Company Code: 600299 Company Abbreviation: Adisseo

Bluestar Adisseo Company

2025 Half-year Report

Important Notice

I. The Company's Board of Directors, Board of Supervisors, directors, supervisors, and senior management guarantee that, the content of the annual report is authentic, accurate and complete, and contains no false statement, misleading presentation or material omissions, and they assume individual and several & joint legal liabilities for the half-year report.

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

III. The half-year report has not been audited.

IV. Zhigang HAO, the Company's principal, Virginie CAYATTE, the person in charge of the accounting function, and Virginie CAYATTE, the person in charge of the accounting department (the personnel in charge of accounting) state that, they ensure the authenticity, accuracy and completeness of the financial statements in the half-year report.

V. The Board of Directors has reviewed the profit distribution plan and the plan to use the statutory reserve to perform a capital increase in the reporting period.

No.

VI. Statement on the risks of forward-looking information

√ Applicable ☐ Not applicable

The forward-looking information such as future and development strategy, etc. described in the report do not constitute in any manner whatsoever the Company's substantial commitment to investors. Investors should pay special attention to assessing investment risks.

VII. Has the capital held by the controlling shareholder and its related parties been used for purposes other than for transaction purposes?

No.

VIII. Has the guarantee been granted externally in violation of regulated decision-making procedures?

No.

IX. Whether more than half of the directors cannot guarantee the authenticity, accuracy and integrity of the report disclosed by the company

No.

X. Risk factors

√ Applicable ☐ Not applicable

During the reporting period, no material risks have been identified that will have a substantial impact on the operations of the Company. The Company has disclosed the relevant kinds of business and production risks as well as their corresponding solutions. For more information, please refer to Section 3 Management's Discussion and Analysis, part V.1 "Possible risks in the future".

XI. Other information

√ Applicable ☐ Not applicable

Chinese version of this report

This is an English translation of the Annual Report of Bluestar Adisseo Company. If there is any conflict between the Chinese version and its English translation, the Chinese version will prevail.

CONTENTS

Document for Reference	Financial statements signed and sealed by principal, person in charge of financial function, person in charge of the financial department,
	The original copies of all documents and announcements of the Company publicly disclosed in the newspapers designated by the CSRC during the reporting period.

Section 1 Interpretations

I. Interpretations

Unless otherwise specified, the following terms in the report shall have the meanings shown below:

Interpretations of the terms in common use		
a. General terms		
Company, the Company	Indicate	Bluestar Adisseo Company
BNCM	Indicates	Bluestar New Chemical Material Co., Ltd
Nutriad	Indicates	The Nutriad Holding B.V. company and its subsidiaries acquired by Adisseo in February 2018
Calysta	Indicates	A US-based technology firm that has developed a proprietary Single Cell Protein and its innovative associated manufacturing process
Calysseo	Indicates	Adisseo has formed a joint-venture company called Calysseo together with Calysta in March 2020
FRAmelco	Indicates	The Franklin Group BV and its subsidiaries acquired by Adisseo in December 2020
Nor-Feed	Indicates	A French leader in functional plant extracts for animal nutrition, acquired by Adisseo in Feb 2023
Nanjing Plant	Indicate	Bluestar Adisseo Nanjing Co., Ltd.
Group, the Group, or Adisseo	Indicate	Bluestar Adisseo Company and its subsidiaries
ChemChina	Indicates	China National Chemical Corporation
China Bluestar	Indicates	China National Bluestar (Group) Co., Ltd.
SinoChem	Indicates	Sinochem Group Co., Ltd.
SinoChem Holdings	Indicates	SinoChem Holdings Co., Ltd. is a new company established by the SASAC of the State Council on behalf of the State Council to perform the duties of investor for the purpose of joint reorganization between SinoChem Group and ChemChina. SinoChem Group and ChemChina will be included in the new company as a whole.
BANG	Indicates	Bluestar Adisseo Nutrition Group Ltd
Board of Directors	Indicates	The Board of Directors of Bluestar Adisseo Company
Board of Supervisors	Indicates	The Board of Supervisors of Bluestar Adisseo Company
Shareholders' General Meeting	Indicates	The Shareholders' General Meeting of Bluestar Adisseo Company
Articles of association (“AOA”)	Indicate	The Articles of Association of Bluestar Adisseo Company
CSRC	Indicates	China Securities Regulatory Commission
SSE	Indicates	Shanghai Stock Exchange
SASAC of the State Council	Indicates	State Assets Supervision and Administration Commission of China of the State Council
Yuan, 10 thousand Yuan, 100 million Yuan	Indicate	RMB Yuan, RMB ten thousand Yuan, RMB one hundred million Yuan
Reporting period	Indicates	1 Jan 2025 ~ 30 June 2025
Transaction and restructuring	Indicates	In 2015, the company purchased 85% of the common stock of Adisseo through major asset restructuring with related party by issuing shares and cash payment and disposed of all the original businesses of the listed company.
Company Law	Indicates	Company Law of the People's Republic of China
Securities Law	Indicates	Securities Law of the People's Republic of China
Listing Rules	Indicates	Listing Rules of the Shanghai Stock Exchange
b. Technical terms		

Interpretations of the terms in common use		
Feed additives for animal nutrition	Indicates	Feed additives are food supplements for farm animals that cannot get enough nutrients from regular feeds and have to be added to the feed for nutritional purpose which could promote the growth, development and wellbeing of animals.
Methionine / Methionine product	Indicate	One of the naturally occurring, sulfur-containing essential amino acid, which cannot be synthetized by animals and needs to be added to the feed. Methionine products refer to those that contain methionine itself or chemicals that can be bio-transformed to methionine in animals.
Liquid methionine (“HMTBA”)	Indicates	A methionine hydroxyl analogue, which can be naturally transformed to methionine in animals and is in a liquid state at ambient temperature.
Powder methionine	Indicates	Methionine in a powdery state at ambient temperature.
Ammonium sulfate	Indicates	A colorless crystalline salt, which is a by-product during the liquid methionine production process, and mainly is used as a fertilizer.
Sodium sulfate	Indicates	A white crystalline compound, which is a by-product during the powder methionine production process, and used especially in detergents as well as the production of paper, glass, fuel and pharmaceutical products.
Enzyme	Indicates	A protein molecule functions as a biological catalyst and effectively promotes certain biological reactions in animals, and also can be used to accelerate the reaction processes in chemical industrial production. Enzymes can be added to feed to ameliorate the feed utilization and nutrition, health and immune status of animals.
Ruminants	Indicate	Refers to animals whose stomach is usually divided into four compartments, namely rumen, reticulum, omasum, and abomasum, and chews a cud consisting of regurgitated, particularly digested food. Ruminants include cattle, sheep, goats, deer, giraffes, camels, etc.
Rumen	Indicates	The first stomach of a ruminant, which receives food or cud from the esophagus, particularly digests it with the aid of bacteria and passes it to the reticulum.
Performance products*	Indicate	The following products: methionine, methionine hydroxyl analogue, vitamins, ammonium sulfate, sodium sulfate and related sulfur business.
Specialty products	Indicate	The specialties used for poultry, swine, ruminant and aqua products, including feed digestibility, animal resilience, feed integrity & quality, product quality & value., Norfeed, Innovia (drying formulation services) and FeedKind® is also included.
MMP	Indicates	3-(Methylthio) propionaldehyde. This substance is the first intermediate in the synthesis of methionine. It is generated by the chemical reaction between methane thiol and propylene.
FeedKind®	Indicates	FeedKind® protein is a natural, traceable and safe non-animal source of high protein produced using the world’s only commercially validated gas fermentation process. It is a sustainable alternative to high protein feed ingredients such as fishmeal.
KT	Indicates	Kilo ton

**Note: The definition here is only for internal financial reporting purpose as we consolidate the result of main products together with its by-products, which is different from the definition used in animal nutrition industry (i.e. technically, ammonium sulfate should not belong to Performance products if considering from the point of view of animal nutrition industry).*

Section 2 Company Profile and Financial highlights

I. Company profile

The Company's Chinese name	蓝星安迪苏股份有限公司
The Company's Chinese abbreviation	安迪苏
The Company's English name	Bluestar Adisseo Company
The Company's English abbreviation	Adisseo
The Company's legal representative	Zhigang HAO

II. Contact Person and Contact Methods

	Secretary to the Board of Directors	Security Affair Representative
Name	Mrs. Cai Yun	Mr. Ma Teng
Contact address	9 West Beitucheng Road, Chaoyang District, Beijing	9 West Beitucheng Road, Chaoyang District, Beijing
Tel	010-61958802	010-61958980
Fax	010-61958805	010-61958805
E-mail	InvestorService@adisseo.com	InvestorService@adisseo.com

III. Brief Information

The Company's registered address	Room 3079, 3F, Shangdi Information Industry Base Zoom, 6 Chuang Ye Road, Haidian District, Beijing
Any changes in registered address in history	On 23rd July 2024, the Company has changed the registered address from Room 6518, Garden Hotel, 30 East Garden Road, Haidian District, Beijing to Room 3079, 3F, Shangdi Information Industry Base Zoom, 6 Chuang Ye Road, Haidian District, Beijing.
The Company's office address	9 West Beitucheng Road, Chaoyang District, Beijing
Zip code of the Company's office address	100029
The Company's website	www.adisseo.com
E-mail	InvestorService@adisseo.com

IV. Information Disclosure and Preparation Site

The name of newspapers selected by the Company for information disclosure	China Securities Journal (www.cs.com.cn) Securities Daily (www.zqrb.cn)
The website specified by CSRC for publishing the annual report	www.sse.com.cn
Preparation site of the Company's annual report	Board Office

V. Brief Information on the Company's Shares

Brief information on the Company's stock				
Type of security	Stock exchange on which the securities are listed	Share abbreviation	Share code	Share abbreviation before modification
Ordinary Shares	Shanghai Stock Exchange	Adisseo	600299	BNCM

VI. Other relevant information

☐ Applicable √ Not applicable

VII. Main financial data and financial ratios

Main financial data

Unit: Yuan Currency: RMB

Main accounting data	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Changes in comparison with the same period of last year (%)
Operating revenue	8,512,067,963	7,260,948,548	17.23%
Total profit	1,029,374,249	789,091,801	30.45%
Net profit attributable to the shareholders of the Company	740,183,329	607,599,304	21.82%
Net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses	742,418,475	704,686,306	5.35%
Net cash flow arising from operating activities	1,449,981,324	1,230,668,395	17.82%
	30 June 2025	**31 December 2024**	**Changes in comparison with the end of last period (%)**
Net assets attributable to the shareholders of the Company	16,835,877,094	15,542,390,570	8.32%
Total assets	24,167,073,021	22,257,398,577	8.58%

Main financial ratios

Main financial ratios	30 June 2025	30 June 2024	Change of the present period over the same period of last year (%)
Basic earnings per share (Yuan/ share)	0.28	0.23	21.82%
Diluted earnings per share (Yuan/ share)	0.28	0.23	21.82%
Basic earnings per share after deduction of non-recurring profit or loss (Yuan/ share)	0.28	0.26	5.35%
Weighted average return on net asset (%)	4.55	4.00	Increase by 0.55 ppt
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	4.56	4.64	Decrease by 0.08 ppt

Explanations of main financial data and financial ratios:

√ Applicable ☐ Not applicable

The strong yoy increase in total profit and net profit attributable to the shareholders of the Company for H1 2025 is mainly driven by:

- Strong volume growth of methionine and close monitoring of pricing
- Contributions from Vitamins

- Sustained growth in Specialties
- Continuous benefits from our cost competitiveness plan

VIII. Differences of Accounting Data under Domestic and Overseas Accounting Standards

☐ Applicable √ Not applicable

IX. Non-recurring Profit or Loss Items

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	**For the six months ended 30 June 2025**	**Description (if applicable)**
Net profit or loss on disposal of non-current assets	(1,912,381)	Scrapping of non-conform or defective equipment
Government grants recognized in profit or loss, other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard	24,543,690	Mainly grants related to assets for land use right and industrial structure adjustment in Nanjing plant and related to R&D policy
Profit or loss on changes in fair value	(20,010,120)	Change in the fair value of AVF fund
Other non-operating income or expenses other than the above	(5,601,384)	
Less: Impact of income tax	745,049	
Impact of non-controlling interest (after tax)		
Total	**(2,235,146)**	

X. Companies with equity incentives and employee stock ownership plans (ESOPs) may choose to disclose net profit after adjusting for the impact of share-based payment expenses

☐ Applicable √ Not applicable

XI. Others

☐ Applicable √ Not applicable

Section 3 Management's Discussion and Analysis

I. Main businesses, Operating Methods and Industry explanation of the company during the reporting period

The world's population now represents about 8 billion people, and it is expected to continue to rise to around 10 billion by 2050. The combination of natural resources scarcity, climate change and population growth increase the pressure for food and nutrition security and efficiency.

The feed-food chain faces a dual challenge: Producing larger quantities of high quality and affordable meat, milk, and eggs in response to an increasing global demand, through production systems that are environmentally sound, socially responsible and economically viable. Today it is acknowledged that animal nutrition plays an important role to improve end-product quality and safety, increase production efficiency, reduce its environmental impact, and keep animals healthy and feeling well.

Adisseo's mission is to feed the planet in a high-quality, affordable, safe and sustainable way.

Adisseo contributes effectively to develop and provide innovative products and services to the feed and food industry already for more than 85 years. Adisseo provides feed additives for animal nutrition and health including essential nutrients and specialty feed additives including but not limited to digestibility improvement, preserving precious resources and qualitatively formulated feed, stabilization of gut flora, improving animal health by strengthening the animals' intestinal tract and therefore increase their resistance to harmful micro-organisms. As such, Adisseo contributes to the prudent use of antibiotics, reducing the risk of antimicrobial resistance (AMR). Meanwhile, Adisseo's feed additives contribute to support sustainable production and environmental protection by the reduction of emissions (e.g. nitrogen, phosphorus, and methane), the increase of raw material usage efficiency and the balance of animal productivity and welfare.

Adisseo provides solutions to premixers, feed mills, farms, integrators and animal farmers in every food producing category: poultry, swine, ruminants and aqua. A global team serves about 4,200 customers in over 110 countries globally to partner in solving issues related to production efficiency, improve livestock performance, optimize animal nutrition and raw material usage, keep animals healthy and feeling well while reducing/minimizing its environmental impact.

Adisseo is present worldwide and operates on all continents with sales force organized in six regions: Europe/CIS, Middle East/Africa & Indian sub-continent, North America, South & Central America, Asia Pacific and China. A team of acknowledgeable sales and technical support brings expertise to offer professional consultation on additive application technologies and feed formulation and finished products analysis, strengthening its position as the go-to supplier through its distribution platforms for and its long-term and productive relationships with its customers.

Leveraging safety and sustainability DNA, the Company pursues the implementation of its "two-business-pillar" strategy, i.e. to become the leader in methionine while accelerating its profitable development in Specialty business with a worldwide ambition.

To do so, Adisseo brings a full range of products and services to the market that supports customers in every step of the feed and animal production for all animal species:

- Specialties:
  - Adisseo contributes effectively to the development ofmethionine industry. Adisseo is one of the few global methionine producers capable of producing methionine in both liquid and powder forms with production hubs both in China & Europe.
  - Adisseo is uniquely positioned in the vitamin business in the feed industry, who endeavors to provide a full range of vitamin offerings with high quality and complete traceability.
- Specialties:
  - Adisseo is a world leader in highly specialized, high value feed additives for all species including poultry, swine, ruminants and aqua.

- A complete portfolio of products, solutions and services are clustered into 4 main categories:
    - Feed Digestibility (enzymes, feed emulsifiers): Adisseo is a world-leading and the most recognized supplier of Non-Starch Polysaccharide (NSP) enzymes resulted from 25^{+} years development history in this sector and of highly performing Phytase enzymes.
    - Animal Resilience (products to support animal health and performance like gut health products, probiotics, selenium, organic acids, etc.): Adisseo is one of the world leading companies in this segment. The acquisition of FRAmelco and Norfeed has further reinforced Adisseo's position in the promising and fast-growing animal resilience (health) market segment.
    - Feed Integrity and Quality (Palatability, Mycotoxin Management) to support customers in raw material evaluation and enhancement, feed intake, and animal well-being and performance.
    - Product Quality and Value (Rumen-Protected Amino Acids and innovative Ruminant Solutions) contribute to sustainable meat and milk production by reducing nitrogen emissions and optimizing amino acid balance. Adisseo is the undisputed market leader in this category, based on 30 years of research, development and technical expertise, i.e., in rumen protected feed additives
- Services: Adisseo brings a comprehensive range of services to support customers in every step of the production process of raw material supply, feed formulation and production and animal feeding and performance and health, making it a key solutions provider and thus, a key partner for all players in the value chain.

Adisseo developed global research and innovation centers with around 300 people dedicated to research and innovation represent solid engines to support the "two-business-pillar" strategy.

Adisseo relies on its production sites based in Europe, USA, Southeast Asia and China to design, produce and market nutritional and health solutions. The manufacturing platforms enable Adisseo to manage most of its production internally, some vitamins are traded and Adisseo works with selected, strategic industrial partnerships to develop and produce some of its specialties. Adisseo is continuously its own global industrial footprint in both methionine and specialties to address the customer needs, increase its own added value where useful as well as to ensure global supply reliability.

To guarantee a sustainable growth model, Adisseo is keen to strike the right balance between economic and human development and the preservation of the planet's resources.

Thanks to innovative methods and constant awareness, all staff members are mobilized to reach "Zero Accidents": occupational safety, process safety, product safety, transportation safety and environmental safety.

Regarding occupational safety, we continued our excellent safety performance in Q2 2025. The H1 2025 TRIR landed at 0. We are monitoring tightly our process safety which is also best-in-class in this first semester. Regarding process safety, H1 2025 confirmed this good trend with a PSER 12 months rolling at 0.48.

Adisseo had committed since 2015 to reduce its scope 1 and 2 greenhouse gas intensity by 20% as well as its water and energy consumption per kilogram of product over a ten-year period. The reference for the GHG emission was revaluated in 2020 for being in accordance with new capacities and fixed the target at 20% reduction in GHG emissions scope 1&2 in 2025 compared to 2020 in intensity. In H1 2025, Adisseo attends 31% reduction of GHG emissions intensity (scope 1&2) compared to 2020 reference. Energy efficiency is an integral part of energy management across all Adisseo industrial plants. This is reflected in daily routines for monitoring energy performance through digital tools and in significant annual investments aimed at reducing energy consumption.

In line with China's 14th Five-Year Plan (2021–2025) energy reduction targets, the Nanjing production site has strengthened its energy-saving initiatives through process optimization, equipment upgrades, clean energy adoption, resource recycling, and continuous efficiency improvements.
Adisseo integrates sustainable water management across all operations, aiming to reduce freshwater withdrawals, increase recycling, and promote water reuse. H1 2025 intensity attends 28,2 m3/t mainly due to water use in Les Roches Plant where carried out several improvements during the April 2025 shutdown.
Sustainability is critical for AdisseoFor that, Adisseo defined clear guidelines based on four pillars:

- Reducing Adisseo's own Environmental Footprint
- Contribute to the reduction of the environmental footprint of industrial value chain,
- Ensure a responsible behavior towards employees, stakeholders and the society,
- Improve Adisseo Governance and Sustainable Development reporting.

Adisseo's commitment is long-term. Each year, Adisseo decides on new initiatives and new progress allowing to build and continue to advance on the path of sustainable development for the company and for the entire food production chain. In 2025, Adisseo updated its Energy use, water use, and GHG emission reduction (scope 1&2) trajectories for the next five years, remaining ambitious and compatible with next capacities development.
Explanation of significant non-core business additions by the company during the reporting period
☐Applicable √ Not applicable

II. Discussion and Analysis of the Operation

Adisseo's businesses focus on research, development, production and sale of feed additives for animal nutrition. Its main products are classified within 2 categories of products: Performance products and Specialty products.

Its performance, financial position and future are affected by the global macro economy. In recent years, the global macro environment has been experiencing uncertainties: the aftermath of the pandemic, the geopolitical tensions and conflicts, Trump tariff, and the global economic slowdown, exchange rate fluctuations, animal diseases etc. However, the worldwide consumption of meat especially poultry has continued to increase, and the market demand has progressively recovered.

Being a key player in the food value chain with sales & technical coverage of all geographies, Adisseo has shown its agility, responsiveness and resilience in facing the challenges.

Adisseo has taken steps to improve its competitiveness, including continuously improving operational excellence, optimizing production processes, enhancing its production reliability and yields, providing value-added services and enriching product portfolio as well as on-going competitiveness enhancement program launched since 2019.

2025 H1 Performance Summary

1. Business Review: Revenues & Net Profit Attributable to Shareholders

Unit: CNY (100mil)	**H1 2025**	**H1 2024**	**YoY variance**
Operating revenue	**85.1**	**72.6**	**+17%**
- **Performance Products**	64.7	53.9	+20%
- **Specialty Products**	20.4	18.7	+9%
Gross profit ***(in % of operating revenue)***	**24.2** ***28%***	**22.8** ***31%***	**+6%** ***-3ppt***

- **Performance Products**	15.9	15.1	+6%
- **Specialty Products**	8.3	7.7	+7%
EBITDA ***(EBITDA margin)***	**18.4** ***22%***	**16.2** ***22%***	**+14%** ***+0ppt***
Net profit attributable to shareholders ***(Net margin)***	**7.40** **9%**	**6.07** ***8%***	**+22%** ***+1ppt***
Recurring net profit attributable to shareholders **(Recurring net margin)**	**7.42** **9%**	**7.05** ***10%***	**+5%** ***-1ppt***

Safety is and will remain Adisseo's priority. In Q2 2025, Adisseo continued its excellent safety performance. The H1 2025 TRIR landed at 0.

Adisseo is monitoring tightly its process safety which is also best-in-class in H1 2025.

Adisseo was awarded as "Outstanding Listed Company" in Sustainability Excellence and received an A from Huazheng ESG rating rewarding its commitment to sustainability.

In H1 2025, Adisseo's sustainability performance is on track for GHG emission reduction and energy intensity consumption, while water consumption was challenged by the maintenance shutdowns. Special actions are to be implemented to control the water consumption intensity.

As an illustration, the Nanjing plant wastewater treatment project has delivered mechanical completion and is currently undergoing trial production.

In H1 2025, revenue recorded a yoy double-digit growth of +17% to reach CNY8.51 billion and gross profit continued yoy growth by +6% to CNY2.42 billion, driven by:
- Strong volume growth of methionine and agile price management
- Contributions from Vitamins
- Sustained growth in Specialties
- Continuous benefits from cost competitiveness plan

In H1 2025, methionine business has achieved continued growth in revenue (+9%) thanks to:
- Significant volume growth in liquid methionine (+16% in H1, +9% in Q2) thanks to its continued penetration

The profit margin has been impacted by decreasing prices in some regions, high raw material prices and impact of tariffs, which was partially offset by
- Agile allocation of volumes to higher margin regions
- High plant reliability with high yield in main plants

The new 150KT powder methionine plant in Quanzhou is progressing smoothly, CAPEX expenditure and schedule are on track. The supporting sulfuric acid project (DSA) has also started on-site construction.

Debottlenecking in EU Liquid Methionine plant is in progress, targeting full completion by end of 2025.

For Vitamins, sales and gross profit contributions from Vitamin A & E increased compared with last year thanks to volume growth, despite strong downward pressure on price especially in Q2, likely to worsen in the coming quarter.

In H1 2025, the specialty business continued its yoy revenue (+9%) and gross profit (+7%) growth, thanks to the solid dynamics contributed by the continued growth in Q2 in Ruminants (except for China) and Swine, and strong recovery in Aqua:
- Strong Ruminant sales in North America and European market (Smartamine +29%)

- Double digit growth in Palatability (+12%)
- Outstanding growth in Norfeed business (+18%)

This is offsetting the lower-than-expected contribution from animal resilience products and challenging China dairy market.

The project to internalize esterification process to produce the key ruminant product is ongoing with start-up expected in 2026.

In H1 2025, One-China Strategy progressed successfully and recorded strong revenue growth thanks to:
- Double-digit growth in liquid methionine thanks to continuous penetration and effective pricing management
- Double-digit growth in monogastric and aqua business
- Contribution from FeedKind® business: more sizable orders in Aqua market, continued trial sales in pet market with more companies starting their application in dry petfood
- Offsetting difficult dairy market
- Technical maintenance of Nanjing plant has smoothly completed in Q2 with excellent yield and reliability
- Phase I of Nanjing Specialties Blending facility successfully delivered, operation smoothly to supply China market with 8 new tailor-made products introduced

2025 Cost competitiveness plan has been pursued, especially European Plant Optimization, dedicated task force on transportation cost management and Digitalization application across main plants.

Continued robust EBITDA ratio (22%) in H1 2025 was contributed by continuous close monitoring and implementation of effective cost competitiveness program despite on-going investment in R&I, liquid dosing installations, business development in specialties to support future growth and innovation

H1 2025 net profit attributable to shareholders landed at CNY740 million, with an increase of +22% yoy thanks to strong business growth as well as increased interest income thanks to settlement of the anti-dumping duties. The net profit margin increased by +1ppt to 9%.

2. Cash-flow and Net Debt

Cash position as of 30 June 2025 landed at CNY1.46 billion, increased compared to 31 December 2024, driven by:
- Positive cash flow generated from operating activities, and the settlement of anti-dumping deposit
- Strict working capital management
- Offset by continuous CAPEX investment for future growth and payment of dividend

Significant changes in the Company's operations during the reporting period, as well as events that have a significant impact on the company's operations and are expected to have a significant impact in the future

☐Applicable √ Not applicable

III. Core competitiveness analysis in the reporting period

√ Applicable ☐ Not applicable

1. Global Industry Leader

Adisseo awareness is improving all over the world. Adisseo is seen as expert company in animal nutrition and health thanks to its highly qualified teams and R&I capabilities.

➢ Performance products

Performance products include mainly methionine and vitamins. Consolidating its leadership on methionine market is the first business-pillar of Adisseo.

Methionine

Methionine is Adisseo's main product category. The complicated production processes of chemical synthesis of methionine require significant expertise and large initial capital investment. The whole production process is regulated and supervised strictly from the perspective of environmental protection and production safety. Therefore, only a few producers in the world can produce methionine safely, sustainably and on a large scale. Adisseo is also one of the few global methionine producers capable of producing methionine in both powder and liquid forms.

Adisseo markets methionine under Rhodimet®. Adisseo is considered as the best at the "global picture and global supply" for methionine in liquid form by key customers. Adisseo is a key participant in each regional market of methionine across the world. Main competitors are Novus, Evonik, Sumitomo and NHU.

Adisseo has currently two platforms (Europe and China), allowing Adisseo to serve our customers in a most cost-effective and reliable way. In addition, Adisseo has started the feasibility study on the next liquid methionine production platform in USD-zone area for the purpose of meeting the ever-increasing customer demand and mitigate the rising geopolitical risks.

- European platform

It is the historical platform, which is structured around three main plants: Les Roches plants (France) is the upstream unit where the first intermediate in the synthesis of methionine, MMP, is produced before being supplied then converted to powder methionine in Roussillon (France) and to liquid methionine in Burgos plant (Spain).

To increase its liquid methionine production in Europe, there has been consecutive capacity expansion projects performed in recent years, which have successfully provided additional capacity of 80KT/year to the market since Q3 2021, allowing Adisseo to address the continuously growing market and to further improve competitiveness. In H1 2025, debottlenecking in EU Liquid Methionine plant is in progress, targeting full completion by end of 2025.

Furthermore, Adisseo finalized the development of Rhodimet® A-Dry+, a brand-new methionine product, based on the liquid methionine ("HMTBA") technology also offering a new product for the dairy market: RumenSmart. The new production unit constructed in European platform expansion project was built in Burgos (Spain) and is now producing with continuously increasing production volumes to meet the market demand. Designed to incorporate many aspects of sustainability, the Burgos plant optimizes energy consumption (by recycling waste steam), reduces CO2 emissions, and imposes the minimum possible level of environmental impact.

Following exceptional economic situation including lower demand of meat and milk, higher raw material prices and sky rocketing energy prices arising from Ukraine crisis in recent years, Adisseo decided to take immediate mitigation plan. Adisseo adapted and optimized its European operations to protect margins. To improve overall cost competitiveness of methionine business and focus all efforts on its second powder plant in Roussillon, Adisseo has shut down of Commentry powder methionine production unit.

- Chinese platform

Nanjing plant: In 2009, Adisseo established the Nanjing plant to firstly supply China market, the world's largest methionine consumption market. Adisseo is one of the first global companies to establish major production facilities to produce methionine in China. Adisseo is continuously improving its cost competitiveness thanks to its fully integrated manufacturing platform, continuous improvement in the manufacturing process thanks to the research and innovation efforts as well as continuously expanded capacity. The gradual increase of investment and production including debottlenecking enabled Adisseo to seize the opportunities afforded by China's rapidly growing methionine demand, swiftly respond to the changes in the market, and further enhance its competitiveness and market position. To meet the continuously growing demand of customers and to maximize the economic scale of the production platform, and further consolidate its leadership role, another new liquid methionine plant with a capacity of 180KT/a was constructed and started up in September 2022. It is located adjacent to the existing Adisseo plant in Nanjing. It embeds some specific changes to production processes to improve environmental protection and to further reduce already world-leading production costs. Nanjing Plant has now become one of the largest, most technically advanced, and most competitive liquid methionine production platforms in the world. This is a major step in Adisseo's strategy to build a complete global industrial layout. The company ambitions to make full use of it to best meet the growing market demand in the world and to provide most efficient and reliable products and services to its customers first in China and Asia and in the rest of the world. More than that, the new integrated platform is on its way to making further investment to optimize its energy consumption so as to improve its environmental impact.

Quanzhou plant – a new powder manufacturing unit in China. To cover the full demand of all methionine customers and to further consolidate overall leadership in methionine industry, not only in liquid form, but also in powder form, on August 4, 2023, the Board of Directors of Bluestar Adisseo Company decided to construct of a new powder methionine plant with a capacity of 150KT/a in Quanzhou where Adisseo can fully leverage integration synergies with SinoChem group with expected start-up in 2027. The new 150KT powder methionine plant in Quanzhou is progressing smoothly, CAPEX expenditure and schedule are on track. The supporting sulfuric acid project (DSA) has also started on-site construction.

Vitamins

Adisseo is also a major player in vitamins with full range of products, including A, B, D3, E and H. Adisseo markets the vitamin portfolio under Microvit® which is recognized as a reliable and qualitative range of vitamins by our customers. Adisseo selects suppliers and guarantees quality through the Microvit Certification System.

Adisseo holds around 20% of Vitamin A production capacity in feed industry. Adisseo buys raw materials from different sources to avoid supply issues, including large chemical companies to produce its Vitamin A.

Thanks to the volume growth of vitamin A & E despite strong downward pressure on price especially in Q2, optimized production as well as careful management of volumes throughout the period, the overall profitability level of Vitamin business is positively impacted, and the structural cost reduction program of vitamin A production units is well on track.

➢ **Specialty products**

Starting from 2024, the Specialties Strategic Business Unit entered a long-term transformation program with the objective to double its sales and significantly increase its footprint in the animal nutrition & health markets. Within this context, it completed a significant reorganization of its target operating model, aligning its structure around four main species—Poultry, Swine, Ruminant, and Aquaculture—and four key product categories – Animal Resilience, Feed Digestibility, Feed Integrity & Quality, and Product Quality & Value. This new operating model was implemented to better address customer needs and maximize the business development rather than focusing on a single specialized area.

Accelerating the development of Specialty products is the second business-pillar of the Adisseo Group. Adisseo has the ambition to strengthen its position as one of the worldwide leaders of specialty additives in animal nutrition and health thanks to the organic growth of its existing product range, the launch of new products and external acquisitions.

1) Animal Resilience

Animal Resilience focuses on strengthening animal health and performance in challenging conditions, ensuring sustainability and efficiency across all species. It includes:

- **Organic Selenium (Selisseo®)** – Enhancing reproductive performance, immunity, and product quality (meat, milk, eggs) while supporting sustainability. With growing adoption across all species, including poultry, swine, ruminants, and aquaculture, Selisseo® plays a vital role in improving resilience and production efficiency.

- **Probiotics and other health solutions** – Providing alternatives to antibiotic use through probiotics, short- and medium-chain fatty acids, and phytogenic solutions. The integration of Norfeed and FRAmelco expands Adisseo's portfolio in this space, offering innovative solutions to improve gut health, immunity, and overall well-being.

2) <u>Feed Digestibility</u>

Feed Digestibility solutions aim to maximize nutrient utilization, reducing feed costs and environmental impact while improving animal performance. Key products include:

- **Enzymes (Rovabio® range)** – Enhancing the digestibility of feed ingredients, improving efficiency in poultry, swine, and aquaculture. The Rovabio® portfolio includes NSP enzymes and the latest generation of phytase products, ensuring optimal nutrient release and reducing emissions.
- **Feed Emulsifiers** – Enhancing fat/nutrient digestibility and energy efficiency for all species. The portfolio includes lysolecithins like LeciMax and other solutions boosting overall feed efficiency and reducing feed costs. The Feed Digestibilty portfolio is supported by industry leading and innovative. Feed Formulation Support, Precise Nutrition Evaluation (PNE) and Addict software. Those services help customers optimize feed formulation based on real-time feedstuff analysis and formulation support, ensuring better cost management and performance outcomes.

3) <u>Feed Integrity & Quality</u>

Ensuring stability, safety, and nutritional consistency of feed is critical for maintaining animal health and productivity. The Feed Integrity and Quality category includes:

- **Palatability Solutions** – Enhancing feed intake, particularly in stress conditions, to support optimal growth and performance. Solutions are tailored for multiple species, including swine, ruminants, and equine.
- **Mycotoxin Management** – Addressing the growing challenge of mycotoxins in feed through analytical services and mitigation solutions. These products help safeguard animal health and maintain productivity by minimizing the impact of contaminated raw materials.

4) Product Quality & Value

This category focuses on improving the quality of animal production, with a particular emphasis on ruminants. Key offerings include:

- **Rumen-Protected Amino Acids** – Adisseo's Smartamine®M, MetaSmart®, and Smartamine®ML provide targeted solutions for improving meat and milk production, composition, and overall dairy and meat cow performance. These products contribute to sustainable milk production by reducing nitrogen emissions and optimizing amino acid balance.
- **Innovative Ruminant Solutions** – Recent additions like RumenSmart® (supporting milk fat production) and DynOmik™ (reducing methane emissions while enhancing milk yield) reinforce Adisseo's leadership in ruminant nutrition.

Norfeed

Adisseo, through the Norfeed acquisition, added plant-based additives to its portfolio. Norfeed develops and produces botanical extracts and phytogenic solutions designed to improve animal health, performance, and feed efficiency. Their products focus on alternatives to antibiotics, oxidative stress management, and gut health, often using ingredients like grape and citrus extracts, polyphenols, and saponins. Since mid 2025, Norfeed is fully operating within the SBU Specialties and several initiatives regarding the development of novel, combined solutions and other synergies are in deployment.

FeedKind®

Adisseo, through its joint venture Calysseo, is pioneering the development of **FeedKind®**, an innovative alternative protein for aquaculture. FeedKind® offers a sustainable, high-quality protein source that reduces reliance on traditional fishmeal, supporting the global drive for responsible aquaculture. The first commercial FeedKind® facility in Chongqing is on its innovation path. The plant is delivering steady operations since Q2 2024, allowing to deliver on spec products. The positioning of the products with its nutritional benefits on top of its high protein content is on-going both in China and in Southeast Asia.

By organizing around key product categories and species, Adisseo strengthens its commitment to delivering high-value solutions that enhance animal nutrition, health, and sustainability across the industry.

2. Global Production and Sales Network

Adisseo has set up local supply chain systems operating in an efficient and highly responsive way based on the distribution of its regional customers. Its main manufacturing network is spread over Europe, USA and Asia. In the main regional markets, Adisseo associates to this network some toll-manufacturers for specific products or operations. From those plants, it delivers its finished products directly or indirectly to its customers in the world. It either ships directly to its customers or regional warehouses.

On the Chinese market, for example, to ensure all products safely delivered to customers all over the country on time, Adisseo has established a multipurpose supply chain with a distribution center in Nanjing, combined with 7 distribution warehousing centers national-wide according to where and how much the customers are concentrated. At the same time, this organization allows to Adisseo to export worldwide their products from China.

Adisseo also has a dedicated warehouse in Shanghai for traded products that are sourced in China, grouped in this warehouse and shipped worldwide either to customers or to its regional warehouses.

The Adisseo sales team has regularly opened distribution subsidiaries or offices globally. Adisseo will gradually establish and refine the local sales organizations according to the development of the emerging economies. With the integration of Nutriad, the Group benefits from sales offices in Italy, Spain, Poland, and Greece. In addition, to further develop the sales network globally, Adisseo has set up sales subsidiaries in India, Malaysia, Dubai and Turkey in past years to better provide our products and services to local market by our own team and is now reinforcing our position in South-east Asian market by establishing new entities in Indonesia and Vietnam. In addition to Adisseo's own sales force, Adisseo has set up close long-term relationships with sales agents and distributors around the world to better serve the local market and customers.

In 2018, Adisseo finalized the development of its e-commerce site through the e-platform of SinoChem Group. The main benefits of this platform are to digitalize the ordering process and allowing them to follow their complete ordering process, payment process as well as goods receipt process online. Especially in recent years, the digital platform played an important role for Adisseo China to effectively respond to the market and customer demand. Adisseo has strengthened customer relationship through the e-commerce platform by providing customers with more accurate, timely, high-quality and innovative services and will continue to improve the e-commerce platform and strive to maintain the leading position in the industry.

Since 2018, Adisseo has decided to deploy a Global Key Account strategy to better manage their Global Key Customers (with operations in different regions). Key account managers have been nominated for each account.

3. Specialized and Comprehensive Feed Solutions

Because of Adisseo's brand awareness, consistent product quality, competitive prices and rich product portfolio, most of its main customers purchase more than one kind of product. Adisseo has a long and distinguished history in animal nutrition, an outstanding market position, technological innovation and powerful R&D capabilities that allows to develop scientific programs related to customer pain point.

Solutions are covering a large range of issues faced by farmers, feed millers and integrators including prevention of nutritional loss in grains and feed during storage; reduction of antibiotic usage; improvement of animal welfare; reduction of feed cost; improvement of cows' longevity etc.

In addition, dedicated customer programs and training sessions are organized to explore a total approach for e.g. mycotoxin contamination, gut health issues and preventive measurements for antibiotic reduction and AGP (antibiotic growth promotor) ban in husbandry. New service platforms, such as Nestor and customized PNE Chinese platform were launched to market, providing nutritional recommendations and nutritional values to customers, a step further in formulation accuracy for more sustainable production.

In the context of global surge of raw material cost for feed production, solutions have been developed and introduced to customers to enhance product efficiency and control production costs such as low-protein application, A special on-line "protect your margin" program has been launched in 2023 as raw material cost for feed production remains high.

To further improve customer preference and differentiate from competition, Innov'l@b is continuously scouting disruptive technologies, products, and services to improve efficiency, sustainability, and animal wellbeing at customer level.

4. Unparalleled Market Explorer and Pioneer

Adisseo has continuously expanded its business to successfully seize the opportunities presented by the growth in demand for protein and animal feed additives in emerging economies. With population growth, growth in income per capita and changes in diet in emerging economies, a greater demand for animal proteins exists. Adisseo's products enhance the metabolism and health of the animals and increase the efficiency in animal husbandry. The growth in population and per capita income and the need for higher efficiency in using land and water resources have created bright prospects for Adisseo's core products.

To fulfill its mission which consists in feeding the planet in a high-quality, affordable, safe and sustainable way, Adisseo strives to keep a leading position on methionine market (first business-pillar of Adisseo's strategy) and to bring new solutions by accelerating the development of Specialty products (second business-pillar).

Methionine

Adisseo is actively preparing future development by combining extensions and debottlenecking of existing production facilities, while, at the same time, improving their reliability, performance and environmental compliance:

- Adisseo secures sourcing for strategic raw materials. In 2016, Adisseo integrates sulfur melting activity of Sobegi in European platform.
- Adisseo increases its production capacities in both Europe and China. The project of the new powder methionine plant in Quanzhou as well as other debottlenecking projects when needed are key steps to implement the "two-business-pillar" strategy and important action to consolidate leadership role in methionine industry.
- In addition, Adisseo is investigating the feasibility of the next liquid methionine production platform in USD-zone area for the purpose to meet the ever-increasing customer demand and mitigate the rising geopolitical risks.

In addition to capacity expansion, Adisseo conducts each year new projects to reduce the environmental impact of its activities. Over the past three years, more than 10 energy reduction projects have been implemented, leading to a total reduction of approximately 288 TJ/year. Heat recovery projects have been carried out across all plants, resulting in decreased imported steam, reduced natural gas consumption for steam boilers, and increased internal electricity production, particularly at the Les Roches and Nanjing plants. In 2024, at the Nanjing plant, a new energy recovery system downstream of the Oxidation Furnace has been installed. It enhances the flue gas heat exchanger and feedwater preheater, recovering heat from the flue gases. This system can produce 24 KT (15,6GWh) of low-pressure steam (0.3 MPa, 150°C) per year. Turbine designed to recover steam and generate electricity were commissioned in 2024, at Nanjing plant. This initiative has significantly decreased electricity purchases by 101 GWh per year. Minimizing steam losses by capturing steam previously unused or unsold from production processes. Nanjing plant wastewater treatment project, which started its construction in Q2 2024, has delivered mechanical completion and currently is undergoing trial production. The goal is to replace a thermal oxidizer by an innovative wastewater treatment for a liquid effluent. It is expected to save 45,000 tons/year of CO_2 emissions.

Specialties

Adisseo reinforces its core businesses and diversifies its portfolio in high growth segments by developing strategic partnerships, innovative products and external acquisition. Main industry drivers include high feed cost, antibiotics replacement, yield improvement, quest for sustainability, animal welfare, etc. with target to build a complete, tailor-made solution offering using the following key criteria to select the best development opportunities:

- fit into its species-oriented market strategy (poultry, swine, ruminants, aqua)
- technology (added value, 'solutions' to client's needs, growth & profitability)
- access to market
- services to be provided (digitalization)

5. Strong Research and Innovation Capabilities

Adisseo R&I is strengthening its portfolio of projects and activities around its 5 Strategic Thrusts. Projects launched in 2023 have progressed well during 2024 with a clear acceleration of the Time-To-Market (TTM) both for new processes and new products. This acceleration of the TTM is possible thanks to tools developed to improve efficiency, the new techniques developed to optimize animal testing (and in vitro screening techniques), the introduction of new techniques to accelerate production scale up, and finally the launch of projects in co-development with selected customers.

Adisseo is committed to have a long-term implication in research and is fully involved to find sustainable and meaningful innovations in animal nutrition field. Adisseo Research Grant (ARG), the collaborative projects addressing key feed industry challenges, are progressing well. Among the 5 Adisseo Research Grant projects (selected in 2021 and 2022), the first ones are coming to an end in the course of 2025. As planned, a new ARG was launched in 2024 with tremendous success (more than 70 dossiers were presented). These research grants aim to encourage international labs to collaborate on some of the main challenges of the feed industry. Those challenges include sustainability, antibiotic bans, new feedstuffs, early feeding, and hot conditions.

In parallel, being the only subsidiary in SinoChem focused on animal nutrition industry, Adisseo R&I has been positioned by SinoChem as "SinoChem Animal Nutrition Research Center" in early 2023.

As such, Adisseo and the Sinochem Animal Nutrition Research Center, reinforces the cooperation with several international laboratories, universities, and research institutions, strengthens its bonds with the scientific community, encourages the passion for innovation, and attracts technical talents by sponsoring R&I projects on the different topics/challenges. After partnerships officially started with the Sichuan University in Chengdu on swine nutritional research, with the University of Arkansas in Fayetteville (US) on poultry nutritional research, with the Nanyang Technical University in Singapore on aquaculture nutritional research, with the University of Wisconsin on ruminant research, and one with INRAe in France on specific critical global nutritional topics, 2 new long-term partnerships have been formalized in China recently with Beijing University Chemical Technology Institute, Tianjin university to develop disruptive technologies and product development in bioengineering and new crystallization technology and the National Key Laboratory of Animal Nutrition of the CAU(Chinese Academy of Agriculture) in Beijing. By the end of 2024, a new partnership was signed with Professor Zheng from ZJUT. This partnership, on biotechnology globally will have a first focus on bio-based methionine.

Adisseo R&I is pursuing the development of new data management techniques to run its experimental farms. Doing so, we have managed to run more trials in 2024 using less animals and keeping (even improving) the quality of the outputs (data).

Along with the nutritional competencies, Adisseo remains an industry pioneer through its own prominent Research and Innovation capabilities since the release of powder methionine in 1945. Adisseo is one of the first companies in the world to synthesize methionine and vertically integrate its upstream and downstream production processes, one of the first companies to develop rumen-protected methionine for the ruminant market and is one of the first companies to develop the coated Vitamin A product. Adisseo was the first company to launch a high concentrated Vitamin A (1 million unit/g), which became the new market standard.

From 2014 onwards, Adisseo launches one new product/service per year As an illustration, in recent years, following products have been launched: 1) Rovabio Advance Phy early 2022; 2) Nestor, a new Adisseo service launched to market in Q3 2022, providing nutritional recommendations and nutritional values to customers, a step further in formulation accuracy for more sustainable production; 3) Dynomik in the US in 2023, the first solution improving milk production and reducing methane emissions from cows at the same time; 4) Rovabio Phyplus, the latest generation of phytase enzyme, contributing to overall nutrient efficiency and sustainability and improves the overall digestibility of feed.

6. Scientific and Competitive Cost Operational Structure

Adisseo has vertically integrated its upstream and downstream production processes in methionine production. Its methionine production extends to the production of propylene, sulfur and other such basic materials, ensuring a stable and reliable supply for the hazardous intermediates in methionine production. These intermediates mainly include MeS, MMP, hydrogen sulfide, hydrogen cyanide, and others. These materials have limited suppliers in the public market and production is not integrated. Through the production of these intermediates, Adisseo can monitor the product quality at each production step, and appropriately lower the production costs and become even more competitive at the same time.

7. Experienced Management Team with Rich Industry Experience

The Adisseo management team has over decades of industry and management experience in animal feed additives and international company management on average. This management team is international and global, which allows Adisseo to understand the local markets and culture, and lead at the same time a global and efficient company. The Management team gets experience in different industries before being united at Adisseo, such as Chemical, biotechnologies, bank and insurance, automotive, food. This allows the company to benefit from the industrial best practices in every domain.

Additionally, at Adisseo, the commitment of its people is a key performance indicator alongside safety and financial results. Adisseo has built employee development and incentive programs, which provides an internal drive for sustainable growth. Adisseo management team is leading the talk and visit regularly sites worldwide to spread the best safety practices and mindset.

Adisseo is investing in commercial, innovation, scientific and managerial expertise through the creation of a Sales and Marketing academy, a Research and Innovation academy, a project academy, an internal school for production efficiency and an internal Adisseo Management Program. Transversal academy for all is also deployed and upgraded yearly, such as sustainable development, safety, human resources, compliance, ethics.

Adisseo is also investing in technical and scientific expertise through an individual development program dedicated to high potential technological and scientific profiles. The more impactful and knowledgeable experts are selected every year for a strategic list of expertise, and through an associated specific recognition program. These scientific and technological experts are granted with dedicated time to continuously develop this expertize, and formalize and transfer it to secure Adisseo knowledge.

IV. Operation of main business of the reporting period

I). Analysis of main business

1. Analysis of main changes in items of profit & loss statement and cash flow statement

Unit: Yuan Currency: RMB

Items	Amount of current period	Amount in the same period of last year	Change (%)
Operating revenue	8,512,067,963	7,260,948,548	17.23%
Cost of sales	6,094,122,234	4,984,047,631	22.27%
Selling and distribution expenses	692,362,594	638,155,566	8.49%
General and administrative expenses	437,874,371	455,409,188	-3.85%
Research and development expenditure	171,581,101	207,848,131	-17.45%
Financial expenses	64,382,659	23,399,999	175.14%
Net cash flow from operating activities	1,449,981,324	1,230,668,395	17.82%
Net cash flow from investing activities	(1,221,486,782)	(697,780,178)	N/A
Net cash flow from financing activities	(98,203,126)	(488,859,398)	N/A

The increase in financial expenses is mainly due to foreign exchange rates fluctuations.

The increase in net cash outflows related to investing activities was due to the accelerated progress of construction-in-progress projects.

The decrease in net cash outflows related to financing activities was due to an increase in borrowings during the period.

2. Details on significant changes of profits structure and sources

☐ Applicable √ Not applicable

II). Significant change in the Company’s profit composition or profit sources in the reporting period arises from the ancillary businesses

☐ Applicable √ Not applicable

III). Analysis of assets and liabilities

1. Information of assets and liabilities

Unit: Yuan

Balance Sheet Items	30 Jun 2025	Percentage to total assets (%)	31 December 2024	Percentage to total assets (%)	Total Fluctuation	Explanations on fluctuation
Derivative financial assets	55,324,258	0.23%	398,012	0.00%	13800.15%	Mainly due to favorable change in foreign exchange rates
Notes receivable	6,679,000	0.03%	-	0.00%	N/A	Bank acceptance bills received from customers

Other receivables	114,551,574	0.47%	90,753,937	0.41%	26.22%	Mainly due to increase in shareholder loan to joint-venture
Long-term receivables	326,998,373	1.35%	667,525,068	3.00%	-51.01%	Mainly due to antidumping deposit recovered during the period
Long-term equity investments	82,690,662	0.34%	107,566,015	0.48%	-23.13%	Losses from joint venture
Construction in progress	2,370,166,643	9.81%	1,563,743,713	7.03%	51.57%	Increase in progress with construction projects
Development costs	246,636,244	1.02%	177,399,849	0.80%	39.03%	Increase in R&D projects that met the capitalization criteria
Other non-current assets	221,577,492	0.92%	31,222,963	0.14%	609.66%	Increase in advances to CAPEX suppliers due to construction of projects
Derivative financial liabilities	49,431	0.00%	14,207,182	0.06%	-99.65%	Mainly due to favorable change in foreign exchange rates
Notes payable	42,700,000	0.18%	-	0.00%	N/A	Bank acceptance bills issued to suppliers
Contract liabilities	62,363,561	0.26%	111,653,732	0.50%	-44.15%	Change in payment practice of customers
Taxes payable	282,209,510	1.17%	211,745,513	0.95%	33.28%	Increase in VAT
Current portion of non-current liabilities	577,471,015	2.39%	402,489,664	1.81%	43.47%	Increase in bank loans and lease liabilities
Long-term borrowings	1,502,771,726	6.22%	925,558,489	4.16%	62.36%	Increase in bank loans due to CAPEX need

2. Summary of overseas assets

√ Applicable ☐ Not applicable

(1) Assets amount
Overseas assets amount was CNY 12,906,039,882, accounting for 53% of the Group's total Assets

(2) Other description
As a global manufacturer of animal nutrition additives, Adisseo's sales and distribution network, production capacity, research and innovation strength are distributed all over the world. Our reliable and efficient production network is mainly composed of two production platforms located in Europe and China.

3. Restricted assets at the end of reporting period

√ Applicable ☐ Not applicable

For detailed information, please refer to Section 8: Financial Report, Part 7: Notes to the Consolidated Financial Statements, Note 20: Assets Restricted as to Ownership or Use.

4. Other information

☐ Applicable √ Not applicable

IV). Summary of Analysis of overall investments

√ Applicable ☐ Not applicable

In March 2020, Adisseo participated in the D-1 series financing of Calysta, a US biotechnology innovation company focused on the development and manufacturing of new alternative protein products. Meanwhile, Adisseo and Calysta established Calysseo Ltd. in Hong Kong, each holding 50% equity, to commercialize FeedKind®, the innovative feed solution for aquaculture. Calysseo (Chongqing) Company Limited., the wholly owned subsidiary of Calysseo Ltd, was established in September 2020 and became the first world's single cell protein factory with an annual designed output of 20,000 tons. Being the first demonstration unit to apply the disruptive fermentation technology in the world, due to the complexity process and longer-than-expected trial operation and commercialization speed, the project incurred losses and will require further technical modification. Hence, both shareholders are providing additional financial support to the project.

Calysta is a technology company with main operating income based on licensing fee, Due to the complexity of biotechnology and issues faced in the scaling up of the technology to industrialization, the commissioning period of Calysseo Chongqing plant is longer than expected. In order to ensure the continued operation of Calysta till the series E financing, Calysta issued a bridge financing in the form of CLN (Convertible Loan Note) with a pay-to-play clause. As Adisseo did not participate in the last CLN financing, Adisseo shares get diluted, the financial impact is estimated based on the expected estimation of pre-money value of the next financing taking into consideration of recent evolution of Calysta and has been reflected in the financial statements accordingly.

a. Significant equity investment acquired in the reporting period

☐ Applicable √ Not applicable

b. Significant non-equity investment made in the reporting period

√ Applicable ☐ Not applicable

Mostly projects are under construction. Refer to Section 8, Part VII, Notes to the Consolidated Financial Statements, Note 13 – Construction in progress for details.

c. Financial Assets measured at fair value

√ Applicable ☐ Not applicable

Asset Type	Opening balance	Fair value changes through P&L	Fair value changes through OCI	Impairment provision	New investments	Disposals	Other changes	Closing balance
Derivative financial assets	398,012	55,981,068	(4,514,094)				3,459,272	55,324,258
Other non-current financial assets	111,350,835	(20,010,120)					11,647,502	102,988,217
Investments in other equity instruments	178,114,503				468,000		18,549,827	197,132,330
Total	**289,863,350**	**35,970,948**	**(4,514,094)**		**468,000**		**33,656,601**	**355,444,805**

Investment in securities
☐ Applicable √ Not applicable

Explanations for investment in securities
☐ Applicable √ Not applicable

Investment in private equity
√ Applicable ☐Not applicable
Being a cornerstone investor, the holding subsidiary of our company, Drakkar Group S.A. (hereinafter referred to as "Drakkar"), jointly initiated the establishment of the "AVF Professional Private Equity Investment Fund" with Seventure Partners on March 20, 2018. Drakkar is a limited partner and Seventure Partners is the manager of this fund. This fund is an innovative venture capital fund, mainly investing in areas such as animal health, feed and animal nutrition, and digital agricultural technology. As of December 31, 2024, AVF has invested in several innovative technology companies, including companies in the field of alternative proteins, the development of next-generation biologics, targeted solutions for eliminating diseases causing intestinal problems in animals, etc., application of phages to address health challenges faced by animals, etc.

Investment in derivatives
√ Applicable ☐ Not applicable
(i) Derivative investments for hedging purposes during the reporting period.
√ Applicable ☐ Not applicable
Adisseo holds derivative financial instruments to manage the effect of changes in currency exchange rates. Derivatives are not used for speculative purposes. For most of those transactions, the Group applies cash flow hedge accounting and documents, at the inception of the hedge, the type of hedging relationship, the hedging instruments, the nature and the term of the hedged item.
For further detail, please refer to Section 8 Part XII Note 2 “Hedging”.

(ii) Derivative investments for hedging purposes during the reporting period.
☐ Applicable √ Not applicable
Other description
☐ Applicable √ Not applicable

V). Sales of Major Assets and Equity

☐ Applicable √ Not applicable

VI). Analysis of companies controlled or invested by the Company

√ Applicable ☐ Not applicable

Information on major subsidiaries/associates or major subsidiaries/associates that had an impact of over 10% on the Company’s consolidated net profit. The following figures are based on financial information before elimination of the entities. If not specified,

Unit: in RMB.

Company Name	Company type	Business	Registered/Subscribed Capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Adisseo France S.A.S	Subsidiary	R&D, production and distribution	EUR 83,417,000	8,269,612,915	4,057,272,005	5,832,274,402	157,031,520	213,796,961
Bluestar Adisseo Nanjing Co., Ltd	Subsidiary	R&D, production and distribution	RMB 3,037,640,586	6,620,058,281	5,364,196,996	2,073,342,796	605,279,712	471,294,546
Adisseo Life Science (Shanghai) Co., Ltd	Subsidiary	Distribution & Sourcing	USD 700,000	1,225,087,078	92,333,492	2,019,176,063	114,079,059	83,232,406

Acquisition and disposal of subsidiaries during the reporting period

☐ Applicable √ Not applicable

Other description

☐ Applicable √ Not applicable

VII). Structured entities controlled by the Company

☐ Applicable √ Not applicable

V. Other Disclosure Matter

1. Possible risks in the future

√ Applicable ☐ Not applicable

Adisseo's insurance coverage policy is in line with risk management.

The material and specific risks to which the Group is exposed, based on its own assessment are divided into seven categories of risks:

- Political and regulatory risks;
- Risks deriving from climate and environmental issues;
- Economic and competitive risks;
- Financial risks;
- Industrial risks;
- Other operational risks;
- Social and societal risks.

(1) Political and regulatory risks

Adisseo is sensitive to the structural and economic risk factors that affect nutritional feed additives. These risks are all analyzed as part of strategic planning processes that allow Adisseo to anticipate certain changes in the external environment and prepare for them. The Group's research and innovation policy also helps to deal with strategic developments.

a. Risks related to cross-border operations, oversight and business expansion

As a global producer of nutritional feed additives, Adisseo is implementing and is operating businesses all over the world. Cross-border operations are exposed to the risks related to changes in the market, economy, geopolitics, demographics, public consensus, exchange rates, trade barriers, customs and export control, regulatory, tax regimes, restrictions on foreign investment in some regions. For example, of Adisseo's 56 subsidiaries, 49 are located outside China Mainland, over 80% of its sales and a significant part of its production are outside China.

Although Adisseo has extensive experience in operating a global business, changes in policies and laws and regulations of the countries in which its assets and business are located may affect the operation of its business in such countries. Investors should be aware of the risks associated with Adisseo's cross-border operations worldwide considering that Adisseo is also developing its network of subsidiaries and participations all over the world. In this respect, the Ukraine crisis enhanced the level of uncertainties notably considering the evolution of sanctions regulations and weigh on the availability of certain raw materials and energy such as natural gas. The Houthi attacks on shipping vessels in the Red Sea is impacting the global containers shipping activities as rerouted vessels lead to higher shipping costs and scheduling disruptions.

Furthermore, the effects of the Israel-Hamas War are still evolving, the larger Middle Eastern region could potentially be directly impacted as the war unfolds. In this context, the likelihood of supply interruptions and impacts on Adisseo' s sales, cost of procuring raw materials, or distribution costs may increase in future periods.

b. Risks related to compliance, law and regulatory framework

Compliance means lawful business conduct. The principal compliance rules are set out in the Adisseo's Code of Ethics, which explicitly prohibits e.g., all forms of corruption, including "facilitation payments," and violation of antitrust regulations or international sanctions regulations. Risks could result from failure to comply with the corresponding regulations. To minimize such risks, regular training and sensitization of Adisseo Group employees is undertaken through training sessions and/or e-learning programs. In its operating business, the Adisseo Group is exposed to liability risks, especially in connection with product liability, patent law, tax law, competition law, export control and trade law, social law and environmental law (detail please see below). Any major change of the laws or regulations applicable to Adisseo' s activities or changes in public law could also give rise to legal risks or impact Adisseo' s business, growth or profitability.

In terms of ethical risks, the main risks to which Adisseo could be exposed are risk of corruption, non-compliance with laws and regulations, fraud, or harassment. Any breach of the ethical principles of Adisseo in its own operations or through its supply chain could constitute a legal, judicial and reputational risk. In order to prevent the occurrence of such risks, ethical compliance policies and procedure are rolled out throughout Adisseo and apply to all the Group entities.

(2) Risks deriving from climate and environmental issues

In the longer term, climate change could have a greater impact on Adisseo's activities, for example through changes in regional or seasonal energy demand, changes to the network's production, the obligation to reduce CO^2 equivalent emissions, heightened regulations and carbon neutrality targets.

Adisseo Group's roadmap is defined to achieve environmental targets aiming at reducing the impact of Adisseo's activities on the environment and to contribute to the fight against climate change notably by reducing its carbon footprint.

a. Risks related to environmental protection policies

As a feed additives producer, Adisseo is subject to strict regulations and monitoring by governmental authorities with respect to discharge of sewage water, exhaust gas and solid wastes. As the global environmental impact awareness become more pregnant, if countries in which Adisseo operates facilities strengthen the current environmental laws and regulations or alter the current pollutant discharge standards, Adisseo may need to incur additional costs and expenses to adapt its facilities to newly applicable environmental protection regulations. Although Adisseo continuously invests on sustainable development, Adisseo' s effort to minimize its products or activities potential environmental impacts may not provide the expected outcome which is likely to impact its business growth.

In addition, any confirmed breach of any environmental regulations may prompt governmental authorities to temporarily suspend or to cancel permits to operate the manufacturing plants which could also impact Adisseo's business.

Health and safety is also at the heart of Adisseo concerns. All manufacturing sites are FAMI-QS certified. The risk methodology retained is HACCP (Hazard Analysis Critical Control Point).

(3) Economic and competitive risks

a. Risks related to the cyclical fluctuation of the global macro economy.

As an international company, Adisseo provides products and services to around 4,200 customers in over 110 countries and regions. Its performance, financial position and future will continue to be affected by the global macro economy. The debt crisis, tariffs, trade imbalances, international sanctions, exchange rate fluctuation and other issues also increase the uncertainty of such recovery. The fluctuation of the global economy will increase fluctuation in Adisseo business.

b. Risks related to imbalance of supply and demand

The methionine market, in which Adisseo carries out its main activity, is affected by global methionine production capacities, the imbalance between supply and demand, the availability and pricing of raw materials and various factors such as the global macro economy.

c. Risks related to market competition

Adisseo faces competition from large and well-known companies with strong financial positions as well as competition from other companies in regional or local markets as well as newcomers. Adisseo has taken steps to improve its competitiveness, including tightening cost control, improving production technologies, providing value-added services, introducing brand-new products and adapting capacities in the Chinese and European plants to meet its customers requirements.

d. Risks related to raw materials and energy

Adisseo operates its activities in an uncertain, and challenging environment, characterized by volatile prices of raw materials, energy and logistics costs. Raw materials used by Adisseo mainly include propylene, sulphur, methanol, ammonia and natural gas. Adisseo has a limited number of suppliers for such materials as they are not easily transportable. If the suppliers fail to supply such raw materials, if the prices of such raw materials fluctuate significantly, or if Adisseo fails to acquire sufficient raw materials at a reasonable price, the Company's business, financial position, and results from operations may be materially and adversely affected. Restrictions to cross-borders shipments, the ongoing Ukraine crisis including international sanctions regulations relating thereto, as well as natural disasters damaging supplier's physical assets, could increase the risk of interruption in the sourcing of raw materials and energy.

e. Risks related to product research and development, technology upgrade and alternative methionine production technologies

In order to maintain competitiveness, Adisseo continuously invest in research and innovation, launch innovative products to meet its customers' needs and develop new production technologies that are more efficient and competitive. However, R&D projects and collaborations aiming at improving production process and technologies may be suspended because of factors such as changes in market conditions, changes in technology, and changes in government policies. If Adisseo fails to continuously launch new products or improve its production process, or if Adisseo's competitors successfully launch competitive products or improve their production process better and faster than Adisseo, its market position may be impacted, which may materially and adversely affect the business, financial positions, and results of Adisseo.

(4) Financial risks

The Group is exposed to foreign exchange risk, defined as the impact on the Group's financial position and income statement of exchange rate fluctuations, in the performance of its operational and financial activities. Due to its worldwide operational activities and high number of counterparties, Adisseo is also exposed to the risk of default by its counterparties (customers, suppliers, partners, intermediaries, and banks) or risks related to changes in tax or customs regulations.

a. Risks related to exchange rate

The reporting currency of the Company's consolidated financial statements is the Chinese Renminbi, or RMB. The majority of Adisseo's production, operations and sales are performed outside of China, and day-to-day transactions are mainly carried out in EUR and USD. Exchange rate risks mainly include risks associated with translating foreign currencies for the purpose of conducting day-to-day transactions and risks associated with translating foreign currencies into RMB when preparing Adisseo’s financial statements. Fluctuation of exchange rates may expose its operations to exchange rate risk and may adversely affect the financial position of the Company, despite its mitigation measures such as a hedging strategy on major commercial exposures.

b. Risks related to customer credit

Adisseo is exposed to the credit risk of its customers. While Adisseo seeks to manage such exposure through a number of measures and KPIs, such as establishing customer accounts, setting credit limits for customers, obtaining deposits and security, and profiling the customers’ credit risk, there is no assurance that such risk will be entirely eliminated.

c. Risks related to the potential changes in tax and customs duties

As an international company carrying out its activities worldwide, Adisseo may be controlled by the tax authorities of any relevant countries with respect to its tax matters from time to time. Tax audits or investigations may result in Adisseo losing its tax benefits, exemptions or other tax incentives, which may subject Adisseo to a higher effective tax rate. Although Adisseo had no material tax-related issues during the 2024 financial year, there is no assurance that the provisions made by Adisseo will be sufficient; or that Adisseo will not be subject to a higher tax rate.

As provided under paragraph (a) above, geopolitical evolutions and restrictions to free trade could also increase risks and uncertainties regarding import regulations, tariffs and custom duties which may affect Adisseo.

(5) Industrial risks

The areas of activity in which Adisseo operates carry industrial risks capable of causing harm to individuals, property or the environment. These risks include potential exposure of Adisseo to claims for civil, criminal and/or environmental liability. These may relate to facilities that belong to the Group or other parties facilities where Adisseo’s employees work. The process safety of the facilities that Adisseo operates is one of its major concerns. The handling of these risks is subject to in-depth monitoring and specific targeted investments, and audits of the facilities in question are performed regularly. Some of Adisseo French facilities are classified under European Union Directives as “upper tier” Seveso sites (as posing a particular risk to their surrounding environment).

a. Risks related to hazardous chemicals

Adisseo’s complex production process involves many hazardous chemicals that require special production, transportation, and storage facilities. In addition, production process and research and development processes generate waste gas, liquid and solid waste. Adisseo has adopted a Health, Safety and Environment system including monitoring, prudent safety measures and huge precautions in accordance with relevant laws, regulations and administrative measures. However, the risk of leaked hazardous chemicals, emission of waste gas, liquid and solid waste which may exceed the relevant standards cannot be totally excluded. Should this case arise, Adisseo may be exposed to civil or criminal liabilities and may be held liable to pay financial compensation, which may materially and adversely affect its business, financial position and results from operations.

b. Risks related to accidents and disasters including diseases outbreak

In order to minimize the potential risks of shutdown of production facilities or accidents involving the production facilities which may adversely affect the company, the local Group’s Companies conduct periodic inspections for manufacturing facilities.

However, there is no guarantee that such accidents arising out of production facilities or negative effects caused by natural disasters could be completely excluded. For example, outbreaks such as bird flu, foot-and-mouth disease, mad cow disease and swine flu in recent years that adversely affect poultry or livestock, may adversely affect the livestock populations, consumers' perceptions about certain protein products and as a consequence, the demand for the products used as nutritional ingredients for animal feed. Frequent outbreaks of poultry or livestock diseases around the world may materially and adversely affect the business, financial position and results of operations of the Group.

In the event of an accident that causes environmental damaging releases, property damage and/or human injury during transportation, near the plant, or a system network failure, such circumstances may, in addition to undermining Adisseo's business activities, involve major costs and have a significant impact on market perceptions of the Group, which, in turn, may adversely affect the operational results and financial condition of the Group.

(6) Other operational risks

a. Risks related to improper lay-out of production plan

Adisseo's performance may be restrained by its production capacity. Adisseo has made progressive investments over the last years to increase its production capacities and proactively manage its inventories. However, customers' orders may not be fulfilled in a timely manner as a result of inappropriate production planning, malfunction of the production facilities, repairs or maintenance of the production facilities or failure to convert potential new production capacity into actual production. Failure to meet customers' needs may damage Adisseo's reputation and image as well as its relationship with its customers, which may result in decreasing purchases of Adisseo products and affect sales of the Group.

Furthermore, Adisseo's estimates of future demand for its products determine its production capacity evolution, which is based on such assumptions but if such estimates or assumptions fail to materialize or in case of certain loss events – such as fire or machinery breakdown – resulting in a temporary incapacity to operate productions facilities, Adisseo's business, financial conditions and results of operations could be materially and adversely impacted.

b. Risks related to break-down of information system

Adisseo is exposed to new cyber threats due to the use of new technologies, the multiplication of connected tools, the evolution of industrial control systems, the spread of mobility tools, cloud computing, and the development of new uses, including social networks and the in-depth analysis of data.

Adisseo continually adjust its prevention, detection and protection measures for all its information systems and critical data.

In addition, the business activities of the Group's Companies are becoming increasingly dependent on computer network systems, and although the Group's Companies protect their systems or data by means of sophisticated security systems, there is still the possibility that system network failures may occur owing to electric power interruptions, natural disasters, or criminal attacks on the system, including computer viruses and hackers.

Information technology system and/or network disruptions, whether caused by acts of sabotage, employee error, malfeasance or other actions, could have an adverse impact on the Group's operations as well as the operations of the Group's customers and suppliers. Other business disruptions may also be caused by security breaches, which could include, for example, attacks on information technology and infrastructure by hackers, viruses, breaches due to employee error, malfeasance or other actions or other disruptions.

Adisseo and/or the Group's suppliers may fail to effectively prevent, detect and recover from these or other security breaches and, therefore, such breaches could result in misuse of the Company's assets, loss of property including trade secrets and confidential or personal information, some of which is subject to privacy and security laws, and other business disruptions. In such case, Adisseo may face legal claims or proceedings, reporting errors, processing inefficiencies, negative media attention, loss of sales, interference with regulatory compliance which could result in sanctions or penalties, liability or penalties under privacy laws, disruption in the Company's operations, and damage to the Company's reputation, which could adversely affect the Company's business, results of operations, financial condition and cash flows.

Like other companies, Adisseo faces the risk of being the target of industrial espionage, including cyber-attacks. Adisseo is experiencing an increase in attempts to breach its information technology systems. These cyber-security threats include phishing, spam emails, hacking, social engineering, and malicious software. Although Adisseo has not experienced any material losses to date related to security breaches, including cybersecurity incidents, there can be no assurance that Adisseo will not suffer such losses in the future. Adisseo seeks to actively manage these risks within the Group's control that could lead to business disruptions and security breaches. As these threats continue to evolve, particularly around cybersecurity, Adisseo may be required to expend significant resources to enhance the Company's control environment, processes, practices and other protective measures. Despite these efforts, if such events occur, they could have a material adverse effect on the Group's business, results of operations, financial condition and cash flows.

c. Product liability claims and other litigation

Through its policies, organization, procedures and governance, Adisseo endeavors to prevent operational risks that could affect its reputation.

During the normal course of its business, Adisseo may be subject to actual or threatened legal proceedings, arbitration or administrative penalties arising from disputes with respect to product liability, patents and other intellectual property rights infringement or any other claim or action brought during the course of its business. Such disputes, legal proceedings or arbitration may adversely affect Adisseo's operations and reputation. If any of judgments or arbitral awards or decisions of any authorities issued against Adisseo regarding products liability, Adisseo may notably need to recall its products, change the formula of its products or stop selling those products, which may impact its sales.

In its day-to-day operations, Adisseo may be involved in potential lawsuits, arbitration proceedings, administrative procedures or other disputes due to products, labor, taxes and other commercial matters, which may damage Adisseo's operations and reputation. Adisseo is monitoring those risks through processes relating to contracts management and review and defend its interests with the professional assistance of external advisors.

d. Risks related to insurance policy coverage

Per industry standards, Adisseo holds insurance coverage for liability risk relating to its operations, facilities, product quality, inventory, transportation, environment, finance, senior management, employees, industrial accidents, etc., but Adisseo may be subject to potential claims of liabilities for which it may not have adequate or any insurance, or that cannot be insured at all, thereby resulting in of the risk for Adisseo to bear part or all of the losses or damages suffered.

e. Risks related to intellectual property

Adisseo protects its intellectual property rights according to the laws and regulations of the countries in which it operates. However, despite the measures taken by Adisseo to protect its intellectual property rights, such rights may be challenged, infringed or abused by a third party. Furthermore, Adisseo operates in many countries, some of which may provide less protection for intellectual property rights against infringement than others. As a result, Adisseo's risk may be increased in certain countries. In addition, Adisseo may be subject to risks of claims from third party in case of infringement of such third party's intellectual property rights.

f. Risks related to acquisitions and equity alliances

Adisseo is engaging in domestic and international acquisitions and equity alliances with the aim of expanding its business and enhancing its competitiveness. Adisseo is committed to generate the synergies or other positive effects it originally expected due to changes in the business environment surrounding the Group or its acquisitions.

g. Risks related to inappropriate communication on social media

Adisseo and its employees are active on numerous social media channels. The use of these media is important in terms of increasing awareness of Adisseo brand and products. Adisseo takes precautions and implements processes to ensure awareness of the proper handling of social media, controlling publication, and actively managing communication.

Nevertheless, unauthorized communications on social media, purported to be issued by Adisseo, may contain information that is false or damaging and could have an adverse impact on Adisseo 's image and reputation.

(7) Social and societal risks

Adisseo is also exposed to social or employees occupational risks with may have direct financial impact, which is difficult to assess or with non-financial impact which may be considered as significant.

Adisseo is adopting measures and monitoring systems aiming at eradicating serious accidents and reducing occupational accidents among its employees, to improving well-being at work and to preventing psychosocial risks.

a. Risks related to Human Resources

Talents with industry expertise are a key competitive advantage of Adisseo and essential to Adisseo's market position and business operations. Should Adisseo fails to retain or attract excellent talents with industry expertise in the future or to reduce its dependency towards key employees, it may face talent drain and experience a bottleneck in its future business development. Therefore, Adisseo constantly develops and improves its employee incentive, staff retention schemes, training and recruitment programs as well as succession plans to effectively monitor such risks.

b. Risks related to labor disputes

Adisseo operates in many countries around the world. Its centers of operations and production bases are mainly located in France, Spain and China where labor laws are relatively stringent. When making decisions in relation to production, operation or financing, Adisseo must notify, and consult with the union representatives or relevant committees or seek consent of the union representatives or relevant committees. Complying with strict labor laws and complex consultation processes may impact the flexibility of Adisseo's decision-making process and its ability to react to the changes in market conditions. Employees of Adisseo may initiate disputes and litigation or strikes. This may materially and adversely affect the businesses, financial position and results from operations of Adisseo.

In addition, Adisseo's suppliers may also be subject to strikes or claims brought about by their own employees, which may in turn affect the ordinary operations of Adisseo.

2. Explanation of those non-disclosure parts due to national security or commercial confidentiality reasons

√ Applicable ☐ Not applicable

For confidentiality purpose, Adisseo does not disclose information related to produced volumes by products during the reporting period, nor costs paid for raw materials. The amount of production volumes disclosed relates to production capacity and the cost of raw materials disclosed relates to market prices. Financial information by product is based on segment information (Performance products and Specialty products).

In order to protect the interests of all shareholders, and based on the confidence in the Company’s future development prospects, recognition of the Company’s value and the responsibility to give back to the society, the Company has formulated the “Corporate Value and Return Enhancement Action Plan”, to further improve the Company’s operation and management, strengthen the corporate governance, enhance the Company’s market competitiveness, increase returns to the investors and establish a good image in the capital market. In the first half of 2025, the Company actively carry out and implement relevant work according to the action plan, as follows:

(1) Continuous implementation of “Two-pillar” Strategy by focusing on the main business, enriching product portfolio, and enhancing core competitiveness
Safety and sustainability performance is our unwavering priority. We will continue to invest in innovative and green technology to improve sustainability excellence. We remain the unequivocal global leader in animal nutrition solutions and recorded strong growth in both performance products and specialties. The margin was impacted by the price pressure of performance products, partially compensated by the double-digit volume growth in revenue, high OEE level across main plants, and on-going effective implementation of competitiveness enhancement program. While there is still uncertainty on the macros notably due to tariffs and supply chain challenges, we are in a good position to mitigate the adverse impact leveraging our well-established brand awareness, industry leadership and global industrial set-up and distribution network.

(2) Multi-measures to accelerate the process of modern low-carbon agriculture, and create a new chapter of green development
As a global leader in the animal nutrition additives industry, Adisseo consistently upholds its corporate vision of “To feed the planet in a high-quality, affordable, safe and sustainable way”. The Company actively explores new pathways for sustainable development. Through innovative R&D of diverse feed additives, it effectively reduces waste emissions such as nitrogen, phosphorus, and methane during animal growth while improving raw material utilization rates, thereby achieving dual enhancements in farming efficiency and environmental benefits.

To strengthen its governance framework for sustainability, the Board’s Strategic Committee has added ESG (Environmental, Social, and Governance) functions, elevating sustainable development to a top priority in strategic decision-making.

The Company continues to implement its Operational Excellence Program, focusing on both cost reduction/efficiency improvement and green transformation. Technological innovation drives ongoing reductions in energy consumption and pollutant emissions. In cutting-edge R&D, Adisseo proactively develops breakthrough environmental technologies, particularly seeking novel solutions to replace traditional natural gas-based incineration methods for pollutants. For example, the Nanjing Plant’s wastewater treatment project commenced construction in Q2 2024 and is now in commissioning in June 2025. This project employs an innovative wastewater treatment process to replace the existing thermal oxidizer, expected to reduce annual CO_2 emissions by 45,000 tons. Over the past three years, more than 10 energy-saving projects have been implemented, collectively saving 288 terajoules (TJ) of energy annually. Adisseo has deployed waste heat recovery projects across all its manufacturing sites, significantly reducing external steam demand, lowering natural gas consumption in steam boilers, and simultaneously boosting internal power generation capacity.

Since 2014, Adisseo has consistently published Sustainable Development Report, showcasing its performance and achievements across economic, social, and environmental dimensions. These reports provide investors with detailed insights into the Company's sustainable development strategy. In H1 2025, the Company further elevated its sustainability communication by disclosing its 2024 Sustainable Development Report via the SSE platform. During the preparation of the Report, Adisseo adhered to the Global Reporting Initiative (GRI) Standards and conducted a dual materiality assessment in compliance with the EU Corporate Sustainability Reporting Directive (CSRD). Validated by third-party auditors, the report systematically identified key issues, established multi-stakeholder engagement mechanisms, and enhanced information transparency. It disclosed core information including environmental target management, product lifecycle assessments, global operational management practices, and external certifications, fully demonstrating Adisseo's unwavering commitment to sustainability.

Looking ahead, Adisseo's research funding program will invest RMB 15 million over the next three years to support five university research projects focused on animal nutrition. These projects address critical challenges such as climate change adaptation, alternatives to antibiotic growth promoters (AGP), and precision nutrition, aiming to advance green and sustainable development throughout the animal nutrition sector and the broader food value chain.

(3) Accelerate investment projects through a combination of multiple financing channels
In 2024, the Company announced to the market its plan for a private placement of A-shares to specific investors (hereinafter referred to as "this Private Placement"). On 7th Aug, the Company has received approval from SSE and is now targeting to complete the projects by 2025. We are expanding our investor base and boosting investor confidence to achieve optimal issuance results.

Leveraging the advantages of its listed company platform, Adisseo will adopt a dual-track financing strategy—utilizing both equity and debt financing. This involves efficiently raising capital through the capital markets via equity instruments, while simultaneously leveraging its solid financial foundation to diversify debt financing channels. This approach aims to continuously optimize the capital structure, fortify the safety margin of the capital chain, and provide ample funding support for rapid business growth. Concurrently, the Company actively responds to CSRC policy guidance on market value management. We focus on enhancing stock market liquidity, deeply exploring the potential for value creation within the capital markets, and making every effort to drive sustainable, positive growth in the Company's market value.

(4) Effectively increase investor returns and promote dual growth in quality and value
Adisseo has actively responded to the call from CSRC to increase dividend payout ratios and enhance returns for investors, planning long-term measures to elevate its dividend distribution levels. To boost the Company's investment value, enable all investors to fully share in the fruits of its operational growth, and strengthen their sense of benefit ownership, the Company has raised its minimum dividend payout ratio from 30% to 40%, while ensuring sustained, stable operations and long-term development. Simultaneously, it has increased the frequency of dividend payments, implementing interim and annual dividends for 2024 in March and May 2025 respectively. The total cash dividend distributed amounted to RMB 482,742,229.14 (inclusive of taxes), accounting for 40.08% of the Company's net profit attributable to shareholders of the listed company in 2024.

Meanwhile, in order to actively share the fruits of business operations of the Company and enhance the confidence of investors in holding shares of the Company, in accordance with the relevant provisions of the *Regulatory Guidance on the Supervision of Listed Companies No. 3 – Cash Dividends of Listed Companies*, it was submitted to the shareholders' meeting to authorize the Board of Directors to assess the current operating conditions and the funds required for future sustainable development and to determine and implement the profit distribution plan for the interim profit of 2025 (including the half year and first three quarters). The authorized matters were reviewed and approved at the Annual General Meeting of Shareholders for 2024 held on 24th March 2025.

In the future, under the premise of ensuring normal operation, Adisseo will insist on providing investors with sustained and stable cash dividends and will continue to increase project investment in relevant fields in accordance with the Company's strategic planning in light of the Company's current operating status and business development objectives, so as to bring shareholders a long-term investment return.

(5) Continuously improve the Company's governance level, and promote the Company's high-quality development

In compliance with the requirements of laws, regulations, and normative documents, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Corporate Governance Guidelines for Listed Companies, and the Shanghai Stock Exchange Listing Rules, the Company has established a well-defined corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Management. This framework has fostered a governance system characterized by clearly delineated responsibilities, standardized operations, mutual coordination, and effective checks and balances among the power institution, decision-making institution, supervision institution and the management.

Adisseo continuously enhances its corporate governance framework by revising its Articles of Association and internal management systems. These efforts aim to elevate operational standards, strengthen internal controls and risk mitigation capabilities, and ensure the diligent fulfillment of duties and rigorous decision-making procedures by the General Meeting of Shareholders, the Board of Directors and Management.

The Company's Board of Directors combines international experience and professional expertise. The Board currently comprises nine Directors, all possessing international professional backgrounds, including three Independent Directors (accounting for 33%). The Company plans to appoint one Employee Director and one additional Independent Director. Upon completion, Employee Directors and Independent Directors will represent 9% and 36% of the Board, respectively.

From January 2025 to the Semi-Annual Disclosure Date, the Board of Directors convened 6 meetings, deliberating 35 proposals. Special Committees held 18 meetings, reviewing 51 proposals, which included 3 Independent Directors' meetings addressing 8 specific items.

The Company places high importance on strategic planning and execution. To enhance these processes, Board meetings now routinely include following up on the previous Board meetings and business updates. These items are prioritized for detailed reporting and discussion to ensure Board decisions and Directors' guidance are effectively communicated to and implemented by Management. In July 2025, the Company organized an on-site Strategy & ESG Committee meeting in Lyon, France, inviting all Directors and senior managements to deliberate on the Company's five-year strategic roadmap. Detailed discussions covered strategic plans and execution progress across various business segments, key projects, and functional lines, ensuring alignment between the Board and Management on strategic direction. Furthermore, the Company facilitates continuous communication between the Board and Management through other Special Committees Meetings, CEO Executive Meetings, ExCom meetings, and specialized communication forums. This ensures the effective implementation of strategic initiatives, driving high-quality development and creating sustained shareholder value.

Directors actively participate in Board and Committee meetings, General Meetings of Shareholders, and investor communications. Relevant senior management are invited to attend meetings based on topics of the meeting. Beyond formal meetings, Independent Directors conduct on-site inspections at domestic and overseas production facilities, providing valuable advice for the Company's development. Directors, Supervisors, and senior managements actively participate in training programs organized by regulatory bodies and industry associations. In response to the implementation of the revised Company Law and supporting regulations, the Company conducted an internal training session in July 2025 for all Directors, Supervisors, and senior executives on Responsibilities of Directors and Senior Management under the Revised Company Law, enhancing their understanding of legal obligations and strengthening compliance awareness.

From January 2025 to the Semi-Annual Disclosure Date, the Remuneration and Appraisal Committee held five meetings, reviewing 13 proposals related to Director and Senior Management compensation. The Committee reviewed the implementation of the prior year's Senior Management compensation plan, deliberated on the current year's compensation plan based on corporate performance and individual executive contributions, and discussed the framework for the following year's Senior Management compensation. It also reviewed the director allowance for the 9th Board of Directors, benchmarking against global industry peers considering the Company's international operations and submitted its recommendations to the Board for approval.

The Board's Audit, Risk and Compliance Committee oversees internal audit activities and evaluates the effectiveness of internal controls. From January 2025 to the Semi-Annual Disclosure Date, the Committee convened 6 meetings to deliberate on 25 proposals. Under the Committee's guidance, the Legal & Compliance Department is responsible for monitoring compliance risks, including anti-corruption, anti-monopoly, anti-bribery, and data protection. It develops Group-wide policies, processes, and training programs, tailoring regional compliance measures while maintaining unified standards through the Group's C-SOX control framework. The Internal Audit Department conducts regular reviews of compliance measure implementation. Identified audit findings are addressed through clearly defined rectification timelines, monitored by the Audit Committee. The heads of Legal & Compliance and Internal Audit report quarterly to the Audit Committee on progress and submit the annual internal control evaluation report and internal control audit report to the Board semi-annually.

(6) Strengthen investors communication and foster communication with investors via diverse channels

Adisseo places strong emphasis on investor relations management, closely monitoring market dynamics, actively engaging with investors, and establishing regular communication mechanisms with both domestic and international investors to convey the Company’s confidence and determination in its development.

In the first half of 2025, the Company organized 11 communication events for investors, including: 2 result presentations through SSE, 3 sessions focused on regular reports/performance forecast for institutional investors, 6 research visits by institutional investors. The Company also published 4 records of investor communications, effectively facilitating fair access to corporate information. Notably, during Q1 2025, the Company hosted a live video conference via the SSE platform to present its first-quarter results, addressing key investor concerns in real-time and enabling instantaneous two-way communication. Additionally, topics of market interest and investor suggestions are regularly reported to senior management, fostering a mutual communication mechanism between the Company and the capital markets that leverages market insights to enhance listed company quality.

The Company continues to refine its investor relations management framework, proactively building effective communication channels with the capital markets to comprehensively safeguard investors’ rights—particularly those of small and medium-sized investors, including their right to information and other legitimate interests. In the first half of 2025, both shareholder meetings convened utilized the SSE’s One-Click Reminder Service, streamlining participation for retail investors and upholding their rights to engage in corporate governance.

To enhance the Company's market value management, standardize its market value management practices, and safeguard the legitimate rights and interests of both the Company and its broad base of investors, the Company has established a market value management system. This system was reviewed and approved by the Board of Directors during their meeting on 29th August. The Company will concentrate on its core business operations, improve operational efficiency and profitability, while also leveraging its specific circumstances to comprehensively employ diverse strategies that ensure the company's investment value accurately reflects its intrinsic quality.

Section 4 Corporate Governance, Environment and Society

I. Change in directors, supervisors and senior management of the Company

√ Applicable ☐ Not applicable

Name	Position	Description of change
Frank CHMITELIN	Deputy General Manager	Resignation
Bingjing DING	Deputy General Manager	Appointed

Detailed description on the change of directors, supervisors and senior management

√ Applicable ☐ Not applicable

1. Due to retirement, Mr. Frank CHMITELIN applied to resign as the Company's Deputy General Manager since 1st July 2025. After his resignation, he will not continue to work for the Company (please refer to the announcement 2025-032).
2. On 16th July 2025, being approved by the seventh of the 9th board of directors, Mr. Bingjing DING was appointed as Deputy General Manager of the Company. The term is from 16th July 2025 to the expiration of the term of the office of the 9th board of directors (please refer to the announcement 2025-033).

II. Profit distribution of ordinary shares or capitalization of reserves

1. The profit distribution plan and the plan to use the statutory reserve to perform a capital increase in the reporting period

Profit distribution of ordinary shares or capitalization of reserves	No
Share dividend per 10 shares	N/A
Cash dividend per 10 shares	N/A
Capitalization of reserves per 10 shares	N/A
Explanation on Profit distribution of ordinary shares or capitalization of reserves	
	N/A

III. Implementation of equity incentive plan, employee stock, ownership plan, or other staff incentive measures in the current reporting period

1. Incentive measures with no subsequent modifications, after announced publicly in the reporting period (interim announcements).

☐ Applicable √ Not applicable

2. Incentive measures with further subsequent modifications, or not announced publicly in the reporting period (interim announcements).

Descriptions of equity incentive measures

☐ Applicable √ Not applicable

Others:

☐ Applicable √ Not applicable

Employee stock

☐ Applicable √ Not applicable

Other incentive measures

☐ Applicable √ Not applicable

IV. Environmental information of listed companies and their major subsidiaries included in the list of legally disclosed environmental information enterprises

√ Applicable ☐ Not applicable

Number of enterprises included in the list of enterprises legally disclosing environmental information (units)		1
No.	Company name	Index for querying environmental information disclosure reports in accordance with the law
1	Bluestar Adisseo Nanjing Co., Ltd	http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/viewRunner.html?viewId=http://ywxt.sthjt.jiangsu.gov.cn:18181/spsarchive-webapp/web/sps/views/yfpl/views/yfplHomeNew/index.js

1. Environmental issues of listed companies and their subsidiaries declared as major pollutant discharge units by the competent environmental protection authorities

Bluestar Adisseo Nanjing Co., Ltd (hereafter as BANC), Adisseo's plant located in Nanjing, China, has implemented strict environment protection policies since its establishment. It has continuously made investment in the area of environment protection and is endeavored to contribute to the green sustainability development. With the release of the FORUS system of Sinochem Holdings Corporation Ltd., Nanjing plant has also upgraded the current environmental protection management system against FORUS system to ensure that the management foundation is continuously consolidated and the environmental protection performance is continuously improved.

(1) Information about discharge

BANC has been implementing strict environment protection policies since its establishment with our priority of reducing the impact on the environment. In the first half of 2025, the exhaust gas, wastewater and noise generated in daily operation met the requirements of stable and up-to-standard discharge, and the legal disposal rate of hazardous waste and general solid waste has reached 100%. Detailed information about discharge is as follows:

Types of discharge	Locations of discharge outlets	Main pollutant	Discharge method	Number of discharge outlets	Discharge concentration/discharg	Allowable discharge limit	Execution of discharge standard pollutant	Total annual discharge (tons)	Excessive discharge

					e rate				
Waste gas	Production facility area	SO2	Organized discharge	10	2.205mg/m3	200mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	3.24	No
	Production facility area	NOx		12	63.0mg/m3	200mg/m3 300mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province, Hazardous Waste Incineration Pollution Control Standards	66.65	No
	Production facility area	Dust		13	1.11mg/m3	20mg/m3 1kg/h 30mg/m3	Comprehensive Discharge Standards for Air Pollutants in Jiangsu Province, and Pollution Control Standards for Hazardous Waste Incineration	2.12	No
	Production facility area	NH3		5	0.801kg/h	75kg/h 27kg/h 35kg/h 4.9kg/h	Emission Standards for Odor Pollutants	8.58	No
	Production facility area	HCN		2	0	1mg/m3 0.05kg/h	Comprehensive emission standards for air pollutants in Jiangsu Province	0.002	No
	Production facility area	H2S		4	0.000778kg/h	6.225kg/h 0.33kg/h	Emission Standards for Odor Pollutants	0.21	No
	Production facility area	CS2		3	0.666/h	28.75kg/h 1.5kg/h	Emission Standards for Odor Pollutants	0.29	No
	Production facility area	H2SO4 mist		2	1.76mg/m3	5mg/m3 1.1kg/h	Comprehensive emission standards for air pollutants in Jiangsu Province	0	No
	Production facility area	MSH		3	0.00542	0.69kg/h	Emission Standards for Odor Pollutants	0.03	No
	Production unit area, laboratory, hazardous waste warehouse, logistics center	NMHC		18	1.327mg/m3	80mg/m3 182.52kg/h 108kg/h 7.2kg/h	Emission Standards for Volatile Organic Compounds in the Chemical Industry	2.710	No
	Production facility	Acro		4	0	3mg/m3	Comprehensive emission standards	0.09	No

	area	lein					for air pollutants in Jiangsu Province		
	Production facility area	Acrlic Acid		4	ND	20mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	0	No
	laboratory	CH4		1	ND	/	none	/	No
	Production facility area	Propanol		1	/	/	none	/	No
	Production facility area	CH3COOH		1	/	/	none	0	No
	Production facility area	CH3OH		2	NDmg/m3 0.0277 kg/h	60mg/m3 54kg/h	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	NH3	Non-organized discharge	4	0.06mg/m3	1.5mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	CH3OH		4	ND	12mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	H2SO4 mist		4	0.03	0.3mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	HCN		4	ND	0.024mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	MSH		4	ND	0.007mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	CS2		4	0.10	3mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	TSP		4	0.09mg/m3	1mg/m3	Comprehensive Emission Standards of Air Pollutants	/	No
	Production facility area	H2S		4	0.002	0.06mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	NMHC		8	0.32mg/m3	4mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	Acrolein		4	ND	0.4mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No

	Production facility area	Odor		8	4.88	20(No Unit)	Emission Standards for Odor Pollutants	23.48	No
Waste water	Production facility area	COD	Continuous discharge	5	134.76 mg/L	500mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	1.158	No
	Production facility area	NH3-N		5	8.32mg/L	45mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	N.A	No
	Production facility area	pH value		5	7.87 (No Unit)	6-9 (No Unit)	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	13.80	No
	Production facility area	SS		5	41mg/L	400mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	8.49	No
	Production facility area	BOD5		1	45.45mg/L	300mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	0.38	No
	Production facility area	S-		1	0.04mg/L	1mg/L	Comprehensive emission standards for air pollutants in Jiangsu Province	0.001	No
	Production facility area	CN		1	0.27mg/L	0.5mg/L	Comprehensive emission standards for air pollutants in Jiangsu Province	0.19	No

	Production facility area	TP		5	1.81mg/L	5.0mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	2.31	No
	Production facility area	TN		1	18.5mg/L	70mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	3.24	No
Noise	factory	Equivalent continuous A sound leve	Continuous discharge	/	58.49dB(A) (day) 51.57dB(A) (night)	65dB(A) (day) 55dB(A) (night)	Emission Standards for Environmental Noise at Boundary of Industrial Enterprises	/	No

Solid waste	Actual discharge (tons)	Discharged transferred (tons)	Discharge processed (tons)	Remaining discharge (tons)
Waste sulfuric acid, waste acrolein catalyst, waste resin, fluorescent tubes, incineration furnace pollutants, waste mineral oil, activated carbon, dust collector waste bags, contaminated chemical solid waste, electronic waste, laboratory analysis waste liquid, laboratory reagent bottles , digestion pipe, etc., polymer residue, organic waste liquid, waste ammonium sulfate residue, sulfur filter residue, recovered liquid sulfur, expired chemicals, carbon disulfide cleaning waste liquid, workshop sewage collection tank sludge, biochemical sludge, used catalyst Net, spent WSA catalyst, MMP initial distillation and rectification tower waste liquid, MMP initial distillation tower waste liquid, methyl mercaptan and methyl sulfide separation tower waste liquid, acrylic acid stripping and acrolein rectification waste liquid, lead-acid battery	50597	385	50212	0

(2) Information about anti-pollution facilities' construction and operation

Waste liquid incinerator, waste gas incinerator and corresponding environmental protection facilities involving denitration, desulfurization and dust removal are in normal operation. The overhauling and shutdown of them in case are reported in advance according to the requirements of government departments and recorded in the process of pollutant discharge permit management.

Adisseo's steam recycling project in BANC is running starting from 2024 Q1. It has become more efficient to use the excess steam produced by the Nanjing plant, saving more energy and creating more benefits. The acrylic acid wastewater treatment and reclaimed water reuse project of Nanjing plant has been handed over and entered the linkage commissioning stage. When officially put into operation, it will significantly reduce nitrogen oxide emissions and significantly reduce natural gas consumption.

(3) Environmental impact assessment and other environmental protection administrative permits of construction projects

In April 2025, BANC obtained the EIA approval of the 50,000 tons/year sodium methyl mercaptan solution project. There are no other changes in environmental protection administrative licenses.

(4) Prepared plan for environmental emergencies

No environmental emergency accident happened in BANC in the first half of 2025. Emergency plans including environmental emergencies have been established. In the first half of 2025, the Company completed two special drills for sudden environmental emergency in the whole plant, which will continue in the second half of the year to continuously improve the ability to deal with environmental emergencies.

(5) Environment related self-monitoring program

According to the annual meteorological data of NCIP and the general layout of BANC, six unorganized emission online monitoring points were set up at the plant boundary, considering the surrounding sensitive target locations. H2S and other eight malodorous pollutants and malodorous OU values were being monitored. There are 6 monitoring sub-stations in this project. Each monitoring sub-station provides real-time continuous monitoring of unorganized emissions of gas pollutants at the plant boundary through a wireless self-organizing monitoring network. 24 hours of stench supervision and control shown on the screen at the northeast gate of the plant, web-linked with NJCUO’s environment surveillance network. This is the first in NCIP, which meets the latest requirements of Jiangsu Province for safety and environmental protection supervision. The Company also planned to build an environmental protection information system with the basis of HSE five-sphere integrated plan, and further integrate, monitor and statistically analyze all current online monitoring data, so as to find deviations and anomalies more quickly, intervene as early as possible, and ensure compliant and up-to-standard discharge all the time.

According to the monitoring frequency requirements of the pollutant discharge permit, the self-monitoring scheme is prepared, and the actual monitoring frequency exceeds the requirements of the pollutant discharge permit.

(6) Administrative penalties for environmental problems during the reporting period

None.

(7) Other environmental information

None.

2. Information about Listed Companies not declared as major pollutant discharge units

Other subsidiaries except Nanjing Plant are not key pollutant discharge units. During the reporting period, the Company attached great importance to the publicity and implementation of environmental protection laws and regulations and strengthened the awareness of abiding by the law through studying and publicizing the newly revised laws and regulations. During the reporting period, no environmental pollution incidents occurred, and no administrative punishment was received from the environmental protection department for environmental violations.

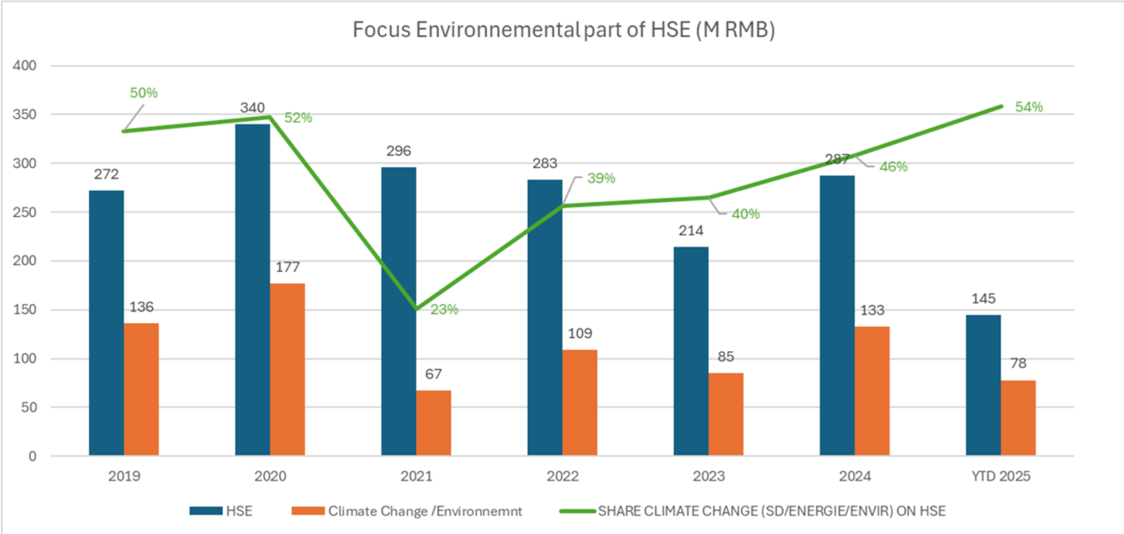
Neither the company nor its holding subsidiaries belong to the key pollutant discharge units announced by the environmental protection department. In its daily business activities, the company earnestly implemented environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Water Pollution Prevention and Control Law of the People's Republic of China. During the reporting period, there was no environmental pollution incident and no administrative punishment from the environmental protection department due to environmental violations.

3. Other information beneficial to protecting ecology, preventing pollution and fulfilling environmental responsibility

Adisseo also maintains its level of investment and initiatives:

- 60% of purchased electricity is green or low carbon and the 40% remaining are related with the France electrical mix (95% nuclear origine)
- All Adisseo operations implement variable frequency drivers for the biggest motors such as cooling water pumps. These improvements reduce around 30% the equipment electrical consumption.
- In Les Roches plant (France) heat recovery exchangers have been implemented to recover calories from the bottom of an absorption column and preheater process water, allowing 5,700 MWh reduction on steam consumption.
- Adisseo implemented specific monitoring and control measures to ensure the quality of discharged water.
- Adisseo is committed to reducing waste from its activities through a three-level approach: source reduction, recycling, and, as a last resort, waste treatment with an emphasis on minimizing landfill use and promoting energy recovery. In the new butyrate production unit, in Spain, special attention is given to water reuse, particularly for utilities requiring “clean water”. This strategy delivers two key benefits :
    - **Reduction of waste treatment needs** Reusing water significantly decreases the volume of concentrated waste that requires processing.
    - **Energy efficiency** With fewer waste streams to treat, **energy** consumption related to waste treatment processes is notably reduced.
- Adisseo actively works to reduce its ecological footprint by promoting the recovery and recycling raw materials such as catalyst and solvents. Currently, 50% of the catalysts used are recovered by suppliers, who recycle the metals and use them to produce new catalysts. As part of our action plan, our goal is to reach 75% recovery in the coming years.
- Biodiversity is a key priority for Adisseo, reflecting the commitment to preserving the ecological value of the environments in which Adisseo’s operate. In 2025, Adisseo is committed to evaluating the key risks and impacts related to climate and biodiversity across its value chain, including industrial operations.

Environment related part in the investments in HSE (unit: million RMB)



ADISSEO has defined a deliberate HSE investment strategy of around RMB 280 million per year over the last six years. Each industrial project is made good use of to improve and strengthen our management of safety, environmental and climate risks and to reduce their impact in a strategy of sustainable growth. Environmental & Climate change related investments represent 54% of the total of HSE investments for H1 2025 and related to projects and initiatives mentioned above.

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

The increase of CO2 emissions in absolute value last year is due to a growth of activities. However, the actions done and ongoing allows limits the impact. What has been recognized like an strong improvement in emissions (scopes 1+2) per ton, going from 0.55 tCO2e/t all productions in 2023 to 0.46 t CO2e/ t all manufactured products in 2024. This level of intensity emissions is maintained year to date. H1 2025 confirmed this good trend with a 0.45tCO2/t and on track with the target of 0.44tCO2/t at the end of the year.

Adisseo is committed to reducing its greenhouse gas emissions intensity (scope1+2) by 4.2% per year in absolute value (t) in Europe and in intensity(t/t) rest of the World for the next five years, remaining 2020 emissions level the reference.

Energy consumptions will be reduced of 2.5 % MJ per kilogram of product over next five-year. Actually energy use intensity is on track of the 2025 target highlighting energy efficiency action plans, advanced process control implemented in Nanjing plant and the on-going EU-Rise initiatives through the Europeans production plants.

Operational excellence initiatives aim to minimize losses, actively contributing to the reduction of consumption and emissions impact.

- In 2024, an underground pressurized hydrogen (H2) pipeline supply Les Roches site and part of natural gas used as raw material is replaced by H2. Chemical reaction with sulfur becomes then exothermic reducing 7400 MWh/year of natural gas needs for heating.
- Nanjing plant adopts an Advanced Process Control system improving the columns driving

and reducing 5400 MWh/year the imported steam.

- New catalyst configuration, issued by years of R&I, has been implemented in MMP reactors. Raw materials transformation is more efficient and by-products needing to be incinerated have been reduced. More than 1200 tons of natural gas have been economized in furnaces incinerators, reducing CO2 emissions by 3200 t.
- During European 2025 technical shutdowns, plants replaced all steam traps that were leakage or presenting problems, around 9000 MWh/year of steam have been recuperated.
- Adisseo is already working for the future, studying breakthroughs technology to avoid use of natural gas for the incineration of pollutants. In China, this new effluent treatment has been commissioning in Q2 2025. The process is expected to produce a by-product gas of 7 million cubic meters/year, which will be used to partially replace the fuel gas consumption of the existing device, corresponding to carbon emissions reduction by approximately 45 000 tons/year, while nitrogen oxide (NOx) emissions will reduce by approximately 70 tons/year.
- In Q4 2025 Adisseo in Roussillon will install phase 2 of Venus Project, to reduce 2017 MWh per year of imported steam.
- At the latest, Adisseo will consider CO2 capture and reuse for the hard to abate. In this objective, Adisseo is part of working group for CCUS in Rhône Valley and participates in the ZIBAC DECLYC project.

V. Description of consolidating the achievements in anti-poverty and rural revitalization

√ Applicable □ Not applicable

While advancing the company's high-quality development and business diversification, Adisseo remains committed to China's national goal of "securing victory in poverty alleviation and achieving comprehensive moderate prosperity." The company actively engages in China's poverty reduction initiatives by not only funding targeted poverty alleviation programs, but also mobilizing employees and social resources through innovative healthy lifestyle campaigns, thereby sustaining multi-dimensional participation in the nation’s poverty eradication efforts.

Adisseo focuses on "consolidating and expanding poverty alleviation achievements while driving rural revitalization," actively assuming corporate social responsibilities. The company initiated an employee participation program for "Intellectual Assistance + Aspiration Motivation" to support students from relatively disadvantaged families with excellent academic performance to enjoy fair and quality educational opportunities. Additionally, to further solidify poverty alleviation outcomes and promote consumption-based poverty alleviation, Adisseo China has adopted a "purchasing instead of donating" approach from 2020 to present. Through labor union collective procurement and subsidized employee vouchers, the company purchases products from designated poverty alleviation units in Gulang County in Gansu, Linxi County in Inner Mongolia and Pancheng in Nanjing, effectively enhancing the quality and efficiency of local specialty industries. In the first half of 2025, the company donated sports shoes to primary school students in Lazhudi Wan, Yunnan’s Nujiang Prefecture, helping them tackle rugged mountain paths and chase their dreams.

In alignment with China's targeted poverty alleviation strategy, Adisseo has developed a model that integrates corporate strengths with local advantages. By promoting green growth solutions and advancing agricultural modernization, the company facilitates industrial development in impoverished areas. This enables Adisseo to deeply fulfill its social responsibilities and contribute to China's comprehensive, coordinated, and sustainable development.

With the establishment of China's Rural Revitalization Bureau in 2021 and the implementation of the "Law on the Promotion of Rural Revitalization," a grand 30-year rural revitalization strategy has commenced. While deepening its development in China, Adisseo continues to support rural education. The company is committed to contributing to rural revitalization and agricultural/rural modernization by providing financial, material, and intellectual support, actively assisting China in accelerating its progress toward modernized rural development.

Section 5 Significant Matters

I. Fulfilment of Commitments

1. During the reporting period or subsequent to the reporting period, commitment items of the actual controller, the shareholders, the related parties, the acquirer, and the listed company

☐Applicable √ Not applicable

II. Funds occupied by controlling shareholders and other related parties for non-operating purpose during the reporting period

☐ Applicable √ Not applicable

III. Illegal guarantee

☐ Applicable √ Not applicable

IV. Audit of half-year report

☐ Applicable √ Not applicable

V. Matters related to non-standard audit opinions to previous year annual report

☐ Applicable √ Not applicable

VI. Restructuring matters relating to bankruptcy

☐ Applicable √ Not applicable

VII. Significant lawsuits and arbitrations

☐ Applicable √ Not applicable

VIII. Judgments or fines rendered against the listed Company and its Directors, Supervisors, Senior management, major shareholders or ultimate controller

☐ Applicable √ Not applicable

IX. Credit status of the company, its controlling shareholder and actual controller in the reporting period

☐ Applicable √ Not applicable

X. Significant related-party transactions

1. Related-party transactions in association with daily transactions

(1) Related-party transactions, with no subsequent modifications, announced publicly in the reporting period (interim announcements).

☐Applicable √Not applicable

(2) Related party transactions, with further subsequent modifications, announced publicly in the reporting period (interim announcements).

√ Applicable ☐ Not applicable

The Company held the fourth meeting of the 9th session of Board of Directors on 27th February 2025, and approved the proposal on 2024 and 2025 Day-to-day Connected Transactions. The daily related transactions of the Company in 2024 are all normal business transactions, and the prices of related transactions strictly comply with the principles of openness, fairness, impartiality, and market-oriented pricing. The Company has not formed a significant dependence on related parties. For specific details, please refer to the Announcement on 2024 and 2025 Day-to-day Connected Transactions (Announcement No. 2025-011) disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on 28th February 2025.

(3) Undisclosed items in interim announcement

☐ Applicable √ Not applicable

2. Related-party transactions in association with the purchase and sale of assets

(1) Matters disclosed in interim announcement and with no progress or change upon subsequent implementation

☐ Applicable √ Not applicable

(2) Related- party transactions announced in interim announcements and with further subsequent changes.

☐ Applicable √ Not applicable

(3) Undisclosed items in interim announcements

☐ Applicable √ Not applicable

(4) Please disclose the actual result generated during the reporting period if it involves a performance guarantee

☐ Applicable √ Not applicable

3. Related Party transactions in association with external investments

(1) Matters disclosed in interim announcement and with no progress or change upon subsequent implementation

☐ Applicable √ Not applicable

(2) Related- party transactions announced in interim announcements and with further subsequent changes.

☐ Applicable √ Not applicable

(3) Undisclosed items in interim announcements

☐ Applicable √ Not applicable

4. Related Party transactions in association with loans and debt

(1) Matters disclosed in interim announcement and with no progress or change upon subsequent implementation

☐ Applicable √ Not applicable

(2) Related- party transactions announced in interim announcements and with further subsequent changes.

☐ Applicable √ Not applicable

(3) Undisclosed items in interim announcements

☐ Applicable √ Not applicable

5. Financial business between the Company and related financial companies or between financial companies held by the Company and other related parties

√ Applicable ☐Not applicable

(1) Deposit

√ Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related party	Relation	Limit amount of daily deposit	Interest rate	Opening balance	Transactions in the period		Closing balance
					Deposit	Withdrawal	
Sinochem Finance Co, Ltd	Controlled by the same ultimate controlling shareholder	2,000,000,000	0.45%-4.4%	149,990,745	9,240,674,064	8,961,229,734	429,435,075

(2) Loan

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relation	Loan amount	Interest rate	Opening balance	Transactions in the period		Closing balance
					Addition	Repayment	
Sinochem	Controlled by the	1,000,000,000	-	-	-	-	-

Finance Co, Ltd	same ultimate controlling shareholder						

(3) Credit and other business

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relation	Business type	Total amount	Actual amount granted
Sinochem Finance Co., Ltd.	Controlled by the same ultimate controlling shareholder	Comprehensive credit line	2,000,000,000	-

(4) Other description

☐ Applicable √ Not applicable

6. Other Material Related Party transactions

☐ Applicable √ Not applicable

7. Others

☐ Applicable √ Not applicable

XI. Major Contracts and Implementation

1. Custody, contracting, leasing

☐ Applicable √ Not applicable

2. Guarantees

☐ Applicable √ Not applicable

3. Other major contracts

☐ Applicable √ Not applicable

XII. Description of Other Important Matters

☐ Applicable √ Not applicable

XIII. Explanation of other significant matters

□ Applicable √ Not applicable

Section 6 Share Change and Shareholders

I. Change in share capital in the reporting period

1. Changes in share capital

(1) Changes in share capital

In the reporting period, there was no change in total amount and structure of share capital.

(2) Description of changes of share capital

☐ Applicable √ Not applicable

(3) Impact of share capital change taking place after the balance sheet day and before the disclosure of H1 report on EPS and net assets per share

☐ Applicable √ Not applicable

(4) Others the Company want to disclose or the regulators request to disclose

☐ Applicable √ Not applicable

2. Changes in shares with trading restrictions

☐ Applicable √ Not applicable

II. Information on Shareholders

1. Total number of shareholders

Total number of shareholders by the end of reporting period	32,692
Total number of preferred shareholders whose voting rights have been restored by the end of the report period	0

2. Shares held by top ten shareholders at the end of the reporting period

Unit: Share

Shares held by top ten shareholders							
Name of shareholder (full name)	Change in the reporting period	Number of shares held by end of the period	Proportion of shares held (%)	Number of shares with trading restrictions	Status of pledged or frozen shares		Type of shareholder
					Share status	Number	
China National Bluestar (Group) Co., Ltd.	0	2,300,179,161	85.77	0	Unknown	0	Stated owned legal

Shares held by top ten shareholders							
Name of	Change in the	Number of shares held by	Proportion of	Number of shares with	Status of pledged or frozen shares		Type of entity
Hong Kong Central Clearing Limited	-16,152,740	17,040,444	0.64	0	Unknown	0	Overseas legal entity
Jiangsu Juhe Chuangyi Emerging Industry Investment Fund LLP	0	6,600,000	0.25	0	Unknown	0	Other
Agricultural Bank of China Limited - CSI 500 Exchange Traded Open Ended Index Securities Investment Fund	464,600	5,987,761	0.22	0	Unknown	0	Other
Zhejiang Merchants Bank Co., Ltd. - Guotai CSI Livestock Breeding Trading Open Ended Index Securities Investment Fund	173,500	5,729,400	0.21	0	Unknown	0	Other
China Electronic Investment Holding Company	0	5,185,185	0.19	0	Unknown	0	Stated owned legal entity
Beijing Research and Design Institute of Rubber Industry	0	3,737,262	0.14	0	Unknown	0	Stated owned legal entity
China Merchants Fund Management Co., Ltd. - Social Security Fund 1503 Portfolio	2,591,925	3,599,425	0.13	0	Unknown	0	Other
Industrial and Commercial Bank of China Limited - CSI Major Consumer Exchange Traded Open Ended Index Securities Investment Fund	-245,000	3,330,100	0.12	0	Unknown	0	Other
Jun Liu	-121,700	3,196,827	0.12	0	Unknown	0	Indivi

Shares held by top ten shareholders							
Name of	Change in the	Number of	Propor tion of	Number of shares	Status of pledged or frozen shares		Type
							dual

Shares held by top ten shareholders without trading restrictions			
Name of shareholder	Number of shares without trading restrictions held	Type and number of shares	
		Type	Number
China National Bluestar (Group) Co., Ltd.	2,300,179,161	RMB ordinary shares	2,300,179,161
Hong Kong Central Clearing Limited	17,040,444	RMB Common share	17,040,444
Jiangsu Juhe Chuangyi Emerging Industry Investment Fund LLP	6,600,000	RMB ordinary shares	6,600,000
Agricultural Bank of China Limited - CSI 500 Exchange Traded Open Ended Index Securities Investment Fund	5,987,761	RMB ordinary shares	5,987,761
Zhejiang Merchants Bank Co., Ltd. - Guotai CSI Livestock Breeding Trading Open Ended Index Securities Investment Fund	5,729,400	RMB Common share	5,729,400
China Electronic Investment Holding Company	5,185,185	RMB ordinary shares	5,185,185
Beijing Research and Design Institute of Rubber Industry	3,737,262	RMB ordinary shares	3,737,262
China Merchants Fund Management Co., Ltd. - Social Security Fund 1503 Portfolio	3,599,425	RMB ordinary shares	3,599,425
Industrial and Commercial Bank of China Limited - CSI Major Consumer Exchange Traded Open Ended Index Securities Investment Fund	3,330,100	RMB ordinary shares	3,330,100
Jun Liu	3,196,827	RMB ordinary shares	3,196,827
Description of special account for repurchase among top 10 shareholders	Not applicable		
Explanation of the above shareholders' entrusted voting right, entrusting voting right and waiver of voting right	Not applicable		
Statement on related relationship or acting in concert among the above shareholders	The State-owned corporation shareholders, China National Bluestar (Group) Co., Ltd. and Beijing Research and Design Institute of Rubber Industry are subsidiaries of Sinochem Holdings Co., Ltd. Except for the above-mentioned shareholders, the Company does not know whether any related relationship exists among other shareholders, or whether the other shareholders have acted in concert as regulated by the Administrative Measures for Purchasing of Listed Companies.		
Explanation of preferred shareholders with restored voting rights and the number of shares held	Not applicable		

Participation of shareholders holding more than 5% of the shares, top ten shareholders, and top ten shareholders with unlimited tradable shares in the lending of shares through the refinancing business

☐Applicable √ Not applicable

The top ten shareholders and the top ten shareholders with unlimited tradable shares have

changed compared to the previous period due to the reasons of refinancing, lending, and repayment

☐Applicable √ Not applicable

Shares held by top ten shareholders with trading restrictions

☐ Applicable √ Not applicable

3. Strategic investor or normal legal entity getting into top 10 shareholders due to new share allocation

☐ Applicable √ Not applicable

III. Change in directors, supervisors and senior management of the Company

1. Changes in shares held by the directors, supervisors and senior management who are currently in duty or who have resigned or been dismissed from their duty in the reporting period

☐ Applicable √ Not applicable

Other information

☐ Applicable √ Not applicable

2. Equity incentives granted to directors, supervisors and senior management during the reporting period

☐ Applicable √ Not applicable

3. Others

☐ Applicable √ Not applicable

IV. Changes in Controlling Shareholder and Ultimate controlling shareholder

☐ Applicable √ Not applicable

V. Information on Preferred Shares

☐ Applicable √ Not applicable

Section 7 Corporate bonds

I. Corporate bonds, corporate bonds and non-financial corporate debt financing instruments

☐ Applicable √ Not applicable

II. Convertible bonds

☐ Applicable √ Not applicable

Section 8 Financial Report

I. Audit report

□ Applicable √ Not applicable

II. Financial Statements

Consolidated Balance Sheet

30 June 2025

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB

	Notes	Closing balance	Opening balance
Current Assets:			
Cash at bank and on hand	VII.1	1,458,954,423	1,265,778,795
Financial assets at fair value through profit or loss			
Derivative financial assets	VII.2	55,324,258	398,012
Notes receivable		6,679,000	
Accounts receivable	VII.3	2,082,387,104	1,969,896,420
Receivable financing			
Advances to suppliers	VII.4	120,028,172	105,349,658
Other receivables	VII.5	114,551,574	90,753,937
Including: interest receivable		1,450,389	4,924,532
dividend receivable			
Inventories	VII.6	2,703,864,016	2,428,174,242
Other current assets	VII.7	542,442,755	535,588,859
Total current assets		**7,084,231,302**	**6,395,939,923**
Non-current Assets:			
Available-for-sale financial assets			
Long-term receivables	VII.8	326,998,373	667,525,068
Long-term equity investments	VII.9	82,690,662	107,566,015
Investments in other equity instruments	VII.10	197,132,330	178,114,503
Other non-current financial assets	VII.11	102,988,217	111,350,835
Investment properties			
Fixed assets	VII.12	8,577,541,865	8,257,529,756
Construction in progress	VII.13	2,370,166,643	1,563,743,713
Right-of-use assets	VII.14	472,301,464	455,609,297
Intangible assets	VII.15	2,016,505,274	2,039,496,794
Development costs	VII.16	246,636,244	177,399,849
Goodwill	VII.17	2,284,320,547	2,045,976,457
Long-term prepaid expenses		2,744,713	2,717,606
Deferred tax assets	VII.18	181,237,895	223,205,798
Other non-current assets	VII.19	221,577,492	31,222,963
Total non-current assets		**17,082,841,719**	**15,861,458,654**
TOTAL ASSETS		**24,167,073,021**	**22,257,398,577**
Current Liabilities:			
Short-term borrowings	VII.21		54,453,036
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	VII.22	49,431	14,207,182
Notes payable		42,700,000	
Accounts payable	VII.23	1,835,121,980	1,767,033,170
Advances from customers			
Contract liabilities	VII.24	62,363,561	111,653,732

	Notes	Closing balance	Opening balance
Payroll payable	VII.25	486,298,617	643,357,694
Taxes payable	VII.26	282,209,510	211,745,513
Other payables	VII.27	731,797,811	670,312,126
Including: interest payable		4,756,987	5,665,794
dividends payable		75,622	
Current portion of non-current liabilities	VII.28	577,471,015	402,489,664
Other current liabilities	VII.29	689,113	1,326,097
Total current liabilities		**4,018,701,038**	**3,876,578,214**
Non-current Liabilities:			
Long-term borrowings	VII.30	1,502,771,726	925,558,489
Lease liabilities	VII.31	241,353,890	314,238,308
Long-term payables	VII.32	17,378,591	13,303,850
Long-term employee benefits payable	VII.33	310,526,455	271,226,814
Provisions	VII.34	396,820,675	514,798,569
Deferred income	VII.35	131,758,029	138,004,793
Deferred tax liabilities	VII.18	680,477,724	633,907,550
Other non-current liabilities			
Total non-current liabilities		**3,281,087,090**	**2,811,038,373**
TOTAL LIABILITIES		**7,299,788,128**	**6,687,616,587**
SHAREHOLDERS' EQUITY:			
Paid-in capital	VII.36	2,681,901,273	2,681,901,273
Other equity instruments			
Capital reserve	VII.37	1,004,724,989	1,004,724,989
Other comprehensive income	VII.38	54,452,760	(981,592,664)
Special reserve			
Surplus reserve	VII.39	714,341,527	714,341,527
Undistributed profits	VII.40	12,380,456,545	12,123,015,445
Total equity attributable to equity holders of the Company		**16,835,877,094**	**15,542,390,570**
Non-controlling interests		31,407,799	27,391,420
TOTAL OWNERS' EQUITY		**16,867,284,893**	**15,569,781,990**
TOTAL LIABILITIES AND OWNERS' EQUITY		**24,167,073,021**	**22,257,398,577**

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Balance Sheet of the Company

30 June 2025

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB

Item	Notes	Closing balance	Opening balance
Current Assets:			
Cash at bank and on hand	XIX.1	10,363,030	3,330,198
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivable financing			
Advances to suppliers		22,463	5,086
Other receivables	XIX. 2	428,347,882	606,827,855
Including: interest receivable			
dividend receivable		420,000,000	600,000,000
Inventories			
Assets held for sale			
Other current assets			
Total Current Assets		**438,733,375**	**610,163,139**
Non-current Assets:			
Available-for-sale financial assets			
Long-term receivables			
Long-term equity investments	XIX. 3	10,500,492,549	10,500,492,549
Investment properties			
Fixed assets		122,106	70,284
Construction in progress			
Assets from right of use			
Intangible assets		41,367	
Development costs			
Goodwill			
Long-term prepaid expenses		311,001	337,624
Deferred tax assets			
Other non-current assets		312,217	391,816
Total Non-current Assets		**10,501,279,240**	**10,501,292,273**
TOTAL ASSETS		**10,940,012,615**	**11,111,455,412**
Current Liabilities:			
Short-term borrowings			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Payroll payable		609,825	527,434
Taxes payable		847,831	589,791
Other payables	XIX. 4	353,731,852	34,325,062
Including: interest payable		584	
dividend payable			
Liabilities held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total Current Liabilities		**355,189,508**	**35,442,287**
Non-current Liabilities:			
Long-term borrowings			
Notes payables			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			

Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities			
TOTAL LIABILITIES		**355,189,508**	**35,442,287**
Shareholders' Equity:			
Paid-in capital		2,681,901,273	2,681,901,273
Other equity instruments			
Including: Preferred shares			
Capital reserve		6,681,557,628	6,681,557,628
Other comprehensive income			
Special reserve			
Surplus reserve		714,341,527	714,341,527
Undistributed profits		507,022,679	998,212,697
Total Owners' Equity		**10,584,823,107**	**11,076,013,125**
TOTAL LIABILITIES AND OWNERS' EQUITY		**10,940,012,615**	**11,111,455,412**

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Consolidated Income Statement

For the six months ended 30 June 2025

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2023
I. Total operating revenue		**8,512,067,963**	**7,260,948,548**
Including: Operating revenue	VII.41	8,512,067,963	7,260,948,548
II. Total operating costs		**7,496,027,308**	**6,335,868,887**
Including: Cost of sales	VII.41	6,094,122,234	4,984,047,631
Taxes and surcharge	VII.42	35,704,349	27,008,372
Selling and distribution expenses	VII.43	692,362,594	638,155,566
General and administrative expenses	VII.44	437,874,371	455,409,188
Research and development expenses	VII.45	171,581,101	207,848,131
Financial expenses –net	VII.46	64,382,659	23,399,999
Including: Interest expenses		20,435,294	38,234,787
Interest income		63,723,818	12,786,206
Add: Other income		24,543,690	12,702,833
Investment income (loss)	VII.47	(34,787,994)	(38,595,673)
Including: Income from investments in associates and joint ventures		(34,787,994)	(38,595,673)
Gains (losses) from disposal of financial assets at amortized cost			
Gains (losses) from changes in fair value	VII.48	48,410,310	(19,076,427)
Credit losses	VII.49	(2,854,250)	(1,445,788)
Asset impairment losses	VII.50	(14,464,397)	(17,430,209)
Gain (loss) from disposal of assets		(1,912,381)	(620,931)
III. Operating profit (loss)		**1,034,975,633**	**860,613,466**
Add: Non-operating income	VII.51	9,557,275	3,587,536
Less: Non-operating expenses	VII.52	15,158,659	75,109,201
IV. Total profit (Total loss)		**1,029,374,249**	**789,091,801**
Less: Income tax expenses	VII.53	288,007,237	181,712,855
V. Net profit (Net loss)		**741,367,012**	**607,378,946**
Net profit classified by continuity			
Net profit (loss) from continuing operations		**741,367,012**	607,378,946
Net profit (loss) from discontinued operations			
Net profit classified by ownership			
Net profit attributable to shareholders of the Company		740,183,329	607,599,304
Net profit attributable to non-controlling interests		1,183,683	(220,358)
VI. Net other comprehensive income		**1,039,294,230**	**(319,926,593)**
Other comprehensive income (net of tax) attributable to the owners of the Company	VII.38	**1,036,045,424**	**(319,227,166)**
1. Other comprehensive income which will not be reclassified subsequently to profit or loss			**(92,598,000)**
1) Actuarial differences on defined benefits plans			
2) Other comprehensive income which will not be reclassified subsequently to profit or loss under equity method			

Items	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2023
3) Fair value changes in investments in other equity instruments			(92,598,000)
2. Other comprehensive income which will be reclassified subsequently to profit or loss		**1,036,045,424**	**(226,629,166)**
1) Effective hedging portion of gains or losses arising from cash flow hedging instruments		(701,214)	44,245
2) Differences on translation arising on translation of foreign currency financial statements		1,036,746,638	(226,673,411)
Net other comprehensive income attributable to non-controlling interests after tax		**3,248,806**	**(699,427)**
VII. Total comprehensive income		**1,780,661,242**	**287,452,353**
Total amount of comprehensive income attributable to equity holders of the Company		1,776,228,753	288,372,138
Total amount of comprehensive income attributable to non-controlling interests		4,432,489	(919,785)
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/ share)	VII.54	0.28	0.23
(II) Diluted earnings per share (Yuan/ share)	VII.54	0.28	0.23

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Income Statement of the Company

For the six months ended 30 June 2025

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2024
I. Operating revenues		12,915,377	6,933,972
Less: Cost of sales		10,070,310	4,991,948
Business taxes and surcharge		11	64
Selling and distribution expenses			
General and Administrative expenses		10,344,008	9,766,556
Research and development expenses			
Financial expenses - net		1,028,474	(164,232)
Including: Interest expenses		437,195	0
Interest income		222,517	59,239
Add: Other income			
Investment income (loss)	XVIII.4		165,469,080
Including: Income from investments in associates and joint ventures			
Gains (losses) from disposal of financial assets at amortized cost			
Gains from changes in fair values (losses)			
Credit losses			
Asset impairment losses			
Gain (loss) from disposal of assets			
II. Operating profit (loss)		(8,527,426)	157,808,716
Add: Non-operating income		79,637	51,463
Less: Non-operating expenses			
III. Total profit (Total Loss)		(8,447,789)	157,860,179
Less: Income tax expenses			
IV. Net profit (Net Loss)		(8,447,789)	157,860,179
Net profit classified by continuity			
Net profit (loss) from continuing operations		(8,447,789)	157,860,179
Net profit (loss) from discontinued operations			
V. Net amount of other comprehensive income			
1.Other comprehensive income which will not be reclassified subsequently to profit or loss			
1) Actuarial differences on net defined benefit plan			
2.Other comprehensive income which will be reclassified subsequently to profit or loss			
1) Effective hedging portion of gains or losses arising from cash flow hedging instruments			
2) Difference on translation arising on translation of foreign currency financial statements			
VI. Total comprehensive income		(8,447,789)	157,860,179
VII. Earnings per share:			
(I) Basic earnings per share		Not applicable	Not applicable
(II) Diluted earnings per share		Not applicable	Not applicable

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Consolidated Cash Flow Statement

For the six months ended 30 June 2025

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2024
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		8,870,650,239	7,283,812,453
Refunds of taxes and surcharges		4,064,888	210,604
Cash received relating to other operating activities	VII.56(1)	18,403,469	64,604,300
Subtotal of cash inflows from operating activities		**8,893,118,596**	**7,348,627,357**
Cash paid for goods and services		5,993,728,274	5,014,244,649
Cash paid to and on behalf of employees		1,163,200,241	923,104,726
Payments of taxes and surcharges		208,287,324	69,008,961
Cash paid relating to other operating activities	VII.56(1)	77,921,433	111,600,626
Subtotal of cash outflows for operating activities		**7,443,137,272**	**6,117,958,962**
Net cash flow generated from operating activities		**1,449,981,324**	**1,230,668,395**
II. Cash flows from investing activities:			
Cash received from disposals of investment			
Cash received from investment income		96,443,893	13,116,957
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		710,458	1,720,871
Net cash received from disposals of subsidiaries and other business units		-	
Cash received relating to other investing activities	VII.56(2)	335,470,874	20,371,310
Subtotal cash inflows from investing activities		**432,625,225**	**35,209,138**
Cash paid to purchase fixed assets, intangible assets and other long-term assets		1,605,640,011	654,450,726
Cash paid to acquire investments		468,000	11,610,061
Net cash paid for acquisitions of subsidiaries			
Cash paid relating to other investing activities	VII.56(2)	48,003,996	66,928,529
Subtotal of cash outflows for investing activities		**1,654,112,007**	**732,989,316**
Net amount of cash flow from investing activities		**(1,221,486,782)**	**(697,780,178)**
III. Cash flow from financing activities:			
Cash received from capital contributions			
Including: cash received from capital contributions by non-controlling interests of subsidiaries			
Payment for acquisition of non-controlling interests			
Cash received from borrowings		577,342,153	242,048,499
Cash received from issuance of debentures			
Cash received relating to other financing activities			
Subtotal of cash inflows from financing activities		**577,342,153**	**242,048,499**
Cash repayments of borrowings		58,683,812	610,843,900
Cash payments for interest expenses and distribution of dividends or profits		538,209,966	67,916,043
Including: dividends and profits paid to non-controlling shareholders of subsidiaries			
Cash paid relating to other financing activities	VII.56(3)	78,651,501	52,147,954
Subtotal of cash outflows for financing activities		**675,545,279**	**730,907,897**
Net cash flow from financing activities		**(98,203,126)**	**(488,859,398)**

Items	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2024
IV. Effect of Foreign exchange rate changes on Cash and Cash Equivalents		**95,027,172**	**(24,511,332)**
V. Net increase in cash and cash equivalents		**225,318,588**	**19,517,487**
Add: Opening balance of cash and cash equivalents		1,233,635,835	1,005,227,559
VI. Closing balance of cash and cash equivalents	**VII.57(4)**	**1,458,954,423**	**1,024,745,046**

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Cash Flow Statement of the Company

For the six months ended 30 June 2025

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2024
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services			
Refunds of taxes and surcharges			
Cash received relating to other operating activities		17,764,558	6,519,962
Subtotal of cash inflows from operating activities		17,764,558	6,519,962
Cash paid for goods and services			
Cash paid to and on behalf of employees		14,248,425	9,467,307
Payments of taxes and surcharges		3,799,415	1,765,596
Cash paid relating to other operating activities		5,623,339	4,998,004
Subtotal cash outflows from operating activities		23,671,179	16,230,907
Net cash flow generated from operating activities		(5,906,621)	(9,710,945)
II. Cash flow from investing activities:			
Cash received from disposals of investments			
Cash received from investment income and interest income		180,222,517	0
Net cash received from disposals of fixed assets, intangible assets and other long-term assets			
Net cash received from disposals of subsidiaries and other business units			
Cash received relating to other investing activities			
Subtotal of cash inflows from investing activities		180,222,517	0
Cash paid to purchase fixed assets, intangible assets and other long-term assets		69,906	
Cash paid to acquire investments			
Net cash paid for acquisitions of subsidiaries and other business units			
Net cash decrease due to disposal of subsidiaries			
Cash paid relating to other investing activities			
Subtotal of cash outflows from investing activities		69,906	
Net amount of cash flow from investing activities		180,152,611	0
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		320,000,000	0
Cash received from issuance of shares			
Cash received from other financing activities			
Subtotal of cash inflows from financing activities		320,000,000	0
Cash repayments of borrowings			0
Cash payments for interest expenses and distribution of dividends or profits		487,213,195	
Cash payments relating to other financing activities			

Items	Notes	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Subtotal of cash outflows from financing activities		487,213,195	0
Net cash flow from financing activities		(167,213,195)	0
IV. Effect of foreign exchange rate changes on cash and cash equivalents		37	(8)
V. Net increment of cash and cash equivalents		7,032,832	(9,710,953)
Add: Opening balance of cash and cash equivalents		3,330,198	15,901,315
VI. Closing balance of cash and cash equivalents		10,363,030	6,190,362

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Consolidated Statement of Changes in Owners' Equity

For the six months ended 30 June 2025

Unit: Yuan Currency: RMB

Items	Current period									
	Equity attributable to shareholders of the company								Non-controlling interests	Total
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
1.Ending balance of last year	**2,681,901,273**		**1,004,724,989**	**(981,592,664)**		**714,341,527**	**12,123,015,445**	**15,542,390,570**	**27,391,420**	**15,569,781,990**
Add: increase/(decrease) due to changes in accounting policies										
Increase/(decrease) due to corrections of errors in prior period										
Business combination under common control										
2.Opening balance of current year	2,681,901,273		1,004,724,989	(981,592,664)		714,341,527	12,123,015,445	15,542,390,570	27,391,420	15,569,781,990
3.Increase/(decrease) for current period				1,036,045,424	-	-	257,441,100	1,293,486,524	4,016,379	1,297,502,903
(1)Total comprehensive income				1,036,045,424			740,183,329	1,776,228,753	4,432,489	1,780,661,242

Items	Current period									
	Equity attributable to shareholders of the company								Non-	
(2)Owner's contributions and withdrawals of capital										
(a)Common stock contributed by owners										
(b)Capital contributed by other equity instruments holders										
(c)Share-based payment recorded in owner's equity										
(d) Others										
(3)Profits distribution							(482,742,229)	(482,742,229)	(416,110)	(483,158,339)
(a)Appropriation of surplus reserve										
(b)Distribution to owner/shareholder							(482,742,229)	(482,742,229)	(416,110)	(483,158,339)
(c)Others										
(4)Transfer within owner's equity										
(a)Capitalization of capital reserve										
(b)Capitalization of surplus reserve										
(c)Loss offset by surplus reserve										
(d)Other comprehensive income										

Items	Current period									
	Equity attributable to shareholders of the company								Non-	
transferred to retained earnings										
(e)Other										
(5) Special reserve										
(a)Transfer to special reserve in the period					6,492,082			6,492,082		6,492,082
(b) Amount used in the period					(6,492,082)			(6,492,082)		(6,492,082)
(6) Other										
4.Ending balance of current period	2,681,901,273		1,004,724,989	54,452,760		714,341,527	12,380,456,545	16,835,877,094	31,407,799	16,867,284,893

Responsible person of the Company: Zhigang Hao　　Person in Charge of the Accounting Body: Virginie Cayatte　　Chief Accountant: Virginie Cayatte

Items	Last period									
	Equity attributable to shareholders of the company								Non-controlling interests	Total
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
1.Ending balance of last year	**2,681,901,273**		**1,004,724,989**	**(443,642,906)**		**639,920,315**	**11,154,024,818**	**15,036,928,489**	**27,940,008**	**15,064,868,497**
Add: increase/(decrease) due to changes in accounting policies										
Increase/(decrease) due to corrections of										

Items	Last period									
	Equity attributable to shareholders of the company								Non-	
errors in prior period										
Business combination under common control										
2.Opening balance of current year	**2,681,901,273**		**1,004,724,989**	**(443,642,906)**		**639,920,315**	**11,154,024,818**	**15,036,928,489**	**27,940,008**	**15,064,868,497**
3.Increase/(decrease) for current period				(319,227,166)		1,578,618	445,106,610	127,458,062	(919,785)	126,538,277
(1)Total comprehensive income				(319,227,166)			607,599,304	288,372,138	(919,785)	287,452,353
(2)Owner's contributions and withdrawals of capital										
(a)Common stock contributed by owners										
(b)Capital contributed by other equity instruments holders										
(c)Share-based payment recorded in owner's equity										
(d) Others										
(3)Profits distribution						1,578,618	(162,492,694)	(160,914,076)		(160,914,076)
(a)Appropriation of surplus reserve						1,578,618	(1,578,618)			
(b)Distribution to owner/shareholder							(160,914,076)	(160,914,076)		(160,914,076)

Items	Last period									
	Equity attributable to shareholders of the company								Non-	
(c)Others										
(4)Transfer within owner's equity										
(a)Capitalization of capital reserve										
(b)Capitalization of surplus reserve										
(c)Loss offset by surplus reserve										
(d)Other comprehensive income transferred to retained earnings										
(e)Others										
(5) Special reserve										
(a)Transfer to special reserve in the period					6,042,397			6,042,397		6,042,397
(b) Amount used in the period					(6,042,397)			(6,042,397)		(6,042,397)
(6) Other										
4.Ending balance of current period	2,681,901,273		1,004,724,989	(762,870,072)		641,498,933	11,599,131,428	15,164,386,551	27,020,223	15,191,406,774

Responsible person of the Company: Zhigang Hao   Person in Charge of the Accounting Body: Virginie Cayatte   Chief Accountant: Virginie Cayatte

Statement of Changes in Owners’ Equity of the Company

For the six months ended 30 June 2025

Unit: Yuan Currency: RMB

Items	Current period										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other Comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners’ equity
		Preferred shares	Perpetual debt	Others							
I. Closing balance of last year	2,681,901,273				6,681,557,628				714,341,527	998,212,697	11,076,013,125
II. Opening balance of current year	2,681,901,273				6,681,557,628				714,341,527	998,212,697	11,076,013,125
III. Amount increased or decreased of current period (decrease filled out with “-”)										(491,190,018)	(491,190,018)
(I) Total amount of comprehensive income										(8,447,789)	(8,447,789)
(II) Capital injection and withdrawl by owners											
1. Common shares input by shareholders											
2. Capital injection by other equity instrument holders											
3. Amount paid with shares and recorded in the owner’s equity											
4. Others											
5. Disposal of subsidiaries and businesses											
(III) Profit distribution										(482,742,229)	(482,742,229)
1. Withdrawal of surplus reserve											
2. Distribution to owners										(482,742,229)	(482,742,229)

(or shareholders)											
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converted to increase capital (or capital stock)											
2. Surplus reserve converted to increase capital (or capital stock)											
3. Losses covered with surplus reserve											
4. Others											
(V) Special reserves											
1. Withdrawn in current period											
2. Used in current period											
IV. Closing balance of current period	2,681,901,273				6,681,557,628				714,341,527	507,022,679	10,584,823,107

Responsible person of the Company: Zhigang Hao Person in Charge of the Accounting Body: Virginie Cayatte Chief Accountant: Virginie Cayatte

Items	Last period										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other Comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners' equity
		Preferred shares	Perpetual debt	Others							
I. Closing balance of last year	2,681,901,273				6,681,557,628				639,920,315	489,335,867	10,492,715,083
II. Opening balance of current year	2,681,901,273				6,681,557,628				639,920,315	489,335,867	10,492,715,083
III. Amount increased or decreased of current period (decrease filled out with "-")											
(I) Total amount of comprehensive income										157,860,179	157,860,179
(II) Capital input and decreased by owners											
1. Common shares input by shareholders											
2. Capital input by other equity instrument holders											
3. Amount paid with shares and recorded in the owner's equity											
4. Others											
5. Disposal of subsidiaries and businesses											
(III) Profit distribution											

1. Withdrawal of surplus reserve									1,578,618	(1,578,618)	-
2. Distribution to owners (or shareholders)										(160,914,076)	(160,914,076)
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converted to increase capital (or capital stock)											
2. Surplus reserve converted to increase capital (or capital stock)											
3. Losses covered with surplus reserve											
4. Others											
(V) Special reserves											
1. Withdrawn in current period											
2. Used in current period											
(VI) Others											
IV. Closing balance of current period	2,681,901,273				6,681,557,628				641,498,933	484,703,352	10,489,661,186

Responsible person of the Company: Zhigang Hao   Person in Charge of the Accounting Body: Virginie Cayatte   Chief Accountant: Virginie Cayatte

III. Basic Information on the Company

1. Basic information on the Company

Prior to the Major Assets Restructuring, Bluestar New Chemical Material Co., Ltd was incorporated on May 31, 1999. China National Bluestar (Group) Co, Ltd. (the "Bluestar Group") was the initiative founder, and Ministry of Chemical Beijing Rubber Industry Research Institute, Ministry of Chemical Lianyungang Design Research Institute, Ministry of Chemical Synthetic Material Research Institute and National Changfeng Machinery are the co-founders. The city of registration is Beijing, People's Republic of China.

In 2015, the Company completed an exchange of assets. The asset replacement and purchase have been paid through cash payment and the issuance of new shares (issuance of 2,159,193,713 ordinary shares). After the transaction, the total share capital increased to RMB 2,681,901,273.

The Company's principal business was significantly changed to research, development, production and sale of feed additives for animal nutrition from chemical material business prior to Major Assets Restructuring. After the Major Assets Restructuring, the Company's name has been changed from Bluestar New Chemical Material Co., Ltd ("BNCM") to Bluestar Adisseo Company (the "Company").

After the completion of the restructuring, the Company and its subsidiaries (collectively the "Group")'s principal place of business included the plants in France, China and Spain, as well as distribution companies worldwide.

Bluestar Group is the parent company of Company, Sinochem Holdings is the Company's ultimate controlling shareholder.

IV. Basis for Preparation of Financial Statements

1. Basis for preparation

The Group determines the production and management features based on specific accounting policies and accounting estimates, mainly in receivables that are subject to provision for bad debts (Note V (11)), inventory valuation method (Note V (16)), amortization/depreciation for fixed/intangible assets (Note V (21) (26)), condition for capitalized development expenditure (Note V (26)), revenue recognition (Note V (37)), etc.

See Note V (45) for the key judgments in applying the significant accounting policies adopted by Group.

2. Going concern

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

V. Important Accounting Policies and Accounting Estimates

√ Applicable □ Not applicable

The accounting policies related to the recognition and measurement of the Group's bad debt provisions for receivables, method of inventory costing, depreciation of fixed assets, amortization of intangible assets, capitalization terms for research and development expenses, and the recognition and measurement of revenue are determined in accordance with the Group's business. Refer to the notes for details.

1. Statement of compliance

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises issued by MOF truly and completely present the consolidated and company financial position of the Company as at 30 June 2025, and the consolidated and company financial performance and cash flows of the Company for the 6 months ended 30 June 2025.

2. Fiscal period

The Company's fiscal year is from 1 January to 31 December in the Gregorian calendar.

3. Business cycle

□ Applicable √ Not applicable

4. Functional currency

The Company's financial statements are presented in Renminbi.

5. Determination method and selection basis of materiality threshold

√ Applicable □ Not applicable

Items	Materiality Threshold
Material construction in progress	Budget amount ⩾ RMB 50 million

6. Method for accounting treatment of business combination under and not under common control

√ Applicable □ Not applicable

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets or net assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

(1) Business combination under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the share of carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially. Any costs directly attributable to the combination are recognized in profit or loss when incurred. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

(2) Business combination not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill after taking into account deferred tax impact (Note V (27)). If (1) is less than (2), the difference is recognized in profit or loss for the current period. The costs of issuing equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed when incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognized in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognized by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

In a business combination achieved in stages and control obtained in the reporting period, the previously held equity interest is remeasured at the fair value as of the acquisition date by the Group, and the difference between the fair value and book value is recognized in investment income or other comprehensive income of the current period. Other comprehensive income and other changes in shareholders' equity under equity method that will be reclassified to profit or loss (Note V,19 (2)(b)) arising from the previously held equity interest are recognized as investment income as of the acquisition date. If the previously held equity interest is classified as an investment in equity instruments measured at fair value and fair value changes charged into other comprehensive income, the other comprehensive income previously recognized is reclassified to retained earnings.

7. The judgement of control and method for preparation of consolidated financial statements

√ Applicable □ Not applicable

(1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented separately in the consolidated balance sheet within owners' equity. Net profit or loss attributable to non-controlling owners is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling owners is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealized profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, unless they represent impairment losses that are recognized in the financial statements.

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts in the financial statements of the ultimate controlling party are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

(3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognized as investment income for the current period.

(4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

8. Joint venture arrangement and accounting treatment

√ Applicable □ Not applicable

A joint venture is an arrangement whereby the Group and other parties have joint control and rights to the net assets of the arrangement.

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.

9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdraw on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

10. Foreign currency businesses and conversion of foreign-currency statements

√ Applicable □ Not applicable

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of receipt. Other transactions in foreign currencies are translated to Renminbi at the spot exchange rate at the occurrence date for initial recognition.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognized in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets (Note V (23)). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

Assets and liabilities of foreign operation are translated to Renminbi reporting currency at the spot exchange rate at the balance sheet date. Equity items, excluding "Undistributed profit", are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates. The resulting translation differences are recognized in other comprehensive income. The translation differences accumulated in other comprehensive income with respect to a foreign operation is transferred to profit or loss in the period when the foreign operation is disposed.

11. Financial instruments

√ Applicable □ Not applicable

Financial instruments include cash at bank and on hand, equity securities other than those classified as long-term equity investments (see Note V (19)), receivables, payables, loans and borrowings, and share capital.

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. Trade receivables that do not have a significant financing component or do not account for the significant financing component in one-year-or-less contracts under the practical expedient are initially measured at the transaction price in accordance with Note V.(37).

(2) Classification and subsequent measurement of financial assets

a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at For other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

b) Subsequent measurement of financial assets

- Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss unless the financial assets are part of a hedging relationship.

- Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost and is not part of a hedging relationship shall be recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize impairment gains or losses.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or amortized cost.

- Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

(4) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are generally presented separately in the balance sheet and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognized amounts; and
- the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

(5) Derecognition of financial assets and financial liabilities

Financial asset is derecognized when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognized directly in other comprehensive income for the part derecognized.

The Group derecognizes a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(6) Impairment of financial assets

The Group recognizes loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortized cost; and

Financial assets measured at fair value, including debt investments or equity securities at FVPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for trade receivables arising from sales of goods or rendering of services are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for trade receivables, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

- If the financial instrument is determined to have low credit risk at the balance sheet date;
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

Bad debt provision for accounts receivable

(a) Categories and determination basis for bad debt provision of accounts receivable grouped by credit risk characteristics

Accounts receivable	According to the historical experience of the Group, there is no significant difference in the losses arising from different customer segments. Therefore, the Group collectively assess all accounts receivable, and does not further distinguish different customer groups when calculating the bad debt provision for accounts receivable.
Other receivables	According to the nature of other receivables and their credit risk characteristics, the Group divides other receivables into 3 groups, specifically: Interests receivable, dividends receivable and other receivables.
Long-term receivables	According to the nature of long-term receivables and their credit risk characteristics, the Group divides long-term receivables into 2 groups, specifically: Guarantees and cautions, and others.

(b) Criteria of individual assessment of provision for bad debt

For accounts receivable, other receivables and long-term receivables, the Group usually assesses the expected credit loss for a group with the same credit risk characteristics collectively. If the credit risk characteristics of an account are significantly different from those of other accounts in the group, or the credit risk characteristics of the account change significantly, the provision for expected credit losses shall be assessed individually. For example, when an account is in serious financial distress, and the expected credit loss rate of the receivables from the counterparty has been significantly higher than the expected credit loss rate of its overdue ageing range, the provision for losses shall be assessed individually.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortized cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The previously written-off financial assets that are subsequently recovered shall be recognized as a reversal of impairment loss and included in the profit or loss for the period in which the recovery occurs.

(7) Equity instrument

The issuance of equity instruments is recognised at the actual issue price in shareholders' equity, relevant transaction costs are deducted from shareholders' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

12. Notes receivables

□ Applicable √ Not applicable

13. Accounts receivables

√ Applicable □ Not applicable

Methods of determining expected credit loss of accounts receivable and accounting treatment

√ Applicable □ Not applicable

Please refer to V.11

Categories and determination basis for bad debt provision of accounts receivable grouped by credit risk characteristics

√ Applicable □ Not applicable

Please refer to V.11

Criteria of individual assessment of provision for bad debt

√ Applicable □ Not applicable

Please refer to V.11

14. Accounts receivable financing

□ Applicable √ Not applicable

15. Other receivables

√ Applicable □ Not applicable

Methods of determining expected credit loss of other receivables and accounting treatment

√ Applicable □ Not applicable

Please refer to V.11

Categories and determination basis for bad debt provision of other receivables grouped by credit risk characteristics

√ Applicable □ Not applicable

Please refer to V.11

The calculation of ageing for other receivables grouped by risk characteristics of ageing

√ Applicable □ Not applicable

Please refer to V.11

Criteria of individual assessment of provision for bad debt

√ Applicable □ Not applicable

Please refer to V.11

16. Inventory

√ Applicable □ Not applicable

Inventory types, inventory costing method, inventory system, and the amortization method of low-value

consumables and packaging

√ Applicable □ Not applicable

(1) Inventory types

Inventories comprise raw materials, work in progress and finished goods and turnover materials and are measured at the lower of cost and net realizable value. Inventories having a similar nature are measured using the same cost formula.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition. In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labor costs and an appropriate allocation of production overheads based on normal capacity.

(2) Inventory costing method

Cost of inventories recognized is calculated using the first-in-first-out or weighted average methods.

(3) Inventory system

The Group maintains a perpetual inventory system.

(4) Amortization method of low-value consumables and packaging

Consumables, including low-value consumables and packaging materials, are charged to profit or loss upon receipt. The amortization charge is included in the cost of the related assets or recognized in profit or loss for the current period.

Basis for determining the net realizable value and provisioning methods for impairment losses of inventories

√ Applicable □ Not applicable

At the balance sheet date, inventories are carried at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realizable value of materials held for use in the production is measured based on the net realizable value of the finished goods in which they will be incorporated. The net realizable value of the inventory held to satisfy sales or service contracts is measured based on the contract price, to the extent of the quantities specified in sales contracts, and the excess portion of inventories is measured based on general selling prices.

Any excess of the cost over the net realizable value of each class of inventories is recognized as a provision for the impairment, and is recognized in profit or loss.

17. Contract assets

□ Applicable √ Not applicable

18. Non-current assets or disposal groups held for sale

□ Applicable √ Not applicable

19. Long-term equity investments

√ Applicable □ Not applicable

(1) Investment cost of long-term equity investments

a. Long-term equity investments acquired through a business combination

- The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially.

- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

b. Long-term equity investments acquired other than through a business combination

- A long-term equity investment acquired other than through a business combination is initially recognized at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement of long-term equity investment

a. Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognizes its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note V (28).

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note V(6).

b. Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control and rights to the net assets of the arrangement.

An associate is an enterprise over which the Group has significant influence.

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.
- After the acquisition of the investment, the Group recognizes its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognized directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognizes investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealized profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealized losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealized gains but only to the extent that there is no impairment.
- The Group discontinues recognizing its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

For the impairment of the investments in joint ventures and associates, refer to Note V (28).

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally.
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

20. Investment properties

□ Applicable √ Not applicable

21. Fixed assets

(1) Recognition of fixed assets

√ Applicable □ Not applicable

Fixed assets represent the tangible assets held by the Group for use in production of goods or for administrative purposes with useful lives over one year.

The cost of a purchased fixed asset comprises the purchase price, related taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor, capitalized borrowing costs, and any other costs (Note V (23)) directly attributable to bringing the asset to working condition for its intended use.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognized as assets if the criteria to recognize fixed assets are satisfied, and the carrying amount of the replaced part if derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss ass incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation method

√ Applicable □ Not applicable

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Type	Depreciation method	Depreciation life (year)	Average residual value (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	5-40 years	0%	2.5%~20.0%

Machinery equipment and others	Straight-line method	2-15 years	0%	6.7%~ 50.0%

Note: According to the CAS, freehold lands outside mainland China are classified as fixed assets, and no depreciation is provided.

Useful lives estimated residual value and depreciation methods are reviewed at least at each year-end.

(3) When the recoverable amount of fixed assets is lower than their book value, the book value may be written down to recoverable amount

(4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognized:

- when the fixed asset is on disposal; or
- when no future economic benefit is expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

22. Construction in progress

√ Applicable □ Not applicable

The construction in progress is measured as per the cost incurred actually. The actual cost includes building cost, installation cost, borrowing costs meeting capitalization conditions, and any other costs directly attributable to bringing the asset to working condition for its intended use.

The construction in progress, when reaching the predicted usable state, will be transferred into fixed assets, and have depreciation withdrawn from the next month. The standards and timing for transferring different types of construction in progress into fixed assets are:

Types	Standards and timing
Buildings and constructions	When the construction completion and acceptance standards are met
Machinery equipment	When the relevant requirements or contract standards after installation or commissioning are met

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (Note V (28).

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognized in profit or loss for the current period.

23. Borrowing costs

√ Applicable □ Not applicable

Borrowing costs incurred directly attributable to the acquisition and construction of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as financial expenses when incurred.

During the capitalization period, the amount of interest (including amortization of any discount or premium on borrowing) to be capitalized in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition and construction of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition and construction of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditure on the asset over the above amounts of specific borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognized amount of the borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognized as a financial expense when incurred.

The capitalization period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended. Capitalization of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition and construction that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalization of borrowing costs is suspended when the acquisition and construction activities are interrupted abnormally for a period of more than three months.

24. Biological assets

□ Applicable √ Not applicable

25. Oil and gas assets

□ Applicable √ Not applicable

26. Intangible assets

(1) Useful life and its determination basis, estimates, amortization or review procedures

√ Applicable □ Not applicable

Intangible assets are stated in the balance sheet at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses (Note V (28). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortized using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

The respective amortization periods, determination basis and amortization method for such intangible assets are as follows:

Items	Amortization period	Determination basis	Amortization method
Land use right	45 - 50 years	Useful life	Straight-line
Trademark	20 - 40 years	Useful life	Straight-line
Software and others	3 - 15 years	Useful life	Straight-line
Patents	The legal protection (10-15years) or the useful life if shorter	Useful life	Straight-line
Non-patent Technology	Expected benefit life (15-25 years)	Useful life	Straight-line
Customer relationships	Expected benefit life (8-20 years)	Useful life	Straight-line

The Group reviews the useful life and amortization method of intangible assets with finite useful lives at least at the end of each year.

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

(2) Scope of research and development expenses and related accounting treatments

√ Applicable □ Not applicable

Expenditure on an internal research and development project is classified into expenditure during the research phase and expenditure during the development phase.

Expenditure during the research phase is expensed when incurred. Expenditure during the development phase is capitalized if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete the development. Capitalized development costs are stated in the balance sheet at cost less impairment losses (Note V (28). Other development expenditure is recognized as an expense in the period in which it is incurred.

When the Group sells products or by-products produced in the course of research and development, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively and recognized in profit or loss for the current period.

27. Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving enterprises under common control.

Goodwill is not amortized and is stated in the balance sheet at cost less accumulated impairment losses (Note V (28). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

28. Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- intangible assets
- right of use assets
- development costs
- Long-term prepaid expenses
- long-term equity investments
- goodwill etc.

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the combination for the purpose of impairment testing.

An asset group is composed of assets directly related to cash-generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (Note V (29) less costs to sell and its present value of expected future cash flows. The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

29. Fair value measurement

Unless otherwise specified, the Group determines fair value measurement as below:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

30. Long-term prepaid expenses

□ Applicable √ Not applicable

31. Contract liabilities

√ Applicable □ Not applicable

Refer to Note V. (37) Revenue recognition for accounting policies of contract liabilities.

32. Employee benefits

(1) Short-term employee benefits

√ Applicable □ Not applicable

Short-term employee benefits include employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing funds, measured at the amount incurred or accrued at the applicable benchmarks and rates. The employee benefits are recognized as a liability in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Profit sharing plan

Profit sharing plans gives employees a share in the profits of the company. Each employee receives a percentage of those profits based on the company's earnings. The Group is eligible for employee bwhen itits when meets the following conditions:

- The Group has legal obligation or constructive obligation to pay such employees benefits resulting of past events;
- Accrued payroll obligations due to profit sharing can be estimated reliably.

(3) Post-employment benefits

√ Applicable □ Not applicable

- Defined contribution plans

The Group's employees participate in the defined basic pension insurance plan set up and administered by local labor and social protection authorities. Basic pensions are provided for monthly according to stipulated bases and proportions to local labor and social security institutions. When employees retire, local labor and social security institutions have a duty to pay the basic pension insurance to them.

The amounts of payables are recognized as liabilities based on the above provisions in the accounting period in which the service has been rendered by the employees, and as costs of assets or expenses to whichever the employee service is attributable.

- Defined benefit plans

The actuarial estimate of defined benefit plans is calculated using the projected unit credit method. The net liabilities (the present value of the defined benefit plan less fair value of the plan assets) are disclosed under employee benefits in balance sheet. The related services costs (including current service costs, past services costs and settlement gains or losses) and net interests calculated based on net liabilities of the defined benefit plan and appropriate discount rate are recognized through profit and loss for the period in which they occur. Actuarial gains and losses on pensions and other post-employment benefits arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income for the period in which they occur in consideration of the increase or decrease in the obligation.

The Group offers pension plans and other post-employment benefit plans to some employees and retirees of the Group. The specific features of these plans vary depending on the applicable laws and regulations in each country where the employee work.

(4) Termination benefits

√ Applicable □ Not applicable

When the Group terminates an employee's employment before the employment contract expires, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognized with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits provided in an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

(5) Long-term bonus payment

√ Applicable □ Not applicable

In order to retain and engage Executives Committee Members, the Group has set up a a three years period plan, based on presence and performance business plan achievement on the period (Matrix ROCE/EBITDA reviewed annually), also based on the Company's phantom stocks and a personal co-investment.

This entitles the executives to a cash payment after three years, with business plan performance conditions. The fair values of the incentive plan payment are based on the Company's stock price at the date of the evaluation for the incentive plan.

For incentive plan do not vest until the completion of services for a period, and/or until the achievement of a specified performance condition, the Group recognizes costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the enterprise shall remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognized in profit or loss for the current period.

33. Lease liabilities

√ Applicable □ Not applicable

Refer to Note V (41) hereafter related to "leases".

34. Provisions and contingent liabilities

√ Applicable □ Not applicable

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome
- Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

35. Share-based payment

□ Applicable √ Not applicable

36. Preferred shares, perpetual bonds, and other financial instruments

□ Applicable √ Not applicable

37. Revenue recognition

Disclosure of revenue recognition and accounting policies applied by business types

□ Applicable √ Not applicable

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

(a) Sales revenue

Revenue is recognized when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices.

For the contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognizes for the promised warranty as a performance obligation. Otherwise, the Group accounts for the warranty in accordance with the requirements of CAS No.13 – Contingencies.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognizes the transaction price only to the extent that it is highly 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. Where the contract contains a significant financing component, the Group recognizes the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortized using an effective interest method over the contract term.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance; or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

A performance obligation is satisfied when « controlling right » of the promised good or service is transferred to the customer. In order to determine the point in time at which control transfers (i.e., and the point at which revenue recognition will occur), entities shall consider the transfer of the significant risks and rewards of ownership as one of the indicators in this assessment.

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognizes loss allowances for expected credit loss on contract assets. Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is presented net of discounts and returns.

According to the characteristics of production and management of the group and the terms of relevant sales contracts with customers, revenue for domestic sales is generally recognized when the goods are delivered to the designated places and accepted by the customers, revenue for export sales is generally recognized when the goods are received by the shipping companies.

(b) Interest revenue

Interest income is recognized on a time proportion basis with reference to the principal outstanding and the applicable effective interest rate.

Different revenue recognition and accounting treatment applied to the same type of business under different business models

□ Applicable √ Not applicable

38. Contract costs

√ Applicable □ Not applicable

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained ,e.g. an incremental sales commission. The

Group recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Assets recognized for the incremental costs of obtaining a contract and assets recognized for the costs to fulfil a contract (the "assets related to contract costs") are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognized in profit or loss for the current period. The Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

The Group recognizes an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

39. Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contribution from the government in the capacity as an investor in the Group.

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognized as deferred income and amortized over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income . A grant that compensates the Group for expenses or losses to be incurred in the future is recognized initially as deferred income, and offset against related expenses in the periods in which the expenses or losses are recognized. Otherwise, the grant is included in other income or non-operating income directly.

40. Deferred tax assets/deferred tax liabilities

Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to net them off and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible tax losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination and that affects neither accounting profit and loss nor taxable profit (or deductible loss), and the assets and liabilities initially recognized does not generate equivalent taxable profit and deductible loss. Deferred tax is not recognized for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the balance sheet date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that the related tax benefits will be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all the following conditions are met:

- The taxable entity has a legally enforceable right to offset current tax liabilities and assets, and
- They relate to income taxes levied by the same tax authority on either the same taxable entity; or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

41. Leases

√ Applicable □ Not applicable

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly speicied in a contrat and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the ecomonic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease componets, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(1) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the duration of contract. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated 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. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note V.28.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;

- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;

- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Judgement basis for applying simplified treatment to short-term leases and low-value leases and the accounting treatments

√ Applicable □ Not applicable

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognizes the finance lease receivable and derecognizes the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. Variable lease payments not included in the measurement of net investment in the lease are recognized as income as they are earned.

Lease receipts from operating leases is recognized as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortized in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognized as income as they are earned.

42. Hedge accounting

Hedge accounting is a method which recognizes in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are the items that expose the Group to risks of changes in fair value or cash flows and that are designated as being hedged and can be reliably measured. The Group's hedged items include a firm commitment that is settled with a fixed amount of foreign currency and exposes the Group to foreign currency risk and other items.

A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument,
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

When a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective of the designated hedging relationship remains unchanged, the Group rebalances the hedging relationship. Rebalancing refers to the adjustments made to the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship for the purpose of maintaining the hedge ration that complies with the hedge effectiveness requirements.

The Group discountinues applying hedge accounting in any of the following circumstances :

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedge instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from the economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

(1) Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income as a cash flow hedge reserve. The amount of the cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

- The cumulative gain or loss on the hedging instrument from inception of the hedge;
- The cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

The change in the amount of the cash flow hedge reserve is recognized in other comprehensive income in each period.

The portion of the gain or loss on the hedging instrument that is determined to be ineffective is recognized in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it in the initial costs or other carrying amount of the asset or liability.

For cash flow hedges other than those covered above, that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income is accounted for as follows:

- If the hedged future cash flows are still expected to occur, that amount will remain in the cash flow hedge reserve, and be accounted for in accordance with the above policy.
- If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(2) Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, or a portion of such an asset, liability or firm commitment.

The gain or loss from re-measuring the hedging instrument is recognized in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognized hedged item not measured at fair value and is recognized in profit or loss.

Any adjustment to the carrying amount of a hedged item is amortized to profit or loss if the hedged item is a financial instrument (or a component thereof) measured at amortized cost. The amortization is based on a recalculated effective interest rate at the date that amortized begins.

43. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

44. Segment information

The Group identifies reportable segments based on operating segments determined based on internal organization structure of the Group, management requirements, and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment’s products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

45. Important accounting estimates and their key assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Except for accounting estimates relating to depreciation and amortization of assets such as fixed assets, right-of-use assets, and intangible assets (see Notes VII (12), (14) and (15) and provision for impairment of various types of assets (see Notes VII (3), (6), (13), (14), (15) and (17)). Other significant accounting estimates are as follows:

Note VII (33) – Post-employment benefits – defined benefit plans

Note XIII – Disclosure relating to Fair value.

46. Changes of important accounting policies and accounting estimates

(1) Changes of important accounting policies

☐ Applicable √ Not applicable

(2) Changes of important accounting estimates

☐ Applicable √ Not applicable

(3) Adjustments on the financial statements as of beginning of the year due to adoption of new accounting standards or explanations since 2024

47. Other information

☐ Applicable √ Not applicable

VI. Taxes

1. Main tax type and tax rate

Main tax type and tax rate

√ Applicable ☐ Not applicable

Category	Tax base	Tax rate
(1) Enterprise income tax	Taxable income	15% to 34%
(2) Value added tax ("VAT")	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of current period)	5% to 21%
(3) Business tax	Taxable turnover (for French affiliates)	1.5%
(4) Stamp tax	Taxable sales amount, transactions between shareholders, Property	0.02% to 2%
(5) Property tax	Rental value (France) or cost of the property (China)	0 to 1.2%

Business income tax rates of major tax payer enterprises subject to different tax rates:

√ Applicable ☐ Not applicable

Name of the company	Enterprise income tax rate (%)
Bluestar Adisseo Company	25
Adisseo France S.A.S	25.83
Adisseo Espana S.A.	25
Bluestar Adisseo Nanjing Co., Ltd	15
Adisseo Life Science (Shanghai) Co., Ltd	25
Adisseo USA Inc.	21
Adisseo Brasil Nutriçao Animal Ltd	34
Nutriad International N.V	25

2. Tax preferences

√ Applicable ☐ Not applicable

The Group has a tax preference for one of its subsidiaries, BANC, and uses the tax rate of 15% for 2025 In October 2022, BANC received an official certificate from JiangSu science and technology committee for second batch name list of high new technology enterprises and BANC have the qualification on the HNTE.

3. Other

□ Applicable √ Not applicable

VII. Notes to the Items in Consolidated Financial Statements

1. Cash at bank and on hand

□ Applicable √ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand		
Cash at bank	1,029,519,348	1,083,645,090
Other monetary funds	-	32,142,960
Cash deposited in finance companies	429,435,075	149,990,745
Total	**1,458,954,423**	**1,265,778,795**
Including: cash deposited abroad	998,534,783	1,075,084,930

As at 30 June 2025, the restricted funds of the Group amounted to nil. (31 December 2024: RMB 32,142,960)

2. Derivative financial assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash-flow hedge instruments	-	241,304
Fair value hedge instrument	55,324,258	156,708
Total	**55,324,258**	**398,012**

The Group manages the foreign exchange risk arising from the expected sales in foreign currency through forward foreign exchange contracts with banks. The Group measures forward foreign exchange contracts at fair value and recognizes their changes in profit or loss for the period. For the relevant disclosure of hedging business, please refer to Notes VII, 59.

3. Accounts receivable

(1) Disclosure by ageing analysis

√ Applicable □ Not applicable

The ageing is counted starting from the date when accounts receivable are recognized	Closing balance	Opening balance
Within 1 year	2,118,585,101	1,992,098,192
1 to 2 years	37,719,944	41,999,289
Over 2 years	22,102,937	21,559,032
Less: provision for bad debts	96,020,878	85,760,093
Total	**2,082,387,104**	**1,969,896,420**

(2) Disclosure by method of bad debt provisions

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book Value		Bad debts provision		Carrying amount	Book Value		Bad debts provision		Carrying amount
	Amount	Percentage	Amount	Percentage		Amount	Percentage	Amount	Percentage	
Individual Assessment						7,326,812	0.36%	7,326,812	100%	0
Collective Assessment	2,178,407,982	100%	96,020,878	4.41%	2,082,387,104	2,048,329,701	99.64%	78,433,281	3.83%	1,969,896,420
Including:										
Provisions based on ageing	2,178,407,982	100%	96,020,878	4.41%	2,082,387,104	2,048,329,702	99.64%	78,433,281	3.83%	1,969,896,420

analysis										
Total	2,178,407,982	/	96,020,878	/	2,082,387,104	2,055,656,513	/	85,760,093	/	1,969,896,420

Individual assessment
□ Applicable √ Not applicable

Collective assessment
√ Applicable □ Not applicable

	Closing balance		
	Accounts receivable	Bad debts provision	Provision rate
Not due	1,812,754,492	-	
Past due within 60 days	195,546,669	-	
61-180 days past due	62,182,383	10,701,015	17.21%
Over 180 days past due	107,924,438	85,319,863	79.06%
Total	2,178,407,982	96,020,878	4.41%

Explanation for collective assessment:
√ Applicable □ Not applicable
At all times the Group measures the impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of overdue days and the loss given default. According to the historical experience of the Group, there are no significant differences in the losses of different customer groups. Therefore, different customer groups are no further distinguished when calculating impairment loss based on the overdue information.

ECL model used for bad debts provision
□ Applicable √ Not applicable

Basis for determining stages and provision rate of the ECL model
Not applicable

Explanations on significant changes in the balance of accounts receivable with changes in provision for bad debts
□ Applicable √ Not applicable

(3) Addition, recovery or reversal of provision for bad and doubtful debts during the period

Type	Opening balance	Movements During the period				Ending balance
		Additions	Recovery/Reverse	Write-offs	Other changes	
Individual Assessment	7,326,812		(7,326,812)			-
Collective Assessment	78,433,281	58,619,688	(48,438,626)		7,406,535	96,020,878
Total	**85,760,093**	**58,619,688**	**(55,765,438)**		**7,406,535**	**96,020,878**

Significant recovery/reverse of bad debts provision during the period
□ Applicable √ Not applicable

Other explanations:
□ Applicable √ Not applicable

(4) Write-offs during the period
√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Write-off amount
Write-offs of bad debts	

Significant write-offs of bad debts provision during the period
□ Applicable √ Not applicable

Explanations on write-offs of accounts receivable
□ Applicable √ Not applicable

(5) Top 5 accounts receivable or contract liabilities by ending balance
□ Applicable √ Not applicable
As of 30 June 2025, the top five accounts receivable balance totals to RMB 227,350,939, accounting for 10.44% of the accounts receivable balance.

Other explanations
□ Applicable √ Not applicable

4. Advances to suppliers

(1) The ageing analysis of advances to suppliers is as follows
√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	113,099,221	94.23%	97,293,748	92.35%
1-2 years	5,255,655	4.38%	3,114,461	2.96%
2-3 years	1,060,351	0.88%	886,309	0.84%
More than 3 years	612,945	0.51%	4,055,140	3.85%
Total	**120,028,172**	**100.00%**	**105,349,658**	**100.00%**

Explanations on unsettled advances to suppliers with ageing over 1 year：
As at June 30, 2025, the advances to suppliers with an account ageing of more than 1 year were RMB 6,928,951 (31 December 2024: RMB 8,055,910), which were mainly advance payments for purchasing of materials and services. The goods have not been received or service not delivered yet, so the accounts were not settled.

(2) Top 5 advances to suppliers by ending balance
The total balance of top 5 advances to suppliers by ending balance is RMB 60,143,375, accounting for 50.11% of total advances to suppliers.

Other explanations
□ Applicable √ Not applicable

5. Other receivables

Items of other receivables
√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interests receivable	1,450,389	4,924,532
Dividends receivable		
Other receivables	113,101,185	85,829,405
Total	**114,551,574**	**90,753,937**

Other explanations
□ Applicable √ Not applicable

Interest receivable
□ Applicable √ Not applicable

Dividends receivable
□ Applicable √ Not applicable

Other receivables
(1). Other receivables by ageing
√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year	51,159,965	22,729,220
1 to 2 years	21,620	63,100,185
2 to 3 years	61,919,600	
Above 3 years		
Total	**113,101,185**	**85,829,405**

(2). Other receivables by nature
√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Nature of other receivables	Closing balance	Opening balance
Related-party receivables	85,461,342	65,934,645
Staff receivables	15,653,916	3,508,676
Others	11,985,927	16,386,084
Total	**113,101,185**	**85,829,405**

(3) Bad debt provisions made during the period
□ Applicable √ Not applicable

Basis for determining stages and provision rate of the ECL model

Not applicable

Explanations on significant changes in the balance of other receivables with changes in provision for bad debts
□ Applicable √ Not applicable

Basis for provisions made during the period and determination whether credit risks have significantly increased
□ Applicable √ Not applicable

(4). Bad debts provisions
□ Applicable √ Not applicable

Significant recovery or reversals of bad debts provision during the period:
□ Applicable √ Not applicable

Other explanations
□ Applicable √ Not applicable

(5). Write-offs
□ Applicable √ Not applicable

Significant write-offs of bad debts provision during the period:
□ Applicable √ Not applicable

Explanations on write-offs
□ Applicable √ Not applicable

(6). Top 5 other receivables by ending balance
√ Applicable □ Not applicable
As at 30 June 2025, the top 5 accounts of Other receivables by ending balance amounted to RMB 92,311,943, accounting for 81.82% of the total amount of other receivables.

(7). Funds classified as other receivables due to funds concentration
□Applicable √ Not applicable

Other explanations
□ Applicable √ Not applicable

6. Inventories

(1) Inventories by category
√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book value	Provision for decline in value of inventories	Carrying amount	Book value	Provision for decline in value of inventories	Carrying amount
Raw materials	687,082,746	54,564,395	632,518,351	618,343,428	46,888,469	571,454,959
Work in progress	207,902,577	1,375,759	206,526,818	130,897,358	1,715,860	129,181,498
Finished goods	1,878,869,553	14,050,706	1,864,818,847	1,740,759,351	13,221,566	1,727,537,785
Total	**2,773,854,876**	**69,990,860**	**2,703,864,016**	**2,490,000,137**	**61,825,895**	**2,428,174,242**

As at 30 June 2025, the inventories pledged as security by the Group amounted to RMB 0 (31 December 2024: RMB 0).

(2) Digital data recognized as inventories

□Applicable √ Not applicable

(3) Provision for impairment of inventories

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period		Decreased in the current period		Currency translation difference	Closing balance
		Provision	Others	Reversal or write-off	Others		
Raw materials	46,888,469	3,405,716		(669,630)		4,939,840	54,564,395
Work in progress	1,715,860	-		(110,292)		(229,809)	1,375,759
Finished goods	13,221,566	11,058,681		(10,499,091)		269,550	14,050,706
Total	**61,825,895**	**14,464,397**		**(11,279,013)**		**4,979,581**	**69,990,860**

Items	Basis for determining net realizable value	Reason for reversal
Raw materials	Estimated selling price less estimated costs incurred at completion of construction, estimated selling expenses	Increase in net realizable value/used
Products in process	Estimated selling price less estimated costs incurred at completion of construction, estimated selling expenses	Increase in net realizable value/finished and sold
Finished goods	Estimated selling less estimated selling expenses	Increase in net realizable value/sold.

Reasons for reversal or write-offs of provision for inventory impairment

√ Applicable □Not applicable

The reversal of provisions for inventory impairment is due to increase in net realizable value.

Collective assessment for inventory impairment

□ Applicable √ Not applicable

Criteria of collective assessment for inventory impairment

□ Applicable √ Not applicable

(4) Capitalized interest expenses in the ending balance of inventory and its calculation

□ Applicable √ Not applicable

(5) Amortization of contract performance cost during the period

□ Applicable √ Not applicable

Other explanations

□ Applicable √ Not applicable

7. Other current assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value added tax deductible	428,481,762	365,204,455

Income tax receivable	109,444,607	163,246,868
Others	4,516,386	7,137,536
Total	**542,442,755**	**535,588,859**

8. Long-term receivables

√ Applicable □ Not applicable

(1) Long-term receivables

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance			Range of discount rate
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	
Guarantees and cautions	326,998,373		326,998,373	667,523,076		667,523,076	
Others				1,992		1,992	
Total	**326,998,373**		**326,998,373**	**667,525,068**		**667,525,068**	

As at 30 June 2025, the part due within one year was RMB 1,348,014 (as at December 31, 2024: RMB 2,346,092).

(2) An analysis of the movements of provision is as follows

□ Applicable √ Not applicable

9. Long-term equity investments

(1) Movements during the period of Long-term equity investments

√ Applicable □ Not applicable

Investee	Opening balance	Movements during the reporting period					Closing balance
		Additions of investment	P&L recognized under equity method	OCI recognized under equity method	Dividends distribution announced	FX impact	
I. Joint ventures							
Calysseo Limited	107,566,015		(34,787,994)			9,912,641	82,690,662
Subtotal of joint ventures	**107,566,015**		**(34,787,994)**			**9,912,641**	**82,690,662**

(2) Impairment test on long-term equity investments

□ Applicable √ Not applicable

10. Investment in other equity instruments

√ Applicable □ Not applicable

(1) Details of investments in other equity instruments

Unit: Yuan Currency: RMB

Items	Opening balance	Changes during the period					Closing balance	Dividend income recognized during the period	Cumulative gains recorded in other comprehensive income	Cumulative losses recorded in other comprehensive income	Reasons for designation as fair value measurement with changes through other comprehensive income
		Investment increased during the period	Investment decreased during the period	Gains recorded in other comprehensive income during the period	Losses recorded in other comprehensive income during the period	other changes					
Calysta Inc	142,100,246					14,327,211	156,427,457			(92,619,600)	Not held for trading
PigChamp	13,546,260					1,578,060	15,124,320				Not held for trading
Bits x Bites Growth Fund I, L.P.	8,172,745					952,077	9,124,822				Not held for trading
AG Venture	8,273,100	468,000				994,920	9,736,020				Not held for trading
Entobel	3,245,795					378,116	3,623,911				Not held for trading
Osiris G.I.E	1,890,779					220,265	2,111,044				Not held for trading
Other investments	885,578					99,178	984,756				Not held for trading
Total	**178,114,503**	**468,000**				**18,549,827**	**197,132,330**			**(92,619,600)**	

(2) Explanations on de-recognition during the period

□ Applicable √ Not applicable

Other explanations

□ Applicable √ Not applicable

11. Other non-current financial assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Animal feed & health Venture Fund (AVF FCPI)	102,988,217	111,350,835
Total	**102,988,217**	**111,350,835**

Other explanations

□ Applicable √ Not applicable

12. Fixed assets

Items of fixed assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	8,577,541,865	8,257,529,756
Disposal of fixed assets		
Total	**8,577,541,865**	**8,257,529,756**

Fixed assets

(1) Movements of fixed assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Houses and buildings	Freehold land and other attachments	Machinery equipment and Others	Total
I. Original book value				
1. Opening balance	**5,250,378,548**	**102,451,711**	**13,656,206,938**	**19,009,037,197**
2. Increase in current period				
1) Purchasing	2,603,759		62,410,461	65,014,220
2) Transfer from construction in process	75,513,076		332,717,125	408,230,201
3) Acquisition of subsidiary companies and businesses				
4) Others increase				
3. Decrease in current period				
1) Disposal or retirement	(4,863,196)		(155,695,177)	(160,558,373)
2) Disposal of subsidiary companies and businesses				
3) Other decrease				
4. Currency translation	214,357,858	11,935,025	1,062,041,916	1,288,334,799
5. Closing balance	**5,537,990,045**	**114,386,736**	**14,957,681,263**	**20,610,058,044**
II. Accumulated depreciation				
1. Opening balance	**(1,801,263,613)**		**(8,673,425,513)**	**(10,474,689,126)**
2. Increase in current period				
1) Current period depreciation	(111,483,173)		(475,792,124)	(587,275,297)
2) Other				0
3) Acquisition of subsidiary companies and businesses				
3. Decrease in current period				
1) Disposal or retirement	3,978,993		141,393,762	145,372,755
2) Disposal of subsidiary companies and businesses				
3) Other decrease				
4. Currency translation	(113,101,784)		(707,186,518)	(820,288,302)
5. Closing balance	(2,021,869,577)		(9,715,010,393)	(11,736,879,970)

Items	Houses and buildings	Freehold land and other attachments	Machinery equipment and Others	Total
III. Impairment reserve				
1. Opening balance	-	-	(276,818,315)	(276,818,315)
2. Increase in current period				
1) Current period depreciation	-	-	-	-
3. Decrease in current period				
1) Disposal or retirement			12,591,652	12,591,652
2) Disposal of subsidiary companies and businesses				
4. Currency translation	-	-	(31,409,546)	(31,409,546)
5. Closing balance	-	-	**(295,636,209)**	**(295,636,209)**
IV. Carrying amount				
1. Closing carrying amount	**3,516,120,468**	**114,386,736**	**4,947,034,661**	**8,577,541,865**
2. Opening carrying amount	**3,449,114,935**	**102,451,711**	**4,705,963,110**	**8,257,529,756**

(2) Temporarily idle fixed assets

There are no significant temporarily idle fixed assets.

(3) Fixed assets held under operating lease

☐ Applicable √ Not applicable

(4) Fixed assets held with unattained certificate

☐ Applicable √ Not applicable

(5) Impairment test of fixed assets

☐ Applicable √ Not applicable

13. Construction in progress

Items of construction in progress

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items		Closing balance	Opening balance
Construction in progress	(1)	2,370,166,643	1,563,743,713
Construction materials	(2)		
Total		**2,370,166,643**	**1,563,743,713**

Other explanations

☐ Applicable √ Not applicable

(1) Breakdown of construction in progress

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Project U	890,155,543		890,155,543	467,763,964		467,763,964
Project X	457,725,781		457,725,781	326,057,726		326,057,726
Project R	243,376,000		243,376,000	144,669,680		144,669,680
Project Y	105,254,344		105,254,344	19,039,268		19,039,268
Project Z	4,650,779		4,650,779	9,834,585		9,834,585
Project W	681,582		681,582	651,000		651,000

Project V	0		0	126,489,772		126,489,772
Others	668,322,614		668,322,614	469,237,718		469,237,718
Total	**2,370,166,643**		**2,370,166,643**	**1,563,743,713**		**1,563,743,713**

(2) Movements of major construction projects in progress during the period

√ Applicable □ Not applicable

Current period

Unit: Yuan Currency: RMB

Project name	Budget	Opening balance	Increase in current period	Transfer to fixed assets and intangible assets	Currency translation differences	Closing balance	Proportion of expenditures incurred to budgeted amount (%)	Progress of construction	Accumulated capitalized borrowing costs	Including: capitalized in current period	Capitalization rate (%)	Source of funds
Project R	328,145,800	144,669,680	98,706,320	-	-	243,376,000	74%	44%	607,900	607,900	0.25%	Equity and loans
Project U	4,780,032,032	467,763,964	438,442,378	(16,050,799)	-	890,155,543	25%	11%	3,929,933	3,555,193	1.97%	Equity and loans
Project V	180,447,660	126,489,772	28,834,789	(155,324,561)	-	-	86%	100%	237,361	172,451	2.19%	Equity and loans
Project W	32,512,170	651,000	30,582	-	-	681,582	2%	2%				Equity
Project X	534,056,544	326,057,726	87,837,337	-	43,830,718	457,725,781	87%	87%				Equity
Project Y	309,737,671	19,039,268	80,530,492	-	5,684,584	105,254,344	38%	38%				Equity
Project Z	73,851,214	9,834,585	59,011,735	(64,946,185)	750,644	4,650,779	100%	100%				Equity
Others		469,237,718	328,077,458	(190,922,356)	61,929,794	668,322,614						Equity
Total	**6,238,783,091**	**1,563,743,713**	1,121,471,091	(427,243,901)	112,195,740	2,370,166,643	/	/	4,775,194	4,335,544	/	

(3) Provision for impairment of construction in progress

□ Applicable √ Not applicable

Construction materials

(1) Breakdown of construction materials

□ Applicable √ Not applicable

14. Right-of-use assets

(1) Movements of right-of-use assets

Unit: Yuan Currency: RMB

Items	Rolling stock - vehicles- Wagon & other transport equipment	Buildings	Technical Equipment & Machinery	Other tangible assets	Total
I. Original book value					
1. Opening balance	**182,058,952**	**415,806,385**	**213,709,169**	**12,523,490**	**824,097,996**
2. Increase in current period					
1) Purchasing	7,175,660	4,168,404	32,892,388	646,792	44,883,244
2) Other increase					
3) Acquisition of subsidiary companies and businesses					
4) Others increase					
3. Decrease in current period					
1) Disposal or retirement	(21,687,103)	(26,371,656)		(2,368,833)	(50,427,592)
2) Disposal of subsidiary companies and businesses					
3) Other decrease					
4. Currency translation	19,308,991	32,661,660	1,051,213	(286,963)	**52,734,901**
5. Closing balance	**186,856,500**	**426,264,793**	**247,652,770**	**10,514,486**	**871,288,549**

II. Accumulated depreciation					
1. Opening balance	**(117,464,663)**	**(119,486,714)**	**(124,217,438)**	**(7,319,884)**	**(368,488,699)**
2. Increase in current period					
1) Current year depreciation	(21,261,501)	(21,829,922)	(16,463,063)	(1,383,475)	**(60,937,961)**
2) Other increase					
3) Acquisition of subsidiary companies and businesses					
3. Decrease in current period					
1) Disposal or retirement	21,660,798	26,369,214		2,368,833	50,398,845
2) Disposal of subsidiary companies and businesses					
3) Other decrease					
4. Currency translation	(12,110,099)	(7,609,756)	(559,202)	319,787	**(19,959,270)**
5. Closing balance	**(129,175,465)**	**(122,557,178)**	**(141,239,703)**	**(6,014,739)**	**(398,987,085)**
III. Impairment reserve					
1. Opening balance					
2. Increase in current period					
1) Current year depreciation					
3. Decrease in current period					
1) Disposal or retirement					
2) Disposal of subsidiary companies and businesses					
4. Currency translation					
5. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	**57,681,035**	**303,707,615**	**106,413,067**	**4,499,747**	**472,301,464**
2. Opening carrying amount	**64,594,289**	**296,319,671**	**89,491,731**	**5,203,606**	**455,609,297**

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

□ Applicable √ Not applicable

15. Intangible assets

(1) Movements of intangible assets

Unit: Yuan Currency: RMB

Items	Land use rights	Trademark	Patents	Technology	Customer relationships	Software and others	Total
I. Original book value							
1. Opening balance	**331,696,712**	**742,793,170**	**438,329,826**	**1,116,064,710**	**1,659,417,570**	**996,822,682**	**5,285,124,670**
2. Increase in current period							
1) Purchasing		558,684	129,900			31,647,347	**32,335,931**
2) Transferred from construction in process	15,117,991		32,694			3,863,015	**19,013,700**
3) Acquisition of subsidiary companies and businesses							
4) Other increase							
3. Decrease in current period							
1) Disposal						(39,716,464)	**(39,716,464)**
2) Disposal of subsidiary companies and businesses							
3) Other decrease							
4. Currency translation		11,641,449	47,126,533	6,812,660	23,487,726	79,539,091	**168,607,459**
5. Closing balance	**346,814,703**	**754,993,303**	**485,618,953**	**1,122,877,370**	**1,682,905,296**	**1,072,155,671**	**5,465,365,296**

II. Accumulated amortization							
1. Opening balance	**(41,653,516)**	**(298,297,200)**	**(432,696,719)**	**(719,114,160)**	**(1,199,292,881)**	**(554,573,400)**	**(3,245,627,876)**
2. Increase in current period							
1) Current period depreciation	(3,395,060)	(10,616,922)	(582,239)	(22,966,003)	(27,634,308)	(68,884,849)	**(134,079,381)**
2) Others increase							-
3) Acquisition of subsidiary companies and businesses							-
3. Decrease in current period							
1) Disposal						39,718,228	**39,718,228**
2) Disposal of subsidiary companies and businesses							
3) Other decrease							
4. Currency translation		(10,178,108)	(45,125,930)	(3,812,115)	(10,063,917)	(39,690,923)	**(108,870,993)**
5. Closing balance	**(45,048,576)**	**(319,092,230)**	**(478,404,888)**	**(745,892,278)**	**(1,236,991,106)**	**(623,430,944)**	**(3,448,860,022)**
III. Impairment reserve							
1. Opening balance							
2. Increase in current period							
1) Current period depreciation							
3. Decrease in current period							
1) Disposal of subsidiary companies and businesses							
4. Currency translation							
5. Closing balance							
IV. Carrying amount							
1. Closing carrying amount	**301,766,127**	**435,901,073**	**7,214,065**	**376,985,092**	**445,914,190**	**448,724,727**	**2,016,505,274**
2. Opening carrying amount	**290,043,196**	**444,495,970**	**5,633,107**	**396,950,550**	**460,124,689**	**442,249,282**	**2,039,496,794**

(2) Land use rights held with unattained certificate

□ Applicable √ Not applicable

(3) Impairment test on intangible assets

□ Applicable √ Not applicable

16. Development costs

√ Applicable □ Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the current period		Decrease during the current period			Currency translation	Closing balance
		Internal development	Others	Recognized as intangible assets	Recognized in profit or loss	Others		
Development costs	177,399,849	52,773,934			(6,399,299)		22,861,760	246,636,244
Total	**177,399,849**	**52,773,934**			**(6,399,299)**		**22,861,760**	**246,636,244**

17. Goodwill

√ Applicable □ Not applicable

(1) Changes in goodwill

√ Applicable □ Not applicable

Current period

Unit: Yuan Currency: RMB

Name of investee or events from which goodwill arising	Opening balance	Increase during the current period	Decrease during the current period	Currency translation	Closing balance
Drakkar Group S.A. (“DGSA”)	703,593,748			81,964,360	785,558,108
Specialties	1,342,382,709			156,379,730	1,498,762,439
Total	**2,045,976,457**			**238,344,090**	**2,284,320,547**

The Goodwill on Drakkar Group S.A. concerns Performance Products. The Goodwill on specialties is related to the acquisition of Innov’ia in 2011, the acquisition of Nutriad during the year 2018, Framelco during the year 2020 and Nor-Feed during the year 2023.

(2) Impairment provision for goodwill

□ Applicable √ Not applicable

(3) Information about assets group or assets group combination that contains goodwill

□ Applicable √ Not applicable

(4) Method used to determine recoverable amount

□ Applicable √ Not applicable

The recoverable amount is determined based on the fair value minus disposal costs.

□ Applicable √ Not applicable

The recoverable amount is determined based on the present value of estimated future cash flows.

□Applicable √ Not applicable

(5) Performance commitment and related goodwill impairment

□ Applicable √ Not applicable

18. Deferred income tax assets/ deferred income tax liabilities

(1) Deferred tax assets without taking into consideration the offsetting of balances

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Deductible losses	220,854,078	57,046,608	128,963,007	33,311,145
Accrued expenses	494,670,337	127,773,348	510,948,690	131,978,047
Leasing assets and liabilities	385,976,918	77,195,384	386,564,379	77,312,876
Fair value change of derivative financial instruments	37,551,962	9,699,672	24,325,580	6,283,297
Property plant equipment and intangible assets	14,509,216	3,747,730	14,505,763	3,746,839
Unrealized profits of internal transactions	230,874,095	59,634,779	359,647,073	92,896,839

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Payroll	282,829,883	73,054,959	281,544,445	72,722,930
Others	111,936,849	28,913,288	95,962,249	24,787,048
Total before offsetting	**1,779,203,338**	**437,065,768**	**1,802,461,186**	**443,039,021**

(2) Deferred tax liabilities without taking into consideration the offsetting of balances

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Property plant equipment and intangible assets	3,047,686,566	787,217,440	2,818,068,721	727,907,151
Leasing assets and liabilities	472,301,464	94,460,293	455,609,297	91,121,859
Balance in fair value of derivative financial instruments	9,393,428	2,426,323	8,423,100	2,175,687
Others	202,096,558	52,201,541	125,962,358	32,536,076
Total before offsetting	**3,731,478,016**	**936,305,597**	**3,408,063,476**	**853,740,773**

(3) Net amounts of deferred assets and liabilities taking into consideration the offsetting of balances

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance of mutual offset amount of deferred tax assets and deferred tax liabilities	Closing balance of net amount of deferred tax assets and deferred tax liabilities after offset	Opening balance of mutual offset amount of deferred tax assets and deferred tax liabilities	Opening balance of net amount of deferred tax assets and deferred tax liabilities after offset
Deferred tax assets	(255,827,873)	181,237,895	(219,833,223)	223,205,798
Deferred tax liabilities	(255,827,873)	680,477,724	(219,833,223)	633,907,550

(4) Details of non-recognized deferred income tax assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary differences		
Deductible losses	85,750,015	58,491,351
Total	**85,750,015**	**58,491,351**

(5) Expiration of deductible tax losses for unrecognized deferred tax assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Expiration Year	Closing balance	Opening balance
2027	19,605,577	19,605,577
2028	4,779,760	4,779,760
2029	25,408,663	25,408,663
2030	8,446,000	-
No expiration date	27,510,015	8,697,351
Total	**85,750,015**	**58,491,351**

19. Other non-current assets

√ Applicable □ Not applicable

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Advance payments to CAPEX suppliers	221,577,492		221,577,492	31,222,963		31,222,963
Others				-		-
Total	**221,577,492**		**221,577,492**	**31,222,963**		**31,222,963**

20. Assets with restricted ownership or usage

√ Applicable □ Not applicable

Items	Closing Balance				Opening balance			
	Book balance	Carrying Amount	Restriction type	Description	Book balance	Carrying Amount	Restriction type	Description
Cash at bank and on hand	-	-	N/A	N/A	32,142,960	32,142,960	Other	Under bank compliance review
Total	-	-	N/A	N/A	**32,142,960**	**32,142,960**	/	/

21. Short-term borrowings

(1) Categories of short-term borrowings

√ Applicable □ Not applicable

Items	Closing balance	Opening balance
Pledged loan		
Guarantee loan		
Mortgage loan		
Unsecured loan	-	54,453,036
TOTAL	**-**	**54,453,036**

(2) Defaulted borrowings

□ Applicable √ Not applicable

22. Derivative financial liabilities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Derivative financial instruments held at fair value through profit or loss		
Cash flow hedge instruments	-	261,669
Fair value hedge instruments	49,431	13,945,513
Total	**49,431**	**14,207,182**

23. Accounts payable

(1) Details of accounts payable are as follows

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payable for suppliers	1,835,121,980	1,767,033,170
Total	**1,835,121,980**	**1,767,033,170**

(2) Accounts payable with account age of more than 1 year

√ Applicable □ Not applicable

As at June 30, 2025, the accounts payable with account ageing of more than one year were RMB 14,171,140 (as at December 31, 2024: RMB 2,911,129).

24. Contract liabilities

(1) Breakdown of Contract liabilities

√ Applicable □ Not applicable

Items	Closing balance	Opening balance
Advances from customers	62,363,561	111,653,732
Total	**62,363,561**	**111,653,732**

(2) Contract liabilities with ageing over 1 year

□ Applicable √ Not applicable

(3) Amounts of and reasons for the significant changes in book value during the reporting period

√ Applicable □ Not applicable

Items	Amount of changes	Reasons for change
Advances from customers	(49,290,171)	Changes in payment practices of customers in certain regions
Total	**(49,290,171)**	**N/A**

25. Payroll payable

(1) Wages and benefits payable

√ Applicable □ Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in current period	Decrease in current period	Acquisition of subsidiary companies and businesses	Currency translation difference	Closing balance
Short-term employee benefits	410,671,656	957,275,913	(992,770,195)		36,260,332	411,437,706
Post-employment benefits	10,519,004	51,806,837	(53,542,248)		1,094,221	9,877,814
Termination benefits						
French profit-sharing plans – short term	191,190,466	42,990,253	(191,625,925)		12,245,008	54,799,802
Long-term bonus payments – short term	30,976,568	0	(22,487,243)		1,693,970	10,183,295
Total	**643,357,694**	**1,052,073,003**	**(1,260,425,611)**		**51,293,531**	**486,298,617**

(2) Short-term employee benefits

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increased in current period	Decrease in current period	Acquisition of subsidiary companies and businesses	Currency translation difference	Closing balance
I. Salary, bonus, allowance and subsidy	359,046,632	798,163,567	(840,283,674)		30,108,682	347,035,207

Items	Opening balance	Increased in current period	Decrease in current period	Acquisition of subsidiary companies and businesses	Currency translation difference	Closing balance
II. Employee welfare benefit						
III. Social insurance premium	37,567,754	128,702,513	(130,489,235)		4,251,150	40,032,182
Wherein: Medical insurance premium	37,391,946	125,032,273	(127,466,459)		4,195,588	39,153,348
Injury from work insurance premium	174,338	1,382,625	(1,363,931)		13,610	206,642
Maternity insurance premium	1,470	2,287,615	(1,658,845)		41,952	672,192
IV. Housing fund	199,719	11,259,817	(11,353,958)		0	105,578
V. Labor union outlay and employee education outlay	1,395,373	2,013,412	(2,108,282)			1,300,503
VI. Others	12,462,178	17,136,604	(8,535,046)		1,900,500	22,964,236
Total	**410,671,656**	**957,275,913**	**(992,770,195)**		**36,260,332**	**411,437,706**

(3) Post-employment benefits

√ Applicable □ Not applicable

Items	Opening balance	Amount increased of current period	Amount decreased of current period	Reclassification	Currency translation difference	Closing balance
Basic pension insurance	10,412,748	50,762,613	(52,503,176)		1,081,873	9,754,058
Unemployment insurance	106,256	1,044,224	(1,039,072)		12,348	123,756
Total	**10,519,004**	**51,806,837**	**(53,542,248)**		**1,094,221**	**9,877,814**

26. Taxes payable

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value-added-tax	140,971,694	77,548,536
Business tax	8,710,520	21,256,716
Enterprise income tax	85,032,371	83,456,659
Individual income tax	1,317,999	1,823,519
Others	46,176,926	27,660,083
Total	**282,209,510**	**211,745,513**

27. Other payables

(1) Items of Other payables

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable	4,756,987	5,665,794
Dividends payable	75,622	
Other payables	726,965,202	664,646,332
Total	**731,797,811**	**670,312,126**

(2) Interest payable

□ Applicable √ Not applicable

(3) Dividends payable

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Dividends for minority shares	75,622	0
Total	**75,622**	**0**

(4) Other payables

Other payables by nature

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Loans due to related parties	82,920,692	31,149,994
Payables for acquisition of property, plant and equipment	428,123,587	547,915,358
Cautions and guaranties received	25,066,360	22,899,037
Others	190,854,563	62,681,943
Total	**726,965,202**	**664,646,332**

Significant payables with ageing or overdue past 1 year

√ Applicable □ Not applicable

As at June 30, 2025, other payables with an account ageing of more than one year were RMB 23,385,775 (as at December 31, 2024: RMB 3,456,597), which were mainly the payables for acquisition of property, plant and equipment.

28. Current portion of non-current liabilities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Current portion of long-term borrowings	81,435,037	6,536,108
Current portion of long-term payables	875,009	783,711
Current portion of provisions*	350,537,941	322,843,774
Current portion of lease liabilities	144,623,028	72,326,071
Total	**577,471,015**	**402,489,664**

* The current portion of provisions mainly represents restructuring cost related to the shutdown of a Commentry powder methionine production line. The Company made relevant provisions according to its best estimate based on the current available information. Any increase or decrease in such provisions will be charged to profits or losses.

29. Other current liabilities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Government subsidy		
Others	689,113	1,326,097
Total	**689,113**	**1,326,097**

30. Long-term borrowings

(1) Classification of long-term borrowings

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged loan		
Guarantee loan		
Mortgage loan		
Unsecured	1,584,206,763	932,094,597
Less: the part due within one year	(81,435,037)	(6,536,108)
Total	**1,502,771,726**	**925,558,489**

Other explanation:
As at June 30, 2025 the range of interest rate for long-term loans was 0.5%~4.342% (as at December 31, 2024: 1.34%-4.34%).

The Group's long-term borrowings include a 5-year loan with covenants which is due on 2 August 2027. As of 30 June 2025, the carrying amount of the loan is EUR 85,000,000 (equivalent to RMB 714,204,000). The loan agreement requires that the Group's leverage ratio (defined as the ratio of net debt to EBITDA at BANG level, which is the borrower) does not exceed 3:1. The ratio is calculated based on the latest audited consolidated financial statements of BANG. If this covenant is not complied with, the loan will become repayable on demand as required by the bank.

The Group met the above covenants on 31 December 2024 and expects to be able to meet them on 31 December 2025.

31. Leases liabilities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Leases liabilities	385,976,918	386,564,379
Less: the part due within one year	(144,623,028)	(72,326,071)
Total	**241,353,890**	**314,238,308**

Items	Amount incurred during the current period
Short-term lease expenses charged into P&L under the simplified accounting method	5,078,490
Payment related to leases during the period	78,651,501

32. Long-term payables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Acquisition of financial assets		
Other long-term payable	18,253,600	14,087,561
Less : the part to be paid in one year	(875,009)	(783,711)
Total	**17,378,591**	**13,303,850**

Long-term payables by nature
□ Applicable √ Not applicable

Special payables by nature
□ Applicable √ Not applicable

33. Long-term payroll payable

√ Applicable □ Not applicable

(1) Long-term employee benefits payable

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Defined benefit plans	233,344,493	204,867,909
French profit-sharing plans	54,799,802	191,190,466
Long-term bonus payments	66,468,950	81,125,378
Paid leave savings account and others	20,896,307	16,210,095
Less: The part to be paid in one year	(64,983,097)	(222,167,034)
Total	**310,526,455**	**271,226,814**

The part due within one year includes the short-term part of French profit-sharing plan RMB 54,799,802, and the short-term part of long-term bonus payments RMB 10,183,295.

(2) Change of defined benefit plan

√ Applicable □ Not applicable

Present value of defined benefit plan obligation

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period				Amount incurred during the last period			
	IFC	GA	Others	Total	IFC	GA	Others	Total
I. Opening balance	**108,846,321**	**65,386,089**	**30,635,499**	**204,867,909**	**100,565,058**	**58,692,474**	**27,940,305**	**187,197,837**
II. Defined benefit plan recognized through profit and loss for the period in which they occur	5,018,286	3,269,370	1,685,051	9,972,707	8,605,905	7,980,722	6,174,982	22,761,609
1. Service cost of current period	3,088,176	2,245,230	1,685,051	7,018,457	4,646,417	5,835,035	6,174,982	16,656,434
2. Previous service cost			-					
3. Settlement losses (gains)	-	-	-	-				
4. Net amount of interest	1,930,110	1,024,140	-	2,954,250	3,959,488	2,145,687	-	6,105,175
III. Re-measurement of the net liabilities of defined benefit plans	-	-	-	-	9,123,031	6,599,147	(156,877)	15,565,301
1. Actuary losses (profit)	-	-	-	-	9,123,031	6,599,147	(156,877)	15,565,301
IV. Other movements	11,035,725	5,910,438	1,557,714	18,503,877	(9,447,673)	(7,886,254)	(3,322,911)	(20,656,838)
1. Price paid during settlement	(1,859,208)	(1,804,062)	(816,340)	(4,479,610)	(4,862,529)	(5,155,824)	(746,504)	(10,764,857)
2. Currency translation differences	12,894,933	7,714,500	2,374,054	22,983,487	(4,585,144)	(2,730,430)	(653,720)	(7,969,294)
3. Other movements	-	-	-	-	-	-	(1,922,687)	(1,922,687)
V. Closing balance	**124,900,332**	**74,565,897**	**33,878,264**	**233,344,493**	**108,846,321**	**65,386,089**	**30,635,499**	**204,867,909**

Plan assets

☐ Applicable √ Not applicable

Net liabilities (net assets) of defined benefit plan

☐ Applicable √ Not applicable

Description about the contents of defined benefit plan, related risks, and influences on the Company's future cash flow, time and uncertainty

√ Applicable □ Not applicable

- Defined benefit plans of the Group include end of Career Benefits (IFC); Bonuses of Seniority (GA) and other benefit plans.
- End of Career Benefits (IFC): All employees working for Adisseo France are entitled on retirement to a lump-sum as a result of legislation applicable in France. The amount of End of Career Benefits depends on employee's length of service in the Group and on the rights guaranteed by contractual agreements. The employee's final salary is taken into account when calculating the amount of these retirement benefits.

- Bonuses of Seniority (GA): All employees working for Adisseo in France are entitled on Bonuses of Seniority as well, the amount of which depends on their seniority in the Group.

Explanations on significant actuarial assumptions in defined benefit plan and on the results of sensitivity analysis

√Applicable □ Not applicable

Main actuarial assumptions used in defined benefit plan are as follows:

Items	Closing balance	Opening balance
End of Career Benefits (IFC)		
Discount rate	3.40%	3.40%
Inflation rate	2.20%	2.20%
Wages increase rate *(including inflation rate)*	2.40%	2.40%
Mortality Table (1)	INSEE 2018-2020	INSEE 2018-2020
Retirement age	64 years - 67 years	64 years - 67 years
Bonuses of Seniority (GA)		
Discount rate	3.20%	3.20%
Inflation rate	2,20%	2,20%
Wages increase rate *(including inflation rate)*	2.40%	2.40%
Mortality Table (1)	INSEE 2018-2020	INSEE 2018-2020
Retirement age	64 years - 67 years	64 years - 67 years

1.Mortality tables TH/TF 00-02 have been approved by decree of the Ministry of the Economy in 2015. They are based on data collected by INSEE (French national bureau of statistics). Table TH 00-02 is for males and table TF 00-02 for females.

Sensitivity analysis is as follows:

Discount rate	Assumption volatility	Impact on the present value of the defined benefit obligation	
		assumption increase	assumption decrease
End of career benefits (IFC)			
Current period	+/- 0.50 %	(6,911,435)	7,531,520
Bonuses of Seniority (GA)			
Current period	+/- 0.50 %	(2,786,676)	2,992,643

(3) French profit-sharing plans

Profit sharing plans gives employees a share in the profits of the company. Each employee receives a percentage of those profits based on the company's earnings. All companies employing 50 workers or more are obliged by law to participate employees in the financial success of the company. All such companies must establish a profit-sharing plan (RSP), the level of which is calculated on the basis of a legally binding or otherwise pre-determined profit-sharing formula.

(4) Long-term bonus payments

Yearly Mid-term incentive for executives and critical leaders for business plan

Long-term bonus payments (MIP – Management Incentive Program) are split in both awards which are the Unit Award (number of Phantom shares) and the Cash Award (based on Adisseo's performance results).

The detail of this program is described below:

i. 2022 Plan for Executive Committee Members and high qualified Executives

In order to continue to build up Adisseo, the Group has decided to offer Executive Committee Members and high qualified Executives an international recognition and implemented two plans.

The purpose of these Plans is to retain and motivate Executive Committee Members and high qualified Executives, key players to tackle our 3-years business plan.

The 2022 mid-term incentive plan has been approved by March 30th, 2022, Board of Directors of the Company on the proposal of Remuneration Committee.

In these both plans, two types of Awards will be granted:

- **Unit Award[1]:** a discretionary variable deferred number of phantom shares defined on share price and currency as of March 30th, 2022[1], and that will be definitively acquired subject to Presence Conditions. The Unit Award is subject to share price performance.
  One Unit Award value = the fair market value of BLUESTAR ADISSEO COMPANY (BAC) at closing on March 30, 2022, converted in Euros (EUR) on March 30, 2022, i.e., EUR 1.4018 ("one Euro and four thousand eighteen cents").

- **Cash Award:** a discretionary variable cash settled compensation that will be definitively acquired subject to both Presence and Performance Conditions. The right to receive the effective benefit of the Cash Awards is based on achieving the combined objectives in strict respect of Adisseo Ethic Code of:
  - Sales: measure the Amount of Gross Sales of the Group;
  - EBITDA: measure the Operational Profitability of the Group;
  - FCFTAT: measure the Free Cash Flow After Tax of the Group.

	Unit Award	**Cash Award**
Grant Date	July 20, 2022	July 20, 2022
Settlement as from	January 2025	N/A
Payment Period	Depending on unbuckling date: from January 1st, 2025, to December 31st, 2026	At latest May 2025

In these both plans, two types of Awards will be granted:

Unit: Yuan Currency: RMB

Items	Current period
Accumulated amounts of the liabilities	
Expenses accrued/(reversed) during the period	21,919,239

ii. 2023 Plan for Executive Committee Members and high qualified Executives

In order to continue to build up Adisseo, the Group has decided to offer Executive Committee Members and high qualified Executives an international recognition and implemented two plans:

- ExCom Management Incentive Plan 2023-2025,
- Management Incentive Plan 2023-2025.

The purpose of these Plans is to implement discretionary variable cash settled compensations, in order to retain and motivate Executive Committee Members and high qualified Executives, key players to tackle our 3-years business plan.

The 2023 mid-term incentive plan has been approved by July 24th, 2023, Board of Directors of the Company on the proposal of Remuneration Committee.

Two types of Awards will be granted within the framework of these Plans:

- **Unit Award**: a discretionary variable deferred number of phantom shares defined on share price and currency as of July 24th, 2023, and that will be definitively acquired subject to Presence Conditions. The Unit Award is not subject to Performance Conditions.
  One Unit Award value = the fair market value of BLUESTAR ADISSEO COMPANY (BAC) at closing on July 24th, 2023, converted in Euros (EUR) on July 24th, 2023, i.e., EUR 1.0167 ("one Euro and one hundred sixty-seven cents").

- **Cash Award**: a discretionary variable cash settled compensation that will be definitively acquired subject to both Presence and Performance Conditions. The right to receive the effective benefit of the Cash Awards is based on achieving the combined objectives in strict respect of Adisseo Ethic Code:
  - Revenues: measure the Amount of Gross Sales of the Group;
  - EBITDA: measure the Operational Profitability of the Group;
  - Operating Working Capital / Revenues: measure the % of the revenue not converted into cash.

  Other conditions:
  - Financial KPIs excluding restructuring cost and/or impairment impact.
  - If fatal accident => TRIR at 0 achievement rate.
  - GHG results to be audited by independent third party.

The Unit Award and Cash Award are conditional and subject to Presence Conditions.
Payment of the Vested Awards requires that the Beneficiaries remain Employees within the Group from the Grant Date and until the Payment Date, and not under termination notice.

	Unit Award	**Cash Award**
Grant Date	July 20,2023	July 20, 2023
Settlement as from	January 2026	N/A
Payment Period	Depending on unbuckling date: from January 1st, 2026, to December 31st, 2027	At latest May 2026

The Cash Awards are also subject to Performance Conditions as mentioned. Please refer to the below performance targets table:

Unit: Yuan Currency: RMB

Items	Current period
Accumulated amounts of the liabilities	36,835,462
Expenses accrued/(reversed) during the period	1,647,262

iii. 2024 Plan for Executive Committee Members and high qualified Executives

In order to continue to build up Adisseo, the Group has decided to offer Executive Committee Members and high qualified Executives an international recognition and implemented two plans:

- ExCom Management Incentive Plan 2024-2026,
- Management Incentive Plan 2024-2026.

The purpose of these Plans is to implement discretionary variable cash settled compensations, in order to retain and motivate Executive Committee Members and high qualified Executives, key players to tackle our 3-years business plan.

The 2024 mid-term incentive plan has been approved by March 28th, 2024, Board of Directors of the Company on the proposal of Remuneration Committee.

Two types of Awards will be granted within the framework of these Plans:

- **Unit Award**: a discretionary variable deferred number of phantom shares defined on share price and currency as of March 28th, 2024, and that will be definitively acquired subject to Presence Conditions. The Unit Award is not subject to Performance Conditions.
  One Unit Award value = the fair market value of BLUESTAR ADISSEO COMPANY (BAC) at closing on March 28th, 2024, converted in Euros (EUR) on March 28th, 2024, i.e., EUR 1.0864 ("one Euro and eight hundred sixty-four cents").

- **Cash Award**: a discretionary variable cash settled compensation that will be definitively acquired subject to both Presence and Performance Conditions. The right to receive the effective benefit of the Cash Awards is based on achieving the combined objectives in strict respect of Adisseo Ethic Code:
  - Revenues: measure the Amount of Gross Sales of the Group;
  - EBITDA: measure the Operational Profitability of the Group;
  - FCFAT (before M&A) : measure the % of the revenue not converted into cash.

The Unit Award and Cash Award are conditional and subject to Presence Conditions.
Payment of the Vested Awards requires that the Beneficiaries remain Employees within the Group from the Grant Date and until the Payment Date, and not under termination notice.

	Unit Award	**Cash Award**
Grant Date	March 28,2024	March 28,2024
Settlement as from	January 2027	N/A
Payment Period	Depending on unbuckling date: from January 1st, 2027, to December 31st, 2028	At latest May 2027

The Cash Awards are also subject to Performance Conditions as mentioned. Please refer to the below performance targets table:

Unit: Yuan Currency: RMB

Items	Current period
Accumulated amounts of the liabilities	16,752,669
Expenses accrued/(reversed) during the period	749,171

(5) Undiscounted maturity analysis of defined benefit plans

Current period

Unit: Yuan Currency: RMB

	Within one year	One to two years	Two to five years	More than five years	Total
IFC	5,593,713	2,461,903	16,695,569	168,577,351	193,328,536
GA	9,756,732	6,158,959	16,678,764	61,505,568	94,100,023
Others	1,942,769	8,790,460	6,514,863	22,595,959	39,844,051

34. Provisions

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance	Reasons for provisions
Other provisions	396,820,675	514,798,569	Other provisions
Total	**396,820,675**	**514,798,569**	

On July 29th, 2020, Novus International filed a 3-year antidumping petition against imports of methionine from France, Japan and Spain into the United States. In April 2024, the final decision in this proceeding led to a tax of 9.24% for liquid methionine produced in Spain and exported to the USA during Phase I (from March 2021 to August 2022). The Company reversed the provisions accrued in H1 2024. In 2025, the final decision in this proceeding led to a tax of 0.71% for Phase II (from 1 September 2022 to 31 August 2023), the Company reversed the excessive provisions accrued.

35. Deferred income

√ Applicable □ Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in current period	Decrease in current period	Acquisition of subsidiary companies and businesses	Currency translation differences	Closing balance
Government subsidies	138,004,793	3,561,310	(13,445,784)		3,637,710	131,758,029
Total	**138,004,793**	**3,561,310**	**(13,445,784)**		**3,637,710**	**131,758,029**

36. Paid-in Capital

Unit: Yuan Currency: RMB

	Opening balance	Changes during the period (+ / -)					Closing balance
		New shares issued	Shares distributed	Conversion from reserves to shares	Others	Subtotal	
Total shares	2,681,901,273						2,681,901,273

37. Capital reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increased in current period	Decreased in current period	Ending balance
Capital premium (capital stock premium)				
Other capital reserve	1,004,724,989			1,004,724,989
Total	**1,004,724,989**			**1,004,724,989**

38. Other comprehensive income

√ Applicable □ Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening Balance	Amount incurred during the current period							Closing Balance
		Before tax amount	Less: reclassification of OCI into retained earning	Less: transfer to profit or loss that previously recognized	Less: income tax expense	Other	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	
Items that will not be reclassified to profit or loss	**(72,655,383)**								**(72,655,383)**
Including: remeasurement of changes in liabilities under defined benefit plans	4,394,550								4,394,550
Profit/Loss from changes in fair value Investments in other equity instruments	(77,049,933)								(77,049,933)
Items that may be reclassified to profit or loss	**(908,937,281)**	**1,036,579,871**		**(2,162,905)**	**(551,454)**		**1,036,045,424**	**3,248,806**	**127,108,143**
Including: effective portion of gain or loss of cash flow hedge	(2,702,476)	(3,415,573)		(2,162,905)	(551,454)		(701,214)		(3,403,690)
Translation difference of foreign financial statements	(906,234,805)	1,039,995,444					1,036,746,638	3,248,806	130,511,833
Total	**(981,592,664)**	**1,036,579,871**		**(2,162,905)**	**(551,454)**		**1,036,045,424**	**3,248,806**	**54,452,760**

39. Surplus reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	714,341,527			714,341,527
Total	**714,341,527**			**714,341,527**

In accordance with the Company Law of the People's Republic of China and the Articles of Association, prior to the distribution of the Company's net profit, the Company should provide 10% as statutory reserve for the net profit available for distribution, after covering the accumulated losses from prior years. When the statutory surplus reserve accumulatively reaches more than 50% of registered capital, it may not be withdrawn any more. If approved, statutory surplus reserve may be used to cover losses or increase capital stock.

40. Undistributed profit

Unit: Yuan Currency: RMB

Items	Current period	Last year
Undistributed profit of last period before adjustment	12,123,015,445	11,154,024,818
Total adjustments (increased +/ decreased -)		
Undistributed profit at the beginning of period after adjustment	12,123,015,445	11,154,024,818
Add: Net profit attributable to the Company's owners in current period	740,183,329	1,204,325,915
Appropriation of special reserves		
Less: Withdrawal of statutory surplus reserve		74,421,212
Dividend distribution	482,742,229	160,914,076
Other comprehensive income transferred to retained earnings		
Others		
Undistributed profit at the end of period	**12,380,456,545**	**12,123,015,445**

41. Operating revenue and operating cost

(1) Operating income and operating costs

□ Applicable √ Not applicable

Items	Amount incurred during current period		Amount incurred during last period	
	Income	Cost	Income	Cost
Principal activities	8,512,067,963	6,094,122,234	7,260,948,548	4,984,047,631
Other operating activities				
Total	**8,512,067,963**	**6,094,122,234**	**7,260,948,548**	**4,984,047,631**
Including: revenue from contracts with customers	8,512,067,963	6,094,122,234	7,260,948,548	4,984,047,631
Other income			0	0

(2) Breakdown of operating revenue and cost of sales

□ Applicable √ Not applicable

Contract Classifications	Segment Health and nutrition		Total	
By product	Revenue	Cost	Revenue	Cost
- Performance products	6,474,856,982	4,884,710,623	6,474,856,982	4,884,710,623
- Specialties products	2,037,210,981	1,209,411,611	2,037,210,981	1,209,411,611

By territory				
- EUROPE / IMEA(Note 1)	2,959,357,980		2,959,357,980	
- NORTH AMERICA	1,342,555,190		1,342,555,190	
- ASIA PACIFIC (excluding CHINA)	961,672,090		961,672,090	
- LATIN AMERICA	1,767,122,521		1,767,122,521	
- CHINA	1,391,992,207		1,391,992,207	
- Others	89,367,975		89,367,975	
Total	**8,512,067,963**	**6,094,122,234**	**8,512,067,963**	**6,094,122,234**

Note 1: IMEA stands for India subcontinent, Middle East, and Africa.

(3) Explanations on contractual obligations

□ Applicable √ Not applicable

(4) Explanations on the allocation of transaction price to contractual obligations

□ Applicable √ Not applicable

(5) Significant changes in contracts or transaction prices

□ Applicable √ Not applicable

42. Taxes and surcharge

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Business taxes	5,073,432	4,232,328
Property tax	9,066,072	9,381,464
City maintenance and construction tax	9,144,439	4,129,922
Education surcharge and local education surcharges	7,359,013	3,505,532
Others	5,061,393	5,759,126
Total	**35,704,349**	**27,008,372**

43. Selling and distribution costs

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation expense	14,775,722	14,117,920
Replenishment and storage expenses	260,039,850	246,140,010
Personnel expenses	272,279,569	243,432,115
Commission expenses for delegating agent	35,383,190	36,744,369
Travel expenses	29,759,078	25,587,534
Consulting and other professional fees	18,493,140	15,702,769
Others	61,632,045	56,430,849
Total	**692,362,594**	**638,155,566**

44. General and administrative expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation expense	46,675,902	33,115,819
Amortization of intangible assets	55,031,726	51,846,000
Employee benefit expenses	207,422,424	247,919,628
Consulting and other expert services	78,647,922	57,547,304
Travel expenses	9,092,699	9,933,672
Rent expenses	156,623	2,320,681
Insurance expenses	11,827,851	11,333,704
Others	29,019,224	41,392,380
Total	**437,874,371**	**455,409,188**

45. Research and development expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation expense	25,515,773	23,765,254
Amortization of intangible assets	1,267,410	1,183,031
Employee benefit expenses	77,331,909	104,081,042
Consulting and other expert services	22,942,173	22,790,131
Travel expenses	3,512,694	4,300,263
Rent expenses	3,567,928	61,664
Insurance expenses	31,529	180,788
Research and exploitation expenses (without Payroll & External Expenses)	25,269,918	24,716,521
Others	12,141,767	26,769,437
Total	**171,581,101**	**207,848,131**

46. Financial expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Interest expenditure	24,770,838	38,234,787
Less: Interest expense capitalized	4,335,544	
Interest expense related to lease liabilities	5,519,426	8,774,663
Interest income	(63,723,818)	(12,786,206)
Net exchange losses / (gains)	72,342,646	(34,821,077)
Other financial expenses	29,809,111	23,997,832
Total	**64,382,659**	**23,399,999**

In H1 2025, the interest rate used to determine interest expenses capitalized was 0.25%-2.19% (H1 2024: 0%).

47. Investment income (loss)

Items	Amount incurred during the current period	Amount incurred during the last period
Gain (loss) from long-term equity investment measured by equity method	(34,787,994)	(38,595,673)
Other		
Total	**(34,787,994)**	**(38,595,673)**

48. Gain (losses) from changes in fair value

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Source generating the gain (loss) of change on fair value	Amount incurred during the current period	Amount incurred during the last period
Change in fair value of phantom shares		
Change in fair value of derivative financial instruments	68,420,430	(19,076,427)
Change in fair value of other non-current financial instruments	(20,010,120)	
Total	**48,410,310**	**(19,076,427)**

49. Credit Losses

√ Applicable □ Not applicable

Credit losses	Amount incurred of current period	Amount incurred of comparative period
Accounts receivable	(2,854,250)	(1,445,788)
Total	**(2,854,250)**	**(1,445,788)**

50. Asset impairment losses

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
I. Provision for bad debt		
II. Provision for decline in value of inventories	(14,464,397)	(17,430,209)
III. Impairment loss for available-for-sale financial assets		
IV.Impairment for restructuring		
Total	**(14,464,397)**	**(17,430,209)**

51. Non-operating income

(1) Non-operating income by item is as follows

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period	Amount recorded in non-recurring gain or loss of current period
Payables written-off			
Government grant			
Others	9,557,275	3,587,536	9,557,275
Total	**9,557,275**	**3,587,536**	**9,557,275**

52. Non-operating expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period	Amount recorded in non-recurring gain or loss of current period
Losses on disposal of non-current assets		620,931	
Including:			
Losses on disposal of fixed assets			
Losses on disposal of intangible assets		314,183	
Losses on disposal of other assets		306,748	
Compensation for termination of contracts		59,755,465	
Donations			
Others	15,158,659	14,732,805	15,158,659
Total	**15,158,659**	**75,109,201**	**15,158,659**

53. Income tax expenses

(1) Income tax expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Current income tax	261,092,906	180,066,850
Deferred income tax	26,914,331	1,646,005
Total	**288,007,237**	**181,712,855**

(2) Accounting profit and expense of income tax adjustment process

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period
Total profit before tax	**1,029,374,249**
Income tax expenses calculated at applicable tax rates (1)	318,848,674
Credit Tax	(13,847,674)
Difference of tax rates applicable to subsidiary companies (2)	(72,077,779)
Change in tax rate	
Income not subject to tax	
Costs, expenses and losses not deductible for tax purposes	4,129,672
Tax losses for which no deferred income tax asset was recognized	6,826,199
Utilization of previously unrecognized temporary differences	
Others	44,128,145
Income tax expenses	**288,007,237**

Income tax expenses calculated at applicable tax rates (1) is calculated at the statutory income tax rate of France, which is the main operation jurisdiction of the Group. The impacts of different tax rates between local tax rate of subsidiaries in different jurisdictions and French tax rate are presented in Difference of tax rates applicable to subsidiary companies (2); and other reconciliation items are calculated by local tax rate as applicable.

54. Basic earnings per share

(1) Basic earnings per share

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Total amount of composite benefits attributable to the Company's owners	740,183,329	607,599,304
Common stock	2,681,901,273	2,681,901,273
Basic earnings per share	0.28	0.23
Basic earnings per share from continuing operation (i)	0.28	0.23
Basic losses per share from discontinued operation	0.00	0.00

(i) The weighted average number of shares used for the calculation of the EPS of June 2025 and 2024 is 2,681,901,273.

The weighed average number of ordinary shares is calculated as follows:

Number of shares	Amount incurred during the current period	Amount incurred during the last period
Issued ordinary shares at January 1	2,681,901,273	2,681,901,273
Effect of new shares		
Weighted average number of ordinary shares at the end of the period	**2,681,901,273**	**2,681,901,273**

(2) Diluted earnings per share

The Company does not have dilutive potential ordinary share in the periods from January 1, 2025 to June 30, 2025 and January 1, 2024, to June 30, 2024. The diluted earnings per share/ (loss) is equal to basic earnings per share/ (loss).

55. Supplement to income statement

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Operating revenue	8,512,067,963	7,260,948,548
Less: Changes in inventories of raw materials, finished goods and work-in-progress	(214,626,382)	(158,315,111)
Raw materials, purchased equipment and consumables purchased	4,645,388,810	3,621,482,416
Employee benefit expenses	1,062,045,710	985,617,160
Depreciation/amortization expenses	725,957,549	694,997,437
Depreciation/amortization expenses right of use	60,937,961	66,074,980
Logistics	546,097,582	581,076,578
External Warehousing	85,921,505	70,769,407
Consulting and other expert services	145,541,858	110,930,888

Items	Amount incurred of current period	Amount incurred of last period
Travel expenses	46,249,573	40,425,895
Rent expenses	3,724,552	2,048,115
Insurance expenses	12,464,696	12,991,703
Commission expenses for delegating agent	35,383,190	28,633,222
Research and exploitation expenses	25,269,918	24,716,521
Taxes and surcharges	35,704,349	27,008,372
Credit losses (reverse)	2,854,250	1,445,788
Asset impairment losses (reverse)	14,464,397	17,430,209
Gain arising from changes in fair value	(48,410,310)	19,076,427
Investment loss / (income)	34,787,994	38,595,673
Losses (gains) from asset disposals	1,912,381	620,931
Other income	(24,543,690)	(12,702,833)
Others	279,966,437	227,411,304
Total Operating profit	**1,034,975,633**	**860,613,466**

56. Items in cash flow statement

(1) Cashflows relating to operating activities

Cash received relating to other operating activities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Others	18,403,469	64,604,300
Total	**18,403,469**	**64,604,300**

Cash paid relating to other operating activities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Travel expenses	46,249,573	40,425,895
Rent	11,964,711	2,048,115
Insurances	12,464,696	11,878,407
Others	7,242,453	57,248,209
Total	**77,921,433**	**111,600,626**

(2) Cashflows relating to investing activities

Cash received relating to other investing activities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Others	335,470,874	20,371,310
Total	**335,470,874**	**20,371,310**

Cash paid relating to other investing activities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Others	48,003,996	66,928,529
Total	**48,003,996**	**66,928,529**

(3) Cashflows relating to financing activities

Cash received relating to other financing activities

□ Applicable √ Not applicable

Cash paid relating to other financing activities

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Leases payment	78,651,501	52,147,954
Total	**78,651,501**	**52,147,954**

57. Supplementary data of cash flow statement

(1) Supplement to cash flow statement

Unit: Yuan

Currency: RMB

Items	Amount of current period	Amount of last period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	**741,367,012**	**607,378,946**
Add: Impairment provisions for assets	14,464,397	17,430,209
Credit losses	2,854,250	1,445,788
Depreciation/impairment of fixed assets	587,275,297	567,822,347
Amortization of assets from right of use	60,937,961	66,074,979
Amortization of intangible assets	132,282,952	115,177,986
Amortization of expenditures on research and development	6,399,299	11,997,105
Amortization of long-term prepaid expenses	620,993	1,539,442
Losses on disposal of fixed assets, intangible assets and other long-term assets	1,912,381	620,931
Losses (gains) on scraping of fixed assets	0	-
Gains on changes in fair value	(48,410,310)	19,076,427
Financial expenses (income)	81,864,793	32,740,064
Losses (gains) arising from investment	34,787,994	38,595,673
(Increase) decrease of deferred tax assets	13,198,901	28,541,971
Increase (decrease) of deferred tax liabilities	13,700,313	(26,895,966)
Amortization of deferred income	(11,588,170)	(5,866,350)
Decrease (increase) in gross inventories	(12,825,738)	(114,063,176)
Decrease (increase) in receivable from operating activities	14,351,885	(349,220,499)
Increase (decrease) in payable from operating activities	(183,212,886)	218,272,518
Net cash flow from operating activities	**1,449,981,324**	**1,230,668,395**
2. Investing and financing activities not requiring the use of cash or cash equivalents		
Debts converted into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Change in cash and cash equivalents		
Closing balance of cash	1,458,954,423	1,024,745,046
Less: Opening balance of cash	1,233,635,835	1,005,227,559
Add: Closing balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase of cash and cash equivalent	**225,318,588**	**19,517,487**

(2) Net amount of cash paid in current period for obtaining subsidiary companies

□ Applicable √ Not applicable

(3) Net amount of cash received from disposal of subsidiary companies in current period

□ Applicable √ Not applicable

(4) Composition of cash and cash equivalent

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash at bank and on hand	1,458,954,423	1,233,635,835
Including: Cash on hand		
Bank deposit available for payment anytime	1,458,954,423	1,233,635,835
Other monetary resources available on demand		
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	1,458,954,423	1,233,635,835
Including: Use-restricted cash and cash equivalent of the Company or its subsidiaries	NA	NA

58. Foreign-currency monetary items

√ Applicable □ Not applicable

The Group's exposure to currency risk arising from recognized assets and liabilities denominated in foreign currencies at each affiliate level as at June 30, 2025 is as follows. For consideration of disclosure, the amount of exposure to the risk is shown in Renminbi to be converted at the spot exchange rate on the balance sheet date. Currency translation difference is not included.

(1) Foreign-currency monetary balances

Current period

Unit: Yuan

Items	Closing balance at foreign currency	Exchange rate for conversion	Closing balance at RMB equivalent
Cash and cash equivalents			
Wherein: EUR	1,704,519	8.4024	14,322,047
CNY	19,888,061	1.0000	19,888,061
USD	12,501,067	7.1791	89,746,408
GBP	629,438	9.8516	6,200,971
THB	22,425,784	0.2182	4,893,306
BRL	3,232,289	1.3082	4,228,481
CAD	30,356	5.2591	159,646
MXN	24,615,080	0.3809	9,375,884
SGD	655,811	5.6267	3,690,049
OTHER			36,133,484
Total			188,638,337
Accounts receivable			
Wherein: EUR	3,491,245	8.4024	29,334,834
CNY	621,778	1.0000	621,778
USD	60,724,367	7.1791	435,946,301
GBP	0	9.8516	0
THB	0	0.2182	0

BRL	127,815,355	1.3082	167,208,047
CAD	0	5.2591	0
MXN	0	0.3809	0
SGD	0	5.6267	0
OTHER			13,195,786
Total			646,306,746
Other receivables			
Wherein: EUR	0	8.4024	0
CNY	0	1.0000	0
USD	11,771,524	7.1791	84,508,949
GBP	0	9.8516	0
THB	8,510,220	0.2182	1,856,930
BRL	674,994	1.3082	883,027
CAD	0	5.2591	0
MXN	1,300,491	0.3809	495,357
SGD	18,938	5.6267	106,559
OTHER			2,614,833
Total			90,465,655
Accounts payable			
Wherein: EUR	(649,814)	8.4024	(5,459,998)
CNY	(403,315)	1.0000	(403,315)
USD	(33,240,397)	7.1791	(238,636,133)
GBP	(168,874)	9.8516	(1,663,675)
THB	(2,825,316)	0.2182	(616,484)
BRL	(5,319,507)	1.3082	(6,958,979)
CAD	(59,114)	5.2591	(310,889)
MXN	(22,372,205)	0.3809	(8,521,573)
SGD	(709,271)	5.6267	(3,990,853)
OTHER			(18,839,905)
Total			(285,401,804)
Other payables			
Wherein: EUR	(2,060,511)	8.4024	(17,313,240)
CNY	(176,450)	1.0000	(176,450)
USD	(32,362)	7.1791	(232,331)
GBP	0	9.8516	0
THB	0	0.2182	0
BRL	(153,657)	1.3082	(201,014)
CAD	0	5.2591	0
MXN	0	0.3809	0
SGD	(507,934)	5.6267	(2,857,993)
OTHER			(23,644,548)
Total			(44,425,576)
Long-term receivables			
Wherein: EUR	0	8.4024	0
CNY	0	1.0000	0
USD	23,408	7.1791	168,048
GBP	0	9.8516	0
THB	0	0.2182	0
BRL	13,000,497	1.3082	17,007,250
CAD	0	5.2591	0

MXN	75,390	0.3809	28,716
SGD	157,318	5.6267	885,181
OTHER			1,129,337
Total			19,218,532
Current portion of non-current liabilities			
Wherein: EUR	10,076	8.4024	84,662
CNY	0	1.0000	0
USD	0	7.1791	0
GBP	0	9.8516	0
THB	(5,615,976)	0.2182	(1,225,406)
BRL	(373,168)	1.3082	(488,178)
CAD	0	5.2591	0
MXN	(904,689)	0.3809	(344,596)
SGD	(335,238)	5.6267	(1,886,283)
OTHER			(237,627)
Total			(4,097,428)
Gross balance sheet exposure			
Wherein: EUR	2,495,514	8.4024	20,968,305
CNY	19,930,074	1.0000	19,930,074
USD	51,747,607	7.1791	371,501,242
GBP	460,564	9.8516	4,537,296
THB	22,494,711	0.2182	4,908,346
BRL	138,876,803	1.3082	181,678,634
CAD	(28,758)	5.2591	(151,243)
MXN	2,714,067	0.3809	1,033,788
SGD	(720,376)	5.6267	(4,053,340)
OTHER			10,351,359
Total			610,704,461

(2) Description about foreign business entities, including important foreign business entities, foreign main business place, recording currency and selection basis, and reasons for change of recording currency.

√ Applicable □ Not applicable

Name of the subsidiary	Principal place of business	Functional Currency	Basis for determining the functional currency
Adisseo France S.A.S	France	EUR	Local currency of principal place of business
Adisseo Espana S.A.	Spain	EUR	Local currency of principal place of business
Adisseo USA Inc.	USA	USD	Local currency of principal place of business
Adisseo Brasil Nutriçao Animal Ltd	Brazil	USD	Currency of principal flows of business
Nutriad International N.V	Belgium	EUR	Local currency of principal place of business

59. Hedging

√ Applicable □ Not applicable

Operations of the Group are exposed to global market risks, including the effect of changes on currency exchange rates, on interest rates and commodity prices. Derivative financial instruments are used to manage these financial exposures as an integral part of the Group's overall risk management program. Derivatives are not used for speculative purposes. For most of those transactions, the Group applies cash flow hedge accounting and documents, at the inception of the hedge, the type of hedging relationship, the hedging instruments, the nature and the term of the hedged item.

Cash flow hedge accounting means that the Group hedges exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The fair value of derivatives is based on the market price at the balance sheet date. In the balance sheet, they are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Applying cash flow hedge accounting has the following consequences:

- The portion of the gain or loss on the hedging instrument that is determined to be effective is recognized directly in equity, while the change in the fair value of the hedged item is not yet recognized in the balance sheet. The amounts directly recognized in equity are reclassified to profit or loss when the hedged transactions occur and are recorded;
- The change in fair value of the ineffective portion recognized directly in the income statement, in net foreign exchange gains/(losses).

From January to June 2025, the change in fair value on these derivatives has a negative impact of RMB -1,252,668 (January to June 2024: gains of RMB 700,345) recorded in other comprehensive income as cash flow hedge accounting, including RMB -3,415,573 of change in OCI and RMB -2,162,905 of reclassification into P&L.

From January to June 2025, the change in fair value on these derivatives has gains of RMB 68,420,430 (From January to June 2024: Losses of RMB -19,076,427) charged to the income statement as fair value hedge accounting, cash flow hedge ineffectiveness or non-hedge.

VIII. Research & Development Expenditures

1. Listing by nature of expenses

√ Applicable □ Not applicable

Items	Current period	Last period
Depreciation expense	25,515,773	23,765,254
Amortization of intangible assets	1,267,410	1,183,031
Employee benefit expenses	97,263,263	113,919,162
Consulting and other expert services	28,258,424	26,762,188
Travel expenses	4,311,885	4,666,490

Rent expenses	6,228,033	85,965
Insurance expenses	31,529	186,353
Research and development expenses (Experiments, analysis, and etc.)	44,479,549	30,982,706
Others	16,999,169	28,893,693
Total	**224,355,035**	**230,444,842**
Including: R&D expenditures recorded in P&L during the period	171,581,101	207,848,132
R&D expenditures capitalized during the period	52,773,934	22,596,710

2. R&D Projects that meet the conditions of capitalization

√ Applicable □ Not applicable

Items	Opening balance	Increase during the current period		Decrease during the current period				Closing balance
		Internal development	Others	Recognized as intangible assets	Recognized in profit or loss	Others	Currency translation	
Project A	50,783,423						5,886,390	56,669,813
Project B	26,625,927	7,539,246					3,597,731	37,762,904
Project C	18,513,222	8,933,652					2,751,352	30,198,226
Project D	11,612,155	4,065,048					1,623,336	17,300,539
Others	69,865,122	32,235,988			(6,399,299)		9,002,951	104,704,762
Total	**177,399,849**	**52,773,934**			**(6,399,299)**		**22,861,760**	**246,636,244**

Significant R&D Projects that meet the conditions of capitalization

□ Applicable √ Not applicable

Impairment provision for development expenditure

□ Applicable √ Not applicable

3. Significant externally acquired R&D projects

□ Applicable √ Not applicable

IX. Change of Consolidation Scope

1. Business combination not under common control

□ Applicable √ Not applicable

2. Business combination under common control

□ Applicable √ Not applicable

3. Reverse acquisitions

□ Applicable √ Not applicable

4. Disposal of subsidiary companies

Whether the circumstance exists that single disposal of subsidiary company induces the loss of control right

□ Applicable √ Not applicable

Whether the circumstance exists that the Company disposes the investments in subsidiary companies by steps through multiple transactions and loses control right in the current period

□ Applicable √ Not applicable

5. Change of consolidation scope for other reasons

□ Applicable √ Not applicable

6. Others

None

X. Rights and Interests in Other Subjects

1. Rights and interests in subsidiaries

√ Applicable □ Not applicable

(1) Composition of enterprise group

Name of the Subsidiary	Principal place of business	Registration place	Business nature	Shareholding (%)		Acquisition method
				Direct	Indirect	
Bluestar Adisseo Nutrition Group, Ltd	Hong Kong	Hong Kong	Investment holding	100%		Business combination under common control
Drakkar Group S.A.	Belgium	Belgium	Investment holding		100%	Business combination under common control
G4 S.A.S	France	France	Investment holding		100%	Business combination under common control
Fondoir de Bayonne Blancpignon S.A.S	France	France	Production and sales of chemical products		100%	Business combination under common control
Adisseo France S.A.S	France	France	Production and sales of chemical products		100%	Business combination under common control
Casper G.I.E	France	France	Production and sales of chemical products		80%	Business combination under common control
Adisseo Eurasie S.A.R.L	Russia	Russia	Production and sales of chemical products		100%	Business combination under common control
Adisseo Life Science (Shanghai) Co., Ltd	China	China	Production and sales of chemical products		100%	Business combination under common control
Adisseo Canada Inc.	Canada	Canada	Production and sales of chemical products		100%	Business combination under common control
Adisseo Ireland Limited	Ireland	Ireland	Production and sales of		100%	Business combination under common control

			chemical products			
Adisseo de Mexico S.A. de C.V.	Mexico	Mexico	Production and sales of chemical products		100%	Business combination under common control
Adisseo USA Inc.	USA	USA	Production and sales of chemical products		100%	Business combination under common control
Adisseo Asia Pacific Pte. Ltd	Singapore	Singapore	Production and sales of chemical products		100%	Business combination under common control
Adisseo Trading (Thailand) Co., Ltd	Thailand	Thailand	Production and sales of chemical products		100%	Business combination under common control
Adisseo GMBH	Germany	Germany	Production and sales of chemical products		100%	Business combination under common control
Adisseo Espana S.A.	Spain	Spain	Production and sales of chemical products		100%	Business combination under common control
Adisseo Brasil Nutriçao Animal Ltda	Brazil	Brazil	Production and sales of chemical products		100%	Business combination under common control
Innov'ia S.A.	France	France	Powder designer for chemical industry		99.95%	Business combination under common control
INNOCAPS S.A.R.L	France	France	Powder designer for chemical industry		99.95%	Business combination under common control
Innov'ia 3I S.A.	France	France	Powder designer for chemical industry		99.95%	Business combination under common control
Innov'ia USA Inc.	USA	USA	Powder designer for chemical industry		99.95%	Business combination under common control
Capsulae S.A.S	France	France	Powder designer for chemical industry		99.95%	Business combination not under common control
LC Immo	France	France	Powder designer for		99.95%	Business combination not under common control

			chemical industry			
LC Inodry	France	France	Powder designer for chemical industry		99.95%	Business combination not under common control
Bluestar Adisseo Nanjing Co., Ltd	China	China	Production and sales of chemical products		100%	Business combination under common control
Adisseo Philippines Inc.	Philippines	Philippines	Production and sales of chemical products		100%	Business combination under common control
Adisseo Animal Nutrition Pte Ltd	India	India	Production and sales of chemical products		100%	Business combination under common control
Adisseo Malaysia SDN. BHD	Malaysia	Malaysia	Production and sales of chemical products		100%	Established
Adisseo Nutrition Health Products (Nanjing) Co.	China	China	Production and sales of chemical products		100%	Established
Adipex S.A.S	France	France	Production and sales of chemical products		85.00%	Established
Nutriad Holding B.V.	Netherlands	Netherlands	Investment holding		100%	Business combination not under common control
Nutriad International N.V.	Belgium	Belgium	Production and sales of chemical products		100%	Business combination not under common control
Nutriad Ltd	UK	UK	Production and sales of chemical products		100%	Business combination not under common control
Nutriad Asia Ltd	Hong Kong	Hong Kong	Production and sales of chemical products		100%	Business combination not under common control
Feed Flavor Internationals (Jiangsu) Co., Ltd	China	China	Production and sales of chemical products		100%	Business combination not under common control
Nutriad Nutrição Animal Ltda	Brazil	Brazil	Production and sales of chemical products		100%	Business combination not under common control

Adisseo Polska Sp. Z o.o. Ul.	Poland	Poland	Production and sales of chemical products		100%	Business combination not under common control
Adisseo Italia Srl	Italy	Italy	Production and sales of chemical products		100%	Business combination not under common control
Adisseo Animal Nutrition DMCC	UAE	UAE	Production and sales of chemical products		100%	Established
Adisseo Yem Katkilari Ltd	Turkey	Turkey	Production and sales of chemical products		100%	Established
Adisseo Venture	Belgium	Belgium	Investment holding		100%	Established
Franklin Group B..V.	Netherlands	Netherlands	Investment holding		100%	Business combination not under common control
Adisseo NL B.V.	Netherlands	Netherlands	Production and sales of chemical products		100%	Business combination not under common control
Functional Lipids B.V	Netherlands	Netherlands	Production and sales of chemical products		100%	Business combination not under common control
Adisseo Nutricion Animal S.L.U	Spain	Spain	Production and sales of chemical products		100%	Business combination not under common control
Franklin Asia Ltd.	Thailand	Thailand	Production and sales of chemical products		100%	Business combination not under common control
Société Civile Immobilière de l'Avenue Marx Dormoy - Commentry	France	France	Real estate holding		100%	Established
Nor-Feed Holding	France	France	Investment holding		93.28%	Business combination not under common control
Nor-Feed SAS	France	France	Production and sales of chemical products		93.28%	Business combination not under common control
Nor-Feed Vietnam Co., Ltd	Vietnam	Vietnam	Production and sales of chemical products		93.28%	Business combination not under common control
SCI VERTE	France	France	Real estate holding		93.28%	Business combination not

						under common control
Bluestar Adisseo Health and Nutrition (Nanjing) Co., Ltd.	China	China	Production and sales of chemical products		100%	Established
Sinochem Bluestar Adisseo Animal Nutrition Technology (Quanzhou) Co., Ltd.	China	China	Production and sales of chemical products		100%	Established

2. Rights and interests in Associates and joint ventures

√ Applicable □ Not applicable

Financial information of unimportant joint ventures and associates

Items	Current period	Last period
Joint-venture		
Book value of investment	82,690,662	107,566,015
Calculated based on shares on the joint venture		
- Net profit	(34,787,994)	(98,350,482)
- Other comprehensive income	9,912,641	(1,267,867)
- Total comprehensive income	(24,875,353)	(99,618,349)

3. Important joint operation

□ Applicable √ Not applicable

4. Rights and interests in the structuralized subjects not taken into the scope of consolidated financial statements

□ Applicable √ Not applicable

5. Others

None

XI. Government subsidies

1. Government subsidies recognized as receivables as at the end of reporting period

□ Applicable √ Not applicable

Reasons for not receiving the subsidies as scheduled

□ Applicable √ Not applicable

2. Liabilities involving government subsidies

√ Applicable □ Not applicable

Liability projects	Opening balance	Increase in current period	Amount recognized in non-operating income	Amount recognized in other income	Currency translation differences	Closing balance	Related to assets / Income
Deferred income	138,004,793	3,561,310	-	(13,445,784)	3,637,710	131,758,029	Assets
Total	**138,004,793**	**3,561,310**	**-**	**(13,445,784)**	**3,637,710**	**131,758,029**	

3. Government subsidies recognized in the profit and loss of the current period

√ Applicable □ Not applicable

Items	Amount incurred during the current period	Amount incurred during the last period
Government grants related to assets	13,445,784	5,866,350
Government grants related to income	11,097,906	6,836,483
Total	**24,543,690**	**12,702,833**

XII. Risks Related to Financial Instruments

1. Risks Related to Financial Instruments

√ Applicable □ Not applicable

The Group’s activities expose it to a variety of financial risks as follows:

- foreign exchange risk
- interest rate risk
- credit risk
- liquidity risk

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimizing the adverse impacts of risks on the Group's operation performance. Based on these risk management objectives, the Group's basic risk management strategy is to identify and to analyze the industry's exposure to various risks and seeks to minimize potential adverse effects on the Group’s financial performance.

(1) Market risk

(a) Foreign exchange risk

The Group’s major operational activities are carried out in France, Spain, United States, mainland China and a majority of the transactions are denominated in EURO, US Dollars and RMB. The Group’s finance department at its headquarters continuously monitors the foreign exchange risk of the Group and combines with the use of derivative financial instruments.

Assets and liabilities denominated in foreign currencies are summarized in Note VII.58.

The table below summarizes the sensitivity of the Group’s profit before income tax ("P&L”) and Other Comprehensive Income ("OCI”) to a change of plus or minus 10% in foreign exchange rates against the euro, calculated on the net exposure presented above and on derivatives hedging future cash flows. The impacts of the derivative financial instruments only take into account the changes in their efficient portions / intrinsic values:

Current period

Hedged currencies	Increase of the euro by 10%		Decrease of the euro by 10%	
	Impact P&L	Impact OCI	Impact P&L	Impact OCI
USD	116,799,323	(5,187,684)	(18,747,816)	(3,861,585)
Other currencies	(438,183)	-	438,183	-

Non-hedged currencies	Increase of the euro by 10%		Decrease of the euro by 10%	
	Impact P&L	Impact OCI	Impact P&L	Impact OCI

All currencies	(2,682,040)	(18,619,573)	2,682,040	18,619,573

(b) Interest rate risk

The Group's exposure to the interest rate risk is primarily arising from net indebtedness including long-term interest-bearing debt and cash position.

The Group’s finance department at its headquarters continuously monitors the interest rate position of the Group.

As at 30 June 2025, the Group's outstanding floating rate borrowings was at RMB 714,204,000 from a bank pool. As at 30 June 2025, if interest rates on the floating rate borrowings had risen/fallen by 50 basis points while all other variables had been held constant the Group’s net profit would have decreased/increased by approximately RMB 3,571,020. (As at 31 December 2024: RMB 3,198,422.)

(2) Credit risk

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments).

Bank deposits of the Group are mainly put in large or medium-sized listed banks with high credit standards. Therefore, the Group believes they suffer no significant credit risks or cause any significant losses as a result of contract breach of the counterparts.

The Group has a credit policy, approved by the Group Chief Finance Officer (CFO), which is designed to ensure that consistent processes are in place throughout the Group to measure and control credit risk. Such a risk is considered as part of the risk-reward balance of doing business. Key requirements of the policy are formally delegated authorities to the sales and marketing teams to incur credit risk and to a specialized credit function to set counterparty limits. Before trading with a new counterparty can start, its creditworthiness is assessed, and credit exposure limit is determined. Such exposure limit also depends on the limits of the credit insurer of the Group which is used for clients located in high-risk countries according to the Group. The assessment process takes into account all available qualitative and quantitative information about the counterparty and the group, if any, to which the counterparty belongs. Creditworthiness continues to be evaluated after transactions have been initiated with follow-up on payment performances.

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group’s finance department in its headquarters. The Group’s finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The undiscounted contractual cash flows (including interests calculated based on contractual interest rates (or the current interest rates on balance sheet date if floating rate)) of financial liabilities of the Group as at the balance sheet date are analyzed by their maturity date below:

Unit: Yuan Currency: RMB

Items	Closing balance				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities -					
Short-term borrowings	0				0
Accounts payable	1,835,121,980	0	0	0	1,835,121,980
Derivative financial instruments-liabilities	49,431				49,431
Other payables	731,797,811	0	0	0	731,797,811
Long-term borrowings		711,805,383	733,193,424	57,772,919	1,502,771,726
Long-term payables		873,849	915,862	15,588,880	17,378,591
Long-term lease liabilities		52,754,007	47,069,140	141,530,743	241,353,890
Current portion of long-term payables	875,009				875,009
Current portion of long-term borrowings	81,435,037				81,435,037
Current portion of lease liabilities	144,623,028				144,623,028
Total	**2,793,902,296**	**765,433,239**	**781,178,426**	**214,892,542**	**4,555,406,503**

Unit: Yuan Currency: RMB

Items	Closing balance				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities -					
Short-term borrowings	54,453,036				54,453,036
Accounts payable	1,767,033,170				1,767,033,170
Derivative financial instruments-liabilities	14,207,182				14,207,182
Other payables	670,312,126				670,312,126
Long-term borrowings		76,615,870	657,727,742	191,214,877	925,558,489
Long-term payables		782,673	820,301	11,700,876	13,303,850
Long-term lease liabilities		142,397,249	71,276,229	100,564,830	314,238,308
Current portion of long-term payables	783,711				783,711
Current portion of long-term borrowings	6,536,108				6,536,108
Current portion of lease liabilities	72,326,071				72,326,071
Total	**2,585,651,404**	**219,795,792**	**729,824,272**	**303,480,583**	**3,838,752,051**

2. Hedging

(1) The Company uses hedging to manage risks

√ Applicable □ Not applicable

Please refer to Note VII 59 for details.

(2) The Company uses hedging and applies hedging accounting

Applicable √ Not applicable

(3) The Company uses hedging to manage risks and expects to achieve goals of risk management but does NOT apply hedging accounting

Applicable √ Not applicable

3. Transfers of financial assets

(1) Types of financial assets transfer

√ Applicable Not applicable

Types of transfer	Items	Amount transferred	Derecognition status	Basis for derecognition judgement
Factoring	Accounts receivable	475,280,846	Completely derecognized	Major risks, such as credit risk, and contractual rights to receive the cash flows have been transferred to the factoring company
Total		**475,280,846**		

(2) Financial assets derecognized due to transfer

√ Applicable Not applicable

Items	Types of transfer	Amount derecognized	Profit or loss related to derecognition
Accounts receivable	Factoring	475,280,846	8,733,713
Total	/	**475,280,846**	**8,733,713**

(3) Transferred financial assets with continued involvement

Applicable √ Not applicable

XIII. Disclosure of Fair Value

√ Applicable □ Not applicable

Based on the lowest level input that is significant to the fair value measurement in its entirety, the fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

1. Closing fair value of the assets and liabilities measured with fair value

As at June 30, 2025, the assets measured at fair value on a recurring basis by the above three levels are analyzed below:

Unit: Yuan Currency: RMB

Items	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(1) Trading financial assets		55,324,258	102,988,217	158,312,475
a) Financial assets measured with fair value and having the change of fair value recorded in the gain or loss of current period		55,324,258	102,988,217	158,312,475
i) Investments in debt instruments				
ii) Investment in equity instruments			102,988,217	102,988,217
iii) Derivative financial assets		55,324,258		55,324,258
b) Financial assets specified to measure with fair value and have the change of fair value recorded in the gain or loss of current period				
i) Investments in debt instruments				
ii) Investment in equity instruments				

Items	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
(2) Investments in other bonds				
(3) Investment in other equity instruments			197,132,330	197,132,330
Total amount of assets with continuous fair value measurement		**55,324,258**	**300,120,547**	**355,444,805**
(4) Trading financial liabilities		49,431		49,431
a) Financial assets measured with fair value and having the change of fair value recorded in the gain or loss of current period		49,431		49,431
Including: Trading bonds issued				
Derivative financial liabilities		49,431		49,431
Others				
b) Financial liabilities specified to measure with fair value and have the change of fair value recorded in the gain or loss of current period				
Total amount of liabilities with continuous fair value measurement		**49,431**		**49,431**

2. Market value definition for recurring and non-recurring fair value measurements categorized within Level 1

□ Applicable √ Not applicable

3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorized within Level 2

√ Applicable □ Not applicable

The fair value of financial instruments traded in an active market is determined at the quoted price in the active market; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spread, liquidity premium, EBITDA multiplier and restricted discount.

4. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorized within Level 3

√ Applicable □ Not applicable

The financial assets measured within level 3 mainly include the Group's investment in equity instruments of non-listed companies. The Group has determined the fair value of relevant equity instruments with reference to the initial investment cost of the companies and considering the development stage of the invested companies, also relevant indicators of comparable companies

5. Sensitivity analysis of adjustment information and unobservable parameters between opening and closing book value for recurring and non-recurring fair value measurements categorized within Level 3

□ Applicable √ Not applicable

6. The reasons for transfer of different levels, and the policy about the timing of those transfers for recurring fair value measurements

□ Applicable √ Not applicable

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognizing the transfers. There is no transfer between Level 1 and Level 2 for the current period.

7. The change of appraisal technology in the current period and the reasons for change

□ Applicable √ Not applicable

During the current period, there were no changes in valuation techniques for the recurring and non-recurring fair value measurements.

8. The fair value of the financial assets and financial liabilities not measured with fair value

□ Applicable √ Not applicable

Financial assets and liabilities not measured at fair value mainly represent receivables, short-term borrowings, payables, current portion of long-term borrowing, current portion of long-term payables, long-term borrowings and long-term payables.

The carrying amount of the other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

9. Other

□ Applicable √ Not applicable

XIV. Related party relationships and transactions

1. Parent(s) of the Company

Unit: Yuan Currency: RMB

Name of parent company	Registered place	Business nature	Registered capital	Proportion of shares held by the parent company in the enterprise (%)	Proportion of voting right held by the parent company in the enterprise (%)
China National Bluestar (Group) Co, Ltd	Beijing	Research, development of new chemical materials, chemical cleaning, antisepsis, water treatment technology and fine chemical products	15,365,589,192	85.77%	85.77%

The enterprise's ultimate controller is SinoChem Holdings Corporation Ltd.

2. Subsidiaries of the Company

For details about the enterprise's subsidiary companies, please refer to the Note IX (1).

3. Joint venture of the Company

√ Applicable □ Not applicable

Calysseo Limited	Joint venture of the Group
Calysseo (Chongqing) Company Limited	Subsidiary of joint venture of the Group

4. Other related parties of the Company

√ Applicable □ Not applicable

Lianyungang Lianyu Construction Supervision Co., Ltd	Controlled by the same parent company
Lanzhou Bluestar Cleaning Co., Ltd	Controlled by the same parent company
China Bluestar Lehigh Engineering Corp Co. Ltd	Controlled by the same parent company
Beijing Bluestar Cleaning Co, Ltd.	Controlled by the same parent company
Bluestar Silicones Investment Co., Ltd.	Controlled by the same parent company
Elkem Silicones France SAS	Controlled by the same parent company
Hangzhou Water Treatment Technology Development Center Co., Ltd	Controlled by the same parent company
Lantian (Beijing) Fluid Control Equipment Co., Ltd.	Controlled by the same parent company
Changsha Huaxing Construction Supervision Co., Ltd	Controlled by the same ultimate controlling shareholder
Haohua Zhongyi Hebei New Materials Co. LTD	Controlled by the same ultimate controlling shareholder
HaoHua Chemical Technology Group Co. Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Fertilizer Co. Ltd	Controlled by the same ultimate controlling shareholder
Syngenta Crop Protection AG	Controlled by the same ultimate controlling shareholder
Sinochem Finance Co., Ltd	Controlled by the same ultimate controlling shareholder
Huaxia Hanhua Chemical Equipment Co., Ltd	Controlled by the same ultimate controlling shareholder
Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	Controlled by the same ultimate controlling shareholder
Nanjing Sanfang Chemical Equipment Supervision Co., Ltd.	Controlled by the same ultimate controlling shareholder
Southwest Chemical Research and Design Institute Co. LTD	Controlled by the same ultimate controlling shareholder
Etexe Technologies Limited	Controlled by the same ultimate controlling shareholder
Sinochem Information Technology Co., LTD	Controlled by the same ultimate controlling shareholder
Sinochem Emergency Technology Services (Zhoushan) Co., Ltd. (Former "Sinochem Emergency Technology Services (Zhoushan) Co., Ltd.")	Controlled by the same ultimate controlling shareholder
Bluestar Engineering Co., Ltd	Controlled by the same ultimate controlling shareholder
Beijing Jinmao Living Environment Technology Co., Ltd	Controlled by the same ultimate controlling shareholder
Chemical Industry Mine Engineering Quality Supervision Station	Controlled by the same ultimate controlling shareholder
Jinmao Property Services (Fuzhou) Co., Limited	Controlled by the same ultimate controlling shareholder
Jinmao Cloud Technology Services (Beijing) Co., Ltd	Controlled by the same ultimate controlling shareholder
Shenyang Research Institute of Chemical Industry	Controlled by the same ultimate controlling shareholder
China Chemical Information Center Co., Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Fangsheng Energy Management Service Co., LTD	Controlled by the same ultimate controlling shareholder
Sinochem Environmental Technology Engineering Co., LTD	Controlled by the same ultimate controlling shareholder
Sinochem Juyuan Enterprise Management (Beijing) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Energy Co., Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Energy Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem HongKong (Group) Company Limited	Controlled by the same ultimate controlling shareholder
Haohua Gas Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Quanzhou Petrochemical Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Luxi Engineering Co Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Jinmao Property Management Services (Beijing) Co Ltd	Controlled by the same ultimate controlling shareholder

GDEM Conseil	Other: Company owned by the Director of the Board
JMD International SAS	Other: Company owned by the Director of the Board

5. Related party transactions

√ Applicable □ Not applicable

(1) Related party transactions of purchasing and sale of goods, rendering and receiving of labor services

Purchasing of goods/ receiving of labor services

Unit: Yuan Currency: RMB

Related party	Contents of Related party transactions	Amount incurred of current period	Amount incurred of last period
Huaxia Hanhua Chemical Equipment Co., Ltd	Purchase of goods and services	1,662,620	760,445
China National Bluestar (Group) Co, Ltd	Purchase of services	20,658	
Elkem Silicones France SAS	Purchase of goods and services	133,926	200,629
Hangzhou Water Treatment Technology Development Center Co., Ltd	Purchase of goods and services	17,700	124,954
Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	Purchase of goods and services	636,980	529,664
Lianyungang Lianyu Construction Supervision Co., Ltd	Purchase of services	1,115,099	14,222
Changsha Huaxing Construction Supervision Co., Ltd	Purchase of services	188,680	
China Bluestar Lehigh Engineering Corp Co. Ltd	Purchase of services	2,560,282	93,962
Beijing Bluestar Cleaning Co, Ltd.	Purchase of services	1,011,890	2,764,245
JMD International SAS	Purchase of services	606,606	462,990
SinoChem Environmental Technology Engineering Co., LTD	Purchase of goods	114,094,386	
Southwest Chemical Research and Design Institute Co. LTD	Purchase of goods		369,292
Sinochem Information Technology Co., LTD	Purchase of services	274,226	204,076
Nanjing SanFang Chemical Equipment Supervision Co. LTD	Purchase of goods and services	354,057	
Sinochem Emergency Technology Services (Zhoushan) Co., Ltd.	Purchase of goods and services	25,472	115,660
Bluestar Engineering Co., Ltd	Purchase of services	408,449	
Sinochem Juyuan Enterprise Management (Beijing) Co., Ltd.	Purchase of services	206,144	51,650
Shenyang Research Institute of Chemical Industry	Purchase of services	144,340	498,113
Calysseo (Chongqing) Company Limited	Purchase of goods	3,065,008	9,823,796
Beijing Jinmao Living Environment Technology Co., Ltd	Purchase of services	132,110	
Jinmao Cloud Technology Services (Beijing) Co., Ltd	Purchase of services	1,262,564	
Chemical Industry Mine Engineering Quality Supervosoion Station	Purchase of services	534,906	
China Chemical Information Center Co., Ltd	Purchase of services	166,981	
Sinochem Energy Co.,Ltd	Purchase of services	1,890,710	
Sinochem Energy Technology Co., Ltd.	Purchase of services	3,465,090	
Sinochem Fangsheng Energy Management Service Co., LTD.	Purchase of services	7,306,060	
Sinochem Quanzhou Petrochemical Co., Ltd.	Purchase of services	9,057	
Jinmao Property Services (Fuzhou) Co., Limited	Purchase of services	352,604	
Sinochem Jinmao Property Management Services (Beijing) Co Ltd	Purchase of services	509,840	
Sinochem Luxi Engineering Co Ltd	Purchase of goods	55,220	
Lantian (Beijing) Fluid Control Equipment Co., Ltd.	Purchase of goods	35,398	
Haohua Gas Co., Ltd.	Purchase of goods	116,540	

Sale of commodities/ rendering of labor services

Unit: Yuan Currency: RMB

Related party	Contents of related party transactions	Amount incurred of current period	Amount incurred of last period
Elkem Silicones France SAS	Sales of goods	5,215,236	5,727,873
Syngenta Crop Protection AG	Sales of goods	165,438	316,377
Calysseo Limited	Providing services	35,897	106,572
Calysseo (Chongqing) Company Limited	Providing services	898,484	707,836
Etexe Technologies Limited	Sales of goods	23,397,020	14,437,330

(2) Trust / contracting with related parties

□ Applicable √ Not applicable

(3) Leases with related parties

As lesser:

□ Applicable √ Not applicable

As lessee:

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of Leasers	Categories of leased assets	Lease expenses incurred on short-term leases and low value asset leases under simplified treatment (if applicable)		Lease paid	
		Current period	Last period	Current period	Last period
China National Bluestar (Group) Co, Ltd	Office building	330,000	252,000	110,418	-

-

(4) Guarantee with related parties

□Applicable √ Not applicable

(5) Financing activities with related parties

√ Applicable Not applicable

As a lender

Unit: Yuan Currency: RMB

Related party	Amount	Start date	End date	Explanations
Calysseo Limited	83,218,725	2/7/2025	6/30/2026	Note (a)

Note (a): In 2025, BANG entered into a shareholder loan agreement with its joint venture, Calysseo Limited. Pursuant to this agreement, BANG may provide shareholder loans to Calysseo Limited up to a maximum amount of USD 16.25 million. As of June 30, 2025, the total shareholder loans provided by BANG to Calysseo Limited amounted to USD 11,625,000 (equivalent to RMB 83,218,725). The shareholder loans bear interest at the rate of U.S. LIBOR (or its replacement benchmark SOFR) plus 1.3% and will mature on 30 June 2026.

Refer to Section 6 XII. Significant related-party transactions for transactions with finance companies.

(6) Transfer of assets or debts restructuring with related parties

□Applicable √ Not applicable

(7) Compensation paid for key management personnel

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Items	Current period	Last period
Remuneration of key management	2,446	2,219

(8) Other related party transactions

√ Applicable □ Not applicable

Interest income from related party financing

Unit: Yuan Currency: RMB

Items	Current period	Last period	Explanation
Calysseo Limited	3,288,671	-	Refer to (5) Financing activities with related parties - Note (a)

6. Accounts receivable from and payable to related parties

(1) Receivables

Unit: Yuan Currency: RMB

Items	Related parties	Closing balance		Opening balance	
		Book value	Provision for bad debts	Book value	Provision for bad debts
Accounts receivable	Elkem Silicones France SAS	3,008,059		1,595,448	
Accounts receivable	Calysseo Limited	3,999,542		4,011,198	
Other receivables	Calysseo Limited	84,508,949		64,328,683	
Other receivables	Calysseo (Chongqing) Company Limited	952,393		1,605,962	
Advances to suppliers	China National Bluestar (Group) Co, Ltd			21,900	
Advances to suppliers	Huaxia Hanhua Chemical Equipment Co., Ltd	198,000		662,320	
Advances to suppliers	Southwest Chemical Research and Design Institute Co. LTD	271,000		271,150	
Advances to suppliers	Shenyang Research Institute of Chemical Industry	800,000			
Other non-current assets	Huaxia Hanhua Chemical Equipment Co., Ltd	9,560,956			
Other non-current assets	Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	180,000			
Other non-current assets	Sinochem Information Technology Co., LTD	5,855,697			
Other non-current assets	Sinochem Luxi Engineering Co Ltd	89,598,105			
Other non-current assets	Sinochem Quanzhou Petrochemical Co., Ltd.	25,000			
Other non-current assets	Lantian (Beijing) Fluid Control Equipment Co., Ltd.	229,600			

(2) Payables

Unit: Yuan Currency: RMB

Items	Related party	Closing book balance	Opening book balance
Accounts payable	Calysseo (Chongqing) Company Limited	4,567,740	1,226,882
Accounts payable	JMD International SAS	504,144	225,771
Accounts payable	Sinochem Jinmao Property Management Services (Beijing) Co Ltd	120,038	
Other payables	Lianyungang Lianyu Construction Supervision Co., Ltd	1,140,500	663,090
Other payables	China National Bluestar (Group) Co, Ltd	164,372	165,628
Other payables	Elkem Silicones France SAS	42,012	45,154
Other payables	Hangzhou Water Treatment Technology Development Center Co., Ltd	9,000	10,000
Other payables	China Bluestar Lehigh Engineering Corp Co. Ltd	1,005,522	93,960
Other payables	Huaxia Hanhua Chemical Equipment Co., Ltd	1,176,990	3,765,107
Other payables	Southwest Chemical Research and Design Institute Co. LTD	310,000	310,150
Other payables	Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	224,000	30,000
Other payables	SinoChem Environmental Technology Engineering Co., LTD	72,624,000	23,278,670
Other payables	Sinochem Information Technology Co., LTD	2,547,038	2,628,640
Other payables	GDEM Conseil		74,885
Other payables	Sinochem Energy Co.,Ltd		23,500
Other payables	Sinochem Fangsheng Energy Management Service Co., LTD.		61,210
Other payables	Nanjing SanFang Chemical Equipment Supervision Co. LTD	118,765	
Other payables	Bluestar Engineering Co., Ltd	232,000	
Other payables	Beijing Jinmao Living Environment Technology Co., Ltd	132,110	
Other payables	Jinmao Cloud Technology Services (Beijing) Co., Ltd	1,262,564	
Other payables	Sinochem Energy Co.,Ltd	24,000	
Other payables	Sinochem Fangsheng Energy Management Service Co., LTD.	52,000	
Other payables	Sinochem Energy Technology Co., Ltd.	1,033,000	
Other payables	Jinmao Property Services (Fuzhou) Co., Limited	89,737	
Other payables	Sinochem Jinmao Property Management Services (Beijing) Co Ltd	221,082	
Other payables	Sinochem Luxi Engineering Co Ltd	512,000	

7. Commitment to related parties

□ Applicable √ Not applicable

8. Other

□ Applicable √ Not applicable

XV. Share-based payments

□ Applicable √ Not applicable

XVI. Capital management

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group's total capital is calculated as 'shareholder's equity' as shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and manages capital using gearing ratio.

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Total Borrowings	1,993,195,470	1,373,112,012
Less: Cash at bank and on hand	1,458,954,423	1,265,778,795
Net Debt	534,241,047	107,333,217
Total owners' equity	16,867,284,893	15,569,781,990
Total Capital	17,401,525,940	15,677,115,207
Gearing ratio	**3.07%**	**0.68%**

XVII. Commitments and Contingencies

1. Important commitments

√ Applicable □ Not applicable

(1) Capital commitments

Capital expenditures contracted for but not yet necessary to be recognized on the balance sheet:

Unit: Yuan Currency: RMB

Commitment type	Closing balance	Opening balance
Houses, buildings and machinery equipment	2,166,840,518	516,889,158
Total	**2,166,840,518**	**516,889,158**

2. Contingencies

□ Applicable √ Not applicable

3. Other

□ Applicable √ Not applicable

XVIII. Matters after the Date of Balance Sheet

1. Important non-adjustment matters

Applicable □ √ Not applicable

2. Profit distribution

3. □ Applicable √ Not applicable

4. Sales return

□ Applicable √ Not applicable

5. Others

□ Applicable √ Not applicable

XIX. Other Important Matters

1. Corrections of prior period errors

□ Applicable √ Not applicable

2. Debt restructuring

□ Applicable √ Not applicable

3. Assets restructuring

□ Applicable √ Not applicable

4. Annuity plan

□ Applicable √ Not applicable

5. Discontinued operation

□ Applicable √ Not applicable

6. Segment information

√ Applicable □ Not applicable

(1) Identifying reportable segments and accounting policy

√ Applicable □ Not applicable

Reporting segments are determined according to operating segments, which is in accordance with the Group's internal organization structure, management requirements and internal reporting system. The Group only has one reporting segment – Health and nutrition.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

(2) Financial information of reportable segments

√ Applicable □ Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Health & Nutrition	Total
Revenue from external customers	8,512,067,963	8,512,067,963
Revenue from transactions with other segments		
Operating cost	6,094,122,234	6,094,122,234
Asset impairment losses	(14,464,397)	(14,464,397)
Credit losses	(2,854,250)	(2,854,250)
Interest income	63,723,818	63,723,818
Interest expense	20,435,294	20,435,294
Investment income from associates and joint ventures	(34,787,994)	(34,787,994)
Depreciation and amortization	786,895,510	786,895,510
Profit before income tax	1,029,374,249	1,029,374,249
Income tax expense or benefit	288,007,237	288,007,237
Net profit	741,367,012	741,367,012
Other items:		
Total assets	24,167,073,021	24,167,073,021
Total liabilities	7,299,788,128	7,299,788,128

(3) Explanation of the Group without reportable segment or cannot disclose the total assets or total liabilities of reportable segment

Applicable □ √ Not applicable

(4) Other explanation

√ Applicable □ Not applicable

Operating revenue from external customers by product

Refer to the Note VII.40 - *Detail of main businesses*.

Specified non-current assets by geographical location:

Unit: Yuan Currency: RMB

Country or region	Non-current assets other than financial assets and deferred income tax assets	
	Closing balance	Opening balance
Europe / IMEA	9,604,591,961	8,652,698,823
North America	203,539,184	184,732,218
Asia Pacific (China excluded)	72,961,424	69,674,486
Latin America	29,093,300	31,738,671
China	6,281,608,372	5,634,852,236
Total	**16,191,794,241**	**14,573,696,434**

7. Other important transactions and matters have an impact on decisions of investors

Applicable □ √ Not applicable

8. Others

Applicable □ √ Not applicable

XX. Main Items in the Financial Statements of the Company

1. Cash at bank and on hand

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand		
Cash at bank	360,384	908,039
Other monetary funds		
Cash deposited in finance companies	10,002,646	2,422,159
Total	**10,363,030**	**3,330,198**

As at 30 June 2025 and 31 December 2024, no restricted funds within the company.

2. Other receivables

(1) Other receivables by categories are as follows:

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable	420,000,000	600,000,000
Other receivables	8,347,882	6,827,855

Total	**428,347,882**	**606,827,855**

(2) Interest receivable by deposit type

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed term deposit	0	0
Entrusted loan	0	0
Bond investments	0	0
Total	**0**	**0**

(3) Dividends receivable

Items	Closing balance	Opening balance
BANG	420,000,000	600,000,000
Total	**420,000,000**	**600,000,000**

(4) Other receivables

□ Applicable √ Not applicable

3. Long-term equity investments

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	**Closing balance**			**Opening balance**		
	Book balance	**Impairment reserve**	**Book value**	**Book balance**	**Impairment reserve**	**Book value**
Investments in subsidiaries	10,500,492,549		10,500,492,549	10,500,492,549		10,500,492,549
Investments in joint ventures and associates						
Total	**10,500,492,549**		**10,500,492,549**	**10,500,492,549**		**10,500,492,549**

(1) Investments in subsidiary companies

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Invested units	Opening balance	Amount increased of current period	Amount decreased of current period	Closing balance	Impairment reserve in current period	Closing balance of impairment reserve
Bluestar Adisseo Nutrition Group Limited	10,500,492,549			10,500,492,549		
Total	**10,500,492,549**			**10,500,492,549**		

4. Other payables

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Loans due to subsidiaries	320,000,000	0
Dividends payable		0
Interest payable	584	0
Others	33,731,268	34,325,062
Total	**353,731,852**	**34,325,062**

5. Gain on investments

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Gain on long-term equity investments subject to accounting with cost method		165,469,080
Gain on dividend from investment in other equity instrument		
Gain from disposal of investment in other equity instrument		
Total		**165,469,080**

6. Other

□ Applicable √ Not applicable

XXI. Supplementary Data

1. Schedule of non-recurring gain or loss of current period

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	For the six months ended 30 June 2025	Description (if applicable)
Net profit or loss on disposal of non-current assets	(1,912,381)	Scrapping of non-conform or defective equipment
Government grants recognized in profit or loss, other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard	24,543,690	Mainly grants related to assets for land use right and industrial structure adjustment in Nanjing plant and related to R&D policy
Profit or loss on changes in fair value	(20,010,120)	Change in the fair value of AVF fund
One-off expenses incurred for discontinued operations of the Company, such as severance payments		
Other non-operating income or expenses other than the above	(5,601,384)	
Less: Impact of income tax	745,049	
Impact of non-controlling interest (after tax)		
Total	(2,235,146)	

2. Net return on assets and earnings per share

Profit of the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's common share holders	4.55	0.28	0.28
Net profit attributable to the Company's common shareholders after deduction of non-recurring gain or loss	4.56	0.28	0.28

3. Differences between amounts prepared under foreign accounting standards and China Accounting Standards

□ Applicable √ Not applicable

4. Other

□ Applicable √ Not applicable

Section 11 Document for Reference

1	Financial statements signed and sealed by principal, person in charge of financial function, person in charge of the financial department.
2	The original copies of all documents and announcements of the Company publicly disclosed in the newspapers designated by the CSRC during the reporting period.

Legal representative: Zhigang HAO
Approved by the Board for submission on: August 29, 2025