	pledged	Project works labor wage deposit
	661,888.24	661,888.24	pledged	Water deposit
	8,183,592.83	8,183,592.83	pledged	Letter of Guarantee Deposit
	23,500.00	23,500.00	pledged	ETC Deposit
Notes receivable	32,594,214.73	32,594,214.73	pledged	Opening a pledge of banker's acceptances
Receivables financing	174,672,943.58	174,672,943.58	pledged	Opening a pledge of banker's acceptances
Fixed assets	94,874,505.48	77,901,231.39	mortgaged	Mortgage to a bank for the purpose of obtaining a loan
Intangible assets	10,042,866.95	10,042,866.95	mortgaged	Mortgage to a bank for the purpose of obtaining a loan
Total	383,641,079.87	366,667,805.78		

VI. Investment status analysis

1. Overall information

Applicable Not Applicable

Investments during the reporting period (yuan)	Investments of the preceding period (yuan)	Percentage of change
848,541,432.20	2,011,618,396.22	-57.82%

2. Significant equity investments made during the reporting period

Applicable Not Applicable

3. Significant non-equity investments in progress during the reporting period

Applicable Not Applicable

4. Investments in financial assets**(1) investments in securities**

Applicable Not Applicable

There is no investment in securities during the reporting period.

(2) Investments in derivatives

Applicable Not Applicable

1) Derivative investments for hedging purposes during the reporting period

Applicable Not Applicable

Unit: RMB 0,000 yuan

Types of Derivatives Investments	Initial Investment Amount	Opening amount	Gains or losses on changes in fair value for the period	Accumulated fair value changes recorded in equity	Amount purchased during the reporting period	Amount sold during the reporting period	End of period amount	Investment amount at the end of the period as a percentage of the company's net assets at the end of the reporting period
Forward contracts	195,647.20	195,647.20	-744.44		288,974.90	381,173.30	103,448.80	4.03%
Structured Forward Contracts	0	0	299.85		85,443.50	26,536.50	58,907.00	2.30%
Total	195,647.20	195,647.20	-444.59		374,418.40	407,709.80	162,355.80	6.33%
description of the accounting policies and specific principles of accounting for hedging operations during the reporting period, and whether there have been any significant changes compared to the previous reporting period				The Company accounts for the hedging business conducted in accordance with the relevant provisions of the Ministry of Finance's AS 22 - Recognition and AS 23 - Transfer of Financial Assets and AS 37 - Presentation of Financial Instruments and its guidance. There were no significant changes in accounting policies and specific principles of accounting compared with the previous reporting period.				
Description of actual profit or loss for the reporting period				In order to reduce the impact of exchange rate fluctuations on the Company's operating results, the Company carried out foreign exchange hedging business in accordance with a certain percentage of its export business, with business varieties mainly including forward exchange settlement and other foreign exchange derivative products, all of which were within the expected scale of sales business, and the actual gain on derivatives at the end of the reporting period was 7.55 million yuan.				
Description of the hedging effect				The Company carries out foreign exchange hedging business based on the principle of exchange rate risk neutrality. By carrying out foreign exchange hedging business, the Company reduces the impact of exchange rate				

	fluctuation on the Company's operation and effectively controls the operation risk.
Derivatives Investment Funding	Self-funded.
Risk analysis and description of control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	In order to prevent exchange rate risk, the Company and its subsidiaries have carried out derivative business and the Company and its subsidiaries have strictly implemented the "Foreign Exchange Hedging Business Management Regulations".
Changes in market prices or product fair values of invested derivatives during the reporting period, and the analysis of the fair value of derivatives should disclose the specific methods used and the setting of relevant assumptions and parameters	The floating loss on fair value of derivatives during the reporting period was 4.45 million Yuan. Changes in fair value are determined at the end of each month based on quoted market prices from external financial institutions.
Litigation involved (if applicable)	No
Date of disclosure of board announcement for approval of derivative investments (if any)	April 23, 2024

2) Investments in derivatives for speculative purposes during the reporting period

Applicable Not Applicable

The Company had no derivative investments for speculative purposes during the reporting period.

5. Use of raised funds

Applicable Not Applicable

(1) Overall use of raised funds

Applicable Not Applicable

Unit: RMB 0,000 yuan

Year of fund-raising	Way of fund-raising	Total amount raised	Net amount raised	Amount used in the current period	Accumulated amount of raised funds used	Total raised funds with changes in uses during the reporting period	Accumulated amount of raised funds with changes in uses during the reporting period	Proportion of raised funds with changes in uses to total raised funds	Total raised funds not yet used	Purposes of raised funds not yet used and the whereabouts	Raised funds being idle for over two years
Year 2017	Private placement of shares	486,707.55	486,707.55	16,001.17	527,880.92	0	0	0.00%	34,323.48	Transfer out of permanent supplementary working capital	0
Total	--	486,707.55	486,707.55	16,001.17	527,880.92	0	0	0.00%	34,323.48	--	0

Remarks on overall use of raised funds

The Company's raised funds used in previous years amounted to 5,118.80 million yuan, the net amount of interest on cash in bank received in previous years less handling charges amounted to 105.69 million yuan, gains on financial products and structured deposits received in previous years amounted to 644.29 million yuan, and the net expenditure on financial products and structured deposits purchased in previous years amounted to 145.00 million yuan; the raised funds actually used in 2024 amounted to 160.01 million yuan, the net amount of interest on cash in bank received in 2024 less handling charges amounted to 4.12 million yuan, gains on financial products and structured deposits received in 2024 amounted to 0.86 million yuan, and the net recovery from financial products and structured deposits purchased in 2024 amounted to 145.00 million yuan; the accumulated amount of the raised funds used

amounted to 5,278.81 million yuan, the accumulated net amount of interest on cash in bank received less handling charges amounted to 109.81 million yuan, the accumulated amount of gains on financial products and structured deposits received amounted to 645.16 million yuan, and net expenditure on financial products and structured deposits purchased amounted to 0 yuan, supplementary liquidity transfer out of 343.23 million yuan. As of June 30, 2024, the balance of raised funds was 0.00 yuan.

The Company held the Third Meeting of the Ninth Session of the Board of Directors and the Third Meeting of the Ninth Session of the Board of Supervisors on 19 April 2024 and considered and passed the "Proposal on the Closing of Fund Raising Investment Project and Permanent Supplementation of Current Funds with Surplus Fund Raising", and agreed to close the project and permanently supplement the current funds with surplus fund raising investment project "Project of 250,000 Tons of Methionine Per Annum" for the purpose of enhancing the efficiency of the use of surplus fund raising. 250,000 tonnes of methionine project" and permanently replenish the working capital with the surplus proceeds. As at 23 May 2024, the balance of the special account for fund-raising of the Company has been transferred to the general settlement account of the Company, and the relevant procedures for cancellation of the special account for fund-raising have been completed.

(2) Committed projects with raised funds

Applicable Not Applicable

Unit: RMB 0,000 yuan

Committed investment projects and over-raised funds whereabouts	Whether changed (including partial changed)	Total committed investment in raised funds	Total amount after adjustment (1)	Input during the reporting period	Accumulated input as of the period end (2)	Investment progress as of the period end (3)=(2)/(1)	Date of reaching designed usable conditions	Benefit realized in the reporting period	Whether the expected benefit is reached	Whether there was significant changes in feasibility of the project
Committed investment projects										
Methionine project with annual output of 0.25 million tons	No	486,707.55	486,707.55	16,001.17	527,880.92	108.46%	December 31, 2023	93,119.92	Yes	No
Subtotal	--	486,707.55	486,707.55	16,001.17	527,880.92	--	--	93,119.92	--	--
Over-raised funds whereabouts										
No		0	0	0	0	0.00%		0		
Total	--	486,707.55	486,707.55	16,001.17	527,880.92	--	--	93,119.92	--	--
Conditions of and reasons for not meeting the planned schedule or estimated revenue (by specific project)				Pursuant to the results deliberated and approved by the eighth meeting of the eighth session of Board of Directors and the seventh meeting of the eighth session of the Board of Supervisors dated October 27, 2021, the Company intended to adjust the date when the methionine project with annual output of 0.25 million tons reaches the designed usable conditions from the originally planned December 2021 to June 2023, with other contents remaining unchanged. Main reasons: Due to the impact of the macro economy, the construction progress of the project's infrastructure has been delayed, the procurement and delivery time of some equipment and materials has been extended, the installation and commissioning of equipment has been delayed, and the overall progress of the investment projects with raised funds has slowed down, which jointly resulted in the postponement of delivery of the projects. Currently, The project's 0.25million tons production line is now operating normally .						
Remarks on significant changes in feasibility of projects				None.						
Amount, purposes and progress of use of over-raised funds				Not Applicable						
Changes in implementation locations of investment projects with raised funds				Not Applicable						
Adjustment on the implementation method of investment projects with raised funds				Not Applicable						
Preliminary investment and replacement of investment projects with raised funds				Applicable						
				Preliminary investment amounted to 36.06 million yuan, and the replacement of raised funds is completed.						

Temporary replenishment of working capital with idle raised funds	Not Applicable
Amount of and reasons for the balance of raised funds in the implementation of projects	Not Applicable
Uses and whereabouts of unused raised funds	Completed and put into production of the fund-raising projects to close and use the savings of the fund-raising funds to permanently replenish the working capital, the fund-raising projects to close and use the savings of the fund-raising funds to permanently replenish the working capital of the matter has been considered and approved by the Ninth Session of the Board of Directors of the Company at its Third Meeting and the Ninth Supervisory Committee of the Company at its Third Meeting.
Problems or other situations in the use and disclosure of raised funds	None.

(3) Change of projects with raised funds

Applicable Not Applicable

There is no change of projects with raised funds during the reporting period.

VII. Sale of major assets and equities

1. Sale of major assets

Applicable Not Applicable

There is no sale of major assets during the reporting period.

2. Significant sale of equities

Applicable Not Applicable

VIII. Major entities controlled or invested by the Company

Applicable Not Applicable

Major subsidiaries and investees with influence on net profit of the Company over 10% (inclusive)

Unit: RMB 0,000 yuan

Entities	Categories	Major businesses	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shandong NHU Pharmaceutical Co., Ltd.	Subsidiary	Production and sales of fragrances	590 million yuan	429,313.45	349,110.74	208,580.99	77,328.68	66,686.44
Shandong NHU Amino-acids Co., Ltd.	Subsidiary	Production and sales of methionine	1,100 million yuan	1,092,450.99	964,066.91	320,550.76	139,781.76	118,095.83
Shandong NHU Vitamins Co., Ltd.	Subsidiary	Production and sales of feed additives	500 million yuan	436,062.15	356,683.60	162,306.85	66,464.23	57,134.74

Details of acquisition and disposal of subsidiaries during the reporting period

Applicable Not Applicable

Subsidiaries	Method for acquisition and disposal of subsidiaries during the reporting period	Effect on the overall production, operation and performance
Qionghai Boao Lidu Real Estate Co., Ltd.	shareholding transfer	None.
Tianjin NHU Materials Technology Co., Ltd.	investment establishment	Initial no significant impact .

IX. Structured entities controlled by the Company

Applicable Not Applicable

X. Risks and countermeasures

(1) Macroeconomic risks

The global economy is facing numerous uncertainties due to international trade frictions and possible intensification of geopolitical conflicts. The company will accelerate the pace of globalization, speed up the global strategic layout, continuously improve the construction of global innovation, sales, and information centers, establish a diversified innovation chain, supply chain, and customer base, to promote the company's steady development.

(2) Industry and market competition risks

The Company is facing peer competition in both domestic and international markets. The development of new technologies by its competitors will not only impact the market, but also challenge the Company's market position in the industry. In the future, the Company will continuously enhance its R&D and innovation capabilities, improve its technology, strengthen cost control, and improve the competitiveness in the industry.

(3) Risks of raw material price fluctuation

As cost of raw materials accounts for a relatively high proportion of the total cost, the price fluctuations caused by the supply-demand imbalance of raw material will have an impact on the Company's profit. In the future, the Company will reduce the adverse impact of raw material price fluctuations through market research and judgment, establishing strategic partnership with suppliers, and improving the utilization rate of raw materials.

(4) Exchange rate and trade risks

The company provides products and services to customers in more than 100 countries and regions around the world. Political risks, trade obstacles and exchange rate fluctuations caused by Sino-US trade frictions, international political and economic instability will have a certain impact on the company's sales revenue and profitability. In the future, the company will take targeted measures to actively respond to changes in the international market, strive to stabilize its international market position and actively explore new economic growth points to maintain the steady growth of the company's performance.

(5) Risks of changes in environmental protection policies

With the increased social awareness of environmental protection, the promotion of the ecological civilization construction of the CPC Central Committee, and the strategic goal of "carbon emission peak and carbon neutrality", the requirements for energy conservation, emission reduction, safety, and environmental protection in the chemical and pharmaceutical manufacturing industry in which the Company operates are stricter than before. The Company will operate with higher standards and explore more environmentally friendly ways of production to achieve sustainable development.

XI. Implementation of the "Quality-Return dual improvement" action plan

Whether the company disclosed the "quality-return dual improvement" action plan.

Yes No

In order to implement the guiding ideology of "to activate the capital market and boost investor confidence" proposed by the Political Bureau meeting of the CPC Central Committee and "to vigorously improve the quality and investment value of listed

companies, to take more effective and effective measures to stabilize the market and stabilize confidence", safeguard the rights and interests of all shareholders, enhance investor confidence, and promote the long-term sustainable development of the company. The Company published the "Announcement on the Action Plan of" Double Improvement of Quality and Return "(2024-002) on designated information disclosure media and <http://www.cninfo.com.cn> on March 9, 2024, The main content of the action plan includes four aspects: "Innovation-driven development, excellence and specialization", "Contributor-based sharing of the company's development results", "deepening corporate governance and improving the standard operation level", and "compliance information disclosure and sincere two-way communication".

During the reporting period, the company continued to actively return shareholders with relatively stable profit distribution policies and cash dividend programs, allowing investors to share the results of the company's business development. In addition, in order to boost market confidence, the controlling shareholder NHU Holding Group Co., Ltd. proposed the plan to increase its holdings in 2023, with the amount for increasing the shares not less than 200 million yuan and not more than 300 million yuan, and the implementation was completed in March 2024, with the purchase amount of 300 million yuan. During the reporting period, the Company implemented the 2023 annual equity distribution based on 3,073,421,680 shares of the Company's existing total share capital excluding 17,485,676 shares that have been repurchased, and distributed RMB4.50 in cash to all shareholders for every 10 shares, totaling RMB1,383,039,756.00 (tax included).

The company will continue to develop functional chemicals through technology development and product innovation, enrich the product line of the fine "chemical +" and "biological +" platform, do the best and specialize in the main fine chemical industry, constantly improve the core competitiveness, and achieve steady and sustainable development of enterprises. In the future, under the premise of ensuring normal operation, the company insists on providing investors with continuous and stable cash dividends, and combines the company's operating status and business development goals to bring long-term investment returns to shareholders. At the same time, the company continues to deepen corporate governance, improve the standard operation level, take the initiative to convey value concepts to investors, understand investors' views and suggestions on the company's operation and development, guide investors to take the initiative to pay attention to the company's announcement, news and other official channel information, and constantly improve the two-way communication mechanism between the company and investors.

Section IV Corporate Governance

I. Annual general meeting and extraordinary general meetings held during the reporting period

1. General meeting of shareholders

Session	Type of meetings	Proportion of participating investors	Meeting date	Disclosure date	Resolutions
General meeting of shareholders of 2023	Annual general meeting of shareholders	60.20%	May 15, 2024	May 16, 2024	19 proposals including the <i>Annual Work Report of the Board of Directors of 2023</i> were deliberated and approved. Please refer to Announcement No. 2024-022 disclosed on http://www.cninfo.com.cn for details.

2. Preference shareholders with restored voting rights request to convene an extraordinary general meeting

Applicable Not applicable

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

The Company's directors, supervisors and senior executives remains unchanged during the current reporting period, please refer to the 2023 Annual Report for details.

III. Profit distribution and conversion of capital reserve into share capital

Applicable Not applicable

The Company will not distribute cash dividend, distribute bonus shares, or distribute shares from capital reserve during the current reporting period.

IV. Implementation of equity incentive plans, employee stock ownership plans or other employee incentive programs

Applicable Not applicable

1. Equity incentive

Not applicable.

2. Implementation of employee stock ownership plans

Applicable Not applicable

All active employee stock ownership plans during the reporting period

Scope of employees	Number of employees	Total shares held	Changes	Proportion to total share capital of the Company	Sources of fund to implement the plan
The forth phase of employee stock ownership plan: directors,	627	29,528,181	N/A	0.96%	Legal remuneration of

Scope of employees	Number of employees	Total shares held	Changes	Proportion to total share capital of the Company	Sources of fund to implement the plan
supervisors, senior executives of the Company, and regular employees of the Company and its holding subsidiaries or wholly-owned subsidiaries who meet the criteria					the employees, self-raised funds and other methods permitted by laws and administrative regulations

Shareholdings of directors, supervisors and senior executives in the employee stock ownership plan during the reporting period

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Proportion to total share capital of the Company
The fourth phase of employee stock ownership plan: Hu Baifan, Hu Baishan, Shi Guanqun, Wang Xuewen, Wang Zhengjiang, Zhou Guiyang, Shi Fangbin, Lyu Guofeng, Yu Hongwei, Yan Hongyue, Chen Zhaofeng, Wang Xiaobi, Li Huafeng, Zhang Liying	Directors, supervisors and senior executives	8,664,835	8,664,835	0.28%

Changes in asset management agency during the reporting period

Applicable Not applicable

Changes in equity during the reporting period due to disposal of shares by holders

Applicable Not applicable

Exercise of shareholders' rights during the reporting period

Pursuant to the *Forth Phase of Employee Stock Ownership Plan (Draft)*, such plan voluntarily waives the voting rights of holding shares in the general meeting of the Company, while shares acquired through the employee stock ownership plan carry no voting rights in the general meeting. During the reporting period, the employee stock ownership plan did not exercise the voting rights of holding shares in the general meeting, but still enjoyed the right to profit distribution.

Other relevant situations and remarks of the employee stock ownership plan during the reporting period

Applicable Not applicable

Change in membership of the management committee of employee stock ownership plan

Applicable Not applicable

Financial impact of employee stock ownership plan on the Company in the reporting period and related accounting treatments

Applicable Not applicable

Termination of employee stock ownership plan during the reporting period

Applicable Not applicable

Other remarks

The number of shares held by directors, supervisors and senior managers in the employee stock ownership plan is calculated according to the proportion of the holder's share in the total share of the employee stock ownership plan..

Other employee incentive programs

Applicable Not applicable

Section V Environmental and Social Responsibilities

I. Major environmental issues

Whether the Company and its subsidiaries belong to the key pollutant discharging units announced by departments of environmental protection administration

Yes No

Environmental protection-related policies and industry standards

Interim Regulations on the Administration of Carbon Emission Trading (Decree No. 775 of the State Council of the People's Republic of China)

Action Programme for Energy Conservation and Carbon Reduction 2024-2025 (Guo Fa [2024] No. 12)

Announcement on the publication of the Catalogue of Solid Waste Classification and Codes (Ministry of Ecology and Environment No. 4 of 2024)

Nomenclature for Environmental Management of Chemical Substances (Ministry of Ecology and Environment 2024, No. 10)

Measures for the Administration of Sewage Discharge Permits (Decree No. 32 of the Ministry of Ecology and Environment)

Implementation Programme on the Establishment of Carbon Footprint Management System (Ministry of Ecology and Environment, Environmental Climate [2024] No. 30)

Administrative permits for environmental protection

On 12 April 2024, Zhejiang NHU Pharmaceutical Co., Ltd. completed the re-application for the sewage discharge permit, and completed the change on 1 July 2024, with the validity period until 11 April 2029.

On 17 May 2024, Zhejiang NHU Special Materials Co., Ltd. completed the re-application of sewage discharge permit, which is valid until 13 May 2029.

On 28 May 2024, Shandong NHU Amino Acid Co., Ltd. completed the re-application for the sewage discharge permit, which is valid until 27 May 2029.

On 18 June 2024, Heilongjiang NHU Bio-Technology Co., Ltd. completed the change of emission permit, which is valid until 17 May 2028.

On 22 June 2024, Shandong NHU Pharmaceutical Co., Ltd. completed the re-application for the sewage discharge permit, which is valid until 20 June 2029.

Industry emission standards and the specific circumstances of pollutant emissions involved in production and operation activities

Name	Types of major and characteristic pollutants	Name of main pollutants and pollutant characteristics ¹	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
The Company	water pollution	COD	Sewer connection	1	Plant area	155mg/L	500mg/L	17.35t	≤189.5t/a	No
The Company	water pollution	NH3-N	Sewer connection	1	Plant area	0.9mg/L	35mg/L	0.11t	≤13.28t/a	No
The Company	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	19mg/m ³	50mg/m ³	0.49t	≤8.612 t/a	No
The Company	Atmospheric pollutants	NO _x	Filtered discharge	1	Plant area	33mg/m ³	50mg/m ³	0.33t	≤28t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	water pollution	COD	Sewer connection	1	Plant area	226.466mg/L	500mg/L	242.995t	≤999.65t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	water pollution	NH3-N	Sewer connection	1	Plant area	6.634 mg/L	35mg/L	7.118t	≤69.976 t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	water pollution	TN	Sewer connection	1	Plant area	18.348 mg/L	70mg/L	19.687t	≤139.951 t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	5.739 mg/m ³	100mg/m ³	0.525t	≤57.6 t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	8.987 mg/m ³	100mg/m ³	0.379t	≤43.2 t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	2.918 mg/m ³	100mg/m ³	0.135t	≤120.7t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	2.812 mg/m ³	100mg/m ³	0.475t	≤1.98t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	0.7 mg/m ³	100mg/m ³	0.007t	≤0.288t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	1mg/m ³	100mg/m ³	0.002t	≤0.01t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	0.387 mg/m ³	100mg/m ³	0.001t	≤0.032t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	NO _x	Filtered discharge	1	Plant area	5.233 mg/m ³	200mg/m ³	0.242t	≤19.8t	No
Zhejiang NHU Pharmaceutical	Atmospheric pollutants	NO _x	Filtered discharge	1	Plant area	125.11 mg/m ³	300mg/m ³	21.112t	≤28.08t	No

¹ COD, NH3-N, SO₂, NO_x, TN, VOC, PM and TP stand for chemical oxygen demand, ammonia nitrogen, sulfur dioxide, nitrogen oxides, total nitrogen, volatile organic compound, particulate matter and total phosphorus, respectively.

Name	Types of major and characteristic pollutants	Name of main pollutants and pollutant characteristics ¹	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
Co., Ltd.										
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	NOx	Filtered discharge	1	Plant area	14.949 mg/m ³	150mg/m ³	0.389t	≤8.44t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	3.44 mg/m ³	100mg/m ³	0.159t	≤9.295t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	14.62 mg/m ³	100mg/m ³	2.467t	≤37.94t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	4.927 mg/m ³	50mg/m ³	0.128t	≤10.905t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	5.175 mg/m ³	20mg/m ³	0.239t	≤5.164t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	3.375 mg/m ³	30mg/m ³	0.569t	≤8.42t	No
Zhejiang NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	5.839 mg/m ³	20mg/m ³	0.152t	≤5.626t	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	1.35mg/m ³	5 mg/m ³	0.149t	≤17.73 t/a	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	0.5mg/m ³	20 mg/m ³	0.108t	≤17.73 t/a	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	2.8mg/m ³	20 mg/m ³	0.031t	≤17.73 t/a	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	4.62mg/m ³	35 mg/m ³	0.486t	≤67.92t/a	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	2 mg/m ³	50 mg/m ³	0.278t	≤67.92t/a	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	3 mg/m ³	50 mg/m ³	0.038t	≤67.92t/a	No
Zhejiang NHU Special	Atmospheric pollutants	NOx	Filtered discharge	1	Plant area	23.44 mg/m ³	50 mg/m ³	3.192t	≤83.28 t/a	No

Name	Types of major and characteristic pollutants	Name of main pollutants and pollutant characteristics ¹	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
Materials Co., Ltd.										
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	NOx	Filtered discharge	1	Plant area	13mg/m ³	100 mg/m ³	2.25t	≤83.28 t/a	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	NOx	Filtered discharge	1	Plant area	32mg/m ³	150 mg/m ³	0.27t	≤83.28 t/a	No
Zhejiang NHU Special Materials Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	2	Plant area	4.56 mg/m ³	60 mg/m ³	0.2304t	≤69.72 t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	5	Plant area	1.21 mg/m ³	10 mg/m ³	0.29t	≤14.366t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	4	Plant area	2.70 mg/m ³	50 mg/m ³	0.41t	≤4.006t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	NOx	Filtered discharge	5	Plant area	48.35 mg/m ³	100 mg/m ³	8.46t	≤76.458t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	3	Plant area	10.33 mg/m ³	60 mg/m ³	9.81t	≤154.36t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	water pollution	COD	Sewer connection	1	Plant area	436.94 mg/L	1000 mg/L	46.6t	≤719.42t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	water pollution	NH3-N	Sewer connection	1	Plant area	6.47 mg/L	100mg/L	0.69t	≤71.94t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	water pollution	TN	Sewer connection	1	Plant area	34.86 mg/L	120mg/L	3.63t	≤86.33 t/a	No
Shandong NHU Amino-acids Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	7	Plant area	11.23 mg/m ³	50 mg/m ³	10.83t	≤162.472 t/a	No
Shandong NHU Amino-acids Co., Ltd.	Atmospheric pollutants	NOx	Filtered discharge	9	Plant area	35.4 mg/m ³	100 mg/m ³	69.69t	≤415.75 t/a	No
Shandong NHU Amino-acids Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	12	Plant area	1.16 mg/m ³	10 mg/m ³	4.32t	≤29.314 t/a	No
Shandong NHU Amino-acids Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	6	Plant area	16.58 mg/m ³	60mg/m ³	25.57t	≤381.846 t/a	No
Shandong NHU Amino-acids	water pollution	COD	Sewer connection	1	Plant area	715 mg/L	1000 mg/L	204.55t	≤1073.97 t/a	No

Name	Types of major and characteristic pollutants	Name of main pollutants and pollutant characteristics ¹	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
Co., Ltd.										
Shandong NHU Amino-acids Co., Ltd.	water pollution	NH3-N	Sewer connection	1	Plant area	8.83 mg/L	100 mg/L	2.71t	≤107.397 t/a	No
Shandong NHU Amino-acids Co., Ltd.	water pollution	TN	Sewer connection	1	Plant area	68.8 mg/L	120 mg/L	13.21t	≤128.874 t/a	No
Shandong NHU Vitamins Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	4	Plant area	8.66 mg/m ³	60 mg/m ³	2.69t	≤85.67 t/a	No
Shandong NHU Vitamins Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	3	Plant area	5.19 mg/m ³	50 mg/m ³	1.52t	≤21.14 t/a	No
Shandong NHU Vitamins Co., Ltd.	Atmospheric pollutants	NOx	Filtered discharge	4	Plant area	52mg/m ³	100 mg/m ³	24.98t	≤65.27 t/a	No
Shandong NHU Vitamins Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	5	Plant area	3.54 mg/m ³	10 mg/m ³	0.73t	≤4.8 t/a	No
Shandong NHU Vitamins Co., Ltd.	water pollution	COD	Sewer connection	1	Plant area	226mg/L	2000 mg/L	18.23t	≤1376.56t/a	No
Shandong NHU Vitamins Co., Ltd.	water pollution	NH3-N	Sewer connection	1	Plant area	3.44mg/L	100 mg/L	0.23t	≤68.61 t/a	No
Shandong NHU Vitamins Co., Ltd.	water pollution	TN	Sewer connection	1	Plant area	56.1mg/L	120 mg/L	2.18t	≤93.21 t/a	No
Shandong NHU Fine Chemical Science and Technology Co.	Atmospheric pollutants	VOC	Filtered discharge	2	Plant area	17mg/m ³	60 mg/m ³	0.98t	≤18.031 t/a	No
Shandong NHU Fine Chemical Science and Technology Co.	Atmospheric pollutants	NOx	Filtered discharge	2	Plant area	31mg/m ³	100 mg/m ³	3.19t	≤37.61 t/a	No
Shandong NHU Fine Chemical Science and Technology Co.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	3.2mg/m ³	10 mg/m ³	0.296t	≤5.544 t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	14.39mg/m ³	30 mg/m ³	3.26t	≤19.224t	No
Heilongjiang	Atmospheric	PM	Filtered	1	Plant	11.53mg/m ³	30	0.00480	≤.68t	No

Name	Types of major and characteristic pollutants	Name of main pollutants and pollutant characteristics ¹	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
NHU Biotechnology Co., Ltd.	pollutants		discharge		area		mg/m ³	7t		
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	13.14 mg/m ³	30 mg/m ³	0.01836 6t	≤0.55t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	PM	Filtered discharge	1	Plant area	7.06 mg/m ³	30 mg/m ³	0.177t	≤3.6t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	NOx	Filtered discharge	1	Plant area	50.44 mg/m ³	200 mg/m ³	12.08t	≤128.16 t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	SO ₂	Filtered discharge	1	Plant area	84.22 mg/m ³	200 mg/m ³	18.4t	≤128.16 t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	10.5 mg/m ³	150 mg/m ³	2.43t	≤96.12 t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	15.98 mg/m ³	150 mg/m ³	0.00757 9t	≤3.38t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	14.51 mg/m ³	150 mg/m ³	0.02488 1t	≤2.77t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	9.7 mg/m ³	150 mg/m ³	0.02488 1t	≤2.80t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	Atmospheric pollutants	VOC	Filtered discharge	1	Plant area	13.56 mg/m ³	150 mg/m ³	0.339t	≤17.98 t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	water pollution	COD	Sewer connection	1	Plant area	116.51mg/L	300mg/L	303.69t	≤2089.8 t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	water pollution	NH3-N	Sewer connection	1	Plant area	1.95mg/L	35mg/L	4.26t	≤243.81 t/a	No

Construction and operation of pollution prevention and control facilities

The Company has established the environmental protection concept of green development: 1. Introducing the concept of green chemistry, developing and producing products that are more environment-friendly. 2. Transferring from support-orientation to responsibility-orientation, to conduct source reduction, process control and end-of-pipe treatment properly. 3. Pursuing reduction, recycling and harmlessness to create ecological factories, and realize the harmonious development of man and nature.

Wastewater treatment: The company has a perfect sewage treatment system; there are production sewage, domestic sewage, initial rainwater, accident water and other wastewater collection system, so as to achieve clean sewage diversion, rain and sewage diversion. The waste water pool is sealed with a cover, and all the waste gases are effectively collected and finally incinerated, which effectively reduces the emission of waste gases.

Exhaust gas treatment: The company adopts self-developed nitrogen sealing system to effectively reduce the exhaust gas emission; according to the composition and nature of different exhaust gases, it adopts different pre-treatment technologies; meanwhile, the company introduces foreign advanced exhaust gas treatment devices to strengthen the capacity of exhaust gas treatment. Exhaust gas leakage detection and repair (LDAR) is carried out regularly every year; the company continues to implement the construction of odourless factories, comprehensively carry out exhaust gas treatment, and solve the problem of odour at the factory boundary; in 2024, it will comprehensively investigate the point of unorganised leakage and incorporate it into the management and control, and carry out comprehensive supervision and emission reduction of unorganised exhaust gases.

Solid Waste Disposal: The company has a standardised hazardous waste storage warehouse and hazardous waste incineration device, and the company basically disposes of hazardous waste on its own. The company basically disposes of hazardous wastes by itself. The outsourced hazardous wastes are transferred in strict accordance with the requirements of 'Management Measures for the Transfer of Hazardous Wastes', and entrusted to qualified units.

Noise prevention and control: low-noise equipment is selected, and the noise reduction measures of foundation damping are adopted for the equipment that does not need to be fixed; in addition to foundation damping for the air compressor, blower and various pumps, a sound insulation cover is also added around the noise source for sound insulation.

Emergency management: installing exhaust gas online monitor around the plant boundary, real-time monitoring of the plant environment; introducing VOC online monitor, real-time monitoring of the emission of exhaust gas data, test data uploaded to the monitoring platform; wastewater, one enterprise, one pipe online monitoring of wastewater emission indexes real-time monitoring, normal uploading to the Environmental Protection Bureau; the introduction of first-class pressure leakage plugging technology in China, will be the pipelines, valves, flanges, tanks appearing abnormal The introduction of domestic first-class pressure leakage plugging technology reduces the abnormal leakage of pipelines, valves, flanges and tanks to the lowest amount, thus reducing the impact on the environment due to massive leakage.

Environmental emergency response plan

On 8 April 2024, The Company re-filed the emergency response plan for environmental emergencies.

On 1 February 2024, Shandong NHU Pharmaceutical Co., Ltd. re-filed the emergency response plan for environmental emergencies.

Investment in environmental treatment and protection and payment of environmental protection tax

The Company's environmental protection treatment and investment in the first half of 2024 amounted to RMB 281.29 million and paid environmental protection tax of RMB 1.01 million.

Environmental self-monitoring program

The company has good pollutant emission monitoring and management ability and can timely inform the environmental protection administrative department and the public of the monitoring information. The company has developed relevant self-test plans, which cover the indicators of the company's organized waste gas, unorganized waste gas and groundwater. At the same time, a third-party testing company is entrusted to carry out regular monitoring.

The company implements environmental information disclosure in strict accordance with the national, provincial, municipal and county requirements on enterprise environmental information disclosure. Each subsidiary has made enterprise environmental protection information public on platforms such as the environmental information management system of provincial and municipal key pollutant discharge units.

Administrative penalties for environmental problems during the reporting period

Name	Reasons for punishment	Violations	Results of punishment	Impact on the production and operation of the Company	Rectification measures of the Company
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information that should be disclosed

None.

Measures taken to reduce carbon dioxide emissions during the reporting period and their effects

Applicable Not applicable

In the research and development of new products, the carbon emission of 10,000 yuan output value is taken as an important indicator for the process route and environmental feasibility assessment of new products. The green development technology is applied in the research and development of new products to improve the atomic utilization rate and reduce the carbon emission generated by the consumption of raw materials from the source. (The photovoltaic power generation project of Shandong NHU Vitamins Co., Ltd.)

Other information related to environmental protection

None.

II. Social responsibilities

NHU has always adhered to long-termism, focusing on the strategic main channels of "Chemistry +" and "Biology +", strengthening innovation leadership, practicing green development, and continuously taking on responsibility. The company continues to exert efforts in the research and development of innovative green products, promoting green bio-manufacturing, and the layout of renewable energy. The company has increased its attention to ESG issues, initiated ESG research, and continuously improved ESG performance, winning the silver medal in the Ecovadis assessment, highlighting the company's outstanding performance in actively taking responsibility for the environment, society, and stakeholders. The company has always integrated the concept of sustainable development into the entire process of production operations and daily management, focusing on the coordination between the industrial chain and the circular use of resources, to meet the human desire for a better life and the needs of social sustainable development in high-quality development.

We continuously deepen research on energy conservation and carbon reduction, improve the energy management system, promote process optimization and production line upgrades, and transitions towards large-scale, automated, and continuous production. This has led to an increase in the energy efficiency of products and equipment, with a reduction in energy consumption per ten thousand yuan of output value by 7% in the first half of the year. The company has accelerated the layout of renewable energy, achieved the first green certificate

transaction, and promoted the development and utilization of renewable energy. The company has completed the environmental carbon footprint accounting for three products: Vitamin C, Vitamin E, and Astaxanthin, taking substantial steps in carbon reduction efforts.

We will continue to focus on key business areas such as production and operation, and HSE (Health, Safety, and Environment), building a dual intelligent system of smart operations and smart factories. This system will be based on the automation of processes and production to gradually improve operational efficiency. The intelligent amino acid factory in Shandong has been fully built, achieving full process integration from production to supply, sales, and finance, and creating a model workshop for large-scale chemical industry. The HSE digital platform has been fully promoted and constructed in various bases, effectively realizing risk identification, monitoring, and early warning. The construction of the smart operation system and the middle platform is progressing steadily and orderly. By empowering with digital technology, the company continues to enhance its refined management capabilities, achieving a deep integration of digitalization, intelligence, and greening, and empowering the enterprise's green and low-carbon development.

We earnestly practice the corporate mission of "benefiting society". While promoting the development of the enterprise, we actively assume social responsibility as a corporate citizen and actively carries out public welfare projects such as blood donation, poverty alleviation, and educational funding. The company has established an industry cooperation and communication platform, hosting the 2024 NHU Human Nutrition High-Quality Development Forum and special seminars on aquaculture and poultry nutrition, to jointly explore innovative technologies and the path to sustainable development in the field of nutrition and health. During the reporting period, the company was awarded the first place on the "Independent Innovation" list of Chinese brand value, one of the top 100 leading enterprises in Zhejiang Province for private enterprise social responsibility, and the Tianma Award for investor relations and shareholder reporting, among other honors.

Section VI Significant Events

I. Commitment performance fulfilled during the reporting period and not fulfilled as of the end of the reporting period by parties related to commitments including the actual controller of the Company, shareholders, related parties, acquirers and the Company

√ Applicable □ Not Applicable

Commitments	Parties making commitments	Types of commitments	Content of commitments	Time of commitment	Term of commitment	Performance
Commitments to shares reform	None	None	None	None	None	None
Commitments made in reports on acquisition and changes in equity	None	None	None	None	None	None
Commitments made in asset restructuring	None	None	None	None	None	None
Commitments made in IPO or refinancing	NHU Holding Group Co., Ltd. and Zhang Pingyi, Shi Cheng, Yuan Yizhong, Hu Baishan, Shi Guanqun, Wang Xuewen, Cui Xinrong, Wang Xulin	Commitments on horizontal competition, related party transactions and occupation of funds	The signing of “Commitment on No Engagement in Horizontal Competition” and commitments on no engagement in business activities result in horizontal competition with operations of the Company after listing	June 25, 2004	Long-term	Strictly performed
	Hu Baifan; Hu Baishan; Guanqun; Wang Xuewen; Cui Xinrong; Wang Zhengjiang; Zhou Guiyang		The Company’s directors, senior executives committed to perform their duties faithfully and diligently to safeguard the legitimate rights and interests of the Company and shareholders, and make the following commitments in accordance with the relevant provisions of the CSRC for the full performance of measures on filling immediate returns: 1. not to transfer benefits to other entities or individuals without compensation or on unfair terms, and not to use other means to harm benefits of the Company; 2. to impose restrictions on duty consumption of member of the Board of Directors and senior executives; 3. not to use assets of the Company to engage in investment or consumption activities not related to duty performance; 4. to link remuneration system formulated by the Board of Directors or remuneration committee to the implementation of measures on filling immediate returns; 5. to link vesting conditions of equity incentive to be published in the	January 12, 2017	Long-term	Strictly performed

			future to the implementation of measures on filling immediate returns.			
	Hu Baifan; NHU Holding Group Co., Ltd.		Not to interfere in the Company's business and management activities in excess of authority; not to encroach on benefits of the Company; to perform measures on filling immediate returns in a practical way.	January 12, 2017	Long-term	Strictly performed
Commitments to equity incentive	None	None	None	None	None	None
Other commitments to small and medium-sized shareholders of the Company	None	None	None	None	None	None
Other commitments	NHU Holding Group Co., Ltd.	Share increase commitment	During the period of increasing the shares of the company and within the legal period, NHU Holding Group Co., Ltd. will not reduce the shares of the company and will complete the increase plan within the above implementation period.	October 27, 2023	6 months	Fulfillment completed
Whether commitments are performed on time					Yes	
If commitment performance is not fulfilled on time, please explain detailed reasons for it and the next work plans.					Not applicable	

II. Non-operating occupation of funds over listed companies by controlling shareholders and other related parties

Applicable Not Applicable

There is no non-operating occupation of funds over listed companies by controlling shareholders and other related parties during the reporting period.

III. Illegal external guarantees

Applicable Not Applicable

There is no illegal external guarantee during the reporting period.

IV. Engagement and dismissal of accounting firms

Whether the semi-annual report has been audited or not

Yes No

The semi-annual report has not been audited.

V. Statements by the Board of Directors, the Board of Supervisors on the "Modified Auditor's Report" issued by the accounting firm during the reporting period

Applicable Not Applicable

VI. Explanations by the Board of Directors on the “Modified Auditor’s Report” issued by the accounting firm last year

Applicable Not Applicable

VII. Matters related to bankruptcy and restructuring

Applicable Not Applicable

There are no matters related to bankruptcy and restructuring during the reporting period.

VIII. Lawsuits

Significant lawsuits and arbitration

Applicable Not Applicable

There is no significant lawsuit and arbitration during the reporting period.

Other lawsuits

Applicable Not Applicable

IX. Penalties and rectification

Applicable Not Applicable

There is no penalties and rectification during the reporting period.

X. Integrity of the Company, its controlling shareholders and the actual controller

Applicable Not Applicable

XI. Significant related party transactions

1. Related party transactions relevant to daily operations

Applicable Not Applicable

There is no related party transaction relevant to daily operations during the reporting period.

2. Related party transactions in purchase or sale of assets or equities

Applicable Not Applicable

There is no related party transaction in purchase or sale of assets or equities during the reporting period.

3. Related party transactions in joint external investments

Applicable Not Applicable

There is no related party transaction in joint external investments during the reporting period.

4. Related party creditor’s rights and debts

Applicable Not Applicable

There is no related creditor’s rights or debts during the reporting period.

5. Transactions with related financial companies

Applicable Not Applicable

There is no business of deposits, loans, credit granting or other financial businesses between the Company and its related financial companies.

6. Transactions between financial companies controlled by the Company and the Company's related parties

Applicable Not Applicable

There is no business of deposits, loans, credit granting or other financial businesses between financial companies controlled by the Company and the Company's related parties.

7. Other significant related party transactions

Applicable Not Applicable

There is no other material connected transactions during the reporting period.

XV. Significant contracts and performance

1. Matters of trusteeship, contracting and leases

(1) Trusteeship

Applicable Not Applicable

There is no trusteeship during the reporting period.

(2) Contracting

Applicable Not Applicable

There is no contracting during the reporting period.

(3) Leases

Applicable Not Applicable

There is no lease during the reporting period.

2. Significant guarantees

Applicable Not Applicable

Unit: RMB 0,000 yuan

External guarantees by the Company and its subsidiaries to third parties (guarantees to subsidiaries are excluded)										
Guaranteed parties	Announcement date of disclosure of amount guaranteed	Amount guaranteed	Actual commencement date	Actual amount guaranteed	Types of guarantees	Collaterals (if any)	Counter guarantees (if any)	Period of guarantee	Whether the guarantee is mature	Whether guarantee for related parties
No										
Total amount of guarantees approved during the reporting period (A1)				0	Total amount actually guaranteed during the reporting period (A2)					0
Total amount of guarantees approved at the end of the reporting period (A3)				0	Total amount actually guaranteed at the end of the reporting period (A4)					0

The Company's guarantees to subsidiaries										
Guaranteed parties	Announcement date of disclosure of amount guaranteed	Amount guaranteed	Actual commencement date	Actual amount guaranteed	Types of guarantees	Collaterals (if any)	Counter guarantees (if any)	Period of guarantee	Whether the guarantee is mature	Whether guarantee for related parties
Shandong NHU Fine Chemical Science and Technology Co.	5/22/2020	50,000	3/24/2021	50,000	Joint and several liability guarantee			3/24/2021 - 12/25/2025	No	No
Heilongjiang NHU Biotechnology Co., Ltd.	4/22/2021	40,000	8/26/2021	37,000	Joint and several liability guarantee			8/26/2021 - 12/21/2025	No	No
Zhejiang NHU Imports & Exports Co., Ltd.	5/20/2023	25,000	6/16/2023	10,000	Joint and several liability guarantee			12/16/2021 - 6/15/2024	Yes	No
Xinchang NHU Vitamins Co.	4/22/2021	40,000	12/16/2021	29,000	Joint and several liability guarantee			12/16/2021 - 12/25/2026	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/20/2023	100,000	6/12/2023	15.97	Joint and several liability guarantee			6/12/2023 - 3/1/2024	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	5/20/2023	100,000	8/4/2023	97.92	Joint and several liability guarantee			8/4/2023 - 5/1/2024	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	5/20/2023	100,000	9/26/2023	26.85	Joint and several liability guarantee			9/26/2023 - 6/1/2024	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	5/20/2023	100,000	12/5/2023	4.03	Joint and several liability guarantee			12/5/2023 - 9/1/2024	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/20/2023	100,000	3/12/2024	130.68	Joint and several liability guarantee			3/12/2024 - 12/1/2024	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	6/5/2024	105.48	Joint and several liability guarantee			6/5/2024 - 2/20/2025	No	No
Zhejiang NHU Pharmaceutical Co., Ltd	5/11/2022	60,000	6/24/2022	55,000	Joint and several liability guarantee			6/24/2022 - 6/23/2027	No	No
Xinchang NHU Vitamins Co.	5/11/2022	20,000	10/14/2022	18,000	Joint and several liability guarantee			10/14/2022 - 10/14/2027	No	No
NHU (Hong Kong)	5/20/2023	100,000	6/12/2023	7,839.48	Joint and			6/12/2023	Yes	No

Trading Co., Ltd.					several liability guarantee			- 6/12/2024		
NHU (Hong Kong) Trading Co., Ltd.	5/16/2024	50,000	6/12/2024	7,839.48	Joint and several liability guarantee			6/12/2024 - 6/12/2025	No	No
Shandong NHU Fine ChemicalScience and Technology Co.	5/20/2023	58,600	6/6/2023	58,600	Joint and several liability guarantee			6/6/2023 - 3/29/2028	No	No
NHU (Hong Kong) Trading Co., Ltd.	5/20/2023	100,000	11/20/2023	57,014.40	Joint and several liability guarantee			11/8/2023 - 11/8/2026	No	No
Zhejiang NHU Imports & Exports Co., Ltd.	5/16/2024	25,000	6/24/2024	15,000	Joint and several liability guarantee			6/24/2024 - 6/23/2025	No	No
Total amount of guarantees approved for subsidiaries during the reporting period (B1)				175,000	Total amount actually guaranteed for subsidiaries during the reporting period (B2)				23,075.64	
Total amount of guarantees approved for subsidiaries at the end of the reporting period (B3)				479,749.11	Total amount actually guaranteed for subsidiaries at the end of the reporting period (B4)				327,694.07	
Guarantees by subsidiaries to subsidiaries										
Guaranteed parties	Announcement date of disclosure of amount guaranteed	Amount guaranteed	Actual commencement date	Amount actually guaranteed	Types of guarantees	Collaterals (if any)	Counter guarantee (if any)	Period of guarantee	Whether the guarantee is mature	Whether guarantee for related parties
No										
Total amount of guarantees approved for subsidiaries during the reporting period (C1)				0	Total amount actually guaranteed for subsidiaries during the reporting period (C2)				0	
Total amount of guarantees approved for subsidiaries at the end of the reporting period (C3)				0	Total amount actually guaranteed for subsidiaries at the end of the reporting period (C4)				0	
Total amount guaranteed by the Company (namely sum of the above three items)										
Total amount of guarantees approved during the reporting period (A1+B1+C1)				175,000	Total amount actually guaranteed during the reporting period (A2+B2+C2)				23,075.64	
Total amount of guarantees approved at the end of the reporting period (A3+B3+C3)				479,749.11	Total amount actually guaranteed at the end of the reporting period (A4+B4+C4)				327,694.07	
Proportion of the amount actually guaranteed (A4+B4+C4) to net assets of the Company					12.77%					
Including:										
Balance of guarantees for shareholders, the actual controller and its related parties (D)					272,694.07					
Balance of debt guarantee directly or indirectly for guaranteed parties with debt to asset ratio exceeding 70% (E)					272,694.07					
The amount of the total amount guaranteed exceeding 50% of net assets (F)					None					
Total amount guaranteed of three items above (D+E+F)					None					

Specific description of the use of composite guarantees:

None

3. Entrusted financing

Applicable Not Applicable

Unit: RMB 0,000 yuan

Types	Source of entrusted funds	Entrusted amount	Unexpired balance	Overdue and not recovered amount	Impairment amount accrued for financial products overdue and not recovered
Bank financial products	Raised funds	14,500.00	0.00	0.00	0.00
Total		14,500.00	0.00	0.00	0.00

High-risk entrusted financial products with individual significant amount or low security and poor liquidity

Applicable Not Applicable

When the principal of entrusted financial products is expected to be irrevocable or there are other conditions result in impairment of entrusted financial products

Applicable Not Applicable

4. Other significant contracts

Applicable Not Applicable

There is no other significant contract during the reporting period.

XIII. Other significant events

Applicable Not Applicable

I Progress of Investment Project with Raised Funds

With the approval of [2017] No. 1684 document of China Securities Regulatory Commission, the company's lead underwriter, CSC Securities Co., Ltd., privately issued 175 million common shares (A shares) to specific objects at an issue price of RMB 28.00/share, raising a total of RMB 4,900 million. After deducting the underwriting and recommendation fees of RMB 30 million yuan (including tax), the raised funds amounted to RMB 4,870 million, which was remitted to the raised funds supervision account of the company by the lead underwriter, CSC Securities Co., Ltd. on December 7, 2017. In addition, after deducting lawyer fees, audit fees, capital verification fees and other issuance expenses of RMB 4.62 million (excluding tax), and considering the deductible VAT input tax of RMB 1.70 million of underwriting fees and recommendation fees deducted by the lead underwriter, the net amount of funds raised was RMB 4,867.08 million. The availability of the above raised funds has been verified by Tianjian Certified Public Accountants (special general partnership), who issued the capital verification report ([2017] No. 503).

The company convened the third meeting of the ninth board of directors and the third meeting of the ninth supervisory board on April 19, 2024. The "Proposal on the Completion of the Fundraising Investment Project and the Permanent Supplement of the Surplus Raised Funds to Working Capital" was reviewed and approved. In order to improve the efficiency of the use of surplus raised funds, it was agreed to terminate the "Annual Production of 250,000 Tons of Methionine Project," which was funded by the non-public issuance of shares in 2017 and to permanently supplement working capital with the surplus raised funds. During the reporting period, the balance of the company's raised funds special account has been transferred to the company's general settlement account, and the relevant cancellation procedures of the raised funds special account have been completed. The relevant

fund raising supervision agreements signed by the Company and its subsidiaries with the sponsor institutions and the commercial banks depositing the raised funds shall terminate accordingly. For details, please refer to *Announcement on the Completion of the Cancellation of the Special Account for raised funds* (2024-024) published by the Company on designated information disclosure media and <http://www.cninfo.com.cn>.

II Progress of the controlling shareholder in increasing the company's shares

Based on the confidence of the company's future sustainable development, and the recognition of the company's value, to enhance investor confidence, the company's controlling shareholder NHU Holding Group Co., Ltd. plans to increase its shares of the Company in the next six months from October 26, 2023, through the means permitted by the trading system of Shenzhen Stock Exchange (including but not limited to centralized bidding, block trading, etc.). The amount of shares to be increased shall not be less than RMB 200 million and shall not exceed RMB 300 million. There is no price range for this plan, and the plan will be gradually implemented according to the volatility of the company's stock price and the overall trend of the capital market. As of March 15, 2024, NHU Holding Company has accumulated 17,869,906 shares of the Company, accounting for 0.58% of the total share capital of the Company, and accumulated additional holdings of 299,656,526.16 yuan (excluding transaction fees). For details, please refer to *Announcement on the results of the implementation of the controlling shareholder's plan to increase the company's shares* (2024-003) published by the Company on designated information disclosure media and <http://www.cninfo.com.cn>.

XIV. Significant events of subsidiaries of the Company

Applicable Not Applicable

In order to further optimise the Company's assets, improve the industrial structure, focus on the main business of fine chemicals, and improve the profit level and asset quality. The Company sold 100% equity interest of its wholly-owned subsidiary, Qionghai Boao Lido Real Estate Co., Ltd. to Xinhecheng Holding Group Limited at a price of RMB82.791 million. For details, please refer to *the Announcement on Disposal of Assets and Connected Transaction* (2024-026) published on the designated information disclosure media and Juchao Information Website (<http://www.cninfo.com.cn>) on June 19, 2024.

Section VII Movements in Shares and Information about Shareholders

I. Movements in shares

1. Details

Unit: Share

Items	Before		Movements (+/-)					After	
	Quantity	% to total	Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	Quantity	% to total
I. Restricted shares	36,409,752	1.18%						36,409,752	1.18%
1. Held by other domestic parties	36,409,752	1.18%						36,409,752	1.18%
Including: Held by domestic natural persons	36,409,752	1.18%						36,409,752	1.18%
II. Unrestricted shares	3,054,497,604	98.82%						3,054,497,604	98.82%
1. RMB ordinary shares	3,054,497,604	98.82%						3,054,497,604	98.82%
III. Total	3,090,907,356	100.00%						3,090,907,356	100.00%

Reason for movements

 Applicable Not Applicable

Approval on movements in shares

 Applicable Not Applicable

Transfer of shares

 Applicable Not Applicable

Progress of the Share Repurchase Plan

 Applicable Not Applicable

Implementation progress of shareholding reduction for shares repurchased through centralized bidding

 Applicable Not applicable

Effect of movements in shares on financial indicators of preceding year and preceding period such as basic EPS and diluted EPS, net assets per share attributable to shareholders of ordinary shares

 Applicable Not applicable

Other contents the Company considered as necessary or securities regulatory institutions required disclosure

Applicable Not applicable

2. Movement in restricted shares

Applicable Not applicable

II. Issuance and listing of securities

Applicable Not Applicable

III. Number of shareholders of the Company and their shareholding conditions

Unit: Share

Total shareholders of ordinary shares at the end of the reporting period		86,381		Total shareholders of preferred shares with voting rights restored at the end of the reporting period		0		
Shareholders with holding proportion over 5% or the top 10 shareholders with largest holding proportions (Excluding lending shares through refinancing)								
Shareholders	Nature of shareholders	Holding proportion	Quantity of ordinary shares at the end of the reporting period	Movements during the reporting period	Quantity of restricted shares	Quantity of unrestricted shares	Shares pledged, marked or frozen	
							Condition	Quantity
NHU Holding Group Co., Ltd.	Domestic non-state-owned legal person	49.80%	1,539,232,431	2,823,080	0	1,539,232,431	N/A	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	4.19%	129,400,780	29,917,783	0	129,400,780	N/A	0
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund	Others	1.75%	54,072,200	0	0	54,072,200	N/A	0
National Social Security Fund No.503Portfolio	Others	1.33%	41,000,091	-9	0	41,000,091	N/A	0
The Company – Employee stock ownership plan phase IV	Others	0.96%	29,528,181	0	0	29,528,181	N/A	0
China Construction Bank Corporation -E Fund Shanghai and Shenzhen 300 Medical and Health Trading Open-end Index Fund	Others	0.90%	27,971,477	4,971,800	0	27,971,477	N/A	0
China Industrial and Commercial Bank Corporation- Huatai-Burry CSI 300 exchange-traded index Securities Investment Fund	Others	0.70%	21,707,021	10,124,862	0	21,707,021	N/A	0
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic	Others	0.53%	16,248,559	0	0	16,248,559	N/A	0

Yingzhi Fund								
National Social Security Fund No.117 Portfolio	Others	0.52%	16,019,748	-2,000,000	0	16,019,748	N/A	0
China Construction Bank Corporation - E Fund Shanghai and Shenzhen 300 Medical and Health Trading Open-end Index Fund	Others	0.47%	14,639,831	10,344,600	0	14,639,831	N/A	0
Strategic investors or ordinary legal persons that became one of the top 10 shareholders due to the allotment of new shares	Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund became one of the top 10 shareholders with largest holding proportions due to its participation in private placement of shares in 2017.							
Remarks on relationships or concerted action between the top 10 shareholders with largest holding proportions	The Company does not know whether other shareholders have relationships and whether they are persons acting in concert as defined in <i>Administration of the Takeover of Listed Companies Procedures</i> .							
Remarks on proxy voting and waiver of voting right of the above shareholders	None							
Special remarks on top 10 shareholders with special repurchase accounts	The Company's special securities account for repurchase is attributable to the top 10 shareholders, who however did not participate in the presentation of such balances.							
Top 10 shareholders with unrestricted shares (Excluding shares lent through refinancing and executive lock up shares)								
Shareholders	Quantity of unrestricted shares at the end of the reporting period	Category of shares						
		Category	Quantity					
NHU Holding Group Co., Ltd.	1,539,232,431	RMB ordinary shares	1,539,232,431					
Hong Kong Securities Clearing Company Limited	129,400,780	RMB ordinary shares	129,400,780					
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund	54,072,200	RMB ordinary shares	54,072,200					
National Social Security Fund No.503Portfolio	41,000,091	RMB ordinary shares	41,000,091					
The Company – Employee stock ownership plan phase IV	29,528,181	RMB ordinary shares	29,528,181					
China Construction Bank Corporation -E Fund Shanghai and Shenzhen 300 Medical and Health Trading Open-end Index Fund	27,971,477	RMB ordinary shares	27,971,477					
China Industrial and Commercial Bank Corporation- Huatai-Burry CSI 300 exchange-traded index Securities Investment Fund	21,707,021	RMB ordinary shares	21,707,021					
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Yingzhi Fund	16,248,559	RMB ordinary shares	16,248,559					
National Social Security Fund No.117 Portfolio	16,019,748	RMB ordinary shares	16,019,748					
China Construction Bank Corporation - E Fund Shanghai and Shenzhen 300 Medical and Health Trading Open-end Index Fund	14,639,831	RMB ordinary shares	14,639,831					
Remarks on relationships or concerted action between the top 10 shareholders with unrestricted shares, and between the top 10 shareholders with unrestricted shares and top 10 shareholders with largest holding proportions.	The Company does not know whether other shareholders have relationships and whether they are persons acting in concert as defined in <i>Administration of the Takeover of Listed Companies Procedures</i> .							
Remarks on top 10 shareholders of ordinary shares participating in securities margin trading	Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund holds 54,072,127 shares through client account of collateral securities for margin trading of Guotai Junan Securities Co., Ltd.; Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Yingzhi Fund holds 16,248,559 shares through client account of collateral securities for margin trading of Citic Securities Co., Ltd.							

Note: The Company's special securities account for repurchase is attributable to the top 10 shareholders with unrestricted shares, who however did not participate in the presentation of such balances.

Shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders with unlimited shares in circulation participating in the lending of shares in the transfer and financing business.

Applicable Not applicable

Unit: Share

Shareholders with holding proportion over 5% , the top 10 shareholders and the top 10 shareholders' participation in securities lending and borrowing transactions								
Shareholder name (full name)	Holdings in ordinary account and credit account at the beginning of the period		Shares borrowed for securities lending at the beginning of the period and have not yet been returned		Holdings in ordinary account and credit account at the end of the period		Shares borrowed for securities lending at the end of the period and have not yet been returned	
	Total quantity	Ratio to total share capital	Total quantity	Ratio to total share capital	Total quantity	Ratio to total share capital	Total quantity	Ratio to total share capital
China Construction Bank Corporation - E Fund Shanghai and Shenzhen 300 Medical and Health Trading Open-end Index Fund	22,999,677	0.74%	252,800	0.01%	27,971,477	0.90%	0	0.00%
China Industrial and Commercial Bank Corporation- Huatai-Burry CSI 300 exchange-traded index Securities Investment Fund	11,582,159	0.37%	35,600	0.00%	21,707,021	0.70%	0	0.00%

The top 10 shareholders and the top 10 holders of unlimited shares have experienced changes due to participating in the lending of shares in the transfer and financing business compared to the previous period.

Applicable Not applicable

Did the top 10 shareholders of ordinary shares and the top 10 shareholders of unrestricted ordinary shares perform agreed repurchase transaction during the reporting period?

Yes No

The top 10 shareholders of ordinary shares and the top 10 shareholders of unrestricted ordinary shares did not perform agreed repurchase transaction during the reporting period.

IV. Movement in shares of directors, supervisors and senior executives

Applicable Not applicable

The shares of the company's directors, supervisors and senior executives remains unchanged during the current reporting period, please refer to the 2023 Annual Report for details.

V. Changes of holding shareholders or controlling shareholders

Changes of holding shareholders during the reporting period

Applicable Not applicable

The Company has no changes of holding shareholders during the reporting period.

Changes of actual controller within the reporting period

Applicable Not applicable

The Company has no changes in actual controller within the reporting period.

Section VIII Preferred Shares

Applicable Not applicable

The Company has no preferred shares during the reporting period.

Section IX Bonds

Applicable Not applicable

Section X Financial Report

I. Audit Reports

Has the semi-annual report been audited

Yes No

The Company's semi-annual report has not been audited.

II. Financial Statements

The monetary unit of the financial statements is Renminbi (RMB) Yuan.

1. Consolidated balance sheet

Prepared by Zhejiang NHU Co., Ltd.

June 30, 2024

Unit: RMB Yuan

Items	June 30, 2024	January 1, 2024
Current assets:		
Cash and bank balances	4,901,773,897.05	4,543,361,146.98
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	8,741,096.39	173,056,050.95
Derivative financial assets		
Notes receivable	190,699,104.28	116,125,267.70
Accounts receivable	3,246,276,963.34	2,483,266,952.88
Receivables financing	537,845,382.40	331,634,090.61
Advances paid	167,536,465.65	209,274,602.05
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	184,691,433.46	142,060,705.67
Including: Interest receivable		
Dividend receivable		
Financial assets under reverse repo		
Inventories	4,289,303,730.42	4,318,878,875.34
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		

Items	June 30, 2024	January 1, 2024
Other current assets	18,335,275.71	68,232,745.03
Total current assets	13,545,203,348.70	12,385,890,437.21
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	862,008,342.50	697,145,200.08
Other equity instrument investments	21,998,147.55	22,998,147.55
Other non-current financial assets		
Investment property		
Fixed assets	22,034,912,795.44	21,860,082,637.13
Construction in progress	912,349,768.88	1,621,882,507.56
Productive biological assets		
Oil & gas assets		
Right-of-use assets	5,658,877.20	6,603,631.56
Intangible assets	2,521,574,569.05	2,407,560,753.82
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill	3,622,704.97	3,622,704.97
Long-term prepayments	11,228,786.75	11,697,961.72
Deferred tax assets	4,843,514.77	650,079.18
Other non-current assets	170,894,040.19	138,112,803.89
Total non-current assets	26,549,091,547.30	26,770,356,427.46
Total assets	40,094,294,896.00	39,156,246,864.67
Current liabilities:		
Short-term borrowings	1,576,838,512.31	1,235,688,062.90
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	307,717,300.33	349,347,472.36
Accounts payable	1,746,004,140.97	1,930,958,598.05
Advances received		
Contract liabilities	174,322,469.67	251,008,240.97
Financial liabilities under repo		
Absorbing deposit and interbank deposit		

Items	June 30, 2024	January 1, 2024
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	284,307,639.90	418,273,203.88
Taxes and rates payable	339,696,046.49	301,794,080.40
Other payables	167,570,834.36	53,671,773.90
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,850,286,515.25	1,564,392,458.67
Other current liabilities	18,929,551.34	17,260,124.76
Total current liabilities	6,465,673,010.62	6,122,394,015.89
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	6,551,494,021.20	6,821,643,194.58
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	4,299,247.61	5,240,136.43
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	1,048,201,721.31	1,065,586,274.49
Deferred tax liabilities	241,604,864.92	221,675,090.41
Other non-current liabilities		
Total non-current liabilities	7,845,599,855.04	8,114,144,695.91
Total liabilities	14,311,272,865.66	14,236,538,711.80
Equity:		
Share capital	3,090,907,356.00	3,090,907,356.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,613,345,485.13	3,613,345,485.13
Less: Treasury shares	500,059,711.25	500,059,711.25
Other comprehensive income	106,065,011.81	103,920,732.85

Items	June 30, 2024	January 1, 2024
Special reserve	91,027,587.10	60,860,818.76
Surplus reserve	1,545,453,678.00	1,545,453,678.00
General risk reserve		
Undistributed profit	17,711,555,848.46	16,890,233,961.50
Total equity attributable to the parent company	25,658,295,255.25	24,804,662,320.99
Non-controlling interest	124,726,775.09	115,045,831.88
Total equity	25,783,022,030.34	24,919,708,152.87
Total liabilities & equity	40,094,294,896.00	39,156,246,864.67

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: He Jiangyong

2. Parent company balance sheet

Unit: RMB Yuan

Items	June 30, 2024	January 1, 2024
Current assets:		
Cash and bank balances	3,074,454,540.77	2,944,073,209.24
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable	188,647,102.48	116,657,645.60
Accounts receivable	709,940,277.16	626,644,050.39
Receivables financing		
Advances paid	6,560,737.51	4,143,777.83
Other receivables	2,077,641,921.09	2,908,050,463.81
Including: Interest receivable		
Dividend receivable		
Inventories	342,337,638.09	295,102,427.23
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	4,009,196.74	1,925,459.39
Total current assets	6,403,591,413.84	6,896,597,033.49
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	11,392,951,139.09	10,678,236,147.42
Other equity instrument investments	71,998,147.55	72,998,147.55
Other non-current financial assets		

Items	June 30, 2024	January 1, 2024
Investment property		
Fixed assets	576,306,595.49	612,700,666.98
Construction in progress	112,955,029.44	71,331,975.01
Productive biological assets		
Oil & gas assets		
Right-of-use assets	2,550,257.08	2,630,791.48
Intangible assets	277,028,936.86	145,613,180.34
Including: Data resources		
Development expenditures		
Including: Data resources		
Goodwill		
Long-term prepayments	716,686.40	1,165,411.93
Deferred tax assets	6,933,439.73	10,794,527.34
Other non-current assets	29,178,888.64	29,165,952.28
Total non-current assets	12,470,619,120.28	11,624,636,800.33
Total assets	18,874,210,534.12	18,521,233,833.82
Current liabilities:		
Short-term borrowings	452,458,527.77	496,760,409.72
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	122,822,203.69	109,519,196.45
Accounts payable	99,773,414.34	115,590,089.62
Advances received		
Contract liabilities	4,332,288.12	3,836,737.57
Employee benefits payable	44,039,075.11	74,330,678.60
Taxes and rates payable	2,209,257.45	13,608,334.34
Other payables	129,075,526.83	16,876,789.87
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,242,203,001.42	687,277,786.06
Other current liabilities	545,953.63	494,804.24
Total current liabilities	2,097,459,248.36	1,518,294,826.47
Non-current liabilities:		
Long-term borrowings	3,914,123,266.66	4,350,488,292.95
Bonds payable		
Including: Preferred shares		
Perpetual bonds		

Items	June 30, 2024	January 1, 2024
Lease liabilities	2,542,661.88	2,715,619.54
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	13,711,087.08	11,067,751.34
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	3,930,377,015.62	4,364,271,663.83
Total liabilities	6,027,836,263.98	5,882,566,490.30
Equity:		
Share capital	3,090,907,356.00	3,090,907,356.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,353,675,803.74	3,353,675,803.74
Less: Treasury shares	500,059,711.25	500,059,711.25
Other comprehensive income	506,954.43	506,954.43
Special reserve	15,010,114.75	10,583,344.97
Surplus reserve	1,545,453,678.00	1,545,453,678.00
Undistributed profit	5,340,880,074.47	5,137,599,917.63
Total equity	12,846,374,270.14	12,638,667,343.52
Total liabilities & equity	18,874,210,534.12	18,521,233,833.82

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: He Jiangyong

3. Consolidated income statement

Unit: RMB Yuan

Items	2024 Semi-Annual	2023 Semi-Annual
I. Total operating revenue	9,844,712,214.36	7,418,514,576.09
Including: Operating revenue	9,844,712,214.36	7,418,514,576.09
Interest income		
Premiums earned		
Revenue from handling charges and commission		
II. Total operating cost	7,207,812,239.51	5,746,931,719.68
Including: Operating cost	6,191,379,061.37	4,989,533,832.95
Interest expenses		
Handling charges and commission expenditures		
Surrender value		
Net payment of insurance claims		

Items	2024 Semi-Annual	2023 Semi-Annual
Net provision of insurance policy reserve		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	93,982,574.82	66,397,098.56
Selling expenses	74,869,581.39	66,941,370.80
Administrative expenses	295,567,957.53	244,646,451.17
R&D expenses	480,961,724.14	416,575,391.59
Financial expenses	71,051,340.26	-37,162,425.39
Including: Interest expenses	143,713,361.26	163,988,612.81
Interest income	67,461,973.58	78,203,398.06
Add: Other income	130,215,288.28	102,847,223.45
Investment income (or less: losses)	47,554,398.65	43,899,900.63
Including: Investment income from associates and joint ventures	25,496,597.50	34,855,314.27
Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (or less: losses)		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)	-4,445,860.49	-11,268,469.70
Credit impairment loss	-98,041,802.36	6,389,579.21
Assets impairment loss	-10,175,642.76	-81,296,758.10
Gains on asset disposal (or less: losses)	-1,128,442.54	13,545,778.16
III. Operating profit (or less: losses)	2,700,877,913.63	1,745,700,110.06
Add: Non-operating revenue	2,373,545.46	3,576,842.57
Less: Non-operating expenditures	3,797,633.81	1,619,001.38
IV. Profit before tax (or less: total loss)	2,699,453,825.28	1,747,657,951.25
Less: Income tax	482,498,449.43	251,283,197.83
V. Net profit (or less: net loss)	2,216,955,375.85	1,496,374,753.42
(I) Categorized by the continuity of operations		
1. Net profit from continuing operations (or less: net loss)	2,216,955,375.85	1,496,374,753.42
2. Net profit from discontinued operations (or less: net loss)		
(II) Categorized by the portion of equity ownership		
1. Net profit attributable to owners of parent company	2,204,361,642.96	1,483,229,236.96
2. Net profit attributable to non-controlling shareholders	12,593,732.89	13,145,516.46
VI. Other comprehensive income after tax	-768,510.72	36,723,815.69
Items attributable to the owners of the parent company	2,144,278.96	29,652,134.01
(I) Not to be reclassified subsequently to profit or loss		
1. Changes in remeasurement on the net defined		

Items	2024 Semi-Annual	2023 Semi-Annual
benefit plan		
2. Items under equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of own credit risk		
5. Others		
(II) To be reclassified subsequently to profit or loss	2,144,278.96	29,652,134.01
1. Items under equity method that may be reclassified to profit or loss		
2. Changes in fair value of other debt investments		
3. Profit or loss from reclassification of financial assets into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve	2,144,278.96	29,652,134.01
7. Others		
Items attributable to non-controlling shareholders	-2,912,789.68	7,071,681.68
VII. Total comprehensive income	2,216,186,865.13	1,533,098,569.11
Items attributable to the owners of the parent company	2,206,505,921.92	1,512,881,370.97
Items attributable to non-controlling shareholders	9,680,943.21	20,217,198.14
VIII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	0.71	0.48
(II) Diluted EPS (yuan per share)	0.71	0.48

Net profit realized by the combined party in business combination under common control before the business combination in the current period was 0.00 yuan, and net profit realized by the combined party in the previous period was 0.00 yuan.

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: He Jiangyong

4. Parent company income statement

Unit: RMB Yuan

Items	2024 Semi-Annual	2023 Semi-Annual
I. Operating revenue	1,678,611,503.49	1,467,649,891.79
Less: Operating cost	1,478,674,881.01	1,286,663,766.90
Taxes and surcharges	1,801,342.29	5,272,107.65
Selling expenses	17,887,398.02	14,547,584.98
Administrative expenses	86,384,680.36	71,695,788.38
R&D expenses	104,631,263.58	105,896,011.00
Financial expenses	36,830,555.80	26,721,645.73
Including: Interest expenses	82,789,341.19	82,410,752.78
Interest income	47,586,057.68	55,944,010.36
Add: Other income	18,076,084.86	20,950,696.09

Items	2024 Semi-Annual	2023 Semi-Annual
Investment income (or less: losses)	1,586,250,480.59	1,460,083,688.60
Including: Investment income from associates and joint ventures	13,076,861.11	17,189,195.23
Gains from derecognition of financial assets at amortized cost		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)		
Credit impairment loss	39,523,400.83	-76,822,623.15
Assets impairment loss	-5,439,745.02	-1,816,889.00
Gains on asset disposal (or less: losses)	-451,622.70	12,144,624.20
II. Operating profit (or less: losses)	1,590,359,980.99	1,371,392,483.89
Add: Non-operating revenue	555,050.49	1,629,246.59
Less: Non-operating expenditures	733,814.28	70,000.00
III. Profit before tax (or less: total loss)	1,590,181,217.20	1,372,951,730.48
Less: Income tax	3,861,304.36	-9,060,433.16
IV. Net profit (or less: net loss)	1,586,319,912.84	1,382,012,163.64
(I) Net profit from continuing operations (or less: net loss)	1,586,319,912.84	1,382,012,163.64
(II) Net profit from discontinued operations (or less: net loss)		
V. Other comprehensive income after tax		
(I) Not to be reclassified subsequently to profit or loss		
1. Changes in remeasurement on the net defined benefit plan		
2. Items under equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of own credit risk		
5. Others		
(II) To be reclassified subsequently to profit or loss		
1. Items under equity method that may be reclassified to profit or loss		
2. Changes in fair value of other debt investments		
3. Profit or loss from reclassification of financial assets into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve		
7. Others		
VI. Total comprehensive income	1,586,319,912.84	1,382,012,163.64

Items	2024 Semi-Annual	2023 Semi-Annual
VII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)		
(II) Diluted EPS (yuan per share)		

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: He Jiangyong

5. Consolidated cash flow statement

Unit: RMB Yuan

Items	2024 Semi-Annual	2023 Semi-Annual
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	8,604,890,987.69	7,691,504,205.43
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash receipts from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	366,540,460.23	623,052,104.04
Other cash receipts related to operating activities	153,666,344.64	211,777,249.15
Subtotal of cash inflows from operating activities	9,125,097,792.56	8,526,333,558.62
Cash payments for goods purchased and services received	4,967,376,966.76	5,567,275,176.60
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling charges and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	1,135,778,052.77	1,092,533,915.84

Items	2024 Semi-Annual	2023 Semi-Annual
Cash payments for taxes and rates	682,887,168.82	447,327,818.25
Other cash payments related to operating activities	200,731,544.86	183,634,026.00
Subtotal of cash outflows from operating activities	6,986,773,733.21	7,290,770,936.69
Net cash flows from operating activities	2,138,324,059.35	1,235,562,621.93
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	1,000,000.00	
Cash receipts from investment income	16,184,824.86	30,163,695.90
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	160,774.19	140,680.08
Net cash receipts from the disposal of subsidiaries & other business units	80,930,328.36	
Other cash receipts related to investing activities	145,000,000.00	740,938,810.13
Subtotal of cash inflows from investing activities	243,275,927.41	771,243,186.11
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	833,286,216.66	2,373,242,224.79
Cash payments for investments	155,675,400.17	237,508,000.00
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities		250,000,000.00
Subtotal of cash outflows from investing activities	988,961,616.83	2,860,750,224.79
Net cash flows from investing activities	-745,685,689.42	-2,089,507,038.68
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	1,927,407.95	
Including: Cash received by subsidiaries from non-controlling shareholders as investments	1,927,407.95	
Cash receipts from borrowings	2,383,504,630.93	3,618,534,438.57
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	2,385,432,038.88	3,618,534,438.57
Cash payments for the repayment of borrowings	1,931,710,157.62	2,772,078,719.75
Cash payments for distribution of dividends or profits and for interest expenses	1,523,177,553.77	1,710,367,614.94
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		
Other cash payments related to	807,362.26	1,407,620.33

Items	2024 Semi-Annual	2023 Semi-Annual
financing activities		
Subtotal of cash outflows from financing activities	3,455,695,073.65	4,483,853,955.02
Net cash flows from financing activities	-1,070,263,034.77	-865,319,516.45
IV. Effect of foreign exchange rate changes on cash & cash equivalents	61,371,597.46	75,313,603.44
V. Net increase in cash and cash equivalents	383,746,932.62	-1,643,950,329.76
Add: Opening balance of cash and cash equivalents	4,446,570,415.30	5,151,841,931.86
VI. Closing balance of cash and cash equivalents	4,830,317,347.92	3,507,891,602.10

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: He Jiangyong

6. Parent company cash flow statement

Unit: RMB Yuan

Items	2024 Semi-Annual	2023 Semi-Annual
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	1,562,609,239.27	1,621,333,193.57
Receipts of tax refund	52,439,904.66	52,307,259.26
Other cash receipts related to operating activities	70,576,046.68	82,446,555.85
Subtotal of cash inflows from operating activities	1,685,625,190.61	1,756,087,008.68
Cash payments for goods purchased and services received	1,542,197,500.63	1,423,009,942.09
Cash paid to and on behalf of employees	215,665,834.99	199,303,567.32
Cash payments for taxes and rates	10,889,249.62	10,958,178.21
Other cash payments related to operating activities	86,102,146.54	62,126,529.37
Subtotal of cash outflows from operating activities	1,854,854,731.78	1,695,398,216.99
Net cash flows from operating activities	-169,229,541.17	60,688,791.69
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	83,791,000.00	
Cash receipts from investment income	1,530,581,043.13	1,438,665,904.66
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	2,613,000,000.00	2,152,600,000.00
Subtotal of cash inflows from investing activities	4,227,372,043.13	3,591,265,904.66
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	56,124,869.55	12,931,959.73

Items	2024 Semi-Annual	2023 Semi-Annual
Cash payments for investments	755,672,000.00	1,187,508,000.00
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	1,720,830,000.00	3,352,754,775.00
Subtotal of cash outflows from investing activities	2,532,626,869.55	4,553,194,734.73
Net cash flows from investing activities	1,694,745,173.58	-961,928,830.07
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowings	750,000,000.00	1,850,000,000.00
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	750,000,000.00	1,850,000,000.00
Cash payments for the repayment of borrowings	676,000,000.00	1,603,000,000.00
Cash payments for distribution of dividends or profits and for interest expenses	1,465,505,652.48	1,619,589,051.11
Other cash payments related to financing activities	460,205.73	1,126,850.43
Subtotal of cash outflows from financing activities	2,141,965,858.21	3,223,715,901.54
Net cash flows from financing activities	-1,391,965,858.21	-1,373,715,901.54
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-70,342.71	969,709.78
V. Net increase in cash and cash equivalents	133,479,431.49	-2,273,986,230.14
Add: Opening balance of cash and cash equivalents	2,903,317,341.85	4,054,348,356.27
VI. Closing balance of cash and cash equivalents	3,036,796,773.34	1,780,362,126.13

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: He Jiangyong

7. Consolidated statement of changes in equity

Current period cumulative

Unit: RMB Yuan

Items	2024 Semi-Annual														
	Equity attributable to parent company												Non-controlling interest	Total equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of prior year	3,090,907,356.00				3,613,345,485.13	500,059,711.25	103,920,732.85	60,860,818.76	1,545,453,678.00		16,890,233,961.50		24,804,662,320.99	115,045,831.88	24,919,708,152.87
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Others															
II. Balance at the beginning of current year	3,090,907,356.00				3,613,345,485.13	500,059,711.25	103,920,732.85	60,860,818.76	1,545,453,678.00		16,890,233,961.50		24,804,662,320.99	115,045,831.88	24,919,708,152.87
III. Current period increase (or less: decrease)							2,144,278.96	30,166,768.34			821,321,886.96		853,632,934.26	9,680,943.21	863,313,877.47
(I) Total comprehensive income							2,144,278.96				2,204,361,642.96		2,206,505,921.92	9,680,943.21	2,216,186,865.13
(II) Capital contributed or withdrawn by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity															
4. Others															
(III) Profit distribution											-1,383,039,756.00		-1,383,039,756.00		-1,383,039,756.00
1. Appropriation of surplus reserve															
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners											-1,383,039,756.00		-1,383,039,756.00		-1,383,039,756.00
4. Others															

Items	2024 Semi-Annual														
	Equity attributable to parent company												Non-controlling interest	Total equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
(IV) Internal carry-over within equity															
1. Transfer of capital reserve to capital															
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
(V) Special reserve								30,166,768.34					30,166,768.34	30,166,768.34	
1. Appropriation of current period								41,724,799.37					41,724,799.37	41,724,799.37	
2. Application of current period								-11,558,031.03					-11,558,031.03	-11,558,031.03	
(VI) Others															
IV. Balance at the end of current period	3,090,907,356.00				3,613,345,485.13	500,059,711.25	106,065,011.81	91,027,587.10	1,545,453,678.00		17,711,555,848.46		25,658,295,255.25	124,726,775.09	25,783,022,030.34

Preceding period comparative

Unit: RMB Yuan

Items	2023 Semi-Annual														
	Equity attributable to parent company												Non-controlling interest	Total equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of prior year	3,090,907,356.00				3,613,097,510.81	500,059,711.25	76,577,564.17	26,196,894.55	1,444,413,940.89		15,823,725,913.44		23,574,859,468.61	87,289,766.85	23,662,149,235.46

Items	2023 Semi-Annual														
	Equity attributable to parent company												Non-controlling interest	Total equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
Add: Cumulative changes of accounting policies											19,857.63		19,857.63		19,857.63
Error correction of prior period															
Others															
II. Balance at the beginning of current year	3,090,907,356.00				3,613,097,510.81	500,059,711.25	76,577,564.17	26,196,894.55	1,444,413,940.89		15,823,745,771.07		23,574,879,326.24	87,289,766.85	23,662,169,093.09
III. Current period increase (or less: decrease)							29,652,134.01	17,629,528.47			-53,481,603.04		-6,199,940.56	20,217,198.14	14,017,257.58
(I) Total comprehensive income							29,652,134.01				1,483,229,236.96		1,512,881,370.97	20,217,198.14	1,533,098,569.11
(II) Capital contributed or withdrawn by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity															
4. Others															
(III) Profit distribution											-1,536,710,840.00		-1,536,710,840.00		-1,536,710,840.00
1. Appropriation of surplus reserve															
2. Appropriation of															

Items	2023 Semi-Annual														
	Equity attributable to parent company												Non-controlling interest	Total equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
general risk reserve															
3. Appropriation of profit to owners											-1,536,710,840.00		-1,536,710,840.00	-1,536,710,840.00	
4. Others															
(IV) Internal carry-over within equity															
1. Transfer of capital reserve to capital															
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
(V) Special reserve								17,629,528.47					17,629,528.47	17,629,528.47	
1. Appropriation of current period								26,153,211.92					26,153,211.92	26,153,211.92	
2. Application of current period								-8,523,683.45					-8,523,683.45	-8,523,683.45	
(VI) Others															
IV. Balance at the end of current period	3,090,907,356.00				3,613,097,510.81	500,059,711.25	106,229,698.18	43,826,423.02	1,444,413,940.89		15,770,264,168.03		23,568,679,385.68	107,506,964.99	23,676,186,350.67

8. Parent company statements of changes in equity

Current period cumulative

Unit: RMB Yuan

Items	2024 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of prior year	3,090,907,356.00				3,353,675,803.74	500,059,711.25	506,954.43	10,583,344.97	1,545,453,678.00	5,137,599,917.63		12,638,667,343.52
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Balance at the beginning of current year	3,090,907,356.00				3,353,675,803.74	500,059,711.25	506,954.43	10,583,344.97	1,545,453,678.00	5,137,599,917.63		12,638,667,343.52
III. Current period increase (or less: decrease)								4,426,769.78		203,280,156.84		207,706,926.62
(I) Total comprehensive income										1,586,319,912.84		1,586,319,912.84
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
(III) Profit distribution										-1,383,039,756.00		-1,383,039,756.00
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners										-1,383,039,756.00		-1,383,039,756.00
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												

Items	2024 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve								4,426,769.78				4,426,769.78
1. Appropriation of current period								5,513,474.04				5,513,474.04
2. Application of current period								-1,086,704.26				-1,086,704.26
(VI) Others												
IV. Balance at the end of current period	3,090,907,356.00				3,353,675,803.74	500,059,711.25	506,954.43	15,010,114.75	1,545,453,678.00	5,340,880,074.47		12,846,374,270.14

Preceding period comparative

Unit: RMB Yuan

Items	2023 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of prior year	3,090,907,356.00				3,353,427,829.42	500,059,711.25	506,954.43		1,444,413,940.89	5,489,904,970.92		12,879,101,340.41
Add: Cumulative changes of accounting policies										19,857.63		19,857.63
Error correction of prior period												
Others												
II. Balance at the beginning of current	3,090,907,356.00				3,353,427,829.42	500,059,711.25	506,954.43		1,444,413,940.89	5,489,924,828.55		12,879,121,198.04

Items	2023 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
year												
III. Current period increase (or less: decrease)										-154,698,676.36		-154,698,676.36
(I) Total comprehensive income										1,382,012,163.64		1,382,012,163.64
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
(III) Profit distribution										-1,536,710,840.00		-1,536,710,840.00
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners										-1,536,710,840.00		-1,536,710,840.00
3. Others												
(IV) Internal carry-over within equity												
1. Transfer of capital reserve to capital												
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												

Items	2023 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	3,090,907,356.00				3,353,427,829.42	500,059,711.25	506,954.43		1,444,413,940.89	5,335,226,152.19		12,724,422,521.68

III. Company profile

Zhejiang NHU Co., Ltd. (the “Company”) was jointly established by Xinchang County Synthetic Chemical Plant, renamed as NHU Holding Group Co., Ltd. on November 17, 2009) and 9 natural persons including Zhang Pingyi, Yuan Yizhong, Shi Cheng, Hu Baishan, Shi Guanqun, Wang Xuewen, Shi Sanfu, Cui Xinrong, and Wang Xulin under the document of approval numbered Zhe Zheng Wei [1999] 9 issued by the former Securities Commission of the People’s Government of Zhejiang Province. Headquartered in Shaoxing City, Zhejiang Province, the Company was registered at Zhejiang Administration for Industry and Commerce on April 5, 1999. Currently, the Company holds a business license with unified social credit code of 91330000712560575G, with registered capital of 3,090,907,356.00 yuan, total share of 3,090,907,356 shares (each with par value of one yuan), of which, 36,409,752 shares are restricted outstanding shares, and 3,054,497,604 shares are unrestricted outstanding shares. The Company’s shares were listed on Shenzhen Stock Exchange on June 25, 2004.

The Company belongs to pharmaceutical manufacturing industry and is mainly engaged in manufacturing and sales of nutrition, Aroma Chemicals, and new polymer materials. The Company’s main products are nutrition, Aroma Chemicals, and new polymer materials.

These financial statements were approved for external reporting by the Company at the seventh meeting of the Ninth Board of Directors on August 21, 2024.

IV. Preparation basis of the financial statements

1. Preparation basis

The financial statements have been prepared on the basis of going concern.

2. The ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company’s ability to continue as a going concern within the 12 months after the balance sheet date.

V. Significant accounting policies and estimates

Note to specific accounting policies and estimates: The Company has set up accounting policies and estimates on transactions or events such as impairment of financial instruments, depreciation of fixed assets, depreciation of right-of-use assets, amortization of intangible assets, and revenue recognition, etc. based on the Company’s actual production and operation features.

1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, results of operations and cash flows of the Company.

2. Accounting period

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

3. Operating cycle

Except for the real estate industry, the Company has a relatively short operating cycle for its business, an asset or a liability is

classified as current if it is expected to be realized or due within 12 months. The operating cycle for real estate industry starts from the development of property and ends at sales, which normally extends over 12 months and is subject to specific projects, therefore, an asset or a liability is classified as current if it is expected to be realized or due within such operating cycle.

4. Functional currency

The functional currency of the Company and its domestic subsidiaries is Renminbi (RMB) Yuan, while the functional currency of subsidiaries engaged in overseas operations including NHU (Hong Kong) Trading Co., Ltd., NHU Europe GmbH and NHU Singapore PTE. LTD. , NHU/CHR. OLESEN LATIN AMERICA A/S is the currency of the primary economic environment in which they operate.

5. Methodology for determining materiality criteria and basis for selection

√ applicable □Not applicable

Items	Importance Criteria
Significant write-offs of receivables	0.5% of total assets
Significant prepayments aged over 1 year	0.5% of total assets
Significant construction projects in progress	0.5% of total assets
Significant accounts payable aged over 1 year	0.5% of total assets
Significant other accounts payable aged over 1 year	0.5% of total assets
Significant contractual liabilities older than 1 year	0.5% of total assets
Significant cash flows from investing activities	10.00% of total assets
Significant offshore operating entities	The Company identifies overseas operating entities whose total assets/total revenues/total profits exceed 15% of the Group's total assets/total revenues/total profits as significant overseas operating entities
Significant capitalized R&D projects, outsourced R&D projects	0.5% of total assets
Significant subsidiaries, non-wholly owned subsidiaries	The Company identifies subsidiaries with total assets/total revenues/total profits exceeding 15% of the Group's total assets/total revenues/total profits as important subsidiaries, important non-wholly owned subsidiaries
Significant Joint Ventures, Associates, Co-Operations	The company identifies joint ventures, associates, and joint operations whose total assets/total revenues/total profits exceed 15% of the group's total assets/total revenues/total profits as significant joint ventures, associates, and joint operations

6. Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

7. Criteria for judging control and preparation of consolidated financial statements

1. Controlled judgment

A parent company is recognized as controlling if it has power over the investee, enjoys variable returns through participation in the investee's relevant activities, and has the ability to use its power over the investee to affect the amount of its variable returns.

2. Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to "CASBE 33 – Consolidated Financial Statements", based on relevant information and the financial statements of the parent company and its subsidiaries.

8. Classification of joint venture arrangements and accounting treatment of joint operations

1. Joint arrangements are categorized as joint operations and joint ventures.

2. When the company is a joint venture partner in a joint operation, the following items related to the share of interest in the joint operation are recognized:

- (1) Recognize assets held separately and assets held jointly in proportion to the share held;
- (2) Recognize liabilities assumed individually, and liabilities assumed jointly in proportion to the share held;
- (3) Recognize revenues from the sale of the company's share of joint operating outputs;
- (4) Recognize income from joint operations arising from the sale of assets based on the company's share of ownership;
- (5) Recognition of expenses incurred individually, as well as expenses incurred by the joint operation based on the company's share of ownership.

9. Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

10. Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the approximate exchange rate similar to the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the approximate exchange rate similar to the spot exchange rate at the transaction date, with the

RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the approximate exchange rate similar to the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

11. Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

2. Recognition criteria, measurement method and derecognition condition of financial assets and financial liabilities

(1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, the Company measures the transaction price in accordance with "CASBE 14 – Revenues".

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

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

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are

included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of Financial Assets".

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with "CASBE 14 – Revenues".

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

- a. the contractual rights to the cash flows from the financial assets expire; or
- b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with “CASBE 23 – Transfer of Financial Assets”.

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions to derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and information are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company's own data, etc.

5. Impairment of financial instruments

(1) Measurement and accounting treatment

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, leases receivable, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For leases receivable, and accounts receivable and contract assets resulting from transactions regulated in "CASBE 14 – Revenues", the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

6. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, the company presents them in the balance sheet at the net amount after offsetting each other if the following conditions are simultaneously met: (1) the company has a legal right to offset the recognized amount and such legal right is currently enforceable; (2) the company plans to settle the net amount, or to realize the financial asset and settle the financial liability at the same time.

For transfers of financial assets that do not meet the conditions for derecognition, the company does not offset the transferred financial assets and related liabilities.

12. Criteria for recognizing and providing for expected credit losses on receivables

1. Receivables with expected credit losses based on a combination of credit risk characteristics

Portfolio Type	Basis for determining the portfolio	Methodology for measuring expected credit losses
Bankers' acceptances receivable	Type of notes	Expected credit losses are calculated by reference to historical credit loss experience, taking into account current conditions and projections of future economic conditions, through default exposures and expected credit loss rates over the entire duration
Commercial acceptances receivable		
Accounts receivable – Portfolio grouped with ages	Age of accounts	Prepare a table of accounts receivable aging versus expected credit loss rates to calculate expected credit losses, taking into account historical credit loss experience, current conditions and projections of future economic conditions
Other receivables - export tax refund receivable portfolio	Nature of receivables	Expected credit losses are calculated by reference to historical credit loss experience, taking into account current conditions as well as projections of future economic conditions, through default exposures and expected credit loss rates within the next 12 months or over the entire life span
Other receivables - VAT refund receivable portfolio		
Other receivables - land bond receivable portfolio		
Other receivables - portfolio of security deposits receivable from customs and tax authorities		
Other receivables - ageing portfolio	Age of accounts	Calculate expected credit losses by reference to historical credit loss experience and by preparing a table of the ageing of other receivables against the expected credit loss rate, taking into account current conditions and projections of future economic conditions

2. Accounts receivable – comparison table of ages and lifetime expected credit loss rate of portfolio grouped with ages

Ages	Accounts Receivable Expected credit loss ratio (%)	Other receivables Expected credit loss ratio (%)
Within 1 year (inclusive, the same hereinafter)	5.00	5.00
1-2 years	20.00	20.00
2-3 years	80.00	80.00
Over 3 years	100.00	100.00

The ageing of accounts receivable/other receivables is calculated from the month in which the amounts are actually incurred.

3. Criteria for identifying receivables for which expected credit losses are provided on an individual basis

For receivables and contract assets with credit risk significantly different from that of the portfolio, the Company accrues expected credit losses on an individual basis.

13. Inventories

1. Classification of inventories

Inventories include finished goods or goods held for sale in the ordinary course of business, work in process in the process of production, materials or supplies, etc. to be consumed in the production process or in the rendering of services.

2. Accounting method for dispatching inventories:

- (1) Inventories other than development products are issued using the month-end lump-sum weighted-average method.
- (2) When a project is developed, the land used for development is included in the development cost of the project by calculating the apportionment based on the floor area of the development products.
- (3) Issuance of similar development products is accounted for by the average floor area method.
- (4) If the public ancillary facilities are completed earlier than the relevant development products, after the public ancillary facilities are completed and finalized, they are allocated to the development costs of the relevant development projects according to the budgeted costs of the relevant development projects; if the public ancillary facilities are completed later than the relevant development products, the public ancillary facilities fees are first withheld from the relevant development products, and then adjusted according to the difference between the actual number of fees incurred and the number of fees withdrawn after the completion and finalization of the public ancillary facilities. If the public facilities are later than the completion of the relevant development products, the public facilities fees will be withheld by the relevant development products first, and the difference between the actual amount incurred and the amount withheld will be adjusted according to the final account after the completion of the public facilities.

3. Inventory system

Perpetual inventory method is adopted.

4. Amortization method of low-value consumables and packages

(1) Low-value consumables

Low-value consumables are amortized with one-off method.

(2) Packages

Packages are amortized with one-off method.

5. Criteria for recognizing and providing for provision for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost or net realizable value, and provision for decline in value of inventories is made for the difference between cost and net realizable value. The net realizable value of inventories used directly for sale is determined in the normal course of production and operation by the estimated selling price of the inventories less estimated selling expenses and related taxes; the net realizable value of inventories requiring processing is determined in the normal course of production and operation by the estimated selling price of the finished goods produced less estimated costs to be incurred up to the time of completion, estimated selling expenses and related taxes; At the balance sheet date, if there is a contract price agreed for one part of the same inventory and no contract price exists for the other part, the net realizable value is determined separately and compared with its corresponding cost, and the amount of provision or reversal of allowance for decline in value of inventories is determined separately.

14 .Long-term equity investments

1. Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”

3. Subsequent measurement and recognition method of profit or loss

For long-term equity investments with control relationship, it is accounted for with cost method; for long-term equity investments with joint control or significant influence relationship, it is accounted for with equity method.

4. Disposal of a subsidiary in stages resulting in the Company’s loss of control

(1) Principles for determining whether or not a transaction is a "package deal"

In the case of a step-by-step disposal of equity investments in subsidiaries through multiple transactions until loss of control, the Company determines whether a step-by-step transaction is a "package deal" by taking into account the terms and conditions of the transaction agreement for each step of the step-by-step transaction, the respective disposal consideration, the target of the disposal, the method of disposal, and the point of time of the disposal, among other information. If the terms, conditions and economic impacts of each transaction meet one or more of the following conditions, it is generally recognized that multiple transactions are "package deals":

- 1) The transactions are entered into at the same time or in consideration of the effects of each other;
- 2) The transactions as a whole achieve a complete business result;
- 3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction;
- 4) a transaction is uneconomic when viewed in isolation, but is economic when considered in conjunction with other transactions.

(2) Accounting treatment for transactions that are not "package deals"

1) Individual financial statements

For equity interests disposed of, the difference between the book value and the actual acquisition price is recognized in profit or loss for the current period. For the remaining equity interest, if it still has significant influence over the investee unit or exercises joint control with other parties, it is transferred to the equity method of accounting; if it can no longer exercise control, joint control or significant influence over the investee unit, it is accounted for in accordance with the relevant provisions of "Accounting Standard for Business Enterprises (ASBE) No. 22 - Recognition and Measurement of Financial Instruments".

2) Consolidated financial statements

Prior to the loss of control, the difference between the disposal price and the disposal long-term equity investment's corresponding share of the subsidiary's net assets calculated on a continuous basis from the date of purchase or the date of consolidation is adjusted to capital surplus (capital premium), and if capital premium is not sufficient to be eliminated, it is eliminated to retained earnings.

Upon loss of control over Atomics, the remaining equity interest is remeasured at its fair value at the date of loss of control. The difference between the sum of the consideration obtained from the disposal of the equity interest and the fair value of the remaining equity interest, less the share of the original subsidiary's net assets continuously measured from the date of purchase or the date of consolidation based on the original shareholding ratio, is recognized as investment income in the period in which control is lost, and goodwill is also eliminated. Other comprehensive income, such as other comprehensive income related to equity investments in the original subsidiaries, should be transferred to investment income in the current period when control is lost.

(3) Accounting treatment of "package transactions"

1) Individual financial statements

Each transaction is accounted for as a disposal of a subsidiary and loss of control. However, the difference between the disposal price and the carrying value of the long-term equity investment corresponding to the disposal of the investment in each case before the loss of control is recognized as other comprehensive income in the individual financial statements and transferred to profit or loss in the period of the loss of control when the loss of control occurs.

2) Consolidated financial statements

Each transaction is accounted for as a disposal of a subsidiary and loss of control. However, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment in each case before the loss of control is recognized as other comprehensive income in the consolidated financial statements and transferred to profit or loss in the period of loss of control when the control is lost.

15. Fixed assets

(1) Recognition principles

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

(2) Depreciation method

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	7-70	5	13.57-1.36
General equipment	Straight-line method	5-10	5	19.00-9.50
Special equipment	Straight-line method	5-15	5	19.00-6.33
Transport facilities	Straight-line method	5-7	5	19.00-13.57

16. Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

Categories	Standards and timing for transferring construction in progress to fixed assets
Buildings and structures	Construction works reach the state of intended use from the date of reaching the state of intended use
General equipment	After installation and commissioning to meet the design requirements or contractual standards
Special equipment	After installation and commissioning to meet the design requirements or contractual standards

17. Borrowing costs

1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized

amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements less the general borrowing by the capitalization rate of the general borrowing used.

18. Intangible assets

(1) Measurement method, useful lives and impairment test

1. Intangible assets include land use right, patent right, non-patented technology, etc. The initial measurement of intangible assets is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Useful life and the basis for its determination	Amortization method
Land use right	50,70,(Based on the number of years contained in the warrants)	linear method
Software	10,(Based on projected years of benefit)	linear method
Patent right	10, (Based on projected years of benefit)	linear method
Non-patented technology	15, (Based on projected years of benefit)	linear method

(2) Accounting policies on internal R&D expenditures

(1) Personnel labor costs

Personnel labor costs include salaries and wages, basic pension insurance premiums, basic medical insurance premiums, unemployment insurance premiums, work-related injury insurance premiums, maternity insurance premiums and housing fund of the Company's research and development personnel, as well as labor costs of external research and development personnel.

Where research and development personnel serve on multiple research and development projects at the same time, the recognition of labor costs is based on the records of hours worked by the research and development personnel of each research and development project provided by the management of the Company, which are allocated proportionately among the different research and development projects.

Where personnel directly engaged in research and development activities and external research and development personnel are simultaneously engaged in non-research and development activities, the Company allocates the personnel labor costs actually incurred by the research and development personnel between research and development expenses and production and operating expenses based on the records of their working hours in different positions, in accordance with the proportion of their actual working hours and other reasonable methods.

(2) Direct input costs

Direct input costs refer to the relevant expenditures actually incurred by the Company for the implementation of research and development activities. It includes: 1) directly consumed materials, fuel and power costs; 2) the development and manufacturing costs of molds and process equipment used for intermediate tests and product trial production, the purchase costs of samples, prototypes and general testing means that do not constitute fixed assets, and the inspection costs of trial products; and 3) the costs

of operating and maintaining, adjusting, inspecting, testing and repairing instruments and equipment used for research and development activities.

(3) Depreciation expense and long-term amortization expense

Depreciation expense refers to the depreciation of instruments, equipment and buildings in use used in research and development activities.

If instruments, equipment and buildings in use are used for research and development activities and are also used for non-research and development activities, necessary records are kept of the use of such instruments, equipment and buildings in use, and the depreciation expense actually incurred is allocated between research and development expenses and production and operating expenses using a reasonable method based on factors such as actual man-hours worked and square footage of space utilized.

Long-term amortized expenses are long-term amortized expenses incurred in the course of alteration, modification, renovation and repair of research and development facilities, which are summarized on the basis of actual expenditures and amortized equally over a specified period of time.

(4) Amortization expense of intangible assets

Amortization expense of intangible assets is the amortization expense of software, intellectual property, and non-patented technologies (know-how, licenses, designs and calculation methods, etc.) used in research and development activities.

(5) Design costs

Design expenses are expenses incurred for the conception, development and manufacture of new products and processes, design of processes, technical specifications, formulation of protocols, operational characteristics, etc., including expenses related to creative design activities for obtaining innovative, creative and breakthrough products.

(6) Equipment debugging costs and test costs

Equipment debugging costs are costs incurred for research and development activities in the process of preparing workpieces, including costs incurred for activities such as the development of special, specialized production machines, changes in production and quality control procedures, or the development of new methods and standards.

Costs incurred for routine tooling preparation and industrial engineering for mass production and commercialization are not included in the scope of collection.

(7) Commissioned external research and development costs

Entrusted external research and development expenses are expenses incurred by the Company for research and development activities entrusted to other organizations or individuals inside or outside the country (the results of the research and development activities are owned by the Company and are closely related to the Company's main business operations).

(8) Other expenses

Other expenses refer to expenses other than those mentioned above that are directly related to research and development activities, including technical library and data fees, data translation fees, expert consultation fees, insurance fees for high-tech research and

development, search, demonstration, evaluation, appraisal and acceptance fees for research and development results, application fees, registration fees and agency fees for intellectual property rights, meeting fees, travel fees and communication fees.

4. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

19. Impairment of part of long-term assets

For long-term assets such as long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

20. Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

21. Employee benefits

(1) Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the

periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

(3) Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

(4) Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: a. service cost; b. net interest on the net liability or net assets of other long-term employee benefits; and c. changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

22. projected liability

1. When an obligation arising from contingencies such as guarantees given to others, litigation matters, product quality assurance, loss contracts, etc. becomes a present obligation of the company, and it is probable that the performance of the obligation will result in an outflow of economic benefits to the company and the amount of the obligation can be measured reliably, the company recognizes the obligation as a projected liability.

2. The company initially measures a projected liability on the basis of the best estimate of the expenditure required to settle the relevant present obligation and reviews the carrying amount of the projected liability at the balance sheet date.

23. Revenue

Accounting policies on revenue recognition and measurement

1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance

obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payment for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

3. Revenue recognition method

(1) Revenue from sales of products

The Company's main products are nutrition, Aroma Chemicals, new polymer materials, etc. Sales of products are performance obligations satisfied at a point in time. Revenue from domestic sales is recognized when the Company has delivered goods to the customer as agreed by contract and has obtained delivery note signed by the customer, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company. Revenue from overseas sales is recognized when the Company has declared goods to the customs based on contractual agreements and has obtained a bill of lading, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

(2) Revenue from real estate sales

Real estate sales are performance obligations satisfied at a point in time. Revenue from real estate sales is recognized when the Company has delivered properties to the customer as agreed by contract and has obtained the client acceptance receipts signed by the customer, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

24. Contract assets, contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

25. Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost

based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidised interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidised interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidised interest shall offset relevant borrowing cost.

26. Deferred tax assets/Deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

5. Deferred income tax assets and deferred income tax liabilities are stated at net amounts after offsetting when the following conditions are simultaneously met: (1) there is a legal right to settle current income tax assets and current income tax liabilities on a net basis; (2) the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxpaying entity, or relate to different taxpaying entities but are not realized or settled during each significant future period in which the deferred income tax assets and deferred income tax liabilities are reversed. each future period in which the deferred income tax assets and deferred income tax liabilities are reversed to the extent that the taxable entity involved intends to either settle the current income tax assets and current income tax liabilities on a net basis or to acquire the assets and settle the liabilities at the same time.

27. Leases

(1) Operating lease

1. Accounting treatment of leases as lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. If the Company subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of

a low-value asset.

For all short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method/unit-of-production method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.

1) Right-of-use assets

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liability; 2) any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Company depreciates the right-of-use asset using the straight-line method/unit-of-production method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

2) Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: a. actual fixed payments; b. amounts expected to be payable under residual value guarantees; c. an index or a rate used to determine lease payments; d. assessment result or exercise of purchase option, extension option or termination option., the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

(2) Accounting for leases as lessor

At the inception date of a lease, the Company classifies leases that transfer substantially all the risks and rewards associated with ownership of the leased asset as finance leases, and all other leases as operating leases.

1) Operating leases

The Company recognizes lease receipts as rental income on a straight-line basis in each period of the lease term. Initial direct costs incurred are capitalized and amortized on the same basis as rental income and recognized in profit or loss in the current period. Variable lease payments related to operating leases that are not recognized as lease receipts are recognized in profit or loss when they are actually incurred.

2) Finance leases

At the commencement date of the lease term, the Company recognizes a finance lease receivable based on the net investment in the lease (the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the interest rate embedded in the lease) and derecognizes the asset under a finance lease. During each period of the lease term, the Company calculates and recognizes interest income based on the interest rate embedded in the lease.

Variable lease payments acquired by the Company that are not included in the measurement of the net investment in the lease are recognized in profit or loss when they are actually incurred.

(3) Sale and leaseback

1) Company as lessee

The Company evaluates to determine whether the transfer of assets in a sale and leaseback transaction is a sale in accordance with the provisions of ASBE No. 14, "Revenue".

If the transfer of an asset in a sale and leaseback transaction is a sale, the Company measures the right-of-use asset resulting from the sale and leaseback at the portion of the original asset's carrying value that relates to the right-of-use acquired by leasing it back and recognizes the related gain or loss only on the transfer of the right to the lessor.

If the transfer of an asset in a sale-leaseback transaction is not a sale, the Company continues to recognize the transferred asset, and at the same time recognizes a financial liability equal to the amount of the transfer proceeds and accounts for the financial liability in accordance with Accounting Standard for Business Enterprises (ASBE) No. 22, "Recognition and Measurement of Financial Instruments".

2) The Company as Lessor

The Company evaluates to determine whether the transfer of assets in a sale-and-leaseback transaction is a sale in accordance with ASBE No. 14, "Revenue".

If the transfer of assets in a sale-leaseback transaction is a sale, the Company accounts for the purchase of assets in accordance with other applicable corporate accounting standards and for the lease of assets in accordance with ASBE No. 21 - Leasing.

If the transfer of assets in a sale-leaseback transaction is not a sale, the company does not recognize the transferred assets, but recognizes a financial asset equal to the transfer proceeds and accounts for the financial asset in accordance with ASBE No. 22, "Recognition and Measurement of Financial Instruments".

28. Work safety fund

Safety production fees extracted by the Company in accordance with the Administrative Measures for the Extraction and Use of Enterprise Production Safety Expenses (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Response are included in the cost of the relevant products or in current profit or loss, and are also recorded in the account of "special reserve". When the safety production fee is used, if it is an expense, it is directly deducted from the special reserve. If a fixed asset is formed, the expenditure incurred is summarized under the "construction in progress" account and recognized as a fixed asset when the safety project is completed and reaches the intended state of use; at the same time, the special reserve is

deducted in accordance with the cost of forming the fixed asset and accumulated depreciation of the same amount is recognized, and no depreciation will be provided for the fixed asset in the subsequent period.

29. Segment reporting

Operating segments are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and
3. for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

30.Accounting treatment related to share repurchase

When the Company repurchases its shares for the purpose of reducing its registered capital or rewarding its employees, if the purchased shares are to be kept as treasury shares, the treasury shares are recorded at the cash distributed to existing shareholders for repurchase; if the purchased shares are to be retired, the difference between the total par value of shares retired and the cash distributed to existing shareholders for repurchase is to reduce capital reserve, or retained earnings when the capital reserve is not enough to reduce. If the Company repurchases vested equity instruments in equity-settled share-based payment transactions with employees, cost of treasury shares granted to employees and capital reserve (other capital reserve) accumulated within the vesting period are to be written off on the payment made to employees, with a corresponding adjustment in capital reserve (share premium).

31.Significant changes in accounting policies and estimates

(1) Significant changes in accounting policies

Applicable Not Applicable

(2) Significant changes in accounting estimates

Applicable Not Applicable

(3) Adjustments to items related to financial statements at the beginning of the year of first-time implementation of new accounting standards from 2024onwards

Applicable Not Applicable

VI. Taxes

1. Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	13%, 9%, 8%, 6%, 5% and 19%; export goods enjoy the “exemption, credit and refund” policy and the refund rate ranges from 0% to 13%; the subsidiary Zhejiang NHU Import & Export Co., Ltd. enjoys the “refund upon collection” policy and the refund rate ranges from 0% to 13%.
Urban maintenance and construction tax	Turnover tax actually paid	5%, 7%
Enterprise income tax	Taxable income	15%、16.5%、17%、20%、22%、25%、25.5%、34%
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	A four-grade progressive tax system is adopted. The rates are: 30% for appreciated value not over 50% of total deductible amount; 40% for appreciated value over 50% but not over 100% of total deductible amount; 50% for appreciated value over 100% but not over 200% of total deductible amount; and 60% for appreciated value over 200% of total deductible amount.
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%、12%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Solidarity surcharge [Note]	Income tax payable	5.5%
Trade tax [Note]	Taxable income	13.3%

Note: The subsidiaries NHU EUROPE GmbH, NHU PERFORMANCE MATERIALS GMBH and Bardoterminal GmbH are subject to these rates.

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
The Company	15%
Shangyu NHU Bio-Chem Co., Ltd.	15%
Shandong NHU Pharmaceutical Co., Ltd.	15%
Shandong NHU Vitamins Co., Ltd.	15%
Shandong NHU Amino-acids Co., Ltd.	15%
Zhejiang NHU Special Materials Co., Ltd.	15%
Heilongjiang NHU Biotechnology Co., Ltd.	15%
Zhejiang NHU Pharmaceutical Co., Ltd	15%
Shandong NHU Fine Chemical Science and Technology Co.	15%
NHU (Hong Kong) Trading Co., Ltd.	Adoption of the territorial source principle of taxation, with

Taxpayers	Income tax rate
	profits tax rate of 8.25% for the first HK\$2 million of Hong Kong-sourced profits and 16.5% for the subsequent Hong Kong-sourced profits, while profits sourced elsewhere are not subject to Hong Kong profits tax
NHU EUROPE GmbH	15%
NHU PERFORMANCE MATERIALS GMBH	15%
Bardoterminal GmbH	15%
NHU Singapore PTE. LTD.	17%
Shandong New Shuang'an Biotechnology Co., Ltd	20%
NHU/CHR.OLESEN LATIN AMERICA A/S	22%
NHU CHR.OLESEN MEXICO S.A.P.I. DE C.V.	25.5%
NHU/CHR.OLESEN BRASIL LTDA	34%
Other tax paying entities other than the above	25%

2. Tax preferential policies

1. Enterprise income tax

(1) Tax incentives for high-tech enterprises

1) According to the Hi-Tech Enterprise Certificate (GR202333009429) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, State Taxation Administration (STA), the Company is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2023 to 2025. It is subject to the rate of 15% for enterprise income tax in 2024.

2) According to the Hi-Tech Enterprise Certificate (GR202233002530) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Shangyu NHU Bio-Chem Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2022 to 2024. It is subject to the rate of 15% for enterprise income tax in 2024.

3) According to the Hi-Tech Enterprise Certificate (GR202337003609) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Pharmaceutical Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2023 to 2025. It is subject to the rate of 15% for enterprise income tax in 2024.

4) According to the Hi-Tech Enterprise Certificate (GR202337002254) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the grandson Shandong NHU Vitamins Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2023 to 2025. It is subject to the rate of 15% for enterprise income tax in 2024.

5) According to the Hi-Tech Enterprise Certificate (GR202137000086) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Amino Acid Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2021 to 2023. It is subject to the rate of 15% for enterprise income tax in 2024.

6) According to the Hi-Tech Enterprise Certificate (GR202133008939) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Zhejiang

NHU Special Materials Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2021 to 2023. It is subject to the rate of 15% for enterprise income tax in 2024.

7) According to the Hi-Tech Enterprise Certificate (GR202123000560) issued by Heilongjiang Provincial Department of Science and Technology, Heilongjiang Provincial Department of Finance and Heilongjiang Provincial Tax Service, STA, the subsidiary Heilongjiang NHU Biotechnology Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2021 to 2023. It is subject to the rate of 15% for enterprise income tax in 2024.

8) According to the Hi-Tech Enterprise Certificate (GR202233004365) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Zhejiang NHU Pharmaceutical Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2022 to 2024. It is subject to the rate of 15% for enterprise income tax in 2024.

9) According to the Hi-Tech Enterprise Certificate (GR202237005690) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Fine Chemical Science and Technology Co. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2022 to 2024. It is subject to the rate of 15% for enterprise income tax in 2024.

(2) Tax incentives for micro and small enterprises

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Preferential Policies on Income Tax for Small and Micro Enterprises and Individual Entrepreneurs (Announcement of the Ministry of Finance and the State Administration of Taxation No. 6 of 2023) and the Announcement on Further Implementation of Preferential Policies on the Income Tax for Small and Micro Enterprises (Announcement of the Ministry of Finance and the State Administration of Taxation No. 13 of 2022), from 1 January 2023 to 31 December 2024, small and micro enterprises are entitled to a reduction of 25% of their annual taxable income and a tax rate of 20%. Taxable income of small micro-profit enterprises not exceeding 1 million yuan shall be reduced by 25% of the taxable income and subject to enterprise income tax at a rate of 20%. From January 1, 2022 to December 31, 2024, the portion of the annual taxable income of small micro-profit enterprises exceeding 1 million yuan but not exceeding 3 million yuan shall be reduced by 25% of the taxable income and subject to enterprise income tax at a rate of 20%. The grandson company, Shandong New Shuang'an Biotechnology Co., Ltd is subject to enterprise income tax at the corresponding preferential tax rate.

(3) Tax Benefits for Foreign Enterprises

According to Section 14 of the Inland Revenue Ordinance, Chapter 112 of the Laws of Hong Kong, Hong Kong adopts the territorial source principle of taxation, i.e. only profits derived from Hong Kong are subject to Hong Kong tax, whereas profits derived from elsewhere are not subject to Hong Kong profits tax. The subsidiary, Sun Woo Shing (Hong Kong) Trading Company Limited, is subject to enterprise income tax at the corresponding preferential tax rate.

2. VAT

(According to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Policy of Value-added Tax Credits for Enterprises in the Advanced Manufacturing Industry (Announcement of the Ministry of Finance and the State Administration of Taxation No. 43 of 2023), from 1 January 2023 to 31 December 2027, enterprises in the advanced manufacturing industry are allowed to offset the payable value-added tax by adding 5% to the current period's creditable input tax amount. Subsidiaries Shangyu NHU Bio-Chem Co., Ltd., Shandong NHU Pharmaceutical Co., Ltd., Ltd. and Zhejiang NHU Special Materials Co., Ltd., and grandson Shandong NHU Vitamins Co., Ltd., enjoy the preferential policy of adding 5% to the input tax credits.

VII. Notes to items of consolidated financial statements

1. Cash and bank balances

Unit: RMB Yuan

Items	Closing balance	Opening balance
Cash on hand	25,690.31	21,747.98
Cash in bank	4,830,283,255.54	4,445,046,788.85
Other cash and bank balances	71,464,951.20	97,192,582.33
Digital Currency - RMB		1,100,027.82
Total	4,901,773,897.05	4,543,361,146.98
Including: Deposited overseas	97,689,798.21	89,207,212.60

Other remarks

Other cash and bank balances

Unit: RMB Yuan

Items	Closing balance	Opening balance
Deposit for bank acceptance	55,388,324.90	77,905,369.24
Deposit for letters of credit	1,641,394.48	12,048,779.84
Customs Margin	3,830,850.00	3,929,600.00
Deposit for construction safety	872,914.81	870,050.56
Deposit for engineering labor costs	854,083.87	853,216.21
Deposit for water fees	661,888.24	661,215.83
Letter of Guarantee Deposit	8,183,592.83	500,000.00
Deposited investment fund	1.00	393,449.58
Deposit for ETC	23,500.00	22,500.00
Alipay balance	8,401.07	8,401.07
Total	71,464,951.20	97,192,582.33

2. Held-for-trading financial assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	8,741,096.39	173,056,050.95
Including:		
Financial products with guaranteed principal and floating income		145,000,000.00
Derivative financial assets	8,741,096.39	28,056,050.95
Total	8,741,096.39	173,056,050.95

3. Notes receivable

(1) Details on categories

Unit: RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance	181,217,154.28	116,125,267.70
Commercial Acceptance	9,481,950.00	
Total	190,699,104.28	116,125,267.70

(2) Classified disclosure by bad debt provision method

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Notes receivable with provision for bad debts made on a collective basis	191,198,154.28	100.00%	499,050.00	0.26%	190,699,104.28
Including:					
Bank acceptance	181,217,154.28	94.78%			181,217,154.28
Commercial Acceptance	9,981,000.00	5.22%	499,050.00	5.00%	9,481,950.00
Total	191,198,154.28	100.00%	499,050.00	0.26%	190,699,104.28

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Notes receivable with provision for bad debts made on a collective basis	116,125,267.70	100.00%			116,125,267.70
Including:					
Bank acceptance	116,125,267.70	100.00%			116,125,267.70
Commercial acceptance					
Total	116,125,267.70	100.00%			116,125,267.70

Provision for bad debts by portfolio Category name: Bank/commercial acceptances portfolio

Unit: RMB Yuan

Categories	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Bank acceptance	181,217,154.28		
Commercial acceptance	9,981,000.00	499,050.00	5.00%
Total	191,198,154.28	499,050.00	

If the allowance for bad debts on notes receivable is based on a general model of expected credit losses:

 Applicable Not Applicable

(3) Provision for bad debts made, recovered or reversed during the period

Provision for bad debts in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/ Reversal	Write-off	Others	
Provision made on a collective basis		499,050.00				499,050.00
Total		499,050.00				499,050.00

Of which the amount of bad debt provision recovered or reversed during the period is significant:

 Applicable Not Applicable**(4) Pledged notes at the balance sheet date**

Unit: RMB Yuan

Items	Closing balance of pledged notes
Bank acceptance	32,594,214.73
Total	32,594,214.73

(5) Endorsed or discounted but undue notes at the balance sheet date

Unit: RMB Yuan

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	394,216,061.95	
Total	394,216,061.95	

(6) Other remarks

The acceptors of these bankers' acceptances are commercial banks with high creditworthiness, and the probability of non-payment of bankers' acceptances accepted by them at maturity is relatively low, therefore, the Company will derecognize these bankers' acceptances that have been endorsed or discounted. However, if the notes are not paid when due, the Company will still be jointly and severally liable to the bearer in accordance with the provisions of the Bills of Exchange Act.

4. Accounts receivable**(1) Age analysis**

Unit: RMB Yuan

Ages	Closing balance	Opening balance
Within 1 year (inclusive)	3,380,909,745.18	2,540,372,908.81
1-2 years	22,452,142.58	87,390,861.85
2-3 years	82,254,956.50	
Over 3 years	2,106,280.80	2,106,280.80

Ages	Closing balance	Opening balance
3-4 years	57,000.00	57,000.00
4-5 years		203,200.00
Over 5 years	2,049,280.80	1,846,080.80
Total	3,487,723,125.06	2,629,870,051.46

(2) Details on categories

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Accounts receivable with provision for bad debts made on a collective basis	3,487,723,125.06	100.00%	241,446,161.72	6.92%	3,246,276,963.34
Total	3,487,723,125.06	100.00%	241,446,161.72	6.92%	3,246,276,963.34

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Accounts receivable with provision for bad debts made on a collective basis	2,629,870,051.46	100.00%	146,603,098.58	5.57%	2,483,266,952.88
Total	2,629,870,051.46	100.00%	146,603,098.58	5.57%	2,483,266,952.88

Provision for bad debts by portfolio Category name: Accounts receivable for which provision for bad debts is made using ageing portfolios

Unit: RMB Yuan

Ages	期末余额		
	Closing balance	Closing balance of provision for bad debts	Proportion to the total balance of receivables
Within 1 year (inclusive)	3,380,909,745.18	169,045,487.18	5.00%
1-2 years	22,452,142.58	4,490,428.53	20.00%
2-3 years	82,254,956.50	65,803,965.21	80.00%
Over 3 years	2,106,280.80	2,106,280.80	100.00%
Total	3,487,723,125.06	241,446,161.72	

A description of the basis for determining the portfolio:

Provision for bad debts using an ageing portfolio

If the allowance for bad debts for accounts receivable is based on the general model of expected credit losses:

Applicable Not Applicable

(3) Provisions made, collected or reversed in the current period

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/ Reversal	Write-off	Others	
Provision made on a collective basis	146,603,098.58	94,843,063.14				241,446,161.72
Total	146,603,098.58	94,843,063.14				241,446,161.72

(4) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Closing balance	Proportion to the total balance of receivables	Closing balance of provision for bad debts
Client A	366,824,260.14	10.52%	18,341,213.01
Client B	279,142,788.47	8.00%	16,910,777.69
Client C	93,786,644.46	2.69%	66,370,253.57
Client D	60,510,394.73	1.73%	3,025,519.74
Client E	59,929,667.43	1.72%	2,996,483.37
Total	860,193,755.23	24.66%	107,644,247.38

5. Receivables financing**(1) Presentation of receivable financing classifications**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance	537,845,382.40	331,634,090.61
Total	537,845,382.40	331,634,090.61

(2) Pledged notes at the balance sheet date

Unit: RMB Yuan

Items	Closing balance of pledged notes
Bank acceptance	174,672,943.58
Subtotal	174,672,943.58

(3) Endorsed or discounted but undue notes at the balance sheet date

Unit: RMB Yuan

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	701,104,911.77	
Total	701,104,911.77	

(4) Other remarks:

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of high credit level, there is very little possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the China Commercial Instrument Law.

6. Other receivables

Unit: RMB Yuan

Items	Closing balance	Opening balance
Other receivables	184,691,433.46	142,060,705.67
Total	184,691,433.46	142,060,705.67

(1) Dividend receivable**1) Categorized by nature**

Unit: RMB Yuan

Nature of receivables	Closing book balance	Opening book balance
Export tax refund	96,004,673.38	59,999,917.27
Security deposits	24,090,926.26	26,223,295.23
Refundable VAT	42,110,754.72	49,708,056.90
Employee petty cash	17,871,621.36	5,892,932.02
Temporary advance payment receivable	4,884,395.25	5,105,463.95
Others	6,781,993.55	2,290,423.97
Total	191,744,364.52	149,220,089.34

2) Ages analysis

Unit: RMB Yuan

Ages	Closing book balance	Opening book balance
Within 1 year (inclusive)	169,631,451.69	121,257,098.80
1-2 years	4,410,671.00	4,774,411.02
2-3 years	1,454,853.23	5,220,071.25
Over 3 years	16,247,388.60	17,968,508.27
3-4 years	2,356,106.18	1,111,491.23
4-5 years	504,362.31	3,390,964.34
Over 5 years	13,386,920.11	13,466,052.70
Total	191,744,364.52	149,220,089.34

3) Classified disclosure by bad debt provision method

√ Applicable □ Not Applicable

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Provision for bad debts by portfolio	191,744,364.52	100.00%	7,052,931.06	3.68%	184,691,433.46
Total	191,744,364.52	100.00%	7,052,931.06	3.68%	184,691,433.46

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Provision for bad debts by portfolio	149,220,089.34	100.00%	7,159,383.67	4.80%	142,060,705.67
Total	149,220,089.34	100.00%	7,159,383.67	4.80%	142,060,705.67

Provision for Bad Debts by Portfolio Category Name:

Unit: RMB Yuan

Categories	Closing balance		
	Amount	Carrying amount	% to total
Export tax refund receivable portfolio	96,004,673.38		
VAT refund receivable portfolio	42,110,754.72		
Land bond receivable portfolio	17,354,493.50		
Portfolio of deposits receivable from customs and tax authorities	1,114,528.35		
Ages	35,159,914.57	7,052,931.06	20.06%
Within 1 year (inclusive)	25,565,764.24	1,278,288.25	5.00%
1-2 years	4,410,671.00	882,134.13	20.00%
2-3 years	1,454,853.23	1,163,882.58	80.00%
Over 3 years	3,728,626.10	3,728,626.10	100.00%
Total	191,744,364.52	7,052,931.06	

Provision for bad debts is made on the basis of a general model of expected credit losses:

Unit: RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	603,066.99	799,098.71	5,757,217.97	7,159,383.67
Opening balance in the current period				

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
--Transferred to phase II	-220,533.55	220,533.55		
--Transferred to phase III		-290,970.65	290,970.65	
Provision made in the current period	895,754.81	153,472.52	-1,155,679.94	-106,452.61
Closing balance	1,278,288.25	882,134.13	4,892,508.68	7,052,931.06

Classification of stages and bad debt provisioning ratio

The basis of classification by stages: Accounts aged less than one year are classified as stage I, accounts aged 1 to 2 years are classified as stage II, and accounts aged more than 2 years are classified as stage III.

Changes in carrying amounts for which the amount of change in the provision for losses during the period is material.

Applicable Not applicable

4) Provisions made, collected or reversed in the current period

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Provision made on a collective basis	7,159,383.67	-106,452.61				7,052,931.06
Total	7,159,383.67	-106,452.61				7,052,931.06

5) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables	Provision for bad debts
National Revenue Service (export tax refunds receivable)	Export tax refund	96,004,673.38	Within 1 year (inclusive)	50.07%	
Servicio de Administración Tributaria	Refundable VAT	21,033,746.39	Within 1 year (inclusive)	10.97%	
Weifang Municipal Bureau of Land and Resource, Binhai District Branch	Security deposits	4,835,731.00	2-3 years	2.52%	
	Security deposits	12,518,762.50	Over 3 years	6.53%	
Bundeskasse	Refundable VAT	15,021,190.45	Within 1 year (inclusive)	7.83%	
Secretaria da Fazenda do Estado	Refundable VAT	5,480,141.18	Within 1 year (inclusive)	2.86%	
合计		154,894,244.90		80.78%	

7. Advances paid

(1) Age analysis

Unit: RMB Yuan

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Within 1 year	166,506,680.76	99.39%	206,538,373.94	98.69%
1-2 years	108,272.82	0.06%	2,623,068.38	1.25%
2-3 years	839,596.86	0.50%	97,159.73	0.05%
Over 3 years	81,915.21	0.05%	16,000.00	0.01%
Total	167,536,465.65		209,274,602.05	

Explanation of the reasons for untimely settlement of prepayments aged over 1 year and of significant amount: None

(2) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Supplier A	26,475,446.78	15.80%
Supplier B	21,825,705.94	13.03%
Supplier C	13,540,925.74	8.08%
Supplier D	10,546,547.97	6.30%
Supplier E	10,075,183.74	6.01%
Subtotal	82,463,810.17	49.22%

8. Inventories

Is the company subject to disclosure requirements for the real estate industry

No

(1) Inventory classification

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount
Raw materials	481,956,305.79	6,293,242.29	475,663,063.50	527,624,081.09	6,293,242.29	521,330,838.80
Work in process	1,243,703,289.24	6,519,042.73	1,237,184,246.51	1,178,294,229.77	6,519,042.73	1,171,775,187.04
Goods on hand	2,529,309,730.55	143,316,807.37	2,385,992,923.18	2,417,138,791.32	216,472,992.13	2,200,665,799.19
Goods dispatched	109,009,048.46	0.00	109,009,048.46	108,180,564.86		108,180,564.86
Development cost	54,960,480.22	0.00	54,960,480.22	98,068,949.58		98,068,949.58

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount
Developed products				122,563,022.12		122,563,022.12
Materials on consignment for further processing	5,397,665.27	0.00	5,397,665.27	5,430,259.53		5,430,259.53
Packages	19,451,169.29	0.00	19,451,169.29	17,397,177.94		17,397,177.94
Low-value consumables	1,645,133.99	0.00	1,645,133.99	73,467,076.28		73,467,076.28
Total	4,445,432,822.81	156,129,092.39	4,289,303,730.42	4,548,164,152.49	229,285,277.15	4,318,878,875.34

(2) Inventories – Development cost

Unit: RMB Yuan

Items	Estimated total investment	Opening balance	Closing balance
Weifang NHU Town Phase II	398 million	54,960,480.22	54,960,480.22
Boao NHU Resort[Note]	550 million	43,108,469.36	
Subtotal		98,068,949.58	54,960,480.22

[Note] Qionghai Boao Lidu Real Estate Co., Ltd. was sold in June 2024 for transfer and assignment.

(3) Inventories – Developed products

Unit: RMB Yuan

Items	Date of completion	Opening balance	Increase	Decrease	Closing balance
Boao NHU Resort Center[Note]	December 2014	122,563,022.12		122,563,022.12	
Subtotal		122,563,022.12		122,563,022.12	

[Note] Qionghai Boao Lidu Real Estate Co., Ltd. was sold in June 2024 for transfer and assignment.

(4) Provision for inventory write-down and provision for impairment of cost to fulfill a contract

Unit: RMB Yuan

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Recovery/ Reversal	Others	
Raw materials	6,293,242.29					6,293,242.29
Work in process	6,519,042.73					6,519,042.73
Goods on hand	216,472,992.13	10,175,642.76		83,331,827.52		143,316,807.37
Total	229,285,277.15	10,175,642.76		83,331,827.52		156,129,092.39

Items	Determination basis of net realizable value	Reasons for write-off of provision for inventory write-down	Reasons for reversal of provision for decline in value of inventories
Raw materials	Net realizable value is determined as the estimated selling price of the relevant finished goods, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in prior periods	Consumption of inventories for which provision for decline in value of inventories has been made during the period
Work in process	Net realizable value is determined as the estimated selling price of the relevant finished goods, less costs estimated to be incurred to completion, estimated selling expenses and related taxes.	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in prior periods	Inventories for which provision for inventory write-downs was made at the beginning of the period were depleted during the period.
Goods on hand	Net realizable value is determined as the estimated selling price of the relevant finished goods, less estimated selling expenses and related taxes.	Increase in net realizable value of inventories for which provision for decline in value of inventories was made in prior periods	Inventories for which provision for decline in value of inventories was made at the beginning of the period were sold during the period

9. Other current assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Prepaid VAT or input VAT to be credited	10,642,974.64	47,538,826.76
Prepaid enterprise income tax		5,070,275.22
Prepaid insurance premiums	5,363,109.87	4,738,519.69
Prepaid rental costs	1,870,678.68	
Prepaid urban maintenance and construction tax		13,194.85
Prepaid education surcharge		7,916.74
Prepaid local education surcharge		5,278.11
Amortized catalyst costs	458,512.52	10,858,733.66
Total	18,335,275.71	68,232,745.03

10. Other equity instrument investments

Unit: RMB Yuan

Items	Opening balance	Closing balance	Profit recognized in other comprehensive income for the period	Loss for the period charged to other comprehensive income	Profit accumulated in other comprehensive income at the end of the period	Losses accumulated in other comprehensive income at the end of the period	Dividend income recognized during the period	Reasons for designation as at fair value through other comprehensive income
Zhejiang Second Pharma Co., Ltd.	7,790,147.55	7,790,147.55						
Shanghai NewMargin Yongjin Equity Enterprise (LP)	15,208,000.00	14,208,000.00					1,500,000.00	
Total	22,998,147.55	21,998,147.55					1,500,000.00	

Other remarks: During the reporting period, RMB1,000,000.00 was recovered from the investment in Shanghai Lianchuang Yongjin Equity Investment Enterprise (Limited Partnership) and RMB1,500,000.00 was received as dividend from Shanghai Lianchuang Yongjin Equity Investment Enterprise (Limited Partnership).

11. Long-term equity investments

Unit: RMB Yuan

Investees	Opening carrying amount	Closing carrying amount	Increase/Decrease								Closing carrying amount	Closing balance of provision for impairment	
			Investments increased	Investments decreased	Investment income/losses recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others			
I. Joint ventures													
Ningbo ZRCC NHU Biotechnology Co., Ltd.	216,166,978.49		155,672,000.00		-15,649,565.41							356,189,413.08	
Subtotal	216,166,978.49		155,672,000.00		-15,649,565.41							356,189,413.08	
II. Associates													
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	281,395,724.54				28,351,365.91						-13,377.44	309,733,713.01	
Zhejiang sanbo polymer Co., Ltd													
Envalior NHU Engineering Materials (Zhejiang) Co.,Ltd.	27,298,340.00				7,637,695.80						-2,296,983.17	32,639,052.63	
Zhejiang Saiya Chemical Materials Co., Ltd.	131,603,201.04				7,537,514.10				14,700,000.00		517,607.75	124,958,322.89	
CysBio ApS	31,028,778.21				-1,932,131.62	187,297.78						29,283,944.37	
Shandong Bin'an Vocational Training School Co., Ltd. [Note1]]	5,057,575.53				-823,341.89							4,234,233.64	
Anhui Innovation Technology Co., Ltd	4,594,602.27				375,060.61							4,969,662.88	
Subtotal	480,978,221.59				41,146,162.91	187,297.78			14,700,000.00		-1,792,752.86	505,818,929.42	
Total	697,145,200.08		155,672,000.00		25,496,597.50	187,297.78			14,700,000.00		-1,792,752.86	862,008,342.50	

[Note1] The Company received cash dividends of RMB 14,700,000.00 yuan in the current period

Recoverable amount determined as fair value less costs of disposal, net

Applicable Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

Applicable Not applicable

12. Fixed assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Fixed assets	22,034,912,795.44	21,860,082,637.13
Total	22,034,912,795.44	21,860,082,637.13

(1) Details

Unit: RMB Yuan

Items	Buildings and structures	Generali equipment	Special equipment	Transport facilities	Total
I. Cost:					
1. Opening balance	8,220,153,443.34	246,508,090.08	21,354,530,121.42	31,963,168.08	29,853,154,822.92
2. Increase	91,732,463.86	12,778,563.96	1,150,301,170.54	890,268.63	1,255,702,466.99
(1) Acquisition	26,140,070.12	2,864,396.21	167,460,910.59	890,268.63	197,355,645.55
(2) Transferred in from construction in progress	65,592,393.74	9,914,167.75	982,840,259.95		1,058,346,821.44
3. Decrease	799,266.52	1,663,480.47	77,941,247.87	4,629,750.09	85,033,744.95
(1) Disposal/ Scrapping	799,266.52	1,663,480.47	77,941,247.87	4,629,750.09	85,033,744.95
4. Closing balance	8,311,086,640.68	257,623,173.57	22,426,890,044.09	28,223,686.62	31,023,823,544.96
II. Accumulated depreciation					
1. Opening balance	1,071,234,328.09	156,415,458.02	6,719,751,917.92	16,912,727.74	7,964,314,431.77
2. Increase	116,720,929.89	15,885,054.98	924,244,498.45	1,466,380.18	1,058,316,863.50
(1) Accrual	116,720,929.89	15,885,054.98	924,244,498.45	1,466,380.18	1,058,316,863.50
3. Decrease	2,559,062.65	1,433,555.27	54,038,256.98	4,419,255.16	62,450,130.06
(1) Disposal/ Scrapping	2,559,062.65	1,433,555.27	54,038,256.98	4,419,255.16	62,450,130.06
4. Closing balance	1,185,396,195.33	170,866,957.73	7,589,958,159.39	13,959,852.76	8,960,181,165.21
III. Provision for impairment					
1. Opening balance	20,980,481.81	7,112.74	7,770,159.47		28,757,754.02
2. Increase					
3. Decrease			28,169.71		28,169.71
(1) Disposal/ Scrapping			28,169.71		28,169.71
4. Closing balance	20,980,481.81	7,112.74	7,741,989.76		28,729,584.31
IV. Carrying amount					
1. Closing balance	7,104,709,963.54	86,749,103.10	14,829,189,894.94	14,263,833.86	22,034,912,795.44
2. Opening balance	7,127,938,633.44	90,085,519.32	14,627,008,044.03	15,050,440.34	21,860,082,637.13

(2) Fixed assets temporarily idle

Unit: RMB Yuan

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Remarks
Buildings and structures	194,194,911.61	52,617,330.83	20,975,435.81	120,602,144.97	
General equipment	45,557.02	35,565.46	1,916.23	8,075.33	
Special equipment	469,001,238.81	375,143,971.34	3,408,235.85	90,449,031.62	
Subtotal	663,241,707.44	427,796,867.63	24,385,587.89	211,059,251.92	

(3) Fixed assets leased out under operating leases

Unit: RMB Yuan

Items	Closing carrying amount
Buildings and structures	32,365,638.71
Subtotal	32,365,638.71

(4) Fixed assets with certificate of titles being unsettled

Unit: RMB Yuan

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	783,482,254.92	Relevant procedures have not yet been completed.
Subtotal	783,482,254.92	

(5) Impairment testing of fixed assets

□Applicable √Not applicable

13. Construction in progress

Unit: RMB Yuan

Items	Closing balance	Opening balance
Construction in progress	912,349,768.88	1,621,882,507.56
Total	912,349,768.88	1,621,882,507.56

(1) Details

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Shandong Industrial Park HA Project				601,552,381.89		601,552,381.89
Daming Life and Health Industry Project	54,993,665.48		54,993,665.48	180,316,245.04		180,316,245.04

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Workshop 617 West Project				40,846,076.50		40,846,076.50
Series Aldehyde Switching Production Project of 1500 tons in Workshop 615	62,897,287.60		62,897,287.60	41,051,446.96		41,051,446.96
Project A4	303,813,822.78		303,813,822.78	232,798,676.59		232,798,676.59
Annual production capacity of 300 tons of ketone technology reform and production expansion project				30,141,232.47		30,141,232.47
Process and legitimacy project with annual production capacity of 0.02 million of glufosinate ammonium chloride	43,907,037.16		43,907,037.16	29,410,485.13		29,410,485.13
311 Workshop Phase II VA Expansion Project	25,128,612.00		25,128,612.00	21,645,004.53		21,645,004.53
Public Multifunctional Productive Services Integrated Platform Construction Project	59,797,642.57		59,797,642.57	37,345,453.89		37,345,453.89
Project with an annual production capacity of 30 tons of Apolyester				43,287,282.66		43,287,282.66
Multi-functional production workshop construction project	78,277,973.72		78,277,973.72	65,875,103.23		65,875,103.23
Other piecemeal projects	283,533,727.57		283,533,727.57	297,613,118.67		297,613,118.67
Total	912,349,768.88		912,349,768.88	1,621,882,507.56		1,621,882,507.56

(2) Changes in significant projects

Unit: RMB Yuan

Projects	Budgets RMB 0000 Yuan	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Accumulated input to budget (%)	Completion percentage (%)	Accumulated amount of borrowing cost capitalization	Including: Amount of borrowing cost capitalization in current period	Annual capitalization rate	Fund source
Shandong Industrial Park HA Project	97,991.14	601,552,381.89	79,608,221.98	681,160,603.87			78.50	100				Others
Daming Life and Health Industry	76,203.56	180,316,245.04	17,192,132.85	142,514,712.41		54,993,665.48	82.91	98	4,394,033.27			Others

Projects	Budgets RMB 0000 Yuan	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Accumul ated input to budget (%)	Comp letion perce ntage (%)	Accumulated amount of borrowing cost capitalization	Including: Amount of borrowing cost capitalizat ion in current period	Annual capitali zation rate	Fund source
Project												
Project A4	40,067.95	232,798,676.59	71,015,146.19			303,813,822.78	75.82	100				Others
合计	214,262.65	1,014,667,303.52	167,815,501.02	823,675,316.28		358,807,488.26			4,394,033.27			

(3) Impairment testing of construction in progress

Applicable Not applicable

14. Right-of-use assets**(1) Details**

Unit: RMB Yuan

Items	Buildings and structures	Total
I. Cost		
1. Opening balance	8,430,844.79	8,430,844.79
2. Increase	19,122.61	19,122.61
(1) Leased in	19,122.61	19,122.61
3. Decrease		
4. Closing balance	8,449,967.40	8,449,967.40
II. Accumulated depreciation		
1. Opening balance	1,827,213.23	1,827,213.23
2. Increase	963,876.97	963,876.97
(1) Accrual	963,876.97	963,876.97
3. Decrease		
(1) Disposal		
4. Closing balance	2,791,090.20	2,791,090.20
III. Carrying amount		
1. Closing balance	5,658,877.20	5,658,877.20
2. Opening balance	6,603,631.56	6,603,631.56

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

Applicable Not applicable

15. Intangible assets

(1) Details

Unit: RMB Yuan

Items	Land use right	Patent right	Non-patented technology	Software	Total
I. Cost					
1. Opening balance	2,539,212,600.22	37,310,535.25	65,368,458.25	69,814,952.59	2,711,706,546.31
2. Increase	68,967.97		144,800,267.08	1,827,068.67	146,696,303.72
(1) Acquisition	68,967.97		144,800,267.08	1,827,068.67	146,696,303.72
3. Closing balance	73,463.97	14,812.50		5,611.37	93,887.84
(1) Disposal	73,463.97	14,812.50		5,611.37	93,887.84
4. Closing balance	2,539,208,104.22	37,295,722.75	210,168,725.33	71,636,409.89	2,858,308,962.19
II. Accumulated amortization					
1. Opening balance	265,286,407.60	8,156,816.64	6,299,039.16	24,403,529.09	304,145,792.49
2. Increase	25,158,939.14	1,488,231.21	2,934,242.34	3,007,187.96	32,588,600.65
(1) Accrual	25,158,939.14	1,488,231.21	2,934,242.34	3,007,187.96	32,588,600.65
3. Decrease					
(1) Disposal/ Scrapping					
4. Closing balance	290,445,346.74	9,645,047.85	9,233,281.50	27,410,717.05	336,734,393.14
IV. Carrying amount					
1. Closing balance	2,248,762,757.48	27,650,674.90	200,935,443.83	44,225,692.84	2,521,574,569.05
2. Opening balance	2,273,926,192.62	29,153,718.61	59,069,419.09	45,411,423.50	2,407,560,753.82

At the balance sheet date, intangible assets formed through internal research and development account for 0.00% of total intangible assets.

16. Goodwill

(1) Cost

Unit: RMB Yuan

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combination	Translation reserve	Disposal	Translation reserve	
Bardoterminal GmbH	2,259,627.83					2,259,627.83
NHU/CHR.OL ESEN LATIN AMERICA A/S	3,622,704.97					3,622,704.97
Total	5,882,332.80					5,882,332.80

(2) Provision for impairment

Unit: RMB Yuan

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combination	Translation reserve	Disposal	Translation reserve	
Bardoterminal GmbH	2,259,627.83					2,259,627.83
Total	2,259,627.83					2,259,627.83

(3) Information about the asset group or combination of asset groups in which goodwill is located

Categories	Composition and basis of the asset group or portfolio to which it belongs	Operating segments and basis	Consistency with prior years
Bardoterminal GmbH	Offshore self-accounting warehousing and logistics companies, which management recognises as an asset group in its entirety from the point of acquisition	Independent warehousing and logistics company	Yes
NHU/CHR.OLESEN LATIN AMERICA A/S	Foreign self-accounting sales entities, which management identifies as an asset group in its entirety from the point of acquisition	Independent sales agents	Yes

(4) Specific determination of recoverable amount

The recoverable amount is determined as fair value less costs of disposal.

Applicable Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

Applicable Not applicable

Unit: RMB Yuan

Items	Amount	recoverable amount	Impairment amount	Years of the projection period	Key parameters for the forecast period	Key parameters for the stabilisation period	Basis for determining key parameters for the stabilisation period
Bardoterminal GmbH	3,167,484.69	114,007,846.23		Projections of expected future cash flows are based on financial projections for the most recent five years approved by management. The stabilisation period is based on 20 years.	Bardoterminal GmbH was acquired in 2017 and the company's business is gradually maturing in size over the period 2017 to 2022, with an annual business growth rate of 0 per cent from the forecast period to the stabilisation period, a gross margin of 35 per cent and an expense ratio of 22.5 per cent.	5%, The discount rate is commensurate with the corresponding macro, industry, geographic, market-specific and market-entity-specific risk factors, and is consistent with future net cash flows on a pre-tax basis.	
NHU/CHR.OLESEN LATIN AMERICA A/S	47,096,504.75	285,866,835.72			NHU/CHR.OLESEN LATIN AMERICA A/S was acquired in 2022, the company's business is gradually maturing in size between 2022 and 2028, with revenue growth rates of 15% in 2024, 19% in 2025-2026, and 5% in 2027-2028; the stabilised revenue growth rate is 0%, and the company's Gross profit margin of 4.5 per cent, expense ratio of 2.5 per cent.	13%, The discount rate is commensurate with the corresponding macro, industry, geographic, market-specific and market-entity-specific risk factors, and is consistent with future net cash flows on a pre-tax basis.	
Total	50,263,989.44	399,874,681.95					

(5) Completion of performance commitments and corresponding impairment of goodwill

Performance commitments existed at the time goodwill was formed and the reporting period or the previous period of the reporting period was within the performance commitment period

Applicable Not applicable

17. Long-term prepayments

Unit: RMB Yuan

Items	Opening balance	Increase	Amortization	Other decrease	Closing balance
Decoration fees	6,343,215.51		1,955,235.25		4,387,980.26
Catalysts	5,354,746.21	2,500,000.00	3,724,542.80		4,130,203.41
Institute fees		2,710,603.08			2,710,603.08
Total	11,697,961.72	5,210,603.08	5,679,778.05		11,228,786.75

18. Deferred tax assets and deferred tax liabilities**(1) Deferred tax assets before offset**

Unit: RMB Yuan

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	80,637,611.91	13,134,329.96	71,881,471.48	11,135,696.68
Unrealized profit from internal transactions	121,173,945.85	20,656,497.00	71,231,525.39	10,684,728.85
Deferred income	172,206,171.83	25,830,925.78	193,224,271.51	28,983,640.72
Difference in depreciation of fixed assets	-832,892.27	-124,933.84	287,023.76	43,053.56
Lease liabilities	2,658,626.07	398,793.91	2,822,404.05	423,360.61
Total	375,843,463.39	59,895,612.81	339,446,696.19	51,270,480.42

(2) Deferred tax liabilities before offset

Unit: RMB Yuan

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Difference due to one-off pre-tax deduction of fixed assets	1,627,262,408.99	261,686,219.79	1,575,781,538.31	247,043,712.25
Profit before tax of NHU (Hong Kong) Trading Co., Ltd.	229,024,007.07	34,353,601.06	164,156,999.23	24,623,549.88
usufructuary assets	2,556,875.40	383,531.31	2,630,791.48	394,618.72

Items	Closing balance		Opening balance	
Changes in fair value of trading financial instruments, derivative financial instruments	934,443.21	233,610.80	934,443.21	233,610.80
Total	1,859,777,734.67	296,656,962.96	1,743,503,772.23	272,295,491.65

(3) Deferred tax assets or liabilities after offset

Unit: RMB Yuan

Items	Closing balance of deferred tax assets offset by deferred tax liabilities	Closing balance of deferred tax assets/liabilities after offset	Opening balance of deferred tax assets offset by deferred tax liabilities	Opening balance of deferred tax assets/liabilities after offset
Deferred tax assets	55,052,098.04	4,843,514.77	50,620,401.24	650,079.18
Deferred tax liabilities	55,052,098.04	241,604,864.92	50,620,401.24	221,675,090.41

(4) Details of unrecognized deferred tax assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Deductible temporary difference	156,818,216.64	436,744,796.84
Deductible losses	2,874,857,029.72	3,044,096,175.08
Total	3,031,675,246.36	3,480,840,971.92

(5) Maturity years of deductible losses of unrecognized deferred tax assets

Unit: RMB Yuan

Maturity years	Closing balance	Opening balance	Remarks
Year 2027		4,380,243.82	
Year 2028	560,199,090.37	34,126,279.57	
Year 2029	502,457,474.51	68,271,533.21	
Year 2030	189,818,992.65	232,539,024.92	
Year 2031	233,378,345.64	284,461,823.88	
Year 2032	159,969,062.01	1,081,974,270.06	
Year 2033	603,379,732.81	1,338,342,999.62	
Year 2034	625,654,331.73		
Total	2,874,857,029.72	3,044,096,175.08	

19. Other non-current assets

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Pollution emission trading fees	13,851,533.98		13,851,533.98	15,360,572.70		15,360,572.70
Payments for coal quota	77,696,000.00		77,696,000.00	78,962,800.00		78,962,800.00
Prepayments for long-term assets	79,346,506.21		79,346,506.21	43,789,431.19		43,789,431.19
Total	170,894,040.19		170,894,040.19	138,112,803.89		138,112,803.89

20. Restrictions on assets as of the end of the reporting period

Unit: RMB Yuan

Items	Closing balance				Opening balance			
	Book balance	Carrying amount	Type of restriction	Restrictions	Book balance	Carrying amount	Type of restriction	Restrictions
Cash and bank balances	71,456,549.13	71,456,549.13	pledges	Banker's acceptance deposit	96,790,731.68	96,790,731.68	pledges	Banker's acceptance deposit
Notes receivable	32,594,214.73	32,594,214.73	pledges	Opening a pledge of banker's acceptances	94,097,743.14	94,097,743.14	pledges	Opening a pledge of banker's acceptances
Fixed assets	94,874,505.48	77,901,231.39	collateral	Mortgage to a bank for the purpose of obtaining a loan	97,257,595.52	81,371,634.23	collateral	Mortgage to a bank for the purpose of obtaining a loan
Intangible assets	10,042,866.95	10,042,866.95	collateral	Mortgage to a bank for the purpose of obtaining a loan	10,301,747.64	10,301,747.64	collateral	Mortgage to a bank for the purpose of obtaining a loan
Receivables financing	174,672,943.58	174,672,943.58	pledges	Opening a pledge of banker's acceptances	143,872,489.15	143,872,489.15	pledges	Opening a pledge of banker's acceptances
Total	383,641,079.87	366,667,805.78			442,320,307.13	426,434,345.84		

21. Short-term borrowings**(1) Details on categories**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Guaranteed borrowings	45,750,198.04	12,686,706.84
Credit borrowings	1,531,088,314.27	1,223,001,356.06
Total	1,576,838,512.31	1,235,688,062.90

22. Notes payable

Unit: RMB Yuan

Categories	Closing balance	Opening balance
Bank acceptance	307,717,300.33	349,347,472.36
Total	307,717,300.33	349,347,472.36

23. Accounts payable**(1) Details**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Materials and labor costs	950,985,900.65	692,476,954.09
Payments for engineering and equipment	795,018,240.32	1,238,481,643.96
Total	1,746,004,140.97	1,930,958,598.05

24. Other payables

Unit: RMB Yuan

Items	Closing balance	Opening balance
Other payables	167,570,834.36	53,671,773.90
Total	167,570,834.36	53,671,773.90

1) Categorized by nature

Unit: RMB Yuan

Items	Closing balance	Opening balance
Security deposits	17,545,965.92	22,235,033.12
Unpaid expenses payable	6,399,080.24	12,568,235.33
Temporary receipts payable	4,830,313.96	13,765,955.47
Earnest money for housing purchase (Boao NHU Resort Center)		600,000.00
Call loans	8,536,895.76	
Others	130,258,578.48	4,502,549.98
Total	167,570,834.36	53,671,773.90

25. Contract liabilities

Unit: RMB Yuan

Items	Closing balance	Opening balance
Payments for goods received in advance	174,322,469.67	251,008,240.97
Total	174,322,469.67	251,008,240.97

26. Employee benefits payable**(1) Details**

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	418,273,203.88	1,010,136,491.17	1,144,102,055.15	284,307,639.90
II. Post-employment benefits – defined contribution plan		65,071,491.46	65,071,491.46	
Total	418,273,203.88	1,075,207,982.63	1,209,173,546.61	284,307,639.90

(2) Details of short-term employee benefits

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidy	393,259,909.40	883,502,285.82	1,016,690,832.88	260,071,362.34
2. Employee welfare fund		55,762,488.65	55,762,488.65	
3. Social insurance premium		33,963,886.10	33,963,886.10	
Including: Medicare premium		29,373,359.63	29,373,359.63	
Occupational injuries premium		4,256,297.16	4,256,297.16	
Maternity premium		334,229.31	334,229.31	
4. Housing provident fund		31,858,031.18	31,858,031.18	
5. Trade union fund and employee education fund	25,013,294.48	5,049,799.42	5,826,816.34	24,236,277.56
Total	418,273,203.88	1,010,136,491.17	1,144,102,055.15	284,307,639.90

(3) Details of defined contribution plan

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance premium		62,772,606.11	62,772,606.11	
2. Unemployment insurance premium		2,298,885.35	2,298,885.35	
Total		65,071,491.46	65,071,491.46	

27. Taxes and rates payable

Unit: RMB Yuan

Items	Closing balance	Opening balance
VAT	36,985,031.54	25,412,719.25
Enterprise income tax	276,012,168.64	205,149,607.58
Individual income tax withheld for tax	3,441,658.62	12,600,229.27

Items	Closing balance	Opening balance
authorities		
Urban maintenance and construction tax	5,799,066.50	2,768,413.70
Land appreciation tax	4,185,749.32	2,052,563.31
Housing property tax	7,702,107.10	19,557,360.54
Land use tax	5,570,264.77	18,825,864.81
Education surcharge (local education surcharge)		15,427,321.94
Total	339,696,046.49	301,794,080.40

28. Non-current liabilities due within one year

Unit: RMB Yuan

Items	Closing balance	Opening balance
Long-term borrowings due within one year	1,848,725,931.41	1,562,730,340.48
Lease liabilities due within one year	1,560,583.84	1,662,118.19
Total	1,850,286,515.25	1,564,392,458.67

29. Other current liabilities

Unit: RMB Yuan

Items	Closing balance	Opening balance
Output VAT to be recognized	18,929,551.34	17,260,124.76
Total	18,929,551.34	17,260,124.76

30. Long-term borrowings

(1) Categories

Unit: RMB Yuan

Items	Closing balance	Opening balance
Mortgaged borrowings	21,874,475.29	26,217,293.08
Guaranteed borrowings	628,607,666.66	748,822,433.32
Credit borrowings	5,901,011,879.25	6,046,603,468.18
Total	6,551,494,021.20	6,821,643,194.58

31. Lease liabilities

Unit: RMB Yuan

Items	Closing balance	Opening balance
Unpaid lease payments	5,379,712.29	6,464,449.62
Add: Unrealized financing expenses	-1,080,464.68	-1,224,313.19
Total	4,299,247.61	5,240,136.43

32. Deferred income

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Government grants	1,065,586,274.49	50,570,300.00	67,954,853.18	1,048,201,721.31	The Company received government grants related to assets, which were amortized based on the depreciation progress of corresponding assets.
Total	1,065,586,274.49	50,570,300.00	67,954,853.18	1,048,201,721.31	

33. Share capital

Unit: RMB Yuan

Items	Opening balance	Movements (+, -)					Closing balance
		Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	
Total shares	3,090,907,356.00						3,090,907,356.00

34. Capital reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Share/capital premium	3,334,992,617.92			3,334,992,617.92
Other capital reserve	278,352,867.21			278,352,867.21
Total	3,613,345,485.13			3,613,345,485.13

35. Treasury shares

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Treasury shares	500,059,711.25			500,059,711.25
Total	500,059,711.25			500,059,711.25

36. Other comprehensive income (OCI)

Unit: RMB Yuan

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in current period	Less: OCI previously recognized but transferred to retained earnings in current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Items not to be reclassified subsequently to profit or loss	103,920,732.85	-768,510.72				2,144,278.96	-2,912,789.68	106,065,011.81

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in current period	Less: OCI previously recognized but transferred to retained earnings in current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Including: Other comprehensive income to be transferred to profit or loss under equity method	506,954.43							506,954.43
Translation reserves	103,413,778.42	-768,510.72				2,144,278.96	-2,912,789.68	105,558,057.38
Total	103,920,732.85	-768,510.72				2,144,278.96	-2,912,789.68	106,065,011.81

37. Special reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Work safety fund	60,860,818.76	41,724,799.37	11,558,031.03	91,027,587.10
Total	60,860,818.76	41,724,799.37	11,558,031.03	91,027,587.10

Other remarks, including remarks on current movements and reasons for movements:

According to the "enterprise safety production costs and the use of management practices," the production and storage of dangerous goods enterprises based on the actual business income of the previous year, the adoption of the regressive approach to the average monthly withdrawal in accordance with the following standards: 1) operating income of up to 10 million yuan, in accordance with 4.5%; 2) operating income of more than 10 million yuan to 100 million yuan, in accordance with 2.25% extraction; 3) operating income of more than 100 million to 1 billion yuan, in accordance with 0.55% extraction; 4) 0.2% for the part of business income exceeding RMB 1 billion.

According to the "Electricity production and supply enterprises," the production and storage of dangerous goods enterprises based on the actual business income of the previous year, the adoption of the regressive approach to the average monthly withdrawal in accordance with the following standards: 1) operating income of up to 10 million yuan, in accordance with 3%; 2) operating income of more than 10 million yuan to 100 million yuan, in accordance with 1.5% extraction; 3) 0.8% for the part of business income exceeding 100 million to 1 billion; 4) 0.6% for the part of business income exceeding RMB 1 billion.

38. Surplus reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,545,453,678.00			1,545,453,678.00
Total	1,545,453,678.00			1,545,453,678.00

39. Undistributed profit

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Unallocated earnings at the end of the previous period before adjustment	16,890,233,961.50	15,823,725,913.44
Adjustments to total unappropriated earnings at the beginning of the period (increase +,		18,898.47

Items	Current period cumulative	Preceding period comparative
decrease -)		
Adjustment to unappropriated earnings at the beginning of the period	16,890,233,961.50	15,823,744,811.91
Add: Net profit attributable to owners of the parent company	2,204,361,642.96	2,704,238,767.54
Less: Appropriation of statutory surplus reserve		101,038,777.95
Dividend payable on ordinary shares	1,383,039,756.00	1,536,710,840.00
Closing balance	17,711,555,848.46	16,890,233,961.50

According to the profit distribution plan for the year 2023 resolved at the annual general meeting of the Company for the year 2023, based on the total share capital of 3,090,907,356 excluding the repurchased shares of 17,485,676 shares, 3,073,421,680 shares, a cash dividend of RMB4.50 (tax included) per 10 shares will be paid to all shareholders, making a total of RMB1,383,039,756.00 yuan.

40. Operating revenue/Operating cost

Unit: RMB Yuan

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	9,724,806,954.17	6,107,204,399.47	7,320,741,964.94	4,925,581,429.30
Other operations	119,905,260.19	84,174,661.90	97,772,611.15	63,952,403.65
Total	9,844,712,214.36	6,191,379,061.37	7,418,514,576.09	4,989,533,832.95
Including: Revenue from contracts with customers	9,840,985,911.28	6,191,168,443.70	7,416,241,598.70	4,989,358,403.24

Details of revenue:

Unit: RMB Yuan

Categories of contracts	Revenue	Cost
By product		
Including:		
Nutrition	6,680,260,846.33	4,284,597,858.42
Aroma Chemicals	1,924,696,068.19	968,275,425.04
New materials	722,250,116.77	519,394,694.87
Others	513,778,879.99	418,900,465.37
Subtotal	9,840,985,911.28	6,191,168,443.70
By operating region		
Including:		
Domestic	4,400,582,196.98	2,828,412,768.87
Overseas	5,440,403,714.30	3,362,755,674.83

Categories of contracts	Revenue	Cost
Subtotal	9,840,985,911.28	6,191,168,443.70
By revenue recognition time		
Including:		
Goods (transferred at a point in time)	9,840,985,911.28	6,191,168,443.70
Subtotal	9,840,985,911.28	6,191,168,443.70
By sales channel		
Including:		
Direct sales	7,515,773,318.83	4,671,712,548.49
Agent sales	2,325,212,592.45	1,519,455,895.21
Subtotal	9,840,985,911.28	6,191,168,443.70

Information related to transaction price allocated to the remaining performance obligations:

As of June 30, 2024 revenue corresponding to performance obligations for which the Company has entered into contracts but not yet performed or fulfilled amounted to 2,051.31 million yuan, of which, 2,051.31 million yuan is expected to be recognized as revenue in 2024.

41. Taxes and surcharges

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	27,950,701.13	16,139,986.76
Education surcharge (local education surcharge)	21,044,886.66	12,568,962.34
Housing property tax	17,957,390.24	16,543,479.78
Land use tax	19,771,525.43	13,595,984.53
Vehicle and vessel use tax	27,613.13	31,354.61
non-residential property	6,121,701.84	6,523,091.10
Environmental protection tax	1,010,089.72	994,239.44
Land appreciation tax	98,666.67	
Total	93,982,574.82	66,397,098.56

42. Administrative expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Employee benefits	147,795,992.48	134,360,487.91
Depreciation, amortization of intangible assets	57,880,982.28	55,032,882.01
Office expenses, business traveling expenses	14,857,158.93	18,001,839.38
Business entertainment expenses	10,334,287.75	10,453,876.07
consultancy fee	8,965,176.43	9,344,412.68
Insurance premiums	8,250,263.26	7,863,383.20
Long-term stoppage losses	18,229,044.65	
Others	29,255,051.75	9,589,569.92
Total	295,567,957.53	244,646,451.17

43. Selling expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Employee benefits	39,905,704.51	30,266,930.02
Sales commission and customs declaration charges	10,294,553.22	16,644,358.83
Office expenses, business traveling expenses	10,531,658.41	9,598,115.80
Advertising and promotion expenses, business entertainment expenses	7,467,376.85	5,805,395.37
Others	6,670,288.40	4,626,570.78
Total	74,869,581.39	66,941,370.80

44. R&D expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Employee benefits	212,938,383.40	199,709,646.94
Direct input	198,007,999.74	150,730,396.75
Depreciation, amortization of intangible assets	43,345,244.55	38,536,030.81
Outsourcing expenses	6,414,946.81	3,267,672.12
Office expenses, business traveling expenses	4,938,593.21	4,840,225.31
Others	15,316,556.43	19,491,419.66
Total	480,961,724.14	416,575,391.59

45. Financial expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Interest expenses	143,713,361.26	163,988,612.81
Less: Interest income	67,461,973.58	78,203,398.06
Losses on foreign exchange (or less: gains)	-18,026,719.38	-132,095,878.10
Others	12,826,671.96	9,148,237.96
Total	71,051,340.26	-37,162,425.39

46. Other income

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Government grants related to assets	67,954,853.18	63,691,888.18
Government grants related to income	61,039,443.38	37,629,789.92
Refund of handling fees for withholding individual income tax	1,220,991.72	1,525,545.35
Total	130,215,288.28	102,847,223.45

47. Gains on changes in fair value

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Held-for-trading financial assets	11,140,363.10	1,735,988.41
Including: Gains on changes in fair value arising from financial assets classified as at fair value through profit or loss	11,140,363.10	1,735,988.41
Held-for-trading financial liabilities	-15,586,223.59	-13,004,458.11
Including: Gains on changes in fair value arising from financial liabilities classified as at fair value through profit or loss	-15,586,223.59	-13,004,458.11
Total	-4,445,860.49	-11,268,469.70

48. Investment income

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	25,496,597.50	34,855,314.27
Investment income from disposal of long-term equity investments	27,067,307.36	
Investment income from disposal of financial instruments	-7,317,634.93	-30,080.26
Including: Financial assets classified as at fair value through profit or loss	-5,489,429.09	996,763.92
Financial liabilities classified as at fair value through profit or loss	-1,828,205.84	-1,026,844.18
Investment income from bank financial products and structured deposits	808,128.72	8,894,052.73
Interest income from split loans		180,613.89
Dividend income earned on investments in other equity instruments during the holding period	1,500,000.00	
Total	47,554,398.65	43,899,900.63

49. Credit impairment loss

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Bad debts	-98,041,802.36	6,389,579.21
Total	-98,041,802.36	6,389,579.21

50. Assets impairment loss

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-10,175,642.76	-81,296,758.10
Total	-10,175,642.76	-81,296,758.10

51. Gains on asset disposal

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Gains on disposal of non-current assets	-1,128,442.54	13,545,778.16
Total	-1,128,442.54	13,545,778.16

52. Non-operating revenue

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Indemnity income	2,205,585.34	3,394,701.03	2,205,585.34
Others	167,960.12	182,141.54	167,960.12
Total	2,373,545.46	3,576,842.57	2,373,545.46

53. Non-operating expenditures

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Donation expenditures	290,144.43	591,259.90	290,144.43
Others	3,507,489.38	1,027,741.48	3,507,489.38
Total	3,797,633.81	1,619,001.38	3,797,633.81

54. Income tax expenses**(1) Schedule of income tax expense**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	466,762,110.51	273,369,295.58
Deferred income tax expenses	15,736,338.92	-22,086,097.75
Total	482,498,449.43	251,283,197.83

(2) Reconciliation of accounting profit to income tax expenses

Unit: RMB Yuan

Items	Current period cumulative
Profit before tax	2,699,453,825.28
Income tax expenses based on statutory/applicable tax rate	404,918,073.79
Effect of different tax rate applicable to subsidiaries	5,416,833.10
Effect of prior income tax reconciliation	12,171,153.76
Effect of non-taxable income	-1,954,918.97
Effect of non-deductible costs, expenses and losses	3,975,997.51
Effect of utilization of deductible losses not previously recognized as deferred tax assets	130,486,731.81
Effect of extra deduction of R&D expenses	-72,515,421.57
Income tax expenses	482,498,449.43

55. Other comprehensive income

Please refer to item VII 36 of this section for details.

56. Notes to items of the cash flow statement**(1) Cash related to operating activities**

Other cash receipts related to operating activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Interest income from cash in bank	67,372,735.75	77,998,992.00
Receipt of government grants	79,176,571.17	127,517,191.82
Recovery of temporary borrowings and security deposits	500.00	1,665,000.00
Other receipts and net current accounts	7,116,537.72	4,596,065.33
Total	153,666,344.64	211,777,249.15

Other cash payments related to operating activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
R&D expenditures in the form of cash	7,704,883.00	28,971,437.79
Office expenses and business traveling expenses	51,265,858.74	24,331,184.10
Advertising and promotion expenses, business entertainment expenses	14,130,735.80	13,968,143.32
Sales commission and customs declaration charges	8,404,749.45	16,317,917.34
Insurance expenses	1,140,556.20	2,686,385.45
Other payments and net current accounts	118,084,761.67	97,358,958.00
Total	200,731,544.86	183,634,026.00

(2) Cash related to investing activities

Other cash receipts related to investing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Redemption of financial products	145,000,000.00	720,000,000.00
Receipt of demobilized loans and interest		20,938,810.13
Total	145,000,000.00	740,938,810.13

Other cash payments related to investing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Payments for purchase of financial products and structured deposits		250,000,000.00
Total		250,000,000.00

(3) Cash related to financing activities

Other cash payments related to financing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Payments for bank financing handling charges	807,362.26	1,206,719.90
Payments of handling charges for issuing letters of guarantee for borrowings		200,900.43
Total	807,362.26	1,407,620.33

Changes in liabilities related to financing activities

√ Applicable □ Not applicable

Unit: RMB Yuan

Items	Opening balance	Increase		Decrease		Closing balance
		Cash movements	Non-cash changes	Cash movements	Non-cash changes	
Short-term borrowings	1,235,688,062.90	1,020,762,913.11	15,252,929.95	694,865,393.65		1,576,838,512.31
Long-term borrowings(including long-term loans due within one year)	8,384,373,535.06	1,261,000,000.00	122,672,559.21	1,367,826,141.66		8,400,219,952.61
Lease liabilities(including lease liabilities due within one year)	6,902,254.62			1,042,423.17		5,859,831.45
dividend payable			1,383,039,756.00	1,383,039,756.00		
Other accounts payable	14,858,932.78	103,669,125.77		8,921,359.16	96,239,489.67	13,367,209.72
Total	9,641,822,785.36	2,385,432,038.88	1,520,965,245.16	3,455,695,073.64	96,239,489.67	9,996,285,506.09

(4) Net presentation of cash flows

Items	Basis for net presentation	Financial impact
Other cash receipts related to investing activities	The cash flows related to the Company's investment business are the cash inflows and outflows of fast-turnover, large-amount and short-term projects, and the presentation of the above cash flows on a net basis is more indicative of their impact on the Company's ability to pay and solvency, and is more useful for evaluating the Company's ability to pay and solvency, and analysing the Company's future cash flows, therefore the Company has presented the cash flows related to the above business on a net basis.	145,000,000.00

57. Supplement information to the cash flow statement**(1) Supplement information to the cash flow statement**

Unit: RMB Yuan

Supplement information	Current period cumulative	Preceding period comparative
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	2,216,955,375.85	1,496,374,753.42
Add: Provision for assets impairment loss	108,217,445.12	74,907,178.89
Depreciation of fixed assets, oil and gas assets, productive biological assets	1,058,316,863.50	803,970,477.86
Depreciation of right-of-use assets	963,876.97	360,873.71
Amortization of intangible assets	32,588,600.65	26,371,053.50
Amortization of long-term prepayments	5,679,778.05	3,834,293.78
Losses on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	1,128,442.54	-13,545,778.16
Fixed assets retirement loss (Less: gains)		
Losses on changes in fair value (Less: gains)	4,445,860.49	11,268,469.70
Financial expenses (Less: gains)	74,353,659.15	-36,396,626.05
Investment losses (Less: gains)	-47,554,398.65	-43,899,900.63
Decrease of deferred tax assets (Less: increase)	-4,193,435.59	-7,849,564.21
Increase of deferred tax liabilities (Less: decrease)	19,929,774.51	-14,236,533.54
Decrease of inventories (Less: increase)	102,731,329.68	-433,678,248.93
Decrease of operating receivables (Less: increase)	-961,441,855.30	351,542,987.52
Increase of operating payables (Less: decrease)	-473,797,257.62	-983,460,814.93
Others		
Net cash flows from operating activities	2,138,324,059.35	1,235,562,621.93
2. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		

Supplement information	Current period cumulative	Preceding period comparative
Fixed assets leased in under finance leases		
3. Net changes in cash and cash equivalents:		
Cash at the end of the period	4,830,317,347.92	3,507,891,602.10
Less: Cash at the beginning of the period	4,446,570,415.30	5,151,841,931.86
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	383,746,932.62	-1,643,950,329.76

(2) Net cash received for disposal of subsidiaries during the period

Unit: RMB Yuan

Items	amounts
Cash or cash equivalents received in the period from disposal of subsidiaries during the period	82,791,000.00
Net cash received on disposal of subsidiaries	82,791,000.00

(3) Composition of cash and cash equivalents

Unit: RMB Yuan

Items	Closing balance	Opening balance
I. Cash	4,830,317,347.92	4,446,570,415.30
Including: Cash on hand	25,690.31	21,747.98
Cash in bank on demand for payment	4,830,283,255.54	4,445,046,788.85
Other cash and bank balances on demand for payment	8,402.07	1,501,878.47
II. Cash and cash equivalents at the end of the period	4,830,317,347.92	4,446,570,415.30

(4) Restricted use but still cash and cash equivalents

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Reasons for remaining cash and cash equivalents
Cash and bank balances	97,689,798.21	89,207,212.60	Deposited overseas
	0.00	353,268,853.53	Raised funds
Total	97,689,798.21	442,476,066.13	

(5) Monetary funds other than cash and cash equivalents

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Reasons for not being cash and cash equivalents
Cash and bank balances	55,388,324.90	77,905,369.24	Banker's acceptance deposit
	1,641,394.48	12,048,779.84	Letter of Credit Deposit
	3,830,850.00	3,929,600.00	customs Deposit

Items	Current period cumulative	Preceding period comparative	Reasons for not being cash and cash equivalents
	854,083.87	853,216.21	Project works labor wage deposit
	872,914.81	870,050.56	Safety Construction deposit
	661,888.24	661,215.83	Water deposit
	8,183,592.83	500,000.00	Letter of Guarantee Deposit
	23,500.00	22,500.00	ETC Deposit
Total	71,456,549.13	96,790,731.68	

58. Monetary items in foreign currencies

(1) Details

Unit: RMB Yuan

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			382,105,443.26
Including: USD	25,308,374.48	7.1268	180,367,723.24
EUR	22,600,141.86	7.6617	173,155,506.92
HKD	3,110,968.51	0.9127	2,839,318.74
JPY	186,470,611.00	0.0447	8,342,323.23
GBP	342,999.39	9.0430	3,101,743.48
SGD	477,979.67	5.2790	2,523,254.68
BRL	8,362,499.66	1.3005	10,875,152.96
MXN	2,044,970.46	0.3857	788,832.92
PLN	63,083.53	1.7689	111,587.09
Accounts receivable			2,819,288,005.50
Including: USD	330,993,185.00	7.1268	2,358,922,230.86
EUR	45,267,427.49	7.6617	346,825,449.27
GBP	529,959.34	9.0430	4,792,422.31
BRL	83,622,000.55	1.3005	108,747,903.06
Other receivables			50,824,998.98
Including: USD	10,265.00	7.1268	73,156.60
EUR	2,961,749.26	7.6617	22,692,034.31
HKD	31,700.00	0.9127	28,932.59
BRL	4,507,120.57	1.3005	5,861,510.30
MXN	56,431,009.55	0.3857	21,765,440.38
SGD	76,515.40	5.2790	403,924.80
Long-term borrowings			45,580,633.21
Including: USD	4,628,121.54	7.1268	32,983,696.59
EUR	732,662.73	7.6617	5,613,442.04
DKK	6,825,818.18	1.0231	6,983,494.58
Accounts payable			514,728,062.82

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Including: USD	47,621,384.86	7.1268	339,388,085.62
EUR	10,813,262.17	7.6617	82,847,970.78
BRL	70,881,476.17	1.3005	92,181,359.76
MXN	805,320.41	0.3857	310,646.66
Other payables			21,236,113.30
Including: USD	2,451,765.95	7.1268	17,473,245.57
EUR	465,110.36	7.6617	3,563,536.05
HKD	33,870.00	0.9127	30,912.47
SGD	31,903.62	5.2790	168,419.21
Non-current liabilities due within one year			7,367,965.75
Including: EUR	961,662.00	7.6617	7,367,965.75
Long-term borrowings			21,874,475.29
Including: EUR	2,855,042.00	7.6617	21,874,475.29
Lease liabilities			442,221.78
Including: HKD	106,492.90	0.9127	97,193.94
BRL	265,310.77	1.3005	345,027.84

(2) Remarks on overseas operations. For significant overseas operating entities, their main operating places, functional currencies and adoption basis shall be disclosed. Reasons for any changes in functional currency shall also be disclosed.

Applicable Not applicable

NHU EUROPE GmbH is a holding subsidiary of the subsidiary NHU (Hong Kong) Trading Co., Ltd. with the holding proportion of 51%; Change of shareholding in NHU Performance Materials GmbH: from a wholly owned subsidiary of NHU (Hong Kong) Trading Ltd. to a subsidiary of NHU Singapore PTE. LTD. with the holding proportion of 85%, Bardoterminal GmbH is a wholly-owned subsidiary of NHU EUROPE GmbH. The above three entities are all located in Luneburg, Germany, with EUR as functional currency. NHU Singapore PTE. LTD. is a wholly-owned subsidiary of the Company. It is located in Singapore, with SGD as functional currency

NHU/Chr.Olesen Latin America A/S, with a shareholding ratio of 51%, located in Gentovt, Denmark, and the functional currency is EUR; NHU/CHR.OLESEN BRASIL LTDA..is a wholly-owned subsidiary of NHU/Chr.Olesen Latin America A/S , located in Sao Paulo, Brazil, and its functional currency is BRL; CHR. Olesen Mexico SAPI DE CV is a holding subsidiary of NHU/Olesen Latin America A/S, with a shareholding ratio of 87%. It is located in Cretaro, Mexico, and its functional currency is MXN.

NHU Singapore PTE. LTD. is a wholly-owned subsidiary of the Company. It is located in Singapore, with SGD as functional currency.

59. Leasing

(1) The Company as a lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Lease costs for short-term leases or low-value assets with simplified treatment

Applicable Not applicable

1) Information on right-to-use assets Please refer to item VII 14 of this section for details

2) The Company's accounting policies for short-term leases and leases of low-value assets Please refer to item V 27 of this section for details. The amounts of short-term lease charges and lease charges for low-value assets recognized in profit or loss are as follows:

Unit: RMB Yuan

Items	Current period Increase	Preceding period Decrease
Short-term rental costs	8,166,223.97	3,538,563.64
Total	8,166,223.97	3,538,563.64

3) Current profit or loss and cash flows related to leases

Unit: RMB Yuan

Items	Current period Increase	Preceding period Decrease
Interest expense on lease liabilities	67,698.96	70,141.71
Total cash outflows related to leases	8,736,731.81	3,831,411.86

4) The maturity analysis of lease liabilities and the corresponding liquidity risk management Please refer to item XII 1 of this section for details.

(2) The Company as lessor

Operating leases as lessor

Applicable Not applicable

Unit: RMB Yuan

Items	Rental income	Of which: Income related to variable lease payments not included in lease receipts
Rental income	3,726,303.08	
Total	3,726,303.08	

Financial leases as lessor

Applicable Not applicable

Undiscounted lease receipts for each of the next five years

Applicable Not applicable

Operating lease assets

Operating lease inventory Please refer to item VII 13 of this section for details.

Fixed assets under operating leases Please refer to item VII 15 of this section for details.

Future undiscounted lease receipts to be received under non-cancellable leases based on lease contracts with lessees

Unit: RMB Yuan

Remaining term	Closing balance	Opening balance
First year	127,522.95	349,330.00
second year		41,520.00
Total	127,522.95	390,850.00

(3) Recognition of gains and losses on sales under finance leases as a manufacturer or distributor

Applicable Not applicable

VIII. R&D expenses

Unit: RMB Yuan

Items	Current period Increase	Preceding period Decrease
Employee benefits	212,938,383.40	199,709,646.94
Direct input	198,007,999.74	150,730,396.75
Depreciation, amortization of intangible assets	43,345,244.55	38,536,030.81
Outsourcing expenses	6,414,946.81	3,267,672.12
Office expenses, business traveling expenses	4,938,593.21	4,840,225.31
Others	15,316,556.43	19,491,419.66
Total	480,961,724.14	416,575,391.59
Of which: Expensed research and development expenditure	480,961,724.14	416,575,391.59

IX. Changes in the scope of consolidation

1. Disposal of subsidiaries

Whether there were any transactions or events during the period in which control of subsidiaries was lost

Applicable Not applicable

Unit: RMB Yuan

Name of Subsidiary	Disposal price at point of loss of control	Percentage of disposals at point of loss of control	Disposal at the point of loss of control	Point of loss of control	Basis for determining the point of loss of control	Difference between the disposal price and the share of net assets of the subsidiary at the level of the consolidated financial statements corresponding to the disposal of the investment	Percentage of remaining equity at date of loss of control	Carrying value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control	Gains or losses arising from the remeasurement of the remaining equity at fair value	Method of determining the fair value of the remaining equity interest at the level of the consolidated financial statements at the date of loss of control and key assumptions	Amount of other comprehensive income related to equity investments in atomic companies transferred to investment profit or loss or retained earnings
Qionghai Boao Lidu Real Estate Co., Ltd.	82,791,000.00	100.00%	offer for sale	19 June ,2024	Equity transfer agreement signed and in force	28,770,508.00	0.00%	54,020,492.00	82,791,000.00	28,770,508.00	None	0.00

Whether there is a step-by-step disposal of investments in subsidiaries through multiple transactions and loss of control during the period

Applicable Not applicable

2. Changes in the scope of consolidation for other reasons

Company names	Mode of acquisition of equity	Point of acquisition of equity
Tianjin NHU Materials Technology Co., Ltd.	investment establishment	June 7 , 2024

X. Interest in other entities

1. Interest in subsidiaries

(1) Composition of the group

Unit: RMB Yuan

Subsidiaries	registered capital	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
					Direct	Indirect	
NHU (Hong Kong) Trading Co., Ltd.	USD2.40millions	Hong Kong, China	Hong Kong, China	Commerce	100.00%		Establishment
Shandong NHU Amino-acids Co., Ltd.	1,100million(yuan)	Weifang, Shandong	Weifang, Shandong	Manufacturing	100.00%		Establishment
Shandong NHU Pharmaceutical Co., Ltd.	590million(yuan)	Weifang, Shandong	Weifang, Shandong	Manufacturing	100.00%		Establishment
Heilongjiang NHU Biotechnology Co., Ltd.	1,000millions(yuan)	Suihua, Heilongjiang	Suihua, Heilongjiang	Manufacturing	100.00%		Establishment
Shandong NHU Vitamins Co., Ltd. [Note]	500millions(yuan)	Suihua, Heilongjiang	Suihua, Heilongjiang	Manufacturing		100.00%	Establishment

The percentage of shareholding in subsidiaries is different from the description of the percentage of voting rights:

[Note] The Company holds shares through Shandong NHU Holdings Co., Ltd.

2. Interests in joint arrangements or associates

(1) Aggregated financial information of insignificant joint ventures and associates

Unit: RMB Yuan

Item	Closing balance/ Current period cumulative	Opening balance/ Preceding period comparative
Joint ventures:		
Total carrying amount of investments	356,189,413.08	216,166,978.49
Total of the following by percentage of shareholding		
-- Net profit	-15,649,565.41	-3,169,284.18
-- Total comprehensive income	-15,649,565.41	-3,169,284.18
Associates:		
Total carrying value of investments	505,818,929.42	480,978,221.59
Total of the following by percentage of shareholding		
-- Net profit	39,911,718.06	46,985,604.13
-- Other comprehensive income	39,911,718.06	46,985,604.13

XI. Government grants

1. Government grants recognized at the end of the reporting period at the amount receivable

Applicable Not applicable

Reasons for not receiving the projected amount of government grants at the projected point in time

Applicable Not applicable

2. Liability items involving government grants

Applicable Not applicable

Unit: RMB Yuan

Item	Opening balance	Increase	non-operating income	Decrease	other	Closing balance	Asset/revenue related
Deferred income	1,065,586,274.49	50,570,300.00		67,954,853.18		1,048,201,721.31	Asset-related
Total	1,065,586,274.49	50,570,300.00		67,954,853.18		1,048,201,721.31	

3. Government grants related to income

Applicable Not applicable

Unit: RMB Yuan

Item	Current period Increase	Preceding period Decrease
Government grants related to income	128,994,296.56	101,321,678.10

XII. Risks related to financial instruments

1. Various types of risks arising from financial instruments

In risk management, the Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance, so as to maximize the profits of shareholders and other equity investors. Based on such risk management objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits on a timely and reliable basis.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. The Management has deliberated and approved policies concerning such risks, and details are:

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practice

(1) Evaluation method of credit risk

At each balance sheet date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;

2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability.

(2) Definition of default and credit-impaired assets

A financial instrument is defined as defaulted when one or more following events have occurred, of which the standard is consistent with that for credit-impairment:

1) significant financial difficulty of the debtor;

2) a breach of binding clause of contract;

3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;

4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk. The Company develops a model of the probability of default, loss rate of default, and exposure to default risk on the basis of quantitative analysis of historical data (e.g. counterparty rating, guarantee measures and collateral type, payment method, etc.) and forward-looking information.

3. Please refer to item VII 3、4、5、 and 7 of this section for details on the reconciliation table of opening balance and closing balance of provision for losses of financial instrument.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables. In order to control such risks, the Company has taken the following measures:

(1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables

The Company performs credit assessment on customers using credit settlement on a continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on balance of receivables, to avoid significant risks in bad debts.

As the Company only conducts business with credible and well-reputed third parties, collateral is not required from customers. The Company manages credit risk aggregated by customers. As of June 30, 2024, the Company has certain concentration of credit risk, and 24.66% (December 31, 2023: 22.95%) of the total accounts receivable was due from the five largest customers of the Company. The Company held no collateral or other credit enhancement on balance of receivables.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset at the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparties of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company comprehensively utilized financing tools such as notes settlement, bank borrowings, etc. and adopts long-term and short-term financing methods to optimize financing structures, and finally maintains a balance between financing sustainability and flexibility. The Company has obtained credit limit from several commercial banks to meet working capital requirements and expenditures.

Financial liabilities classified based on remaining time period till maturity

Unit: RMB Yuan

Items	June 30, 2024				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	9,977,058,464.92	10,421,547,524.48	3,766,596,651.36	6,462,057,074.80	192,893,798.32
Notes payable	307,717,300.33	307,717,300.33	307,717,300.33		
Accounts payable	1,746,004,140.97	1,746,004,140.97	1,746,004,140.97		
Other payables	167,570,834.36	167,570,834.36	167,570,834.36		
Lease liabilities	5,859,831.45	7,204,764.08	1,825,051.79	2,251,236.09	3,128,476.20
Subtotal	12,204,210,572.03	12,650,044,564.22	5,989,713,978.81	6,464,308,310.89	196,022,274.52

(Continued)

Unit: RMB Yuan

Items	December 31, 2023				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	9,620,061,597.96	10,115,809,381.27	3,052,860,592.80	6,305,307,508.57	757,641,279.90
Notes payable	349,347,472.36	349,347,472.36	349,347,472.36		
Accounts payable	1,930,958,598.05	1,930,958,598.05	1,930,958,598.05		
Other payables	53,671,773.90	53,671,773.90	53,671,773.90		
Lease liabilities	6,902,254.62	8,401,587.43	1,937,137.81	3,097,878.18	3,366,571.44
Subtotal	11,960,941,696.89	12,458,188,813.01	5,388,775,574.92	6,308,405,386.75	761,007,851.34

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market price. Market risk mainly includes interest risk and foreign currency risk.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value or future cash flows of financial instruments due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating-rate financial instruments. The Company determines the proportion of fixed-rate financial instruments and floating-rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring. The Company's interest risk in cash flows relates mainly to bank borrowings with floating interest rate.

As of June 30, 2024, balance of borrowings with interest accrued at floating interest rate totaled 9,977.05 million yuan (December 31, 2023: 9,620.06 million yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax and equity will not be significantly affected.

2. Foreign currency risk

Foreign currency risk is the risk arising from changes in fair value or future cash flows of financial instrument resulted from changes in exchange rate. The Company's foreign currency risk relates mainly to foreign currency monetary assets and liabilities. When short-term imbalance occurred to foreign currency assets and liabilities, the Company may trade foreign currency at market exchange rate when necessary, in order to maintain the net risk exposure within an acceptable level.

Please refer to item VII 58 of the notes to the financial statements for details on foreign currency financial assets and liabilities at the end of the period.

2. Hedging

(1) The Company conducts hedging business for risk management.

Applicable Not applicable

1) During the period under review, the Company carried out foreign exchange hedging business, using forward settlement and other derivative contracts as hedging instruments, and some of the expected purchases and sales transactions involving foreign exchange cash flows as hedged items, as a means of hedging the risk of fluctuations in expected future cash flows arising from expected purchases and sales borne by the Company as the prices in the foreign exchange market fluctuate.

2) During the period under review, the Company conducted foreign exchange hedging business, using forward settlement and other derivative contracts as hedging instruments and certain foreign exchange deposits as hedged items, as a means of hedging the Company's exposure to the risk of fluctuations in existing foreign exchange deposits in response to fluctuations in foreign exchange market prices.

(2) The Company conducts eligible hedging operations and applies hedge accounting

Applicable Not applicable

(3) The Company conducts hedging operations for risk management and expects to achieve its risk management objectives, but does not apply hedge accounting

Applicable Not applicable

Items	Reasons for not applying hedge accounting	Effect on the financial statements
foreign exchange swap (FX) contract	The Company extensively uses foreign exchange forward contracts and other tools for foreign exchange risk management between USD, EUR, CNY, and JPY on a global scale; because there is a certain offsetting relationship between the exchange rate changes between different currencies, which can, to a certain extent, have the same effect as that of hedge accounting, hedge accounting has not been applied.	Derivative financial assets: 8,741,096.39yuan Investment income: -7,317,634.93yuan Gains on changes in fair value: -4,445,860.49yuan

3. Financial assets

(1) Classification of transfer methods

Applicable Not applicable

Unit: RMB Yuan

Items	Nature of financial assets transferred	Amount of financial assets transferred	Status of derecognition	Basis for determining derecognition
endorsements	Receivables financing	734,164,568.98	Full derecognition	The main risks and rewards, such as the related interest rate risk and credit risk, have been transferred to banks and third parties
discounted	Receivables financing	252,523,552.48	Full derecognition	The main risks and rewards, such as the related interest rate risk and credit risk, have been transferred to banks and third parties
total		986,688,121.46		

(2) Financial assets derecognized due to transfers

Applicable Not applicable

Unit: RMB Yuan

Items	Modalities for the transfer of financial assets	Amount of financial assets derecognized	Gains or losses related to derecognition
Receivables financing	Endorsements/ discounted	986,688,121.46	-1,049,522.31
total		986,688,121.46	-1,049,522.31

(3) Transfer of financial assets that continue to be involved in the asset

Applicable Not applicable

XIII. Fair value disclosure

1. Details of fair value of assets and liabilities at fair value at the balance sheet date

Unit: RMB Yuan

Items	Fair value as at the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
(I) Held-for-trading financial assets and other non-current financial assets		8,741,096.39		8,741,096.39
1. Financial assets at fair value through profit or loss		8,741,096.39		8,741,096.39
(1) derivative financial asset		8,741,096.39		8,741,096.39
Total liabilities at recurring fair value measurement		8,741,096.39		8,741,096.39
II. Discontinued fair value measurements	--	--	--	--

2. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 2 fair value at recurring and non-recurring fair measurement

Fair value was determined at forward exchange rate published by Bank of China Limited at the balance sheet date.

3. Qualitative and quantitative information of valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

1. Fair value of short-term financial products with guaranteed principal and floating income and structured deposits was determined based on their par value.

2. Fair value of bank acceptance was determined based on its par value.

3. As there is no significant change in the operating environment, operating condition and financial position of the invested entities Zhejiang Second Pharma Co., Ltd. and Shanghai NewMargin Yongjin Equity Enterprise (LP), the Company took investment cost as the reasonable estimation of fair value.

XIV Related parties and related party transactions

1. Parent company

Parent company	Place of registration	Business nature	Registered capital	Holding proportion over the Company	Voting right proportion over the Company
NHU Holding Group Co., Ltd.	Xinchang, Zhejiang	Manufacturing	120.00 million	49.80%	49.80%

Remarks on the parent company

The Company's ultimate controlling party is the natural person Hu Baifan.

2. Subsidiaries of the Company

Please refer to item IX 1(1) of the notes to the financial statements for details on the Company's subsidiaries.

3. Joint ventures and associates of the Company

Please refer to item VII 10 of the notes to the financial statements for details on the Company's significant joint ventures and associates.

Other joint ventures or associates that had related party transactions with the Company during the current period, or had balances arising from related party transactions with the Company in prior periods, are as follows:

Related parties	Relationships with the Company
Beijing Foyou Pharma Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Asen Pharmaceutical Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Deli Equipment Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Front Pharmaceutical PLC.	Controlled by NHU Holding Group Co., Ltd.
Weifang NHU Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Qionghai Heyue Property Services Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.

Related parties	Relationships with the Company
Shaoxing Heyue Property Services Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Xinchang County NHU Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Jingshi Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Yuexiu Education Development Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Jinghe Hotel Management Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Shangyu NHU Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Suihua NHU Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Yuexiu University of Foreign Languages	Controlled by NHU Holding Group Co., Ltd.
Heilongjiang Haotian Corn Development Co., Ltd.	Minority Shareholders of Subsidiaries
CHR.OLESEN A/S	Minority Shareholders of Subsidiaries
Shaoxing Heyue Property Service Co., Ltd. Shangyu Branch	Branch of Xinchang County NHU Real Estate Co., Ltd.

Other remarks:

As CHR.OLESEN A/S holds 25% equity of NHU Europe GmbH, the holding subsidiary of the Company's subsidiary NHU (Hong Kong) Trading Co., Ltd., the Company discloses transactions between CHR.OLESEN A/S and NHU Europe GmbH as well as balances in related party transactions for the sake of prudence.

4. Related party transactions

(1) Purchase and sale of goods, rendering and receiving of services

Purchase of goods and receiving of services

Unit: RMB Yuan

Related parties	Content of transaction	Current period cumulative	Transaction limit approved	Whether exceeds transaction limit	Preceding period comparative
Zhejiang Deli Equipment Co., Ltd.	Purchase of goods	87,399,810.62	164,550,000.00	No	83,333,232.99
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	Purchase of steam	53,776,671.24			60,694,568.26
	Waste disposal service fees	330,547.17			147,459.89
Zhejiang Saiya Chemical Materials Co., Ltd.	Purchase of goods	129,190,831.15	238,940,000.00	No	138,488,066.99
Zhejiang Asen Pharmaceutical Co., Ltd.	Purchase of goods	103,812.56			774,003.49
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Catering and accommodation services	11,565.62			234,525.72
Shaoxing Jinghe Hotel Management Co., Ltd.	Catering and accommodation services	733,057.43	4,290,000.00	No	831,053.37
Qionghai Heyue Property Services Co., Ltd.	Property management	108,074.04			219,042.13
Shaoxing Heyue Property Services Co., Ltd.	Property management	214,360.00			203,704.00

Related parties	Content of transaction	Current period cumulative	Transaction limit approved	Whether exceeds transaction limit	Preceding period comparative
Shaoxing Yuexiu Education Development Co., Ltd.	Receiving of services				496.00
Zhejiang Yuexiu University of Foreign Languages	Receiving of services				4,388.00
Zhejiang Jingshi Real Estate Co., Ltd.	Receiving of services	43,594.01			
Changbai Mountain Protection and Development Zone Heyue Hotel Management Co., Ltd	Receiving of services	17,368.50			
Heilongjiang Haotian Corn Development Co., Ltd.	Purchase of goods	700,819.04			108,479.87
Shandong Bin'an Vocational Training School Co., Ltd.	Receiving of services				2,674.53
Subtotal		272,630,511.38	407,780,000.00		285,041,695.24

Sale of goods and rendering of services

Unit: RMB Yuan

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Zhejiang Deli Equipment Co., Ltd.	Scrapped materials	77,876.10	92,969.09
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	Waste and scrap materials		53,097.35
Zhejiang Asen Pharmaceutical Co., Ltd.	Pharmaceutical intermediates, test fees		6,735.85
Shandong Bin'an Vocational Training School Co., Ltd.	Management Service Fee		23,372.54
Front Pharmaceutical PLC.	Pharmaceutical intermediates, testing fees	353,982.31	575,409.92
Envalior NHU Engineering Materials (Zhejiang) Co.,Ltd.	Scrapped materials	71,388,365.86	71,867,299.71
	Labor costs, etc.	12,933.42	413,070.59
	Utilities fees		802,824.33
Beijing Winsunny Pharmaceutical Co., Ltd.	Pharmaceutical intermediates		47,169.81
Total		71,833,157.69	73,881,949.19

(2) Related party leases

The Company as the lessor:

Unit: RMB Yuan

Lessees	Types of assets leased	Lease income recognized in the current period	Lease income recognized in preceding period
Envalior NHU Engineering Materials (Zhejiang) Co.,Ltd.	Land use right and buildings	422,065.14	347,147.50
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Land use right and buildings	156,000.00	240,000.00
Zhejiang Jingshi Real Estate Co., Ltd.	Land use right and buildings	326,238.53	266,666.67
Weifang NHU Real Estate Co., Ltd.	Land use right and buildings	5,142.86	5,142.86
NHU Holding Group Co., Ltd.	Land use right and buildings	16,513.76	16,513.76

The Company as the lessee:

Unit: RMB Yuan

Lessors	Types of assets leased	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)	
		Lease expenses recognized in the current period	Lease expenses recognized in preceding period
Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		847,107.96

(3) Related party guarantees

The Company as a guaranteed party

Unit: RMB Yuan

Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
NHU Holding Group Co., Ltd.	353,000,000.00	December 03, 2020	September 21, 2025	No
	300,000,000.00	September 19, 2022	September 18, 2025	No
	200,000,000.00	November 17, 2022	November 14, 2025	No
Total	853,000,000.00			

(4) Key management's emoluments

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	5,926,687.50	5,533,632.28

(5) Other related party transactions

(1) In the current period, NHU EUROPE GmbH sold products amounting to 97.75 million yuan to Client B. At the end of the period, balance of accounts receivable amounted to 41.22 million yuan.

(2) According to the patent technology licensing agreement and the related equipment sales contract signed between the company and Ningbo ZRCC NHU Biotechnology Co., Ltd., the Company provides Ningbo ZRCC NHU Biotechnology Co., Ltd. with mature and reliable liquid methionine production technology developed, owned, or controlled by the company, including the technical implementation license related to patents and proprietary technologies, and sells related equipment, which is produced and supplied by Zhejiang Deli Equipment Co., Ltd. The total contract amount is agreed to be 442,917,139.59 yuan. As of June 30, 2024, the company has received 289,332,233.93 yuan, of which the amount for equipment had been fully recovered.

5. Balance due to or from related parties

(1) Balance due from related parties

Unit: RMB Yuan

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Envalior NHU Engineering Materials (Zhejiang) Co.,Ltd.	38,334,572.21	1,916,728.61	41,837,233.16	2,091,861.66
Subtotal		38,334,572.21	1,916,728.61	41,837,233.16	2,091,861.66
Advance paid	Zhejiang Deli Equipment Co., Ltd.			45,926,357.35	
Subtotal				45,926,357.35	
Other receivables	Shaoxing Heyue Property Services Co., Ltd.	18,400.00	920.00	18,400.00	920.00
	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	20,000.00	16,000.00	20,000.00	16,000.00
	Envalior NHU Engineering Materials (Zhejiang) Co.,Ltd.	1,244,660.08	62,233.00	711.08	35.55
Subtotal		1,283,060.08	79,153.00	39,111.08	16,955.55

(2) Balance due to related parties

Unit: RMB Yuan

Items	Related parties	Closing book balance	Opening book balance
Accounts payable	Zhejiang Deli Equipment Co., Ltd.	22,447,219.98	13,573,871.90
	Zhejiang Saiya Chemical Materials Co., Ltd.	75,985,639.17	199,699.11
	Zhejiang Second Pharma Co., Ltd.	6,408.00	6,408.00
	Heilongjiang Haotian Corn Development Co., Ltd.	221,823.07	110,873.46
	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	8,681,561.70	12,040,573.60
Subtotal		107,342,651.92	25,931,426.07
Contract liabilities	Zhejiang Deli Equipment Co., Ltd.	13,009.64	13,009.64
	Ningbo ZRCC NHU Biotechnology Co., Ltd.		178,858,243.73
Subtotal		13,009.64	178,871,253.37
Other payables	Zhejiang Deli Equipment Co., Ltd.	3,500.00	3,740.00

Items	Related parties	Closing book balance	Opening book balance
	Ningbo ZRCC NHU Biotechnology Co., Ltd.		12,750.00
Subtotal		3,500.00	16,490.00
Other current liabilities	Zhejiang Deli Equipment Co., Ltd.	1,691.25	1,691.25
	Ningbo ZRCC NHU Biotechnology Co., Ltd.		13,180,653.87
Subtotal		1,691.25	13,182,345.12

XV. Commitments and contingencies

1. Significant commitments

Significant commitments as at the balance sheet date

(I) Significant commitments

1. Forward exchange settlement contracts

Pursuant to “ISDA 2002 MASTER AGREEMENT” entered into between the Company and Bank of China (Hong Kong) Limited, “ISDA 2002 MASTER AGREEMENT” entered into with DBS Bank (China) Limited, the GLOBAL CAPITAL MARKETS TRANSACTION and the related transaction application form entered into with HSBC Bank (China) Limited Hangzhou Branch, the NAFMII Master Agreement and Supplemental Agreement (No. Y161136) with the Bank of China Limited, Zhejiang Branch, NAFMII Master Agreement and Supplemental Agreement (No. Y161136), as of June 30, 2024, the details of the Company's undelivered forward settlement contracts are as follows:

Currency	Amount	Exchange Rate	Settlement Date
USD	10,000,000.00	7.2630	2024/7/10
	10,000,000.00	7.2605	2024/7/16
	10,000,000.00	7.2605	2024/7/16
	10,000,000.00	7.2710	2024/7/24
	10,000,000.00	7.2910	2024/7/3
	10,000,000.00	7.2790	2024/7/25
	10,000,000.00	7.2735	2024/8/7
	10,000,000.00	7.2705	2024/8/14
	10,000,000.00	7.2665	2024/8/21
	10,000,000.00	7.2665	2024/8/21
	10,000,000.00	7.2625	2024/8/28
	10,000,000.00	7.2915	2024/7/24
Subtotal	120,000,000.00		
EUR	10,000,000.00	7.8300	2024/7/16
	10,000,000.00	7.8286	2024/7/23
	10,000,000.00	7.8257	2024/8/6
	10,000,000.00	7.9070	2024/7/5
	10,000,000.00	7.9000	2024/8/6
Subtotal	50,000,000.00		

2. Letters of guarantee issued but undue

As of June 30, 2024, the undue letters of credit issued by the Company and its subsidiaries are as follows:

Issuing banks	Applicants	Type of L/G	Amount	Conditions for issuing
Bank of China Limited Xinchang Sub-branch	The Company	Performance guarantee	USD5,660.00	Occupying credit line

Issuing banks	Applicants	Type of L/G	Amount	Conditions for issuing
		Performance guarantee	USD183,370.00	Occupying credit line
		Performance guarantee	USD148,000.00	Occupying credit line
China Merchants Bank Co., Ltd. Weifang Branch	Shandong NHU Vitamins Co., Ltd.	Financing Guarantee	CNY2,120,000.00	Occupying credit line
Bank of China Limited Weifang Binhai Branch	Shandong NHU Amino-acids Co., Ltd.	Performance guarantee	CNY8,183,592.83	Deposit of 8,183,592.83 yuan

3. Letters of credit issued but undue

As of June 30, 2024, the undue letters of credit issued by the Company and its subsidiaries are as follows:

Issuing banks	Applicants	Balance of L/C	Conditions
Bank of China Limited Xinchang Branch	The Company	USD19,622.40	Occupying credit line
		USD1,669,836.00	Occupying credit line
		USD620,224.80	Occupying credit line
		CNY100,000,000.00	Occupying credit line
		CNY90,000,000.00	Occupying credit line
China Merchants Bank Hangzhou Jiefang Branch	The Company	CNY90,000,000.00	Occupying credit line
		CNY160,000,000.00	Occupying credit line
		CNY50,000,000.00	Occupying credit line
CITIC Bank Corporation Hangzhou Branch	The Company	CNY50,000,000.00	Occupying credit line
China Construction Bank Corporation Xinchang Branch	The Company	CNY100,000,000.00	Occupying credit line
Industrial and Commercial Bank of China Limited Xinchang Branch	The Company	CNY85,000,000.00	Occupying credit line
Agricultural Bank of China Limited Xinchang Branch	The Company	CNY100,000,000.00	Occupying credit line
Bank of China Limited Xinchang Branch	Zhejiang NHU Imports & Exports Co., Ltd.	EUR185,500.00	Deposit of EUR 185,500.00
Bank of China Limited Shangyu Sub-branch	Zhejiang NHU Special Materials Co., Ltd.	JPY4,230,000	Deposit of 220,000.00 yuan
China Merchants Bank Hangzhou Jiefang Branch	Shangyu NHU Bio-Chem Co., Ltd.	CNY 150,000,000.00	Occupying credit line
China Merchants Bank Co., Ltd. Weifang Branch	Shandong NHU Pharmaceutical Co., Ltd.	CNY25,000,000.00	Occupying credit line
		CNY26,224,348.26	Occupying credit line
		CNY20,895,878.61	Occupying credit line
		CNY21,643,085.00	Occupying credit line
China Merchants Bank Co., Ltd. Weifang Branch	Shandong NHU Vitamins Co., Ltd.	CNY9,726,000.00	Occupying credit line

4. The “notes pool” business

Pursuant to the “Notes Pool Service Agreement on Yuntong Account of Bank of Communications” entered into between the Company and Bank of Communications Co., Ltd., the Company pledged and endorsed bank acceptance to the depositary bank, forming a pledged notes pool; the Company also opened a notes pool deposit account to provide guarantee for the credit granted under the note pledge and to deposit the pledged bank acceptance for payments. The available credit line for pledge is the sum of pledged notes and the actual balance of deposit account less pledged notes used. As stipulated in the agreement, the sum of pledged notes and the balance of deposit account shall not be less than the pledged amount used for issuing notes. Pursuant to the

“Notes Pool Cooperation Agreement” entered into among the Company, its subsidiaries Shangyu NHU Bio-Chem Co., Ltd., Zhejiang NHU Pharmaceutical Co., Ltd., Zhejiang NHU Special Materials Co., Ltd., Shaoxing Yuchen New Materials Co., Ltd., Shandong NHU Pharmaceutical Co., Ltd., Shandong NHU Vitamins Co., Ltd., Shandong NHU Amino-acids Co., Ltd., Heilongjiang NHU Biotechnology Co., Ltd., Shandong NHU Fine Chemical Science and Technology Co., Ltd., Heilongjiang Xinhao Thermal Power Co., Ltd., Xinchang NHU Vitamins Co., Ltd., Zhejiang Vityesun Animal Nutrition and Health Co., Ltd., Zhejiang NHU Imports & Exports Co., Ltd. and China Zheshang Bank Co., Ltd., the Company pledged assets pool or notes pool for guarantee, and opened a notes deposit account to pay deposits at a certain percentage, with no specific agreement on the amount of deposits. As of June 30, 2024, balance of pledged bank acceptance amounted to 207,267,158.31 yuan, deposits of notes pool in China Zheshang Bank Co., Ltd. amounted to 55,388,324.90 yuan.

5. Besides the aforementioned events and assets with title or use right restrictions as stated in this section, the Company has no other significant commitments to be disclosed as of the balance sheet date.

2. Contingencies

(1) There are no material contingencies that the Company is required to disclose, which should also be explained

The Company has no material contingencies that require disclosure.

XVI. Events after the balance sheet date

1. Description of other events after the balance sheet date

As of the date of approval for issuing the financial statements, the Company has no other significant events after the balance sheet date to be disclosed.

XVII. Other significant events

1. Segment information

(1) Identification basis and accounting policies for reportable segments

Reportable segments are identified according to the structure of the Company’s internal organization, management requirements and internal reporting system, and based on business segments. Assets and liabilities shared by different segments are allocated among segments proportionate to their respective sizes.

(2) Financial information of reportable segments

Unit: RMB Yuan

Items	Pharmaceutical chemicals	Others	Inter-segment offsetting	Total
Operating revenue	9,756,862,100.44	601,767,401.58	513,917,287.66	9,844,712,214.36
Including: Revenue from contracts with customers	6,309,180,450.59	396,115,898.44	513,917,287.66	6,191,379,061.37
Operating cost	37,070,434,414.59	3,544,388,315.87	520,527,834.46	40,094,294,896.00
Total assets	13,215,121,264.78	1,616,679,435.34	520,527,834.46	14,311,272,865.66

XVIII. Notes to the main items of the parent company's financial statements**1. Accounts receivable****(1) Age analysis**

Unit: RMB Yuan

Ages	Closing balance	Opening balance
Within 1 year	747,305,554.92	659,625,316.20
Total	747,305,554.92	659,625,316.20

(2) Details on categories

Unit: RMB Yuan

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion		Amount	% to total	Amount	Provision proportion	
Including:										
Receivables with provision made on a collective basis	747,305,554.92	100.00%	37,365,277.76	5.00%	709,940,277.16	659,625,316.20	100.00%	32,981,265.81	5.00%	626,644,050.39
Total	747,305,554.92	100.00%	37,365,277.76	5.00%	709,940,277.16	659,625,316.20	100.00%	32,981,265.81	5.00%	626,644,050.39

Provision for bad debts by portfolio Category name: Accounts receivable with bad debt provision by age portfolio

Unit: RMB Yuan

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	747,305,554.92	37,365,277.76	5.00%
Total	747,305,554.92	37,365,277.76	5.00%

Provision for bad debts on accounts receivable is made in accordance with the general model of expected credit losses, if any:

Applicable Not applicable**(3) Provisions made, collected or reversed in the current period**

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Provision made on a collective basis	32,981,265.81	4,384,011.95				37,365,277.76
Total	32,981,265.81	4,384,011.95				37,365,277.76

(4) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Client 1	392,395,238.78	52.51%	19,619,761.94
Client 2	89,601,009.88	11.99%	4,480,050.49
Client 3	39,596,211.97	5.30%	1,979,810.60
Client 4	20,612,744.97	2.76%	1,030,637.25
Client 5	15,534,121.08	2.08%	776,706.05
Total	557,739,326.68	74.64%	27,886,966.33

2. Other receivables

Unit: RMB Yuan

Items	Closing balance	Opening balance
Other receivables	2,077,641,921.09	2,908,050,463.81
Total	2,077,641,921.09	2,908,050,463.81

(1) Dividend receivable**1) Details on categories**

Unit: RMB Yuan

Items/Investees	Closing balance	Opening balance
loan splitting	2,162,676,254.98	3,038,350,000.01
Deposit Guarantee	13,158,059.00	13,376,459.00
Export Tax Refund	4,381,724.63	5,735,604.80
Employee reserve fund	5,010,000.00	2,436,000.00
Other	1,628,367.96	1,336,185.69
Accounts receivable in suspense	9,687.43	
Total	2,186,864,094.00	3,061,234,249.50

2) Age analysis

Unit: RMB Yuan

Ages	Closing book balance	Opening book balance
Within 1 year (inclusive)	2,173,583,234.06	3,047,240,876.60
1-2 years		457,610.37
2-3 years	13,280,859.94	13,535,762.53
Over 3 years		25,770.00
3-4 years	12,455.81	162,455.81
4-5 years	13,268,404.13	13,347,536.72
Over 5 years	2,186,864,094.00	3,061,234,249.50

3) Disclosure by bad debt accrual method

Unit: RMB Yuan

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion		Amount	% to total	Amount	Provision proportion	
Including:										
Receivables with provision made on a collective basis	2,186,864,094.00	100.00%	109,222,172.91	5.00%	2,077,641,921.09	3,061,234,249.50	100.00%	153,183,785.69	5.00%	2,908,050,463.81
Total	2,186,864,094.00	100.00%	109,222,172.91	5.00%	2,077,641,921.09	3,061,234,249.50	100.00%	153,183,785.69	5.00%	2,908,050,463.81

Provision for bad debts by portfolio Category name: Provision for bad debts by portfolio

Unit: RMB Yuan

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Land bond receivable portfolio	12,518,762.50		
Export tax refund receivable portfolio	4,381,724.63		
Ageing portfolio	2,169,963,606.87	109,222,172.91	5.03%
Including: 1-2 years	2,169,201,509.43	108,460,075.47	5.00%
2-3 years			20.00%
Over 3 years	762,097.44	762,097.44	100.00%
Total	2,186,864,094.00	109,222,172.91	

Provision for bad debts is made on the basis of a general model of expected credit losses:

Unit: RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	152,075,263.59	91,522.07	1,017,000.03	153,183,785.69
Opening balance in the current period				
Provision made in the current period	-43,615,188.12	-91,522.07	-254,902.59	-43,961,612.78
Closing balance	108,460,075.47	0.00	762,097.44	109,222,172.91

The basis for the classification of each stage and the percentage of provision for bad debts:

Accounts aged less than one year are classified as stage I, those aged 1-2 years are classified as stage II, and those aged more than 2 years are classified as stage III.

Changes in the carrying amount of the provision for losses that are significant in terms of the amount of change during the period.

□Applicable √Not Applicable

4) Provisions made, collected or reversed in the current period

Provision for bad debts in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Portfolio grouped by ages	153,183,785.69	-43,961,612.78				109,222,172.91
Total	153,183,785.69	-43,961,612.78				109,222,172.91

5) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Heilongjiang NHU Biotechnology Co., Ltd.	Call loans	1,129,437,562.47	Within 1 year (inclusive)	51.65%	56,471,878.12
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	Call loans	750,685,903.85	Within 1 year (inclusive)	34.33%	37,534,295.19
Xinchang NHU Vitamins Co.	Call loans	163,761,872.33	Within 1 year (inclusive)	7.49%	8,188,093.62
Shandong NHU Holdings Co., Ltd	Call loans	49,233,158.10	Within 1 year (inclusive)	2.25%	2,461,657.91
Zhejiang NHU Special Materials Co., Ltd.	Call loans	45,383,812.49	Within 1 year (inclusive)	2.08%	2,269,190.62
Total		2,138,502,309.24		97.80%	106,925,115.46

3. Long-term equity investments

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	10,722,058,350.12		10,722,058,350.12	10,176,078,842.12		10,176,078,842.12
Investments in associates and joint ventures	670,892,788.97		670,892,788.97	502,157,305.30		502,157,305.30
Total	11,392,951,139.09		11,392,951,139.09	10,678,236,147.42		10,678,236,147.42

(1) Investments in subsidiaries

Unit: RMB Yuan

Investees	Opening carrying amount	Opening balance of provision for impairment	Increase/Decrease				Closing carrying amount	Closing balance of provision for impairment
			Investments increased	Investments decreased	Provision for impairment	Others		
Xinchang NHU Vitamins Co., Ltd.	149,407,990.15						149,407,990.15	
Zhejiang NHU Import & Export Co., Ltd.	13,500,000.00						13,500,000.00	
Qionghai Boao Lidu Real Estate Co., Ltd.	54,020,492.00			54,020,492.00				
Zhejiang Vityesun Animal Nutrition and Health Co., Ltd.	5,000,000.00						5,000,000.00	
Shangyu NHU Bio-Chem Co., Ltd.	414,100,091.44						414,100,091.44	
NHU (Hong Kong) Trading Co., Ltd.	16,406,160.00						16,406,160.00	
Zhejiang NHU Pharmaceutical Co., Ltd.	480,000,000.00						480,000,000.00	
Zhejiang NHU Special Materials Co., Ltd.	554,844,108.53						554,844,108.53	
Shandong NHU Amino-acids Co., Ltd.	5,800,000,000.00						5,800,000,000.00	
Shandong NHU Holdings Co., Ltd.	200,000,000.00						200,000,000.00	
Heilongjiang NHU Biotechnology Co., Ltd.	1,300,000,000.00		600,000,000.00				1,900,000,000.00	
Shandong NHU Pharmaceutical Co., Ltd.	586,000,000.00						586,000,000.00	
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	590,000,000.00						590,000,000.00	
NHU Singapore PTE. LTD.	12,800,000.00						12,800,000.00	
Total	10,176,078,842.12		600,000,000.00	54,020,492.00			10,722,058,350.12	

(2) Investments in associates and joint ventures

Unit: RMB Yuan

Investees	Opening carrying amount	Opening balance of provision for impairment	Increase/Decrease								Closing carrying amount	Closing balance of provision for impairment	
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend / Profit declared for distribution	Provision for impairment	Others			
I. joint venture													
Ningbo Zhenhai Refining and Chemical Xinhecheng Biotechnology Co., Ltd	216,166,978.49		155,672,000.00		-15,649,565.41							356,189,413.08	
Subtotal	216,166,978.49		155,672,000.00		-15,649,565.41							356,189,413.08	
II. Associates													
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	281,395,724.54				28,351,365.91						-13,377.44	309,733,713.01	
Zhejiang Sanbo Polymer Co., Ltd													
Anhui Yingna Weixun Technology Co., Ltd	4,594,602.27				375,060.61							4,969,662.88	
Subtotal	285,990,326.81				28,726,426.52						-13,377.44	314,703,375.89	
Total	502,157,305.30		155,672,000.00		13,076,861.11						-13,377.44	670,892,788.97	

The recoverable amount is determined as the net of fair value less costs of disposal

Applicable Not applicable

Recoverable amount is determined as the present value of the expected future cash flows

Applicable Not applicable

4. Operating revenue/Operating cost

Unit: RMB Yuan

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	1,648,027,716.97	1,455,263,461.14	1,438,268,120.92	1,261,740,406.31
Other operations	30,583,786.52	23,411,419.87	29,381,770.87	24,923,360.59
Total	1,678,611,503.49	1,478,674,881.01	1,467,649,891.79	1,286,663,766.90
Including: Revenue from contracts with customers	1,676,857,697.21	1,478,180,865.14	1,465,736,240.87	1,286,663,766.90

Information on the breakdown of operating revenues and operating costs::

Unit: RMB Yuan

Categories of contracts	Revenue	Cost
By product		
Including:		
Nutrition	1,648,027,716.97	1,455,263,461.14
Others	28,829,980.24	22,917,404.00
Subtotal	1,676,857,697.21	1,478,180,865.14
By operating region		
Including:		
Domestic	1,099,410,499.47	936,602,333.77
Overseas	577,447,197.74	541,578,531.37
Subtotal	1,676,857,697.21	1,478,180,865.14
By revenue recognition time		
Including:		
Transferred at a point in time	1,676,857,697.21	1,478,180,865.14
Subtotal	1,676,857,697.21	1,478,180,865.14

Information related to transaction price allocated to the remaining performance obligations:

As of June 30, 2024, revenue corresponding to performance obligations for which the Company has entered into contracts but not yet performed or fulfilled amounted to 520.78 million yuan, of which, 520.78 million yuan is expected to be recognized as revenue in 2024.

5. Investment income

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method	1,501,500,000.00	1,390,000,000.00
Investment income from long-term equity investments under equity method	13,076,861.11	17,189,195.23
Investment income from disposal of long-term equity	28,770,508.00	

Items	Current period cumulative	Preceding period comparative
investments		
Interest income from call loans	42,903,111.48	50,158,644.31
Returns on Wealth Management Products and Structured Deposits		2,735,849.06
Total	1,586,250,480.59	1,460,083,688.60

XIX. Supplementary information

1. Schedule of non-recurring profit or loss

Applicable Not applicable

Unit: RMB Yuan

Items	Amount	Remarks
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	-1,128,442.54	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity or quota based on certain standards)	59,818,451.66	
Gains or losses on changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets and held-for-trading financial liabilities, excluding those arising from hedging business related to operating activities	-4,445,860.49	
Gains or losses on assets consigned to the third party for investment or management	808,128.72	
Other non-operating revenue or expenditures	-203,096.63	
Less: Enterprise income tax affected	7,854,767.77	
Non-controlling interest affected (after tax)	95,237.69	
Total	46,899,175.26	

Remarks on other profit or loss satisfying the definition of non-recurring profit or loss:

Applicable Not applicable

The Company has no other profit or loss satisfying the definition of non-recurring profit or loss.

Remarks on defining non-recurring profit or loss listed in the "Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss" as recurring profit or loss

Applicable Not applicable

2. ROE and EPS

Profit of the reporting period	Weighted average ROE (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	8.58%	0.71	0.71
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	8.40%	0.70	0.70

3. Differences in accounting data under Chinese accounting standards and overseas accounting standards

(1) Difference in net profit and net assets in financial statements disclosed respectively under IFRS Standards and Chinese accounting standards

Applicable Not Applicable

(2) Difference in net profit and net assets in financial statements disclosed respectively under overseas accounting standards and Chinese accounting standards

Applicable Not Applicable

(3) Explanation of the reasons for differences in accounting data under domestic and foreign accounting standards. If adjusting for differences in data already audited by overseas auditing institutions, the name of the overseas institution should be indicated

Applicable Not Applicable

4. Other

(1) Calculation process for weighted average return on net assets

Unit: RMB Yuan

Items	Serial number	Current period cumulative	
Net profit attributable to shareholders of listed company	A	2,204,361,642.96	
Non-recurring profit or loss	B	46,899,175.26	
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss	C=A-B	2,157,462,467.70	
Opening net assets attributable to the Company's ordinary shareholders	D	24,804,662,320.99	
Net assets attributable to ordinary shareholders of the Company arising from the issue of new shares or conversion of debt to equity, etc.	E		
Cumulative number of months from the month following the month in which the net assets were added to the end of the reporting period	F		
Decrease in net assets attributable to the Company's common shareholders as a result of repurchases or cash dividends, etc.	G	1,383,039,756.00	
Cumulative number of months from the month following the month in which net assets were reduced to the end of the reporting period	H	1	
other	Translation differences in foreign currency statements	I1	2,144,278.96
	Cumulative number of months from the month following the month of increase or decrease in net assets to the end of the reporting period	J1	3.00
	Special reserve	I2	30,166,768.34
	Cumulative number of months from the month following the month of increase or decrease in net assets to the end of the reporting period	J2	3.00
Number of months in the reporting period	K	6	
Weighted average net assets	$L = D + A/2 + E \times F/K - G \times H/K \pm I \times J/K$	25,692,492,040.12	
Weighted average ROE	$M = A/L$	8.58%	
Weighted average ROE after extraordinary gains and losses	$N = C/L$	8.40%	

(2) Calculation process of basic earnings per share and diluted earnings per share

1) Basic earnings per share calculation process

Unit: RMB Yuan

Items	Serial number	Current period cumulative
Net profit attributable to shareholders of listed company	A	2,204,361,642.96
Non-recurring profit or loss	B	46,899,175.26
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss	C=A-B	2,157,462,467.70
Total number of shares at the beginning of the period	D	3,090,907,356.00
Net profit attributable to shareholders of listed company	E	
Increase in the number of shares by issuing new shares or converting debt to equity, etc.	F	
Cumulative number of months from the month following the increase in shares to the end of the reporting period	G	
Reduction in the number of shares due to buybacks, etc.	H	
Cumulative number of months from the month following the reduction of shares to the end of the reporting period	I	
Number of drawdowns during the reporting period	J	
Number of months in the reporting period	K	6
Weighted average number of ordinary shares outstanding	$L=D+E+F \times G/K-H \times I/K-J$	3,090,907,356.00
Basic EPS	$M=A/L$	0.71
Basic EPS after extraordinary gains and losses	$N=C/L$	0.70

2) Calculation of diluted earnings per share

The process of calculating diluted earnings per share is the same as that for basic earnings per share.