Company Code: 600299 Company Abbreviation: Adisseo

Bluestar Adisseo Company
2026 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. Directors who did not attend the board meeting.

Position of absent director	**Name of absent director**	**Explanation of reasons for not attending the board meeting**	**Name of the entrusted director**
Director	Jean-Marc DUBLANC	Conflict of schedule	Benny LAM

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

IV. HAO Zhigang, the Company's principal, CHENG Yajuan, the person in charge of the accounting function, and CHENG Yajuan, 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
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. was 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.
BANG	Indicates	Bluestar Adisseo Nutrition Group Ltd
Board of Directors	Indicates	The Board of Directors 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 2026 ~ 30 June 2026
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		
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.

Interpretations of the terms in common use		
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, and Innovia (drying formulation services) 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.
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	HAO Zhigang

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	Shanghai Securities News (www.cnstock.com) Securities Daily (www.zqrb.cn)
The website specified by CSRC for publishing the annual report	www.sse.com.cn
Preparation site for 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 2026	For the six months ended 30 June 2025	Changes in comparison with the same period of last year (%)
Operating revenue	9,707,078,578	8,512,067,963	14.04%
Total profit	1,200,128,605	1,029,374,249	16.59%
Net profit attributable to the shareholders of the Company	904,848,549	740,183,329	22.25%
Net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses	912,659,587	742,418,475	22.93%
Net cash flow arising from operating activities	1,199,704,896	1,449,981,324	-17.26%
	30 June 2026	**31 December 2025**	**Changes in comparison with the end of last period (%)**
Net assets attributable to the shareholders of the Company	19,716,627,072	19,864,062,293	-0.74%
Total assets	28,548,800,832	27,795,789,248	2.71%

Main financial ratios

Main financial ratios	30 June 2026	30 June 2025	Change of the present period over the same period of last year (%)
Basic earnings per share (Yuan/ share)	0.29	0.28	3.57%
Diluted earnings per share (Yuan/ share)	0.29	0.28	3.57%
Basic earnings per share after deduction of non-recurring profit or loss (Yuan/ share)	0.30	0.28	7.14%
Weighted average return on net asset (%)	4.55	4.55	-
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	4.59	4.56	+0.03ppt

Explanations of main financial data and financial ratios:

☐Applicable √ Not applicable

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 2026**	**Description (if applicable)**
Net profit or loss on disposal of non-current assets	732,890	
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	16,411,209	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	(36,731,468)	Change in the fair value of AVF fund
Other non-operating income or expenses other than the above	6,702,561	
Less: Impact of income tax	5,073,770	
Impact of non-controlling interest (after tax)		
Total	(7,811,038)	

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 10billion by 2050. The combination of natural resources scarcity, climate change and population growth increases the pressure on food and nutrition security and efficiency.

The feed-food chain faces a dual challenge: Producing larger quantities of high quality and affordable meat, milk, fish 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 and health play an important role in improving end-product quality and safety, increase livestock production efficiency, reduce its environmental impact, and keep animals resilient and 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 developing and providing 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 increasing their resistance to harmful micro-organisms. As such, Adisseo contributes to the prudent use of antibiotics and reducing the risk of antimicrobial resistance (AMR). Meanwhile, Adisseo's feed additives and solutions competency 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 to partner in solving issues related to production efficiency, improving livestock performance, optimizing animal nutrition and raw material usage, keeping 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 its 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:

- Performance products:
  - Adisseo is the world leader in methionine industry. Adisseo is one of the few global methionine producers capable of producing methionine in both liquid and powder forms with fully integrated 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, aqua and pet.
    - 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.
        - 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 Nor-Feed has further reinforced Adisseo's position in the promising and fast-growing animal resilience market segment.
        - Feed Integrity and Quality (Palatability, Mycotoxin management) to support customers in raw material evaluation and enhancement, feed intake, and animal wellbeing and performance.
        - Product Quality and Value (Rumen-Protected Amino Acids and innovative Ruminant solutions) contribute to sustainable milk production by reducing nitrogen emissions and optimizing amino acid balanced diet. 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 more than 300 people dedicated to research and innovation. This represents 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 enhancing its own global industrial footprint in both methionine and specialties to address 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. Through innovative methods and constant awareness, all staff members are mobilized to pursue the ambition of "Zero Accidents": occupational safety, process safety, product safety, transportation safety and environmental safety.

As of the end of June 2026, Adisseo continues to deliver strong safety performance. The Total Recordable Injury Rate (TRIR) remains at the excellent level of 2025, 0.05, while the Process Safety Event Rate (PSER) stands at 0.28 vs 0.4 at the of 2025, reflecting the effectiveness of the Group's continuous efforts to strengthen its safety culture and operational discipline.

Adisseo successfully completed its 2015–2025 environmental commitments, reducing the intensity of its Scope 1 and 2 greenhouse gas emissions, energy consumption and water use per tonne of product beyond its initial targets. Building on this achievement, the Group has validated new ambitious environmental targets for the 2025–2030 period, using 2020 as the baseline.

By 2030, Adisseo aims to reduce its Scope 1 and 2 greenhouse gas emissions intensity by 55% per ton of product compared with 2020, corresponding to a 16% absolute reduction in emissions. The Group also aims to improve energy efficiency by 25% per ton of product and reduce water use intensity by 13% per ton of product.

Adisseo's climate strategy is structured around dual responsibility:

- Reducing the environmental footprint of its own operations, with a focus on energy-intensive industrial assets and chemical production processes; and
- Contributing to the reduction of the environmental footprint of the livestock industry, primarily through downstream impacts enabled by product performance, Life Cycle Assessment (LCA), and customer support solutions.

This approach reflects Adisseo's position as an industrial player at the heart of the feed and food value chain and is fully aligned with its business model and long-term growth strategy contributing to the UN Sustainable Development goals such as SDG 2 "Zero hunger", SDG 8 "Decent work and economic growth", SDG 12 "Responsible consumption and production" and SDG 13 "Climate action".

Year-to-date, all environmental performance indicators remain below their respective target trajectories. Scope 1 and 2 greenhouse gas emission intensity reached 0.41 tCO_2e/t, energy intensity 4.6 GJ/t, and water use intensity 24.2 m^3/t, confirming the effectiveness of the Group's decarbonization and resource efficiency initiatives.

One of the most significant contributors to this performance is the Nanjing wastewater treatment project, which has been ramping up since the beginning of the year, targeting to be at its full capacity by 2026. This project has enabled the complete shutdown of one liquid effluent incineration furnace, eliminating the associated natural gas consumption. As a result, it delivers substantial reductions in both greenhouse gas emissions and energy consumption per ton of products.

Another major improvement is the commissioning of an off-gas preheating system, which recovers waste heat to increase the temperature of an off-gas stream from approximately -2°C to more than 100°C before combustion. By reducing the amount of natural gas required for combustion, this project contributes simultaneously to lowering GHG emissions and improved energy efficiency.

Improvement in energy consumption is also supported by operational rigor to avoid losses, technical and economic studies aimed at improving process energy efficiency, optimization of purchasing contracts and the search for subsidies.

Water use intensity is ahead of the target, with a 12% supplementary reduction achieved compared with the 2026 target. This performance reflects the integration of sustainable water management across all our operations, aiming to reduce freshwater withdrawals, increase recycling, and promote water reuse.

A master plan has been implemented over the past three years to rehabilitate the site's sewer network, ensuring reliable wastewater collection and preventing any risk of soil contamination. In parallel, additional water-saving projects are scheduled for implementation during 2026. Opportunities for water reuse will also continue to be assessed.

Adisseo manages water-related risk through a comprehensive and operational water stewardship approach covering risk assessment, monitoring, efficiency, reuse and infrastructure integrity. The Group has established structured processes to identify, assess and manage exposure to water stress, scarcity, drought, and flooding across its sites.

Building on the strong performance achieved during the first half of 2026, Adisseo has validated ambitious environmental trajectories for the 2025–2030 period, setting measurable reduction targets for Scope 1 and 2 greenhouse gas emissions, energy intensity and water use intensity.

These commitments provide a clear roadmap to accelerate the Group's decarbonization and resource efficiency while supporting sustainable business growth. These validated trajectories are fully embedded in Adisseo's Sustainable Development Roadmap for the 2025–2030 period, which places sustainability at the core of the Group's strategy to support long-term, responsible growth and innovation.
The roadmap is structured around four priorities. Adisseo aims to reduce the environmental footprint of its operations by achieving its 2030 targets for greenhouse gas emissions (Scope 1 and 2), energy, and water consumption, while preparing more ambitious reduction trajectories, including Scope 3, for the 2035 horizon.

In parallel, Adisseo contributes to reducing the environmental footprint of its value chain through the deployment of Life Cycle Assessment methodologies, the development of customer sustainability solutions, and the quantification of avoided emissions enabled by product performance and innovation.

To better quantify this positive contribution, Adisseo has developed the Environmental Return on Investment (EROI), an innovative indicator designed to estimate the climate benefits enabled by its feed additives compared with the greenhouse gas emissions associated with their production.

Inspired by the concept of financial return on investment, EROI expresses the ratio between the greenhouse gas emissions avoided throughout the animal value chain and the emissions generated during the production of the additive. For example, an EROI of 100 means that each tonne of CO_2e emitted during product manufacturing can contribute to enabling the avoidance of up to 100 tonnes of CO_2e across the livestock value chain.

The indicator is based on robust Life Cycle Assessment (LCA) methodologies, combining cradle-to-plant-gate impacts with cradle-to-farm-gate benefits. By translating complex LCA results into a simple and intuitive metric, EROI enables nutritionists, customers and decision-makers to better assess the overall environmental value created by Adisseo's innovation and product portfolio.

Adisseo also reinforces responsible behavior toward employees, stakeholders, and society by strengthening safety culture, ethics and compliance, inclusion and diversity, and structured societal engagement.

Finally, the roadmap strengthens ESG governance and reporting Sustainability criteria are progressively integrated into investment and procurement decisions, including the progressive implementation of CO_2 pricing mechanisms. This actions enhance the robustness, transparency, and efficiency of ESG reporting processes.

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 and health. Its main products are classified within 2 categories of products: Performance Products and Specialty Products.

Its performance, financial position and future are influenced by the global macro economy. In recent years, the global macro environment has been experiencing uncertainties: the growing geopolitical tensions and conflicts, and the global economic slowdown, exchange rate fluctuations, animal diseases etc. However, the market demand remained to be strong, especially in poultry segment.

Being a key player in the food value chain, Adisseo has shown its agility, responsiveness and resilience in facing multiple challenges through its global market reach.

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.

2026 H1 Performance Summary

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

Unit: CNY billion	**H1 2026**	**H1 2025**	**YoY variance**	**Q2 2026**	**Q1 2026**	**QoQ variance**

Operating revenue	**9.71**	**8.51**	**+14%**	**5.30**	**4.40**	**+20%**
- **Performance Products**	7.34	6.47	+13%	4.10	3.24	+27%
- **Specialty Products**	2.37	2.04	+16%	1.20	1.17	+3%
Gross profit ***(in % of operating revenue)***	**2.75** ***28%***	**2.42** ***28%***	**+14%** ***+0ppt***	**1.64** **31%**	**1.11** ***25%***	**+48%** **+6ppt**
- **Performance Products**	1.75	1.59	+10%	1.11	0.64	+75%
- **Specialty Products**	1.01	0.83	+22%	0.53	0.47	+12%
EBITDA ***(EBITDA margin)***	**2.01** ***21%***	**1.84** ***22%***	**+9%** ***-1ppt***	**1.23** **23%**	***0.78*** ***18%***	**+57%** **+5ppt**
Net profit attributable to shareholders ***(Net margin)***	**0.9** **9%**	**0.74** ***9%***	**+22%** ***+0ppt***	**0.60** **11%**	**0.31** ***7%***	**+96%** **+4ppt**

Safety is and will remain Adisseo's priority. Continuous excellent safety results have been achieved in H1 2026 with TRIR landed at **0.05** with improved process safety results recorded compared with H1 2025.

Continuous improvement in sustainability performance has been pursued with lower GHG emission, lower water and lower energy intensity in H1 2026 thanks to the high production volume and implementation of projects including energy recycling and wastewater treatment.

Adisseo ESG rating is ranked Silver by EcoVadis and among the top 5% of companies rated by EcoVadis in the manufacture of prepared animal feeds industry.

As an illustration, the Nanjing plant wastewater treatment project is carrying on continuous ramping up, targeting to reach full operation in the coming quarters.

H1 2026, Adisseo recorded a double-digit revenue growth (+14% yoy, CNY9.71 billion)/QoQ (+20%), with gross profit increased (+14% yoy, CNY2.75 billion)/QoQ (+48%), driven by:

- Outstanding quarter in methionine, driven by pricing increase and double-digit volume growth
- Continuous double-digit revenue **(+16%)** and gross profit **(+22%)** growth in specialties driven by strong dynamic in all categories
- Offsetting negative impact from raw materials cost increases

Q2 2026 is an outstanding quarter for the **methionine business**, thanks to:

- Strong demand allowing penetration across regions
- Significant selling price increases as well as robust volume growth
- High plant reliability across all plants
- Positive impact derived from by-product contribution
- Offsetting negative impact arising from raw materials cost increases

The new 150KT powder methionine plant and DSA project in Quanzhou has almost completed its construction. The pre-commissioning of the main utilities has been completed.

The design and construction of **the 30KT Debottlenecking project in Nanjing Plant** is on track as planned.

Vitamins business is in recovery, but the business performance was still far below if compared with last year, due to:

- Demand at low level, VA pricing softening again, while production cost improvement achieved thanks to EU rise program
- Successful commercial actions and renegotiation of supply contracts contribute positively
- Strong positive dynamics in Portfolio

In H1 2026, **specialties business** delivered yoy double-digit growth in revenues **(+16%, CNY2.37 billion)** and gross profit **(+22%, CNY1.01 billion)** with record monthly revenue record achieved in June, which was thanks to the combined efforts across all regions:

- Continuous growth in Monogastric thanks to solid growth in Feed Integrity & Quality (Palatability and Mycotoxin management) and Feed digestibility business which will be further reinforced by the launch of new products, and strong sales growth in Animal Resilience **(+25%)** led by Selisseo, Alterion and NorFeed products
- Continued growth in ruminant business **(+11%)** to be further supported by the launch of new product in S2 2026
- Successful profit enhancement program implementation including pricing increase, portfolio optimization and fixed cost management

R&I biotech pilot platforms in France and Advanced Chemical Pilot R&D Platform in China are progressing well on track with on-time completion of long-lead equipment purchase and basic design.

From a regional revenue perspective, demand remained strong across the world, Europe recorded a yoy growth of +14% and APAC excluding China recorded a yoy growth of +12%. China continued to lead the way in the growth rate and achieved a strong yoy growth of +45%. Thanks to the global set-up of the company, the positive impact from the agile management of geopolitical tension in the Middle East has been reflected in the results.

One-China Strategy recorded strong double-digit revenue growth in H1 2026 thanks to:

- Continued strong growth in liquid methionine
- High-level double-digiti growth **(+53%)** in specialties business, thanks to the new customized animal resilience products, penetration of palatability thanks to strategic alliance with customers, new product launch and customer development in ruminant resulting in strong recovery of ruminant business compared with last year

Nanjing plant is running at a high speed with excellent reliability.

The exploration on Farmline new products and pet market was initiated in H1 2026.

FeedKind® plant in Chongqing is still shutdown and pending for financing.

In H1 2026, EBITDA ratio landed at 21%, thanks to the strong improvement of +5ppt from Q1 (18%) to Q2 (23%), allowing acceleration of the on-going investment in R&I and continued investment in liquid dosing installations and business development in specialties.

Net profit attributable to shareholders in H1 2026 stood at CNY905 million, representing a solid net margin of 9.3%.

2. Cash-flow and Net Debt

Cash position as of 30 June 2026 increased compared to 31 December 2025, driven by:

- Positive cash flow generated from operating activities
- Increased low-cost financing in China for the 150KT powder methionine plant
- Partially offset by continuous CAPEX investment for future growth and payment of interim dividend as well as increased working capital needs as a natural result of the increase in selling prices.

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. Thanks to its 100% focus on animal nutrition, 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 Evonik, NHU, Novus, Sumitomo and Hebang.

Adisseo has currently two platforms (Europe and China), allowing Adisseo to serve our customers in a most cost-effective and reliable way..

- European platform

It is the historical platform, which is structured around the following 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, in 2025 there has been a capacity expansion project, which successfully provided additional capacity of 40KT/year to the market by the year end, allowing Adisseo to address the continuously growing market and to further improve competitiveness.

Furthermore, in 2025 Adisseo has steadily increased capacity for RumenSmart, based on the improvement in Overall Equipment Effectiveness and process optimization. In parallel, Burgos plant is expanding its specialties production capacity. The project to internalize esterification process to produce the key ruminant product also in Burgos plant started the trial run on downstream line in June, with further improvement to be performed in S2 2026 for higher safety standards._To reinforce its sustainability, the Burgos plant continues to optimize its energy consumption (by recycling waste steam), reduce its CO2 emissions, and minimize its environmental impact.

- 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, 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/year was constructed and started its operation 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 has made further investment to optimize its energy consumption so as to improve its environmental impact. Till now, the design and construction of the 30KT Debottlenecking project in Nanjing Plant is on track as planned.

Quanzhou plant – a new 150 KT/year powder manufacturing unit in China. To cover the full demand of all methionine customers and to further consolidate 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 the construction of a new powder methionine plant with a capacity of 150KT/year in Quanzhou where Adisseo can fully leverage integration synergies with SinoChem group with expected start-up in S1 2027. The construction of the project is well underway.

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.

In H1 2026, after a difficult Q1, Vitamins business is in recovery, but the market conditions remained still far below the comparable period last year, due to: demand at low level, VA pricing softening again, while production cost improvement achieved thanks to EU rise program; successful commercial actions and renegotiation of supply contracts contribute positively; strong positive dynamics in Portfolio.

➢ **Specialty products**

The Specialties Strategic Business Unit continued its long-term transformation program started in 2024, 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 to maximize business development rather than focusing on a single specialized area. In addition to serving the 4 main species, Adisseo is currently also exploring new business opportunities in the Pet segment, which shows high growth rates and interesting potential for value creation with the existing portfolio of products and novel solutions in the near future.

Overall, Adisseo confirms 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 Nor-Feed 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 Digestibility portfolio is supported by industry leading and innovative feed formulation support such as 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) <u>Product Quality & Value</u>

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 and RumenSmart® provide targeted solutions for improving milk production, composition, and overall dairy cow performance. These products contribute to sustainable milk production by reducing nitrogen emissions and optimizing amino acid balance.
- **Innovative Ruminant Solutions ("Prime Line")** – Recent additions like DynOmik™ (reducing methane emissions while enhancing milk yield) and leveraging Adisseo's capabilities in Mycotoxin Management, Palatability and Animal Resilience reinforce Adisseo's leadership in ruminant nutrition and health.

Nor-Feed

Adisseo, through the Nor-Feed acquisition, added plant-based solutions to its portfolio. Nor-Feed 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. Adisseo made further progress to integrate Nor-Feed into the Group, enabling the full value capture of this acquisition through generating synergies in R&I, Sales, Marketing and support functions, as well as working together on novel products/product combinations and services.

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 this network with 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, Adisseo 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 and African market by establishing new entities in Indonesia, Vietnam and South Africa. 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 allow 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 feed nutrition, an outstanding market position, technological innovation and powerful R&D capabilities that allows to develop scientific programs related to customer pain point.

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. The service platforms, such as Nestor and PNE (Precise Nutrition Evaluation) which is customize per regions such as Chinese specific platform, provided 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 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 integrated 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 to capacity expansion, Adisseo conducts each year new surveys and initiates new projects to reduce the environmental impact of its activities: high level of environmental investments conducted in past several years, such as new electrostatic filter to reduce dust in fumes, new furnace to maximize energy recovery on a MMP (intermediary product in the synthesis of methionine) production unit, investment of a new waste water treatment unit at Commentry which was put into use in fall 2021. The steam recycling project in Nanjing construction completed in Q3 2023, has now been in use since January 2024, which contributes to the energy consumption efficiency as well as cost competitiveness of the plant. Nanjing plant wastewater treatment project continued is in biological ramping up phase and target to reach full operation in the coming quarters.

Specialties

Adisseo reinforces its core businesses and diversifies its portfolio in high growth segments by developing strategic partnerships, innovative products and external acquisitions. The target is 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 (i.e. digitalization)

5. Strong Research and Innovation Capabilities

Starting in 2024, Adisseo Science, Technology & Innovation (hereafter STI) has now fully integrated Artificial Intelligence Intelligence (AI) into all its activities. Thanks to these approaches, the Time-To-Market (TTM) of the projects for the development of new products, new processes and new services has been significantly reduced. As a first result, a range extension was launched early 2026 in the gut health sector with the market introduction of Sanion Tetra. This will be followed in the second half of 2026 with new launches in the ruminant and in the feed enzymes sectors.

In H1 2026, R&I biotech pilot platforms in France and Advanced Chemical Pilot R&D Platform in China are progressing well on track with on-time completion of long-lead equipment purchase and basic design. Combined with the continuous improvement of the laboratories facilities and the continuous acquisition of new talents both on the Chinese platform and the French platform, this complete the first stage of the STI 2026-2030 strategic plan aimed at setting state-of-the-art facilities to anchor STI as a key tool for Adisseo leadership in the Feed Additive sector delivering innovative products, competitive processes and disruptive services.

Adisseo is still fully committed to playing its role in the development of science in the Animal Nutrition and Health sector. The Adisseo Research Grant (ARG) is now fully recognized by the Academic sector as a key facilitator to help researchers to continuously develop knowledge mandatory for the industry. While the first projects are progressively ending, during the second part of 2026 a new campaign will be launched to initiate new groundbreaking projects in line with the needs of the industry and with the concerns of society in terms of sustainability and of food security.

Still on the science and academic side, the “Sinochem Animal Nutrition Institute”, started early 2023 is developing well. The primary objective of this Institute is to develop and structure partnerships with key academic institutions in the sector. Amongst the key partnerships currently in place, the newly established ones 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 as well as the partnership signed with Professor Zheng from Zhejiang University of Technology on biotechnology focusing on bio-based methionine, are progressing well. After the first period of identification and first partnerships, the Institute has now entered the next phase of its development: Reinforce the links between academic laboratories themselves to work in collaboration with the Institute with the objective of developing the next generation of solutions. As such, in December 2025 a first seminar (dedicated to chemistry applied to the Feed Additive sector) was held in China (Nanjing). This 2-days seminar brought together academic researchers, startups and a selection of chemists from the Sinochem Animal Nutrition Institute. This action-driven seminar was the opportunity to look for disruptive technologies and innovative ways to accelerate the development of these technologies. Early 2026, the first follow-up actions from this seminar were implemented.

Along with the nutritional competencies, Adisseo remains an industry pioneer through its own prominent Science, Technologie 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. Adisseo is also the leader of the NSPase market with a specific technology based on the optimum cocktail of enzymes optimizing the digestibility of raw materials.

Adisseo is pursuing its strategy of launching at least one new product or service every year, aligned with its ambition to bring ever performing solutions to its customers. Thanks to new approaches, 2026 reveals an acceleration of this ambition with more solutions being introduced. This is linked with the strategy to bring to the market solutions more adapted to the specificities of the different regions of the world, where raw materials used by customers, animal feeding practices and industry organizations are different. This regionalization of the solutions will be further developed.

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 management team of Adisseo has over decades of industry and management experience in animal feed additives and international company management on average, dedicated to achieving continuous and effective integration and allocation of global operations and resources. 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 is investing in commercial, innovation, scientific and managerial expertise through the creation of a Sales academy, a Research and Innovation academy, a project academy, an internal school for production efficiency and an internal Adisseo Management Program. Adisseo is also investing in technical and scientific expertise through individual development program dedicated to high potential scientists selected every year for a strategic list of expertise, and through an associated specific recognition program.

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	9,707,078,578	8,512,067,963	14.04%
Cost of sales	6,952,521,573	6,094,122,234	14.09%
Selling and distribution expenses	757,770,423	692,362,594	9.45%
General and administrative expenses	417,386,190	437,874,371	-4.68%
Research and development expenditure	270,623,492	171,581,101	57.72%
Financial expenses	40,356,163	64,382,659	-37.32%
Net cash flow from operating activities	1,199,704,896	1,449,981,324	-17.26%
Net cash flow from investing activities	(1,037,934,924)	(1,221,486,782)	N/A
Net cash flow from financing activities	30,873,863	(98,203,126)	N/A

Explanation of changes in R&D expenses: Mainly attributable to the decrease in R&D expense capitalization during the first half of 2026.

Explanation of changes in Financial expenses: Mainly due to less foreign currency exchange loss in H1 2026.

Explanation of changes in net cash flow from financing activities: Mainly attributable to the lower dividends paid in the first half of 2026 compared to the same period last year, as the 2025 annual dividends were paid in July 2026.

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 2026	Percentage to total assets (%)	31 December 2025	Percentage to total assets (%)	Total Fluctuation	Explanations on fluctuation
Derivative financial assets	45,088,911	0.16%	5,556,890	0.02%	711%	Mainly due to favorable change in foreign exchange rates
Advances to suppliers	136,301,227	0.48%	84,643,620	0.30%	61%	Mainly due to more prepayments to secure prices amid rising raw material costs
Other receivables	176,016,445	0.62%	81,987,816	0.29%	115%	Mainly due to reclassification for service receivables
Other non-current financial assets	57,282,425	0.20%	93,818,816	0.34%	-39%	Mainly due to fair value change
Other non-current assets	47,740,649	0.17%	382,238,185	1.38%	-88%	Decrease in CAPEX prepayments in line with project
Notes payable	35,791,278	0.13%	101,027,611	0.36%	-65%	Mainly due to the settlement of maturing notes
Contract liabilities	45,596,498	0.16%	18,686,873	0.07%	144%	Mainly due to changes in payment practices of customers in certain regions
Taxes payable	299,248,261	1.05%	228,736,634	0.82%	31%	Mainly due to increase in enterprise income tax
Other payables	1,459,978,144	5.11%	1,117,604,895	4.02%	31%	Mainly due to dividends payable

2. Summary of overseas assets

√ Applicable ☐ Not applicable

(1) Assets amount
Overseas assets amount was CNY 15,461,389,394, accounting for 54% 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

4. Other information

☐ Applicable √ Not applicable

IV). Summary of Analysis of Overall Investments

√ Applicable ☐Not applicable

Closing balance of equity investments (in 10k CNY)	Opening balance of equity investments (in 10k CNY)	Changes
9,544.48	13,704.95	-30.36%

The equity investments balance at the end of the reporting period decreased by 30.36% compared with the beginning of the period, mainly attributable to the recognition of fair value change losses of RMB 36.73 million during the period.

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 14 – 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	5,556,890	35,976,849	3,718,891				(163,719)	45,088,911
Other non-current financial assets	93,818,816	(36,731,468)					195,077	57,282,425
Investments in other equity instruments	43,230,642			(2,929,823)	233,072		(2,371,535)	38,162,356
Total	**142,606,348**	**(754,619)**	**3,718,891**	**(2,929,823)**	**233,072**		**(2,340,177)**	**140,533,692**

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, aiming to explore cutting-edge innovative technologies in the field of animal nutrition and to enrich Adisseo's product portfolio, enhance R&D and innovation capabilities, and achieve the long-term goal of driving the development of the main business through innovative technologies.

Till now, the investment fund has invested in 10 projects, covering areas such as alternative proteins, the development of next-generation biologics, targeted solutions for eliminating animal intestinal diseases, and leveraging bacteriophages to address animal health challenges. For more details, please refer to the Announcement on the Progress of AVF Professional Private Equity Investment Fund (announcement no.: 2026-013) disclosed on 7th March 2026.

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	7,804,352,619	3,098,120,809	5,937,829,979	111,781,489	85,727,345
Bluestar Adisseo Nanjing Co., Ltd	Subsidiary	R&D, production and distribution	RMB 3,037,640,586	7,066,569,084	5,606,607,102	2,779,697,048	648,550,194	559,735,391
Adisseo Life Science (Shanghai) Co., Ltd	Subsidiary	Distribution & Sourcing	USD 700,000	1,610,887,810	178,597,903	2,608,255,075	95,531,486	56,142,770
Sinochem Bluestar Adisseo Animal Nutrition Science & Technology (Quanzhou) Co., Ltd.	Subsidiary	Production and distribution	RMB 1,650,000,000	4,426,948,691	1,217,910,761	-	(213,507)	942,823

Adisseo France S.A.S is an important subsidiary of Adisseo: the main businesses of this company are R&D, manufacturing as well as distribution of protected methionine for ruminants and vitamin A produced at the Commentry plant, powder methionine produced at the Roussillon plants, upstream products of methionine at the Les Roches plant and of liquid methionine produced at Burgos plant (Spain).

Bluestar Adisseo Nanjing Co., Ltd is the second largest entity within the Adisseo Group and deals with the production of liquid methionine and is building Research & Innovation Center in China.

Adisseo Life Science (Shanghai) Co., Ltd. is responsible for the sales in China as well as export to some countries or regions. It also plays an important role in the global procurement and supply chain of Vitamin business.

Sinochem Bluestar Adisseo Animal Nutrition Science & Technology (Quanzhou) Co., Ltd. is an important production base under construction, mainly producing solid methionine. It is expected to be completed and commence production in 2027, and upon commencement of production, it will further optimize the company's methionine product portfolio and domestic and international production capacity layout.

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 53 subsidiaries, 47 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 geopolitical situation in Ukraine and the Iran 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 global containers shipping activities are impacted as rerouted vessels lead to higher shipping costs and scheduling disruptions. Furthermore, the economic effects of the Israel-Hamas War are still evolving, impacting the larger Middle Eastern region 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, extensive training and sensitization of Adisseo Group employees is undertaken at face-to-face training sessions and/or through 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 identified are risk of corruption, non-compliance with competition rules, fraud, and breaches of personal data (privacy). 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 procedures 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 sustainable development roadmap is defined to achieve environmental targets reducing Adisseo’s environmental footprint and to contribute to the fight against climate change notably by reducing its carbon footprint, energy and water consumption.

a. Risks related to environmental protection policies
As a feed additives producer, Adisseo is subject to strict regulations and monitoring by government

authorities with respect to discharge of sewage water, exhaust gas and solid wastes. As 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 in 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 are 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, wars, 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 geopolitical situation in Ukraine and Iran including international sanctions regulations relating thereto, as well as natural disasters damaging logistics routes or 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 invests in research and innovation, launches innovative products to meet its customers' needs and develops 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, international sanctions targeting banks 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 CNY 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 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 country with respect to its tax or customs 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 2025 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 on 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 leaking 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 of 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, including artificial intelligence, 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 continuously adjusts 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 its business. Such disputes, legal proceedings or arbitration may adversely affect Adisseo's operations and reputation. If any 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 monitors 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 exposed to the risk of failure 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 aimed at eradicating serious accidents and reducing occupational accidents among its employees, to improve well-being at work and to prevent 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

1) Assessment for Corporate Value and Return Enhancement

To fully implement the requirements of the State Council's Opinions on Further Improving the Quality of Listed Companies and actively respond to the Shanghai Stock Exchange's Initiative on Launching the Special Action of "Improving Quality, Enhancing Efficiency and Prioritizing Returns" for Companies Listed on the Shanghai Stock Exchange, Bluestar Adisseo Company (hereinafter referred to as the "Company"), grounded in the development trends of the animal feed additive industry and in light of its core business strengths, actual operational conditions, and long-term development strategy, and driven by confidence in the Company's sustained and stable future development as well as recognition of its value, disclosed the Announcement on Corporate Value and Return Enhancement Action Plan for 2026 (Announcement No.: 2026-023) on April 30, 2026.

Following the release of the action plan, the Company has actively carried out relevant work in H1 2026. The specific details are as follows:

a. 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 remain the unequivocal global leader in animal nutrition solutions and recorded strong growth in both performance products and specialties. In H1 2026, Adisseo recorded a double-digit revenue growth with gross profit increased, driven by: strong operations in Methionine despite sourcing disruptions, prices increase and double-digit volume growth; continuous double-digit revenue (+16%) and gross profit (+22%) growth in specialties driven by strong dynamic in all categories.

Volatility and uncertainty are prevailing in the context of increasing geopolitical pressure. While there is still uncertainty on the macros, 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.

b. 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.

The Board's Strategic Committee has elevated sustainable development to a top priority in strategic decision-making, strengthening its governance framework for sustainability. Meanwhile, 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.

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. Till 2026, the Company has elevated its sustainability communication by disclosing its Sustainable Development Report for three consecutive years through 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.

c. Accelerate investment projects through a combination of multiple financing channels

In December 2025, the Company issued 397,877,984 A-shares at a price of RMB 7.54 per share to 20 specific investors, raising a total of RMB 2.999 billion and successfully completing the RMB 3 billion private placement plan. Since 29th June 2026, the 397,877,984 newly issued shares through the private placement refinancing have been listed and traded on the Shanghai Stock Exchange, allowing to improve the liquidity of the Company's stocks, resulting in the active floating portion increased from 12.39% to 25.31%.

Leveraging the advantages of its listed company platform, Adisseo will adopt a dual-track financing strategy—utilizing both equity and debt financing.. This approach aims to continuously optimize 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, growth in the Company's market value.

d. 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 2025 in February and July 2026 respectively. The total cash dividend distributed amounted to RMB 465,046,667.81 (inclusive of taxes), accounting for 40.28% of the Company's net profit attributable to shareholders of the listed company in 2025.

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 2026 (including the half year and first three quarters). The authorized matters were reviewed and approved at the Annual General Meeting of Shareholders for 2025 held on 22nd May 2026.

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.

e. Continuously improve the Company's governance level, and promote the Company's high-quality development

The company has established a relatively sound corporate governance structure and operational mechanism, consisting of the Shareholders' Meeting, the Board of Directors, and the management, in accordance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Shanghai Stock Exchange Listing Rules, and other laws, regulations, and normative documents, where a corporate governance system is created with clear division of powers, standardized operations, coordination, and checks and balances among the authorized organizations, decision-making bodies, supervisory bodies, and the management. During the reporting period, the Board of Directors and its Committees have consistently met the regulatory requirements in terms of proportion and diversity and have maintained effective mechanisms for shareholder voting and protection of shareholders' right to be informed. In the first half of 2026, the company held 5 Board meetings, 13 Committee meetings, 1 Independent Directors' Special Meeting, and 1 Shareholders' Meeting, fulfilling the legal procedures in an informed manner for review, deliberation and decision-making on major subjects of the Company, and effectively safeguarding the legal rights and interests of the listed company and all shareholders.

f. 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 2026, the Company organized 36 communication events for investors, including: 2 result presentations through SSE, 2 sessions focused on regular reports for institutional investors, 32 research visits by institutional investors. Notably, in June 2026, the Company hosted an on-site plant tour and investor communication meeting at its Quanzhou plant. By directly addressing investor concerns and providing precise, targeted responses, the Company established an efficient two-way communication mechanism. Through such pragmatic initiatives, it deepened its engagement with investors, continuously enhanced information transparency, and enabled investors to accurately grasp the Company's development trajectory. 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 maintains timely daily communication with investors through multiple channels, including announcements, the E-platform, investor hotlines, and email. Additionally, we invite senior management to participate in result presentation and regular communication sessions to directly address investor concerns.

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 2026, the annual shareholder meeting for 2025 continued to convene utilized the SSE's One-Click Reminder Service, streamlining participation for retail investors and upholding their rights to engage in corporate governance.

g. Strengthening Responsibilities of Key Minority

The Company, in line with the corporate governance guidelines for listed companies, continuously enhances regular interaction and information exchanges with the Critical Few, providing information covering regulatory requirements, industrial trends, etc., to support the Critical Few in fulfilling their roles and help the company advance its high-quality development. The company actively organizes training sessions for the Critical Few, which are mainly conducted by the regulatory authorities, associations for public companies, and other organizations, to help them understand correctly the latest policies. In addition, through the Audit, Risk and Compliance Committee, the Independent Directors Special Committee, the Internal Audit Department, the Internal Control Department, and other relevant bodies, joint supervision is carried out to further promote standardized operations at the Company. In accordance with regulatory requirements, the Company has revised the Management Measures for Compensation and Performance of Directors and Senior Management Team and has issued the Compensation Plan of Senior Management Team for 2026, constantly optimizing the compensation system for the Critical Few, designing targeted incentive mechanisms to facilitate the achievement of major strategic objectives of the Company and underpin long-term value generation.

2) Others

To meet the cash needs of the operation and development of Calysseo Limited (hereinafter referred to as "Calysseo" or the "Joint Venture") and its wholly-owned subsidiary Calysseo (Chongqching) Co. Ltd. (hereinafter referred to as "Calysseo Chongqing"), as approved by the Company's shareholders' meeting on 7th February 2025, Adisseo provided Calysseo with financial assistance under the form of a shareholder's loan not exceeding USD 16.25 million. For more details, please refer to the announcement on Providing Financial Assistance to the Company's Joint Venture (announcement no.: 2025-003) disclosed on 23rd January 2025. Due to the inherent complexity and uncertainty of biotechnology R&D, compounded by the greater-than-anticipated difficulties in production scale-up phase, Calysseo Chongqing is currently facing a severe shortage of working capital, and it requires technical transformation to meet its plant's design standards. Before the expiration of this financial assistance, the Company, acting on the principle of prudence, has decided not to continue providing additional financial assistance. Consequently, there exists a risk regarding the recovery of the aforementioned proportionate financing provided to Calysseo and the Company has made provisions in previous years. For more details, please refer to the announcement on the Progress of Providing Financial Assistance to the Company's Joint Venture (announcement no.: 2026-031) disclosed on 19th June 2026.

For confidentiality purposes, 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).

Section 4 Corporate Governance, Environment and Society

I. Change in directors and senior management of the Company

√ Applicable ☐ Not applicable

Name	Position	Description of change
YAO Wei	Director	Resignation
LI Yong	Director	Election
Virginie CAYATTE	Chief Financial Officer	Resignation
CHENG Yajuan	Chief Financial Officer	Appointed
Fabien SIGUIER	Deputy General Manager	Resignation
ZENG Fei	Deputy General Manager	Appointed
WANG Yan	Deputy General Manager	Appointed

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

√ Applicable ☐ Not applicable

1. Due to work adjustment, Mr. YAO Wei applied to resign as the Company's Director of the 9th Board from 29th April 2026. After his resignation, he will not continue to work for the Company (please refer to the announcement 2026-027).
2. On 22nd May 2026, with approval from the Shareholders' Meeting, Mr. LI Yong was appointed as the Company's Director of the Board. The term is from 22nd May 2026 to the expiration of the term of office of the 9th Board of Directors (please refer to the announcement 2026-028).
3. Due to personal reasons, Ms. Virginie CAYATTE applied to resign as the Company's Chief Financial Officer from 30th June 2026. After her resignation, she will not continue to work for the Company (please refer to the announcement 2026-030).
4. On 18th June 2026, with approval from the sixteenth of the 9th Board of Directors, Ms. CHENG Yajuan was appointed as Chief Financial Officer of the Company. The term is from 1st July 2026 to the expiration of the term of office of the 9th Board of Directors (please refer to the announcement 2026-030).
5. Due to personal reasons, Mr. Fabien SIGUIER applied to resign as the Company's Deputy General Manager from 21st June 2026. After his resignation, he will not continue to work for the Company (please refer to the announcement 2026-030).
6. On 18th June 2026, with approval from the sixteenth of the 9th Board of Directors, Mr. ZENG Fei was appointed as Deputy General Manager of the Company. The term is from 18th June 2026 to the expiration of the term of office of the 9th Board of Directors (please refer to the announcement 2026-030).
7. On 18th June 2026, with approval from the sixteenth of the 9th Board of Directors, Mr.

WANG Yan was appointed as Deputy General Manager of the Company. The term is from 18th June 2026 to the expiration of the term of office of the 9th Board of Directors (please refer to the announcement 2026-030).

8. Due to work adjustments, Dr. HAO Zhigang, Chairman and General Manager of the Company, has submitted a resignation request that he will no longer serve as the Company’s Chairman, Director of the Board, Chairman of the Strategic and ESG Committee of the Board, or member of the Nomination Committee of the Board. His resignation will take effect from the date the Board elects a new Chairman. After resignation from the aforesaid positions, Dr. Hao will continue to serve as the Company's General Manager (please refer to the announcement 2026-039).
9. The seventeenth meeting of the 9th Board of Directors of the Company held on 26th August 2026 deliberated and approved the proposal on Nominating Mr. LI Bo as Director Candidate and agreed to submit this proposal to Shareholders’ Meeting for deliberation. The term of office starts from the date of approval by the Shareholders' Meeting and ends on the expiration of the term of office of the 9th Board of Directors of the Company (please refer to the announcement 2026-039).

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

The Company adopts a compensation structure for the senior management team consisting of a combination of base compensation, short-term incentives, and long-term incentives, to motivate directors and senior executives to create long-term value and achieving short-term and long-term milestones. The fourteenth Board meeting of the 9th Session of the Board deliberated and approved the Proposal on Annual Appraisal & Remuneration of Certain Senior Management for FY2025. The fifteenth Board meeting of the 9th Session of the Board deliberated and approved the proposal on Formulation on Management Measures for Compensation & Performance of Directors and Senior Management Team. The sixteenth Board meeting of the 9th Session of the Board deliberated and approved the proposal on Compensation Package of Management Team for 2026. The Company also announced its Compensation Plan for the Senior Management Team for 2026, in which the performance-based annual salary is linked to the company's business performance and the annual evaluation of the senior management and account in principle for no less than around 50% of the total amount of base compensation and performance-based compensation. Short-term incentives for 2026 are based on a series of performance evaluations that reflect a combination of individual performance, teams' collective performance, and overall corporate performance. Long-term incentives for 2026 are linked to the Company's Business Plan 2026-2028 objectives, including economic, ecologic, and talent aspects, and part of the long-term incentives are also linked to changes in the Company's market value.

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

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 is committed to China's national goal of building a comprehensive well-off society. Employees and social resources are actively coordinated to support students, people in need, and remote areas. Over the years, the company has been participating in China’s poverty alleviation efforts in multiple ways.

For example, employees are encouraged to provide financial support and donate books and children footwear in organized manner, not only to help students with access to education opportunities for gaining knowledge but also to help the young people with setting goals for the future. Since 2020, Adisseo China has been supporting local industries by collective procurement through the Union, giving employees vouchers to purchase specialties of Gulang County in Gansu, Linxi County in Inner Mongolia, and Dachaidan in Qinghai. In addition, the company donated in the first half of 2026 over 1,500 sets of work clothes to Gan'en New Village and the neighboring villages in Gulang County, Gansu Province, to facilitate the development of local livestock industry.

Adisseo keeps exploring ways to combine its own business strengths with local advantages, promoting integrated green growth solutions, boosting agricultural modernization, and helping remote areas accurately reduce poverty by industrial growth. With all these efforts, it fulfills its responsibility for the community, realizes comprehensive, coordinated and sustainable development for the company, and at the same time contributes to the country.

With the establishment of the Rural Revitalization Bureau in 2021 (now the function is with the Ministry of Agriculture and Rural Affairs) and the implementation of the Law on Promotion of Rural Revitalization, a 30-year rural revitalization strategy has commenced. While growing business in China, Adisseo has been supporting rural education and agriculture by providing financial, material, and intellectual resources, assisting the rural areas towards revitalization and modernization on a fast track.

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

Commitment background	Promise Type	Promising Party	Promise Content	Commitment time	Any time limit for performance	Commitment period	Whether it is performed in a timely and strict manner	In case of failure to perform in a timely manner, the specific reasons for failure to perform shall be stated.	If it is not fulfilled in time, the next step plan shall be explained.
Commitments made in the Acquisition Report or the Equity Change Report	Other	Sinochem Holding Co., Ltd.	Commitment 1	September 16, 2021	Yes	It shall take effect from the date of completion of this transfer and remain valid throughout the period during which the Company holds control over Adisseo.	Yes	Not applicable	Not applicable
	Resolve horizontal competition	Sinochem Holding Co., Ltd.	Commitment 2	September 16, 2021	Yes	Same as above.	Yes	Not applicable	Not applicable
	Resolve horizontal competition	Sinochem Holding Co., Ltd.	Commitment 3	September 16, 2021	Yes	Same as above.	Yes	Not applicable	Not applicable
Commitments related to refinancing	Other	Director and senior manager of Bluestar Adisseo Company	Commitment 4	April 25, 2024	No	Long-term	Yes	Not applicable	Not applicable
	Other	China National Bluestar (Group) Co., Ltd.	Commitment 5	April 25, 2024	No	Long-term	Yes	Not applicable	Not applicable
	Other	Sinochem Holding Co., Ltd.	Commitment 6	April 25, 2024	No	Long-term	Yes	Not applicable	Not applicable
	Other	Bluestar Adisseo Company	Commitment 7	June 26, 2025	Yes	Before the use of the raised	Yes	Not applicable	Not applicable

						funds is completed or within 36 months after the raised funds are in place			
	Resolve horizontal competition	Sinochem Holding Co., Ltd.	Commitment 8	April 2, 2025	No	Long-term	Yes	Not applicable	Not applicable
	Resolve related party transactions	Sinochem Holding Co., Ltd.	Commitment 9	April 2, 2025	No	Long-term	Yes	Not applicable	Not applicable

Commitment 1:

1. This acquisition will not have a substantial adverse impact on the independence of Adisseo's personnel, assets, finance, business and institutions. After the acquisition, Adisseo will continue to maintain a complete procurement, production and sales system with independent intellectual property rights.
2. The Company and the enterprises controlled by the Company will strictly comply with the relevant provisions on the independence of listed companies in relevant laws, regulations and normative documents, and maintain mutual independence with Adisseo in terms of assets, personnel, finance, institutions and business, to ensure that Adisseo has the capacity to face the market independently. The Company will continue to comply with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other relevant regulations to avoid engaging in any acts that may affect the independence of Adisseo.

Commitment 2:

1. In respect of the current or future possible competition between the subsidiaries of ChemChina and the Listed Company, the Company will earnestly urge ChemChina and China National Bluestar (Group) Co., Ltd. to fulfill the relevant undertakings they have made to the Listed Company to avoid horizontal competition.
2. The Company will strictly comply with the provisions of relevant laws, regulations and normative documents as well as the articles of association of listed companies and other internal management systems, exercise shareholders' rights in accordance with the law through equity relations in accordance with the principle of state ownership and hierarchical management of state-owned assets, properly handle matters involving the interests of listed companies, and will not seek improper interests or transfer interests by taking advantage of its controlling position.

Commitment 3:

The Company and the enterprises controlled by the Company will avoid and reduce the connected transactions with Adisseo in accordance with the relevant laws, regulations and normative documents. For related party transactions that cannot be avoided or occur with reasonable reasons, the Company and the enterprises controlled by the Company will strictly comply with the relevant laws, regulations and normative documents as well as the relevant rules and regulations of listed companies, enter into agreements in accordance with the law, perform relevant procedures, ensure fair pricing, and perform information disclosure obligations in accordance with the law. To ensure that the legitimate rights and interests of listed companies and other shareholders are not damaged through related party transactions.

Commitment 4:

Upon completion of the issuance to specific targets, the directors and senior management of the Company will continue to faithfully and diligently perform their duties, safeguard the legitimate rights and interests of the Company and all shareholders, and make the following commitments to effectively implement the Company's return filling measures:

1. Undertake to faithfully and diligently perform their duties and safeguard the legitimate rights and interests of the Company and all shareholders;
2. Promise not to transfer benefits to other units or individuals gratuitously or under unfair conditions, nor to damage the interests of the company by other means;
3. Promise to restrict one's duty consumption behavior;
4. Commitment not to use the company's assets to engage in investment and consumption activities unrelated to the performance of duties;
5. Undertake the remuneration system formulated by the board of directors or the remuneration and appraisal committee shall be linked to the implementation of the company's compensation and return measures;
6. Commitment to link the exercise conditions of the equity incentive plan announced in the future with the implementation of the company's return filling measures;
7. Undertake to earnestly implement the relevant compensation return measures formulated by the Company and any commitments made by me in this regard. If I violate such commitments and cause losses to the Company or investors, I am willing to assume the liability for compensation to the Company or investors in accordance with the law;
8. From the date of issuance of this undertaking to the completion of the implementation of the issuance of shares by the company, if the China Securities Regulatory Commission or the Shanghai Stock Exchange makes other new regulatory provisions on the measures to fill in returns and their undertakings, and the above undertakings fail to meet the requirements of the China Securities Regulatory Commission or the Shanghai Stock Exchange, I undertake to issue a supplementary undertaking in accordance with the latest regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange;
9. As one of the subjects responsible for filling in the return measures, if I violate the above undertakings or refuse to perform the above undertakings, I agree that the China Securities Regulatory Commission and the Shanghai Stock Exchange and other securities regulatory authorities shall impose relevant penalties or take relevant regulatory measures on me in accordance with the relevant provisions and rules formulated or issued by them.

Commitment 5:

To reduce the impact of the dilution of immediate returns by issuing shares to specific targets, Bluestar Group guarantees that the measures taken by the company to fill the returns can be effectively implemented, and makes the following commitments to the company to fill the returns:

1. The Company undertakes to exercise the shareholder's rights in accordance with the relevant laws, regulations and the Articles of Association of the Company, and undertakes not to exceed its authority to interfere in the Company's operation and management activities and not to encroach on the Company's interests;
2. Prior to the completion of the Issuance, if the China Securities Regulatory Commission ("CSRC") or the Shanghai Stock Exchange ("SSE") makes other new regulatory provisions on the remedial return measures and its undertakings, and the above undertakings cannot meet such requirements, the Company will issue supplementary undertakings in accordance with the latest requirements of the CSRC or the SSE.
3. As one of the main bodies responsible for filling in the return measures, the enterprise undertakes to strictly fulfill the above commitments made by the enterprise. If the company or other shareholders suffer losses due to violation of the above commitments or refusal to fulfill the above commitments, the company is willing to bear the corresponding responsibilities according to law.

Commitment 6:
To reduce the impact of the dilution of immediate returns by the Company's issuance of shares to specific targets, Sinochem has made the following commitments to ensure that the measures taken by the Company to fill in returns can be effectively implemented:
1. The enterprise undertakes to exercise its rights in accordance with the relevant laws, regulations and the relevant provisions of the company's articles of association, and undertakes not to exceed its authority to interfere in the company's business management activities and not to encroach on the company's interests;
2. Prior to the completion of the Issuance, if the China Securities Regulatory Commission ("CSRC") or the Shanghai Stock Exchange ("SSE") makes other new regulatory provisions on the remedial return measures and its undertakings, and the above undertakings cannot meet such requirements, the Company will issue supplementary undertakings in accordance with the latest requirements of the CSRC or the SSE.
3. The enterprise promises to strictly fulfill the above commitments made by the enterprise. In the event that the Company or other shareholders suffer losses due to the breach of the above undertakings or the refusal to perform the above undertakings, the Company agrees to assume corresponding responsibilities in accordance with the relevant provisions and rules formulated or issued by the China Securities Regulatory Commission, the Shanghai Stock Exchange and other securities regulatory authorities.

Commitment 7:
Bluestar Adisseo Company promises that it will not increase capital investment in similar financial business (including capital increase, borrowing and other forms of capital investment) before the use of the raised funds is completed or within 36 months after the raised funds are in place.

Commitment 8:
With respect to the proposed application of Bluestar Adisseo Company (hereinafter referred to as the "Listed Company") for the issuance of A-shares to specific targets on the Main Board of

Shanghai Stock Exchange, Sinochem Holding Co., Ltd. (Hereinafter referred to as the "Company") undertakes as follows:

1. As of the date of this letter, the Company and other enterprises controlled by the Company (excluding the listed company and its controlled enterprises, the same below) do not have any direct or indirect horizontal competition with the main business of the listed company and its controlled enterprises.
2. The Company and other enterprises controlled by the Company will not directly or indirectly engage in, participate in, control or invest in any business, activity or enterprise that competes or may compete with the main business of the listed company and its controlled enterprises in any way in the future.
3. If the existing business of the Company and other enterprises controlled by the Company or such companies or enterprises compete with the main business of the listed company and the enterprises controlled by the Company in order to further expand the business scope, the Company and other enterprises controlled by the Company will take the way of ceasing to operate the competing business, or take the way of incorporating the competing business into the listed company. In order to avoid horizontal competition, the company and other enterprises controlled by the company will no longer engage in the same or similar business as the main business of the listed company and its controlled enterprises by legal means such as transferring the competing business to an unrelated third party.
4. If the company and other enterprises controlled by the company violate the above commitments and cause losses to the listed company or other shareholders of the listed company, the company will bear the corresponding liability for compensation in accordance with the law.
5. This commitment will continue to be valid until the company (including companies or enterprises controlled, jointly controlled or significantly influenced by the company) no longer has a significant impact on the listed company.
6. This Letter of Commitment shall be governed by and construed in accordance with the laws of China.

Commitment 9:

With respect to the proposed application of Bluestar Adisseo Company (hereinafter referred to as the "Listed Company") for the issuance of shares to specific targets on the Main Board of Shanghai Stock Exchange, Sinochem Holding Co., Ltd. (hereinafter referred to as the "Company") hereby undertakes as follows:

1. Except for the related party transactions disclosed by the listed company, the Company and other enterprises controlled by the Company (excluding the listed company and the enterprises controlled by it, the same below) have no other related party transactions with the listed company and/or its controlling subsidiaries that should be disclosed but have not been disclosed in accordance with laws and regulations, the relevant provisions of the China Securities Regulatory Commission or the Shanghai Stock Exchange.
2. The Company and other enterprises controlled by the Company will minimize the new related party transactions with the listed company or its controlled subsidiaries and will not seek to give the listed company or its controlled subsidiaries the rights of third parties in the market in

terms of business cooperation. It will not use its controlling shareholder status to seek priority rights to conclude transactions with listed companies or their controlling subsidiaries, nor will it use related party transactions to transfer or transfer profits.

3. If there are reasonable reasons or unavoidable related party transactions, the company and other enterprises controlled by the company will enter into agreements with listed companies or their controlling subsidiaries in accordance with the principles of fairness, fairness, equivalence and compensation, and perform legal procedures. In accordance with the relevant laws, regulations, the relevant provisions of the China Securities Regulatory Commission or the Shanghai Stock Exchange, as well as the articles of association of listed companies, the company will fulfill its obligation to disclose information in accordance with the law and go through relevant internal decision-making and approval procedures to ensure that it will not trade with listed companies or their holding companies under conditions that are obviously unfair compared with market prices. It also does not take advantage of such transactions to engage in any act that damages the legitimate rights and interests of listed companies and other shareholders.

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 thirteenth meeting of the 9th session of the Board of Directors on 6th March 2026, deliberated and approved the proposal on 2025 and 2026 Day-to-day Connected Transactions. The Board approved the Company's estimated amount for 2026 day-to-day related-party transactions at RMB 615 million, which will have an increase of around RMB 70 million compared with that of 2025, mainly due to increases in purchases of products from related parties due to accelerated construction projects. From January to July 2026, the actual cumulative amount of the Company's day-to-day related-party transactions was approximately RMB 457 million, which fell within the total annual estimated amount. Due to changes in the market environment and to enhance the stability of raw material supply, the Company intends to increase the 2026 estimated amount for day-to-day related-party transactions with Sinochem Petrochemical Sales Co., Ltd., Sinochem Quanzhou Petrochemical Co., Ltd., Sinochem Luxi Engineering Co., Ltd., Huaxia Hanhua Chemical Equipment Co., Ltd. and China Bluestar Lehigh Engineering Institute Co., Ltd， which is still subject to deliberation by the shareholders' general meeting. For more details, please refer to the announcement on the Increase of the Estimated Amount of 2026 Day-to-day Related-Party Transactions (announcement no.: 2026-038).

(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	3,000,000,000	0.25%-3.5%	1,216,337,882	15,461,269,662	13,717,097,621	2,960,509,923

(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 Finance Co, Ltd	Controlled by the 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	200,000,000	70,040,850

(4) Other description

☐ Applicable √ Not applicable

6. Other Material Related Party transactions

√ Applicable ☐Not applicable

To regulate the conduct of related party transactions and clarify the pricing principles for such transactions, the Company's wholly owned subsidiary, Bluestar Adisseo Nanjing Co., Ltd. intends to sign a framework agreement on daily related party transactions with Sinochem Petrochemical Sales Co., Ltd. and Adisseo Quanzhou Animal Nutrition Technology Co., Ltd. intends to sign a framework agreement on daily related party transactions with Sinochem Quanzhou Petrochemical Co., Ltd, which has been approved by the seventeenth meeting of the 9th session of Board of Directors held on 26th August 2026 and still subject to deliberation at the Company's General Meeting of Shareholders. For more details, please refer to the announcement on Signing the Framework Agreement on Day-to-day Related-Party Transactions with Related Companies disclosed on 27th August 2026 (announcement no.: 2026-037).

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. Progress Statement on the Use of Raised Funds

√ Applicable Not applicable

1. Overall Use of Raised Funds

√ Applicable ☐ Not applicable

Unit: RMB yuan

Source of fund raising	Time when the raised funds are in place	Total amount of funds raised	Net proceeds (1)	Total committed investment amount of raised funds in the prospectus or prospectus (2)	Total over-raised capital (3) = (1) - (2)	Total amount of raised funds invested accumulatively by the end of the reporting period (4)	Of which: accumulative total investment of over-raised capital by the end of the reporting period (5)	Accumulated investment progress of raised funds as at the end of the reporting period (%) (6) = (4)/ (1)	Accumulated investment progress of over-raised capital by the end of the reporting period (%) (7) = (5)/ (3)	Amount invested in the current year (8)	Proportion of investment amount in this year (%) (9) = (8)/ (1)	Total amount of raised funds for change of use
Issuing A-shares to specific targets	11th December 2025	2,999,999,999.36	2,983,875,106.46	2,983,875,106.46	-	2,990,266,654.63	-	100.21	-	2,098,107,764.85	70.31	-
Total	/	2,999,999,999.36	2,983,875,106.46	2,983,875,106.46	-	2,990,266,654.63	-	/	/	2,098,107,764.85	/	-

Other description

☐ Applicable √ Not applicable

2. Details of Investment Projects

√ Applicable ☐ Not applicable

(1) Detailed Use of Raised Funds

√ Applicable ☐ Not applicable

Unit: RMB yuan

Source of fund raising	Project name	Nature of the project	Whether it is the promised investment project in the prospectus or the prospectus	Whether change of investment direction is involved	Total planned investment of raised funds (1)	Investment amount of this year	Total amount of raised funds invested accumulatively by the end of the reporting period (2)	Accumulated investment progress as at the end of the reporting period (%) (3)＝(2)/(1)	Date Item Reaches Scheduled Availability	Whether the item has been closed	Whether the input progress is in line with the planned progress	Specific reasons for the failure of the input schedule to meet the plan	Benefits realized this year	Realized benefits or R & D achievements of the Project	Has there been a significant change in the feasibility of the project? If so, please provide details.	Amount of savings
Issue A shares to specific targets	The powder methionine project with an annual	Production and construction	Yes	No	1,731,712,575.46	1,738,104,122.69	1,738,104,122.69	100.37（Note）	March 2027	No	Yes	NA	NA	NA	No	-

	production capacity of 150,000 tons															
Issue A shares to specific targets	The specialty feed additives project	Production and construction	Yes	No	60,000,000	60,000,000	60,000,000	100.00	March 2025	Yes	Yes	NA	10,770,000	10,770,000	No	-
Issue A shares to specific targets	SPainEster AdisseotransfeR	Production and construction	Yes	No	197,000,000	197,000,000	197,000,000	100.00	December 2026	No	Yes	NA	NA	NA	No	-
Issue A shares to specific targets	Acrylic acid wastewater treatment and recycled water utilization project	Production and construction	Yes	No	100,000,000	100,000,000	100,000,000	100.00	June 2026	No	Yes	NA	NA	NA	No	-
Issue A shares to specific targets	Supplementary working capital	Supplementary working capital	Yes	No	895,162,531.00	3,003,642.16	895,162,531.00	100.00	NA	NA	Yes	NA	NA	NA	No	-
Totally	/	/	/	/	2,983,875,106.46	2,098,107,764.85	2,990,266,654.63	/	/	/	/	/	/	/	/	-

Note: The excess of the cumulative investment over the committed investment amount is mainly due to interest income generated from the proceeds and issuance expenses settled using self-raised funds.

(2) Detailed Use of Over-raised Funds

☐ Applicable √ Not applicable

(3) Specific details of the re-evaluation of fund-raising investment projects during the reporting period

☐ Applicable √ Not applicable

3. Change or Termination of Investment Raising During the Reporting Period

☐ Applicable √ Not applicable

4. Other Information on the Use of Raised Funds During the Reporting Period

(1) Advance Investment and Replacement of Projects Invested by Raised Funds

√ Applicable ☐ Not applicable

On 30th January 2026, the Company is using proceeds amounting to RMB 1,953.1122 million to replace pre-paid self-raised funds for the Refinancing Investment Projects and the advanced self-raised funds paid for issuance expenses. For more details, please refer to the Announcement on Using Proceeds to Replace Prepaid Self-Raised Funds for the Refinancing Investment Projects and Issuance Expenses (2026-003).

(2) Temporary Replenishment of Working Capital with Idle Raised Funds

☐ Applicable √ Not applicable

(3) Cash Management of Idle Raised Funds and Investment in Related Products

√ Applicable ☐ Not applicable

Unit:10 thousand yuan Currency: RMB

Date considered by the Board	Effective review limit of raised funds for cash management	Start date	End date	Cash management balance at the end of the reporting period	Whether the maximum balance in the period exceeds the authorized limit
17th December 2025	210,000	17th December 2025	16th December 2026	210,100	No

Other description

☐ Applicable √ Not applicable

(4) Others

√ Applicable ☐ Not applicable

The Company held the thirteen meeting of the 9th session of the Board of Directors on March 6, 2026, and reviewed and approved the Proposal on Adjusting Investment Matters Related to Certain Proceeds Investment Projects. The Company intends to adjust the relevant investment matters of the investment project "SPainEster AdisseotransfeR" wherein the investment amount of proceeds and the internal structure remain unchanged, and the proceeds have been fully utilized. Meanwhile, the Company intends to adjust the investment scale and internal investment structure of the investment project "The specialty feed additives project with an annual production capacity of 37,000 tons" wherein the investment amount of proceeds and the internal structure remain unchanged. At the same time, the project name will be changed to "Nanjing Specialty Feed Additive Project (Phase I)." As this project has reached its intended useable state and the proceeds have been fully utilized, the Company intends to close out the project. This proposal has been deliberated at the Shareholders' Meeting held on 22nd May 2026. For more details, please refer to the announcement on Adjusting the Related Investment Items of Some Proceeds Investment Projects disclosed on 7th March 2026 (announcement no.: 2026-012).

5. Explanation of abnormal verification of fundraising fund storage and usage by intermediary institutions

☐ Applicable √ Not applicable

6. Subsequent Rectification of Unauthorized Alteration of the Use of Raised Funds and Illegal Occupation of Raised Funds

☐ 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

Unit: Share

	Before this change		Increase or decrease of this change (+,-)					After this change	
	Quantity	Proportion	Issue new shares	Bonus issue shares	Capitalization of Reserves	Other	Subtotal	Quantity	Proportion
1. Shares with limited selling conditions	397,877,984	12.92	-	-	-	-397,877,984	-397,877,984	-	-
1) State shareholding	-	-	-	-	-	-	-	-	-
2) Shares held by state-owned legal person	339,424,406	11.02	-	-	-	-339,424,406	-339,424,406	-	-
3) Other domestic holdings	58,453,578	1.90	-	-	-	-58,453,578	-58,453,578	-	-
Of which: shares held by domestic non-state-owned legal person	47,843,499	1.55	-	-	-	-47,843,499	-47,843,499	-	-
Shares held by domestic natural persons	10,610,079	0.34	-	-	-	-10,610,079	-10,610,079	-	-
4) Foreign shareholding	-	-	-	-	-	-	-	-	-
Of which: shares held by foreign legal person	-	-	-	-	-	-	-	-	-
Shares held by foreign natural persons	-	-	-	-	-	-	-	-	-
2. Unrestricted tradable shares	2,681,901,273	87.08	-	-	-	397,877,984	397,877,984	3,079,779,257	100
1) RMB ordinary shares	2,681,901,273	87.08	-	-	-	397,877,984	397,877,984	3,079,779,257	100
2) Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3) Foreign shares listed overseas	-	-	-	-	-	-	-	-	-
4) Others	-	-	-	-	-	-	-	-	-
3. Total number of shares	3,079,779,257	100	-	-	-	-	-	3,079,779,257	100

(2) Description of changes of share capital

√ Applicable ☐ Not applicable

The restricted shares (3,079,779,257 shares) issued to specific investors in the Company's 2025 private placement have fulfilled the lock-up period requirements. Such restricted shares has been listed and tradable as of June 29, 2026. For more details, please refer to the announcement on the Listing and Trading of Restricted Shares from the Private Issuance of A-Shares to Specific Investors (announcement no.: No：2026-032).

(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

Name of shareholder	Number of restricted shares at the beginning of the year	Number of shares released from restricted sale in the current year	Number of restricted shares increased in this year	Number of restricted shares at the end of the year	The reason for the restriction	Release date of restricted sale
CAITONG Fund Management Co., Ltd.	92,062,334	92,062,334	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Ganzhou Development Investment Fund Management Co., Ltd. - Gongqingcheng Private Equity Investment Partnership Enterprise (Limited Partnership)	39,787,798	39,787,798	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Nuode Asset Management Co., Ltd.	37,137,931	37,137,931	-	-	Issuance of Shares to Specific Targets	June 29, 2026
GUOTAI HAITONG SECURITIES Co., Ltd.	28,249,336	28,249,336	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Huafu Capital Management Co., Ltd. - Quanzhou Jiaofa Fuhui Equity Investment Partnership (Limited Partnership)	22,281,167	22,281,167	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Zhonghui Life Insurance Co., Ltd.	17,241,379	17,241,379	-	-	Issuance of Shares to Specific	June 29, 2026

					Targets	
Hangzhou Xinzhili Asset Management Co., Ltd. - Xinchili Placing Selected No. 28 Private Securities Investment Fund	15,915,119	15,915,119	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Global Logistic Properties Investment(Shanghai) Co., Ltd.	14,606,110	14,606,110	-	-	Issuance of Shares to Specific Targets	June 29, 2026
China Cinda Asset Management Co., Ltd.	13,262,599	13,262,599	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Everybody Asset Management Co., Ltd.	11,135,278	11,135,278	-	-	Issuance of Shares to Specific Targets	June 29, 2026
China Universal Asset Management Co., Ltd.	10,676,392	10,676,392	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Yimi Fund Management Co., Ltd.	10,641,909	10,641,909	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Shanghai Ningquan Asset Management Co., Ltd. - Ningquan Zhiyuan No. 39 Private Securities Investment Fund	10,610,079	10,610,079	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Xingquan Fund Management Co., Ltd.	10,610,079	10,610,079	-	-	Issuance of Shares to Specific Targets	June 29, 2026
China Life Asset Management Co., Ltd.	10,610,079	10,610,079	-	-	Issuance of Shares to Specific Targets	June 29, 2026
He Wei	10,610,079	10,610,079	-	-	Issuance of Shares to Specific Targets	June 29, 2026
China Galaxy Asset Management Co., Ltd.	10,610,079	10,610,079	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Hua'an Securities Asset Management Co., Ltd.	10,610,079	10,610,079	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Shanghai	10,610,079	10,610,079	-	-	Issuance of	June 29, 2026

Guoxin Investment Development Co., Ltd.					Shares to Specific Targets	
Poor Areas Industry Development Fund Co., Ltd.	10,610,079	10,610,079	-	-	Issuance of Shares to Specific Targets	June 29, 2026
Total	397,877,984	397,877,984	-	-	/	/

II. Information on Shareholders

1. Total number of shareholders

Total number of shareholders by the end of reporting period	27,787
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	74.69	0	Unknown	0	Stated owned legal entity
Ganzhou Development Investment Fund Management Co., Ltd. - Gongqingcheng Private Placement No. 10 Equity Investment Partnership (Limited Partnership)	0	39,787,798	1.29	0	Unknown	0	Other
Guotai Haitong Securities Co., Ltd	-1,324,580	27,269,136	0.89	0	Unknown	0	Stated owned legal entity
Huafo Capital Management Co., Ltd. - Quanzhou Jiaofa Fuhui Equity Investment Partnership (Limited Partnership)	-94,300	22,186,867	0.72	0	Unknown	0	Other

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	
The Central Clearing and Depository Company Limited	6,870,041	21,496,928	0.70	0	Unknown	0	Overseas legal entity
Hangzhou Xinchilili Asset Management Co., Ltd. - Xinchilili Private Securities Investment Fund No. 28	0	15,915,119	0.52	0	Unknown	0	Other
China State-Owned Enterprise Mixed Ownership Reform Fund Co., Ltd	0	14,606,110	0.47	0	Unknown	0	Stated owned legal entity
China Cinda Asset Management Co., Ltd	0	13,262,599	0.43	0	Unknown	0	Stated owned legal entity
Huitianfu Fund Management Co., Ltd. - Social Security Fund Portfolio 423	12,192,658	12,192,658	0.40	0	Unknown	0	Other
Underdeveloped Regions Industrial Development Fund Co., Ltd	0	10,610,079	0.34	0	Unknown	0	Stated owned legal entity

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
Ganzhou Development Investment Fund Management Co., Ltd. - Gongqingcheng Private Placement No. 10 Equity Investment Partnership (Limited Partnership)	39,787,798	RMB Common share	39,787,798
Guotai Haitong Securities Co., Ltd	27,269,136	RMB ordinary shares	27,269,136
Huafo Capital Management Co., Ltd. - Quanzhou Jiaofa Fuhui Equity Investment Partnership (Limited Partnership)	22,186,867	RMB ordinary shares	22,186,867
The Central Clearing and Depository Company Limited	21,496,928	RMB Common share	21,496,928

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
Hangzhou Xinchilili Asset Management Co., Ltd. - Xinchilili Private Securities Investment Fund No. 28	15,915,119	RMB ordinary shares	15,915,119
China State-Owned Enterprise Mixed Ownership Reform Fund Co., Ltd	14,606,110	RMB ordinary shares	14,606,110
China Cinda Asset Management Co., Ltd	13,262,599	RMB ordinary shares	13,262,599
Huitianfu Fund Management Co., Ltd. - Social Security Fund Portfolio 423	12,192,658	RMB ordinary shares	12,192,658
Underdeveloped Regions Industrial Development Fund Co., Ltd	10,610,079	RMB ordinary shares	10,610,079
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 relationships 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 2026

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB

	Notes	Closing balance	Opening balance
Current Assets:			
Cash at bank and on hand	VII.1	4,440,929,353	4,272,958,171
Financial assets at fair value through profit or loss			
Derivative financial assets	VII.2	45,088,911	5,556,890
Notes receivable		36,196,660	
Accounts receivable	VII.3	2,319,291,730	1,961,768,074
Receivable financing			
Advances to suppliers	VII.4	136,301,227	84,643,620
Other receivables	VII.5	176,016,445	81,987,816
Including: interest receivable			
dividend receivable			
Inventories	VII.6	2,800,566,694	2,384,551,202
Other current assets	VII.7	603,924,826	539,585,538
Total current assets		**10,558,315,846**	**9,331,051,311**
Non-current Assets:			
Available-for-sale financial assets			
Long-term receivables	VII.8	252,199,561	271,179,764
Long-term equity investments	VII.9		
Investments in other equity instruments	VII.10	38,162,356	43,230,642
Other non-current financial assets	VII.11	57,282,425	93,818,816
Investment properties		10,359,053	10,547,399
Fixed assets	VII.12	8,013,071,910	8,538,492,922
Construction in progress	VII.13	4,723,553,279	3,964,891,390
Right-of-use assets	VII.14	421,399,688	451,129,984
Intangible assets	VII.15	1,829,101,939	1,972,045,829
Development costs	VII.16	235,080,082	232,875,636
Goodwill	VII.17	2,109,533,262	2,236,877,208
Long-term prepaid expenses		5,041,114	2,050,945
Deferred tax assets	VII.18	247,959,668	265,359,217
Other non-current assets	VII.19	47,740,649	382,238,185
Total non-current assets		**17,990,484,986**	**18,464,737,937**
TOTAL ASSETS		**28,548,800,832**	**27,795,789,248**
Current Liabilities:			
Short-term borrowings	VII.21	-	-
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	VII.22	16,695,772	-
Notes payable		35,791,278	101,027,611
Accounts payable	VII.23	2,260,950,137	1,921,724,248
Advances from customers			
Contract liabilities	VII.24	45,596,498	18,686,873

	Notes	Closing balance	Opening balance
Payroll payable	VII.25	527,715,777	559,771,567
Taxes payable	VII.26	299,248,261	228,736,634
Other payables	VII.27	1,459,978,144	1,117,604,895
Including: interest payable		-	
dividends payable		307,977,926	
Current portion of non-current liabilities	VII.28	482,997,426	574,998,141
Other current liabilities	VII.29	736,188	884,472
Total current liabilities		**5,129,709,481**	**4,523,434,441**
Non-current Liabilities:			
Long-term borrowings	VII.30	1,908,877,490	1,608,363,191
Lease liabilities	VII.31	251,361,166	289,085,490
Long-term payables	VII.32	16,418,018	16,170,816
Long-term employee benefits payable	VII.33	283,880,111	294,622,528
Provisions	VII.34	435,962,547	362,786,712
Deferred income	VII.35	112,339,848	123,525,874
Deferred tax liabilities	VII.18	662,814,455	681,927,335
Other non-current liabilities			
Total non-current liabilities		**3,671,653,635**	**3,376,481,946**
TOTAL LIABILITIES		**8,801,363,116**	**7,899,916,387**
SHAREHOLDERS' EQUITY:			
Paid-in capital	VII.36	3,079,779,257	3,079,779,257
Other equity instruments			
Capital reserve	VII.37	3,590,722,111	3,590,722,111
Other comprehensive income	VII.38	(902,822,947)	(315,585,845)
Special reserve			
Surplus reserve	VII.39	719,155,384	717,763,679
Undistributed profits	VII.40	13,229,793,267	12,791,383,091
Total equity attributable to equity holders of the Company		19,716,627,072	**19,864,062,293**
Non-controlling interests		30,810,644	31,810,568
TOTAL OWNERS' EQUITY		**19,747,437,716**	**19,895,872,861**
TOTAL LIABILITIES AND OWNERS' EQUITY		**28,548,800,832**	**27,795,789,248**

Responsible person of the Company: HAO Zhigang

Person in Charge of the Accounting Body: CHENG Yajuan

Chief Accountant: CHENG Yajuan

Balance Sheet of the Company

30 June 2026

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	1,547,987,978	2,381,578,669
Financial assets at fair value through profit or loss			
Derivative financial assets		45,577,332	4,053,087
Notes receivable			
Accounts receivable			
Receivable financing			
Advances to suppliers		172,000	75,094
Other receivables	XIX. 2	1,409,670,628	764,519,740
Including: interest receivable			
dividend receivable		46,602,600	49,413,129
Inventories			
Other current assets			
Total Current Assets		**3,003,407,938**	**3,150,226,590**
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		88,851	106,586
Construction in progress			
Assets from right of use			
Intangible assets		26,767	34,067
Development costs			
Goodwill			
Long-term prepaid expenses		165,787	238,394
Deferred tax assets			
Other non-current assets		729,031	748,179
Total Non-current Assets		**10,501,502,985**	**10,501,619,775**
TOTAL ASSETS		**13,504,910,923**	**13,651,846,365**
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		783,229	701,321
Taxes payable		1,008,653	416,237
Other payables	XIX. 4	342,881,137	39,361,288
Including: interest payable			
dividend payable		307,977,926	
Liabilities held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total Current Liabilities		**344,673,019**	**40,478,846**
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		**344,673,019**	**40,478,846**
Shareholders' Equity:			
Paid-in capital		3,079,779,257	3,079,779,257
Other equity instruments			
Including: Preferred shares			
Capital reserve		9,267,554,750	9,267,554,750
Other comprehensive income			
Special reserve			
Surplus reserve		719,155,384	717,763,679
Undistributed profits		93,748,513	546,269,833
Total Owners' Equity		**13,160,237,904**	**13,611,367,519**
TOTAL LIABILITIES AND OWNERS' EQUITY		**13,504,910,923**	**13,651,846,365**

Responsible person of the Company: HAO Zhigang

Person in Charge of the Accounting Body: CHENG Yajuan

Chief Accountant: CHENG Yajuan

Consolidated Income Statement

For the six months ended 30 June 2026

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Total operating revenue		**9,707,078,578**	**8,512,067,963**
Including: Operating revenue	VII.41	9,707,078,578	8,512,067,963
II. Total operating costs		**8,484,610,025**	**7,496,027,308**
Including: Cost of sales	VII.41	6,952,521,573	6,094,122,234
Taxes and surcharge	VII.42	45,952,184	35,704,349
Selling and distribution expenses	VII.43	757,770,423	692,362,594
General and administrative expenses	VII.44	417,386,190	437,874,371
Research and development expenses	VII.45	270,623,492	171,581,101
Financial expenses –net	VII.46	40,356,163	64,382,659
Including: Interest expenses		14,495,043	20,435,294
Interest income		27,386,314	63,723,818
Add: Other income		16,411,209	24,543,690
Investment income (loss)	VII.47	-	(34,787,994)
Including: Income from investments in associates and joint ventures		-	(34,787,994)
Gains (losses) from disposal of financial assets at amortized cost			
Gains (losses) from changes in fair value	VII.48	(15,989,230)	48,410,310
Credit losses	VII.49	(13,590,082)	(2,854,250)
Asset impairment losses	VII.50	(16,607,296)	(14,464,397)
Gain (loss) from disposal of assets		732,890	(1,912,381)
III. Operating profit (loss)		**1,193,426,044**	**1,034,975,633**
Add: Non-operating income	VII.51	7,147,210	9,557,275
Less: Non-operating expenses	VII.52	444,649	15,158,659
IV. Total profit (Total loss)		**1,200,128,605**	**1,029,374,249**
Less: Income tax expenses	VII.53	294,431,211	288,007,237
V. Net profit (Net loss)		**905,697,394**	**741,367,012**
Net profit classified by continuity			
Net profit (loss) from continuing operations		**905,697,394**	**741,367,012**
Net profit (loss) from discontinued operations			
Net profit classified by ownership			
Net profit attributable to shareholders of the Company		904,848,549	740,183,329
Net profit attributable to non-controlling interests		848,845	1,183,683
VI. Net other comprehensive income		**(589,085,871)**	**1,039,294,230**
Other comprehensive income (net of tax) attributable to the owners of the Company	VII.38	**(587,237,102)**	**1,036,045,424**
1. Other comprehensive income which will not be reclassified subsequently to profit or loss		(2,929,823)	
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 2026	For the six months ended 30 June 2025
3) Fair value changes in investments in other equity instruments		(2,929,823)	
2. Other comprehensive income which will be reclassified subsequently to profit or loss		**(584,307,279)**	**1,036,045,424**
1) Effective hedging portion of gains or losses arising from cash flow hedging instruments		2,071,611	(701,214)
2) Differences on translation arising on translation of foreign currency financial statements		(586,378,890)	1,036,746,638
Net other comprehensive income attributable to non-controlling interests after tax		**(1,848,769)**	**3,248,806**
VII. Total comprehensive income		**316,611,523**	**1,780,661,242**
Total amount of comprehensive income attributable to equity holders of the Company		317,611,447	1,776,228,753
Total amount of comprehensive income attributable to non-controlling interests		(999,924)	4,432,489
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/ share)	VII.54	0.29	0.28
(II) Diluted earnings per share (Yuan/ share)	VII.54	0.29	0.28

Responsible person of the Company: HAO Zhigang

Person in Charge of the Accounting Body: CHENG Yajuan

Chief Accountant: CHENG Yajuan

Income Statement of the Company

For the six months ended 30 June 2026

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Operating revenues		8,519,953	12,915,377
Less: Cost of sales		5,968,016	10,070,310
Business taxes and surcharge		602	11
Selling and distribution expenses			
General and Administrative expenses		9,429,480	10,344,008
Research and development expenses			
Financial expenses - net		20,895,973	1,028,474
Including: Interest expenses		184,667	437,195
Interest income		21,244,483	222,517
Add: Other income			
Investment income (loss)	XVIII.4		
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)		41,524,245	
Credit losses			
Asset impairment losses		0	
Gain (loss) from disposal of assets			
II. Operating profit (loss)		13,750,127	(8,527,426)
Add: Non-operating income		166,926	79,637
Less: Non-operating expenses			
III. Total profit (Total Loss)		13,917,053	(8,447,789)
Less: Income tax expenses			
IV. Net profit (Net Loss)		13,917,053	(8,447,789)
Net profit classified by continuity			
Net profit (loss) from continuing operations		13,917,053	(8,447,789)
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		13,917,053	(8,447,789)
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: HAO Zhigang

Person in Charge of the Accounting Body: CHENG Yajuan

Chief Accountant: CHENG Yajuan

Consolidated Cash Flow Statement

For the six months ended 30 June 2026

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		9,575,501,656	8,870,650,239
Refunds of taxes and surcharges		346,022,937	4,064,888
Cash received relating to other operating activities	VII.56(1)	19,392,471	18,403,469
Subtotal of cash inflows from operating activities		**9,940,917,064**	**8,893,118,596**
Cash paid for goods and services		6,900,275,635	5,993,728,274
Cash paid to and on behalf of employees		1,198,287,382	1,163,200,241
Payments of taxes and surcharges		464,797,028	208,287,324
Cash paid relating to other operating activities	VII.56(1)	177,852,123	77,921,433
Subtotal of cash outflows for operating activities		**8,741,212,168**	**7,443,137,272**
Net cash flow generated from operating activities		**1,199,704,896**	**1,449,981,324**
II. Cash flows from investing activities:			
Cash received from disposals of investment			
Cash received from investment income		24,695,951	96,443,893
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,878,972	710,458
Net cash received from disposals of subsidiaries and other business units			-
Cash received relating to other investing activities	VII.56(2)		335,470,874
Subtotal cash inflows from investing activities		**27,574,923**	**432,625,225**
Cash paid to purchase fixed assets, intangible assets and other long-term assets		1,057,342,173	1,605,640,011
Cash paid to acquire investments		4,651,433	468,000
Net cash paid for acquisitions of subsidiaries			
Cash paid relating to other investing activities	VII.56(2)	3,516,241	48,003,996
Subtotal of cash outflows for investing activities		**1,065,509,847**	**1,654,112,007**
Net amount of cash flow from investing activities		**(1,037,934,924)**	**(1,221,486,782)**
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		332,432,561	577,342,153
Cash received from issuance of debentures			
Cash received relating to other financing activities			
Subtotal of cash inflows from financing activities		**332,432,561**	**577,342,153**
Cash repayments of borrowings		52,771,730	58,683,812
Cash payments for interest expenses and distribution of dividends or profits		191,304,380	538,209,966
Including: dividends and profits paid to non-controlling shareholders of subsidiaries			
Cash paid relating to other financing activities	VII.56(3)	57,482,588	78,651,501
Subtotal of cash outflows for financing activities		**301,558,698**	**675,545,279**
Net cash flow from financing activities		**30,873,863**	**(98,203,126)**
IV. Effect of Foreign exchange rate changes on Cash and Cash Equivalents		(24,672,653)	**95,027,172**
V. Net increase in cash and cash equivalents		**167,971,182**	**225,318,588**
Add: Opening balance of cash and cash equivalents		4,272,958,171	1,233,635,835
VI. Closing balance of cash and cash equivalents	**VII.57(4)**	**4,440,929,353**	**1,458,954,423**

Responsible person of the Company: HAO Zhigang

Person in Charge of the Accounting Body: CHENG Yajuan

Chief Accountant: CHENG Yajuan

Cash Flow Statement of the Company

For the six months ended 30 June 2026

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2026	For the six months ended 30 June 2025
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		13,553,123	17,764,558
Subtotal of cash inflows from operating activities		13,553,123	17,764,558
Cash paid for goods and services			
Cash paid to and on behalf of employees		12,013,978	14,248,425
Payments of taxes and surcharges		4,218,652	3,799,415
Cash paid relating to other operating activities		6,167,852	5,623,339
Subtotal cash outflows from operating activities		22,400,482	23,671,179
Net cash flow generated from operating activities		(8,847,359)	(5,906,621)
II. Cash flow from investing activities:			
Cash received from disposals of investments			
Cash received from investment income and interest income		11,212,960	180,222,517
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		1,720,856,300	
Subtotal of cash inflows from investing activities		1,732,069,260	180,222,517
Cash paid to purchase fixed assets, intangible assets and other long-term assets		0	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		2,397,536,165	
Subtotal of cash outflows from investing activities		2,397,536,165	69,906
Net amount of cash flow from investing activities		(665,466,905)	180,152,611
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		0	320,000,000
Cash received from issuance of shares			
Cash received from other financing activities			
Subtotal of cash inflows from financing activities		0	320,000,000
Cash repayments of borrowings			
Cash payments for interest expenses and distribution of dividends or profits		159,273,289	487,213,195
Cash payments relating to other financing activities			

Items	Notes	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Subtotal of cash outflows from financing activities		159,273,289	487,213,195
Net cash flow from financing activities		(159,273,289)	(167,213,195)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(3,138)	37
V. Net increment of cash and cash equivalents		(833,590,691)	7,032,832
Add: Opening balance of cash and cash equivalents		2,381,578,669	3,330,198
VI. Closing balance of cash and cash equivalents		1,547,987,978	10,363,030

Responsible person of the Company: HAO Zhigang

Person in Charge of the Accounting Body: CHENG Yajuan

Chief Accountant: CHENG Yajuan

Consolidated Statement of Changes in Owners' Equity

For the six months ended 30 June 2026

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	**3,079,779,257**		**3,590,722,111**	**(315,585,845)**		**717,763,679**	**12,791,383,091**	**19,864,062,293**	**31,810,568**	**19,895,872,861**
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	**3,079,779,257**		**3,590,722,111**	**(315,585,845)**		**717,763,679**	**12,791,383,091**	**19,864,062,293**	**31,810,568**	**19,895,872,861**
3.Increase/(decrease) for current period				(587,237,102)		1,391,705	438,410,176	(147,435,221)	(999,924)	(148,435,145)
(1)Total comprehensive income				(587,237,102)			904,848,549	317,611,447	(999,924)	316,611,523

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		
(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						1,391,705	(466,438,373)	(465,046,668)		(465,046,668)
(a)Appropriation of surplus reserve						1,391,705	(1,391,705)			
(b)Distribution to owner/shareholder							(465,046,668)	(465,046,668)		(465,046,668)
(c)Others										
(4)Transfer within owner's equity										
(a)Capitalization of capital reserve										
(b)Capitalization of surplus reserve										

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		
(c)Loss offset by surplus reserve										
(d)Other comprehensive income transferred to retained earnings										
(e)Other										
(5) Special reserve										
(a)Transfer to special reserve in the period					7,528,767			7,528,767		7,528,767
(b) Amount used in the period					(7,528,767)			(7,528,767)		(7,528,767)
(6) Other										
4.Ending balance of current period	3,079,779,257		3,590,722,111	(902,822,947)	-	719,155,384	13,229,793,267	19,716,627,072	30,810,644	19,747,437,716

Responsible person of the Company: HAO Zhigang   Person in Charge of the Accounting Body: CHENG Yajuan   Chief Accountant: CHENG Yajuan

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**	**(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
(2)Owner's contributions and withdrawals of capital										
(a)Common stock contributed by owners										
(b)Capital contributed by other equity instruments holders										

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		
(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 transferred to retained earnings										
(e)Others										

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		
(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:HAO Zhigang Person in Charge of the Accounting Body: CHENG Yajuan Chief Accountant: CHENG Yajuan

Statement of Changes in Owners' Equity of the Company

For the six months ended 30 June 2026

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	3,079,779,257				9,267,554,750				717,763,679	546,269,833	13,611,367,519
II. Opening balance of current year	3,079,779,257				9,267,554,750				717,763,679	546,269,833	13,611,367,519
III. Amount increased or decreased of current period (decrease filled out with "-")									1,391,705	(452,521,320)	(451,129,615)
(I) Total amount of comprehensive income										13,917,053	13,917,053
(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									1,391,705	(466,438,373)	(465,046,668)
1. Withdrawal of surplus reserve									1,391,705	(1,391,705)	0
2. Distribution to owners (or shareholders)										(465,046,668)	(465,046,668)

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	3,079,779,257				9,267,554,750				719,155,384	93,748,513	13,160,237,904

Responsible person of the Company: HAO Zhigang Person in Charge of the Accounting Body: CHENG Yajuan Chief Accountant: CHENG Yajuan

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				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 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										(482,742,229)	(482,742,229)

1. Withdrawal of surplus reserve											
2. Distribution to owners (or shareholders)										(482,742,229)	(482,742,229)
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	2,681,901,273				6,681,557,628				714,341,527	507,022,679	10,584,823,107
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: HAO Zhigang Person in Charge of the Accounting Body: CHENG Yajuan Chief Accountant: CHENG Yajuan

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.

In 2025, the Company issued 397,877,984 RMB-denominated ordinary shares (A shares) to specific investors through a non-public offering, increasing its registered capital by RMB 397,877,984.00. After the change, the registered capital amounted to RMB 3,079,779,257.

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 2026, and the consolidated and company financial performance and cash flows of the Company for the 6 months ended 30 June 2026.

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 30 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

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

Criteria of individual assessment of provision for bad debt

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

Investment properties are properties held to earn rentals or for capital appreciation or both.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of its investment properties.

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

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 specified in a contract 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 components, 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 investment properties, fixed assets, right-of-use assets, and intangible assets (see Notes VII (12), (13), (15) and (16) and provision for impairment of various types of assets (see Notes VII (3), (6), (12), (13), (14), (15), (17) and (18)). Other significant accounting estimates are as follows:

Note VII (35) – 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 applies a preferential corporate income tax rate of 15% to one of its subsidiaries, BANC. In December 2025, BANC obtained the High and New Technology Enterprise (HNTE) certificate issued by the Jiangsu Science and Technology Committee, which entitles it to the preferential tax rate of 15% for 2026.

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	1,480,419,430	3,056,620,289
Other monetary funds		
Cash deposited in finance companies	2,960,509,923	1,216,337,882
Total	**4,440,929,353**	**4,272,958,171**
Including: cash deposited abroad	906,813,354	1,041,521,469

As at 30 June 2026, the restricted funds of the Group amounted to nil. (31 December 2025: Nil)

2. Derivative financial assets

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash-flow hedge instruments		151,056
Fair value hedge instrument	45,088,911	5,405,834
Total	**45,088,911**	**5,556,890**

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, 60.

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	2,366,405,631	1,977,567,229
1 to 2 years	2,164,614	33,314,068
2 to 3 years	2,879,891	8,902,849
More than 3 years	14,164,076	15,425,317
Less: provision for bad debts	66,322,482	73,441,389
Total	**2,319,291,730**	**1,961,768,074**

(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	3,149,863	0.13%	3,149,863	100.00%	-					
Collective Assessment	2,382,464,349	99.87%	63,172,619	2.65%	2,319,291,730	2,035,209,463	100%	73,441,389	3.61%	1,961,768,074
Including:										
Provisions based on ageing analysis	2,382,464,349	99.87%	63,172,619	2.65%	2,319,291,730	2,035,209,463	100%	73,441,389	3.61%	1,961,768,074
Total	2,385,614,212		66,322,482		2,319,291,730	2,035,209,463	/	73,441,389	/	1,961,768,074

Individual assessment
Applicable √ Not applicable

Collective assessment
√ Applicable Not applicable

	Closing balance		
	Accounts receivable	Bad debts provision	Provision rate
Not due	2,199,121,055	-	0.00%
Past due within 60 days	94,789,371	-	0.00%
61-180 days past due	21,452,057	13,214,878	61.60%
Over 180 days past due	67,101,866	49,957,741	74.45%
Total	2,382,464,349	63,172,619	2.65%

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				Closing balance
		Additions	Recovery/Reversal	Write-offs	Other changes	
Individual Assessment	-	3,149,863				3,149,863
Collective Assessment	73,441,389	35,753,178	(31,771,327)		(2,804,703)	63,172,619
Total	73,441,389	38,903,041	(31,771,327)		(2,804,703)	63,172,619

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 2026, the top five accounts receivable balance totals to RMB 315,195,643 accounting for 13.21% 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	134,467,679	98.65%	82,932,701	97.97%
1-2 years	1,723,457	1.26%	1,367,017	1.62%
2-3 years	47,954	0.04%	269,782	0.32%
More than 3 years	62,137	0.05%	74,120	0.09%
Total	**136,301,227**	**100.00%**	**84,643,620**	**100.00%**

Explanations on unsettled advances to suppliers with ageing over 1 year：
As at June 30, 2026, the advances to suppliers with an account ageing of more than 1 year were RMB 1,833,547 (31 December 2025: RMB 1,710,919), which were mainly advance payments for purchasing 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 86,901,823, accounting for 63.76% 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		-
Dividends receivable		
Other receivables	176,016,445	81,987,816
Total	**176,016,445**	**81,987,816**

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	153,121,349	105,075,851
1 to 2 years	49,526,445	1,242,004
2 to 3 years	3,761,510	60,416,081
Above 3 years	57,917,934	
Less: Bad debt provision	**(88,310,793)**	**(84,746,120)**
Total	**176,016,445**	**81,987,816**

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

Unit: Yuan Currency: RMB

Nature of other receivables	Closing balance	Opening balance
Related-party receivables	9,361,338	7,556,867
Staff receivables	17,684,600	11,832,813
Others	148,970,507	63,000,194

Total	**176,016,445**	**81,987,816**

(3) Bad debt provisions made during the period

Applicable √ Not applicable

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit-impaired	
Opening balance		84,746,120		84,746,120
Opening balance movement during the period		(84,746,120)	84,746,120	
--Transferred to Stage 2				
--Transferred to Stage 3		(84,746,120)	84,746,120	
--Transferred back to Stage 2				
--Transferred back to Stage 1				
Provision for the period		934,943	5,981,865	6,916,808
Reversal during the period		(458,440)		(458,440)
Write-off during the period				
Charge-off during the period				
Other movements		1,926,302	(4,819,997)	(2,893,695)
Closing balance		2,402,805	85,907,988	88,310,793

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

Nature of other receivables	Closing balance	% of total Other receivables	Nature	Ageing	Bad debt provision
Calysseo Limited	85,231,393	32.24%	Related party receivable	Within 1 year; 1-2 years; 2-3 years; Over 3 years	80,111,421
Biomasse Énergie de Commentry	55,886,411	21.14%	Other	Within 1 year; 1-2 years;	616,635
BNP FACTOR	25,615,896	9.69%	Other	Within 1 year,	
PRAYON SA	8,115,161	3.07%	Other	Within 1 year,	
SILA S.P.A	7,535,640	2.85%	Other	Within 1 year,	
Total	182,384,501	69.00%	/	/	80,728,056

(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	727,625,673	63,786,929	663,838,743	643,258,252	63,468,720	579,789,532
Work in progress	212,883,936	67,015	212,816,921	193,882,917	161,655	193,721,262
Finished goods	1,955,782,020	31,870,990	1,923,911,030	1,656,825,469	45,785,061	1,611,040,408
Total	**2,896,291,628**	**95,724,934**	**2,800,566,694**	**2,493,966,638**	**109,415,436**	**2,384,551,202**

As at 30 June 2026, the inventories pledged as security by the Group amounted to RMB 0 (31 December 2025: 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		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	63,468,720	2,880,521			2,562,312	63,786,929
Work in progress	161,655			88,471	6,169	67,015
Finished goods	45,785,061	13,815,246		25,853,540	1,875,777	31,870,990
Total	**109,415,436**	**16,695,767**		**25,942,011**	**4,444,258**	**95,724,934**

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	525,971,949	300,863,264
Income tax receivable	72,825,284	232,722,132
Others	5,127,593	6,000,142
Total	**603,924,826**	**539,585,538**

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	252,199,561		252,199,561	271, 179,764		271,076,164	
Total	**252,199,561**		**252,199,561**	**271,179,764**		**271,179,764**	

As at 30 June 2026, the part due within one year was RMB 1,225,006 (as at December 31, 2025: RMB 1,348, 014).

(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	-						-
Subtotal of joint ventures	**-**						**-**

(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	3,000,021				(2,929,823)	(70,198)	0			242,456,424	Not held for trading
PigChamp	14,823,900					(843,120)	13,980,780				Not held for trading
Bits x Bites Growth Fund I, L.P.	8,943,572	19,890				(509,354)	8,454,108				Not held for trading
AG Venture	9,885,655	213,182				(569,562)	9,529,275				Not held for trading
Entobel	3,551,928					(202,018)	3,349,910				Not held for trading
Osiris G.I.E	2,069,111					(117,682)	1,951,429				Not held for trading
Other investments	956,455					(59,601)	896,854				Not held for trading
Total	**43,230,642**	**233,072**			**(2,929,823)**	**(2,371,535)**	**38,162,356**			**242,456,424**	

(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)	57,282,425	93,818,816
Total	**57,282,425**	**93,818,816**

Other explanations
Applicable   √ Not applicable

12. Investment properties

√ Applicable   Not applicable

Investment properties by measurement model

(1) Investment properties measured by cost model

Items	Houses and buildings	Total
I. Original book value		
1. Opening balance	**15,067,713**	**15,067,713**
2. Increase in current period		
1) Purchasing		
2) Transfer from construction in process		
3) Transfer from fixed assets		
4) Others increase		
3. Decrease in current period		
1) Disposal or retirement		
2) Transfer from fixed assets		
3) Other decrease		
4. Currency translation		
5. Closing balance	**15,067,713**	**15,067,713**
II. Accumulated depreciation		
1. Opening balance	(4,520,314)	(4,520,314)
2. Increase in current period		
1) Current period depreciation	(188,346)	(188,346)
2) Other		
3) Transfer from fixed assets		
3. Decrease in current period		
1) Disposal or retirement		
2) Transfer from fixed assets		
3) Other decrease		
4. Currency translation		
5. Closing balance	(4,708,660)	(4,708,660)
III. Impairment reserve		
1. Opening balance		

Items	Houses and buildings	Total
2. Increase in current period		
1) Current period impairment		
3. Decrease in current period		
1) Disposal or retirement		
2) Transfer from fixed assets		
4. Currency translation		
5. Closing balance		
IV. Carrying amount		
1. Closing carrying amount	**10,359,053**	**10,359,053**
2. Opening carrying amount	10,547,399	10,547,399

(2) Investment properties for which property ownership certificates have not yet been obtained
Applicable √ Not applicable

(3) Impairment testing of investment properties measured using the cost model
Applicable √ Not applicable

13. Fixed assets

Items of fixed assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	8,013,071,910	8,538,492,922
Disposal of fixed assets		
Total	**8,013,071,910**	**8,538,492,922**

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	**5,523,894,088**	**115,142,848**	**15,210,599,626**	**20,849,636,562**
2. Increase in current period				
1) Purchasing	1,037,498	0	50,072,625	51,110,123
2) Transfer from construction in process	21,893,483	0	254,409,417	276,302,900
3) Acquisition of subsidiary companies and businesses	0	0	0	0
4) Others increase	0	0	0	0
3. Decrease in current period				
1) Disposal or retirement	(152,813)	0	(10,417,540)	(10,570,353)
2) Disposal of subsidiary companies and businesses				0
3) Other decrease				0
4. Currency translation	(118,528,657)	(6,548,654)	(600,810,596)	(725,887,907)
5. Closing balance	**5,428,143,599**	**108,594,194**	**14,903,853,532**	**20,440,591,325**
II. Accumulated depreciation				
1. Opening balance	**(2,095,269,904)**	**0**	**(9,985,183,557)**	**(12,080,453,461)**
2. Increase in current period				
1) Current period	(111,867,837)	0	(512,231,606)	(624,099,443)

Items	Houses and buildings	Freehold land and other attachments	Machinery equipment and Others	Total
depreciation				
2) Other				0
3) Acquisition of subsidiary companies and businesses				0
3. Decrease in current period				0
1) Disposal or retirement	152,813	0	8,559,593	8,712,406
2) Disposal of subsidiary companies and businesses				0
3) Other decrease				0
4. Currency translation	64,598,254	0	424,345,521	488,943,775
5. Closing balance	**(2,142,386,674)**	**0**	**(10,064,510,049)**	**(12,206,896,723)**
III. Impairment reserve				
1. Opening balance	**(4,941,776)**	**0**	**(225,748,403)**	**(230,690,179)**
2. Increase in current period				
1) Current period depreciation	0	0	0	0
3. Decrease in current period				
1) Disposal or retirement	0	0	0	0
2) Disposal of subsidiary companies and businesses				0
4. Currency translation	0	0	10,067,487	10,067,487
5. Closing balance	**(4,941,776)**	**0**	**(215,680,916)**	**(220,622,692)**
IV. Carrying amount				
1. Closing carrying amount	**3,280,815,149**	**108,594,194**	**4,623,662,567**	**8,013,071,910**
2. Opening carrying amount	**3,423,682,408**	**115,142,848**	**4,999,667,666**	**8,538,492,922**

(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

14. Construction in progress

Items of construction in progress

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items		Closing balance	Opening balance
Construction in progress	(1)	4,723,553,279	3,964,891,390
Construction materials	(2)		
Total		**4,723,553,279**	**3,964,891,390**

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
Quanzhou 150,000 ton/year Solid Methionine Project (PICSAR)	3,040,645,857		3,040,645,857	2,281,451,530		2,281,451,530
Burgos Specialty Products Feed Additives Project (SPEAR)	566,529,023		566,529,023	598,329,664		598,329,664
Acrylic Wastewater Treatment and Water Reuse Project (PAQUES)	276,816,799		276,816,799	273,787,404		273,787,404
European Liquid Methionine Plant Debottlenecking and Capacity Expansion Project (NICE)	-		-	170,476,497		170,476,497
Quanzhou 400,000 tpa Sulfuric Acid Project Supporting Solid Methionine Production (DSA)	291,973,144		291,973,144	168,155,709		
Acrylic Acid Waste Liquid Incineration Safety and Environmental Protection Enhancement Project	822		822	-		-
Nanjing Liquid Methionine Plant Capacity Expansion Project (PANDA 3)	15,953,001		15,953,001	4,689,773		4,689,773
Others	531,634,633		531,634,633	468,000,813		468,000,813
Total	**4,723,553,279**		**4,723,553,279**	**3,964,891,390**		**3,964,891,390**

(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
Acrylic Wastewater Treatment and Water Reuse Project (PAQUES)	328,145,800	273,787,404	3,029,395			276,816,799	84%	100%	1,298,676	1,091,934	2.05%	Equity and loans
Quanzhou 150,000 ton/year Solid Methionine Project (PICSAR)	4,897,235,900	2,281,451,530	766,090,100	(6,895,773)		3,040,645,857	66%	99%	17,003,839	12,595,710	0.93%	Equity and loans
Burgos Specialty Products Feed Additives Project (SPEAR)	607,500,000	598,329,664	3,529,109		(35,329,750)	566,529,023	97%	99%				Equity
European Liquid Methionine Plant Debottlenecking and Capacity Expansion Project (NICE)	202,500,000	170,476,497	7,515,192	(174,002,761)	(3,988,928)		100%	100%				Equity
Nanjing Liquid Methionine Plant Capacity Expansion Project (PANDA 3)	227,875,900	4,689,773	11,263,228			15,953,001	7%	50%				Equity
Quanzhou 400,000 tpa Sulfuric Acid Project Supporting Solid Methionine Production (DSA)	474,965,700	168,155,709	123,831,700	(14,265)		291,973,144	61%	100%				Equity
Acrylic Acid Waste Liquid Incineration Safety and Environmental Protection Enhancement Project	69,638,900		822			822	0%	0%				Equity
Others		468,000,813	201,721,978	(103,123,144)	(34,965,014)	531,634,633						Equity
Total	**6,807,862,200**	**3,964,891,390**	**1,116,981,524**	**(284,035,943)**	**(74,283,692)**	**4,723,553,279**	/	/	18,302,515	13,687,644	/	

(3) Provision for impairment of construction in progress

Applicable √ Not applicable

Construction materials

(1) Breakdown of construction materials

Applicable √ Not applicable

15. 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	**194,084,015**	**426,195,262**	**279,271,112**	**8,721,481**	**908,271,870**
2. Increase in current period					
1) Purchasing	8,978,044	5,913,378	21,521,990	865,824	**37,279,236**
2) Transfer	0				
3) Acquisition of subsidiary companies and businesses					
4) Others increase					
3. Decrease in current period					
1) Disposal or retirement	(25,129,672)	(1,097,065)	(2,163,513)	(699,724)	**(29,089,974)**
2) Disposal of subsidiary companies and businesses					
3) Other decrease					
4. Currency translation	(4,446,257)	(19,351,752)	(581,547)	87,829	**(24,291,727)**
5. Closing balance	**173,486,130**	**411,659,823**	**298,048,042**	**8,975,410**	**892,169,405**
II. Accumulated depreciation					
1. Opening balance	**(149,528,126)**	**(142,001,451)**	**(159,630,313)**	**(5,981,996)**	**(457,141,886)**
2. Increase in current period					
1) Current year depreciation	(13,618,237)	(21,872,489)	(19,560,233)	(1,599,079)	**(56,650,038)**
2) Transfer	0				
3) Other increase					
3. Decrease in current period					
1) Disposal or retirement	25,129,672	946,617	2,163,513	699,724	**28,939,526**
2) Disposal of subsidiary companies and businesses					
4. Currency translation	5,194,866	7,895,781	270,838	721,196	**14,082,681**
5. Closing balance	**(132,821,825)**	**(155,031,542)**	**(176,756,195)**	**(6,160,155)**	**(470,769,717)**
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	**40,664,305**	**256,628,281**	**121,291,847**	**2,815,255**	**421,399,688**
2. Opening carrying amount	44,555,889	284,193,811	119,640,799	2,739,485	**451,129,984**

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

Applicable √ Not applicable

16. 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	**346,596,608**	**755,520,385**	**454,083,864**	**1,121,580,423**	**1,662,359,617**	**1,151,101,621**	**5,491,242,518**
2. Increase in current period							
1) Purchasing		128,685	209,764			19,637,005	19,975,454
2) Transferred from construction in process						7,733,043	7,733,043
3) Acquisition of subsidiary companies and businesses							
3. Decrease in current period							
1) Disposal						(20,274,023)	(20,274,023)
2) Disposal of subsidiary companies and businesses							
4. Currency translation		(3,421,318)	(24,089,556)	(3,639,842)	(31,307,235)	(54,864,248)	(117,322,199)
5. Closing balance	**346,596,608**	**752,227,752**	**430,204,072**	**1,117,940,581**	**1,631,052,382**	**1,103,333,398**	**5,381,354,793**
II. Accumulated amortization							
1. Opening balance	**(48,509,771)**	**(328,902,294)**	**(446,756,303)**	**(768,199,344)**	**(1,253,892,724)**	**(672,936,253)**	**(3,519,196,689)**
2. Increase in current period							
1) Current period depreciation	(3,468,470)	(10,371,118)	(411,542)	(22,521,389)	(23,750,896)	(68,820,850)	(129,344,265)
2) Others increase							
3) Acquisition of subsidiary companies and businesses							
3. Decrease in current period							
1) Disposal						20,108,590	20,108,590
2) Disposal of subsidiary companies and businesses							
3) Reclassification							
4. Currency translation		1,720,372	23,580,519	2,234,895	16,585,865	32,057,859	76,179,510
5. Closing balance	**(51,978,241)**	**(337,553,040)**	**(423,587,326)**	**(788,485,838)**	**(1,261,057,755)**	**(689,590,654)**	**(3,552,252,854)**
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	294,618,367	414,674,712	6,616,746	329,454,743	369,994,627	413,742,744	1,829,101,939
2. Opening carrying amount	298,086,837	426,618,091	7,327,561	353,381,079	408,466,893	478,165,368	1,972,045,829

(2) Land use rights held with unattained certificate

Applicable √ Not applicable

(3) Impairment test on intangible assets

Applicable √ Not applicable

17. 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	232,875,636	16,367,902			(369,301)		(13,794,155)	235,080,082
Total	**232,875,636**	**16,367,902**			**(369,301)**		**(13,794,155)**	**235,080,082**

18. 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")	769,954,245			(43,793,968)	726,160,277
Specialties	1,466,922,963			(83,549,978)	1,383,372,985
Total	**2,236,877,208**			**(127,343,946)**	**2,109,533,262**

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

19. 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	187,772,729	44,437,561	177,227,506	45,777,865
Accrued expenses	522,574,970	134,981,115	500,864,551	129,373,314
Leasing assets and liabilities	322,033,882	64,406,776	387,094,516	77,418,903
Fair value change of derivative financial instruments	53,570,179	13,837,177	47,887,161	12,369,254
Property plant equipment and intangible assets	52,651,128	13,599,786	39,551,570	10,216,171
Unrealized profits of internal transactions	154,926,715	40,017,570	267,151,457	69,005,221
Payroll	257,298,291	66,460,149	269,585,942	69,634,049
Others	116,724,534	30,151,890	82,409,633	21,141,621
Total before offsetting	**1,667,552,428**	**407,892,024**	1,771,772,336	434,936,398

(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	2,776,766,523	717,238,793	2,875,467,829	742,733,340
Leasing assets and liabilities	421,399,688	84,279,938	476,972,983	95,394,597
Balance in fair value of derivative financial instruments	60,750,013	15,691,728	10,217,885	2,639,280
Others	21,433,810	5,536,353	41,569,094	10,737,297
Total before offsetting	**3,280,350,034**	**822,746,812**	3,404,227,791	851,504,516

(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	(159,932,356)	247,959,668	(169,577,181)	265,359,217
Deferred tax liabilities	(159,932,356)	662,814,456	(169,577,181)	681,927,335

(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	78,063,741	76,664,294
Total	**78,063,741**	**76,664,294**

(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	15,190,000	15,190, 000
No expiration date	13,079,741	11,680,294
Total	**78,063,741**	**76,664,294**

20. 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	47,740,649		47,740,649	174,868,263		174,868,263
Others				207,369,922		207,369,922
Total	**47,740,649**		**47,740,649**	**382,238,185**		**382,238,185**

21. 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			N/A	N/A
Total	-	-	N/A	N/A			N/A	N/A

22. 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	-	
TOTAL	**-**	

(2) Defaulted borrowings

Applicable √ Not applicable

23. 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		

Fair value hedge instruments	16,695,772	
Total	**16,695,772**	

24. Notes payable

Items	Closing balance	Opening balance
Commercial acceptance drafts		-
Bank acceptance drafts	35,791,278	101,027,611
Total	**35,791,278**	**101,027,611**

25. 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	2,260,950,137	1,921,724,248
Total	**2,260,950,137**	**1,921,724,248**

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

√ Applicable Not applicable

As at June 30, 2026, the accounts payable with account ageing of more than one year were RMB 18,126,791 (as at December 31, 2025: RMB 13,214,703).

26. Contract liabilities

(1) Breakdown of Contract liabilities

√ Applicable Not applicable

Items	Closing balance	Opening balance
Advances from customers	45,596,498	18,686,873
Total	**45,596,498**	**18,686,873**

(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

27. 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	358,358,841	1,057,859,634	(971,334,806)		(17,915,997)	426,967,672

benefits						
Post-employment benefits	11,096,135	55,500,490	(56,542,458)		(588,371)	9,465,796
Termination benefits						
French profit-sharing plans – short term	139,136,274	79,414,453	(131,990,165)		(6,075,559)	80,485,003
Long-term bonus payments – short term	51,180,317	0	(38,157,155)		(2,225,856)	10,797,306
Total	**559,771,567**	**1,192,774,577**	**(1,198,024,584)**		**(26,805,783)**	**527,715,777**

(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	298,359,677	840,159,499	(757,208,538)		(14,469,091)	366,841,547
II. Employee welfare benefit						
III. Social insurance premium	41,715,417	186,831,894	(185,101,800)		(2,422,016)	41,023,495
Wherein: Medical insurance premium	41,388,464	161,059,069	(162,599,951)		(2,291,853)	37,555,729
Injury from work insurance premium	177,264	7,870,626	(6,906,484)		(42,606)	1,098,800
Maternity insurance premium	149,689	17,902,199	(15,595,365)		(87,557)	2,368,966
IV. Housing fund	202,375	9,509,605	(9,606,336)		(3,276)	102,368
V. Labor union outlay and employee education outlay	1,300,502	2,440,124	(2,261,819)			1,478,807
VI. Others	16,780,870	18,918,512	(17,156,313)		(1,021,614)	17,521,455
Total	**358,358,841**	**1,057,859,634**	**(971,334,806)**		**(17,915,997)**	**426,967,672**

(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	10,951,714	54,311,309	(55,363,382)		(579,992)	9,319,649
Unemployment insurance	144,421	1,189,181	(1,179,076)		(8,379)	146,147
Total	**11,096,135**	**55,500,490**	**(56,542,458)**		**(588,371)**	**9,465,796**

28. Taxes payable

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value-added-tax	58,618,357	113,427,891
Business tax	9,558,533	12,943,247
Enterprise income tax	183,412,504	71,612,559
Individual income tax	1,188,731	1,185,977
Others	46,470,136	29,566,960
Total	**299,248,261**	**228,736,634**

29. Other payables

(1) Items of Other payables

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable		
Dividends payable	307,977,926	
Other payables	1,152,000,218	1,117,604,895
Total	**1,459,978,144**	**1,117,604,895**

(2) Interest payable

Applicable √ Not applicable

(3) Dividends payable

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Dividends for ordinary shares	307,977,926	0
Total	**307,977,926**	**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	206,540,194	211,631,670
Payables for acquisition of property, plant and equipment	688,658,164	674,971,206
Cautions and guaranties received	24,035,268	31,800,822
Others	232,766,592	199,201,197
Total	1,152,000,218	1,117,604,895

Significant payables with ageing or overdue past 1 year

√ Applicable Not applicable

As at June 30, 2026, other payables with an account ageing of more than one year were RMB 93,641,816 (as at December 31, 2025: RMB 25,707,754), which were mainly the payables for acquisition of property, plant and equipment.

30. Current portion of non-current liabilities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Current portion of long-term borrowings	52,541,926	76,934,382
Current portion of long-term payables	808,850	857,645
Current portion of provisions*	358,973,933	433,275,587
Current portion of lease liabilities	70,672,717	63,930,527
Total	**482,997,426**	**574,998,141**

* The provision primarily relates to present obligations arising from the Group's operating activities, including restructuring costs, tax and customs-related risks. The related provisions have been recognized based on management's best estimate of the expenditures required to settle these obligations.

31. Other current liabilities

√ Applicable   Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Government subsidy		
Others	736,188	884,472
Total	**736,188**	**884,472**

32. 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	1,961,419,416	1,685,297,573
Less: the part due within one year	52,541,926	76,934,382
Total	1,908,877,490	1,608,363,191

Other explanation:
As at June 30, 2026 the range of interest rate for long-term loans was 0.01%~4.05% (as at December 31, 2025: 0.01%~4.05%).

33. Leases liabilities

√ Applicable   Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Leases liabilities	322,033,883	353,016,017
Less: the part due within one year	70,672,717	63,930,527
Total	**251,361,166**	**289,085,490**

Items	Amount incurred during the current period
Short-term lease expenses charged into P&L under the simplified accounting method	5,022,148
Payment related to leases during the period	57,482,588

34. Long-term payables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Acquisition of financial assets		
Other long-term payable	17,226,868	17,028,461
Less : the part to be paid in one year	808,850	857,645
Total	**16,418,018**	**16,170,816**

Long-term payables by nature

Applicable   √ Not applicable

Special payables by nature

Applicable √ Not applicable

35. 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	221,798,018	228,455,784
French profit-sharing plans	80,485,003	139,136,273
Long-term bonus payments	68,291,654	97,450,093
Paid leave savings account and others	4,587,746	19,896,968
Less: The part to be paid in one year	91,282,310	190,316,590
Total	**283,880,111**	**294,622,528**

The part due within one year includes the short-term part of French profit-sharing plan RMB 80,485,004, and the short-term part of long-term bonus payments RMB 10,797,306.

(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	122,236,875	72,174,703	34,044,206	228,455,784	**108,846,321**	**65,386,089**	**30,635,499**	**204,867,909**
II. Defined benefit plan recognized through profit and loss for the period in which they occur	5,831,030	3,605,837	2,907,593	12,344,460	5,018,286	3,269,370	1,685,051	9,972,707
1. Service cost of current period	3,683,602	2,592,444	2,907,593	9,183,639	3,088,176	2,245,230	1,685,051	7,018,457
2. Previous service cost			-				-	
3. Settlement losses (gains)	-	-	-	-	-	-	-	-
4. Net amount of interest	2,147,428	1,013,393	-	3,160,821	1,930,110	1,024,140	-	2,954,250
III. Re-measurement of the net liabilities of defined benefit plans								
1. Actuary losses (profit)								
IV. Other movements	(8,910,533)	(7,349,135)	(2,742,558)	(19,002,226)	11,035,725	5,910,438	1,557,714	18,503,877
1. Price paid during settlement	(1,825,716)	(3,225,163)	(974,062)	(6,024,941)	(1,859,208)	(1,804,062)	(816,340)	(4,479,610)
2. Currency translation differences	(7,084,817)	(4,123,972)	(1,714,207)	(12,922,996)	12,894,933	7,714,500	2,374,054	22,983,487
3. Other movements	-	-	(54,289)	(54,289)				
V. Closing balance	**119,157,372**	**68,431,405**	**34,209,241**	**221,798,018**	**124,900,332**	**74,565,897**	**33,878,264**	**233,344,493**

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	3.60%	3.60%
Inflation rate	2.20%	2.20%
Wages increase rate *(including inflation rate)*	2.40%	2.40%
Mortality Table (1)	INSEE 2019-2021	INSEE 2019-2021
Retirement age	64 years - 67 years	64 years - 67 years
Bonuses of Seniority (GA)		
Discount rate	3.10%	3.10%
Inflation rate	2.00%	2.00%
Wages increase rate *(including inflation rate)*	2.40%	2.40%
Mortality Table (1)	INSEE 2019-2021	INSEE 2019-2021
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 %	(6,376,518)	6,933,364
Bonuses of Seniority (GA)			
Current period	+/- 0.50 %	(2,577,161)	2,766,913

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	2,759,899	2,998,101	23,029,452	163,008,128	191,795,580
GA	9,900,489	5,638,915	17,499,276	55,876,517	88,915,197
Others	1,256,085	8,081,900	6,179,266	23,586,290	39,103,541

(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. 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 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 24,2023	July 24, 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	44,788,163
Expenses accrued/(reversed) during the period	-

ii. 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 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	At latest May 2027

	December 31st, 2028	

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	30,461,282
Expenses accrued/(reversed) during the period	-

iii. 2025 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 international recognition and implemented two plans:

- ExCom Management Incentive Plan 2025-2027,
- Management Incentive Plan 2025-2027.

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 2025 mid-term incentive plan has been approved by March 31st, 2025, 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 31st, 2025, 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 31st , 2025, converted in Euros (EUR) on March 31st , 2025, i.e., EUR 1.3502 ("one Euro three thousand five hundred and two 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 31st ,2025	March 31st ,2025
Settlement as from	January 2028	N/A
Payment Period	Depending on unbuckling date: from January 1st, 2028, to December 31st, 2029	At latest May 2028

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	12,880,862
Expenses accrued/(reversed) during the period	-

36. Provisions

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance	Reasons for provisions
Other provisions	435,962,547	362,786,712	Other provisions
Total	**435,962,547**	**362,786,712**	

The estimated liability is mainly associated with the application for antidumping duties on methionine imported from France, Japan and Spain filed by Novus in the United States on July 29, 2020.

37. 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	123,525,874		(6,107,634)		(5,078,392)	112,339,848
Total	**123,525,874**		**(6,107,634)**		**(5,078,392)**	**112,339,848**

38. 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	3,079,779,257						3,079,779,257

39. Capital reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increased in current period	Decreased in current period	Ending balance
Capital premium (capital stock premium)	2,585,997,122			2,585,997,122
Other capital reserve	1,004,724,989			1,004,724,989
Total	3,590,722,111			3,590,722,111

40. 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	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	**(218,305,479)**	**(2,929,823)**				**(2,929,823)**		**(221,235,302)**
Including: remeasurement of changes in liabilities under defined benefit plans	5,651,455							5,651,455
Profit/Loss from changes in fair value Investments in other equity instruments	(223,956,934)	(2,929,823)				(2,929,823)		(226,886,757)
Items that may be reclassified to profit or loss	**(97,280,366)**	**(589,110,504)**		**(2,600,674)**	**(353,782)**	**(584,307,279)**	**(1,848,769)**	**(681,587,645)**
Including: effective portion of gain or loss of cash flow hedge	(2,704,203)	(882,846)		(2,600,674)	(353,782)	2,071,611		(632,592)
Translation difference of foreign financial statements	(94,576,163)	(588,227,659)				(586,378,890)	(1,848,769)	(680,955,053)
Total	**(315,585,845)**	**(592,040,327)**		**(2,600,674)**	**(353,782)**	**(587,237,102)**	**(1,848,769)**	**(902,822,947)**

41. Surplus reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	717,763,679	1,391,705		719,155,384
Total	**717,763,679**	**1,391,705**		**719,155,384**

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.

42. Undistributed profit

Unit: Yuan Currency: RMB

Items	Current period	Last year
Undistributed profit of last period before adjustment	12,791,383,091	12,123,015,445
Total adjustments (increased +/ decreased -)		
Undistributed profit at the beginning of period after adjustment	12,791,383,091	12,123,015,445
Add: Net profit attributable to the Company's owners in current period	904,848,549	1,154,532,027
Appropriation of special reserves		
Less: Withdrawal of statutory surplus reserve	1,391,705	3,422,152
Dividend distribution	465,046,668	482,742,229
Other comprehensive income transferred to retained earnings		
Others		
Undistributed profit at the end of period	**13,229,793,267**	**12,791,383,091**

43. 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	9,707,078,578	6,952,521,573	8,512,067,963	6,094,122,234
Other operating activities				
Total	**9,707,078,578**	**6,952,521,573**	**8,512,067,963**	**6,094,122,234**
Including: revenue from contracts with customers	9,707,078,578	6,952,521,573	8,512,067,963	6,094,122,234
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	7,336,193,199	5,587,480,711	7,336,193,199	5,587,480,711
- Specialties products	2,370,885,379	1,365,040,862	2,370,885,379	1,365,040,862
By territory				
- EUROPE	2,113,514,540		2,113,514,540	
- IMEA(Note 1)	1,281,086,389		1,281,086,389	
- NORTH AMERICA	1,398,141,416		1,398,141,416	
- ASIA PACIFIC (excluding CHINA)	1,074,747,511		1,074,747,511	
- LATIN AMERICA	1,821,063,067		1,821,063,067	
- CHINA	2,018,525,655		2,018,525,655	
- Others				
Total	**9,707,078,578**	**6,952,521,573**	**9,707,078,578**	**6,952,521,573**

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

44. 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	7,041,471	5,073,432
Property tax	9,553,282	9,066,072
City maintenance and construction tax	8,706,872	9,144,439
Education surcharge and local education surcharges	6,931,360	7,359,013
Others	13,719,199	5,061,393
Total	**45,952,184**	**35,704,349**

45. Selling and distribution costs

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation and amortization expenses	14,243,164	14,775,722
Replenishment and storage expenses	290,864,581	260,039,850
Personnel expenses	300,344,866	272,279,569
Commission expenses for delegating agent	39,225,731	35,383,190
Travel expenses	32,725,529	29,759,078
Consulting and other professional fees	16,415,561	18,493,140
Others	63,950,991	61,632,045
Total	**757,770,423**	**692,362,594**

46. General and administrative expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation and amortization expenses	89,009,096	101,707,629
Employee benefit expenses	223,506,588	207,422,424
Consulting and other expert services	64,115,913	78,647,922
Travel expenses	8,963,887	9,092,699
Rent expenses	1,765,106	156,623
Insurance expenses	13,811,528	11,827,851
Others	16,214,072	29,019,223
Total	**417,386,190**	**437,874,371**

47. Research and development expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation expense	25,503,695	26,783,183
Employee benefit expenses	120,572,821	77,331,909
Consulting and other expert services	35,993,911	22,942,173
Travel expenses	4,724,680	3,512,694
Rent expenses	3,257,043	3,567,928
Insurance expenses	83,883	31,529
Research and exploitation expenses (without Payroll & External Expenses)	59,781,348	25,269,918
Others	20,706,111	12,141,767
Total	**270,623,492**	**171,581,101**

48. Financial expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Interest expenditure	22,380,640	24,770,838
Less: Interest expense capitalized	13,687,644	4,335,544
Interest expense related to lease liabilities	5,802,047	5,519,426
Interest income	(27,386,314)	(63,723,818)
Net exchange losses / (gains)	29,392,920	72,342,646
Other financial expenses	23,854,514	29,809,111
Total	**40,356,163**	**64,382,659**

In H1 2026, the interest rate used to determine interest expenses capitalized was 0.47%-2.05% (H1 2025: 0.25%-2.19%).

49. 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)
Other		
Total	**-**	**(34,787,994)**

50. 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	20,742,237	68,420,430
Change in fair value of other non-current financial instruments	(36,731,468)	(20,010,120)
Total	**(15,989,230)**	**48,410,310**

51. Credit Losses

√ Applicable　　Not applicable

Credit losses	Amount incurred of current period	Amount incurred of comparative period
Accounts receivable	(7,131,714)	(2,854,250)
Other receivable	(6,458,368)	
Total	**(13,590,082)**	**(2,854,250)**

52. 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	(16,607,296)	(14,464,397)
III. Impairment loss for available-for-sale financial assets		
IV.Impairment for restructuring		
Total	**(16,607,296)**	**(14,464,397)**

53. 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			
Fines or confiscated income received	62,560		62,560
Others	7,084,650	9,557,275	7,084,650
Total	**7,147,210**	**9,557,275**	**7,147,210**

54. 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			
Fines or confiscated expenses paid			
Donations			
Others	444,649	15,158,659	444,649
Total	**444,649**	**15,158,659**	**444,649**

55. 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	273,218,612	261,092,906
Deferred income tax	21,212,599	26,914,331
Total	**294,431,211**	**288,007,237**

(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	**1,200,128,605**
Income tax expenses calculated at applicable tax rates (1)	309,993,219
Credit Tax	(16,994,941)
Difference of tax rates applicable to subsidiary companies (2)	(40,751,841)
Change in tax rate	
Income not subject to tax	
Costs, expenses and losses not deductible for tax purposes	288,806
Tax losses or deductible temporary differences for which no deferred tax asset was recognized	361,638
Utilization of previously unrecognized temporary differences	(8,254,217)
Others	49,788,547
Income tax expenses	**294,431,211**

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.

56. 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	904,848,549	740,183,329
Common stock	3,079,779,257	2,681,901,273
Basic earnings per share	0.29	0.28
Basic earnings per share from continuing operation (i)	0.29	0.28
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 is 3,079,779,257 for June 2026, and 2,681,901,273 for H1 2025.

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	3,079,779,257	2,681,901,273
Effect of new shares		
Weighted average number of ordinary shares at the end of the period	**3,079,779,257**	**2,681,901,273**

(2) Diluted earnings per share

The Company does not have dilutive potential ordinary share in the periods from January 1, 2026 to June 30, 2026 and January 1, 2025, to June 30, 2025. The diluted earnings per share/ (loss) is equal to basic earnings per share/ (loss).

57. Supplement to income statement

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Operating revenue	9,707,078,578	8,512,067,963
Less: Changes in inventories of raw materials, finished goods and work-in-progress	(331,966,280)	(214,626,382)
Raw materials, purchased equipment and consumables purchased	5,296,899,005	4,645,388,810
Employee benefit expenses	1,205,119,037	1,062,045,710
Depreciation/amortization expenses	754,075,290	725,957,549
Depreciation/amortization expenses right of use	56,650,038	60,937,961
Logistics	681,435,116	546,097,582
External Warehousing	91,701,624	85,921,505
Consulting and other expert services	135,112,566	145,541,858
Travel expenses	50,058,154	46,249,573
Rent expenses	5,022,148	3,724,552
Insurance expenses	15,059,529	12,464,696

Items	Amount incurred of current period	Amount incurred of last period
Commission expenses for delegating agent	39,225,731	35,383,190
Research and exploitation expenses	59,781,348	25,269,918
Taxes and surcharges	45,952,184	35,704,349
Credit losses (reverse)	13,590,082	2,854,250
Asset impairment losses (reverse)	16,607,296	14,464,397
Gain arising from changes in fair value	15,989,230	(48,410,310)
Investment loss / (income)	-	34,787,994
Losses (gains) from asset disposals	(732,890)	1,912,381
Other income	(16,411,209)	(24,543,690)
Others	380,484,535	279,966,437
Total Operating profit	**1,193,426,044**	**1,034,975,633**

58. 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	19,392,471	18,403,469
Total	**19,392,471**	**18,403,469**

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	50,058,154	46,249,573
Rent	4,542,876	11,964,711
Insurances	15,059,529	12,464,696
Others	108,191,564	7,242,453
Total	**177,852,123**	**77,921,433**

(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
Total	**-**	**335,470,874**

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	3,516,241	48,003,996
Total	**3,516,241**	**48,003,996**

(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	57,482,588	78,651,501
Total	**57,482,588**	**78,651,501**

Changes in balances of liabilities arising from financing activities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Cash variation	Non-cash variation	Cash variation	Non-cash variation	
Short-term borrowings	0	0	0	0	0	0
Long-term borrowings	1,608,363,191	331,226,141	0	(5,402,008)	(25,309,834)	1,908,877,490
Long-term payables	16,418,018	1,206,420	0	0	(1,206,420)	16,418,018
Lease liabilities	251,361,166	0	0	0	0	251,361,166
Long-tern borrowings - current portion	76,934,382	0	22,977,266	(47,369,722)	0	52,541,926
Lease liabilities - current portion	63,930,527	0	64,224,778	(57,482,588)	0	70,672,717
Other payables - Dividends payable	0	0	464,798,661	(156,820,735)	0	307,977,926
Other payables - Interest payable	786,170	0	34,235,116	(34,483,645)	0	537,641
Total	**2,017,793,454**	**332,432,561**	**586,235,820**	**(301,558,698)**	**(26,516,254)**	**2,608,386,883**

59. 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	**905,697,394**	**741,367,012**
Add: Impairment provisions for assets	16,607,296	14,464,397
Credit losses	13,590,082	2,854,250
Depreciation/impairment of fixed assets	624,099,443	587,275,297
Amortization of assets from right of use	56,650,038	60,937,961
Amortization of intangible assets	129,344,265	132,282,952
Development expenditures transferred to P&L	369,301	6,399,299
Amortization of long-term prepaid expenses	631,582	620,993
Losses on disposal of fixed assets, intangible assets and other long-term assets	2,878,972	1,912,381
Losses (gains) on scraping of fixed assets		-
Gains on changes in fair value	15,989,230	(48,410,310)

Items	Amount of current period	Amount of last period
Financial expenses (income)	40,356,163	81,864,793
Losses (gains) arising from investment		34,787,994
(Increase) decrease of deferred tax assets	20,415,468	13,198,901
Increase (decrease) of deferred tax liabilities	5,003,330	13,700,313
Amortization of deferred income	(6,107,634)	(11,588,170)
Decrease (increase) in gross inventories	(553,111,073)	(12,825,738)
Decrease (increase) in receivable from operating activities	(407,708,211)	14,351,885
Increase (decrease) in payable from operating activities	334,999,250	(183,212,886)
Net cash flow from operating activities	**1,199,704,896**	**1,449,981,324**
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	4,440,929,353	1,458,954,423
Less: Opening balance of cash	4,272,958,171	1,233,635,835
Add: Closing balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase of cash and cash equivalent	**167,971,182**	**225,318,588**

(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	4,440,929,353	1,458,954,423
Including: Cash on hand		
Bank deposit available for payment anytime	4,440,929,353	1,458,954,423
Other monetary resources available on demand		
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	4,440,929,353	1,458,954,423
Including: Use-restricted cash and cash equivalent of the Company or its subsidiaries	NA	NA

(5) Supplier financing arrangements

The Group has entered into a supplier financing arrangement with cflox GmbH ("CFLOX"). Under this arrangement, CFLOX settles amounts due to suppliers on behalf of the Group on the contractual payment due dates. Suppliers receive payment in accordance with the original contractual terms and are not required to participate in the arrangement. The Group subsequently reimburses CFLOX 30 days after the original supplier payment due date in accordance with the terms agreed with CFLOX. The Group does not provide any guarantees, collateral or other forms of credit enhancement to CFLOX under this arrangement.

	30 June 2026

Items	Book value	Including: Amount already received by the suppliers	Maturity range	Comparable Maturity Range of Accounts Payable
Accounts payable	205,165,538	205,165,538	45-60 days after receipt of invoices	30-45 days after receipt of invoices
Total	**205,165,538**	**205,165,538**		

	31 December 2025			
Items	Book value	Including: Amount already received by the suppliers	Maturity range	Comparable Maturity Range of Accounts Payable
Accounts payable	135,898,482	135,898,482	45-60 days after receipt of invoices	30-45 days after receipt of invoices
Total	**135,898,482**	**135,898,482**		

60. 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, 2026 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	1,266,856	7.7671	9,839,798
CNY	42,489,703	1.0000	42,489,703
USD	16,216,368	6.8097	110,428,600
GBP	13,794	9.0090	124,274
THB	12,398,346	0.2032	2,519,344
BRL	7,270,894	1.3140	9,553,955
CAD	22,681	4.7942	108,739
MXN	10,870,951	0.3890	4,228,800
SGD	2,511,546	5.2644	13,221,782
OTHER			30,459,817
Total			222,974,812
Accounts receivable			
Wherein: EUR	6,260,228	7.7671	48,623,815
CNY	621,368	1.0000	621,368
USD	85,894,253	6.8097	584,914,095
GBP	0	9.0090	0
THB	0	0.2032	0

BRL	138,810,339	1.3140	182,396,785
CAD	0	4.7942	0
MXN	0	0.3890	0
SGD	0	5.2644	0
OTHER			29,696,051
Total			846,252,114
Other receivables			
Wherein: EUR	3,171	7.7671	24,631
CNY	3,432	1.0000	3,432
USD	2,869,197	6.8097	19,538,373
GBP	0	9.0090	0
THB	840,925	0.2032	170,876
BRL	751,447	1.3140	987,401
CAD	0	4.7942	0
MXN	1,190,378	0.3890	463,057
SGD	12,819	5.2644	67,484
OTHER			1,659,908
Total			22,915,162
Accounts payable			
Wherein: EUR	(650,797)	7.7671	(5,054,802)
CNY	(31,068)	1.0000	(31,068)
USD	(40,153,816)	6.8097	(273,435,439)
GBP	(101,734)	9.0090	(916,518)
THB	(3,279,995)	0.2032	(666,495)
BRL	(1,673,912)	1.3140	(2,199,521)
CAD	(158,770)	4.7942	(761,176)
MXN	(19,501,190)	0.3890	(7,585,963)
SGD	(1,001,032)	5.2644	(5,269,832)
OTHER			(17,458,013)
Total			(313,378,827)
Other payables			
Wherein: EUR	(187,220)	7.7671	(1,454,154)
CNY	(170,876)	1.0000	(170,876)
USD	(361,112)	6.8097	(2,459,064)
GBP	0	9.0090	0
THB	0	0.2032	0
BRL	(36,277)	1.3140	(47,668)
CAD	0	4.7942	0
MXN	0	0.3890	0
SGD	(470,572)	5.2644	(2,477,280)
OTHER			(740,017)
Total			(7,349,059)
Long-term receivables			
Wherein: EUR	0	7.7671	0
CNY	0	1.0000	0
USD	22,812	6.8097	155,342
GBP	0	9.0090	0
THB	0	0.2032	0
BRL	7,524,832	1.3140	9,887,629
CAD	0	4.7942	0

MXN	175,057	0.3890	68,097
SGD	133,301	5.2644	701,749
OTHER			(11,406,727)
Total			(593,910)
Current portion of non-current liabilities			
Wherein: EUR	9,960	7.7671	77,358
CNY	0	1.0000	0
USD	0	6.8097	0
GBP	0	9.0090	0
THB	(1,390,817)	0.2032	(282,614)
BRL	(471,597)	1.3140	(619,679)
CAD	0	4.7942	0
MXN	(910,288)	0.3890	(354,102)
SGD	(125,272)	5.2644	(659,482)
OTHER			(8,249,633)
Total			(10,088,152)
Gross balance sheet exposure			
Wherein: EUR	6,702,199	7.7671	52,056,646
CNY	42,912,559	1.0000	42,912,559
USD	64,487,702	6.8097	439,141,907
GBP	(87,939)	9.0090	(792,244)
THB	8,568,460	0.2032	1,741,111
BRL	152,175,725	1.3140	199,958,902
CAD	(136,089)	4.7942	(652,437)
MXN	(8,175,093)	0.3890	(3,180,111)
SGD	1,060,790	5.2644	5,584,421
OTHER			23,961,385
Total			760,732,139

(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

61. 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 2026, the change in fair value on these derivatives has a positive impact of RMB 1,717,829 (January to June 2025: losses of RMB -1,252,668) recorded in other comprehensive income as cash flow hedge accounting, including RMB –882,846 of change in OCI and RMB +2,600,674 of reclassification into P&L.

From January to June 2026, the change in fair value on these derivatives has a positive impact of RMB 20,742,237 (From January to June 2025: Gains of RMB 68,420,430) 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 and amortization expense s	25,503,695	26,783,183
Employee benefit expenses	128,354,610	97,263,263
Consulting and other expert services	37,695,243	28,258,424
Travel expenses	5,052,558	4,311,885
Rent expenses	3,623,137	6,228,033

Insurance expenses	83,883	31,529
Research and development expenses (Experiments, analysis, and etc.)	64,567,350	44,479,549
Others	22,110,918	16,999,169
Total	**286,991,394**	**224,355,035**
Including: R&D expenditures recorded in P&L during the period	270,623,492	171,581,101
R&D expenditures capitalized during the period	16,367,902	52,773,934

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	53,694,620	-					(3,053,920)	50,640,700
Project B	40,133,387	642,811					(2,304,650)	38,471,548
Project C	40,010,628	5,166,767					(2,452,745)	42,724,650
Project D	22,795,806	4,711,826					(1,458,045)	26,049,587
Others	76,241,195	5,846,498			(369,301)		(4,524,795)	77,193,597
Total	**232,875,636**	**16,367,902**			**(369,301)**		**(13,794,155)**	**235,080,082**

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

In March 2026, a subsidiary of the Company, Adisseo South Africa (Pty) Ltd, was established.

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		100%	Business combination under

			of chemical products			common control
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

			chemical industry			under common control
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 FZCO (former “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
Adisseo Vietnam Company Limited	Vietnam	Vietnam	Production and sales		100%	Established

			of chemical products			
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
Adisseo South Africa (Pty) Ltd	South Africa	South Africa	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	-	-
Calculated based on shares on the joint venture		
- Net profit	-	(34,787,994)
- Other comprehensive income	-	9,912,641
- Total comprehensive income	-	(24,875,353)

As of 30 June 2026, the carrying amount of the Group's investment in Calysseo Limited, a joint venture accounted for under the equity method, is zero. Calysseo Limited's wholly-owned subsidiary, Calysseo (Chongqing) Co., Ltd. (hereinafter referred to as " Calysseo Chongqing"), is advancing financing. As of July 2026, the relevant parties have signed a restructuring agreement, which contemplates capital reduction, capital injection by new investors, and debt optimization, among other measures, to improve Calysseo Chongqing's financial position and advance technical transformation.

Calysseo Limited expects that upon completion of the restructuring, it will recover funds through asset disposal and other means to repay the Group's shareholder loans. However, the recovery of such shareholder loans is contingent upon the actual completion of the restructuring arrangements, and there is uncertainty as to whether the full amount can be recovered. The Group will continue to monitor the subsequent developments of the above matters.

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 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	123,525,874			(6,107,634)	(5,078,392)	112,339,848	Assets
Total	**123,525,874**			**(6,107,634)**	**(5,078,392)**	**112,339,848**	

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	6,107,634	5,866,350
Government grants related to income	10,303,575	6,836,483
Total	**16,411,209**	**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
EUR	(7,234,539)	2,027,944	(6,084,532)	561,937
USD	77,319,167	(2,757,895)	(133,567,226)	(1,263,449)
Other currencies	142,915	86,535	(142,915)	(106,842)

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	(5,941,532)	(19,603,463)	5,941,532	19,603,463

Last 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
EUR	(76,062,722)	400,552	65,354,955	(2,516,358)
USD	86,853,125	6,067,508	(93,468,605)	(14,185,458)
Other currencies	(4,767,402)	7,424	5,410,539	(6,064)

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	1,780,373	(18,305,772)	(1,780,373)	18,305,772

(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 2026, the Group has no outstanding floating rate borrowings.

(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 -					
Notes payable	35,791,278				35,791,278
Accounts payable	2,260,950,137				2,260,950,137
Derivative financial instruments-liabilities	16,695,772				16,695,772
Other payables	1,459,978,144				1,459,978,144
Long-term borrowings		1,550,254,554	349,449,252	9,173,684	1,908,877,490
Long-term payables		1,617,708	2,426,566	12,373,744	16,418,018
Long-term lease liabilities		90,333,227	40,581,051	120,446,888	251,361,166

Items	Closing balance				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Current portion of long-term payables	808,850				808,850
Current portion of long-term borrowings	52,541,926				52,541,926
Current portion of lease liabilities	70,672,716				70,672,716
Total	**3,897,438,823**	**1,642,205,489**	**392,456,869**	**141,994,316**	**6,074,095,497**

Unit: Yuan Currency: RMB

Items	Opening balance				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities -					
Short-term borrowings					
Notes payable	101,027,611				101,027,611
Accounts payable	1,921,724,248				1,921,724,248
Derivative financial instruments-liabilities					
Other payables	1,117,604,895				1,117,604,895
Long-term borrowings		1,572,765,348	26,289,159	9,308,684	1,608,363,191
Long-term payables		1,712,984	2,569,476	11,888,356	16,170,816
Long-term lease liabilities		156,975,814	57,951,883	74,157,793	289,085,490
Current portion of long-term payables	857,645				857,645
Current portion of long-term borrowings	76,934,382				76,934,382
Current portion of lease liabilities	63,930,527				63,930,527
Total	**3,282,079,308**	**1,731,454,146**	**86,810,518**	**95,354,833**	**5,195,698,805**

2. Hedging

(1) The Company uses hedging to manage risks

√ Applicable Not applicable

Please refer to Note VII 61 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	691,416,455	Completely derecognized	Major risks, such as credit risk, and contractual rights to receive the cash flows have been transferred to the factoring company
Total		**691,416,455**		

(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	691,416,455	(8,021,527)
Total	/	**691,416,455**	**(8,021,527)**

(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, 2026, 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		45,088,911	57,282,425	102,371,336
a) Financial assets measured with fair value and having the change of fair value recorded in the gain or loss of current period		45,088,911	57,282,425	102,371,336
i) Investments in debt instruments				
ii) Investment in equity instruments			57,282,425	57,282,425
iii) Derivative financial assets		45,088,911		45,088,911
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				
(2) Investments in other bonds				
(3) Investment in other equity instruments			38,162,356	38,162,356
Total amount of assets with continuous fair value measurement		**45,088,911**	**95,444,781**	**140,533,692**
(4) Trading financial liabilities		16,695,772		16,695,772
a) Financial assets measured with fair value and having the change of fair value recorded in the gain or loss of current period		16,695,772		16,695,772
Including: Trading bonds issued				
Derivative financial liabilities		16,695,772		16,695,772
Others				

Items	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
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		**16,695,772**		**16,695,772**

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	1,707,358.9192	74.69%	74.69%

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 X (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

Syngenta Crop Protection AG	Controlled by the same ultimate controlling shareholder
Beijing Jinmao Living Environment Technology Co., Ltd	Controlled by the same ultimate controlling shareholder
Haohua Gas Co., Ltd.	Controlled by the same ultimate controlling shareholder
Haohua Gas Co Ltd Wuhan Branch	Controlled by the same ultimate controlling shareholder
Huaxia Hanhua Chemical Equipment Co., Ltd	Controlled by the same ultimate controlling shareholder
Chemical Industry Mine Engineering Quality Supervision Station	Controlled by the same ultimate controlling shareholder
Huimao Building Technology (Beijing) Co., Ltd.	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
Bluestar (Hangzhou) Membrane Industry Co., Ltd	Controlled by the same ultimate controlling shareholder
Bluestar Engineering Co., Ltd	Controlled by the same ultimate controlling shareholder
Liaocheng Luxi Formic Acid Chemical Co., Ltd.	Controlled by the same ultimate controlling shareholder
Luxi Chemical Group Co., Ltd. Coal Chemical The Second Branch	Controlled by the same ultimate controlling shareholder
Nanjing Sanfang Chemical Equipment Supervision Co., Ltd.	Controlled by the same ultimate controlling shareholder
Shenyang Research Institute of Chemical Industry	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
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
Changsha Huaxing Construction Supervision Co., Ltd	Controlled by the same ultimate controlling shareholder
China Chemical Information Center Co., Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Group Co Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Luxi Engineering Co Ltd	Controlled by the same ultimate controlling shareholder
Sinochem (Quanzhou) Petroleum Sales Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem (Zhoushan) Xinghai Construction Co., Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Fangsheng Energy Management Service Co., LTD.	Controlled by the same ultimate controlling shareholder
Sinochem Industrial Products Services (Ningbo) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Fertilizer Co., Ltd.	Controlled by the same ultimate controlling shareholder
Central Research Institute of China Chemical Science and Technology Co.,Ltd	Controlled by the same ultimate controlling shareholder
SinoChem Environmental Technology Engineering Co., LTD	Controlled by the same ultimate controlling shareholder
Sinochem Finance Co, Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Jinmao Property Management Services (Beijing) Co Ltd	Controlled by the same ultimate controlling shareholder
Sinochem Juyuan Enterprise Management (Beijing) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Juyuan Enterprise Management (Beijing) Co., Ltd. Quanzhou Branch	Controlled by the same ultimate controlling shareholder
Sinochem Cleaning Technology (Xiong'an) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Luxi Engineering 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 Energy Technology Co., Ltd. Shanghai Branch	Controlled by the same ultimate controlling shareholder
Sinochem Quanzhou Petrochemical Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Petrochemical Distribution (Fujian) Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem Digital Intelligence Technology Co., Ltd.	Controlled by the same ultimate controlling shareholder
Sinochem HongKong (Group) Company 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.	Controlled by the same ultimate controlling shareholder
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
Sinochem Bluestar Cleaning Technology (Beijing) Co., Ltd.	Controlled by the same parent company
Sinochem Cleaning Technology (Xiong'an) Co., Ltd.	Controlled by the same parent company
China Bluestar Lehigh Engineering Corp Co. Ltd	Controlled by the same parent company
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	89,155,520	1,662,620
China National Bluestar (Group) Co, Ltd	Purchase of services		20,658
Elkem Silicones France SAS	Purchase of goods and services	2,935,622	133,926
Hangzhou Water Treatment Technology Development Center Co., Ltd	Purchase of goods and services	73,760	17,700
Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	Purchase of goods and services	1,060	636,980
Sinochem Cleaning Technology (Xiong'an) Co., Ltd.	Purchase of services	519,000	1,115,099
Changsha Huaxing Construction Supervision Co., Ltd	Purchase of services	206,030	188,680
China Bluestar Lehigh Engineering Corp Co. Ltd	Purchase of services	822,920	2,560,282
Sinochem Bluestar Cleaning Technology (Beijing) Co., Ltd.	Purchase of services	1,252,270	1,011,890
JMD International SAS	Purchase of services		606,606
SinoChem Environmental Technology Engineering Co., LTD	Purchase of goods	26,333,820	114,094,386
Southwest Chemical Research and Design Institute Co. LTD	Purchase of goods	204,640	
Sinochem Information Technology Co., LTD	Purchase of services	19,369,350	274,226
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
Bluestar Engineering Co., Ltd	Purchase of services		408,449
Sinochem Juyuan Enterprise Management (Beijing) Co., Ltd.	Purchase of services	113,000	206,144
Shenyang Research Institute of Chemical Industry	Purchase of services		144,340
Calysseo (Chongqing) Company Limited	Purchase of goods	2,290,670	3,065,008
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 Supervision Station	Purchase of services		534,906
China Chemical Information Center Co., Ltd	Purchase of services	691,000	166,981
Sinochem Energy Co.,Ltd	Purchase of services	18,870	1,890,710
Sinochem Energy Technology Co., Ltd.	Purchase of services	10,115,480	3,465,090
Sinochem (Zhoushan) Xinghai Construction Co., Ltd	Purchase of services	779,000	

Sinochem Fangsheng Energy Management Service Co., LTD.	Purchase of services	24,591,676	7,306,060
Sinochem Quanzhou Petrochemical Co., Ltd.	Purchase of services	3,333,000	9,057
Jinmao Property Services (Fuzhou) Co., Limited	Purchase of services		352,604
Sinochem Jinmao Property Management Services (Beijing) Co Ltd	Purchase of services	424,736	509,840
Sinochem Luxi Engineering Co Ltd	Purchase of goods	131,860,070	55,220
Lantian (Beijing) Fluid Control Equipment Co., Ltd.	Purchase of goods		35,398
Haohua Gas Co., Ltd.	Purchase of goods	308,970	116,540
Sinochem (Quanzhou) Petroleum Sales Co., Ltd.	Purchase of goods	71,000	
Liaocheng Luxi Formic Acid Chemical Co., Ltd.	Purchase of goods	671,445	
Luxi Chemical Group Co., Ltd. Coal Chemical The Second Branch	Purchase of goods	3,535,851	
Sinochem Industrial Products Services (Ningbo) Co., Ltd.	Purchase of goods	43,370	
Sinochem Petrochemical Distribution (Fujian) Co., Ltd.	Purchase of goods	31,958,633	
Sinochem Fertilizer Co., Ltd.	Purchase of goods	6,871,420	
Huimao Building Technology (Beijing) Co., Ltd.	Purchase of services	753,346	
Central Research Institute of China Chemical Science and Technology Co.,Ltd	Purchase of goods	1,590,642	

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	5,774,730	5,215,236
Syngenta Crop Protection AG	Sales of goods	329,755	165,438
Calysseo Limited	Providing services	-	35,897
Calysseo (Chongqing) Company Limited	Providing services	3,487,927	898,484
Etexe Technologies Limited	Sales of goods	16,487,814	23,397,020

(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	330,000	-	110,418
Sinochem HongKong (Group) Company Limited	Office building	26,541	27,823	26,541	27,823

-

(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	80,987,305	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, 2026, the total shareholder loans provided by BANG to Calysseo Limited amounted to USD 11,893,000 (equivalent to RMB 80,987,305). The shareholder loans bear interest at the rate of U.S. LIBOR (or its replacement benchmark SOFR) plus 1.3% and matured on 30 June 2026.

As of June 30, 2026, Calysseo Limited was unable to repay the shareholder loan upon maturity. Calysseo (Chongqing) Company Limited, a wholly-owned subsidiary of Calysseo Limited, remained suspended pending completion of technical upgrades and continued to seek external financing. In view of the operating and financial condition of the borrower and its subsidiary, BANG decided not to provide further financial support upon maturity of the existing shareholder loan. The shareholder loan is subject to recovery risk, and impairment provision had been recognised in prior years in accordance with the Chinese Accounting Standards.

(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	2,816	2,446

(8) Other related party transactions

√ Applicable Not applicable

b) Interest income from related party financing

Unit: Yuan Currency: RMB

Items	Current period	Last period	Explanation
Calysseo Limited	2,182,012	3,288,671	Refer to (5) Financing activities with related parties - Note (a)

c) Transactions with related finance companies

i) **Deposit**

Unit: Yuan Currency: RMB

Related party	Relation	Limit amount of daily deposit	Interest rate	Beginning balance	Deposit in the period	Withdrawn in the period	Ending balance
Sinochem Finance Co, Ltd	Controlled by the same ultimate controlling shareholder	3,000,000,000	0.25% - 3.5%	1,216,337,882	15,461,269,662	13,717,097,621	2,960,509,923
Total	/	/	/	1,216,337,882	15,461,269,662	13,717,097,621	2,960,509,923

ii) **Loan**

Related party	Relation	Loan limit amount	Interest rate	Beginning balance	Transaction amount in the period		Ending balance
					Borrowing	Repayment	
Sinochem Finance Co, Ltd	Controlled by the same ultimate controlling shareholder	-	-	-	-	-	-
Total	/	/	/	-	-	-	-

iii) **Credit and other business**

Related party	Relation	Business type	Top limit	Granted
Sinochem Finance Co, Ltd	Controlled by the same ultimate controlling shareholder	Comprehensive credit line	200,000,000	70,040,850

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			2,791,835	
Accounts receivable	Calysseo (Chongqing) Company Limited			3,961,276	3,961,276
Other receivables	Calysseo Limited	85,231,392	80,111,421	90,574,120	84,746,120
Other receivables	Calysseo (Chongqing) Company Limited	7,091,973	5,796,567	1,726,867	
Other receivables	Sinochem Finance Co, Ltd	2,945,961		-	
Other receivables	Sinochem Digital Intelligence Technology Co., Ltd.			2,000	
Advances to suppliers	Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	160,500			
Advances to suppliers	SinoChem Environmental Technology Engineering Co., LTD	50,000			

Items	Related parties	Closing balance		Opening balance	
		Book value	Provision for bad debts	Book value	Provision for bad debts
Advances to suppliers	Huaxia Hanhua Chemical Equipment Co., Ltd			2,631,870	
Advances to suppliers	Liaocheng Luxi Formic Acid Chemical Co., Ltd.	3,650		184,847	
Advances to suppliers	Luxi Chemical Group Co., Ltd. Coal Chemical The Second Branch	647,820		4,758,240	
Other non-current assets	Huaxia Hanhua Chemical Equipment Co., Ltd			33,054,000	
Other non-current assets	Sinochem Digital Intelligence Technology Co., Ltd.	883,428		3,946,489	
Other non-current assets	Sinochem Luxi Engineering Co Ltd			39,590,073	
Other non-current assets	Sinochem Quanzhou Petrochemical Co., Ltd.	82,654		23,898	
Other non-current assets	Sinochem Fertilizer Co., Ltd.	84,555			
Other non-current assets	Lantian (Beijing) Fluid Control Equipment Co., Ltd.	218,531			

(2) Payables

Unit: Yuan Currency: RMB

Items	Related party	Closing book balance	Opening book balance
Accounts payable	Calysseo (Chongqing) Company Limited	1,384,600	3,334,000
Accounts payable	Luxi Chemical Group Co., Ltd. Coal Chemical The Second Branch		4,099,875
Other payables	Sinochem Cleaning Technology (Xiong'an) Co., Ltd.	638,731	1,698,183
Other payables	China National BlueStar (Group) Co., Ltd	637,323	260,734
Other payables	Changsha Huaxing Construction Supervision Co., Ltd	583,474	717,910
Other payables	Hangzhou Water Treatment Technology Development Center Co., Ltd	1,267,202	3,808,707
Other payables	China Bluestar Lehigh Engineering Corp Co. Ltd	251,827	1,377,978
Other payables	Sinochem Bluestar Cleaning Technology (Beijing) Co., Ltd.	711,690	578,160
Other payables	Huaxia Hanhua Chemical Equipment Co., Ltd	32,045,734	8,111,164
Other payables	Calysseo (Chongqing) Company Limited		68,168
Other payables	Southwest Chemical Research and Design Institute Co. LTD	266,917	755,880
Other payables	Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	2,128,700	13,633,946
Other payables	SinoChem Environmental Technology Engineering Co., LTD	87,422,019	117,879,542
Other payables	Sinochem Digital Intelligence Technology Co., Ltd.	10,406,831	9,916,972
Other payables	Sinochem Energy Co.,Ltd	18,868	
Other payables	Sinochem Fangsheng Energy Management Service Co., LTD.	457,480	50,270
Other payables	Nanjing Sanfang Chemical Equipment Supervision Co., Ltd.	234,667	234,667
Other payables	Bluestar Engineering Co., Ltd	44,000	44,000
Other payables	Sinochem Juyuan Enterprise Management (Beijing) Co., Ltd. Quanzhou Branch	2,400	40,480
Other payables	Shenyang Research Institute of Chemical Industry	2,400,000	2,400,000
Other payables	Beijing Jinmao Living Environment Technology Co., Ltd	119,980	13,211
Other payables	Jinmao Cloud Technology Services (Beijing) Co., Ltd		753,346
Other payables	China Chemical Information Center Co., Ltd		148,000
Other payables	Sinochem Quanzhou Petrochemical Co., Ltd.	3,170,000	28,623
Other payables	Sinochem Energy Technology Co., Ltd. Shanghai Branch	36,800	2,640,455

Other payables	Sinochem (Zhoushan) Xinghai Construction Co., Ltd	650,000	
Other payables	Jinmao Property Services (Fuzhou) Co., Limited	222,851	552,563
Other payables	Sinochem Jinmao Property Management Services (Beijing) Co Ltd	325,242	376,812
Other payables	Sin Luxi Engineering Co Ltd	48,642,870	44,071,880
Other payables	Sinochem Group Co Ltd	50,000	53,060
Other payables	Sinochem (Quanzhou) Petroleum Sales Co., Ltd.		10,619
Other payables	Haohua Gas Co Ltd Wuhan Branch	199,916	136,320
Other payables	Lantian (Beijing) Fluid Control Equipment Co., Ltd.	256,140	768,420
Other payables	Bluestar (Hangzhou) Membrane Industry Co., Ltd		501,600
Other payables	Central Research Institute of China Chemical Science and Technology Co.,Ltd	1,697,847	
Other payables	Sinochem Industrial Products Services (Ningbo) Co., Ltd.	48,863	
Other payables	Sinochem Petrochemical Distribution (Fujian) Co., Ltd.	10,848,472	
Other payables	Huimao Building Technology (Beijing) Co., Ltd.	753,350	

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	2,301,217,808	2,056,128,221
Less: Cash at bank and on hand	4,440,929,353	4,272,958,171
Net Debt	(2,139,711,545)	(2,216,829,950)
Total owners' equity	19,716,627,072	19,895,872,861
Total Capital	17,576,915,527	17,679,042,911
Gearing ratio (note a)	**-12.17%**	**-12.54%**

Note a: As of 31 June 2026, the gearing ratio was negative, indicating that the balance of cash and cash equivalent exceeded interest-bearing debt and the company had effectively no financial leverage.

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	855,498,849	1,680,250,645
Total	**855,498,849**	**1,680,250,645**

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	9,707,078,578	9,707,078,578
Revenue from transactions with other segments		
Cost of sales	6,952,521,573	6,952,521,573
Asset impairment losses	(16,607,296)	(16,607,296)
Credit losses	(13,590,082)	(13,590,082)
Interest income	27,386,314	27,386,314
Interest expense	14,495,043	14,495,043
Investment income from associates and joint ventures	-	-
Depreciation and amortization	810,725,328	810,725,328
Profit before income tax	1,200,128,605	1,200,128,605
Income tax expense or benefit	294,431,211	294,431,211
Net profit	905,697,394	905,697,394
Other items:		
Total assets	28,548,800,832	28,548,800,832
Total liabilities	8,801,363,116	8,801,363,116

(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	6,951,756,646	7,569,336,835
North America	71,849,072	76,383,501
Asia Pacific (China excluded)	39,712,052	42,534,791
Latin America	24,568,971	29,274,313
China	8,197,460,973	7,622,104,925
Total	**15,285,347,714**	**15,365,477,365**

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	3,192,479	2,103,038,065
Other monetary funds		
Cash deposited in finance companies	1,544,795,499	278,540,604
Total	**1,547,987,978**	**2,381,578,669**

As at 30 June 2026 and 31 December 2025, 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	46,602,600	49,413,129
Other receivables	1,363,068,028	715,106,611
Total	**1,409,670,628**	**764,519,740**

(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	46,602,600	49,413,129
Total	**46,602,600**	**49,413,129**

(4) Other receivables

√ Applicable Not applicable

(1) Other receivables by ageing

Items	Closing balance	Opening balance
Within 1 year	1,363,068,028	713,864,607
1 to 2 years		1,242,004
2 to 3 years		
Above 3 years		
Total	**1,363,068,028**	**715,106,611**

(2) Other receivables by nature

Items	Closing balance	Opening balance
Related party receivables	1,361,722,070	-
Others	1,345,958	6,827,855
Total	1,363,068,028	6,827,855

(3) Other receivables bad debts provision

Applicable √ Not applicable

(4) Top 5 other receivables

Nature of other receivables	Closing balance	% of total Other receivables	Nature	Ageing	Bad debt provision
BANG	669,486,090	49.12%	Related party receivables	Within 1 year	-
Sinochem Bluestar Adisseo Animal Nutrition Technology (Quanzhou) Co., Ltd.	652,332,233	47.86%	Related party receivables	Within 1 year	-
Bluestar Adisseo Health and Nutrition (Nanjing) Co., Ltd.	25,025,000	1.84%	Related party receivables	Within 1 year	-
Bluestar Adisseo Nanjing Co., Ltd	13,740,304	1.01%	Related party receivables	Within 1 year	-
Calysseo (Chongqing) Company Limited	584,476	0.04%	Related party receivables	Within 1 year	-
Total	1,361,168,103	99.85%			-

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

(1) Other payables by classification

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Dividends payable	307,977,926	
Other payables	34,903,211	39,361,288
Total	342,881,137	39,361,288

(2) Dividends payable

Items	Amount incurred of current period	Amount incurred of last period
Dividends payable to ordinary shares	307,977,926	
Total	307,977,926	-

(3) Other payables by nature

Items	Amount incurred of current period	Amount incurred of last period
Related parties payables	16,329,959	16,556,847
Others	18,573,252	22,804,441
Total	34,903,211	39,361,288

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		
Gain on dividend from investment in other equity instrument		
Gain from disposal of investment in other equity instrument		

Total		

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	2026 H1	Description (if applicable)
Net profit or loss on disposal of non-current assets	732,890	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	16,411,209	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	(36,731,468)	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	6,702,561	
Less: Impact of income tax	5,073,770	
Impact of non-controlling interest (after tax)		
Total	(7,811,038)	

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	0.29	0.28
Net profit attributable to the Company's common shareholders after deduction of non-recurring gain or loss	4.59	0.30	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: HAO Zhigang
Approved by the Board for submission on: August 28, 2026