Zhejiang Yongtai Technology Co., Ltd.

Year 2025 Annual Report

April 2026

Year 2025 Annual Report

Section I Important Notice, Table of Contents, and Interpretation

The Board of Directors, directors, and senior management of the Company guarantee the authenticity, accuracy, and completeness of the annual report, without any false records, misleading statements, or major omissions, and shall bear individual and joint legal responsibilities.

Declaration by Wang Yingmei, the person in charge of the Company, Ying Yangfeng, the responsible person for accounting work, and Ni Xiaoyan, the person in charge of the accounting agency (accountant in charge): They guarantee the authenticity, accuracy, and completeness of the financial report in this semi-annual report.

All directors have attended the board meeting to deliberate this report.

The forward-looking statements concerning future plans in this annual report are planned matters and shall not constitute a substantial commitment of the Company to investors. The investors and related persons shall maintain an adequate awareness of the risks and shall understand the differences between plans, forecasts and commitments.

In the “XI. Outlook on the Company's future development” of the Section III “Discussion and Analysis by Management” of this report, the Company describes specifically the potential risks that may occur in the Company’s business process and countermeasures. Investors are kindly requested to read the relevant content and pay attention to investment risks.

The Company plans not to pay cash dividends, bonus shares, or convert accumulation fund to share capital.

Responsibility Statement

For the purposes of the United Kingdom's Financial Conduct Authority's Transparency Rule 4.1.12(3), each Director of the Company (whose names and functions are listed on pages 44 to 46, to the best of his or her knowledge, confirms that:

I. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

II. the management report (being this annual report, excluding the financial report referred to above and the independent auditor's report thereon [starting from page 86]) includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This report is prepared in both Chinese and English. In case of any ambiguity in the understanding of the Chinese and foreign texts, the Chinese text shall prevail.

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Contents of Reference Documents

I. Financial statements containing the signatures and seals of the person in charge of the Company, the responsible person for accounting work and the person in charge of the accounting agency;

II. Original copy of the audit report with the official seal of the accounting firm and the signatures and seals of the certified public accountants.

III. The original copies of all company documents and announcements publicly disclosed during the reporting period;

IV. Other relevant information

Interpretation

Interpretation Items	Refer to	Interpretation content
the Company, company	Refer to	Zhejiang Yongtai Technology Co., Ltd.
Controlling shareholder and actual controller	Refer to	Couple Mr. He Renbao and Ms. Wang Yingmei
Yongtai Technology Holdings	Refer to	Zhejiang Yongtai Technology Holdings Co., Ltd., the wholly-owned company of the actual controller of the Company
Binhai Yongtai	Refer to	Binhai Yongtai Technology Co., Ltd., a subsidiary of the Company
Shandong Yongtai	Refer to	Shandong Zhanhua Yongtai Pharmaceutical Co., Ltd., a subsidiary of the Company
SYT pharm (Shanghai)	Refer to	SYT pharm (Shanghai) Inc., a subsidiary of the Company
Yongtai Pharma	Refer to	Zhejiang Yongtai Pharmaceutical Co., Ltd., a subsidiary of the Company
Yongtai New Material	Refer to	Zhejiang Yongtai New Material Co., Ltd., a subsidiary of the Company
Xinhui Mining	Refer to	Hainan Xinhui Mining Co., Ltd., a subsidiary of the Company
Youngtech Pharmaceuticals	Refer to	Youngtech Pharmaceuticals, Inc., a subsidiary of the Company
Shanghai E-Tong	Refer to	Shanghai E-Tong Chemical Co., Ltd., a subsidiary of the Company
Yongtai New Energy	Refer to	Zhejiang Yongtai New Energy Material Co., Ltd., a subsidiary of the Company
Yongtai Chiral	Refer to	Zhejiang Yongtai Chiral Medicine Technology Co., Ltd., a subsidiary of the Company
Zhejiang Chiral	Refer to	Zhejiang Chiral Medicine Chemicals Co., Ltd., a subsidiary of the Company
Foshan Soin	Refer to	Foshan Soin Chiralpharma Co., Ltd., a subsidiary of the Company
Yongtai Hi-tech	Refer to	Shaowu Yongtai Hi-tech Material Co., Ltd., a subsidiary of the Company
Chongqing Yongyuansheng	Refer to	Chongqing Yongyuansheng Technology Co., Ltd., a subsidiary of the Company
Binhai Meikang	Refer to	Binhai Meikang Pharmaceutical Co., Ltd., a subsidiary of the Company
Inner Mongolia Yongtai	Refer to	Inner Mongolia Yongtai Chemical Co., Ltd., a subsidiary of the Company
Hangzhou Yongtai	Refer to	Hangzhou Yongtai Biomedical Co., Ltd., a subsidiary of the Company
Yongtai Fule	Refer to	Zhejiang Yongtai Fule Technology Co., Ltd., a subsidiary of the Company
Yongtai Fuyuan	Refer to	Fujian Yongtai Fuyuan Technology Co., Ltd., a subsidiary of the Company
Hangzhou Yongtai Chiral	Refer to	Hangzhou Yongtai Chiral Biopharmaceutical Co., Ltd, a subsidiary of the Company
Anbison	Refer to	Shanghai Anbison Lab. Co., Ltd., a participating company of the Company
Yongtaixin Fluorine	Refer to	Shanghai Yongtaixin Fluorine New Materials Co., Ltd., a subsidiary of the Company
Jiangsu Subin	Refer to	Jiangsu Subin Agrochemical Co., Ltd., an indirectly controlled subsidiary of the Company
E-TONG CHEMICAL (HONGKONG)	Refer to	E-TONG CHEMICAL (HONG KONG) CO., LIMITED, an indirectly controlled subsidiary of the Company
E-TONG CHEMICAL	Refer to	E-TONG CHEMICAL CO., LIMITED, an indirectly controlled subsidiary of the Company
PT. ETONG	Refer to	PT. ETONG CHEMICAL INDONESIA, an indirectly controlled subsidiary of the Company
E-TONG CHEMICAL (PHILIPPINES)	Refer to	E-TONG CHEMICAL (PHILIPPINES) INC., an indirectly controlled subsidiary of the Company
Etong Agrotech Nigeria	Refer to	E-TONG AGROTECH NIGERIA LIMITED, an indirectly controlled subsidiary of the Company
LIDEAL MINES	Refer to	LIDEAL MINES LIMITED, an indirectly controlled subsidiary of the Company
Etong Chemicals (Pvt.)	Refer to	E-TONG CHEMICALS (PVT.) LTD., an indirectly controlled subsidiary of the Company

Interpretation Items	Refer to	Interpretation content
Agro Juntos Colombia	Refer to	AGRO JUNTOS COLOMBIA S.A.S., an indirectly controlled subsidiary of the Company
Farmaline Cropcare Bangladesh	Refer to	FARMALINE CROPCARE BANGLADESH LIMITED, an indirectly controlled subsidiary of the Company
Etong Vietnam	Refer to	QUANG HOP BIOCHEMICAL COMPAY LIMITED, an indirectly controlled subsidiary of the Company
E-tong Cambodia	Refer to	MONAGRO CROPSCIENCE CO., LTD., an indirectly controlled subsidiary of the Company
E-TONG THAILAND	Refer to	E-TONG CHEMICAL (THAILAND) CO., LTD., an indirectly controlled subsidiary of the Company
E-TONG BRAZIL	Refer to	AGRO JUNTOS BRAZIL LTD.， an indirectly controlled subsidiary of the Company
SENWELL NIGERIA	Refer to	SENWELL AGROCHEM NIGERIA CO LIMITED， an indirectly controlled subsidiary of the Company
Shanghai Youngcobe	Refer to	Shanghai Youngcobe Bio-pharma Co., Ltd., an indirectly controlled subsidiary of the Company
H&G (China)	Refer to	H&G (China) Chemical Ltd., an indirectly controlled subsidiary of the Company
Lithium battery and other materials	Refer to	Lithium battery materials, fluoro liquid-crystal intermediates, fluorochemical liquids, and other products produced and sold by the Company
Pharmaceutical products	Refer to	Pharmaceutical intermediates, pharmaceutical APIs, and pharmaceutical finished dosages, and other products produced and sold by the Company
Crop science products	Refer to	Pesticide intermediates, pesticide AIs, pesticide preparations, and other products produced and sold by the Company
FDA	Refer to	U.S. Food and Drug Administration
Merck	Refer to	Merck KGaA, headquartered in Germany
Merck Sharp & Dohme	Refer to	Merck Sharp & Dohme Corp., headquartered in the United States
BASF	Refer to	BASF Group, headquartered in Germany
Bayer	Refer to	Bayer AG, headquartered in Germany
Sumitomo	Refer to	Sumitomo Corporation, headquartered in Japan
Syngenta	Refer to	Syngenta, headquartered in Basel, Switzerland
CATL	Refer to	Contemporary Amperex Technology Co., Ltd.
BYD	Refer to	BYD COMPANY LIMITED
Reporting period, this reporting period, this period	Refer to	01 January 2025 to 31 December 2025

Section II Company Profile and Key Financial Indicators

I. Company Profile

Stock abbreviation of A shares	YONGTAI TECH.	Stock code of A shares	002326
Stock exchange where A shares are listed	Shenzhen Stock Exchange		
GDR transaction code	YTT		
Stock exchange where GDR is listed	London Stock Exchange		
Chinese name of the Company	浙江永太科技股份有限公司		
Chinese name abbreviation of the Company	永太科技		
Foreign name of the Company (if any)	Zhejiang Yongtai Technology Co., Ltd.		
Foreign name abbreviation of the Company (if any)	YONGTAI TECH.		
Legal representative of the Company	Wang Yingmei		
Registered Address:	No. 1 Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical API Base, Zhejiang Province, China		
The postal code of the registered address	317016		
Historical changes in the registered address of the Company	None		
Office address	No. 1 Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical API Base, Zhejiang Province, China		
The postal code of the office address	317016		
Company website	http://www.yongtaitech.com		
Email:	zhengquan@yongtaitech.com		

II. Contact Person and Contact Information

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Zhang Jiangshan	Wang Ying
Contact address	No. 1 Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical API Base, Zhejiang Province, China	No. 1 Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical API Base, Zhejiang Province, China
Tel.:	0576-85588006	0576-85588960
Fax	0576-85588006	0576-85588006
Email:	jiangshan.zhang@yongtaitech.com	zhengquan@yongtaitech.com

III. Information disclosure and place for inspection

The website of the stock exchange where the Company discloses its annual report	Shenzhen Stock Exchange (www.szse.cn)
The media name and website where the Company discloses its annual report	Securities Times, China Securities Journal, Shanghai Securities Journal, Securities Daily, and Juchao Information Website (www.cninfo.com.cn)
Location for preparing the Company's annual report	Corporate Securities Investment Department

IV. Registration change situation

Unified social credit code	91330000719525000X
Changes in the main business of the Company since its listing (if any)	No changes
Previous changes in controlling shareholders (if any)	No changes

V. Other relevant information

The accounting firm hired by the Company

CPA firm name	BDO China Shu Lun Pan CPAs (SGP)
Accounting firm's office address	TA28 Building, Xizi International, Qingchun East Road, Shangcheng District, Hangzhou
Name of signing accountant	Chen Keju, Li Dan, Chen Fan

The recommendation institution hired by the Company to perform continuous supervision responsibilities during the reporting period.

□ Applicable ☑ Not applicable

The financial advisor hired by the Company to perform continuous supervision responsibilities during the reporting period.

□ Applicable ☑ Not applicable

VI. Major accounting data and financial indicators

Whether the Company needs to retroactively adjust or restate the accounting data from previous years.

□ Yes ☑ No

Item	Year 2025	Year 2024	Increase/ decrease in this year compared to the previous year	Year 2023
Operating income (Yuan)	5,213,581,337.69	4,589,397,832.70	13.60%	4,128,040,820.94
Net profit attributable to shareholders of the listed company (Yuan)	-46,100,649.82	-478,353,981.67	90.36%	-619,761,432.13
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses (Yuan)	-44,294,668.79	-443,871,727.45	90.02%	-696,361,589.06
Net cash flow from operating activities (Yuan)	-72,031,284.09	-110,869,010.36	35.03%	-329,126,584.00
Basic earnings per share (Yuan/share)	-0.05	-0.52	90.38%	-0.69
Diluted earnings per share (Yuan/share)	-0.05	-0.52	90.38%	-0.69
Weighted average return on net assets	-1.73%	-16.46%	Increased of 14.73 percentage points	-19.08%
Item	End of 2025	End of 2024	Increase/ decrease at the end of this year compared to the end of the previous year	End of 2023
Total assets (Yuan)	11,215,467,046.58	11,190,303,037.06	0.22%	11,404,306,777.82
Net assets attributable to shareholders of the listed company (Yuan)	2,671,765,055.73	2,671,269,113.39	0.02%	3,162,895,712.22

The net profits before and after deducting non-recurring profits and losses for the past three accounting years of the Company, whichever is lower, are all negative, and the audit report for the latest year shows that there is uncertainty in the Company's going-concern ability.

□ Yes ☑ No

The lowest among the audited total profit, net profit, and net profit after deducting non-recurring profits and losses during the Company's reporting period is negative.

☑ Yes ☐ No

Item	Year 2025	Year 2024	Remarks
Operating income (Yuan)	5,213,581,337.69	4,589,397,832.70	None
Of which: Other operating income (Yuan)	12,028,011.74	11,206,083.25	Revenue from businesses unrelated to principal activities
Deduction amount of operating income (Yuan)	12,028,011.74	11,206,083.25	Mainly related to material sales revenue, leasing revenue, etc.
Operating income after deduction (Yuan)	5,201,553,325.95	4,578,191,749.45	None

VII. Differences in accounting data under domestic and foreign accounting standards

1. Differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

☐ Applicable ☑ Not applicable

There were no differences in net profit and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards during the reporting period of the Company.

2. Differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards

☐ Applicable ☑ Not applicable

There were no differences in net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards during the reporting period of the Company.

VIII. Quarterly main financial indicators

Unit: CNY

Item	Q1	Q2	Q3	Q4
Operating revenue	1,059,959,157.67	1,549,356,274.36	1,419,035,711.31	1,185,230,194.35
Net profit attributable to shareholders of listed companies	10,577,472.09	48,222,722.13	-26,246,244.63	-78,654,599.41
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	-18,124,603.13	40,645,051.11	-29,090,573.95	-37,724,542.82
Net cash flows from operating activities	-18,708,412.05	239,979,223.85	89,498,565.30	-382,800,661.19

Is there a significant difference between the above financial indicators or their total amount and the financial indicators related to the disclosed quarterly and semi-annual reports of the Company?

☐ Yes ☑ No

IX. Items and amounts of non-recurring profits and losses

☑ Applicable ☐ Not applicable

Unit: Yuan

Item	Amount for 2025	Amount for 2024	Amount for 2023	Explanation:
Profits and losses from disposal of non-current assets (including the writing-off part of the assets with impairment provision withdrawn)	-2,176,864.47	-8,066,415.83	63,429,166.11	
Government subsidies included in the current profits and losses (except for those closely related to the Company's normal business operations, in compliance with national policies and regulations, enjoyed according to the determined standards, and have a continuous impact on the Company's profits and losses)	41,138,303.20	27,839,989.31	45,350,301.67	
The profits and losses from changes in fair value arising from the holding of financial assets and financial liabilities as well as the profits and losses arising from the disposal of financial assets and financial liabilities by non-financial enterprises, except for the effective hedging business related to the normal operation of the Company.	-52,513,838.00	-42,396,786.19	-4,802,811.37	
Profits and losses from entrusting others to invest or manage assets	51,408.62			
Reversal of impairment losses on receivables tested for impairment separately	3,732,137.02			
Profits and losses on debt restructuring	10,798,468.55			
Non-operating income and expenses other than those mentioned above	3,070,191.80	-15,624,077.56	-3,260,361.20	
Other profits and losses items that meet the definition of non-recurring profits and losses	2,826,184.11	3,660,164.79	3,456,787.78	Nonrecurring profits and losses of associated enterprises calculated with equity method.
Less: amount impacted of income tax	6,203,643.07	-1,406,008.02	26,738,536.64	
Amount impacted of minority shareholders' equity (after tax)	2,528,328.79	1,301,136.76	834,389.42	
Total	-1,805,981.03	-34,482,254.22	76,600,156.93	--

Specific situation of other profit and loss items that satisfy the definition of non-recurring profits and losses:

☑ Applicable ☐ Not applicable

Nonrecurring profits and losses of associated enterprises calculated with equity method.

Explanation of defining non-recurring profit and loss items set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-Recurring Profits and Loss* as recurring profit and loss items.

☐ Applicable ☑ Not applicable

There was no situation of defining non-recurring profit and loss items set out in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-Recurring Profit and Loss* as recurring profit and loss items in the Company.

Section III Management Discussion and Analysis

I. Main businesses engaged by the Company during the reporting period

The Company shall comply with the disclosure requirements set out in *No. 3 Guidelines on Self-Regulation of Listed Companies by Shenzhen Stock Exchange - Disclosure of Industry Information* in respect of the chemical industry.

(I) Main business of the Company

The Company is a fluorinated pharmaceutical, crop science, and new energy materials manufacturer with fluorine-containing technology as the core, technological innovation as the impetus, and intelligent manufacturing as the driving force, with its vertically integrated industrial chain, a flexible and comprehensive production platform, and specialized R&D innovation teams. The Company not only provides customized R&D, production, and technical services to domestic and overseas customers, but also relies on the trading platform of its subsidiary, Shanghai E-Tong, to conduct global sales of crop science products, achieving coordinated development of R&D, production, and trade.

(II) Main products and applications

The main products of the Company are divided into three categories based on their terminal application fields, including pharmaceutical product business, crop science product business lithium battery materials and other materials. The Company has a very rich range of fluorine-containing fine chemicals, which are mainly used in different terminal markets such as downstream pharmaceuticals, crop science, new energy and electronic materials, and supply diversified important raw materials for the products of domestic and foreign customers. Among them, pharmaceutical products include key fluorinated intermediates, pharmaceutical APIs and finished dosages in the fields of cardiovascular diseases, diabetes, central nervous system, anti-infection and anti-virus; crop science products mainly include intermediates in the fields of fluorine-containing herbicides, fungicides, insecticides, etc., as well as crop science AIs and crop science formulations; lithium battery and other materials products mainly include lithium battery materials, fluoro liquid-crystal intermediates, fluorinated liquid, etc. The main products of the Company's trading business are herbicides, fungicides, insecticides, and other pesticide active ingredients and formulations. the Company also engages in the trade of chemical products such as lithium carbonate.

(III) Business model of the Company

(1) Procurement model

A qualified supplier access system is adopted by the Company to determine the suppliers of raw materials. The evaluation of qualified suppliers is carried out at regular intervals, and the evaluation criteria mainly include supply price, timely supply status, packaging quality, after-sales service, cooperation, etc. The Company determines qualified suppliers as the objects of annual raw material procurement according to the evaluation results. The Company determines at least two qualified suppliers for each major raw material to ensure a stable supply of raw material.

The Production Department submits the next month’s production and procurement plans to the general manager according to the inventory level and the production capacity of the current month, based on which, in turn, the general manager adjusts the procurement plan according to the market supply and demand, and issue the procurement plan to the Procurement Department after confirmation for implementation.

The procurement price of the Company’s main raw materials is mainly determined through Invitation to Bid and commercial negotiations. The daily procurement of main raw materials is mainly conducted in the form of bidding quotation. A specific bidding department and personnel are responsible for organizing Invitation to Bid and bid opening to standardize the Company’s procurement and minimize raw material procurement costs as much as possible. Certain special raw materials are procured at negotiated prices. If the supplier intends to adjust the price, a written request for price increase shall be issued in advance, so that the Company can respond in advance to changes in raw material prices and minimize the impact of cost fluctuations as much as possible.

(2) Production model

A production model of producing according to sales is adopted by the Company to formulate the next month’s production plan based on the sales order volume. In addition, the Company will also prepare corresponding products in advance based on market conditions, while maintaining reasonable inventory levels based on sales forecasts. The sales orders, stocking, and reasonable inventory together constitute the planned production volume for next month.

The Production Department is responsible for formulating production plans, which prepares monthly production plans and distributes them to each workshop for implementation. The Quality Department supervises the quality issues throughout the production process and takes charge of product quality control. During the production process, centralized control is carried out, and quality inspection is performed before the finished products are put into storage, all of which shall pass the inspection.

(3) Sales model

A method of direct sales is adopted by the Company, and the Sales Department is responsible for domestic and international sales business. On the one hand, the Company has established a relatively wide customer base in the long-term operation process, with stable sales channels formed to ensure product sales. On the other hand, the Sales Department of the Company timely obtains market information, tracks customer needs, and formulates sales schemes based on market conditions and the actual production situation of the Company by means of network, and exhibitions, etc. The sales price of products is mainly determined based on market prices, and the production of products is also adjusted according to market trends.

Procurement mode of main raw materials

Unit: Yuan

Main raw materials	Procurement mode	The proportion of procurement amount to total procurement amount	Is there any significant change in the settlement method	Average price in the first half of the year	Average price in the second half of the year
Raw material 1	Determine and implement the procurement plan based on production plan, raw material market price, and inventory conditions, and purchase through bidding or negotiation	13.94%	No	47,772.52	52,238.01
Raw material 2	Determine and implement the procurement plan based on production plan, raw material market price, and inventory conditions, and purchase through bidding or negotiation	11.68%	No	62,550.12	75,240.98
Raw material 3	Determine and implement the procurement plan based on production plan, raw material market price, and inventory conditions, and purchase through bidding or negotiation	7.86%	No	6,241.76	6,188.47
Raw material 4	Determine and implement the procurement plan based on production plan, raw material market price, and inventory conditions, and purchase through bidding or negotiation	5.89%	No	41,419.09	55,145.02
Raw material 5	Determine and implement the procurement plan based on production plan, raw material market price, and inventory conditions, and purchase through bidding or negotiation	5.56%	No	11,000.44	10,868.00

Reasons for significant changes in raw material prices compared with the previous reporting period:The price of Raw Material II in the first half of the year decreased by 32.79% compared to the previous reporting period, which was mainly caused by a combination of multiple factors such as the reversal of supply and demand, policy factors (a 30% reduction in subsidies for new energy vehicles), and inventory factors.

The energy procurement price accounts for more than 30% of the total production cost.

□ Applicable ☑ Not applicable

Reasons for significant changes in major energy types: None

Production technology situation of main products

Main products	The stage of production technology	Core technical personnel situation	Patented technology	Product R&D advantages
Intermediate products	Industrial application	Employees of our company	Authorized patent numbers: Many patent techniques such as: ZL202010974554.7, ZL202010945533.2, ZL201910190264.0, ZL201810296654.1 and ZL201811567013.1, etc.	Based on the Company's unique fluorination technology, we have achieved breakthroughs in multiple difficult green chemical synthesis processes, and achieve the recycling of by-products, synthesize new products with economic value, or recycle raw materials or intermediates through technological transformation to reduce losses, improve output, and ensure vertical integrated development.
Pharmaceutical products	Industrial application	Employees of our company	Authorized patent numbers: Many patent techniques such as ZL202011481999.8, ZL202011158149.4, ZL201910190296.0, ZL201810149435.0 and ZL201711194828.5, etc.	Realize the vertical integrated development of intermediates + APIs + preparations. By fully utilizing its own industrial and technological advantages, the Company's characteristic fluorination technology is organically combined with biological fermentation technology. While optimizing the process level, it extends to the upstream and downstream of products, improves the product structure, and increases the added value of the entire industry chain.
Crop science products	Industrial application	Employees of our company	Authorized patent numbers: Many patent techniques such as ZL201810150398.5, ZL201810150380.5, ZL201810150378.8, ZL201810150377.3 and ZL201711193392.8, etc.	Independent R&D of processes, self matching of key intermediates, environmentally friendly process routes, and mature production management, and rigorous activity evaluation and sufficient application technology research, which guarantee better safety and stability of drug efficacy. Achieve continuous development and launch of new products.
Lithium battery material products	Industrial application	Employees of our company	Authorized patent numbers: Many patent techniques such as ZL201810971821.8, ZL201710325555.7, ZL201410829279.4 and ZL201710152348.6, etc.	Among similar electrolyte products, the products have advantages such as green and environmentally friendly process, short process, advanced and reliable technical level, good product quality, and low production cost. The new generation of electrolytes can effectively improve the high and low temperature performance and cycling performance of batteries. The electrolyte industry chain has comprehensive product coverage, which can effectively drive product innovation and replacement.

Production capacity of main products

Main products	Design capacity	Capacity utilization rate	Under construction capacity	Investment and construction situation
Intermediate	17,591.70 t/a	45.86%	18,343.00 t/a	Inner Mongolia Yongtai’s Intermediate Project is under construction.
Pharmaceutical APIs	3,291.70 t/a	47.70%	-	-
Pharmaceutical	4,558.25 million pills/	14.36%	350.00million	Binhai Meikang’s project producing 200 million

preparations	tablets/ pieces/ year		pills/ tablets/ pieces/ year	anti-tumor tablets, 100 million anti-tumor capsules, and 50 million pieces of cream is under construction.
Pesticide AIs	-	-	6,000.00t/a	Inner Mongolia Yongtai's Pesticide AIs Project is under construction.
Lithium battery material	243,507.10 t/a	44.06%	29.500.00t/a	Inner Mongolia Yongtai's some Lithium Battery Additives Project is under construction.

Product types in major chemical industrial parks

Main chemical industrial parks	Product types
Linhai Park of Chemical Raw Material Drug Base in Zhejiang Province	Intermediates, pharmaceutical APIs, pharmaceutical preparations, lithium battery materials
Low-Carbon Industrial Park in Wuhai Economic Development Zone, Inner Mongolia	Intermediates, pesticide AIs, lithium battery materials
Jintang Industrial Park, Shaowu City, Fujian Province	Lithium battery material
Zhejiang Nanyang Economic Development Zone, Xiaoshan District, Hangzhou City	Intermediates and pharmaceutical APIs

Environmental impact assessment approvals being applied for or newly obtained during the reporting period

☑ Applicable ☐ Not applicable

1. Inner Mongolia Yongtai's projects have obtained environmental impact assessment approval: the 600 t/a 2-Chloro-4-fluorotoluene project (EIA approval document No.: H.N.H.S. [2025] No. 10), the 1,000 t/a BFBTF and other projects (EIA approval document No.: W.H.S. [2025] No. 1), the 500 t/a BFAA project (EIA approval document No.: W.H.S. [2025] No. 13), and the 5,000 t/a lithium battery additive project (EIA approval document No.: W.H.S. [2025] No. 40).

2.On 17 August 2025, Yongtai Chiral finalized the Environmental Impact Assessment for the 80 t/a Sitagliptin (50 tons by enzymatic method and 30 tons by chemical method) and 70 t/a Levodopa technical transformation project was finalized. On 2 December 2025, the Environmental Impact Assessment review of the Technical Transformation Project with an Annual Output of 65 Tons of Pregabalin and 50 Tons of Sitagliptin was completed.

The listed company experienced abnormal production stoppages during the reporting period

☐ Applicable ☑ Not applicable

Information on relevant approvals, licenses, qualifications, and validity period

☑ Applicable ☐ Not applicable

S.N.	Qualification name	Validity period	Certificate holder	Whether the renewal conditions are met or not
1	Safety Production Permit	1 March 2024 ~ 28 February 2027	YONGTAI TECH.	
		1 April 2025 ~ 31 March 2028	Yongtai Hi-tech	
		26 January 2024 ~ 25 January 2027	Yongtai New Energy	
		27 December 2024 ~ 26 December 2027	Yongtai Chiral	
		26 November 2025 ~ 25 November 2028	Inner Mongolia Yongtai	
2	Pollutant Discharge Permit	29 March 2024 ~ 28 March 2029	YONGTAI TECH.	
		17 January 2025 ~ 16 January 2030	Yongtai Pharma	
		15 January 2024 ~ 14 January 2029	Shandong Yongtai	
		29 November 2024 ~ 28 November 2029	Yongtai Hi-tech	
		19 December 2023 ~ 18 December 2028	Yongtai New Energy	
		23 May 2024 ~ 22 May 2029	Yongtai Chiral	
		25 December 2024 ~ 24 December 2029	Zhejiang Chiral	
		23 September 2025 ~ 25 September 2030	Foshan Soin	

S.N.	Qualification name	Validity period	Certificate holder	Whether the renewal conditions are met or not
		27 May 2025 ~ 26 May 2030	Inner Mongolia Yongtai	
		16 June 2021 ~ 15 June 2026	Chongqing Yongyuansheng	No
3	Hazardous Chemical Registration Certificate	18 December 2025 ~ 17 December 2028	YONGTAI TECH.	
		22 August 2024 ~ 21 August 2027	Yongtai Hi-tech	
		27 September 2024 ~ 26 September 2027	Yongtai Chiral	
		07 November 2023 ~ 06 November 2026	Inner Mongolia Yongtai	Yes
		24 December 2025 ~ 23 December 2028	Yongtai New Energy	
4	Hazardous Chemical Business License	21 June 2024 ~ 20 June 2027	Shanghai E-Tong	
5	Pesticide Business License	16 October 2024 ~ 15 October 2029	Shanghai E-Tong	
6	Pesticide Production Permit	27 January 2022 ~ 27 January 2027	Inner Mongolia Yongtai	
7	Drug Production Permit	01 June 2022 ~ 31 May 2027	Yongtai Pharma	
		12 October 2022 ~ 19 August 2026	Binhai Meikang	Yes
		15 June 2025 ~ 14 June 2030	Foshan Soin	
		06 May 2025 ~ 05 May 2030	Zhejiang Chiral	
		28 October 2024 ~ 1 December 2027	Yongtai Chiral	

Engaged in petroleum processing and trading industry

□ Yes ☑ No

Engaged in fertilizer industry

□ Yes ☑ No

Engaged in pesticide industry

☑ Yes □ No

Subsidiary Shanghai E-Tong is mainly responsible for the trade of pesticide AIs and formulations, with a focus on exports. It has over 1,800 overseas pesticide registration certificates.

Engaged in chlor alkali and soda ash industries

□ Yes ☑ No

II. Industry situation of the Company during the reporting period

The Company shall comply with the disclosure requirements set out in *No. 3 Guidelines on Self-Regulation of Listed Companies by Shenzhen Stock Exchange - Disclosure of Industry Information* in respect of the chemical industry.

(I) Lithium battery industry

During the reporting period, the lithium battery materials industry witnessed an inflection point of cyclical reversal, with the synergy between upstream and downstream industries gradually emerging and the industry prosperity recovering and improving. In the first half of 2025, the lithium battery materials industry remained in the continuation phase of the previous overcapacity cycle: market prices stayed persistently low, the overall profitability of the industry came under increasing pressure, inefficient capacity was gradually phased out, effective capacity continued to shrink, and the industry entered a stage bottoming-out phase. Entering the second half of the year, upstream lithium ores were included in the catalogue of strategic minerals, raising the threshold for mining access. The structural optimization of the industry’s supply side accelerated, and the price of lithium carbonate stabilized and rebounded, laying a solid cost foundation for the upward movement of lithium battery material prices. Meanwhile, the industry’s supply and demand pattern has also undergone a positive shift. On the one hand, the explosive growth in global energy storage demand, coupled with the sustained long-term expansion of power battery installations, has significantly strengthened demand-side support under the dual drivers. On the other hand, the supply gap formed by earlier production capacity cuts cannot be filled in the short term, triggering a supply-demand mismatch that has driven rapid price increases for lithium battery materials in the fourth quarter.

The company has formed a vertically integrated industrial chain spanning from lithium salt raw materials, lithium salts, additives to electrolytes. It will continue to monitor market dynamics, flexibly adjust production and sales strategies in response to industry supply-demand changes, and strengthen cost control capabilities through process iteration and upgrading as well as refined operational management, so as to nimbly navigate market fluctuations and ensure the company's long-term sustainable development.

(II) Pharmaceutical industry

Currently, driven by both policy regulation and market iteration, China’s traditional generic drugs industry is accelerating its in-depth transformation from scale expansion to quality upgrading. On the one hand, the normalized implementation of national centralized procurement, coupled with the coordinated launch of regional alliance procurement, has covered core fields of traditional generic drugs including anti-infective, cardiovascular and digestive system drugs. Advantages in large-scale production, multi-product bidding capacity and a full-chain supply system have gradually become the core competitiveness of enterprises, driving the continuous improvement of industry concentration. On the other hand, the Digital-Intelligent Transformation Implementation Plan for the Pharmaceutical Industry (2025–2030), jointly issued by seven ministries including the Ministry of Industry and Information Technology, clearly puts forward the goal of “accelerating the digital-intelligent transformation of the pharmaceutical industry and enhancing the quality and safety of drugs”, so as to empower the high-quality development of the pharmaceutical sector and build a modern industrial ecosystem driven by digital intelligence with safety and controllability.

In response to the current situation of the deepening medical reform, the Company will closely monitor policy directions and market demands, and will continue to develop deeply on the basis of its vertically integrated industry chain from intermediates, APIs to finished dosage forms, to build a vertically integrated product chain. Meanwhile, the Company will further expand into the international market, advance its internationalization projects for finished dosage forms, and vigorously promote the approval and consistency evaluation of generic drugs in the domestic market, thereby enhancing the profitability, stability, and scalability of its pharmaceutical sector.

(III) Crop science industry

The crop science industry is the cornerstone underpinning food security and the sustainable development of agriculture. From a fundamentals standpoint, market demand exhibits a dual nature: on one side, the combination of global population growth and the pressure to control pests and diseases renders crop science products inherently inelastic; on the other, the crop science industry faces structural contradictions. Against this backdrop, China's crop science industry is undergoing an in-depth transformation toward policy compliance, green product development, and industrial intensification, accelerating the construction of a modern crop science system that prioritizes "prevention first, combining prevention with control". On the policy side, the “One Certificate, One Product” regime is raising entry barriers and steering the crop science industry toward greater concentration, scale, and standardization, while ever-stricter environmental mandates are compelling firms to optimize capacity structures and accelerate the development and adoption of green technologies. At the same time, with the widespread adoption of green crop science concepts and the comprehensive promotion of green prevention technologies, China's crop science industry will develop towards environmental protection, multi market, digitalization, intelligence, and other aspects. The integration and optimization of industrial chain has become an inevitable trend.

The company has established a vertically integrated industrial chain covering intermediates, technical materials, and formulations in the crop science sector. Going forward, the company will steadily advance capacity construction, strengthen coordination across the entire production-supply-marketing chain, fully leverage the advantages of its overseas platforms to further expand market share, and continuously enhance its core competitiveness in the crop science field.

(IV) Liquid Cooling Industry

At present, the liquid cooling industry is at a strategic opportunity period where technological upgrades intersect with market transformation. From the demand side, the rapid development of artificial intelligence, high-performance computing, and advanced semiconductor processes is driving the cooling needs of data centers and chip manufacturing towards higher density and lower energy consumption. Immersion liquid cooling, with its high-efficiency heat exchange characteristics, is accelerating market penetration, and fluorochemical liquids, as the core cooling medium, are seeing continuous growth in demand. On the policy level, the *Special Action Plan for the Green and Low-Carbon Development of Data Centers* jointly issued by four ministries, reinforces energy efficiency standards through the construction targets of green data centers, accelerating the large-scale application of liquid cooling technology and further catalyzing market expansion. On the industry supply side, structural gaps have emerged due to strategic adjustments by international giants, prompting a global supply chain restructuring and creating a window of opportunity for the domestic development of fluorochemical liquids. Opportunities and challenges coexist in the liquid cooling industry. High barriers to entry include long validation cycles for material compatibility, high complexity in process integration, and non-uniform standards for cross-field applications. Currently, fluorochemical liquid products are showing a trend of diversification, with different technical routes developing for specific scenarios. In the future, the liquid cooling market will continue to evolve towards specialization and refinement under the combined effects of technological iteration, policy guidance, and ecosystem collaboration, forming a stratified competitive market ecosystem.

The Company's current layout in the liquid cooling industry includes fluorochemical liquids for phase-change immersion liquid cooling and single-phase immersion liquid cooling. The electronic fluorochemical liquids produced by the Company are environmentally friendly, energy-efficient, safe, and low-noise. They do not contain "forever chemicals" PFOS or PFOA and offer high heat dissipation efficiency, insulation, thermal stability, and chemical stability. Depending on the performance of different product models, they can be applied to specific scenarios such as semiconductor manufacturing, data center cooling, 5G base station liquid cooling, energy storage thermal management, and chip packaging, etc. Currently, this business accounts for a relatively small proportion of the Company's total revenue. However, the Company will follow industry development trends and downstream application demands, continue to advance product iteration and upgrades, actively promote product market expansion, and strive to grow this business to create a new growth curve.

III. Analysis of core competitiveness

(I) Covering diversified industries horizontally and running through the entire industrial chain vertically to form a long-term competitive advantage

With a focus on fluorine-containing technology, the Company operates in the fields of inorganic and organic fluorine chemicals, and its diversified fine chemical industries include new energy lithium battery materials, pharmaceuticals, and crop science. The Company has a rich range of product types throughout the vertically integrated industrial chains upstream, midstream, and downstream vertically by extending the pharmaceutical and crop science industrial chain to the downstream high value-added APIs and formulations, forming a vertically integrated industrial chain from intermediates, APIs to formulations, while extending lithium battery material products to raw materials for lithium fluoride upstream and electrolyte solution products downstream, forming a vertically integrated industrial chain from raw materials for lithium salts, lithium salts to electrolyte solutions, which allows for effectively improving the Company’s operating efficiency, strengthening business collaboration, guaranteeing supply of raw materials, and enhancing cost advantages, further developing a long-term competitive advantage.

(II) Having several innovative technology platforms, specialized R&D innovation teams and a series of leading technology patents

As one of the first batch of national “Hi-tech Enterprises” and “Patent Demonstration Enterprises in Zhejiang Province”, the Company has R&D innovation platforms such as “National Level Enterprise R&D Center”, “Postdoctoral Research Workstation”, “Provincial Key Enterprise Research Institute”, and “CNAS Certified Safety Laboratory”, which has won the China Patent Gold Award and Patent Excellence Award, and has won multiple provincial and municipal science and technology awards. Besides, it has also applied for multiple “National Torch Plan Projects”. With highly specialized R&D innovation teams, the Company has set up R&D centers in Taizhou, Hangzhou, Shanghai, and maintained good cooperation with several colleges & universities and scientific research institutions, building a perfect, leading and efficient R&D system through the close cooperation with a flurry of colleges & universities and industry experts. Upholding the R&D concept of continuous innovation, the Company has mastered a number of industry-leading comprehensive and innovative technologies, including directional introduction of fluorine atom technology, chiral enzyme-catalysed reaction technology, micro-channel reaction technology, green reaction technology and other advanced technologies.

(III) Possessing a product structure with complete series and variety, comprehensive production platforms

Through years of development, the Company has a wide variety of fluorobenzene intermediate products, which falls into several product series with nearly a hundred products, such as difluoro, trifluoro, pentafluoro, hexafluoro, ortho fluoro, and para fluoro. The vast majority of the products in the product chain can be sold as separate products, showing unique market resilience and broad space for adjustment and upgrading of product structure. In terms of lithium battery materials, the Company has operated raw materials for lithium salts, lithium salts, additives, electrolyte solutions and other products, with its business covering solid products, liquid products and other product forms. With comprehensive production platforms, the Company has formed several relatively sound product matrices to provide a variety of products with complete categories, with highly stable product quality, which is conducive to the centralized ordering of various products required by existing customers. The complete product structure is also conducive to attracting new customers for purchasing.

(IV) Producing various products from the same starting material, with obvious cost advantages

Different from other enterprises in the industry that use purchased intermediate chemicals as raw materials for production, the Company has realized the integration of production with its sound product chain. The production starts from the basic raw materials at the source to effectively reduce the production costs, avoid the joint and several effects of purchased intermediate products due to market supply shortage or price fluctuation, further guaranteeing the stable product quality. Meanwhile, the integration of production brings about more complementary products. Therefore, the Company can flexibly adjust the product structure according to the market demand, so as to avoid risks and maximize its interests. With a rich product structure and proprietary cogeneration technology and equipment, the Company has realized the production model of “producing various products from the same starting material”, which can comprehensively utilize the by-products generated in the production process to produce other products with higher economic value, thereby reducing the overall production costs.

(V) Accumulating long-term and stable industry-leading partners

By means of strong technology, production strength and customized service capabilities, the Company has been recognized by many well-known enterprises at home and abroad, and currently has established stable cooperation with internationally renowned chemical enterprises such as Merck, BASF, Bayer, Sumitomo, Merck Sharp & Dohme and Syngenta, as well as a number of domestic well-known enterprises such as CATL and BYD. The Company has earned the trust of partners with outstanding product quality, good delivery records and strong technical strength. Moreover, it has successfully passed the audit verification conducted by partners with its stringent environmental protection, safety and quality assurance system, thus ensuring the stable cooperation and enhancing the trust of customers.

(VI) Having the ability to flexibly respond to different market demands with multiple production bases nationwide

The Company has established multiple production bases in Zhejiang, Inner Mongolia, Fujian, Guangdong, and other regions to support the growth of the Company’s core business in the future. In reliance on the sound industrial chain and product reserves, the Company can flexibly respond to different market demands through scientific and reasonable allocation of production capacity and synergistic operation of multiple production bases.

IV. Analysis of main businesses

1. Introduction

(1) Overall business situation

Pending supplementation.

In 2025, the company achieved operating revenue of 5,213.58 million yuan, representing a year-on-year increase of 13.60%; Net profit attributable to shareholders of the listed company amounted to -46.10 million yuan, with a year-on-year reduction in loss of 90.36%, indicating a significant improvement in operating efficiency. The detailed operating performance is as follows:

In the lithium battery materials sector:: In 2025, operating revenue increased by 107% year-on-year, and the gross margin improved from -5.24% to 17.82%. During the reporting period, rapid release of demand from the new energy vehicle and energy storage industries drove a substantial year-on-year increase in both sales volume and prices of the company’s core lithium battery material products. As a result, the segment turned from loss to profit, becoming the core driver of the company’s significant loss reduction.

In the crop science sector: In 2025, operating revenue and gross margin increased by 3.33% and 5.86 percentage points year-on-year, respectively, with operating performance remaining stable.

In the pharmaceutical sector: Impacted by the dual pressures of declining product prices due to intensified industry competition and the contraction of market share caused by the expiration of original patents for certain core customers’ products, operating revenue in 2025 decreased by 34.45% year-on-year. In response, the company will actively take measures to restore performance in the pharmaceutical segment: on the one hand, integrate upstream and downstream resources across the entire industrial chain, continuously optimize production operations and cost control systems, and unlock internal potential for cost reduction and efficiency improvement; on the other hand, step up efforts to explore new businesses and markets, strengthen the development of multi-channel sales networks, and cultivate new growth drivers.

(II) Main work review for 2025

1. Upgrade production capacity layout to consolidate the foundation for business growth

During the reporting period, the Company focused on its core industrial sectors, fully promoted the expansion of production capacity and the optimization of product structure, and continuously consolidated the competitiveness of its core segments, laying a solid production foundation for long-term development.

In terms of production capacity construction, the newly added 5,000 t/a lithium battery additive VC project of the wholly-owned subsidiary Inner Mongolia Yongtai, has entered the trial production stage, bringing the company’s total VC production capacity to 10,000 t/a. The 150,000 t/a electrolyte capacity of Yongtai New Energy is being steadily ramped up, further deepening the industrial chain synergy with the company’s existing lithium salt and additive products. Capacity construction in the crop science sector is progressing smoothly as scheduled. New production capacity is gradually ramping up and coming online, with economies of scale becoming increasingly evident. The orderly expansion of production capacity and the continuous deepening of synergies have not only effectively improved production efficiency and resource utilization, but also laid a solid core foundation for the company to consolidate market share and enhance profitability.

Meanwhile, the company's product portfolio in the pharmaceutical sector has been further enriched. During the reporting period, the wholly-owned subsidiary Yongtai Pharma obtained the Drug Registration Certificate approved and issued by the National Medical Products Administration for Sitagliptin Phosphate and Metformin Hydrochloride Tablets and Vonoprazan Fumarate Tablets. Meanwhile, Binhai Meikang, another wholly-owned subsidiary, also received the Drug Registration Certificate for Lidocaine and Prilocaine Cream. These products cover multiple therapeutic areas including diabetes treatment, acid-related disorders, and topical anesthesia for dermatological procedures, enriching the company's pharmaceutical formulation product portfolio and providing diversified product support for the continued expansion into the domestic pharmaceutical terminal market.

2. Promoting the layout of new quality industries and fostering sustainable growth momentum

During the reporting period, the Company adhered to directions of technological innovation and industrial extension, deepened industry-university-research collaboration mechanisms, and fully deployed new-quality industrial tracks. Focused on two core projects: fluorinated fluid and medium-to-long-duration lithium battery technology development, fostered new growth momentum for sustainable development of the company .

For the medium-to-long-duration lithium battery technology development project, the company is continuously improving technological maturity while accelerating the transition from R&D to commercialization, supporting the green and sustainable development of the lithium battery industry and promoting the efficient recycling of resources. For fluorinated fluid products, the company focused on performance optimization and precise adaptation to downstream scenarios, conducting multiple batches of application verification with key customers, and advancing market expansion simultaneously. This lays a solid foundation for broadening its industrial landscape, extending application boundaries, and building a new performance growth engine.

3. Deepen the development of the ESG system to empower high-quality and sustainable development

During the reporting period, the Company adhered to its sustainable development strategy. With green production, shared responsibility, and standardized governance as core dimensions, it systematically advanced the development of its environmental, social and governance (ESG) system, injecting green impetus and a responsible foundation into the long-term high-quality development of the enterprise. During the reporting period, the Company formulated the ESG Management System and established an ESG management framework covering the entire business process. Meanwhile, disclosed its first ESG report, systematically presenting the company’s strategic planning and practical achievements in low-carbon operation, industrial chain responsibility, compliance governance and other fields to the public. Through the further development of the ESG system, the Company has not only achieved standardized upgrading of internal management, but also generated positive feedback in the external market. Its brand image as a responsible enterprise has been continuously enhanced, laying a solid foundation for attracting long-term value investment and deepening core industrial chain cooperation. The company has promoted the coordinated progress of economic, social and environmental benefits, achieving sustained progress in high-quality development.

4. Optimize full-chain supply chain governance to strengthen cost advantages and boost market resilience.

During the reporting period, the Company focused on the collaborative optimization of the full-chain supply chain, making multi-dimensional efforts across upstream supply, production scheduling and downstream market layout, to build a more resilient and competitive supply chain system.

At the upstream supply end, the Company continued to diversify its supplier system, and expanded the number of qualified suppliers through public bidding and strict qualification review, which effectively reduced reliance on single suppliers and ensured the stability of raw material supply. Meanwhile, relying on the large-scale procurement advantages and centralized negotiation mechanism, the Company has gradually lowered procurement prices for key raw material categories to enhance the products cost competitiveness. At the production scheduling end, the Company regularly holds coordination meetings among sales, production and procurement departments, dynamically adjusts production schedules and raw material stocking strategies based on market demand, achieves efficient matching of demand, production and supply, and improves the utilization efficiency of production resources. At the downstream market end, the Company actively expands the breadth and depth of sales channels: on the one hand, it deepens cooperation stickiness with core existing customers to consolidate long-term and stable partnerships; on the other hand, it develops incremental customer groups through multiple approaches, optimizing the customer structure and promoting the diversified development of its customer base.

5. Strengthen the dual-wheel drive of talent and technology to activate intrinsic development momentum

In terms of talent development, the Company has established a full-cycle talent management system covering recruitment, training, incentives, and promotion. During the reporting period, relying on diversified talent introduction channels such as campus recruitment and targeted talent introduction, the Company accurately introduced core professional talents in line with its strategic development needs and continuously optimized the structure of the talent team. The release and repurchase cancellation of part of the restricted shares under the first vesting period of the 2024 Restricted Stock Incentive Plan were successfully completed, which effectively stimulated employees' work enthusiasm and their sense of identity with the Company's long-term development, and further consolidated the foundation of team cohesion and stability.

In terms of technological innovation, the Company has continuously strengthened R&D investment and technological breakthroughs by focusing on core industrial tracks. It has applied for a total of 230 invention patents, of which 186 have been granted, providing solid technical support for consolidating its industry position and expanding the application boundaries of its products.

2. Revenue and cost

(1) Composition of operating income

Unit: Yuan

Item	Year 2025		Year 2024		Year-on-year increase/ decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	5,213,581,337.69	100%	4,589,397,832.70	100%	13.60%
By industry					
Industry	3,921,302,380.18	75.21%	3,184,565,011.65	69.39%	23.13%
Trade	1,280,250,945.77	24.56%	1,393,626,737.80	30.37%	-8.14%
Others	12,028,011.74	0.23%	11,206,083.25	0.24%	7.33%
By product					
Pharmaceutical products	743,128,132.87	14.25%	1,133,659,231.73	24.70%	-34.45%
Crop science products	1,063,816,146.11	20.40%	1,029,494,398.50	22.43%	3.33%
Lithium battery and other materials	2,114,358,101.20	40.55%	1,021,411,381.42	22.26%	107.00%
Trade	1,280,250,945.77	24.56%	1,393,626,737.80	30.37%	-8.14%
Others	12,028,011.74	0.23%	11,206,083.25	0.24%	7.33%
By region					
Domestic	2,896,727,862.49	55.56%	2,477,094,641.86	53.97%	16.94%
Abroad	2,316,853,475.20	44.44%	2,112,303,190.84	46.03%	9.68%
Split sales model					
Direct sales	5,213,581,337.69	100.00%	4,589,397,832.70	100.00%	13.60%

(2) Industries, products, regions, and sales modes accounting for more than 10% of the Company's operating income or profit

☑ Applicable □ Not applicable

The Company shall comply with the disclosure requirements set out in *No. 3 Guidelines on Self-Regulation of Listed Companies by Shenzhen Stock Exchange - Disclosure of Industry Information* in respect of the chemical industry.

Unit: Yuan

Item	Operating revenue	Business costs	Gross margin	Increase or decrease in operating income over the same period a year earlier	Increase or decrease in operating costs over the same period a year earlier	Increase or decrease in gross profit margin over the same period a year earlier
By industry						
Industry	3,921,302,380.18	3,061,051,305.00	21.94%	23.13%	12.88%	7.10%
Trade	1,280,250,945.77	1,203,296,606.91	6.01%	-8.14%	-8.43%	0.30%
By product						
Pharmaceutical products	743,128,132.87	552,410,194.63	25.66%	-34.45%	-33.49%	-1.07%
Crop science products	1,063,816,146.11	770,985,578.64	27.53%	3.33%	-4.39%	5.86%
Lithium battery and other materials	2,114,358,101.20	1,737,655,531.73	17.82%	107.00%	61.65%	23.06%
Trade	1,280,250,945.77	1,203,296,606.91	6.01%	-8.14%	-8.43%	0.30%
By region						
Domestic	2,884,702,725.51	2,538,617,696.45	12.00%	16.98%	6.38%	8.77%
Abroad	2,316,850,600.44	1,725,730,215.46	25.51%	9.68%	5.25%	3.13%
Split sales model						
Direct sales	5,201,553,325.95	4,264,347,911.91	18.02%	13.62%	5.92%	5.96%

The Company’s main business data for the most recent year adjusted according to the caliber at the end of the reporting period if the statistical caliber of the Company’s main business data is adjusted during the reporting period.

☐ Applicable ☑ Not applicable

Unit: Yuan

Product Name	Yield	Sales volume	Revenue realization situation	Price trend during the reporting period	Reasons result in change
Intermediate	8,067.30 tons	8,071.71 tons	1,070,344,801.39	The average selling price in the first half of the year was higher than the average selling price in the second half of the year	It was mainly caused by market price fluctuations.
Pharmaceutical APIs	1,570.17 tons	1,294.63 tons	400,034,231.06	The average selling price in the first half of the year was higher than the average selling price in the second half of the year	It was mainly caused by market price fluctuations.
Lithium battery material	107,292.73 tons	107,247.61tons	1,769,472,511.86	The average selling price in the second half of the year was higher than the average selling price in the first half of the year	It was mainly caused by market price fluctuations.

The operating income or net profit generated from overseas business accounts for more than 10% of the audited operating income or net profit of the Company in the most recent accounting year.

☐ Yes ☑ No

(3) Is the Company's physical sales revenue greater than its labor revenue?

☑ Yes ☐ No

Industry classification	Item	Unit	Year 2025	Year 2024	Year-on-year increase/ decrease
Industrial manufacturing industry	Sales volume	Ton	116,613.95	65,369.42	78.39%
	Production volume	Ton	116,930.20	65,668.32	78.06%
	Inventory	Ton	4,934.30	4,618.05	6.85%
Pharmaceutical preparations	Sales volume	10,000 capsules/ tablets/ pieces	65,509.49	69,004.86	-5.07%
	Production volume	10,000 capsules/ tablets/ pieces	65,443.59	72,403.74	-9.61%
	Inventory	10,000 capsules/ tablets/ pieces	13,099.31	13,165.21	-0.50%

Explanation on the reasons why the relevant data has changed by more than 30% year-on-year

☑ Applicable □ Not applicable

The significant increase in production and sales in the industrial manufacturing industry is mainly due to the substantial growth in the production and sales volume of electrolytes.

(4) Performance status of major sales contracts and major procurement contracts signed by the Company as of this reporting period

□ Applicable ☑ Not applicable

(5) Composition of operating costs

Industry classification

Unit: Yuan

Industry classification	Item	Year 2025		Year 2024		Year-on-year increase/ decrease
		Amount	Proportion to operating costs	Amount	Proportion to operating costs	
Industry	Direct material	2,205,964,968.05	72.06%	1,880,851,857.10	69.36%	17.29%
Industry	Direct labor	117,402,863.00	3.84%	116,896,579.27	4.31%	0.43%
Industry	Manufacture cost	664,159,747.97	21.70%	651,100,723.44	24.01%	2.01%
Industry	Other expenses	73,523,725.98	2.40%	63,045,449.99	2.32%	16.62%
Industry	Subtotal	3,061,051,305.00	100.00%	2,711,894,609.80	100.00%	12.88%

(6) Has there been any change in the scope of consolidation during the reporting period?

☑ Yes □ No

Please refer to IX. Changes in the Scope of Merger in Section VIII, Financial Reporting.

(7) Significant changes or adjustments in the Company's business, products, or services during the reporting period

□ Applicable ☑ Not applicable

(8) Main sales customers and suppliers

Main sales customers of the Company

Total sales amount of the top five customers (Yuan)	1,493,199,356.30
The proportion of the total sales amount of the top five customers to the annual total sales amount	28.64%
The proportion of related party sales amount to annual total sales among the top five customers	0.00%

Information on the Company’s top 5 customers

S.N.	Customer Name	Sales revenue (Yuan)	Proportion to annual total sales amount
1	No. 1	648,454,681.00	12.44%
2	No. 2	227,034,403.97	4.35%
3	No. 3	218,374,733.25	4.19%
4	No. 4	202,227,887.61	3.88%
5	No. 5	197,107,650.47	3.78%
Total	--	1,493,199,356.30	28.64%

Explanation on other situations of main customers

□ Applicable ☑ Not applicable

Main suppliers of the Company

Total purchase amount from the top five suppliers (Yuan)	620,377,469.19
The proportion of the total procurement amount of the top five suppliers to the total annual procurement amount	17.83%
The proportion of related party procurement amount to the total annual procurement amount among the top five suppliers	0.00%

Information on the Company’s top 5 suppliers

S.N.	Supplier name	Procurement amount (Yuan)	Proportion to annual total procurement amount
1	No. 1	305,506,431.87	8.78%
2	No. 2	105,886,725.62	3.04%
3	No. 3	71,972,329.16	2.07%
4	No. 4	68,603,094.03	1.97%
5	No. 5	68,408,888.51	1.97%
Total	--	620,377,469.19	17.83%

Explanation on other information of main suppliers

□ Applicable ☑ Not applicable

During the reporting period, revenue from the Company’s trading business accounted for more than 10% of its total operating revenue.

☑ Applicable □ Not applicable

Information on the Company’s top 5 customers of trading business

S.N.	Customer Name	Sales revenue (Yuan)
1	No. 1	45,657,250.00
2	No. 2	34,829,076.04
3	No. 3	33,042,836.99
4	No. 4	26,542,435.75
5	No. 5	26,277,874.86
Total	--	166,349,473.64

Information on the Company’s top 5 suppliers of trading business

S.N.	Supplier name	Procurement amount (Yuan)
1	No. 1	51,950,791.74
2	No. 2	48,449,152.43

3	No. 3	45,113,229.37
4	No. 4	35,000,197.01
5	No. 5	32,715,401.38
Total	--	213,228,771.93

3. Expenses

Unit: Yuan

	Year 2025	Year 2024	Year-on-year increase/ decrease	Explanation of significant changes
Marketing expenses	123,678,363.52	103,917,470.66	19.02%	No significant changes;
Management expenses	550,733,129.05	565,090,881.10	-2.54%	No significant changes;
Financial expenses	201,847,515.13	144,946,965.57	39.26%	It was mainly caused by increased interest expenses resulting from additional financing during the period and higher exchange losses due to exchange rate fluctuations.
R&D expenses	130,259,083.90	120,077,109.47	8.48%	No significant changes;

4. R&D investment

☑ Applicable □ Not applicable

Main R&D Project Name	Project purpose	Project progress	Intended targets to be achieved	Expected impact on the future development of the Company
Lithium battery material	Improve the high and low-temperature performance of lithium batteries, and enhance the number of lithium battery cycles and operational stability.	8 product is in the small-trial stage, 1 products are in the pilot stage, and 4 products are in the trial production stage.	Meet customer's demands for product improvement and production, achieve commercial sales	Assist the Company in further consolidating the electrolyte industry chain, improving the one-stop supply system, and further expanding the Company's influence in the field of new energy
High quality fluorobenzene fine chemicals	Enrich the Company's product line and consolidate its position in the market	1 product is in the small-trial stage, 1 products are in the pilot stage, and 1 products are in the trial production stage.	Respond to the demand for diversified new products in the market, expand its own advantages, and achieve commercial sales	Expand the Company's product varieties with basic advantages, accelerate the transformation to high-end manufacturing, and consolidate the leading position of fluorobenzene chemicals
Crop science products	Utilize the existing platform advantages of the Company, improve the product layout in this field, and enhance the competitiveness of the enterprise	1 product is in the trial production stage	Collaborate with high-quality domestic and international customers to meet their product improvement and production demands, and realize commercial sales.	Help the company further consolidate its pesticide industry chain, perfect its one-stop supply system, and further expand its influence in the pesticide field.
Cardiovascular system drugs	Utilize the existing platform advantages of the Company, improve the product layout in this field, and enhance the	1 products are in the pilot stage	Realize integrated production and commercial sales of intermediates, APIs, and preparations	Utilize the Company's existing integrated preparation platform and front-end manufacturing advantages to accelerate the commercialization of heavyweight products and enrich

Main R&D Project Name	Project purpose	Project progress	Intended targets to be achieved	Expected impact on the future development of the Company
	competitiveness of the enterprise			the Company's product categories
Diabetes drugs	Rely on the existing advantageous varieties, expand the variety and scale of the products in the field, and reduce manufacturing costs	2 product is in the small-trial stage, 1 products are in the trial production stage.	Realize integrated production and commercial sales of intermediates, APIs, and preparations	Improve the popularity and influence of the enterprise in the field of diabetes medication. Improve the pipeline of more high-end hypoglycemic drugs and strengthen the competitiveness of the enterprise.
Central nervous system drugs	Increase the key products in this field and further expand the coverage of central nervous system drug varieties.	3 product is in the small-trial stage, 1 products are in the pilot stage, and 2 products are in the trial production stage.	Realize integrated production and commercial sales of intermediates, APIs, and preparations	Utilize the Company's existing integrated preparation platform and front-end manufacturing advantages to accelerate the commercialization of new products and enrich the Company's product categories.
Digestive system drugs	Accelerate the R&D of new products and lay out the latest generation product pipeline in advance	1 product is in the pilot stage and 1 products are in the trial production stage	Realize integrated production and commercial sales of intermediates, APIs, and preparations	Enhance the popularity of the enterprise in the field of digestive system medication, accelerate the layout of high-end new products, and enhance the competitiveness of the enterprise.
Anti-infective drugs	Process innovation was implemented for the existing technologies of the aforementioned anti-infective drugs, thereby increasing the output of high value-added products and improving economic efficiency.	1 product is in the pilot stage and 1 products are in the trial production stage	Realize integrated production and commercial sales of intermediates, APIs, and preparations	Improve the industrial chain layout of anti-infective drugs, enrich the product portfolio, give full play to market initiative, and enhance the core competitiveness of the Company.

Situation of R&D personnel in the Company

Item	Year 2025	Year 2024	Change ratio
Number of R&D personnel (persons)	506	464	9.05%
The proportion of R&D personnel	14.72%	13.38%	1.34%
Educational structure of R&D personnel			
Bachelor	290	274	5.84%
Master	37	22	68.18%
Doctor	2	3	-33.33%
Others	177	165	7.27%
Age composition of R&D personnel			
Under 30 years old	202	217	-6.91%
30-40 years old	176	141	24.82%
Over 40 years old	128	106	20.75%

R&D investment of the Company

	Year 2025	Year 2024	Change ratio
R&D investment amount (Yuan)	148,991,790.97	140,378,251.46	6.14%
The proportion of R&D investment to operating income	2.86%	3.06%	-0.20%

The amount of R&D investment capitalization (Yuan)	18,732,707.07	20,301,141.99	-7.73%
The proportion of capitalized R&D investment to R&D investment	12.57%	14.46%	-1.89%

Reasons and impacts of significant changes in the composition of R&D personnel in the Company

□ Applicable ☑ Not applicable

The reason for the significant change in the proportion of total R&D investment to operating income compared to the previous year

□ Applicable ☑ Not applicable

Reasons for significant changes in capitalization rate of R&D investment and their rationality explanation

☑ Applicable □ Not applicable

The significant change in the capitalization of R&D expenditure was mainly due to the relatively low success rate of R&D projects, resulting in more R&D investment being recognized as current expenses rather than being capitalized.

5. Cash flow

Unit: Yuan

Item	Year 2025	Year 2024	Year-on-year increase/ decrease
Sub-total of cash inflows from operating activities	3,502,354,642.39	3,015,835,167.18	16.13%
Sub-total of cash outflows from operating activities	3,574,385,926.48	3,126,704,177.54	14.32%
Net cash flows from operating activities	-72,031,284.09	-110,869,010.36	35.03%
Sub-total of cash inflows from investment activities	35,012,859.23	132,590,092.91	-73.59%
Sub-total of cash outflows from investment activities	332,183,622.99	476,527,335.06	-30.29%
Net cash flow from investment activities	-297,170,763.76	-343,937,242.15	13.60%
Sub-total of cash inflows from financing activities	5,488,760,308.05	4,018,140,467.44	36.60%
Sub-total of cash outflows from financing activities	5,222,823,640.52	3,917,904,724.71	33.31%
Net cash flow from financing activities	265,936,667.53	100,235,742.73	165.31%
Net increase in cash and cash equivalents	-106,276,795.76	-337,654,096.08	68.52%

Explanation on the main influencing factors for significant year-on-year changes in relevant data

☑ Applicable ☐ Not applicable

Net cash flows from operating activities increased by 35.03% year-on-year, primarily due to improved operating performance during the current period.

Net cash flow from investment activities increased by 13.60% year-on-year, mainly attributable to a decrease in cash payments for the purchase and construction of fixed assets and other long-term assets during the current period.

Net cash flow from financing activities increased by 165.31% year-on-year, chiefly as a result of increased borrowings received and increased cash received from other financing activities during the current period.

Explanation on the reasons for the significant difference between the net cash flow generated by the Company's operating activities during the reporting period and the net profit of this year

☑ Applicable ☐ Not applicable

Mainly due to depreciation of fixed assets, amortization of intangible assets, as well as changes in operating receivables and operating payables.

V. Analysis of non-main businesses

☑ Applicable □ Not applicable

Unit: Yuan

Item	Amount	Proportion to total profit	Explanation of the cause	Sustainable or not
Investment income	20,265,832.72	-17.96%	It was mainly due to the investment income from long-term equity investments accounted for using the equity method and the gains from debt restructuring during the reporting period.	No
Profits and losses from changes in fair value	-44,587,186.35	39.51%	It was mainly due to the changes in fair prices of minority shareholder equity repurchase financial liabilities during the reporting period.	No
Asset impairment	-3,557,422.41	3.15%	It was mainly due to the provision for inventory write-down and the impairment loss on development expenditure during the reporting period.	No
Non-operating income	10,737,144.22	-9.51%	It is mainly due to the clearance and write-off of accounts payable that had been long outstanding beyond the specified period during the reporting period;	No
Non-operating expenses	10,266,723.77	-9.10%	It was mainly caused by losses from damage and scrappage of non-current assets as well as external donations during the reporting period.	No
loss from credit impairment	-11,861,987.84	10.51%	It was mainly due to the provision for bad debts on notes receivable, accounts receivable, and other receivables.	

VI. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: Yuan

Item	End of 2025		At the beginning of 2025		Increase or decrease in proportion	Explanation of significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Monetary funds	423,412,552.85	3.78%	739,281,281.26	6.61%	-2.83%	It was mainly caused by an increase in the proportion of credit sales and a decline in the accounts receivable turnover rate during the reporting period.
Accounts receivable	1,445,257,530.40	12.89%	1,275,457,219.97	11.40%	1.49%	It was mainly due to an increase in sales revenue during the reporting period;
Inventory	1,107,788,659.76	9.88%	987,727,619.21	8.83%	1.05%	It was mainly due to an increase in sales revenue and a corresponding rise in inventory during the reporting period.
Real estate for investment purposes	17,448,766.61	0.16%	18,697,548.83	0.17%	-0.01%	No significant changes;
Long-term equity investment	254,383,993.38	2.27%	239,543,841.46	2.14%	0.13%	No significant changes;
Fixed assets	3,908,728,868.31	34.85%	4,116,308,693.91	36.78%	-1.93%	It was mainly caused by the accrual of accumulated

Item	End of 2025		At the beginning of 2025		Increase or decrease in proportion	Explanation of significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
						depreciation during the reporting period.
Construction in process	1,599,879,666.64	14.26%	1,484,952,659.78	13.27%	0.99%	It is mainly due to the increase of construction in process of Inner Mongolia Yongtai project
Right of use assets	2,832,079.11	0.03%	5,624,982.82	0.05%	-0.02%	No significant changes;
Short-term loan	2,303,099,403.93	20.54%	1,744,714,985.76	15.59%	4.95%	It is mainly due to an increase in bank loan during the reporting period;
Contractual liabilities	76,813,885.07	0.68%	428,776,934.50	3.83%	-3.15%	It was mainly due to the transfer of related goods to customers during the reporting period.
Long-term Borrowings	814,215,058.63	7.26%	1,411,479,225.22	12.61%	-5.35%	It is mainly due to repayment of long-term bank loan during the reporting period;
Lease liabilities	1,088,336.12	0.01%	2,733,644.64	0.02%	-0.01%	No significant changes;

High proportion of overseas assets

□ Applicable ☑ Not applicable

2. Assets and liabilities measured at fair value

☑ Applicable □ Not applicable

Unit: Yuan

Item	Beginning Amount	Profits and losses from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Impairment provision for the current period	Purchase amount for the current period	Current period sales Amount	Other changes	Closing Amount of the Period
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	11,026,941.00					11,026,941.00		
2. Derivative financial assets	166,771.61	7,329,373.65				166,771.61		7,329,373.65
4. Investment in other equity instruments	87,119,654.31		54,920,039.51				-3,048,542.80	84,071,111.51
Subtotal of financial assets	98,313,366.92	7,329,373.65	54,920,039.51			11,193,712.61	-3,048,542.80	91,400,485.16

Item	Beginning Amount	Profits and losses from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Impairment provision for the current period	Purchase amount for the current period	Current period sales Amount	Other changes	Closing Amount of the Period
Accounts receivable financing	35,371,299.21				1,546,711,711.92	1,557,023,425.47		25,059,585.66
Total of the above items	133,684,666.13	7,329,373.65	54,920,039.51		1,546,711,711.92	1,568,217,138.08	-3,048,542.80	116,460,070.82
Financial liabilities	612,182.86	1,528,080.00				612,182.86		1,528,080.00

Other changes: None

Whether there been any significant changes in the measurement attributes of the Company’s main assets during the reporting period

☐ Yes ☑ No

3. Limitation of rights in assets as of the end of the reporting period

Unit: Yuan

Item	Period ending			
	Book balance	Book value	Limited type	Limited situation
Monetary funds	315,765,756.59	315,765,756.59	Pledge and freezing	Used for issuing bank acceptance bills, bank loans, futures accounts, and court litigation freezing
Accounts receivable	55,435,612.15	52,663,831.54	Pledge	Used for issuing bank acceptance bills
Notes receivable	357,064,366.36	351,702,533.56	Others	Endorsed/ discounted but not expired and not derecognized
Other equity instrument investments	83,091,525.58	83,091,525.58	Freezing	Court litigation freeze
Fixed assets	2,450,923,335.25	1,429,006,415.63	Mortgage	Used for bank loans
Real estate for investment purposes	25,834,250.40	17,448,766.61	Mortgage	Used for bank loans
Intangible assets	339,152,473.28	261,556,062.42	Mortgage	Used for bank loans
Construction in process	157,749,810.80	157,749,810.80	Mortgage	Used for bank loans
Total	3,785,017,130.41	2,668,984,702.73		

VII. Analysis of investment

1. Overall situation

☑ Applicable ☐ Not applicable

Investment amount during the reporting period (Yuan)	Investment amount for the same period last year (Yuan)	Change amplitude
360,873,949.68	396,048,707.20	-8.88%

2. Significant equity investments obtained during the reporting period

☐ Applicable ☑ Not applicable

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

☑ Applicable ☐ Not applicable

Unit: Yuan

Project name	Investment method	Whether it is fixed-asset investment	Industry for project investment	Investment amount in this reporting period	Accumulated actual investment amount as of the end of the reporting period	Source of funds	Project progress	Estimated Gains	Accumulated realized revenue as of the end of the reporting period	Reasons for not achieving planned progress and expected revenue	Disclosure date (if any)	Index for disclosure (if any)
Inner Mongolia Yongtai Project	Self-build	Yes	Pharmaceutical intermediates, pesticide intermediates and AIs, lithium battery materials, etc.	183,885,890.78	2,728,820,262.32	Own funds or self-raised funds	90.96%	/	/	Under construction	29 February 2020,28 May 2021,5 June 2021,1 September 2021,18 November 2025	Juchao Information Website (http://www.cninfo.com.cn) (Announcement No.: 2020-011, 2021-030, 2021-031, 2021-065, 2025-079)
Yongtai Hi-tech 134,000 t/a liquid Lithium Salt Industrialization Project	Self-build	Yes	Electrolyte lithium salts	10,707,522.27	727,809,594.51	Own funds or self-raised funds	91.81%	/	/	Under construction	15 October 2021, 17 January 2024	Juchao Information Website (http://www.cninfo.com.cn) (Announcement No.: 2021-075, 2024-004)
Total	--	--	--	194,593,413.05	3,456,629,856.83	--	--	/	/	--	--	--

Note: On March 13, 2026, the resolution of the 6th meeting of the 7th Board of Directors of the Company canceled the yet-to-be-put-into-operation part of Yongtai Hi-tech's 134,000 t/a liquid Lithium Salt Industrialization Project and carried out production capacity technical transformation.

4. Investment in financial assets

(1) Investment in securities

☐ Applicable ☑ Not applicable

There was no investment in securities by the Company during the reporting period.

(2) Investment in derivatives

☑ Applicable ☐ Not applicable

1) Derivative investments for hedging purposes during the reporting period

☑ Applicable □ Not applicable

Unit: RMB 10,000

Types of investment in derivatives	Initial investment amount	Period-beginning amount	Profits and losses from changes in fair value in the current period	Accumulated changes in fair value recognized in equity	Purchase amount during the reporting period	Sales amount during the reporting period	Period-ending amount	Ratio of ending investment amount to the Company's net assets at the end of the reporting period
Foreign exchange contracts	64,112.52	2,967.1	0	0	61,145.42	64,112.52	0	0.00%
Futures contracts	0	10.26	-152.81	0	0	10.26	-152.81	-0.06%
Total	64,112.52	2,977.36	-152.81	0	61,145.42	64,122.78	-152.81	-0.06%

Explanation on the accounting policies and specific accounting principles for hedging business during the reporting period and whether there are significant changes compared to the previous reporting period	There are no significant changes in the accounting policies and specific accounting principles of the Company's derivatives during the reporting period compared to the previous reporting period.
Explanation on actual profits and losses situation during the reporting period	The actual profits and losses during the reporting period was RMB -7,926,700.00 Yuan
Explanation on hedging effectiveness	The Company carried out derivatives hedging business in a moderate manner based on specific circumstances, which can effectively reduce foreign exchange risks and market risks, lock in the order profits of its business, and reasonably control relevant risks in operations.
Source of funds for investment in derivatives	Own funds
Explanation of risk analysis and control measures for derivative holdings during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	The Company has established a stringent risk control system for investment in derivatives, including authorization, approval, operation and recording of transactions by appropriate personnel, as well as regular analysis and inspection of relevant risk factors by the Management.
In case of any changes in market prices or fair value of products of derivatives invested during the reporting period, the analysis of fair value of derivatives should disclose the specific methods used, relevant assumptions, and parameter settings	The Company performs recognition and measurement in accordance with the relevant provisions of *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, *Accounting Standards for Business Enterprises No. 24 - Hedge Accounting*, and *Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments.* The fair value of foreign exchange contracts is determined according to the price provided or obtained by bank pricing service providers, which is measured and recognized quarterly, and the changes in fair value of forward foreign exchange settlement business is mainly caused by differences in exchange rate fluctuation.
Litigation situation (if applicable)	Not Applicable
Disclosure date of announcement by the Board of Directors for approval of investment in derivatives (if any)	28 April 2025

2) Derivative investments for speculative purposes during the reporting period

□ Applicable ☑ Not applicable

The Company has no derivative investment for speculative purposes during the reporting period.

VIII. Material asset and equity disposal

1. Disposal of material assets

□ Applicable ☑ Not applicable

No material assets were sold by the Company at the end of the reporting period.

2. Material Disposal of equity

□ Applicable ☑ Not applicable

IX. Analysis of principal subsidiaries and investees

☑ Applicable □ Not applicable

Condition of principal subsidiaries and investees with an impact on the Company's net profit of more than 10%

Unit: Yuan

Company name	Corporation Type	Major business	Registered Capital	Total assets	Net Assets	Operating revenue	Operating profit	Net profit
Inner Mongolia Hehui	Subsidiary company	Sale of chemical raw materials and chemical products	1,291,000,000.00	3,062,620,812.98	1,197,593,301.17	1,141,388,973.95	95,717,163.54	82,080,882.71
Zhejiang Chiral	Subsidiary company	Manufacturing and sales of pharmaceutical intermediates and APIs	20,348,152.00	614,467,256.94	370,383,562.73	356,251,968.69	105,020,925.66	90,132,948.39
Foshan Soin	Subsidiary company	Production and sales of chemical pharmaceutical preparations and Chinese patent medicine preparations.	213,150,000.00	322,664,141.61	274,739,131.13	125,793,025.25	23,033,756.60	19,606,368.47
Yongtai Pharma	Subsidiary company	Manufacturing and sales of raw material preparations and APIs	400,000,000.00	148,286,434.32	-10,118,183.26	16,753,989.83	-59,075,800.08	-59,060,319.95
Yongtai Chiral	Subsidiary company	Manufacturing and sales of pharmaceutical intermediates and APIs	400,000,000.00	709,171,970.82	164,358,714.29	92,824,584.63	-76,782,101.50	-20,523,163.56
Yongtai New Energy	Subsidiary company	Production and sales of electronic specialized materials.	330,000,000.00	1,133,069,465.28	125,939,964.57	1,344,148,099.29	18,011,672.56	13,251,966.13
Yongtai Hi-tech	Subsidiary company	Manufacturing and sales of lithium battery materials	300,000,000.00	1,877,037,949.31	764,796,413.99	928,351,478.26	50,257,373.21	107,976,461.99
Shanghai E-Tong	Subsidiary company	Trade	10,000,000.00	1,246,684,217.44	372,062,117.31	1,688,280,884.64	19,004,711.01	6,958,482.42
E-TONG CHEMICAL	Subsidiary company	Trade	710,590.00	120,575,259.04	22,442,902.94	198,554,737.96	7,908,265.80	6,345,237.27
Anbison	Participating companies	Scientific research and technical	13,970,588.00	1,340,047,511.19	1,194,164,433.39	328,927,352.20	108,113,937.64	93,827,879.50

Company name	Corporation Type	Major business	Registered Capital	Total assets	Net Assets	Operating revenue	Operating profit	Net profit
		services						

Acquisition and disposal condition of subsidiaries during the reporting period

☑ Applicable □ Not applicable

Company name	Ways of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation and performance
E-Tong Chemical (Thailand) Co., Ltd.	Newly established	It will not have a material impact on the Company's production and operating, overall business development, current period profit, or subsequent period profit.
Shanghai Yongtaixin Fluorine New Materials Co., Ltd.	Newly established	It will not have a material impact on the Company's production and operating, overall business development, current period profit, or subsequent period profit.
E-TONG BRAZIL	Newly established	It will not have a material impact on the Company's production and operating, overall business development, current period profit, or subsequent period profit.
SENWELL NIGERIA	Newly established	It will not have a material impact on the Company's production and operating, overall business development, current period profit, or subsequent period profit.

Description of principal holding and participating companies

1.Inner Mongolia Yongtai is the Company’s core subsidiary in the field of fluorobenzene fine chemicals. It mainly produces pharmaceutical intermediates, crop science intermediates, and lithium battery additives. During the reporting period, with the gradual commissioning of ongoing construction projects, the subsidiary expanded its product portfolio and steadily improved capacity utilization rate. Meanwhile, both sales volume and selling price of lithium battery additives increased, driving a year-on-year net profit growth of 356.94%.

2. Zhejiang Chiral, Foshan Soin, Yongtai Pharma and Yongtai Chiral are the key subsidiaries of the Company’s pharmaceutical segment, primarily engaged in the production of pharmaceutical APIs and pharmaceutical finished dosages preparations. Among them, Zhejiang Chiral and Foshan Soin feature mature overall operation and stable performance, with their combined net profit dropping by 1.84% year-on-year. By contrast, Yongtai Pharma and Yongtai Chiral have yet to achieve profitability due to relatively low capacity utilization.

3.Yongtai New Energy and Yongtai Hi-tech are the principal subsidiaries of the Company’s lithium battery segment, specializing in lithium battery electrolyte and lithium salt products. During the reporting period, bolstered by the rapid growth in market demand from the new energy vehicle and energy storage industries, the sales volume and prices of the Company’s core lithium battery material products rose sharply year-on-year, enabling Yongtai New Energy and Yongtai Hi-tech to turn losses into profits.

X. Structured entities controlled by the Company

□ Applicable ☑ Not applicable

XI. Outlook for the future development of the Company

(I) Industry competitive landscape and development trends

Fluorine chemical industry refers to the chemical sub-industry for fluorine-containing elements in the molecular structure of products, which is an advantageous industry with distinctive resources in China. Fluorine chemical products, as important industrial raw materials, can provide support for many strategic industries such as high-end manufacturing, environmental protection, new energy, and new materials. From an industry perspective, fluorine chemical industry can be divided into inorganic fluorine chemical industry and organic fluorine chemical industry. The inorganic fluorine chemical industry, as an important component of the chemical industry, is an important supply source of raw materials and auxiliary materials for downstream industries such as machinery, electronics, and metallurgy. Its main products include fluoride salts, electronic grade fluorides, and other inorganic fluorides. The organic fluorine chemical industry, as one of the industries with the fastest development, highest and newest technology, and best prospect in the chemical industry, serves many important fields such as industrial manufacturing, pharmaceutical R&D, new material R&D, and agricultural production. Its main products include fluorinated polymers, fluorinated fine chemicals, refrigerants, foaming agents, and fire extinguishers, etc.

In the fierce market competition, the fluorine chemical industry faces both challenges and opportunities. On the one hand, as a chemical industry, it is affected by the industry's supply cycle, downstream consumption cycle, and macro cycle fluctuations. Product prices are highly volatile and under sustained pressure, and the supply-demand structure still needs to be improved. On the other hand, under the continuous driving of environmental policy pressure and technological progress, new technologies and products in the fluorine chemical industry are constantly being applied. In addition, with the rigid demand for high-performance fluorine polymers and fluorine containing fine chemicals in automobiles, electronics, new energy, and environmental protection, fluorine chemical industry has broad development space in the future.

The Company is mainly engaged in fluorine containing fine chemical industry, which is at the forefront of fluorine chemical industry and has the characteristics of high technological barriers and high added value. The downstream industry not only involves fluorine containing medicine, crop science, dyes, refrigerants, electronic chemicals, and other livelihood fields, but also is widely used in important fields such as construction, transportation, new energy, military industry, and aerospace technology. Therefore, the demand is rigid to some extent.

(II) The Company's future development strategy

1. Continuously and deeply cultivate new energy, lithium battery materials, and pharmaceutical sectors, further enhance market scale, and consolidate its leading position in the industry. Of which: In the lithium battery material sector, the Company will increase the R&D and layout of lithium salt raw materials, lithium salts, additives, electrolytes and other products according to the demands of downstream customers, and build a relatively complete one-stop procurement platform for electrolyte materials for customers. In the pharmaceutical sector, the Company will base itself on the vertical integrated industrial chain platform, continue to rely on the core technologies such as the directional introduction of fluorine atoms, chiral enzyme catalysis, and microchannel reaction, and further develop in cardiovascular, diabetes, central nerves, digestive system, and other fields; In the crop science sector, the company will continue to improve its product and production capacity layout on the basis of the vertically integrated industrial chain of pesticide intermediates, active ingredients, and formulations. It will keep developing low-carbon and environmentally friendly production processes, fully leverage its advantages in pesticide registration certificates, and strive to provide comprehensive and high-efficiency crop science solutions for agricultural production.

2. Seizing the development opportunities of the digital economy and green low-carbon economy, and oriented by the construction of new-quality productive forces, the Company will focus on fluorinated chemicals, its core business, to create a new growth curve. The Company's fluorinated liquid products can be used in semiconductor manufacturing, immersive data center cooling, and thermal management of energy storage batteries. The current product matrix already covers the two major technical routes of phase-change immersion and single-phase immersion. In the future, the Company will accelerate technological iteration and application innovation, actively expand the market, and promote the fluorinated liquid business to become an important growth pole for the Company in the new-quality industry track.

3. Continuously improve the levels of pipeline, automation, sealing, and circulation of the core production platform, and strengthen cost advantages. The Company will continue to strictly adhere to the three red lines, namely, "safety", "environmental protection", and "quality", continuously promote circular production and supporting construction, to achieve the circulation of products and by-products, the sealing of production processes, promote energy-saving and low-carbon processes, reduce energy consumption costs and comprehensive production costs, and improve the overall market competitiveness of the Company.

4. Develop a high-quality innovation platform, cultivate a high-level technical team, and form sustained technological innovation capabilities. As a Hi-tech enterprise, the Company will continue to deepen the construction of a high-quality R&D

platform and maintain good industry-university-research cooperation with many universities and research institutions, providing the possibility for the Company to introduce and cultivate scientific research talents and further explore the industrialization of university technology.

5. Play the collaborative advantages of the industrial chain and deeply explore strategic customers. The Company will further play its industrial collaborative advantages, deepen the collaborative effect of industrial chain vertically, expand product coverage dimensions horizontally, strengthen cooperation with the existing customers, develop long-term customers with strategic cooperation, and explore more demands around these strategic customers.

6. Further expand the overseas business domain and accelerate the global business layout. The Company will further expand its overseas business and accelerate the development of an international platform for pharmaceutical preparations to expand its pharmaceutical product business and utilize over 1,800 overseas pesticide product registration certificates obtained in over 60 countries simultaneously to strengthen crop science products and trade operations; In terms of new energy materials business, we plan to expand into the countries that can enjoy the policy dividends in new energy industry.

(III) Work plan for 2026

1. Deepen the layout of the lithium battery materials sector and accelerate the implementation of new-quality industries

In 2026, the Company will closely follow changes in market demand, scientifically plan the capacity layout of lithium battery materials, and continuously promote capacity expansion, optimization and upgrading of core products such as electrolytes and lithium hexafluorophosphate. On the one hand, the Company will steadily expand its production scale through multiple measures including new production line construction, existing capacity ramp-up and product utilization improvement, further strengthen the scale effect and consolidate cost advantages. On the other hand, the Company will increase investment in R&D and innovation, focus on process technological transformation and product diversification, continuously optimize production processes, improve product quality and added value, and enhance market competitiveness. Meanwhile, the Company will actively expand market promotion channels, enrich the supply chain structure, optimize the allocation of upstream and downstream resources, improve the synergy efficiency and risk resistance of the supply chain, and further consolidate the Company’s industry position in the lithium battery materials sector.

In terms of new-quality productivity layout, the Company will closely track market dynamics and policy guidelines, and accelerate the industrialization of emerging products such as fluorinated fluids and lithium-supplement agents. In 2026, the Company will focus on the application and promotion of fluorinated fluids in segmented scenarios including semiconductor manufacturing and data center cooling, strengthen communication and liaison with target customers, and speed up commercialization. At the same time, the Company will steadily enhance the technical maturity and market promotion of the lithium-supplement agent project, laying a solid foundation for fostering new performance growth drivers and leading the Company’s new journey of high-quality development.

2. Deepen the market layout of the pharmaceutical sector and accelerate the implementation and effectiveness of crop science production capacity

In 2026, the Company’s pharmaceutical sector will closely adapt to changes in the market landscape, steadily deepen the existing market and improve the channel system. In the domestic market, the Company will focus on tertiary and secondary hospitals as key terminals, proactively advance bidding and online listing procedures, fully participate in centralized procurement renewals and the implementation of the "Three Advances of Centralized Procurement" policy, continuously improve its sales network layout, and consolidate its market share. Meanwhile, the Company will strengthen product research, selection and optimization, accelerate the registration and declaration of new products, implement full life cycle management for listed products, and establish and improve the domestic pharmacovigilance system to ensure product quality, safety and compliance. In overseas markets, the Company will actively seize opportunities brought by the Belt and Road Initiative, explore emerging international markets such as ASEAN and Latin America, accelerate the “going global” of preparation products, expand the breadth and depth of international market coverage, and foster new performance growth drivers.

In the crop science sector, the Company will closely monitor project construction milestones and accelerate the delivery of production capacity under construction. By coordinating project construction and market expansion, the Company will fully leverage its production capacity advantages, strengthen the synergy between production and sales, improve operational efficiency, further enhance its market competitiveness and profitability in the crop science field, and lay a solid foundation for long-term, steady development.

3. Optimize the fund control system to consolidate financial support for high-quality development

In 2026, guided by the implementation of strategic projects and the upgrading of production capacity layout, the Company will adopt a diversified mix of financing tools to build a sustainable capital supply system, providing long-term and stable financial support for the fostering of new-quality industries and the expansion of existing markets. Based on this, the Company will further optimize the adaptability of its financing structure. Considering differentiated capital needs across its business sectors, it will scientifically deploy a mix of long-term and short-term financing instruments, reduce overall financing costs, and continuously improve capital efficiency.

In addition, the Company will strengthen refined fund management and risk control. On the one hand, it will deploy funds in line with project construction progress to avoid idle capital and enhance capital efficiency. On the other hand, it will track fluctuations in interest rates, exchange rates and macroeconomic policies in real time, and use financial derivative instruments such as interest rate swaps and forward foreign exchange settlement and sales to hedge market risk exposures, so as to ensure capital security and stable operation.

4. Deepen refined management to comprehensively improve operational efficiency

In 2026, with cost reduction and efficiency enhancement as its core objectives, the Company will continuously pursue refined management and comprehensively improve operational effectiveness. In terms of supply chain management, the Company will strengthen the overall planning and coordination of upstream and downstream resources, optimize the supply chain collaboration mechanism, improve inventory turnover efficiency, reduce capital occupation costs, and enhance the supply chain’s responsiveness and risk resistance capacity. Meanwhile, the Company will further improve its quality control system, strengthen end-to-end quality traceability and risk early warning, strictly control product quality, reduce production losses and quality costs, and improve product qualification rate and market reputation.

5. Uphold safety and environmental bottom lines to build a solid foundation for sustainable development

In 2026, the Company will prioritize production safety and environmental protection as core management priorities, strictly comply with national laws, regulations and industry standards, and ensure safe and stable operations. In terms of safety management, the Company will further improve its risk management system and emergency response plans, strengthen safety training and emergency drills for all employees, and enhance the safety awareness and prevention capabilities of the entire staff. It will conduct regular special safety inspections, promptly rectify and close out identified issues to strictly control production and operation risks. In terms of environmental governance, the Company will optimize process flows, improve resource utilization efficiency, lower energy and material consumption, and realize the organic unity of environmental input and economic efficiency.

(IV) Possible risk factors and countermeasures

1. Macroeconomic risks

The current international economic situation is complex and challenging, with global economy facing many uncertainties; The domestic economy has recovered steadily. However, as there is uncertainty about the impact of the complex international situation on the domestic economy, with the overall internal circulation still facing great pressure, the comprehensive recovery of the domestic economy still faces many challenges. Due to the external macroeconomic situation with complexity and change, there is also an uncertain impact on the development of enterprises.

The Company will prudently assess macroeconomic risks, and adjust its business strategy accordingly. With the national industrial development plan as guidance, investment will be increased in research and development, with research and development of new products, and exploration of new markets, thus ensuring the Company’s sustainable development; Market sensitivity and forward looking research should be increased, with the grasp of pace of industry changes, and it shall adjust business strategies in a timely manner. It shall make full use of and tap superior resources to ensure the Company's stable development.

2. Risks of industry and market competition

The fine chemical industry where the Company is engaged and the downstream pharmaceutical, crop science and new energy materials industries have intense market competition, and technology iteration continues. The emergence of new technologies and new processes of domestic and foreign competitors will significantly impact the entire market, and will also bring challenges to the Company's market position in the industry.

The Company will continuously focus on the changes in the industry, continuously improve the Company's operation and management mechanism, with improvement of the ability to respond to market risks. R&D investment, technological innovation and process improvement will be strengthened, and it shall continue to expand the R&D team, develop and master the industry's cutting-edge technologies in a timely manner, and strengthen the Company's technological advantages. Quality management and cost control will be strengthened, and better products and services will be provided for customers, with improvement of the Company's overall competitiveness.

3. Raw material price fluctuation risk

In terms of the composition of the Company's main business costs, the cost of raw materials accounts for a relatively large proportion. Therefore, in case there are certain extent fluctuations for price of the main raw materials of the Company's product, these fluctuations will have a certain impact on the Company's production and operation. The Company's main customers are well-known enterprises at home and abroad, and the Company's product sales price is basically locked when the customer places an order. During the period from the time when customer place orders to the realization of sales, the significant fluctuation in the raw material prices will have a short-term impact on the Company's gross profit margin.

The Company will closely focus on changes in the economic situation, monitor the market price trend of main raw materials, adopt multi-party price comparison, bulk procurement and other measures to reasonably arrange inventory. While carrying out corresponding strategic reserves, the Company will actively seek in-depth cooperation with upstream suppliers, try to stabilize the purchase price of raw materials, and timely adjust the sales price of products, which can alleviate the risk caused by the rise in raw material prices to a certain extent. However, in case the price of main raw materials fluctuates sharply, it will still have a certain impact on the Company's product costs and profits.

4. Project construction risk

Prior to deciding to invest in the construction project, the Company has carried out in-depth market research and strict feasibility demonstration of the project products, and made prudent calculations and evaluations of the investment income, financial internal rate of return and payback period. However, the Company may be still affected by market demand, macro and industrial policies, changes in competitive conditions and technological updates in the process of project implementation, thus resulting in the risk of project termination, partial termination, change, unrecoverable initial investment, and production capacity and income falling short of expectations.

The Company will integrate resources, concentrate on promoting the construction progress of various projects, and endeavor to shorten the project construction time under the condition of ensuring the quality of project construction; It shall always pay attention to the macroeconomic situation, market development status and policy trends, and connect production and market well to guarantee the achievement of the expected benefits for projects.

5. Safety and environmental protection risk

With the continuous advancement of national safety and environmental protection governance and under the promotion of the ecological civilization construction of the CPC Central Committee and the strategic goal of "carbon peaking and carbon neutrality", the policy requirements of energy conservation, emission reduction, safety and environmental protection have been further enhanced. Supervision has been further strengthened. The environmental protection standards that are implemented by the Company will also be higher and stricter. The increasing costs of environmental protection governance lead to an increase in production and operation costs. The income level of the project might be affected.

The policy of energy conservation, emission reduction and green development will be strictly carried out by the Company. Environmental protection design and environmental protection investment will be taken into full account to upgrade the equipment and constantly enhance the safety and environmental protection level of the Company. In addition, the level of recycling and waste treatment of by-products that are produced in the production process will also be improved. The Company pays attention to industrial policies in time and learns national environmental laws and regulations as well as local policies to adapt to new environmental requirements.

6. Risk of foreign exchange rate changes

The export business of the Company is mainly settled in US dollars. In addition, the price of the export products of the Company and export sales revenue will be influenced by the fluctuation of RMB exchange rate. Therefore, it will bring uncertain risk to the operation performance of the Company to a certain extent. The export revenue and import costs of the Company will be directly affected if the RMB exchange rate fluctuates significantly against the US dollars. Moreover, it will cause foreign currency assets and foreign currency liabilities to generate exchange profits and losses. Therefore, the performance of the Company will be impacted to a certain extent.

The product price will be adjusted in time by the Company through shortening the quotation cycle. Customers and the Company jointly assume the relevant impact to avoid and prevent the risks caused by large exchange rate fluctuations by means of forward settlement and sale after the exchange rate changes exceed a certain range. However, the implementation effect of the above measures still has a certain lag and uncertainty. Certain exchange losses might occur in the export business of the Company. It might lead to the reduction in the profit of the Company.

7. Debt Servicing Risk Arising from a High Asset-Liability Ratio

The company is currently in a development stage, with significant capital demands for daily operations and project construction. Coupled with the impact of sustained losses in recent years, the company’s profitability has been insufficient to support its capital needs, leading to a relatively high level of current liabilities and a high asset-liability ratio. As a result, the company is facing overall liquidity pressure and debt servicing risks.

The company has maintained long-term good cooperation with its major lending banks and enjoys a high credit line, which provides necessary financial support. The company will focus on strengthening liquidity management, reasonably controlling the scale of interest-bearing liabilities, while actively exploring diversified capital supplementation channels to continuously optimize the asset-liability structure. It will also further promote cost reduction and efficiency enhancement, striving to improve profitability and operational accumulation capabilities, so as to strengthen overall risk resistance and the foundation for sustainable development.

8. Intellectual Property Risks

Through continuous exploration and accumulation, and relying on long-term R&D investment, the company has developed proprietary core technologies with independent intellectual property rights and corresponding technical know-how. Patents, as an important form of protecting R&D outcomes, help the company build technological barriers and play a key role in product development. If the company faces intellectual property litigation from competitors or suffers from infringement of its own intellectual property rights, it may have an adverse impact on the company’s operations and business activities.

The company will continue to improve its intellectual property management and protection mechanisms, deepen cooperation with external professional institutions, enhance its ability to identify, control, and prevent intellectual property risks, and establish a sound model for intellectual property creation. At the same time, the company will make systematic arrangements for the protection of core intellectual property and risk defense, strengthen risk investigation, and promote the effective implementation of solutions to effectively address potential intellectual property risks.

XII. Reception, research, communication, interview, and other activities during the reporting period

☑ Applicable □ Not applicable

Reception time	Reception location	Reception method	Reception object type	Reception object	The main content of the discussion and the materials provided	Index of basic information of investigation
12 March 2025	The Company's meeting room	On-site research	Institution	China International Capital Corporation (CICC)	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
30 April 2025	Network platform	Online communication with network platform	Others	The investors participating in performance briefing through Panorama Network's "Investor Relations Interaction Platform" (https://ir.p5w.net)	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
12 May 2025	The Company's meeting room	On-site research	Institution	Huabao Fund	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
29 May 2025	The Company's meeting room	On-site research	Institution	Huafu Securities, Shanxi Securities, Guotai Fund, and Rongquan Capital	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
10 June 2025	The Company's meeting room	On-site research	Institution	Galaxy Securities, CICC, and Kaiyuan Securities	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
25 June 2025-26 June 2025	Shanghai	Others	Institution	WanJia Asset Management Co., Ltd., Guotai Asset Management Co., Ltd., Franklin Templeton Sealand Fund Management Co., Ltd., Ping An Endowment Insurance, Chang Xin Asset Management Co., Ltd., Huabao Fund and Fengyi Investment	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
13 November 2025	The Company's meeting room	On-site research	Institution	Huafu Securities, Soochow Securities, Zhongtai Securities, Juming Investment	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
20 November 2025	Inner Mongolia Yongtai Chemical Co., Ltd.	On-site research	Institution	Shanxi Securities, Huafu Fund Management, Shandong Luchuang Private Fund	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
24 November 2025	The Company's meeting room	On-site research	Institution	Shenzhen Guocheng Investment Consulting Co., Ltd.	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
01 December 2025	The Company's meeting room	Online and offline communication	Institution	Cinda Securities, Yinhua Fund Management, Cinda-Austasia Fund Management	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)
03 December 2025-04 December 2025	Shanghai	Others	Institution	Huafu Securities, China Universal Asset Management, Zhong'ou Fund Management, BOCOM Schroders Fund Management, Ping An Asset Management, Wanjia Fund Management, Winnergy Fund	Development of the Company's main business	Juchao Information Website (http://www.cninfo.com.cn)

Reception time	Reception location	Reception method	Reception object type	Reception object	The main content of the discussion and the materials provided	Index of basic information of investigation
				Management, BOC Fund Management, ABC-CA Fund Management, Huatai Asset Management		

XIII. Formulation and Implementation of Market Value Management System and Valuation Enhancement Plan

Has the company formulated a market value management system?

□ Yes ☑ No

Has the company disclosed a valuation enhancement plan?

□ Yes ☑ No

XIV. Implementation of the Action Plan for "Double Improvement of Quality and Return"

Has the Company disclosed an action plan for "Double Improvement of Quality and Return"?

□ Yes ☑ No

Section IV Corporate Governance, Environment and Society

I. The basic situation of corporate governance

During the reporting period, the Company strictly followed the requirements of the Company Law, Securities Law, Code of Conduct for Listed Companies, Shenzhen Stock Exchange Listing Rules, and other relevant laws and regulations issued by the China Securities Regulatory Commission and Shenzhen Stock Exchange, continuously improved its corporate governance structure, established a sound internal management and control system, continued to carry out corporate governance activities, standardized operations, and improved the level of corporate governance. The shareholders’ meeting, board meetings of the Company can be held strictly in accordance with relevant rules and regulations, and all directors can conscientiously fulfil their responsibilities. The overall operation of the Company meets the requirements of the normative governance documents of listed companies. The internal governance structure of the Company is complete, sound, and clear and complies with the provisions of the Company Law, Articles of Association, and other laws, regulations, and normative documents.

(I) About the shareholders and shareholders' meetings

The Company strictly adheres to the provisions and requirements of the Rules for Shareholders' Meeting of Listed Companies, the Articles of Association, and the Rules of Procedure for Shareholders' Meeting, to convene and hold a shareholders’ meeting, ensuring that all shareholders, especially small and medium-sized shareholders, enjoy equal status and fully exercise their rights. The shareholders’ meeting during the reporting period were all convened by the Board of Directors and witnessed on-site by lawyers. According to the Company's Articles of Association and relevant laws and regulations, the matters that shall be voted on by the shareholders’ meeting shall be approved according to the corresponding authority and then submitted to the shareholders’ meeting for review. There is no phenomenon of unauthorized approval, nor is there a situation of implementation before review.

(II) About the Company and controlling shareholders

The controlling shareholders of the Company strictly follow the "Code of Conduct for Listed Companies", "Listing Rules of Shenzhen Stock Exchange", and "Articles of Association" to regulate shareholder behavior, exercise shareholder rights through the shareholders’ meeting, and have not engaged in any behavior that directly or indirectly interferes with the Company's operations and decision-making beyond the shareholders’ meeting and the board meetings.

(III) About the directors and the Board of Directors

Currently, the Company has 9 members on the Board of Directors, including 3 independent directors. The number and composition of the Board of Directors meet the requirements of laws and regulations. All directors of the Company fulfil their duties with integrity and diligence in accordance with the requirements of maximizing the interests of the Company and shareholders. The independent directors of the Company strictly abide by the provisions of the Articles of Association, the Rules of Procedure of the Board of Directors, and the Work System of Independent Directors, actively participate in the Company’s decision-making, express independent opinions on many major issues, and fully play the unique functions of independent directors.

The Board of Directors has established four special committees including the strategy committee, audit committee, nomination committee and remuneration & assessment committee, and also established a specialized meeting for independent directors. Each specialized committee strictly adheres to relevant regulations and fulfils their responsibilities, effectively strengthening the standardized operation of the Company's Board of Directors.

The Company has established a diversified board policy, considering the diversity of board members from multiple aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, and service tenure. 44% of the board members are female directors, and both the Chairman and the Vice Chairman are female. The Company will achieve effective protection of the rights and interests of shareholders, especially small and medium-sized shareholders, through institutional arrangements and procedural safeguards.

(IV) About the management

The responsibilities of the Company's General Managers and other senior management personnel are clear, and they strictly follow various management systems such as the Company's Articles of Association and the General Manager's work rules to fulfil their duties. They are diligent and responsible and can implement and execute the resolutions of the Board of Directors effectively. The appointment process of the management is standardized and strictly executed in accordance with relevant laws, regulations, and corporate institutions.

(V) About information disclosure

The Company shall disclose relevant information truthfully, accurately, completely, and in a timely manner in accordance with the Shenzhen Stock Exchange Listing Rules, Articles of Association, Management Measures for Information Disclosure of Listed Companies, and Investor Relations Management System, and ensure that all shareholders have a fair opportunity to obtain information.

(VI) About relevant stakeholders

The Company fully respects and safeguards the legitimate rights and interests of relevant stakeholders, achieves coordination and balance of interests among shareholders, employees, society, and other parties, and jointly promotes the sustained, stable, and healthy development of the Company.

(VII) About performance evaluation and incentive and constraint mechanisms

The Company is gradually improving and establishing fair and transparent performance evaluation standards and incentive and constraint mechanisms for directors and senior management. The appointment of directors and senior management personnel is open and transparent, in accordance with laws and regulations.

Is there a significant difference between the actual situation of corporate governance and the laws, administrative regulations, and regulations on corporate governance issued by the China Securities Regulatory Commission?

□ Yes ☑ No

There is no significant difference between the actual situation of corporate governance and the laws, administrative regulations, and provisions on corporate governance issued by the China Securities Regulatory Commission.

II. The independent situation of the Company corresponding to its controlling shareholders and actual controllers in guaranteeing the Company's assets, personnel, finance, institutions, business, and other aspects

Since its establishment, the Company has strictly operated in accordance with the requirements of laws and regulations such as the Company Law and the Articles of Association, and gradually established a sound corporate governance structure. The Company is independent from its controlling shareholders in terms of business, personnel, assets, institutions, finance, etc., and has independent and complete business and independent operating capabilities.

(I) Business independence

The Company has a complete procurement, production, sales, and R&D system, a complete business system, and the ability to operate independently in the market, without relying on shareholders or any other related parties.

(II) Personnel independence

The appointment and removal of senior management personnel such as directors, General Managers, deputy General Managers, board secretary, and CFO of the Company is carried out in accordance with the procedures stipulated in the Company Law and other normative documents. There is no personnel appointment or removal decision made by major shareholders beyond the authority of the Company's Board of Directors and shareholders’ meeting.

(III) Asset independence

The Company has independent production systems, auxiliary production systems, and supporting facilities, as well as complete and independent procurement, production, sales, and R&D systems. Industrial property rights, trademarks, property ownership, land ownership, and other intangible and tangible assets are all owned by our Company, with property rights clearly defined.

(IV) Institution independence

The Company has a sound organizational system, and the internal institutions such as the shareholders' meeting, Board of Directors, special committees under the Board of Directors and a specialized meeting for independent directors operate independently without interference from other units or individuals.

(V) Finance independence

The Company has a complete and independent financial institution, equipped with sufficient full-time financial personnel, established an independent accounting and financial management system, and opened bank accounts independently for independent tax payment and financial decisions.

III. Peer competition situation

□ Applicable ☑ Not applicable

IV. Situation of directors and senior management personnel

Basic information

Name	Gender	Age	Position	Term status of office	Starting date of term	Ending date of term	Number of shares held at the beginning of the period (shares)	Number of shares increased in this period (shares)	Number of shares reduced in this period (shares)	Other changes in increase or decrease (shares)	Number of shares held at the end of the period (shares)	Reasons for increase/decrease changes in shares
Wang Yingmei	Female	61	Chairman of the Board	Incumbent	15 July 2007	28 July 2028	144,248,400				144,248,400	
			General Manager	Incumbent	28 July 2025	28 July 2028						
Chen Lijie	Female	54	Vice Chairman of the Board	Incumbent	28 July 2025	28 July 2028	1,290,817			-1,993	1,288,824	Repurchase and Cancellation of Part of the Restricted Shares under the Equity Incentive Plan
			CFO	Leaving office	07 November 2014	28 July 2025						
			Deputy General Manager	Leaving office	11 July 2019	28 July 2025						
Jin Yizhong	Male	48	Director	Incumbent	25 September 2010	28 July 2028	330,037			-1,993	328,044	Repurchase and Cancellation of Part of the Restricted Shares under the Equity Incentive Plan
			Deputy General Manager	Incumbent	12 November 2011	28 July 2028						
Zhang Jiangshan	Male	39	Secretary of the Board of Directors, Deputy General Manager	Incumbent	19 January 2018	28 July 2028	140,336			-1,860	138,476	Repurchase and Cancellation of Part of the Restricted Shares under the Equity Incentive Plan
			Director	Incumbent	28 July 2025	28 July 2028						
Wang Lirong	Female	45	Director	Incumbent	08 August 2022	28 July 2028	150,000			-1,993	148,007	Repurchase and Cancellation of Part of the

Name	Gender	Age	Position	Term status of office	Starting date of term	Ending date of term	Number of shares held at the beginning of the period (shares)	Number of shares increased in this period (shares)	Number of shares reduced in this period (shares)	Other changes in increase or decrease (shares)	Number of shares held at the end of the period (shares)	Reasons for increase/decrease changes in shares
												Restricted Shares under the Equity Incentive Plan
Zhang Zhengqiu	Male	62	Director	Incumbent	28 July 2025	28 July 2028	248,403				248,403	
			Supervisor	Leaving office	11 July 2019	28 July 2025						
Zheng Feng	Female	60	Independent director	Incumbent	11 December 2023	28 July 2028	0				0	
Zhang Weikun	Male	57	Independent director	Incumbent	08 August 2022	28 July 2028	0				0	
Zhou Yuejiang	Male	57	Independent director	Incumbent	28 July 2025	28 July 2028	0				0	
Wei Hegeng	Male	51	Deputy General Manager	Incumbent	08 August 2016	28 July 2028	150,000			-1,993	148,007	Repurchase and Cancellation of Part of the Restricted Shares under the Equity Incentive Plan
			Director	Leaving office	23 February 2024	28 July 2025						
Wang Zichen	Male	39	Deputy General Manager	Incumbent	11 July 2019	28 July 2028	140,000			-1,860	138,140	Repurchase and Cancellation of Part of the Restricted Shares under the Equity Incentive Plan
Li Jianwen	Male	63	Deputy General Manager	Incumbent	28 July 2025	28 July 2028	140,000			-1,860	138,140	Repurchase and Cancellation of Part of the Restricted Shares under the Equity Incentive Plan
Ying Yangfeng	Male	39	CFO	Incumbent	28 July 2025	28 July 2028	0				0	
He Kuang	Male	37	Director	Leaving office	11 July 2019	28 July 2025	0				0	
			General Manager	Leaving office	18 September 2020	28 July 2025						
Liu Zhiqiang	Male	51	Independent director	Leaving office	11 July 2019	28 July 2025	0				0	
Wang Chunhua	Male	61	Deputy General Manager	Leaving office	08 August 2016	28 July 2025	387,462			-1,860	385,602	Repurchase and Cancellation of Part of the Restricted Shares under the Equity Incentive Plan
Huang Jinfeng	Male	61	Deputy General	Leaving office	08 August 2016	28 July 2025	140,000			-1,860	138,140	Repurchase and Cancellation of

Name	Gender	Age	Position	Term status of office	Starting date of term	Ending date of term	Number of shares held at the beginning of the period (shares)	Number of shares increased in this period (shares)	Number of shares reduced in this period (shares)	Other changes in increase or decrease (shares)	Number of shares held at the end of the period (shares)	Reasons for increase/decrease changes in shares
			Manager									Part of the Restricted Shares under the Equity Incentive Plan
Zhang Xiaohua	Male	56	Supervisor	Leaving office	19 October 2013	28 July 2025	0				0	
Dai Huibin	Male	41	Supervisor	Leaving office	08 August 2022	28 July 2025	0				0	
Total	--	--	--	--	--	--	147,365,455	0	0	-17,272.00	147,348,183	--

Is there any situation during the reporting period where directors and senior management personnel were left office during their term of office

□ Yes ☑ No

Changes in directors and senior management of the Company

☑ Applicable □ Not applicable

Name	Position held	Type	Date	Reason
Wang Yingmei	General Manager	Appointment	28 July 2025	Re-election
Chen Lijie	Vice Chairman of the Board	Elected	28 July 2025	Re-election
	CFO, Deputy General Manager	Resigned upon expiration of term of office	28 July 2025	Re-election
Zhang Jiangshan	Director	Elected	28 July 2025	Re-election
Zhang Zhengqiu	Employee Representative Director	Elected	28 July 2025	Re-election
	Supervisor	Leaving office	28 July 2025	Supervisory Board Reform
Zhou Yuejiang	Independent director	Elected	28 July 2025	Re-election
Li Jianwen	Deputy General Manager	Appointment	28 July 2025	Re-election
Ying Yangfeng	CFO	Appointment	28 July 2025	Re-election
He Kuang	Director, General Manager	Resigned upon expiration of term of office	28 July 2025	Re-election
Wei Hegeng	Director	Resigned upon expiration of term of office	28 July 2025	Re-election
Liu Zhiqiang	Independent director	Resigned upon expiration of term of office	28 July 2025	Re-election
Wang Chunhua	Deputy General Manager	Resigned upon expiration of term of office	28 July 2025	Re-election
Huang Jinfeng	Deputy General Manager	Resigned upon expiration of term of office	28 July 2025	Re-election
Zhang Xiaohua	Supervisor	Leaving office	28 July 2025	Supervisory Board Reform
Dai Huibin	Supervisor	Leaving office	28 July 2025	Supervisory Board Reform

2. Employment situation

Professional backgrounds, major work experiences, and current main responsibilities of current directors and senior management of the Company

(1) Board members

Wang Yingmei: Female, Chinese nationality, with permanent right of abode in Hong Kong, 61 years old, EMBA, Senior Economist. 1987 to 1992, she served as a technician at Huangyan Chemical Plant No. 4; from 1992 to 1997, she served as the director of Xingchen Chemical Plant in Linhai City; from 1997 to 1999, she served as the director of Yongli Fine Chemical Plant in Linhai City; from 1999 to 2007, she served as the Chairman of Zhejiang Yongtai Chemical Co., Ltd.; since July 2007, she has served as the Chairman of our Company; since July 2025, she has served as the General Manager in our company. Currently, she is the Chairman, General Manager and concurrently serves as the Director and General Manager of Zhejiang Yongtai New Energy Materials Co., Ltd.; Executive Director of Zhejiang Yongtai New Materials Co., Ltd.; Executive Director of Zhejiang Chiral Pharmaceutical Co., Ltd.; Supervisor of Binhai Yongtai Technology Co., Ltd.; Director of Shanghai Keling Medical Technology

Co., Ltd.; Director of Shaowu Yongtai Hi-tech Materials Co., Ltd.; Executive Director and General Manager of Zhejiang Yongtai Trading Co., Ltd.; Executive Director and General Manager of Zhejiang Yongtai Fule Technology Co., Ltd.; Director of Shanghai Yongtaixin Fluorine New Materials Co., Ltd.

Chen Lijie: Female, Chinese nationality, without permanent overseas residency, 54 years old, college degree, economist. From 1992 to 1998, she served was a financial person of Zhejiang Jianshiba Group. From 1999 to 2007, she served as the Finance Manager of Zhejiang Yongtai Chemical Co., Ltd. From 2007 to June 2012, she served as Director and CFO of the Company. From June 2012 to October 2014, she served as Director and Chief Personnel Officer of the Company. From November 2014 to July 2019, She served as Director and CFO of the Company ; From July 2019 to July 2025, she served as Director, Deputy General Manager and CFO of the Company; since July 2025 till now, she has served as Vice Chairman of the Company. Serve as Vice Chairman of the Company at present.

Jin Yizhong: Male, Chinese nationality, without permanent overseas residency, 48 years old, bachelor's degree, engineer. From 2001 to 2003, he served as a technician at Hangzhou Hanghua Ink Chemistry Co., Ltd.; from 2003 to 2006, he served as the Sales Manager of Taizhou Feiyue Textile Printing and Dyeing Co., Ltd.; from July 2007 to September 2010, he served as the supervisor and assistant to the General Manager of the Company. From September 2010, he served as a director of the Company; and from October 2011, he served as the Deputy General Manager of the Company. Currently, he is a director and Deputy General Manager of the Company.

Zhang Jiangshan: Male, Chinese nationality, without permanent overseas residency, 39 years old, bachelor's degree, accountant, economist, registered accountant. From 2009 to 2012, he served as the project manager of Zhejiang Branch of BDO China Shu Lun Pan CPAs (SGP); from 2012 to 2013, he served as an industry and financial risk assessor in the Risk Assessment Department of Xiamen International Bank Co., Ltd.; from 2013 to 2016, he served as Senior Manager of the Credit Management Department of Xiamen Jianfa Co., Ltd. He has been employed by our Company since 2016, serving as the Manager of the Securities Investment Department and Assistant General Manager. He has been serving as the Deputy General Manager and Secretary of the Board of Directors of our Company since January 2018; he has served as Director of the Company since July 2025. Currently, he is a director, Deputy General Manager and Secretary of the Board of Directors of the Company.

Wang Lirong: Female, Chinese nationality, without permanent overseas residency, 45 years old, bachelor's degree, assistant economist. From 2003 to 2005, she worked as a sales assistant at Qingdao Haier Kaili Refrigeration Equipment Co., Ltd. She has been employed in our Company since December 2005 and has served as the Deputy Manager, Manager, Deputy Director of Sales, and Supervisor of the Sales Department. She has served as the Sales Director of our Company since February 2019 and a director of the Company since August 2022. Currently she is a Director and Sales Director of our Company.

Zhang Zhengqiu: Male, Chinese nationality, without permanent overseas residency, 62 years old, college degree, engineer. From 1981 to 1999, he worked in the Quality Inspection Department of Huangyan Pesticide Plant; he worked at our Company from 1999 to September 2010 and held positions such as Quality Dept. Manager, Deputy General Manager, and Union Chairman; he engaged in personal trade and business activities from October 2010 to November 2012; from December 2012 to July 2019, he served as the EHS Director and Deputy General Manager of our Company. He has been serving as the Chairman of the Board of Supervisors of our Company since July 2019 till July 2025. He has been serving as an Employee Representative Director of the Company since July 2025.

Zheng Feng: Female, Chinese nationality, without permanent overseas residency, 60 years old, bachelor's degree. From August 1987 to January 2003, she served as a clerk and deputy manager in the Management Department of Taizhou Branch of China Foreign Trade Transport Corporation; from February 2003 to January 2011, she served as a legal partner at Zhejiang Liqun Law Firm; from March 2011 to present, she served as a senior partner at Zhejiang Duolian Law Firm. She has been serving as an independent director of the Company since December 2023.

Zhang Weikun: Male, Chinese nationality, without permanent overseas residency, 57 years old, bachelor's degree, senior accountant. Since May 2011, he has served as a teacher, director of the Accounting Teaching and Research Office, head of the

Training Department, and office director at the School of Accounting and Finance at Taizhou Vocational College of Science and Technology. He has been serving as an independent director of the Company since August 2022.

Zhou Yuejiang: Male, Chinese nationality, without permanent overseas residency, 57 years old, Master of Business Administration from Tongji University, Senior Accountant, Certified Public Accountant, Tax Consultant, and Certified Asset Appraiser. He once served as the legal representative and manager of Taizhou Zhongtian Tax Agency Co., Ltd.; currently serves as a director and deputy general manager of Zhejiang Zhongyong Zhongtian Certified Public Accountants Co., Ltd. and a supervisor of Taizhou Zhongyong Statistics Co., Ltd.He has been serving as an independent director of the Company since July 2025.

(2) Senior management personnel

Wang Yingmei: General Manager of our Company. Please refer to the introduction of the Board members for her main work experience.

Jin Yizhong: Deputy General Manager of our Company. Please refer to the introduction of the Board members for her main work experience.

Zhang Jiangshan: Deputy General Manager, Secretary of Board of Directors of our Company. Please refer to the introduction of the Board members for his main work experience.

Wang Zichen: Male, Chinese nationality, without permanent overseas residency, 39 years old, bachelor's degree. He has been employed in our Company since 2010, serving as an Information Disclosure Specialist in the Securities Investment Department, Assistant to the Investment Center Manager, EHS Director, and Assistant to the General Manager. He has been serving as the Deputy General Manager of our Company since July 2019. Currently, he is the Deputy General Manager of our Company and currently serves as the Executive Director and General Manager of Inner Mongolia Yongtai Chemical Co., Ltd.

Li Jianwen: Male, Chinese nationality, 63 years old, master degree, Professorate Senior Engineer From 1995 to 2001, he served as Executive Director (on behalf of foreign investor) and General Manager of the Sino-foreign joint venture Guilin Dahua Pharmaceutical Co., Ltd. From 2001 to 2003, he served as Deputy Chief Engineer and Deputy General Manager of Shanghai Xinya Pharmaceutical Co., Ltd. From 2003 to 2008, he served as Vice President of the Antibiotics Business Division of Shanghai Pharmaceutical Group. From 2008 to 2011, he served as Executive Vice President of the Antibiotics Business Division of Shanghai Pharmaceutical Group. From 2012 to 2022, he served as Executive Deputy General Manager of Zhejiang Yongning Pharmaceutical Co., Ltd. From 2022 to 2023, he served as Vice President of Huashi Pharmaceutical Group. Since June 2024, he has served as the General Manager of Zhejiang Yongtai Pharma Co., Ltd. and Hangzhou Yongtai Biomedical Co., Ltd..He has served as Deputy General Manager of the Company since July 2025. Currently, he is the Deputy General Manager of our Company and currently serves as the Executive Director of Zhejiang Yongtai Pharma Co., Ltd., the General Manager of Zhejiang Yongtai Pharma Co., Ltd., and the General Manager of Hangzhou Yongtai Biomedical Co., Ltd.

Ying Yangfeng: Male, Chinese nationality, 39 years old, master degree From January 2017 to October 2019, he served as Project Manager at the Daxin Certified Public Accountants (Special General Partnership) Zhejiang Branch.
From October 2019 to January 2021, he served as Financial Auditor of Taizhou Bank Co., Ltd.
From January 2021 to June 2024, he served as Project Manager at Daxin Certified Public Accountants (Special General Partnership) Zhejiang Branch.
From July 2024 to July 2025, he served as Assistant to the CFO of the Company. He has been serving as CFO of the Company since July 2025.

The situation where the controlling shareholder and actual controller concurrently serves as the chairman and general manager of a listed company.

☑ Applicable ☐ Not applicable

Under the structure where the Company's controlling shareholder and actual controller concurrently serves as Chairman and General Manager, the Company has clearly separated the strategic decision-making power of the Board of Directors (including material investments and budget approval) from the daily operational management power of the General Manager (including production and operation and appointment and removal of middle-level management personnel). It has also established a supervision mechanism led by independent directors (such as the Audit Committee and review of related party transactions). While improving decision-making efficiency and resource synergy efficiency, the Company strictly implements the "five independences" in respect of personnel, finance, assets, business and institutions, supplemented by a dual voting mechanism for material matters, assessments by independent directors and external audit supervision, so as to ensure that the Company's independence complies with the requirements of the *Corporate Governance Code for Listed Companies*.

Employment in shareholder unit

☑ Applicable □ Not applicable

Name of employed person	Name of shareholder unit	Positions held in shareholder unit	Starting date of term	Ending date of term	Whether to receive remuneration or allowances from shareholder unit
Wang Yingmei	Zhejiang Yongtai Holdings Co., Ltd.	Executive Director and General Manager	01 February 2007		No
Explanation on employment in shareholder unit	Ms. Wang Yingmei holds 51% equity of Zhejiang Yongtai Holdings Co., Ltd.				

Employment in other units

☑ Applicable □ Not applicable

Name of employed person	Name of other units	Positions held in other units	Starting date of term	Ending date of term	Whether to receive remuneration or allowances from other unit
Wang Yingmei	Zhejiang Kedi Yongcheng New Material Co., Ltd.	Executive Director and General Manager	25 July 2011		No
Wang Yingmei	Zhejiang Menghai (Inner Mongolia) Holding Co., Ltd	Supervisor	09 January 2020		No
Wang Yingmei	Taizhou Yongtai Eaton Enterprise Management Consulting Co., Ltd	Executive Director, General Manager	09 March 2020		No
Wang Yingmei	Zhejiang Furuida New Material Co., Ltd.	Supervisor	02 April 2022		No
Zhang Weikun	Zhejiang Taihong Wanli Technology Co., Ltd	Independent director	19 June 2023	18 June 2026	Yes
Zhang Weikun	Zhejiang Gongdong Medical Equipment Co., Ltd.	Independent director	06 November 2023	05 November 2026	Yes
Zheng Feng	Zhejiang Night Bright Optoelectronic Technology Co., Ltd.	Independent director	19 January 2022	29 May 2027	Yes
Zheng Feng	Jimin Health Management Co., Ltd.	Independent director	15 August 2024	01 December 2028	Yes

Name of employed person	Name of other units	Positions held in other units	Starting date of term	Ending date of term	Whether to receive remuneration or allowances from other unit
Zhou Yuejiang	Wanbangde Pharmaceutical Holding Group Co., Ltd.	Independent director	11 February 2020	27 July 2026	Yes
Zhou Yuejiang	Zhejiang Weixing Industrial Development Co., Ltd.	Independent director	25 June 2019	10 July 2025	Yes
Zhou Yuejiang	Xinzhi Group Co., Ltd.	Independent director	10 May 2021	03 December 2025	Yes
Explanation on employment in other units	None				

Punishment by securities regulatory authorities in the past three years for the current directors and Senior Management Personnel and those leaving the Company during the reporting period

□ Applicable ☑ Not applicable

3. Remuneration of directors and senior management personnel

Decision making process, determination basis, and actual payment situation of remuneration for directors and senior management personnel

1. Decision making procedure: In accordance with the relevant provisions of the Company's Articles of Association and the Management System for Remuneration and Allowances of Directors and Senior Management Personnel, the remuneration of the Company's directors shall be decided by the shareholders’ meeting, and the remuneration of senior management personnel shall be decided by the Board of Directors.

2. Basis for determination: Internal directors and senior management personnel shall be paid for their salaries based on their specific positions in the Company, combined with the overall efficiency, industry, relevant remuneration system, and performance evaluation results of the Company. Independent directors receive their remuneration in the Company in the form of fixed allowances.

3. Actual Payment Status: During the Reporting Period, part of the remuneration for the Company’s current and resigned directors and senior management has been paid.

Information on the Remuneration of Directors and Senior Management of the Company during the Reporting Period

Unit: RMB 10,000

Name	Gender	Age	Position	Term status of office	Total pre-tax remuneration received from the Company	Whether to receive remuneration from related parties of the Company?
Wang Yingmei	Female	61	Chairman, General Manager	Incumbent	120	No
Chen Lijie	Female	54	Vice Chairman of the Board	Incumbent	60	No
			Deputy General Manager, CFO	Leaving office	60	No
Jin Yizhong	Male	48	Director, Deputy General Manager	Incumbent	60	No
Zhang Jiangshan	Male	39	Director, Deputy General Manager, Secretary of the Board of Directors	Incumbent	60	No
Wang Lirong	Female	45	Director	Incumbent	40	No

Name	Gender	Age	Position	Term status of office	Total pre-tax remuneration received from the Company	Whether to receive remuneration from related parties of the Company?
Zhang Zhengqiu	Male	62	Director	Incumbent	55	No
			Supervisor	Leaving office		
Zhang Weikun	Male	57	Independent director	Incumbent	10	No
Zheng Feng	Female	60	Independent director	Incumbent	10	No
Zhou Yuejiang	Male	57	Independent director	Incumbent	4.17	No
Wang Zichen	Male	39	Deputy General Manager	Incumbent	60	No
Wei	Male	51	Deputy General Manager	Incumbent	60	No
			Director	Leaving office	60	No
Li Jianwen	Male	63	Deputy General Manager	Incumbent	25	No
Ying Yangfeng	Male	39	CFO	Incumbent	20.83	No
He Kuang	Male	37	Director, General Manager	Leaving office	68.49	
Liu Zhiqiang	Male	51	Independent director	Leaving office	5.83	Yes
Wang Chunhua	Male	61	Deputy General Manager	Leaving office	28.3	No
Huang Jinfeng	Male	61	Deputy General Manager	Leaving office	28.19	No
Zhang Xiaohua	Male	56	Supervisor	Leaving office	24.57	No
Dai Huibin	Male	41	Supervisor	Leaving office	21.02	No
Total	--	--	--	--	761.4	--

Assessment basis for the actual remuneration received by all directors and senior management as of the end of the reporting period	In 2025, the independent director allowances received by independent directors are not subject to performance assessment. Internal directors and senior management personnel who receive remuneration from the Company are paid corresponding compensation in accordance with the Company's performance assessment provisions.
Completion status of performance assessment for the actual remuneration received by all directors and senior management as of the end of the reporting period	The performance assessment work has been effectively implemented and completed in accordance with the Company's performance assessment provisions.
Deferred payment arrangements for the actual remuneration received by all directors and senior management as of the end of the reporting period	For 2025, the relevant provisions do not applicable to the independent director allowances received by independent directors. The annual performance assessment bonuses for internal directors and senior management personnel who receive remuneration from the Company will be issued at an appropriate time after the disclosure of the 2025 annual report.
Payment suspension and recovery status for the actual remuneration received by all directors and senior management as of the end of the reporting period	Not Applicable

Explanation on other situations

☑ Applicable □ Not applicable

The 2025 remuneration plan for the Company’s directors and senior management was formulated based on the industry and scale- based remuneration levels, as well as the Company’s actual operating conditions. The formulation and voting procedures are legal and valid.

V. Performance of duties by directors during the reporting period

1. Attendance of directors at board meetings and shareholders' meeting

Attendance of directors at board meetings and shareholders' meeting							
Name of director	Number of times that shall attend the board meetings during this reporting period	Number of times attending board meetings on-site	Number of times attending board meetings through communication	Number of times entrusting someone else to attend board meetings	Number of absences from board meetings	Have you not personally attended board meetings for two consecutive times?	Number of times attending shareholders’ meeting
Wang Yingmei	8	8	0	0	0	No	3
Chen Lijie	8	8	0	0	0	No	3
Jin Yizhong	8	8	0	0	0	No	3
Zhang Jiangshan	4	4	0	0	0	No	2
Wang Lirong	8	8	0	0	0	No	3
Zhang Zhengqiu	4	4	0	0	0	No	2
Zhang Weikun	8	6	2	0	0	No	3
Zheng Feng	8	6	2	0	0	No	3
Zhou Yuejiang	4	4	0	0	0	No	2
He Kuang	4	4	0	0	0	No	2
Wei Hegeng	4	4	0	0	0	No	2
Liu Zhiqiang	4	2	2	0	0	No	2

Explanation on not attending the board meetings personally for two consecutive times

Not applicable

2. Objections raised by directors regarding matters related to the Company

Whether the directors raise objections to the matters related to the Company

□ Yes ☑ No

The directors did not raise any objections to the matters related to the Company during the reporting period.

3. Other explanations on the performance of duties by directors

Whether the director's suggestions regarding the Company have been adopted

☑ Yes □ No

Explanation from directors on whether the Company's relevant suggestions have been adopted or not

During the reporting period, the directors of the Company strictly carried out their work in accordance with the relevant regulations of the China Securities Regulatory Commission, the Articles of Association, the Rules of Procedure of the Board of Directors, and the Work System of Independent Directors. They performed their duties honestly, diligently, responsibly, and faithfully, actively participated in corporate governance and decision-making activities, and provided professional opinions on the system improvement and business development decisions of the Company.

VI. The situation of the special committee under the Board of Directors during the reporting period

Committee name	Membership situation	Number of meetings held	Date of holding the meeting	Meeting content	Important opinions and suggestions put forward	Other performance of responsibilities	Specific situation of objection matters (if any)
Audit Committee	Members of the 6th Session: Zhang Weikun, Liu Zhiqiang, Zheng Feng, Wang Yingmei, Wang Lirong	2	12 April 2025	*Proposal on Initiating the Selection Process for the 2025 Audit Institution and Determining the Evaluation Criteria and Scoring Standards*	The Audit Committee strictly carried out its work in accordance with the Company Law, the regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Audit Committee of the Board of Directors. They are diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
			15 April 2025	*2024 Internal Audit Work Report*, *2024 Financial Settlement Report*, *2024 Internal Control Self-Evaluation Report*, *2024 Report on the Performance of Accounting Institution and the Audit Committee's Supervision on the Accounting Institution*, *2024 Important Matters Inspection Report*, *2024 Annual Report and Summary*, *2025 Audit Plan*, *Proposal on Renewing the 2025 Audit Institution*, *First Quarter Internal Audit Work Report of 2025* and *First Quarter Report of 2025*	The Audit Committee strictly carried out its work in accordance with the Company Law, the regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Audit Committee of the Board of Directors. They are diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
	Members of the 7th Session: Zhang Weikun, Zheng Feng, Zhou Yuejiang, Chen Lijie, Zhang Zhengqiu	3	28 July 2025	*Proposal on Electing Mr. Zhang Weikun as the Convener of the 7th Audit Committee*, *Proposal on Appointment of the Chief Financial Officer*, *Proposal on Appointment of the Person-in-Charge of the Internal Audit Department*	The Audit Committee strictly carried out its work in accordance with the Company Law, the regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Audit Committee of the Board of Directors. They are diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and	None	None

Committee name	Membership situation	Number of meetings held	Date of holding the meeting	Meeting content	Important opinions and suggestions put forward	Other performance of responsibilities	Specific situation of objection matters (if any)
					unanimously passed all proposals.		
			15 August 2025	*2025 Q2 Internal Audit Work Report*, *2025 Semi-Annual Important Matters Inspection Report*, *2025 Semi-Annual Report and Summary*.	The Audit Committee strictly carried out its work in accordance with the Company Law, the regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Audit Committee of the Board of Directors. They are diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
			24 October 2025	Deliberate the "2025 Q3 Internal Audit Work Report" and the "2025 Q3 Report".	The Audit Committee strictly carried out its work in accordance with the Company Law, the regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Audit Committee of the Board of Directors. They are diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
Nomination Committee	Members of the 6th Session: Liu Zhiqiang, Zheng Feng, Wang Yingmei	1	05 July 2025	Proposal on Nominating Candidates for Non- independent Directors of the 7th Board of Directors, Proposal on Nominating Candidates for Independent Directors of the 7th Board of Directors	The Nomination Committee strictly operated in accordance with the Company Law, the regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Nomination Committee of the Board of Directors. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
	Members of	1	28 July	*Proposal on Electing Mr. Zhou*	The Nomination Committee	None	None

Committee name	Membership situation	Number of meetings held	Date of holding the meeting	Meeting content	Important opinions and suggestions put forward	Other performance of responsibilities	Specific situation of objection matters (if any)
	the 7th Session: Zhou Yuejiang, Zheng Feng, Wang Yingmei		2025	*Yuejiang as the Convener of the 7th Nomination Committee*, *Proposal on Appointment of the General Manager*, *Proposal on Appointment of Other Senior Management Personnel*	strictly operated in accordance with the *Company Law*, the regulatory rules of the China Securities Regulatory Commission, the *Articles of Association*, and the *Implementation Rules of the Nomination Committee of the Board of Directors*. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.		
Remuneration and Assessment Committee	Members of the 6th Session: Zheng Feng, Liu Zhiqiang, Zhang Weikun	1	15 April 2025	*Proposal on Performance Assessment of Directors and Senior Management Personnel of the Company for 2024*, *Proposal on Remuneration Plan for Directors and Senior Management Personnel for 2024*	The Remuneration and Assessment Committee strictly followed the Company Law, regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Remuneration and Assessment Committee of the Board of Directors to carry out its work. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
	Members of the 7th Session: Zheng Feng, Zhang Weikun, Wang Yingmei	1	28 July 2025	*Proposal on Electing Ms. Zheng Feng as the Convener of the 7th Remuneration and Assessment Committee*, *Proposal on the Satisfaction of the Conditions for the First Releasing of Restrictions under the Company's 2024 Restricted Stock Incentive Plan*, *Proposal on the Repurchase and Cancellation of Part of the Granted but Unreleased Restricted Shares of Incentive Recipients*	The Remuneration and Assessment Committee strictly followed the Company Law, regulatory rules of the China Securities Regulatory Commission, the Articles of Association, and the Implementation Rules of the Remuneration and Assessment Committee of the Board of Directors to carry out its work. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
Strategic Committee	Members of the 6th	3	28 February	*Proposal on Signing the* ***Technology Development***	The Strategic Committee strictly operated in accordance	None	None

Committee name	Membership situation	Number of meetings held	Date of holding the meeting	Meeting content	Important opinions and suggestions put forward	Other performance of responsibilities	Specific situation of objection matters (if any)
	Session: Wang Yingmei, He Kuang, Liu Zhiqiang, Zhang Weikun, Zheng Feng		2025	***Contract***	with the *Company Law*, the regulatory rules of the China Securities Regulatory Commission, the *Articles of Association*, and the *Implementation Rules of the Strategic Committee of the Board of Directors*. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.		
			02 April 2025	*Proposal on Increasing the Registered Capital of the Wholly-owned Subsidiary*	The Strategic Committee strictly operated in accordance with the *Company Law*, the regulatory rules of the China Securities Regulatory Commission, the *Articles of Association*, and the *Implementation Rules of the Strategic Committee of the Board of Directors*. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
			15 April 2025	*Proposal on Amending the Detailed Implementing Rules of the Strategic Committee of the Board of Directors*, *Proposal on Formulating the ESG Management System,2024 Environmental, Social and Governance (ESG) Report*	The Strategic Committee strictly operated in accordance with the *Company Law*, the regulatory rules of the China Securities Regulatory Commission, the *Articles of Association*, and the *Implementation Rules of the Strategic Committee of the Board of Directors*. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.	None	None
	Members of the 7th Session: Wang Yingmei,	1	28 July 2025	*Proposal on Electing Ms. Wang Yingmei as the Convener of the 7th Strategic Committee*	The Strategic Committee strictly operated in accordance with the *Company Law*, the regulatory rules of the China Securities Regulatory	None	None

Committee name	Membership situation	Number of meetings held	Date of holding the meeting	Meeting content	Important opinions and suggestions put forward	Other performance of responsibilities	Specific situation of objection matters (if any)
	Zhang Jiangshan, Zhang Weikun, Zheng Feng, Zhou Yuejiang				Commission, the *Articles of Association*, and the *Implementation Rules of the Strategic Committee of the Board of Directors*. It is diligent and responsible, put forward relevant opinions based on the actual situation of the Company, and unanimously passed all proposals.		

VII. Work Information of Audit Committee

Whether the Audit Committee discovered any risks of the Company in the supervisory activities during the reporting period

☐ Yes ☑ No

Audit Committee has no objection to the supervisory matters during the reporting period.

VIII. Employees of the Company

1. Number of employees, professional composition, and education level

Number of current employees of the Parent Company at the end of the reporting period (persons)	799
Number of current employees in major subsidiaries at the end of the reporting period (persons)	2,638
Total number of current employees at the end of the reporting period (persons)	3,437
Total number of employees receiving remuneration in the current period (persons)	3,437
Number of retired employees whose expenses need to be borne by the Parent Company and major subsidiaries (persons)	0
Professional composition	
Professional composition category	Number of professional composition (persons)
Production personnel	1,719
Sales personnel	287
Technical personnel	724
Financial personnel	72
Administrative personnel	635
Total	3,437
Education level	
Education level category	Quantity (persons)
Junior college or above	1,608
Below junior college	1,829
Total	3,437

2. Remuneration policy

Based on the Company's development strategy and business plan, we determine "ability and performance" as the cornerstone of remuneration, adhere to the connection between income and personal ability, and motivate employees to improve their own leadership and professional abilities; adhere to the connection between income and performance, and closely link employee interests with Company development.

3. Training plan

With the Company culture as the basis, with a focus on improving the actual job skills and work performance of employees, we establish a training mechanism with Company characteristics, comprehensively promote employee growth and development, and enhance the overall competitiveness of the employee team, so that training work can effectively promote the achievement of the Company's business strategy targets.

4. Labor outsourcing situation

□ Applicable ☑ Not applicable

IX. The Company’s information on profit distribution and conversion of capital reserve fund into share capital

The development, implementation, or adjustment of profit distribution policies, especially cash dividend policies, during the reporting period

☑ Applicable □ Not applicable

The Company held the 2024 Annual General Meeting on May 19, 2025, deliberated and passed the *2024 Profit Distribution Proposal*. In accordance with the Articles of Association, the *Shareholder Return Plan for the Next Three Years (2024–2026)*, the CSRC *Regulatory Guidelines No. 3 – Cash Dividends of Listed Companies* and other relevant provisions, considering the Company’s actual production and operation performance in 2024 and its future development prospects, the Company intends not to distribute cash dividends, not to issue bonus shares, and not to convert capital reserve into share capital for the year 2024. The undistributed profits shall be carried forward to the next year. A separate vote count was conducted for minority investors on this proposal. The relevant decision-making procedures and mechanisms are complete and sound, and there is no circumstance impairing the interests of the Company’s shareholders, especially minority shareholders.

Special explanation on cash dividend policy	
Whether it complies with the provisions of the Company's Articles of Association or the requirements of the resolution of shareholders’ meeting:	Yes
Whether the dividend standards and ratios are clear and explicit:	Yes
Whether the relevant decision-making process and mechanism is complete:	Yes
Whether independent directors have fulfilled their duties and played their due roles:	Yes
If the Company does not distribute cash dividends, specific reasons shall be disclosed, as well as the measures to be taken next to enhance investor’s return level:	For specific details, please refer to the "Announcement on Proposed No Profit Distribution for 2024" disclosed by the Company on 28 April 2025.
Whether small and medium-sized shareholders have sufficient opportunities to express their opinions and demands, and have their legitimate rights and interests been fully protected:	Yes
If the cash dividend policies are adjusted or changed, whether the conditions and procedures are compliant and transparent:	Not Applicable

During the reporting period, the Company was profitable, and the Parent Company had a positive profit available for distribution to shareholders, but no cash dividend distribution plan was proposed.

□ Applicable ☑ Not applicable

Profit distribution and conversion of capital reserve fund into share capital during the reporting period

□ Applicable ☑ Not applicable

The Company plans not to pay cash dividends, bonus shares, or convert accumulation fund to share capital in the year.

X. Implementation of the equity incentive scheme, employee stock ownership plan or other employee incentives of the Company

☑ Applicable □ Not applicable

1. Equity incentive

(1) On 31 July 2025, the second meeting of the 7th Board of Directors of the Company deliberated and approved the *Proposal on the Satisfaction of the Conditions for the Release of Restrictions in the First Restriction Release Period under the 2024 Restricted Stock Incentive Plan of the Company.* The Company agreed to handle the restriction release procedures for 298 incentive recipients of restricted stock who meet the conditions for the release of restrictions, and the number of restricted shares eligible for the release of restrictions is 4,454,841 shares. The Remuneration and Evaluation Committee of the Company's Board of Directors has verified the relevant matters and issued verification opinions. AllBright Law Offices (Shanghai) has issued a legal opinion with respect to the aforesaid matters. The above released restricted shares have been listed and circulated on 12 August 2025.

(2) On 31 July 2025, the 2nd meeting of the 7th Board of Directors of the Company reviewed and approved the *Proposal on the Repurchase and Cancellation of Part of the Granted but Unreleased Restricted Shares Held by Incentive Recipients*. The Company agreed to repurchase and cancel 273,159 granted but unreleased restricted shares at a repurchase price of RMB 4.30 per share. The Remuneration and Evaluation Committee of the Company's Board of Directors has verified the relevant matters and issued verification opinions. AllBright Law Offices (Shanghai) has issued a legal opinion with respect to the aforesaid matters. The proposal was deliberated and approved at the 2025 Second Extraordinary Shareholders' Meeting of the Company on 21 August 2025. The Company has completed the repurchase and cancellation procedures for the aforesaid restricted shares in October 2025.

The equity incentive obtained by the Company's directors and senior management

☑ Applicable □ Not applicable

Unit: Shares

Name	Position	Volume of stock options held at the beginning of the year	Volume of stock options newly granted during the reporting period	Volume of shares exercisable during the reporting period	Volume of shares exercised during the reporting period	Exercise price (Yuan/ share) of the shares exercised during the reporting period	Volume of stock options held at the ending of the reporting period	Market price (Yuan/ share) at the ending of the reporting period	Volume of restricted stocks held at the beginning of the period	Volume of shares unlocked during the current period	Volume of newly granted restricted stocks during the reporting period	The grant price of restricted stock (Yuan/ share)	Volume of restricted stocks held at the ending of the period
Chen Lijie	Vice Chairman of the Board								150,000	58,007	0	4.30	90,000
Jin Yizhong	Director, Deputy General Manager								150,000	58,007	0	4.30	90,000
Zhang Jiangshan	Director, Deputy General Manager, Secretary of the Board of Directors								140,000	54,140	0	4.30	84,000
Wang Lirong	Director								150,000	58,007	0	4.30	90,000
Wei Hegeng	Deputy General Manager								150,000	58,007	0	4.30	90,000
Wang Zichen	Deputy General Manager								140,000	54,140	0	4.30	84,000
Li Jianwen	Deputy General Manager								140,000	54,140	0	4.30	84,000
Total	--	0	0	0	0	--	0	--	1,020,000	394,448	0	--	612,000
Remark (if any)		According to the relevant provisions of the *2024 Restricted Stock Incentive Plan*, the proportion of restricted shares that may be released by the aforesaid directors and senior management during the first release period is 40% of the total number of restricted shares granted to them (i.e., 408,000 shares). As											

	the Company’s performance assessment for 2024 was not fully achieved, the actual number of restricted shares released for such persons this time is 394,448 shares, and the remaining 13,552 shares that failed to meet the performance targets will be repurchased and cancelled by the Company.

Assessment Mechanism and Incentive Situation for Senior Management

The Company's Remuneration and Assessment Committee, in accordance with the relevant provisions of the Articles of Association, the Detailed Rules for Implementation of the Board of Directors' Compensation and Assessment Committee, and the Remuneration Management System for Directors and Senior Management, as well as the 2024 Restricted Stock Incentive Plan Implementation Assessment and Management Measures, referring to the industry's remuneration levels, combined with the Company's annual business target completion and the work performance of senior management, has formulated and reviewed the performance assessment and remuneration plans for the company's senior management, which were then submitted to the Board of Directors for deliberation. During this reporting period, the senior management personnel of the Company have conscientiously fulfilled their duties, actively implemented the resolutions of the shareholders' meeting and the board of directors, and have satisfactorily completed various tasks for this year.

2. Implementation of the employee stock holding plan

□ Applicable ☑ Not applicable

3. Other employee incentive measures

□ Applicable ☑ Not applicable

XI. Internal control system construction and implementation during the reporting period

1. Internal control construction and implementation status

According to the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, the Company has followed the basic principles of internal control, and established and improved the internal control system based on the actual situation of the Company, which has been effectively implemented to reasonably guarantee the legality and compliance of business management and asset safety. The truthfulness and completeness of financial report and related information are conducive to improving the Company's operational efficiency and effectiveness, and promoting the Company to realize the development strategy. The 2025 Internal Control Evaluation Report of the Company reflects the actual situation of the Company's internal control comprehensively, truthfully, and accurately. The Company had no significant or important defects in internal control during the reporting period.

2. Specific situation of major internal control defects discovered during the reporting period

□ Yes ☑ No

XII. Management and control of subsidiaries by the Company during the reporting period

Company name	Integration plan	Integration progress	Problems encountered during integration	Solutions adopted	Solution progress	Subsequent solution plan
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Abnormal management and control over subsidiaries

□ Yes ☑ No

XIII. Internal control evaluation report or internal control audit report

1. Internal control evaluation report

Disclosure date of the full text of the Internal Control Evaluation Report	28 April 2026

Disclosure index of the full text of the Internal Control Evaluation Report	Juchao Information Website (http://www.cninfo.com.cn), 2025 Internal Control Evaluation Report	
The proportion of total assets of the units included in the evaluation scope to the total assets of the Company's consolidated financial statements	100.00%	
The proportion of operating income of the units included in the evaluation scope to the operating income of the Company's consolidated financial statements	100.00%	
Defect identification criteria		
Category	Financial Reports	Non-financial reporting
Qualitative criteria	The signs of significant defects in financial report include: 1) Fraudulent behavior by the Company's directors and senior management; 2) Correction of significant errors in publicly announced financial reports (excluding retrospective adjustments to previous years due to policy changes or other objective factors); 3) Significant misstatements in the current financial statements discovered by certified public accountants but not identified by the Company's internal controls; 4) The audit committee and audit department have ineffective supervision over the Company's external financial reporting and internal control over financial reporting. The signs of important defects in financial reporting include: 1) Failure to select and apply accounting policies in accordance with generally accepted accounting standards; 2) Failure to establish anti-fraud procedures and control measures; 3) Failure to establish or implement corresponding control mechanism and provide corresponding compensatory control for the accounting treatment of unconventional or special transactions; 4) There are one or more defects in the control of the final financial reporting process and there is no reasonable guarantee that the financial statements prepared can achieve true and complete targets. General defects refer to the control defects other than the significant and important defects mentioned above.	The determination of non-financial reporting defects is mainly based on the degree of impact of defects on the effectiveness of business processes and the likelihood of occurrence. If the likelihood of defect occurrence is low, and it will reduce work efficiency or effectiveness, increase the uncertainty of effectiveness, or cause deviation from the expected targets, it is a general deficiency. If the likelihood of defect occurrence is relatively high, and it will significantly reduce work efficiency or effectiveness, significantly increase the uncertainty of effectiveness, or cause significant deviation from the expected targets, it is an important deficiency. If the likelihood of defect occurrence is high, and it will seriously reduce work efficiency or effectiveness, seriously increase the uncertainty of effectiveness, or cause serious deviation from the expected targets, it is a material deficiency.
Quantitative standards	Quantitative standards use operating revenue and total assets as measurement indicators. If the internal control defects may lead to losses or the resulting losses are related to profit statements, they shall be measured by operating income indicators. If the defect alone or in conjunction with other defects may	Quantitative standards use operating revenue and total assets as measurement indicators. If the internal control defects may lead to losses or the resulting losses are related to profit statements, they shall be measured by operating income indicators. If the defect alone or in conjunction with other defects may

	result in a financial report misstatement amount less than 1% of operating income, it is recognized as a general defect. If it exceeds 1% but is less than 2% of operating revenue, it is considered an important defect. If it exceeds 2% of the operating revenue, it is considered a significant defect. If the internal control defects may lead to losses or the resulting losses are related to asset management, they shall be measured by the total asset indicator. If the defect alone or in conjunction with other defects may result in a financial report misstatement amount less than 1% of total assets, it is recognized as a general defect. If it exceeds 1% but is less than 2% of total assets, it is considered an important defect. If it exceeds 2% of total assets, it is considered a significant defect.	result in a loss amount less than 1% of operating income, it is recognized as a general defect. If it exceeds 1% but is less than 2% of operating income, it is considered an important defect. If it exceeds 2% of operating income, it is considered a significant defect. If the internal control defects may lead to losses or the resulting losses are related to asset management, they shall be measured by the total asset indicator. If the internal control defects may lead to losses or the resulting losses are related to asset management, they shall be measured by the total asset indicator. If the defect alone or in conjunction with other defects may result in losses less than 1% of total assets, it is recognized as a general defect. If it exceeds 1% but is less than 2% of total assets, it is considered an important defect. If it exceeds 2% of total assets, it is considered a significant defect.
Number of significant defects in financial report (number)	0	
Number of significant defects in non-financial report (number)	0	
Number of important defects in financial report (number)	0	
Number of important defects in non-financial report (number)	0	

2. Internal control audit report

☑ Applicable □ Not applicable

Review comments section in the internal control audit report	
We believe that Yongtai Technology has maintained effective internal control over financial reporting in all material aspects as of 31 December 2025 in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.	
Disclosure of internal control audit report	Disclosure
Disclosure date of the full text of the Internal Control Audit Report	28 April 2026
Disclosure index of the full text of the Internal Control Audit Report	Juchao Information Website (http://www.cninfo.com.cn), 2025 Internal Control Audit Report
Types of opinions on internal control audit report	Standard unqualified opinions
Are there significant defects in non-financial report?	No

Whether the accounting firm issues an internal control audit report with non-standard opinions?

□ Yes ☑ No

Whether the internal control audit report issued by the accounting firm is consistent with the self-evaluation report of the Board of Directors?

☑ Yes □ No

Whether a non-standard audit opinion on internal control was issued during the Reporting Period or in the prior year.

□ Yes ☑ No

XIV. Rectification of self-inspection issues in the special action on corporate governance of listed companies

Not Applicable

XV. Disclosure of Environmental Information

Whether the listed company and its major subsidiaries are included in the list of enterprises required to disclose environmental information in accordance with the law

☑ Yes □ No

Number of enterprises (enterprise) included in the list of enterprises required to disclose environmental information in accordance with the law		7
S.N.	Enterprise Name	Index for Inquiring Reports on the Legal Disclosure of Environmental Information
1	Zhejiang Yongtai Technology Co., Ltd.	Zhejiang Provincial Department of Ecology and Environment - Enterprise Environmental Information Legal Disclosure System (https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search)
2	Zhejiang Yongtai Chiral Medicine Technology Co., Ltd.	Zhejiang Provincial Department of Ecology and Environment - Enterprise Environmental Information Legal Disclosure System (https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search)
3	Zhejiang Yongtai Pharmaceutical Co., Ltd.	Zhejiang Provincial Department of Ecology and Environment - Enterprise Environmental Information Legal Disclosure System (https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search)
4	Zhejiang Chiral Medicine Chemicals Co., Ltd.	Zhejiang Provincial Department of Ecology and Environment - Enterprise Environmental Information Legal Disclosure System (https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-search)
5	Foshan Soin Chiral Pharma Co., Ltd.	Guangdong Provincial Department of Ecology and Environment - Enterprise Environmental Information Legal Disclosure System (https://www-app.gdeei.cn/gdeepub/front/dal/dal/newindex)
6	Inner Mongolia Yongtai Chemical Co., Ltd.	Enterprise Environmental Information Legal Disclosure System (Inner Mongolia(http://111.56.142.62:40010/yfpl/home)
7	Shaowu Yongtai Hi-tech Material Co., Ltd.	Enterprise Environmental Information Legal Disclosure System (Fujian Beta Version)(http://220.160.52.213:10053/idp-province/#/home)

Relevant information on environmental incidents occurring in listed companies: No environmental incidents occurred in the Company during the reporting period.

XVI. Situation of social responsibility

The Company actively fulfills its social responsibilities, striving to achieve a dynamic balance between economic, social, and environmental responsibilities. It promotes the common development of the company and its stakeholders, including shareholders, customers, employees, and suppliers, and drives the sustainable development of both society and the enterprise. For details on the fulfillment of social responsibilities, please refer to the Company’s 2025 Environmental, Social and Governance (ESG) Report, published on April 28, 2026, in the Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily, and on the website of the China Securities Regulatory Commission at Juchao Information Website (http://www.cninfo.com.cn)

The Company has always attached great importance to production safety. It has established and improved the EHS management system, formulated a relatively comprehensive set of production safety management systems and safe operating procedures, and promoted the standardization of production safety. The Company continuously optimizes and enhances its production safety management capabilities, insisting on conducting third-party verify and voluntarily subjecting its operations to the supervision and control of safety and environmental protection departments. In addition, the Company regularly carries out safety operation skills training for employees and conducts comprehensive safety inspections at the end of each month. Any identified safety hazards are promptly rectified. The Company continuously strengthens on-site safety management and increases investment in safety hardware facilities, thereby enhancing the inherent safety of production and ensuring the safety of employees' lives and company property. The Company adheres to the principle of treating safety as the lifeline of the enterprise. During this period, the safety supervision and assurance system has operated in an orderly and normal manner. The investment in production safety has been adequate, safety training and publicity have been effective, and the organization of safety prevention and supervision inspections has been well-executed and no production safety accidents of general level or above have occurred.

XVII. Consolidate and expand the achievements of poverty alleviation and rural revitalization

In 2025, the Company actively responded to the national call, deeply implemented the national strategic deployment of "comprehensively promoting rural revitalization", continuously consolidated and expanded the achievements of poverty alleviation, and promoted rural revitalization work. During the reporting period, the Company carried out multiple public-welfare donation projects such as education donations and charitable donations.

Section V Important Matters

I. Fulfilment of commitment matters

I. Undertakings made by the Company's actual controllers, shareholders, related parties, acquirers, the Company, and other undertaking relating parties during the reporting period and those remaining unfulfilled as of the end of the reporting period

☑ Applicable □ Not applicable

Reason for commitment	Commitment party	Commitment type	Commitment content	Commitment Time	Commitment Term	Performance status
Commitment made during initial public offering or refinancing	The Company's directors and senior management personnel	Share reduction commitment	From the date of the Company's stock listing, the lock up period is 36 months. During the term of office, the annual transfer of shares shall not exceed 25% of the total number of shares held.	03 December 2009	Long-term	Strictly fulfil commitments
	Wang Yingmei, He Renbao	Commitment to peer competition	1. I will not directly or indirectly engage in or participate in any business or activity that competes with the Company in commerce, or have the rights and interests of any economic entity, institution, or organization that competes with the Company, both within and outside of China; or obtain control over the economic entity, institution, or economic organization in any other form; or serve as senior management or core technical personnel in the economic entity, institution, or organization. 2. I am willing to bear all economic losses caused to the Company due to violating the above commitments. This commitment is valid when I hold 5% or more of the shares in a joint-stock company.	03 December 2009	Long-term	Strictly fulfil commitments
	Wang Yingmei, He Renbao, Zhejiang Yongtai Holdings Co., Ltd.	Commitment to related party transactions	All transactions between this shareholder and the joint-stock company will strictly abide by market rules and be conducted in a fair and reasonable manner based on the general commercial principles of equality, mutual benefit, a equivalence, and compensation. This shareholder guarantees not to obtain any improper benefits or make the joint-stock company bear any improper responsibilities and obligations through related party transactions, otherwise they are willing to bear corresponding legal responsibilities.	03 December 2009	Long-term	Strictly fulfil commitments
Other commitments made to small and medium-sized shareholders of the Company	***Company***	Dividend commitment	1. The Company's profit distribution can be done in a form of cash, stock, or a combination of cash and stock. The Board of Directors of the Company may propose a mid-term cash distribution based on the Company's financial needs. 2. After making up for losses and fully withdrawing the statutory provident funds, and on the premise that the Company is profitable and its cash flow meets the Company's continuous operation and long-term development, the cumulative distribution of profits in cash for three consecutive years from 2024 to 2026 shall not be less than 35% of the annual distributable profits achieved in those three years. 3. The Company can repay investors by converting	16 May 2024	2024-2026	Strictly fulfil commitments

Reason for commitment	Commitment party	Commitment type	Commitment content	Commitment Time	Commitment Term	Performance status
			capital reserves into share capital or distributing stock dividends according to development needs. 4. After the end of each fiscal year, the Company's board of directors should propose a profit distribution plan and submit to the shareholders' meeting for deliberation and approval before implementation. The formulation and implementation process of the Company's profit distribution plan will actively adopt and accept the suggestions and supervision of all shareholders (including small and medium-sized investors), independent directors, and supervisors.			
Whether the commitment is fulfilled on time	Yes					
If the commitment is not fulfilled on time, the specific reasons for the unfulfilled performance and the next step of the work plan shall be explained in detail	Not Applicable					

2. If there is a profit forecast for the Company's assets or projects, and the reporting period is still in the profit forecast period, the Company shall explain the reasons for the assets or projects reaching the original profit forecast

□ Applicable ☑ Not applicable

3. Performance Commitments Involving the Company

□ Applicable ☑ Not applicable

II. Non-operational appropriation by controlling shareholders and other related parties for funds of the listed company

□ Applicable ☑ Not applicable

The Company does not have any non-operational appropriation by controlling shareholders and other related parties for funds of the listed company during the reporting period.

III. Illegal external guarantee

□ Applicable ☑ Not applicable

The Company has no illegal external guarantees during the reporting period.

IV. Explanation of the Board of Directors on the situation related to the current issue of “non-standard audit report”

□ Applicable ☑ Not applicable

V. Explanation of the Board of Directors and the independent directors (if any) on the “non-standard audit report” issued by the accounting firm for the reporting period

□ Applicable ☑ Not applicable

VI. Explanation on changes in accounting policies and accounting estimates or significant accounting errors compared to the financial report in the previous year

☑ Applicable ☑ Not applicable

Refer to Section 8, Financial Reports, Section 5, Significant Accounting Policies and Accounting Estimates 33, Significant Accounting Policies and Accounting Estimates Changes.

VII. Explanation on changes in the scope of consolidated financial statements compared to the financial report in the previous year

☑ Applicable □ Not applicable

Please refer to IX. Changes in the Scope of Merger in Section VIII, Financial Reporting.

VIII. Appointment and dismissal of accounting firms

The accounting firm currently employed

Name of domestic CPA firm	BDO China Shu Lun Pan CPAs (SGP)
Remuneration for domestic accounting firms (RMB 10,000)	230
Continuous years of audit services provided by domestic accounting firms	20
Name of registered accountant of domestic accounting firm	Chen Keju, Li Dan, Chen Fan
Continuous years of audit services provided by certified public accountants of domestic accounting firms	Chen Keju for 1 year, Li Dan for 3 yeasr, Chen Fan for 3 years

Whether to hire a new accounting firm in the current period

□ Yes ☑ No

Employment of accounting firms, financial advisors, or sponsors for internal control audit

☑ Applicable □ Not applicable

During the reporting period, the company hired BDO China Shu Lun Pan CPAs (SGP) as its internal control audit accounting firm for the year 2025, with an internal control audit fee of RMB 200,000.

IX. Facing delisting situation after annual report disclosure

□ Applicable ☑ Not applicable

X. Matters related to bankruptcy and reorganization

□ Applicable ☑ Not applicable

The Company has not experienced any bankruptcy and reorganization related matters during the reporting period.

XI. Significant litigation and arbitration matters

☑ Applicable □ Not applicable

Basic information on litigation (arbitration)	Amount of money involved (ten thousand)	Whether or not an estimated liability has been generated	Progress of litigation (arbitration)	Outcome and impact of litigation (arbitration) trial	Enforcement of litigation (arbitration) judgments	Disclosure date	Index for disclosure
Reciprocal litigation regarding contract disputes between the Company and Feidong Guoxuan New Materials Co., Ltd. as	The counterparty's claim: 202,539,200 Yuan. The Company's	No	The first-instance judgement has been made	1. The payment of 101,731,548.64 Yuan for the goods purchased by Feidong Guoxuan in the name of Hefei Qianrui had been	After the first-instance judgement, neither party appealed and they reached a settlement, this	02 December 2023, 09 January 2024, 31 December 2024, 24 January 2025, 25 January 2025, 01 March 2025, 09	Juchao Information Website (http://www.cninfo.com.cn) (Announcement No.: 2023-082, 2024-001, 2024-080, 2025-005,

Basic information on litigation (arbitration)	Amount of money involved (ten thousand)	Whether or not an estimated liability has been generated	Progress of litigation (arbitration)	Outcome and impact of litigation (arbitration) trial	Enforcement of litigation (arbitration) judgments	Disclosure date	Index for disclosure
well as Hefei Qianrui Technology Co., Ltd.	claim: 311,183,200 Yuan.			deducted from the 200 million Yuan deposit prepaid by Feidong Guoxuan. The Company had returned Feidong Guoxuan the remaining deposit of 98,268,451.36 Yuan and the loss from the occupation of funds.	case has been fully executed.	April 2025	2025-006, 2025-010, 2025-024)
Dispute over infringement of trade secrets among Jiujiang Tianci High-Tech Materials Co., Ltd., the Company and Yongtai Hi-Tech	88,825.00	No	pending trial	Pending judgment	Pending judgment	03 July 2025, 15 July 2025	Juchao Information Website (http://www.cninfo.com.cn) (Announcement No.: 2025-043, 2025-055)
Dispute over reputation rights and commercial defamation among the Company, Yongtai Hi-Tech and Guangzhou Tianci High-Tech Materials Co., Ltd.	5,751.93	No	pending trial	Pending judgment	Pending judgment	04 July 2025	Juchao Information Website (http://www.cninfo.com.cn) (Announcement No.: 2025-044)
Summary of litigation and arbitration matters that do not meet the disclosure threshold for significant matters	25,625.12	No	pending trial	All cases are pending trial and have no material impact on the company's operations	Pending judgment	Not Applicable	Not Applicable

Other explanation: In March 2026, the Company, as the plaintiff, filed a lawsuit with the Jiangxi Provincial Higher People's Court against Guangzhou Tianci High-Tech Materials Co., Ltd., Jiujiang Tianci High-Tech Materials Co., Ltd., and Xu Jinfu, claiming damages in the amount of RMB 100 million, on the grounds of liability for damage caused by malicious institution of intellectual property litigation. The case was accepted for filing on April 9, 2026, with docket number (2026) Gan Zhi Min Chu No. 1. As of the date of this report, no court hearing has taken place.

XII. Penalties and rectification

□ Applicable ☑ Not applicable

There were no penalties or rectifications during the reporting period of the Company.

XIII. Credit Worthiness of the Company and its controlling shareholders and actual controllers

☑ Applicable □ Not applicable

There is no case in which the Company, its controlling shareholders and actual controllers failed to fulfil the effective judgements from the court, and due liabilities of a large amount are unpaid during the reporting period.

XIV. Material related party transactions

1. Related party transactions related to daily operations

☐ Applicable ☑ Not applicable

No related party transactions related to daily operations occurred during the reporting period.

2. Related party transactions in relation to the acquisition or disposal of assets or equity interests

☐ Applicable ☑ Not applicable

No related party transactions in relation to respect of the acquisition or disposal of assets or equity interests occurred during the reporting period.

3. Related party transactions of joint investments

☐ Applicable ☑ Not applicable

No related transactions of joint investment occurred during the reporting period.

4. Related claims and debts transactions

☐ Applicable ☑ Not applicable

No related claims and debts transactions existed during the reporting period.

5. Transactions with financial companies with which the Company has a relationship

☐ Applicable ☑ Not applicable

No deposit, loan, facility or other financial business exists between the Company and the financial company with which the Company has a relationship and the related parties.

6. Transactions between the financial company held by the Company and related parties

☐ Applicable ☑ Not applicable

No deposit, loan, facility or other financial business exists between the financial company held by the Company and related parties.

7. Other material related party transactions

☐ Applicable ☑ Not applicable

No other material related party transactions occurred during the reporting period of the Company.

XV. Material contracts and their fulfilment

1. Trusteeship, contracting and leasing matters

(1) Trusteeship

☐ Applicable ☑ Not applicable

No trusteeship existed during the reporting period of the Company.

(2) Contracting

☐ Applicable ☑ Not applicable

No contracting existed during the reporting period of the Company.

(3) Leasing

☑ Applicable ☐ Not applicable

Description of the leasing

As the lessee

Item	Amount in this period (Yuan)	Amount in previous period (Yuan)
Interest cost on lease liabilities	149,945.82	190,868.36
Short-term lease expenses included in the cost of the related assets or in the current profits and losses for simplified treatment	570,476.19	570,476.19
Total cash outflows related to leases	3,665,666.15	3,567,057.00

As the lessor

Operating lease

Item	Amount in this period (Yuan)	Amount in previous period (Yuan)
Operating lease income	1,218,137.61	1,236,755.13

Items generating profit or loss for the Company amounting to 10% or more of the total profit in the reporting period of the Company

□ Applicable ☑ Not applicable

No leasing items that generated profit or loss for the Company amounting to 10% or more of the total profit in the reporting period of the Company.

2. Material guarantees

☑ Applicable □ Not applicable

Unit: RMB 10,000

External guarantees of the Company and its subsidiaries (excluding guarantees to subsidiaries)										
The guaranteed object Name	Date of disclosure of announcement relating to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilment or not	Guarantee for related parties or not
None										
Guarantee provided by the Company for subsidiaries										
The guaranteed object Name	Date of disclosure of announcement relating to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilment or not	Guarantee for related parties or not
Inner Mongolia Yongtai Chemical Co., Ltd.	20 May 2025	150,000	16 December 2024	10,000	Guarantee of joint and several liabilities			1 year	Yes	No

Shanghai E-Tong Chemical Co., Ltd.	17 May 2024	45,000	25 January 2022	17,000	Guarantee of joint and several liabilities			3 years	Yes	No
			04 February 2024	4,850	Guarantee of joint and several liabilities			1 year	Yes	No
			10 March 2024	5,200	Guarantee of joint and several liabilities			17 months	Yes	No
	20 May 2025	60,000	11 March 2024	5,000	Guarantee of joint and several liabilities			10 months	Yes	No
Shaowu Yongtai Hi-tech Material Co., Ltd.	20 May 2025	100,000	13 June 2022	13,000	Guarantee of joint and several liabilities			3 years	Yes	No
	17 May 2024	80,000	27 July 2023	7,000	Guarantee of joint and several liabilities			18 months	Yes	No
Zhejiang Yongtai Chiral Medicine Technology Co., Ltd.	17 May 2024	30,000	24 November 2022	5,000	Guarantee of joint and several liabilities			3 years	Yes	No
Zhejiang Yongtai New Energy Material Co., Ltd.	20 May 2025	50,000	29 September 2022	20,000	Guarantee of joint and several liabilities			4 years	Yes	No
Foshan Soin Chiral Pharma Co., Ltd.	20 May 2025	5,000	21 August 2025	1,000	Guarantee of joint and several liabilities			10 years	No	No
		5,000	08 December 2025	1,000	Guarantee of joint and several liabilities			1 year	No	No
Hangzhou Yongtai Chiral Biopharmaceutical Co., Ltd.	20 May 2025	10,000	10 November 2025	10,000	Guarantee of joint and several liabilities			10 years	No	No
Inner Mongolia Yongtai Chemical Co., Ltd.	20 May 2025	150,000	08 October 2020	30,000	Guarantee of joint and several liabilities			6 years	No	No
			13 June 2023	40,000	Guarantee of joint and several liabilities			6 years	No	No

			27 July 2023	535.43	Guarantee of joint and several liabilities			33 months	No	No
			05 November 2024	20,000	Guarantee of joint and several liabilities			3 years	No	No
			17 January 2025	5,000	Guarantee of joint and several liabilities			1 year	No	No
			27 February 2025	12,000	Guarantee of joint and several liabilities			3 years	No	No
			16 June 2025	5,000	Guarantee of joint and several liabilities			7 years	No	No
			26 June 2025	4,690.73	Guarantee of joint and several liabilities			2 years	No	No
			29 October 2025	5,000	Guarantee of joint and several liabilities			1 year	No	No
			17 December 2025	15,000	Guarantee of joint and several liabilities			1 year	No	No
Shandong Zhanhua Yongtai Pharmaceutical Co., Ltd.	20 May 2025	5,000	21 May 2024	2,744.1	Guarantee of joint and several liabilities			3 years	No	No
Shanghai E-Tong Chemical Co., Ltd.	20 May 2025	60,000	27 March 2024	2,400	Guarantee of joint and several liabilities			3 years	No	No
			31 October 2024	5,000	Guarantee of joint and several liabilities			10 years	No	No
			15 January 2025	4,850	Guarantee of joint and several liabilities			1 year	No	No
			22 January 2025	17,000	Guarantee of joint and several liabilities			5 years	No	No
			14 March 2025	3,400	Guarantee of joint and several liabilities			18 months	No	No

			20 June 2025	3,000	Guarantee of joint and several liabilities			3 years	No	No
Shaowu Yongtai Hi-tech Material Co., Ltd.	20 May 2025	100,000	29 September 2022	40,000	Guarantee of joint and several liabilities			6 years	No	No
			28 December 2023	9,600	Guarantee of joint and several liabilities			3 years	No	No
			11 October 2024	4,118.16	Guarantee of joint and several liabilities			2 years	No	No
			24 January 2025	7,000	Guarantee of joint and several liabilities			1 year	No	No
			28 October 2025	10,000	Guarantee of joint and several liabilities			11 months	No	No
Zhejiang Chiral Medicine Chemicals Co., Ltd.	20 May 2025	20,000	31 January 2023	5,500	Guarantee of joint and several liabilities			3 years	No	No
			24 June 2024	5,000	Guarantee of joint and several liabilities			5 years	No	No
			06 January 2025	3,500	Guarantee of joint and several liabilities			5 years	No	No
			29 October 2025	5,000	Guarantee of joint and several liabilities			1 year	No	No
Zhejiang Yongtai Chiral Medicine Technology Co., Ltd.	20 May 2025	30,000	10 April 2023	17,000	Guarantee of joint and several liabilities			3 years	No	No
Zhejiang Yongtai New Energy Material Co., Ltd.	20 May 2025	50,000	05 June 2024	5,338.14	Guarantee of joint and several liabilities			3 years	No	No
			29 December 2025	11,000	Guarantee of joint and several liabilities			2 years	No	No
			29 December 2025	9,500[Note 1]	Guarantee of joint and several			10 years	No	No

					liabilities					
Total amount of approvals of guarantees to subsidiaries during the reporting period (B1)		430,000		Total amount of guarantees to subsidiaries actually incurred during the reporting period (B2)		132,940.73				
Total amount of guarantees to subsidiaries approved at the end of the reporting period (B3)		430,000		Total actual balance of guarantees to subsidiaries at the end of the reporting period (B4)		320,176.56				
Guarantees by subsidiaries to subsidiaries										
The guaranteed object Name	Date of disclosure of announcement relating to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Guarantee period	Fulfilment or not	Guarantee for related parties or not
Refers to Note 1										
Total amount of Company's guarantee (i.e., total of the first three major items)										
Total amount of approvals of guarantees during the reporting period (A1+B1+C1)		430,000		Total amount of guarantees actually incurred during the reporting period (A2+B2+C2)		132,940.73				
Total amount of guarantees approved at the end of the reporting period (A3+B3+C3)		430,000		Total actual balance of guarantees at the end of the reporting period (A4+B4+C4)		320,176.56				
Ratio of guarantees balance (i.e. A4+B4+C4) to the net assets of the Company				119.84%						
Of which:										
Balance of guarantees in favor of shareholders, actual controllers and their related parties (D)				0						
Balance of guarantees provided directly or indirectly for the debts of guaranteed objects with asset-liability ratios exceeding 70% (E)				180,064.30						
Amount of the portion of total amount of guarantees exceeding 50% of net assets (F)				187,141.13						
Total amount of the above three guarantees (D+E+F)				274,676.56						

Note 1: Yongtai Technology and Binhai Meikang jointly provided guarantees for a credit facility with a principal amount of RMB 95,000,000 granted to Yongtai New Energy.

Description of the specific circumstances of the adoption of composite method of guarantee: None.

3. Entrusting others to manage cash assets

(1) Entrusted financial management situation

□ Applicable ☑ Not applicable

No entrusted financial management existed during the reporting period of the Company.

(2) Entrusted loan situation

☐ Applicable ☑ Not applicable

The Company has no entrusted loans during the reporting period.

4. Other material contracts

☐ Applicable ☑ Not applicable

The Company has no other material contracts during the reporting period.

XVI. Usage of raised funds

☑ Applicable ☐ Not applicable

1. Overall usage of raised funds

☑ Applicable ☐ Not applicable

Unit: RMB 10,000

Year of fund-raising	Fund-raising methods	Securities listing date	Total amount of raised funds	Net amount of raised funds (1)	Total amount of raised funds used in this period	Accumulated total amount of raised funds used (2)	Proportion of raised funds used at the end of the reporting period (3) = (2) / (1)	Total amount of raised funds with changed purposes during the reporting period	Accumulated total amount of raised funds with changed purposes	The proportion of the accumulated total amount of raised funds with changed purposes	Total amount of raised funds not yet utilized	The purpose and destination of the raised funds not yet utilized	Idle amount of raised funds for more than two years
2023	Issuance of Global Depository Receipts	11 July 2023	50,235.54	47,659.9	17,204.89	50,748.17	106.48% Note 1	0	0	0.00%	90.20	As of the end of the period, the balance of unused raised funds is deposited in the special fund-raising account and will be invested in the construction of fund-raising projects as planned.	0
Total	--	--	50,235.54	47,659.9	17,204.89	50,748.17	106.48%	0	0	0.00%	90.20	--	0

Overall usage of raised funds:

Item	Amount (RMB)
Net amount of raised funds	476,598,996.87
Less: Cumulative amount invested in raised-fund projects	507,481,696.76

Of which: Amount invested from January to December 2025	172,048,889.00
Plus: Interest income from the special fund-raising account minus the handling expenses	11,398,037.12
Plus: Exchange profits and losses from special fund-raising account	1,427,464.82
Plus: Others [Note 2]	18,959,214.78
Balance of fund-raising account as of 31 December 2025	902,016.83

Note 1: As of the end of this period, the funds for which the investment progress exceeded 100% were derived from interest income, exchange gains and losses, as well as the issuance expenses that had been pre-paid with self-raised funds in the early stage and for which no replacement is intended.

Note 2: The remaining portion covers issuance expenses that were previously paid in advance using the Company's self-raised funds and are not intended to be replaced.

2. Project situation of fund-raising commitment

☐ Applicable ☑ Not applicable

3. Project situation of fund-raising changes

☐ Applicable ☑ Not applicable

The Company has no change in fund-raising projects during the reporting period.

4. Verification opinions of the intermediary institutions on the storage and use of proceeds from fund raising

☑ Applicable ☐ Not applicable

Opinion of BDO China Shu Lun Pan CPAs (SGP): The special report on the storage，management，and use of proceeds raised by Yongtai Technology in 2025 was prepared in all material respects in accordance with the relevant provisions of the *Regulations on the Supervision of Raised Funds of Listed Companies* (CSRC Announcement [2025] No. 10), the *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 1 – Standardized Operation of Main Board Listed Companies*, and the *Self-Regulatory Guidelines for Listed Companies of Shenzhen Stock Exchange No. 2 – Announcement Formats* issued by the China Securities Regulatory Commission, and fairly presents the storage, management, and use of raised funds of Yongtai Technology for the year 2025.

XII. Description of other significant events

☑ Applicable ☐ Not applicable

1. To strengthen the company's core competitiveness in the field of lithium battery materials, the company has signed a *Technology Development Contract* with Fudan University to carry out technical cooperation on the medium and long-duration lithium battery technology development. Jointly invested and established a joint venture company, Shanghai Yongtaixin Fluorine New Materials Co., Ltd., with Mr. Gao Yue and Mr. Wang Bingjie, so as to deepen cooperation and efficiently promote project implementation. For details, please refer to the relevant announcements published by the Company on 06 March 2025 and 10 September 2025, in the Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily, and Juchao Information Website (http://www.cninfo.com.cn)

XVIII. Significant events of the Company's subsidiaries

☑ Applicable ☐ Not applicable

1. Based on business development needs, the company has increased the registered capital of Inner Mongolia Yongtai by RMB 700 million with its own funds, increased the registered capital of Yongtai Chiral by RMB 200 million, and increased the registered capital of Yongtai Pharma by RMB 100 million. For details, please refer to the relevant announcement published by the

Company on 04 April, 08 April and 09 April 2025, in the *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily*, and Juchao Information Website (http://www.cninfo.com.cn)

2. The trial production plan for the 5,000 t/a lithium battery additive project of Inner Mongolia Yongtai, a wholly-owned subsidiary of the Company, was deliberated and approved by experts on 17 November 2025. The project is ready for trial production and has commenced trial production. For details, please refer to the relevant announcement published by the Company on 18 November 2025, in the *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily*, and Juchao Information Website (http://www.cninfo.com.cn)

Section VI Changes in shares and Information on shareholders

I. Changes in shares

1. Changes in shares

Unit: Shares

Item	Before this change		Increase/decrease of this change (+, -)					After this change	
	Quantity	Percentage	Issue of new shares	Stock dividend	Capital reserve converted to share	Others	Subtotal	Quantity	Percentage
I. Restricted shares	121,367,860	13.12%				-4,399,266	-4,399,266	116,968,594	12.64%
1. Shares held by state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	121,367,860	13.12%				-4,399,266	-4,399,266	116,968,594	12.64%
Of which: Shares held by domestic legal persons									
Shares held by domestic natural persons	121,367,860	13.12%				-4,399,266	-4,399,266	116,968,594	12.64%
4. Shares held by foreign investors									
Of which: Shares held by foreign legal persons									
Shares held by overseas natural persons									
II. Non-restricted shares	804,032,935	86.88%				4,126,107	4,126,107	808,159,042	87.36%
1. RMB ordinary shares	804,032,935	86.88%				4,126,107	4,126,107	808,159,042	87.36%
2. Foreign shares listed in the PRC									
3. Foreign shares listed overseas									
4. Others									
III. Total number of shares	925,400,795	100.00%				-273,159	-273,159	925,127,636	100.00%

Reasons for changes in shares

☑ Applicable □ Not applicable

During the reporting period, the conditions for the first release period of the Company’s 2024 restricted stock incentive plan were partially achieved. The Company completed the listing and circulation procedures for 4,454,841 restricted shares that met the release conditions, and completed the repurchase and cancellation procedures for 273,159 restricted shares that did not meet the release conditions. In the same period, the locked shares of the Company’s senior management increased by 328,734 shares. In summary, the Company’s restricted shares decreased by 4,399,266 shares, unrestricted shares increased by 4,126,107 shares, and the total share capital decreased by 273,159 shares accordingly.

Approval of share changes

☑ Applicable □ Not applicable

For details on the approval of the share changes, please refer to “1. Equity incentive” of “X. Implementation of the share incentive scheme, employee stock ownership plan or other employee incentives of the Company” in “Section IV Corporate governance" in this report.

Transfer of share changes

☑ Applicable □ Not applicable

BDO China Shu Lun Pan CPAs (SGP) issued the Capital Verification Report (X.K.S.B.Zi [2025] No. ZF11242) on 23 October 2025, stating that as of 15 October 2025, the Company had actually paid RMB 1,174,583.70 for share repurchase, including a reduction in share capital of RMB 273,159.00 and a reduction in capital reserve of RMB 901,424.70. The Company’s registered share capital after capital reduction is RMB 925,127,636.00.

Approved by the Zhejiang Provincial Administration for Market Regulation, the Company completed the business registration procedures for changes for decreasing registered capital and obtained a new Business License on 05 November 2025. The registered capital after the change is RMB nine hundred and twenty-five million one hundred and twenty seven thousand six hundred and thirty six Yuan.

Impact of share changes on the financial indicators such as basic and diluted earnings per share and net assets per share attributable to ordinary shareholders of the Company for the latest year and the latest period.

☑ Applicable □ Not applicable

The basic earnings per share and diluted earnings per share have been calculated and adjusted based on the decreased share capital in this report.

Other disclosures deemed necessary by the Company or required by securities regulatory authorities.

□ Applicable ☑ Not applicable

2. Changes in restricted shares

☑ Applicable □ Not applicable

Unit: Shares

Name of shareholder	Number of restricted shares at the beginning of the period	Number of increase of restricted shares during the period	Number of restricted shares released during the period	Number of restricted shares at the end of the period	Reason for restriction	Date for release of restricted stock trade
Shares locked up by senior management	109,727,860	328,734	0	110,056,594	Shares locked up by senior management	The number of shares held each year to be released from lock-up is subject to *No. 10 Guidelines on Self-Regulation for Listed Companies by Shenzhen Stock Exchange - Management of Changes in Shares.*
Restricted shares of equity incentive	11,640,000	0	4,728,000	6,912,000	Implement 2024 Restricted Stock Incentive Plan	The conditions for the first release period under the Company’s 2024 restricted stock incentive plan were partially achieved. 4,454,841 restricted shares that met the release conditions were listed and became tradable on 12 August 2025, and the repurchase and cancellation procedures for 273,159 restricted

Name of shareholder	Number of restricted shares at the beginning of the period	Number of increase of restricted shares during the period	Number of restricted shares released during the period	Number of restricted shares at the end of the period	Reason for restriction	Date for release of restricted stock trade
						shares that did not meet the conditions were completed on 28 October 2025.
Total	121,367,860	328,734	4,728,000	116,968,594	--	--

II. Issuance and listing of securities

1. Securities issuance (excluding preferred shares) during the reporting period

□ Applicable ☑ Not applicable

2. Explanation on the changes in the total number of shares and shareholder structure of the Company as well as the changes in the Company's asset and liability structure

☑ Applicable □ Not applicable

For details on the total number of the company's shares and the structure of its shareholders, please refer to “I. Changes in Shares” of "Section VI Changes in Shares and Shareholders" in this report. The detailed information on the changes in the Company's asset and liability structure can be found in the relevant sections of “Section VIII: Financial Reporting”.

3. Situation of existing internal employee stock

□ Applicable ☑ Not applicable

III. Shareholders and actual controllers

1. Number of shareholders and shareholdings of the Company

Unit: Shares

<table>
<tr><td>Total number of ordinary shareholders at the end of the reporting period</td><td>136,185</td><td>The total number of common stock shareholders as of the end of the previous month prior to the disclosure date of the annual report</td><td>125,373</td><td>Total number of preferred shareholders with voting rights restored (if any) at the end of the reporting period</td><td>0</td><td colspan="2">The total number of preferred shareholders with restored voting rights at the end of the previous month prior to the disclosure date of the annual report (if any)</td><td>0</td></tr>
<tr><td colspan="9">Shareholdings of the shareholders holding more than 5% or the top 10 shareholders (excluding the shares lent through refinancing)</td></tr>
<tr><td rowspan="2">Name of shareholder</td><td rowspan="2">Nature of shareholders</td><td rowspan="2">Shareholding ratio</td><td rowspan="2">Number of shares held at the end of the reporting period</td><td rowspan="2">Increase or decrease during the reporting period</td><td rowspan="2">Number of shares held with limited sales conditions</td><td rowspan="2">Number of shares held without limited sales conditions</td><td colspan="2">Pledge, mark or freeze</td></tr>
<tr><td>Status of shares</td><td>Quantity</td></tr>
<tr><td>Wang Yingmei</td><td>Domestic natural persons</td><td>15.59%</td><td>144,248,400</td><td>0</td><td>108,186,300</td><td>36,062,100</td><td>Pledge</td><td>55,372,000</td></tr>
<tr><td>He Renbao</td><td>Domestic natural persons</td><td>12.04%</td><td>111,400,000</td><td>0</td><td>0</td><td>111,400,000</td><td>Pledge</td><td>47,726,000</td></tr>
<tr><td>Zhejiang Yongtai</td><td>Domestic</td><td>1.39%</td><td>12,887,500</td><td>0</td><td>0</td><td>12,887,500</td><td>Pledg</td><td>12,887,500</td></tr>
</table>

Holdings Co., Ltd.	non-state-owned legal person						e	
Hong Kong Securities Clearing Co., Ltd.	Overseas legal person	0.98%	9,050,034	3,780,240	0	9,050,034	Not Applicable	0
China Merchants Bank Co., Ltd. - CSOP CSI 1000 Exchange-Traded Open-Ended Index Securities Investment Fund	Others	0.64%	5,957,800	622,800	0	5,957,800	Not Applicable	0
Yu Lan	Domestic natural persons	0.50%	4,650,600	4,650,600	0	4,650,600	Not Applicable	0
Shanghai Axing Investment Management Co., Ltd. - Axing Gezhi No. 12 Private Equity Investment Fund	Others	0.49%	4,530,000	0	0	4,530,000	Not Applicable	0
China Merchants Bank Co., Ltd.– Huaxia CSI 1000 ETF Open-ended index securities investment fund	Others	0.41%	3,753,213	883,313	0	3,753,213	Not Applicable	0
Ji Nana	Domestic natural persons	0.36%	3,299,000	3,299,000	0	3,299,000	Not Applicable	0
Shanghai Tong'an Investment Management Co., Ltd. - Tong'an Dingzengbao No. 8 Private Securities Investment Fund	Others	0.33%	3,055,800	3,055,800	0	3,055,800	Not Applicable	0
Information on strategic investors or general legal persons becoming the top 10 shareholders (if any) due to the placing of new shares				None.				
Description of the above shareholders’ relationship or concerted action				Mr. He Renbao, Ms. Wang Yingmei, Zhejiang Yongtai Holdings Co., Ltd. and Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No.12 Private Equity Investment Fund are parties acting in concert. Among them, Mr. He Renbao and Ms. Wang Yingmei are spouses, who collectively held 100% equity interest in Zhejiang Yongtai Technology Holdings Co., Ltd., and Mr. Kuang He, the son of both of them, held 100% equity interest in Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No. 12 Private Equity Investment Fund. Other than this, it is unknown to the Company whether the remaining shareholders mentioned above are related to each other or are acting in concert.				
Description of the above shareholders involved in proxy/trustee voting rights and waiver of voting rights				None.				
Special description of the existence of repurchase special accounts among the top 10 shareholders (if any)				None.				
Shareholdings of the top 10 shareholders without limited sales conditions (excluding shares lent through refinancing and shares locked by senior management								

personnel)			
Name of shareholder	Number of shares held without limited sales conditions at the end of the reporting period	Type of shares	
		Type of shares	Quantity
He Renbao	111,400,000	RMB ordinary shares	111,400,000
Wang Yingmei	36,062,100	RMB ordinary shares	36,062,100
Zhejiang Yongtai Holdings Co., Ltd.	12,887,500	RMB ordinary shares	12,887,500
Hong Kong Securities Clearing Co., Ltd.	9,050,034	RMB ordinary shares	9,050,034
China Merchants Bank Co., Ltd. - CSOP CSI 1000 Exchange-Traded Open-Ended Index Securities Investment Fund	5,957,800	RMB ordinary shares	5,957,800
Yu Lan	4,650,600	RMB ordinary shares	4,650,600
Shanghai Axing Investment Management Co., Ltd. - Axing Gezhi No.12 Private Equity Investment Fund	4,530,000	RMB ordinary shares	4,530,000
China Merchants Bank Co., Ltd.– Huaxia CSI 1000 ETF Open-ended index securities investment fund	3,753,213	RMB ordinary shares	3,753,213
Ji Nana	3,299,000	RMB ordinary shares	3,299,000
Shanghai Tong'an Investment Management Co., Ltd. - Tong'an Dingzengbao No.8 Private Securities Investment Fund	3,055,800	RMB ordinary shares	3,055,800
Description of the affiliation or acting in concert among the top 10 shareholders of circulating shares without limited sales conditions, and between the top 10 shareholders of circulating shares without limited sales conditions and the top 10 shareholders	Mr. He Renbao, Ms. Wang Yingmei, Zhejiang Yongtai Holdings Co., Ltd. and Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No. 12 Private Equity Investment Fund are parties acting in concert. Among them, Mr. He Renbao and Ms. Wang Yingmei are spouses, who collectively held 100% equity interest in Zhejiang Yongtai Technology Holdings Co., Ltd., and Mr. Kuang He, the son of both of them, held 100% equity interest in Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No. 12 Private Equity Investment Fund. Other than this, it was unknown to the Company whether the remaining shareholders mentioned above are related to each other or are acting in concert, and it was also unknown to the Company whether the top 10 shareholders of circulating shares without limited sales conditions and the top 10 shareholders of ordinary shares are related to each other or are acting in concert.		
Description of participation in securities margin trading business by the top 10 ordinary shareholders (if any) (refer to Note 4)	4,650,600 shares were held by Yu Lan through an investor credit securities account; 4,530,000 shares were held by Shanghai Axing Investment Management Co., Ltd. – Axing Gezhi No. 12 Private Equity Investment Fund through an investor credit securities account; 3,299,000 shares were held by Ji Nana through an investor credit securities account, and 3,055,800 shares were held by Shanghai Tong'an Investment Management Co., Ltd. - Tong'an Dingzengbao No. 8 Private Securities Investment Fund through an investor credit securities account.		

Information of the shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 shareholders of unrestricted trading shares participating in the lending of shares through refinancing business

☐ Applicable ☑ Not applicable

the top 10 shareholders, and the top 10 shareholders of unrestricted trading shares change compared to the previous period due to securities lending / borrowing through refinancing business

☐ Applicable ☑ Not applicable

Engagement of agreed repurchase transactions by the Company’s top 10 ordinary shareholders and top 10 ordinary shareholders without limited sales conditions during the reporting period.

☐ Yes ☑ No

There were no agreed repurchase transactions by the Company’s top 10 ordinary shareholders and top 10 ordinary shareholders without limited sales conditions during the reporting period.

2. Situation of controlling shareholders of the Company

Nature of controlling shareholder: natural person controlling

Type of controlling shareholder: natural person

Name of controlling shareholder	Nationality	Have you obtained residency rights in other countries or regions?

Name of controlling shareholder	Nationality	Have you obtained residency rights in other countries or regions?
Wang Yingmei	China	Yes
He Renbao	China	Yes
Main occupation and position	Ms. Wang Yingmei serves as the Chairman and General Manager of the Company	
Equity information of other domestic and foreign listed companies controlled and participated in during the reporting period	None	

Changes in controlling shareholders during the reporting period

□ Applicable ☑ Not applicable

No changes in controlling shareholders occurred during the reporting period of the Company.

3. The actual controller and its concerted action persons of the Company

Nature of actual controller: domestic natural person

Type of actual controller: natural person

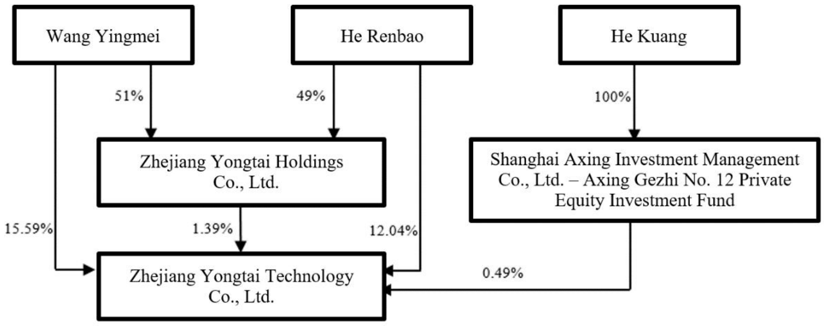
Name of actual controller	Relationship with actual controller	Nationality	Have you obtained residency rights in other countries or regions?
Wang Yingmei	Self in person	China	Yes
He Renbao	Self in person	China	Yes
Zhejiang Yongtai Holdings Co., Ltd.	Concerted action (including agreements, relatives, and common control)	China	No
Shanghai Axing Investment Management Co., Ltd. - Axing Gezhi No.12 Private Equity Investment Fund	Concerted action (including agreements, relatives, and common control)	China	No
Main occupation and position	Ms. Wang Yingmei serves as the Chairman and General Manager of the Company		
Situation of domestic and foreign listed companies with holding rights in the past 10 years	None		

Changes in actual controller during the reporting period

□ Applicable ☑ Not applicable

No changes in actual controller occurred during the reporting period of the Company.

Block diagram of property rights and control relationship between the Company and the actual controller



The actual controller controls the Company through trust or other asset management methods

□ Applicable ☑ Not applicable

4. The cumulative number of pledged shares held by the controlling shareholder or the largest shareholder and their concerted action persons of the Company accounts for 80% of the total number of shares held by them in the Company

□ Applicable ☑ Not applicable

5. Other corporate shareholders holding more than 10% of the shares

□ Applicable ☑ Not applicable

6. Information on the restriction and reduction of shares held by controlling shareholders, actual controllers, restructuring parties, and other committed entities

□ Applicable ☑ Not applicable

IV. The specific implementation of share repurchase during the reporting period

Progress of implementation of share repurchase

□ Applicable ☑ Not applicable

Progress in the implementation of reducing the repurchased shares by means of centralized bidding trading method

□ Applicable ☑ Not applicable

V. Related Conditions of Preferred Shares

□ Applicable ☑ Not applicable

There were no preference shares in the Company during the reporting period.

Section VII Related Conditions of Bonds

☐ Applicable ☑ Not applicable

Section VIII Financial Report

For the Consolidated Financial Statements together with Independent Auditor’s Report for the year ended 31 December 2025, please refer to the attached pages.

Zhejiang Yongtai Technology Co., Ltd.

Independent Auditor's Report and Financial Statements

For the Year Ended 31 December 2025

Zhejiang Yongtai Technology Co., Ltd.

Independent Auditor's Report and Financial Statements

(From 1 January 2025 to 31 December 2025)

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Independent Auditor's Report

Xin Kuai Shi Bao Zi [2026] No. ZF10622

To the Shareholders of Zhejiang Yongtai Technology Co., Ltd.:

Opinion

We have audited the accompanying financial statements of Zhejiang Yongtai Technology Co., Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated and company's balance sheets as at 31 December 2025, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2025 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountant' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of financial statements of public interest entities in China. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters in our audit:

Key Audit Matter	How the scope of our audit addressed the key audit matter
(I) Impairment of goodwill	
For details of accounting policies and analysis of impairment of goodwill, please refer to the accounting policies described in Note 18 of "III. Significant Accounting Policies and Accounting Estimates" and Note 20 of "V. Notes to Items in Consolidated Financial Statements". As of 31 December 2025, the total book value of the Company's goodwill was RMB 600,936,834.86, with a corresponding impairment provision balance of RMB 133,374,263.93. Management of the Company ("Management") annually evaluates the impairment of goodwill. The impairment assessment of goodwill is performed by management based on the valuation report prepared by the external valuer engaged by the Company. The purpose of impairment assessment is to estimate the value in use of the goodwill,which is based on the discounted cash flow forecast prepared. The preparation of a discounted cash flow forecast involves the use of significant judgments and estimates, particularly in determining revenue growth rate, perpetual growth rate, and cost increase. In addition, there is an, inherent risk of uncertainty and possible management bias when adjusting the discount rate with the risk applied. Due to the heightened inherent risk involved in assessment of the impairment of goodwill and predicting future cash flows, as well as the risk of management bias in selecting assumptions and making estimates, goodwill impairement is determined to be a key audit matter.	Our audit procedures related to the impairment of goodwill included the following: (1) Obtaining and reviewing supporting documents in relation to the key assumptions and calculation worksheet for the goodwill impairement assessment; (2) Evaluating the competence, professional quality, and objectivity of the external valuation experts engaged by management; (3) Evaluating appropriateness of the valuation methods used by management in its cash flow forecast, through comparison with industry practices; (4) Evaluating the key assumptions and judgments used in preparing the discounted cash flow forecast. This involved comparing the key input values such as revenue growth rate, perpetual growth rate, and cost increase with past performance, with management's forecasts, and with industry reports; (5) Recalculating with discount rate based on the market data from comparable companies in the same industry, and comparing our calculation results with the discount rate used by management when they calculated the present value of expected future cash flows to evaluate the reasonableness of the discount rate used in calculating the present value of expected future cash flows; (6) Evaluating the reliability and historical accuracy of management's forecasting process. through a retrospective review by comparing the previous year's forecast with the current year's performance.

(II) Operating income recognition	
For details of accounting policies for operating income recognition and analysis of operating income, please refer to the accounting policies described in Note 26 of "III. Significant Accounting policies and Accounting Estimates" and Note 44 of "V. Notes to Items in Consolidated Financial Statements" in the Notes to Consolidated Financial Statements For the year ended 31 December 2025, operating income of the Company derived from sales of chemical products was RMB 5,213,581,337.69. Operating income from product sales is recognised when the customer obtains control over the relevant goods. The recognition of sales operating income is usually based on the signature and acceptance of the products, or the completion of a customs declaration for export by the customer in accordance with the sales contract. Since operating income is one of the key performance indicators of the Company, there is an inherent risk of management manipulating operating income recognition to achieve specific goals or expectations. As such, operating income recognition is determined to be a key audit matter for the Company.	Our audit procedures related to operating income recognition included the following: (1) Understand the sales and collection-related internal controls established by management, perform internal control testing, and evaluate the effectiveness of the design and implementation of management's internal controls over sales and collection; (2) A review, on a sample basis, of sales contracts, in order to identify the contract terms and conditions related to the transfer of control over goods, and then to evaluate whether the operating income recognition point meets the requirements of the Accounting Standard for Business Enterprises; (3) Analysing operating income and gross profit by product types, to identify any abnormal fluctuation in operating income for in current period; (4) Inspecting documentation, including contracts or purchase orders, outbound orders or delivery receipts, customs declarations, bills of lading, invoices, etc., that relate to operating income transactions recorded in the current period, on a sample basis.This was, recorded for current period, to evaluate whether the relevant operating income recognition complies with the Company's accounting policy; (5) Cut-off test, to determine whether income was complete, and was included in the correct financial year. This involved inspecting supporting documentation such as outbound or delivery receipts, customs declarations, bills of lading, etc., for transactions recorded before and after the balance sheet date, on a sample basis. (6) Confirmation procedures to verify the transaction amounts and balances of accounts receivable and payable of main customers, on sample basis, to evaluate the occurrence of operating income recognition. (7) Inspecting documentation of the subsequent collection of receivables from major customers, on sample basis.

Other Information

Management of the Group and Company is responsible for the other information. The other information comprises all of the information included in the 2025 annual report of the Group and Company, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

（1）Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

（2）Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

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

（4）Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

（5）Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

（6）Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Keju Chen.

BDO CHINA Shu Lun Pan Certified Public Accountants LLP.

BDO CHINA Shu Lun Pan Certified Public Accountants LLP

Shanghai, China
27 April 2026

Zhejiang Yongtai Technology Co., Ltd.

Consolidated Balance Sheet

As at 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Note V	31 December 2025	31 December 2024
Current assets:			
Cash and bank	(I)	423,412,552.85	739,281,281.26
Deposit reservation for balance			
Lending funds			
Financial assets held for trading	(II)	7,329,373.65	11,193,712.61
Derivative financial assets			
Notes receivable	(III)	358,677,475.83	288,640,096.57
Accounts receivable	(IV)	1,445,257,530.40	1,275,457,219.97
Receivables financing	(V)	25,059,585.66	35,371,299.21
Advance to suppliers	(VI)	83,361,322.60	97,849,701.58
Premium receivable			
Reinsurance receivables			
Reinsurance contract reserves receivable			
Other receivables	(VII)	37,008,345.80	49,420,473.48
Purchase of resale financial assets			
Inventories	(VIII)	1,107,788,659.76	987,727,619.21
Of which:Data resources			
Contract assets			
Assets held for sale	(IX)	599,943.92	599,943.92
Non-current assets due within 1 year			
Other current assets	(X)	133,858,413.45	175,078,069.63
Total current assets		3,622,353,203.92	3,660,619,417.44
Non-current assets:			
Loans and advances issued			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	(XI)	254,383,993.38	239,543,841.46
Investment in other equity instruments	(XII)	84,071,111.51	87,119,654.31
Other non-current financial assets			
Investment properties	(XIII)	17,448,766.61	18,697,548.83
Fixed assets	(XIV)	3,908,728,868.31	4,116,308,693.91
Construction in progress	(XV)	1,599,879,666.64	1,484,952,659.78
Productive biological assets			
Oil and gas assets			
Right of use assets	(XVI)	2,832,079.11	5,624,982.82
Intangible assets	(XVII)	500,404,802.85	497,640,226.66
Of which:Data resources			
Development expenditure	VI.（II）	36,147,355.09	46,410,879.43
Of which:Data resources			
Goodwill	(XVIII)	600,936,834.86	600,936,834.86
Long term deferred expenses	(XIX)	12,379,102.18	15,234,987.64
Deferred income tax assets	(XX)	473,292,915.76	320,980,687.47
Other non-current assets	(XXI)	102,608,346.36	96,232,622.45
Total non-current assets		7,593,113,842.66	7,529,683,619.62
Total assets		11,215,467,046.58	11,190,303,037.06

The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Consolidated Balance Sheet (continued)

As at 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Liabilities and the owner's equity	Note V	31 December 2025	31 December 2024
Current liabilities:			
Short-term loans	(XXIII)	2,303,099,403.93	1,744,714,985.76
Borrowings from the Central Bank			
Borrowing funds			
Financial liabilities held for trading	(XXIV)	1,528,080.00	612,182.86
Derivative financial liabilities			
Notes payable	(XXV)	369,115,147.42	527,104,875.68
Accounts payable	(XXVI)	1,505,751,100.52	1,196,828,277.94
Advance from customers			
Contractual liabilities	(XXVII)	76,813,885.07	428,776,934.50
Financial assets sold for repurchase			
Savings absorption and interbank deposits			
Acting trading securities			
Acting underwriting securities			
Employee benefits payable	(XXVIII)	70,183,008.22	75,541,742.23
Taxes payable	(XXIX)	46,953,633.29	34,628,129.64
Other payables	(XXX)	388,834,740.86	157,162,310.51
Handling charges and commissions payable			
Accounts payable reinsurance			
Liabilities held for sale			
Non-current liabilities due within 1 year	(XXXI)	1,547,959,984.76	1,387,996,693.92
Other current liabilities	(XXXII)	957,631,582.03	1,000,054,643.57
Total current liabilities		7,267,870,566.10	6,553,420,776.61
Non-current liabilities:			
Provision for insurance contracts			
Long-term loans	(XXXIII)	814,215,058.63	1,411,479,225.22
Bonds payable			
Of which: Preferred shares			
Perpetual debt			
Lease liabilities	(XXXIV)	1,088,336.12	2,733,644.64
Long-term payable	(XXXV)	75,679,981.11	194,265,777.17
Long-term remuneration payable to employees			
Provisions			
Deferred revenue	(XXXVI)	179,216,244.68	177,654,064.24
Deferred income tax liabilities	(XX)	6,666,547.96	7,583,436.72
Other non-current liabilities			
Total non-current liabilities		1,076,866,168.50	1,793,716,147.99
Total liabilities		8,344,736,734.60	8,347,136,924.60
Owner's equity:			
Share capital	(XXXVII)	925,127,636.00	925,400,795.00
Other equity instruments			
Of which: Preferred shares			
Perpetual debt			
Capital reserves	(XXXVIII)	710,190,044.59	681,527,776.74
Less: Treasury shares	(XXXIX)	29,721,600.00	50,052,000.00
Other comprehensive incomes	(XL)	18,459,093.57	20,060,026.29
Special reserves	(XLI)	9,953,178.68	10,475,162.65
Surplus reserves	(XLII)	218,347,987.76	218,347,987.76
General risk provision			
Retained earnings	(XLIII)	819,408,715.13	865,509,364.95
Total owner's equity attributable to the Company		2,671,765,055.73	2,671,269,113.39
Non-controlling interests		198,965,256.25	171,896,999.07
Total owner's equity		2,870,730,311.98	2,843,166,112.46
Total liabilities and owner's equity		11,215,467,046.58	11,190,303,037.06

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The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Company's Balance Sheet

As at 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Note XVII	31 December 2025	31 December 2024
Current assets:			
Cash and bank		21,540,658.93	344,991,832.81
Financial assets held for trading			
Derivative financial assets			
Notes receivable		133,682,930.15	113,854,988.13
Accounts receivable	(I)	116,295,330.28	232,845,945.62
Receivables financing		110,000.00	3,689,523.85
Advance to suppliers		10,443,779.73	5,563,804.11
Other receivables	(II)	939,686,448.15	1,967,060,537.61
Inventories		276,415,677.46	295,122,267.05
Of which: Data resources			
Contract assets			
Assets held for sale		599,943.92	599,943.92
Non-current assets due within 1 year			
Other current assets		22,878,387.54	51,777,979.39
Total current assets		1,521,653,156.16	3,015,506,822.49
Non-current assets:			
Debt investment			
Other debt investments			
Long-term receivables			
Long-term equity investment	(III)	4,646,171,498.26	3,572,664,157.00
Investment in other equity instruments		83,571,111.51	86,619,654.31
Other non-current financial assets			
Investment properties		106,923,396.23	120,250,716.11
Fixed assets		399,794,672.98	472,424,546.52
Construction in progress		5,442,375.82	5,527,415.90
Productive biological assets			
Oil and gas assets			
Right of use assets			
Intangible assets		35,565,895.19	30,803,944.03
Of which: Data resources			
Development expenditure			
Of which: Data resources			
Goodwill			
Long term deferred expenses			
Deferred income tax assets		157,782,614.95	110,965,149.40
Other non-current assets		176,325,046.89	231,217,960.15
Total non-current assets		5,611,576,611.83	4,630,473,543.42
Total assets		7,133,229,767.99	7,645,980,365.91

The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Company's Balance Sheet(continued)

As at 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Liabilities and the owner's equity	Note XVII	31 December 2025	31 December 2024
Current liabilities:			
Short-term loans		1,034,877,437.80	915,695,381.87
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		57,400,000.00	221,418,439.73
Accounts payable		210,034,786.39	188,143,210.68
Advance from customers			
Contractual liabilities		18,503,221.62	338,531,790.71
Employee benefits payable		18,340,693.96	23,115,041.77
Taxes payable		7,999,009.57	7,846,278.28
Other payables		579,084,348.38	183,209,097.45
Liabilities held for sale			
Non-current liabilities due within 1 year		990,020,509.03	762,996,026.40
Other current liabilities		64,363,511.91	167,278,894.96
Total current liabilities		2,980,623,518.66	2,808,234,161.85
Non-current liabilities:			
Long-term loans		242,700,000.00	864,440,000.00
Bonds payable			
Of which: Preferred shares			
Perpetual debt			
Lease liabilities			
Long-term payable		44,863,022.67	74,903,623.32
Long-term remuneration payable to employees			
Provisions			
Deferred revenue		22,872,900.00	13,478,495.26
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities		310,435,922.67	952,822,118.58
Total liabilities		3,291,059,441.33	3,761,056,280.43
Owner's equity:			
Share capital		925,127,636.00	925,400,795.00
Other equity instruments			
Of which: Preferred shares			
Perpetual debt			
Capital reserves		1,374,174,303.44	1,345,512,035.59
Less: Treasury shares		29,721,600.00	50,052,000.00
Other comprehensive incomes		47,634,093.48	55,766,444.42
Special reserves			
Surplus reserves		215,539,960.36	215,539,960.36
Retained earnings		1,309,415,933.38	1,392,756,850.11
Total owner's equity		3,842,170,326.66	3,884,924,085.48
Total liabilities and owner's equity		7,133,229,767.99	7,645,980,365.91

The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Consolidated Income Statement

For the Year Ended 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note V	Year 2025	Year 2024
I. Total operating income		5,213,581,337.69	4,589,397,832.70
Of which: Operating income	(XLIV)	5,213,581,337.69	4,589,397,832.70
Interest income			
Premium earned			
Incomes for handling charges and commissions			
II. Total operating cost		5,331,000,461.51	5,030,491,546.44
Of which: Operating cost	(XLIV)	4,283,908,764.13	4,051,600,272.10
Interest expenses			
Expenditures for handling charges and commissions			
Surrender value			
Net amount of compensation expenses			
Net insurance liability reserve withdrawn			
Policyholder dividend expense			
Reinsurance expenses			
Taxes and surcharges	(XLV)	40,573,605.78	44,858,847.54
Marketing expenses	(XLVI)	123,678,363.52	103,917,470.66
Management expenses	(XLVII)	550,733,129.05	565,090,881.10
R&D expenses	(XLXIII)	130,259,083.90	120,077,109.47
Financial expenses	(XLIX)	201,847,515.13	144,946,965.57
Of which: Interest expenses		185,052,304.35	160,496,718.33
Interest income		8,720,931.45	13,271,406.94
Plus: Other income	(L)	43,404,188.11	27,157,401.97
Income from investment (loss expressed with "-")	(LI)	20,265,832.72	34,166,904.46
Of which: Investment benefits to the associated enterprise and joint venture		13,713,964.13	26,292,875.47
Income from derecognition of financial assets measured at amortized cost			
Exchange gain (loss expressed with "-")			
Net exposure hedging income (loss expressed with "-")			
Gains from changes in fair value (loss expressed with "-")	(LII)	-44,587,186.35	-46,845,173.17
Credit impairment loss (loss expressed with "-")	(LIII)	-11,861,987.84	-45,600,247.34
Asset impairment loss (loss expressed with "-")	(LIV)	-3,557,422.41	-65,288,385.94
Income from asset disposal (loss expressed with "-")	(LV)	421,108.11	-4,933,810.70
III. Operating profit (loss expressed with "-")		-113,334,591.48	-542,437,024.46
Plus: Non-operating income	(LVI)	10,737,144.22	1,855,420.97
Less: Non-operating expenditure	(LVII)	10,266,723.77	20,612,103.66
IV. Total profit (total loss expressed with "-")		-112,864,171.03	-561,193,707.15
Less: Income tax expense	(LVIII)	-93,617,832.88	-38,282,525.32
V. Net profit (net loss expressed with "-")		-19,246,338.15	-522,911,181.83
(I) Classification by business continuity			
1. Net profit from continuing operations (net loss expressed with "-")		-23,103,179.90	-500,436,408.11
2. Net profit from discontinued operations (net loss expressed with "-")		3,856,841.75	-22,474,773.72
(II) Classification by ownership			
1. Net profit attributable to shareholders of the Company (net loss expressed with "-")		-46,100,649.82	-478,353,981.67
2.Non-controlling interests' profit and loss (net loss expressed with "-")		26,854,311.67	-44,557,200.16
VI. Net after-tax amount of other comprehensive incomes		-1,789,338.09	-9,761,181.36
Net after-tax amount of other comprehensive income attributable to the owner of the Company		-1,600,932.72	-9,766,947.55
(I) Other comprehensive incomes not to be reclassified into profit and loss		-8,132,350.94	-4,685,011.98
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit and loss under equity method		-5,525,128.00	-24,157,237.77
3. Changes in fair value of other equity instrument investments		-2,607,222.94	19,472,225.79
4. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive incomes to be reclassified into profit and loss		6,531,418.22	-5,081,935.57
1. Other comprehensive income that can be transferred to profit and loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. The balance arisen from the translation of foreign currency financial statements		6,531,418.22	-5,081,935.57
7. Others			
Net after-tax amount of other comprehensive income attributable to non-controlling interests		-188,405.37	5,766.19
VII. Total comprehensive income		-21,035,676.24	-532,672,363.19
Total comprehensive incomes attributable to the Company's owners		-47,701,582.54	-488,120,929.22
Total comprehensive incomes attributable to non-controlling interests		26,665,906.30	-44,551,433.97
VIII. Earnings per share:	(LIX)		
(I) Basic earnings per share (Yuan / share)		-0.05	-0.52
(II) Diluted earnings per share (Yuan / share)		-0.05	-0.52

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Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Company's Income Statement

For the Year Ended 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Note XVII	Year 2025	Year 2024
I. Operating income	(IV)	983,836,039.51	1,345,068,572.38
Less: Operating cost	(IV)	895,933,808.72	1,124,728,056.45
Taxes and surcharges		10,351,269.51	13,983,291.58
Marketing expenses		12,162,868.47	10,123,063.18
Management expenses		186,085,484.60	198,449,850.64
R&D expenses		51,000,520.46	68,998,673.82
Financial expenses		63,867,310.86	52,105,524.73
Of which: Interest expenses		93,818,760.25	109,167,702.35
Interest income		32,274,462.96	46,119,419.55
Plus: Other income		6,820,646.93	3,852,917.68
Income from investment (loss expressed with "-")	(V)	139,441,708.46	138,971,027.53
Of which: Investment benefits to the associated enterprise and joint venture		13,713,964.13	25,869,144.78
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedging income (loss expressed with "-")			
Gains from changes in fair value (loss expressed with "-")			254,698.00
Credit impairment loss (loss expressed with "-")		-17,275,072.18	23,578,055.90
Asset impairment loss (loss expressed with "-")		-3,706,528.76	-458,795.60
Income from asset disposal (loss expressed with "-")		68,793.80	166,718.19
II. Operating profit (loss expressed with "-")		-110,215,674.86	43,044,733.68
Plus: Non-operating income		806,210.00	1,423,343.42
Less: Non-operating expenditure		8,590,466.79	4,320,405.11
III. Total profit (total loss expressed with "-")		-117,999,931.65	40,147,671.99
Less: Income tax expense		-34,659,014.92	-17,836,653.77
IV. Net profit (net loss expressed with "-")		-83,340,916.73	57,984,325.76
(I) Net profit from continuing operations (net loss expressed with "-")		-83,340,916.73	57,984,325.76
(II) Net profit from discontinued operations (net loss expressed with "-")			
V. Net after-tax amount of other comprehensive incomes		-8,132,350.94	-4,685,011.98
(I) Other comprehensive incomes not to be reclassified into profit and loss		-8,132,350.94	-4,685,011.98
1. Remeasurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit and loss under equity method		-5,525,128.00	-24,157,237.77
3. Changes in fair value of other equity instrument investments		-2,607,222.94	19,472,225.79
4. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive incomes to be reclassified into profit and loss			
1. Other comprehensive income that can be transferred to profit and loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. The balance arisen from the translation of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		-91,473,267.67	53,299,313.78
VII. Earnings per share:			
(I) Basic earnings per share (Yuan / share)		-0.09	0.06
(II) Diluted earnings per share (Yuan / share)		-0.09	0.06

The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note V	Year 2025	Year 2024
I. Cash flow from operating activities			
Cash received from sales of goods or rendering of labor services		3,062,240,091.67	2,753,187,904.48
Net increase in customer bank deposits and interbank deposits			
Net increase in borrowing from the Central Bank			
Net increase in loans from other financial institutions			
Cash received from premiums obtained from original insurance contracts			
Net cash received from reinsurance business			
Net increase of policy holder deposits and investment funds			
Cash received from interests, handling charges and commissions			
Net increase in borrowing funds			
Net increase in repurchase business capital			
Net cash received from agency purchases and sales of securities			
Refunds of taxes		157,918,176.36	157,515,238.24
Other cash received related to operating activities	(LXI)	282,196,374.36	105,132,024.46
Sub-total of cash inflows from operating activities		3,502,354,642.39	3,015,835,167.18
Cash paid for goods and services		2,519,412,290.83	2,160,721,397.91
Net increase in customer loans and advances			
Net increase of deposits in the Central Bank and other financial institutions			
Cash payments for original insurance contract claims			
Net increase in lending funds			
Cash payments for interests, handling charges and commissions			
Cash payments for the policyholder dividends			
Cash paid to and on behalf of employees		462,082,475.23	488,223,248.69
Payments of taxes and surcharges		84,706,936.85	94,600,763.37
Other cash payments related to operating activities	(LXI)	508,184,223.57	383,158,767.57
Sub-total of cash outflows from operating activities		3,574,385,926.48	3,126,704,177.54
Net cash flow from operating activities		-72,031,284.09	-110,869,010.36
II. Cash flow from investment activities			
Cash received from investment recovery		17,914,827.91	115,316,366.00
Cash received from returns on investments		12,504,233.08	8,806,768.98
Net cash received from disposal of fixed assets, intangible assets & other long-term assets		3,758,310.24	8,466,957.93
Net cash received from the disposal of subsidiaries and other business entities			
Other cash received relating to investment activities		835,488.00	
Sub-total of cash inflows from investment activities		35,012,859.23	132,590,092.91
Cash paid to acquire fixed assets, intangible assets & other long-term assets		304,776,360.24	387,950,756.25
Cash paid to acquire investments		15,259,949.81	88,576,578.81
Net increase in pledge loans			
Net cash payments for the acquisition of subsidiaries and other business entities			
Other cash payments related to investing activities		12,147,312.94	
Sub-total of cash outflows from investment activities		332,183,622.99	476,527,335.06
Net cash flow from investing activities		-297,170,763.76	-343,937,242.15
III. Cash flow from financing activities			
Cash received from capital contributions			50,052,000.00
Of which: Cash received from non-controlling interests' investment in subsidiaries			
Cash received from borrowings		4,215,473,837.97	3,569,078,467.44
Other cash received related to financing activities	(LXI)	1,273,286,470.08	399,010,000.00
Sub-total of cash inflows from financing activities		5,488,760,308.05	4,018,140,467.44
Cash payments for debt repayment		3,995,246,953.98	3,555,923,999.98
Cash payments for distributing dividends, profits or paying interest		152,538,118.04	159,712,617.95
Of which: Share dividends and profits paid to non-controlling interests by subsidiaries			
Other cash payments related to financing activities	(LXI)	1,075,038,568.50	202,268,106.78
Sub-total of cash outflows from financing activities		5,222,823,640.52	3,917,904,724.71
Net cash flow from financing activities		265,936,667.53	100,235,742.73
IV. Impact of currency fluctuation on cash and cash equivalents		-3,011,415.44	16,916,413.70
V. Net increase in cash and cash equivalents		-106,276,795.76	-337,654,096.08
Plus: Cash and cash equivalents balance at the beginning of the period		213,923,592.02	551,577,688.10
VI. Cash and cash equivalents balance at the end of the period		107,646,796.26	213,923,592.02

The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Company's Statement of Cash Flows

For the Year Ended 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Note	Year 2025	Year 2024
I. Cash flow from operating activities			
Cash received from sales of goods or rendering of labor services		678,104,379.58	815,151,378.02
Refunds of taxes		36,895,492.86	51,037,429.68
Other cash received related to operating activities		277,840,090.94	73,826,241.88
Sub-total of cash inflows from operating activities		992,839,963.38	940,015,049.58
Cash paid for goods and services		646,261,746.07	738,464,998.30
Cash paid to and on behalf of employees		133,683,314.25	148,758,546.69
Payments of taxes and surcharges		8,897,092.42	21,537,325.08
Other cash payments related to operating activities		221,574,232.31	135,135,356.81
Sub-total of cash outflows from operating activities		1,010,416,385.05	1,043,896,226.88
Net cash flow from operating activities		-17,576,421.67	-103,881,177.30
II. Cash flow from investment activities			
Cash received from investment recovery			
Cash received from returns on investments		128,076,428.54	118,892,965.47
Net cash received from disposal of fixed assets, intangible assets & other long-term assets		4,222,226.94	1,233,729.53
Net cash received from the disposal of subsidiaries and other business entities			
Other cash received relating to investment activities		1,235,351,497.47	596,577,036.55
Sub-total of cash inflows from investment activities		1,367,650,152.95	716,703,731.55
Cash paid to acquire fixed assets, intangible assets & other long-term assets		20,536,091.70	14,356,541.05
Cash paid to acquire investments		1,067,667,189.34	380,966,835.11
Net cash payments for the acquisition of subsidiaries and other business entities			
Other cash payments related to investing activities		538,427,117.11	254,625,887.88
Sub-total of cash outflows from investment activities		1,626,630,398.15	649,949,264.04
Net cash flow from investing activities		-258,980,245.20	66,754,467.51
III. Cash flow from financing activities			
Cash received from capital contributions			50,052,000.00
Cash received from borrowings		1,874,491,477.99	2,406,430,000.00
Other cash received related to financing activities		838,975,183.63	185,785,961.02
Sub-total of cash inflows from financing activities		2,713,466,661.62	2,642,267,961.02
Cash payments for debt repayment		2,012,268,500.00	2,520,680,000.00
Cash payments for distributing dividends, profits or paying interest		82,204,095.10	102,175,898.94
Other cash payments related to financing activities		384,410,302.82	248,427,547.49
Sub-total of cash outflows from financing activities		2,478,882,897.92	2,871,283,446.43
Net cash flow from financing activities		234,583,763.70	-229,015,485.41
IV. Impact of currency fluctuation on cash and cash equivalents		2,852,829.38	9,513,212.72
V. Net increase in cash and cash equivalents		-39,120,073.79	-256,628,982.48
Plus: Cash and cash equivalents balance at the beginning of the period		47,605,160.28	304,234,142.76
VI. Cash and cash equivalents balance at the end of the period		8,485,086.49	47,605,160.28

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The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.
Consolidated Statement of Changes in Owner's Equity
For the Year Ended 31 December 2025
(Amounts are expressed in RMB unless otherwise stated)

Item	Year 2025													
	Owner's equity attributable to the Company												Non-controlling interests	Total owner's equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Subtotal		
		Preferred shares	Perpetual debt	Others										
I. Balance at the end of the last year	925,400,795.00				681,527,776.74	50,052,000.00	20,060,026.29	10,475,162.65	218,347,987.76		865,509,364.95	2,671,269,113.39	171,896,999.07	2,843,166,112.46
Plus: Changes in accounting policies														
Correction of prior errors														
Business consolidation under the same control														
Others														
II. Balance at the beginning of the year	925,400,795.00				681,527,776.74	50,052,000.00	20,060,026.29	10,475,162.65	218,347,987.76		865,509,364.95	2,671,269,113.39	171,896,999.07	2,843,166,112.46
III. Increase / decrease amount of the period (decrease expressed with "-")	-273,159.00				28,662,267.85	-20,330,400.00	-1,600,932.72	-521,983.97			-46,100,649.82	495,942.34	27,068,257.18	27,364,199.52
(I) Total comprehensive income							-1,600,932.72				-46,100,649.82	-47,701,582.54	26,665,906.30	-21,035,676.24
(II) Capital contributed or withdrawn by owners	-273,159.00				28,662,267.85	-20,330,400.00						48,719,508.85		48,719,508.85
1. Capital contribution by owners	-273,159.00				-901,424.70	-20,330,400.00						19,155,816.30		19,155,816.30
2. Capital contribution by holders of other equity instruments														
3. Amount of share payment included into owner's equity					29,563,692.55							29,563,692.55		29,563,692.55
4. Others														
(III) Distribution of profits														
1. Appropriation to surplus reserves														
2. Appropriation to general risk reserves														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Transfer within owner's equity														
1. Capital reserve converted into capital (or share capital)														
2. Surplus reserve converted into capital (or share capital)														
3. Surplus reserves to cover losses														
4. Changes in defined benefit plans carried forward to retained earnings														
5. Other comprehensive income carried forward to retained earnings														
6. Others														
(V) Special reserve								-521,983.97				-521,983.97	402,350.88	-119,633.09
1. Withdrawal in the current period								29,893,814.40				29,893,814.40	1,109,498.63	31,003,313.03
2. Use in the current period								30,415,798.37				30,415,798.37	707,147.75	31,122,946.12
(VI) Others														
IV. Balance at the end of current period	925,127,636.00				710,190,044.59	29,721,600.00	18,459,093.57	9,953,178.68	218,347,987.76		819,408,715.13	2,671,765,055.73	198,965,256.25	2,870,730,311.98

The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Consolidated Statement of Changes in Owner's Equity (Continued)

For the Year Ended 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Year 2024													
	Owner's equity attributable to the Company												Non-controlling interests	Total owner's equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	General risk provision	Retained earnings	Subtotal		
		Preferred shares	Perpetual debt	Others										
I. Balance at the end of the last year	913,760,795.00				648,399,583 24		29,826,973.84	8,697,025.76	212,549,555.18		1,349,661,779.20	3,162,895,712 22	215,988,017.81	3,378,883,730.03
Plus: Changes in accounting policies														
Correction of prior errors														
Business consolidation under the same control														
Others														
II. Balance at the beginning of the year	913,760,795.00				648,399,583 24		29,826,973.84	8,697,025.76	212,549,555.18		1,349,661,779.20	3,162,895,712.22	215,988,017.81	3,378,883,730.03
III. Increase / decrease amount of the period (decrease expressed with "-")	11,640,000.00				33,128,193 50	50,052,000.00	-9,766,947.55	1,778,136.89	5,798,432.58		-484,152,414.25	-491,626,598 83	-44,091,018.74	-535,717,617.57
(I) Total comprehensive income							-9,766,947.55				-478,353,981.67	-488,120,929.22	-44,551,433.97	-532,672,363.19
(II) Capital contributed or withdrawn by owners	11,640,000.00				50,386,750.00	50,052,000.00						11,974,750.00		11,974,750.00
1. Capital contribution by owners	11,640,000.00				38,412,000.00	50,052,000.00								
2. Capital contribution by holders of other equity instruments														
3. Amount of share payment included into owner's equity					11,974,750.00							11,974,750.00		11,974,750.00
4. Others														
(III) Distribution of profits									5,798,432.58		-5,798,432.58			
1. Appropriation to surplus reserves									5,798,432.58		-5,798,432.58			
2. Appropriation to general risk reserves														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Transfer within owner's equity														
1. Capital reserve converted into capital (or share capital)														
2. Surplus reserve converted into capital (or share capital)														
3. Surplus reserves to cover losses														
4. Changes in defined benefit plans carried forward to retained earnings														
5. Other comprehensive income carried forward to retained earnings														
6. Others														
(V) Special reserve								1,778,136.89				1,778,136.89	460,415 23	2,238,552.12
1. Withdrawal in the current period								21,099,973.63				21,099,973.63	1,431,013.74	22,530,987.37
2. Use in the current period								19,321,836.74				19,321,836.74	970,598.51	20,292,435.25
(VI) Others					-17,258,556.50							-17,258,556.50		-17,258,556.50
IV. Balance at the end of current period	925,400,795.00				681,527,776.74	50,052,000.00	20,060,026.29	10,475,162.65	218,347,987.76		865,509,364.95	2,671,269,113.39	171,896,999.07	2,843,166,112.46

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The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Company's Statement of Changes in Owners' Equity

For the Year Ended 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Year 2025										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
		Preferred shares	Perpetual debt	Others							
I. Balance at the end of the last year	925,400,795.00				1,345,512,035.59	50,052,000.00	55,766,444.42		215,539,960.36	1,392,756,850.11	3,884,924,085.48
Plus: Changes in accounting policies											
Correction of prior errors											
Others											
II. Balance at the beginning of the year	925,400,795.00				1,345,512,035.59	50,052,000.00	55,766,444.42		215,539,960.36	1,392,756,850.11	3,884,924,085.48
III. Increase / decrease amount of the period (decrease expressed with "-")	-273,159.00				28,662,267.85	-20,330,400.00	-8,132,350.94			-83,340,916.73	-42,753,758.82
(I) Total comprehensive income							-8,132,350.94			-83,340,916.73	-91,473,267.67
(II) Capital contributed or withdrawn by owners	-273,159.00				28,662,267.85	-20,330,400.00					48,719,508.85
1. Capital contribution by owners	-273,159.00				-901,424.70	-20,330,400.00					19,155,816.30
2. Capital contribution by holders of other equity instruments											
3. Amount of share payment included into owner's equity					29,563,692.55						29,563,692.55
4. Others											
(III) Distribution of profits											
1. Appropriation to surplus reserves											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Transfer within owner's equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Surplus reserves to cover losses											
4. Changes in defined benefit plans carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserve								7,440,972.95			7,440,972.95
1. Withdrawal in the current period								7,440,972.95			7,440,972.95
2. Use in the current period											
(VI) Others											
IV. Balance at the end of current period	925,127,636.00				1,374,174,303.44	29,721,600.00	47,634,093.48		215,539,960.36	1,309,415,933.38	3,842,170,326.66

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The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.

Company's Statement of Changes in Owners' Equity (Continued)

For the Year Ended 31 December 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Year 2024										
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total owner's equity
		Preferred shares	Perpetual debt	Others							
I. Balance at the end of the last year	913,760,795.00				1,312,383,842.09		60,451,456.40		209,741,527.78	1,340,570,956.93	3,836,908,578.20
Plus: Changes in accounting policies											
Correction of prior errors											
Others											
II. Balance at the beginning of the year	913,760,795.00				1,312,383,842.09		60,451,456.40		209,741,527.78	1,340,570,956.93	3,836,908,578.20
III. Increase / decrease amount of the period (decrease expressed with "-")	11,640,000.00				33,128,193.50	50,052,000.00	-4,685,011.98		5,798,432.58	52,185,893.18	48,015,507.28
(I) Total comprehensive income							-4,685,011.98			57,984,325.76	53,299,313.78
(II) Capital contributed or withdrawn by owners	11,640,000.00				50,386,750.00	50,052,000.00					11,974,750.00
1. Capital contribution by owners	11,640,000.00				38,412,000.00	50,052,000.00					
2. Capital contribution by holders of other equity instruments											
3. Amount of share payment included into owner's equity											
4. Others					11,974,750.00						11,974,750.00
(III) Distribution of profits									5,798,432.58	-5,798,432.58	
1. Appropriation to surplus reserves									5,798,432.58	-5,798,432.58	
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Transfer within owner's equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Surplus reserves to cover losses											
4. Changes in defined benefit plans carried forward to retained earnings											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserve								7,944,125.52			7,944,125.52
1. Withdrawal in the current period								7,944,125.52			7,944,125.52
2. Use in the current period											
(VI) Others					-17,258,556.50						-17,258,556.50
IV. Balance at the end of current period	925,400,795.00				1,345,512,035.59	50,052,000.00	55,766,444.42		215,539,960.36	1,392,756,850.11	3,884,924,085.48

The accompanying notes form an integral part of these financial statements.

Person in charge of the Company:

Person in charge of accounting:

Person in charge of the accounting authority:

Zhejiang Yongtai Technology Co., Ltd.
For the Year Ended 31 December 2025
Notes to the Financial Statements
(Amounts are expressed in RMB unless otherwise stated)

I. Basic Information about the Company

(I) Company Profile

Zhejiang Yongtai Technology Co., Ltd. (hereinafter referred to as the "Company" or "Yongtai Technology") is a company limited by shares through overall change from original Zhejiang Yongtai Chemical Co., Ltd., with Zhejiang Yongtai Holdings Co., Ltd. (formerly Linhai City Yongtai Investment Co., Ltd.) and 25 natural persons such as Wang Yingmei, He Renbao, Liu Hong as sponsors and total share capital amount of 100 million shares (the face value per share is RMB 1). Unified social credit code of business license of the Company: 91330000719525000X. The Company was listed in Shenzhen Stock Exchange in December 2009. Industry: Raw chemical materials and chemical products manufacturing.

As of 31 December 2025, the Company has issued a total of 925,127,636 shares, with a registered capital of RMB 925,127,636. Its registered place is: No.1, Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical Raw Material Medicine Base; headquarters address: No.1, Donghai Fifth Avenue, Linhai Park, Zhejiang Chemical Raw Material Medicine Base. Main business activities of the Company are: manufacturing and sales of fluorinated pharmaceuticals, crop science, and new energy materials. Actual controllers of the Company are the couple He Renbao and Wang Yingmei.

The financial statements have been approved by the Board of Directors of the Company on 27 April 2026.

(II) Scope of consolidated financial statements

As of 31 December 2025, Subsidiaries within the scope of consolidated financial statements of the Company are as follows:

Name of subsidiary
Binhai Yongtai Technology Co., Ltd. (hereinafter referred to as "Binhai Yongtai")
Shanghai E-Tong Chemical Co., Ltd. (hereinafter referred to as "Shanghai E-Tong")
Shaowu Yongtai Hi-tech Material Co., Ltd. (hereinafter referred to as "Yongtai Hi-tech")

Name of subsidiary
Hainan Xinhui Mining Co., Ltd. (hereinafter referred to as “Xinhui Mining”)
Zhejiang Yongtai Pharmaceutical Co., Ltd. (hereinafter referred to as “Yongtai Pharmaceutical”)
Youngtech Pharmaceuticals Co., Ltd. (hereinafter referred to as “Youngtech Pharmaceuticals”)
Shandong Zhanhua Yongtai Pharmaceutical Co., Ltd. (hereinafter referred to as “Shandong Yongtai”)
Zhejiang Yongtai New Material Co., Ltd. (hereinafter referred to as “Yongtai New Material”)
SYTpharm (Shanghai) Inc. (hereinafter referred to as “SYTpharm (Shanghai)”)
Zhejiang Yongtai New Energy Material Co., Ltd. (hereinafter referred to as “Yongtai New Energy”)
Shanghai Youngcobe Bio-pharma Co., Ltd. (hereinafter referred to as “Shanghai Youngcobe”)
E-Tong Chemical (Hongkong) Co., Limited (hereinafter referred to as “E-Tong Chemical (Hongkong)”)
Zhejiang Chiral Medicine Chemicals Co., Ltd. (hereinafter referred to as “Zhejiang Chiral”)
Foshan Soin Chiralpharma Co., Ltd. (hereinafter referred to as “Foshan Soin”)
Zhejiang Yongtai Chiral Medicine Technology Co., Ltd. (hereinafter referred to as “Yongtai Chiral”)
Chongqing Yongyuansheng Technology Co., Ltd. (hereinafter referred to as “Chongqing Yongyuansheng”)
Jiangsu Subin Agrochemical Co., Ltd. (hereinafter referred to as “Jiangsu Subin”)
H&G (China) Chemical Ltd. (hereinafter referred to as “H&G (China)”)
Binhai Meikang Pharmaceutical Co., Ltd. (hereinafter referred to as “Binhai Meikang”)
Inner Mongolia Yongtai Chemical Co., Ltd. (hereinafter referred to as “Inner Mongolia Yongtai”)
E-Tong Chemical Co., Limited (hereinafter referred to as “E-Tong Chemical”)
Hangzhou Yongtai Biomedical Co., Ltd. (hereinafter referred to as “Hangzhou Yongtai”)
Pt. Etong Chemical Indonesia (hereinafter referred to as “Pt. Etong”)

Name of subsidiary
E-tong Chemical (Philippines) Inc. (hereinafter referred to as “E-tong Chemical (Philippines)”)
Etong Agrotech Nigeria Limited (hereinafter referred to as “Etong Agrotech Nigeria”)
Etong Chemicals (Pvt.) Ltd. (hereinafter referred to as “Etong Chemicals (Pvt.)”)
Lideal Mines Limited (hereinafter referred to as “Lideal Mines”)
AGRO JUNTOS COLOMBIA S.A.S. (hereinafter referred to as “Etong Colombia”)
FARMALINE CROPCARE BANGLADESH LIMITED (hereinafter referred to as “Etong Bangladesh”)
Zhejiang Yongtai Fule Technology Co., Ltd. (hereinafter referred to as “Yongtai Fule”)
Hangzhou Yongtai Chiral Biopharmaceutical Co., Ltd. (hereinafter referred to as “Hangzhou Yongtai Chiral”)
QUANG HOP BIOCHEMICAL COMPANY LIMITED (hereinafter referred to as "Etong Vietnam")
Fujian Yongtai Fuyuan Technology Co., Ltd. (hereinafter referred to as “Yongtai Fuyuan”)
MONAGRO CROPSCIENCE CO., LTD ((hereinafter referred to as “Etong Monagro Cropscience”)
E-Tong Chemical (Thailand) Co,Ltd (hereinafter referred to as “ETONG Thailand”)
Shanghai Yongtai Xinfu New Materials Co., Ltd. (hereinafter referred to as “Shanghai Xinfu”)
AGRO JUNTOS BRAZIL LTDA (hereinafter referred to as “ETONG Brazil”)
SENWELL AGROCHEM NIGERIA CO LIMITED (hereinafter referred to as “Nigeria Senwei”)

For details of related information of the Company's subsidiaries, please refer to “Note VIII Interests in Other Subjects”.

For details of changes in consolidation scope during the reporting period, please refer to “Note VII. Change in scope of consolidation ”.

II. Basis of preparation for the financial statements

(I) Basis of preparation

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises - Basic Standards and various specific accounting standards, guidelines for the application of accounting standards for enterprises, interpretations of accounting standards for enterprises and other related regulations (hereinafter collectively referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance, and the relevant provisions of Disclosure and Reporting Rules for Companies Issuing Public Securities No. 15 – General Provisions on Financial Reporting of China Securities Regulatory Commission.

(II) Continuous operation

The financial statements are prepared on a going-concern basis.

As of December 31, 2025, the company has negative net working capital, with current assets less than current liabilities. In response to the liquidity risks the company faces, the following measures are planned:

The company has sufficient unused bank credit lines, which can meet the repayment plan for short-term interest-bearing liabilities even without considering potential external equity financing.

The capacity from previous long-term asset investments is being released. With the recovery and growth of new energy market demand, as well as the continuous capacity release of Yongtai New Energy, Yongtai High-tech and Inner Mongolia Yongtai, the Company's operating cash flow is expected to improve significantly.

The company will increase asset turnover and asset utilization efficiency, hold more cash and cash equivalents, and reduce debt repayment risks.

The Company's management has evaluated the Company's ability to continue as a going concern for the 12-month period commencing January 1, 2026. In making this assessment, management took into account the unused bank credit lines held by the Company as of December 31, 2025, as well as the management's estimates of expected operating cash inflows for the next 12 months based on forecasts of future operating financial conditions. The Company believes that the liquidity risks associated with the current assets being less than current liabilities as of December 31, 2025, are within a controllable range and do not have a material impact on the Company's ability to continue as a going concern or on the financial statements. Therefore, these financial statements have been prepared on the going concern basis.

III. Significant accounting policies and accounting estimates

(I) The declaration on compliance with the Accounting Standards for Business Enterprises

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance and give a true and complete view of the consolidated and company's financial position as of 31 December 2025 and the consolidated and company's business performance and cash flows for the year ended 31 December 2025.

(II) Accounting period

The fiscal year is from 1 January to 31 December of the Gregorian calendar.

(III) Business cycle

The business cycle of the Company is 12 months.

(IV) Accounting base currency

The company adopts RMB as its accounting base currency.

The accounting base currency of the company's subsidiaries is determined according to the main economic environment of operation in which they operate. The accounting base currency of the company's American subsidiary Yongtai Technology (United States), Hong Kong Second-tier Subsidiary Hong Kong Etong and New Hong Kong Etong is USD, and the accounting base currency of Indonesia Second-tier Subsidiary Indonesia Etong is IDR.

The accounting base currency of Philippine Second-tier Subsidiary is PHP, the accounting base currency of Nigerian Second-tier Subsidiary Nigerian Etong and Lideal Mines and Nigeria Senwei is NGN, the accounting base currency of Pakistani Second-tier Subsidiary Pakistani Etong is Pakistani rupeePKR, the accounting base currency of Colombian Second-tier Subsidiary is COP,

The accounting base currency of Bangladesh Second-tier Subsidiary Bangladesh Etong is BDT, the accounting base currency of Vietnam Company Vietnam Etong is VND, the accounting base currency of MONAGRO CROPSCIENCE CO., LTD is Cambodian Riel, and the accounting base currency of other companies is RMB.

The financial statements are presented in RMB.

(V) The accounting treatment method for business consolidation under the common control and not under the common control

Business consolidation under the common control: Assets and liabilities acquired by a consolidating party in a business consolidation (including goodwill resulting from the acquisition of the consolidated party by the ultimate controlling party) are measured at the book value of the consolidated party's assets and liabilities in the consolidated financial statements of the ultimate controlling party at the date of the consolidation. As for the balance between the carrying amount of the net assets obtained by the combining party and the carrying amount of the consideration during consolidation (or the total book value of the shares issued), the additional paid-in capital in capital reserve shall be adjusted. If the additional paid-in capital in capital reserve is not sufficient to be offset, the retained earnings shall be adjusted.

Business consolidation not under the common control: The cost of consolidation is the fair value of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control of the acquiree at the date of acquisition. Goodwill is recognized as the positive difference between the cost of the consolidation and the share of the fair value of the acquiree's identifiable net assets acquired in the consolidation. The negative difference between the cost of consolidation and the share of the fair value of the acquiree's identifiable net assets acquired in a consolidation is included into the current profit and loss. Each identifiable asset, liability and contingent liability of the acquiree acquired in a consolidation that qualifies for recognition is measured at fair value at the date of acquisition.

Directly related costs incurred for a business consolidation are included into the current profit and loss as incurred; Transaction costs for the issuance of equity securities or debt securities for a business consolidation are included into the initial recognition amount of the equity securities or debt securities.

(VI) Judgmental Criteria for Control and Preparation Method of Consolidated Financial Statements

1. Judgmental Criteria for Control

The scope of consolidation in the consolidated financial statements is determined based on control, and the scope of consolidation includes the Company and all of its subsidiaries. Control refers to that the Company has power over investees and has a variable return through participation in the related activities of the investees, and has the ability to use the power over the investees to affect its return.

2. Procedure of consolidation

The Company considers the entire enterprise group as one accounting entity, and prepares consolidated financial statements in accordance with uniform accounting policies to reflect the financial position, business performance and cash flows of the enterprise group as a whole. The effects of internal transactions that occurred between the Company and its subsidiaries and between subsidiaries are offset. If an internal transaction indicates that there is an impairment loss on the related asset, the full amount of such loss is recognized. If a subsidiary adopts accounting policies and accounting periods that are not consistent with those of the Company, the subsidiary's accounting policies and accounting periods shall be adjusted according to those of the Company as necessary in preparing the consolidated financial statements.

The shares held by non-controlling interests in owner's equity, the net profit and loss in the current period and the comprehensive income in the current period of subsidiaries, are separately listed under the items of owner's equity in the Consolidated Balance Sheet, net profit and total comprehensive income in the Consolidated Income Statement. The balance of current loss borne by non-controlling interests of the subsidiary subtracting the shares enjoyed by non-controlling interests from period-beginning owner’s equity of the subsidiary shall offset against the non-controlling interests.

(1) Increase subsidiaries or business

During the reporting period, if a subsidiary or any business is added as a result of a business consolidation under the common control, the operating results and cash flows of the subsidiary or business from the beginning of the current consolidation period to the end of the reporting period are included in the consolidated financial statements, while the opening balance of the consolidated financial statements and the related items in the comparative statements are adjusted as if the consolidated reporting entity had been in existence since the point when the ultimate controlling party began to control it.

If additional investments enable control over an investee under the common control, the equity investment held before the acquisition of control of the consolidated party, and the relevant profit and loss, other comprehensive income and other changes in net assets that have been confirmed from the date when the original equity is acquired or the date when the consolidating party and the consolidated party are under the common control (which one is later) to the consolidation date will write down the opening retained earnings or current profit and loss for the period of comparative statement, respectively.

During the reporting period, if a subsidiary or any business is added as a result of a business consolidation not under the common control, each identifiable asset, liability and contingent liability determined at the date of acquisition based on their fair value are included in the consolidated financial statements from the date of acquisition.

Where the investees not under the common control can be controlled due to additional investment or other reasons, the Company shall re-measure the acquiree's equity held before the date of purchase according to the fair value of the equity at the date of purchase, and include the difference between the fair value and its book value into the current investment income. Other comprehensive income related to the equity of the acquiree held before the acquisition date, which can be reclassified into profit and loss in the future, and other changes in owners' equity under the equity method accounting are converted into the current investment income of the acquisition date.

(2) Disposal of subsidiaries

① General treatment method

If the control right over the investee is lost due to the disposal of partial equity investment or other reasons, the Company shall re-measure the remaining equity investment after disposal according to the fair value on the date of losing control right. The sum of the consideration acquired by the disposal of equity and the fair value of the remaining equity minus the sum of the shares of the net assets of the original subsidiary continuing to calculate from the date of purchase or merger according to the original shareholding ratios and the goodwill, such obtained difference shall be included into the investment income on that very period of losing the control right. Other comprehensive income related to the equity investment of the original subsidiary that can be reclassified into profit and loss in the future, and other changes in owners' equity under the equity method accounting are converted into the current investment income when the control right is lost.

② Disposal of subsidiaries step by step

If the terms, conditions, and economic impacts on various transactions of disposing the equity investment of subsidiaries conform to one or more of the following situations provided that the equity investment of subsidiaries is disposed step by step through multiple transactions until the loss of control right, it usually indicates that the multiple transactions shall be taken as a package deal:

ⅰ. These transactions are made simultaneously or in consideration of each other's influence;

ⅱ. These transactions as a whole can achieve a complete business result;

ⅲ. The occurrence of a transaction depends on the occurrence of at least one of other transactions;

ⅳ. A transaction is uneconomical individually, but it's economical when you consider it with other transactions.

Where the transactions are part of a package, the transactions are conducted with accounting treatment method as one disposal of subsidiaries with loss of control; The difference between each disposal price and the share of the net assets of the subsidiary corresponding to the disposal of the investment prior to the loss of control is included into the consolidated financial statements as other comprehensive income and is transferred into the current profit and loss when control is lost. Where the respective transactions are not part of a package, the equity investment in the subsidiary is conducted with accounting treatment method as a partial disposal without loss of control until such time as control is lost; Upon loss of control, accounting is performed in accordance with the general method for disposal of subsidiaries.

(3) Purchasing non-controlling interests of subsidiaries

The stock premium in the capital reserves in the Consolidated Balance Sheet is adjusted according to the difference between the long-term equity investment newly-obtained by the Company for the purchase of non-controlling interests and the net asset share continuously calculated from the purchase date or the merger date of subsidiaries that shall be enjoyed by the Company by calculating as per the newly-increased shareholding ratio; when the stock premium in the capital reserves is not sufficient to offset, the retained earnings shall be adjusted.

(4) Disposing partly the equity investment in subsidiaries without losing the control right

For the difference between the disposal price and the share of net assets of the subsidiary corresponding to the disposal of the long-term equity investment calculated on an ongoing basis from the date of acquisition or the date of consolidation, adjust the stock premium in capital surplus in the Consolidated Balance Sheet, and if the stock premium in capital surplus is not sufficient for write-down, adjust the retained earnings.

(VII) Classification of joint venture arrangements and the accounting treatment method for joint operations

The joint venture arrangements are divided into joint operation and joint venture.

A joint operation is a joint venture arrangement in which the joint venturers enjoy the assets and bear the liabilities associated with the arrangement.

The Company recognizes the following items related to its share of interest in joint operations:

(1) To confirm the assets held by the Company separately, and the assets jointly held according to the Company’s shares;

(2) To confirm the liabilities assumed by the Company separately, and the liabilities jointly assumed according to the Company’s shares;

(3) To confirm the revenue generated by the sale of the output shares of joint operation enjoyed by the Company;

(4) To confirm the revenue generated by the sale of output of joint operation according to the Company’s shares;

(5) To confirm the expenses incurred separately, and the expenses incurred in joint operation according to the Company’s shares.

The Company's investment in joint ventures is accounted with the equity method, as detailed in “(XIV) Long-term Equity Investments” of Note III.

(VIII) Confirmation standard of cash and cash equivalent

Cash refers to the Company’s cash on hand and deposits that are available for payment at any time. Cash equivalents refer to the short-term and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

(IX) Foreign currency business and conversion of foreign currency statements

1. Foreign currency business

Foreign currency business is charged to an account in RMB using the approximate exchange rate of spot exchange rate on the date of the transaction as the conversion rate.

The balances of foreign monetary items at the balance sheet date are converted as per the spot rate at the balance sheet date, and the resulting exchange differences are included into the current profit and loss, except for those arising from special borrowings in foreign currencies related to the acquisition of assets eligible for capitalization, which are treated in accordance with the principle of capitalization of borrowing costs.

2. Conversion of foreign currency financial statements

Asset and liability items of balance sheet are converted using the spot rate at the balance sheet date; Items of owners’ equity, except for “retained earnings", are converted using the spot rate at the time of occurrence. Income and expense items in the income statement are converted using the approximate exchange rate of spot exchange rate on the transaction date.

During the disposal of overseas operation, the balance arising from the translation of foreign currency financial statements related to the overseas operation shall be transferred from owner's equity items to the disposal of current profit and loss.

(X) Financial instruments

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

1. Classification of financial instruments

Based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets, the financial assets are classified at initial recognition as: Financial assets measured at amortized cost, financial assets measured at fair value whose changes are included into other comprehensive income, and financial assets measured at fair value whose changes are included into the current profit and loss.

The Company classifies financial assets that meet the following criteria and that are not designated to be measured at fair value whose changes are included into the current profit and loss as financial assets measured at amortized cost:

- Business model is targeted at collecting contractual cash flows;
- Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

The Company classifies financial assets that meet the following criteria and that are not designated to be measured at fair value whose changes are included into the current profit and loss as financial assets that measured at fair value whose changes are included into other comprehensive income (debt instruments):

- A business model with the objective of both collecting the contractual cash flows and selling the financial asset;
- Contractual cash flows only pay for the principal and the interest based on the outstanding principal amount.

For investments in non-trading equity instruments, the Company may, on initial recognition, irrevocably designate them as financial assets measured at fair value whose changes are included into other comprehensive income (equity instruments). The designation is made based on a single investment and the underlying investment meets the definition of an equity instrument from the perspective of the issuer.

Except for the above-mentioned financial assets measured at amortized cost and financial assets measured at fair value whose changes are included into other comprehensive income, the Company classifies all remaining financial assets as financial assets measured at fair value whose changes are included into the current profit and loss. On initial recognition, if it is possible to eliminate or significantly reduce the accounting mismatch, the Company may irrevocably designate financial assets that would otherwise be classified as financial assets measured at amortized cost or at fair value whose changes are included into other comprehensive income as financial assets measured at fair value whose changes are included into the current profit and loss.

Financial liabilities are classified on initial recognition as: Financial liabilities measured at fair value whose changes are included into the current profit and loss and financial liabilities measured at amortized cost.

For those financial liabilities, if one of the following conditions is met, they may be designated, on initial recognition, as financial liabilities measured at fair value whose changes are included into the current profit and loss:

1) The designation can eliminate or significantly reduce accounting mismatches.

2) According to enterprise's risk management or investment strategy as set out in formal written documents, management and performance evaluation of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities are conducted on a fair value basis. And within the enterprise, report to key management personnel on this basis.

3) The financial liability contains embedded derivatives that are subject to separate spin-off.

2. Determination basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and debt investments, are initially measured at fair value, with related transaction costs included in the initial recognition amount; Accounts receivable that do not contain a significant financing component and those that the Company has decided not to consider a financing component of more than one year are initially measured at the contractual transaction price.

Interest calculated using the effective interest method during the holding period is included into the current profit and loss.

During recovery or disposal, the difference between the acquired price and the book value of the financial assets shall be included into the current profit and loss.

(2) Financial assets measured at fair value with their changes included into other comprehensive income (debt instruments)

Financial assets measured at fair value whose changes are included into other comprehensive income (debt instruments), including receivables financing and other debt investments, are initially measured at fair value with related transaction costs included into the initial recognition amount. The financial asset is subsequently measured at fair value, and changes in fair value are included into other comprehensive income, except for interest, impairment loss or gain and exchange gain or loss calculated using the effective interest method.

Upon derecognition, the cumulative gain or loss previously included into other comprehensive income is transferred from other comprehensive income and included into the current profit and loss.

(3) Financial assets measured at fair value with their changes included into other comprehensive income (equity instruments)

Financial assets measured at fair value whose changes are included into other comprehensive income (equity instruments), including investments in other equity instruments, are initially measured at fair value, with related transaction costs included into the initial recognition amount. The financial asset is subsequently measured at fair value, with changes in fair value included into other comprehensive income. Dividends received are included into the current profit and loss.

Upon derecognition, the cumulative gain or loss previously included into other comprehensive income is transferred from other comprehensive income and included in retained earnings.

(4) Financial assets measured at fair value with their changes included into the current profit and loss

Financial assets measured at fair value whose changes are included into the current profit and loss, including financial assets held for trading, derivative financial assets and other non-current financial assets, are initially measured at fair value, with related transaction costs included into the current profit and loss. The financial asset is subsequently measured at fair value, with changes in fair value included into the current profit and loss.

(5) Financial liabilities measured at fair value with their changes included into the current profit and loss

Financial liabilities measured at fair value whose changes are included into the current profit and loss, including financial liabilities held for trading and derivative financial liabilities, are initially measured at fair value, with related transaction costs included into the current profit and loss. The financial liability is subsequently measured at fair value, with changes in fair value included into the current profit and loss.

On derecognition, the difference between its book value and the consideration paid is included into the current profit and loss.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value, with related transaction costs included into the initial recognition amount.

Interest calculated using the effective interest method during the holding period is included into the current profit and loss.

On derecognition, the difference between the consideration paid and the book value of the financial liability is included into the current profit and loss.

3. Derecognition of financial assets and transfer of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

- Termination of contractual rights to receive cash flows from financial assets;
- The financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transfer-in side;
- The financial asset has been transferred. Although the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, it doesn't retain control over the financial asset.

When the Company modifies or renegotiates a contract with a counterparty and the modification constitutes a material change, the original financial asset is derecognized and a new financial asset is recognized in accordance with the modified terms.

A financial asset is not derecognized when a transfer of the financial asset occurs and substantially all the risks and rewards of ownership of the financial asset are retained.

In the event of determining whether the transfer of financial assets meets the termination recognition conditions of the aforesaid financial assets, the principle of substance over form shall be adopted.

The Company divides the financial asset transfer zone into the overall transfer and partial transfer of financial assets. If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the following two items shall be included into the current profit and loss:

(1) The book value of the transferred financial assets;

(2) The sum of the consideration received for the transfer and the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value whose changes are included into other comprehensive income).

Where partial transfer of financial assets satisfies the termination recognition conditions, the entire book value of the transferred financial assets shall be apportioned between the part for which termination is determined and the part for which termination is not determined as per respective relative fair values, and the difference between the following two items shall be included into the current profit and loss:

(1) The book value of the derecognized part;

(2) The sum of the consideration for the derecognized portion and the amount corresponding to the derecognized portion of the cumulative amount of changes in fair value originally recognized directly in owners' equity (in the case where the financial asset involved in the transfer is a financial asset (debt instrument) measured at fair value whose changes are included into other comprehensive income).

Where the transfer of financial assets doesn’t meet the termination recognition conditions, the financial assets shall be continually confirmed, and the received consideration is confirmed as one financial liability.

4. Derecognition of financial liabilities

When the prevailing obligations of a financial liability are relieved in whole or in part, the financial liability can be derecognized in whole or in part. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liability by way of new financial liability, and if the contract terms regarding the new financial liability are substantially different from that regarding the existing financial liability, it shall derecognize the existing financial liability, and shall recognize the new financial liability at the same time.

Where an enterprise makes substantial revisions to some or all of the contractual stipulations of the existing financial liability, it shall terminate the recognition of the existing financial liability or part of it, and at the same time recognize the financial liability after revising the contractual stipulations as a new financial liability.

Where the recognition of a financial liability is fully or partially terminated, the difference between the book value of financial liability which has been terminated from recognition and the paid considerations (including the non-cash assets it has transferred out and the new financial liabilities it has assumed) shall be included into the current profit and loss.

Where our enterprise buys back part of its financial liabilities, it shall distribute, on the buy-back day, the carrying amount of the whole financial liabilities according to the comparatively fair value of the part that continues to be recognized and the part whose recognition has already been terminated. The difference between the carrying amount which is distributed to the part whose recognition has terminated and the considerations it has paid (including the non-cash assets it has transferred out and the new financial liabilities it has assumed) shall be included into the current profit and loss.

5. Method to determine the fair value of financial assets and financial liabilities

If there are active financial instruments, the fair value is determined using quoted prices in an active market. If there are no active financial instruments, the fair value is determined using valuation techniques. In its valuation, the Company uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability considered by market participants in transactions for the relevant asset or liability, and gives preference to the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are not available or not practical to obtain.

6. Test Methods and Accounting treatment methods for Impairment of Financial Assets

The Company estimates expected credit losses on financial assets measured at amortized cost, financial assets measured at fair value whose changes are included into other comprehensive income (debt instruments) and financial guarantee contracts, etc., either individually or in combination.

The Company recognizes expected credit losses by calculating the probability-weighted amount of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, taking into account reasonable and substantiated information about past events, current conditions and forecasts of future economic conditions, weighted by the risk of default.

For receivables and contract assets resulting from transactions regulated by Accounting Standards for Business Enterprises No. 14 - Revenue, the Company always measures its loss provisions at an amount equivalent to the expected credit losses during the entire term of existence, regardless of whether they contain a significant financing component.

For leasing receivables resulting from transactions regulated by Accounting Standards for Business Enterprises No. 21 - Leasing, the Company elects to always measure its loss provisions at an amount equivalent to the expected credit losses during the entire term of existence.

For other financial instruments, the Company evaluates on each balance sheet date the changes in the credit risk of the relevant financial instruments since the initial recognition.

The Company compares the risk of default of a financial instrument on the balance sheet date with the risk of default on the initial recognition date to determine the relative change in the risk of default of a financial instrument during its expected lifetime, so as to assess whether the credit risk of a financial instrument has increased significantly since the initial recognition.

Generally, if overdue for more than 30 days, the Company considers that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If the credit risk of a financial instrument is low on the balance sheet date, the Company considers that the credit risk of the financial instrument has not significantly increased since the initial recognition.

If the credit risk of the financial instrument has significantly increased since the initial recognition, the Company measures its loss provision at an amount equivalent to the expected credit loss during the entire existence of the financial instrument;

If the credit risk of the financial instrument has not significantly increased since the initial recognition, the Company shall measure its loss provision at an amount equivalent to the expected credit loss of the financial instrument in the following 12 months.

The resulting increase or reversal of the loss provision shall be recorded into the current profit and loss as impairment loss or gain.

For financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income, the loss provision shall be recognized in other comprehensive income, and the impairment loss or gain shall be included in the current profit and loss, without reducing the book value of the financial asset listed in the balance sheet.

If there is objective evidence that a receivable is credit impaired, the Company makes an allowance for impairment of that receivable on an individual basis.

Except for the above-mentioned accounts receivable for single provision for bad debt reserves, the Company divides other financial instruments into several combinations based on credit risk characteristics and determines expected credit losses based on these combinations. The combination categories and determination basis for the provision of expected credit losses for notes receivable, accounts receivable, accounts receivable financing, other receivables, contract assets, long-term receivables, etc. of the Company are as follows:

Item	Combination category	Determination basis
Notes receivable	Aging analysis combination	Divide accounts receivable based on the different credit risk characteristics of the acceptor
	Low risk portfolio	
Accounts receivable and other receivables	Aging analysis combination	Except for the accounts receivable and other accounts receivable for which separate provisions for losses have been measured, the Company determines the provision for losses based on the expected credit losses of accounts receivable combinations with similar credit risk characteristics divided by age groups that are same as or similar with those in previous years, with the forward-looking information considered.

The Company uses the point of recognition of receivables as the starting point for aging, and the aging statistics are based on the first-in, first-out principle.

If the Company no longer has a reasonable expectation that the contractual cash flows from a financial asset will be fully or partially recovered, the book balance of the financial asset is written down directly.

(XI) Inventories

1. Classification and cost of inventories

Inventory is classified as: Raw materials, Materials in transit, circulating materials, materials outsourced for processing, products in progress, stock goods and goods in transit etc.

Inventories are initially measured at cost. The cost of inventories includes the cost of purchase, processing costs and other expenditures incurred in bringing the inventories to their present location and condition.

2. pricing method of issued inventory

Inventories are valued by weighted average method when they are delivered.

3. Inventory system for inventories

The perpetual inventory system is used

4. Amortization method of low-value consumables and packaging

(1) Low value consumables adopt one-off write-off method;

(2) The packaging uses one-time direct amortized method.

5. Recognition criteria and provision methods for inventory depreciation reserves

Basis for determining the net realizable value of different categories of inventories on the balance sheet date, the inventory is measured at the lower of the cost or the net realizable value. When the cost of inventories is higher than their net realizable value, a provision for inventory impairment should be made. Net realizable value refers to the amount after deducting the cost to be incurred upon estimation until the completion, the estimated sales expenses, and related taxes from the estimated selling price of inventory in daily activities.

The net realizable value of finished goods, finished goods and materials for sale and other merchandise inventories used directly for sale, in the normal course of production and operation, is determined as the estimated selling price of such inventories, less estimated selling expenses and related taxes; The net realizable value of inventories of materials subject to processing is determined in the normal course of production operations as the estimated selling price of the finished goods produced, less the estimated costs to be incurred for completion, estimated selling expenses and related taxes; The net realizable value of inventories held for the execution of sales contracts or labor contracts is calculated based on the contract price. If the quantity of inventories held is more than the quantity ordered in the sales contract, the net realizable value of the excess inventories is calculated based on the general sales price.

After the provision for impairment in value of inventory, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its book value, the provision for impairment in value of inventory is reversed within the original provision amount, and the amount reversed is included into the current profit and loss.

(XII) Contract assets

1. Methods and criteria for recognition of contract assets

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and the customer's payment. The right to receive consideration for goods or services that the Company has transferred to customers (and which is dependent on factors other than the passage of time) is presented as a contract asset. Contract assets and contract liabilities under the same contract are presented on a net basis. The Company's unconditional (depending only on the passage of time) right to receive consideration from customers is shown separately as a receivable.

2. Method of determining expected credit losses on contract assets and accounting treatment method

The determining method and accounting treatment method for the expected credit losses on contract assets are detailed in (X) 6. Test Methods and Accounting Treatment Methods for Impairment of Financial Assets of Note III.

(XIII) Holding for sale and discontinued operations

1. Holding for sale

A non-current asset or disposal group whose book value is recovered principally through sale (including exchange of non-monetary assets with commercial substance) rather than through continuing use is classified as held for sale.

The Company classifies non-current assets or disposal groups as held for sale if they meet the following conditions:

(1) In accordance with the practice in similar transactions for the sale of such assets or disposal groups, they can be sold immediately in their current condition;

(2) The sale is highly likely to occur, i.e., the Company has resolved on a sale plan and obtained firm purchase commitments, and the sale is expected to be completed within 1 year. Where the relevant regulations require the approval of the relevant authority or regulatory authority of the Company before the sale can be made, such approval has been obtained.

If the book value of a non-current asset (excluding financial assets, deferred income tax assets and assets resulting from employee compensation) or disposal group classified as held for sale is higher than the fair value less costs to sell, the book value is written down to the net value of fair value less costs to sell, and the write-down amount is recognized as an impairment loss on the asset and included into the current profit and loss, together with a provision for impairment of assets held for sale.

2. Discontinued operations

A discontinued operation is a separately distinguishable component that meets one of the following conditions and which has been disposed of by the Company or classified by the

Company as held for sale:

(1) The component represents a separate principal business or a separate principal area of operation;

(2) The component is part of an associated plan for the proposed disposal of a separate major business or a separate major operating area;

(3) The component is a subsidiary acquired exclusively for resale.

Gains or losses from continuing operations and gains or losses from discontinued operations are presented separately in the income statement. Operating gains and losses such as impairment losses and reversals of amounts from discontinued operations and gains and losses on disposals are reported as gains and losses from discontinued operations. For discontinued operations presented in the current period, the Company restates the information previously reported as gain or loss from continuing operations in the current period financial statements as gain or loss from discontinued operations in the comparable accounting period.

(XIV) Long-term equity investment

1. Judgment standards for same control and great influence

The same control refers to the control commonly owned for a certain arrangement according to the relevant agreement, in which the related activities of such arrangement can be decided only after the consensus of participants who share the control right. Where the Company and other joint ventures implement same control over the invested unit and have the right to the net assets of the invested unit, the invested unit is the joint venture of the Company.

Significant impact refers to the power to participate in making decisions on the financial and operating policies of an invested unit, but not to control or do joint control together with other parties over the formulation of these policies. Where the Company can have significant influence on an invested unit, the invested unit is the associated enterprise of the Company.

2. Determination of initial investment cost

(1) Long-term equity investment formed by business consolidation

For long-term equity investment in subsidiaries acquired through business consolidation under the common control, the initial investment cost of long-term equity investment at the date of consolidation is based on the share of the owner's equity of the combined party in the book value of the consolidated financial statements of the final controlling party. For the difference between the initial investment cost of the long-term equity investment and the book value of the consideration paid, adjust the stock premium in capital surplus; If the stock premium in capital surplus is not sufficient for write-down, adjust the retained earnings. If it is possible to exercise control over an investee under the common control due to additional investment, for the difference between the initial investment cost of the long-term equity investment recognized in accordance with the above principle and the sum of the book value of the long-term equity investment before consolidation and the book value of the consideration paid for further acquisition of shares at the date of consolidation, adjust the stock premium, and if the stock premium is not sufficient for write-down, write down the retained earnings.

For long-term equity investments in subsidiaries formed by business consolidations not under the common control, the initial investment cost of long-term equity investments is based on the cost of the consolidation determined at the date of acquisition. Where the invested units not under the common control can be controlled due to additional investment or other reasons, the sum of the book value of the equity investment originally held and the newly added investment cost shall be taken as the initial investment cost.

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

The initial cost of a long-term equity investment obtained by making payment in cash shall be the purchase cost which is actually paid.

The initial cost of a long-term equity investment obtained based on issuing equity securities shall be the fair value of the equity securities issued.

3. Confirmation method of subsequent measurement and profit and loss

(1) Long-term equity investment accounted by cost method

The Company accounts for its long-term equity investments in subsidiaries using the cost approach, unless the investments qualify as held for sale. Except for the actual paid price when acquiring investment or, the cash dividends or profits that has declared but not yet released in the consideration, the Company shall recognize the current investment income according to the cash dividends or profits issued by the invested unit.

(2) Long-term equity investment accounted by equity method

The long-term equity investment in associated enterprises and joint ventures shall be accounted by equity method. For the positive difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; For the negative difference between the initial investment cost and the share of the fair value of the identifiable net assets of the investee at the time of investment, it shall be included into the current profit and loss, and the cost of long-term equity investments is adjusted.

The Company recognizes investment income and other comprehensive income in accordance with its share of the net profit or loss realized by the investee and other comprehensive income that shall be shared or born, respectively, while adjusting the book value of the long-term equity investment; The portion of the entitlement shall be calculated based on the profit or cash dividends declared by the investee, with a corresponding reduction in the book value of the long-term equity investment; For changes in the ownership interest of the investee other than net profit or loss, other comprehensive income and profit distribution ("changes in other owners' equity"), adjust the book value of the long-term equity investment and recognize them in owners' equity.

In recognizing the share of the investee's net income or loss, other comprehensive income and other changes in owners’ equity, the fair value of the investee's identifiable net assets at the time the investment is acquired is used as the basis for recognition, and the net income and other comprehensive income of the investee are adjusted in accordance with the Company’s accounting policies and accounting periods.

Unrealized gains or losses on internal transactions between the Company and associated enterprises or joint ventures that are attributable to the Company based on their proportionate share are offset, and investment income is recognized on this basis, except when the assets invested or sold constitute a business. The unrealized internal transaction losses with the invested unit, which belongs to the impairment loss of assets, shall be recognized in full.

For the net loss incurred by joint ventures or associated enterprises, the Company, except for the obligation to assume additional losses, is limited to a write-down to zero of the book value of the long-term equity investment and other long-term interests that substantially constitute the net investment in joint ventures or associated enterprises. If joint ventures or associated enterprises later realize net profit, the Company resumes the recognition of attributable share of income after the attributable share of income makes up for the unrecognized attributable share of loss.

(3) Disposal of long-term equity investment

When disposing of a long-term equity investment, the difference between its book value and the actual purchase price shall be included into the current profit and loss.

If a long-term equity investment accounted with the equity method is partially disposed of and the remaining equity interest is still accounted with the equity method, other comprehensive income recognized under the former equity method is carried forward in proportion to the corresponding percentage using the same basis as the direct disposal of the related assets or liabilities by the investee, and other changes in owners' equity are carried forward to profit or loss in proportion to the current period.

If the common control or significant influence over the investee is lost due to the disposal of the equity investment, etc., other comprehensive income recognized as a result of the equity method accounting for the original equity investment is conducted with accounting treatment method on the same basis as the direct disposal of the related assets or liabilities by the investee upon the termination of the equity method accounting, and all changes in other owners' equity are transferred to current profit and loss upon the termination of the equity method accounting.

If control over the investee is lost due to the disposal of part of the equity investment, the remaining equity interest that can exercise joint control or significant influence over the investee is accounted with the equity method when preparing the individual financial statements, and the remaining equity interest is adjusted as if it had been accounted with the equity method from the time of acquisition, and other comprehensive income recognized prior to the acquisition of control over the investee is recognized using the same basis as that used for the direct disposal of the related assets or liabilities by the investee, and the changes in other owners' equity recognized as a result of the adoption of the equity method of accounting are carried forward proportionately to current profit and loss; If the remaining equity interest cannot exercise joint control or significant influence over the investee, it is recognized as a financial asset, and the difference between its fair value and its book value at the date of loss of control is included into the current profit and loss, and all other comprehensive income and other changes in owners' equity recognized before control of the investee is obtained are carried forward.

Disposal of equity investments in subsidiaries through multiple transactions in steps until the loss of control, where they are a package transaction, each transaction is conducted with accounting treatment method as one disposal of equity investments in subsidiaries with loss of control; The difference between the disposal price and the book value of the long-term equity investment corresponding to the equity interest disposed of for each disposal prior to the loss of control is recognized as other comprehensive income in the individual financial statements first, and is transferred to the current profit and loss when control is lost. If the transaction is not part of a package, each transaction is conducted with accounting treatment method separately.

(XV) Investment properties

Investment properties are real estate held for rental income or capital appreciation, or both, and include land use rights that have been leased, land use rights that are held and intended to be transferred after appreciation, and buildings that have been leased (including buildings that will be used for leasing after completion of self-construction or development activities and buildings that will be used for leasing in the future while under construction or development).

Subsequent expenditures related to investment properties are included in the cost of investment properties when it is probable that the related economic benefits will flow in and their cost can be measured reliably; Otherwise, it is included into the current profit and loss as incurred.

The Company measures the existing investment real estate using the cost model. The investment real estate - rental building measured at cost model shall be adopted with the same depreciation policies as the fixed assets of the Company, and the rental land use right shall be subject to the same amortization policies as the intangible assets.

(XVI) Fixed assets

1. Recognition and initial measurement of fixed assets

Fixed assets refer to the tangible assets which are held for producing commodities, providing labor services, leasing or operation management and have a service life of over one fiscal year. Fixed assets are recognized when the following conditions are met simultaneously:

(1) The economic benefits pertinent to the fixed asset are likely to flow into the enterprise;

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

Fixed assets are initially measured at cost (and the effect of expected abandonment cost factors shall be considered).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when it is probable that the economic benefits associated with them will flow in and their cost can be measured reliably; Derecognition of the book value for the replaced portion; All other subsequent expenses are included into the current profit and loss as incurred.

2. Depreciation method

The depreciation of fixed assets is classified and accrued by using the straight-line method. The depreciation rate is determined based on the category, estimated service life and estimated net residual value ratio of fixed assets. For fixed assets for which provision for impairment has been made, depreciation is determined in future periods based on their book value net of provision for impairment and based on their remaining useful lives. If the service life of each component of the fixed assets is different or the economic benefits are provided for enterprises in different ways, the different depreciation rates or depreciation methods shall be selected for depreciation respectively.

The depreciation methods, depreciation lives, residuals rates and annual depreciation rates for various types of fixed assets are as follows:

Category	Depreciation method	Period of depreciation (years)	Residual value rate (%)	Annual depreciation rate (%)
House and building	Straight-line method	20	5.00	4.75
Machinery equipment	Straight-line method	2-10	5.00	47.50-9.50
Electronic equipment and others	Straight-line method	5-10	5.00	19.00-9.50
Transportation equipment	Straight-line method	5	5.00	19.00

3. Fixed asset disposal

A fixed asset shall be derecognized when it is in a state of disposal or when no economic benefits are expected to arise from its use or disposal. The amount obtained after deducting the book value and relevant taxes from the disposal income from the sale, transfer, scrapping or damage of fixed assets shall be included into the current profit and loss.

(XVII) Construction in progress

Construction in progress is measured at the actual cost incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization and other necessary expenditures incurred to bring construction in progress to its intended serviceable condition. Construction in progress is transferred to fixed assets when it reaches its intended useable state and provision for depreciation starts from the following month.

Category	The criteria and timing for converting to fixed assets
House and building	(1) The main construction projects and supporting facilities have been completed substantially; (2) The construction projects meet the predetermined design requirements and are inspected and accepted by the units in charge of survey, design, construction, and supervision; (3) Inspected and accepted by external departments such as fire protection, national land, and planning; (4) If any construction project reaches the predetermined usable state but has not yet completed the final settlement, it shall be transferred to fixed assets at the estimated value based on the actual cost of the project from the date of reaching the predetermined usable state.

Category	The criteria and timing for converting to fixed assets
Machines and equipment that need to be installed and debugged	(1) The relevant equipment and other supporting facilities have been installed; (2) The equipment can maintain normal and stable operation for some time after debugging; (3) Production equipment can produce qualified products stably for some time; (4) The equipment has been inspected and accepted by asset management and using personnel.

(XVIII) Borrowing costs

1. Confirmation principles for capitalization of borrowing costs

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, they shall be capitalized and included into the costs of relevant assets. Other borrowing costs shall be recognized as expenses based on the incurred amount and shall be included into the current profit and loss.

Assets eligible for capitalization refer to the fixed assets, investment real estate, inventories, and other assets, of which the acquisition and construction or production may take quite a long time to get ready for its intended use or sale.

2. Capitalization period of borrowing costs

Capitalization period refers to the period from the commencement to the cessation of capitalization of the borrowing costs, excluding the period of suspension of capitalization of the borrowing costs.

The borrowing costs shall not be capitalized unless they meet the following conditions simultaneously:

(1) The asset expenditure has already incurred, which shall include cash payment, transfer of non-cash assets or interest-bearing debts for the acquisition and construction or production of assets eligible for capitalization;

(2) The borrowing costs have already incurred;

(3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased.

3. Suspension of capitalization period

Capitalization of borrowing costs is suspended if an unusual interruption occurs during the acquisition or production of an asset eligible for capitalization and the interruption lasts for more than three consecutive months; If the interruption is necessary to bring the asset acquired or produced that is eligible for capitalization to its intended useable or marketable condition, the borrowing costs continue to be capitalized. The borrowing costs incurred during the interruption shall be recognized as the current profit and loss and shall not be capitalized until the acquisition and construction or production of the asset restarts.

4. Calculation of capitalization rate and capitalization amount of borrowing costs

For the special borrowings borrowed for the acquisition and construction or production of assets eligible for capitalization, the capitalization amount of borrowing costs is determined by the borrowing costs actually incurred in the current period of the special borrowings minus the interest income obtained from the unused borrowing funds deposited in the bank or the investment income obtained from temporary investment.

Where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company shall calculate and determine the to-be-capitalized amount of borrowing costs on the general borrowing by multiplying the weighted average of cumulative asset expenditure exceeding the asset expenditure of special loan by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined based on the weighted average real interest rate of the general borrowing.

During the period of capitalization, the exchange difference of principal and interest of special foreign currency borrowings shall be capitalized and included into the cost of assets eligible for capitalization. Exchange differences arising from the principal amount of foreign currency borrowings other than specialized foreign currency borrowings and their interest are included into the current profit and loss.

(XIX) Intangible assets

1. Pricing method of intangible assets

(1) Intangible asset acquired by the Company is measured initially upon the cost;

The cost of outsourced intangible asset includes purchase price, related taxes, and other expenditures directly attributable to making such asset reach intended use.

(2) Subsequent measurement

Analyze and judge the service life of intangible assets when obtaining them.

For intangible assets with finite useful lives, amortize over the period that provides economic benefits to the enterprise; Intangible assets with an indefinite useful life are not amortized if it is not foreseeable that they will provide economic benefits to the enterprise.

2. Service life estimation for the intangible assets with limited service life

Item	Estimated service life	Amortization method	Basis
Land-use right	40-50 years	Straight-line method	Land-use Right Certificate
Trademarks	10 years	Straight-line method	Estimated useful life
Patent and proprietary technology	5-10years	Straight-line method	Estimated useful life
Software and others (pollution discharge license, production permission, etc.)	5-10 years	Straight-line method	Estimated useful life

3. Basis for determining intangible assets with indefinite useful lives and procedures for reviewing their useful lives

The Company has no intangible assets with uncertain service life as of the balance sheet date.

4. The scope of collection of research and development expenses

The company will classify all expenses directly related to research and development activities as R&D expenses, including personnel salaries, materials consumption, relevant depreciation and amortization expenses, outsourcing expenses, and other related expenses incurred in conducting R&D activities.

5. Specific criteria for classifying the research and development phases

The expenditures of the internal R&D project of the Company are divided into the expenditure in the research phase and the expenditure in the development phase.

Research phase: The stage of creative and planned investigation and research activities conducted to acquire and understand new scientific or technical knowledge.

Development phase: The stage of application of the research findings or other knowledge to certain plan or design to manufacture new or substantially improved materials, devices or products before commercial production or application.

6. Specific conditions for capitalization of development phase expenditures

The expenditure of research stage shall be included into the current profits and losses as incurred. The expenditure in the development phase is recognized as intangible assets if the following conditions are met, and the expenditure in the development phase that cannot meet the following conditions is included into the current profit and loss:

(1) It is technically feasible to finish the intangible assets for use or sale;

(2) It is intended to finish and use or sell the intangible assets;

(3) The means for intangible assets to generate economic benefits include: proving that the products produced using such intangible asset have market or that the intangible asset has market itself. Where the intangible asset is used internally, its usefulness can be proved;

(4) There is sufficient support of technological and financial resources and other resources to complete the development of the intangible assets, and the ability to use or sell the intangible assets;

(5) The expenditure ascribed to the development stage of the intangible assets can be reliably measured.

If it is not possible to distinguish the expenditure in the research phase from the expenditure in the development phase, all R&D expenditures incurred are included into the current profit and loss.

(XX) Impairment of long-term assets

Long-term equity investments, investment real estate, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, oil and gas assets, and other long-term assets measured using the cost model are tested for impairment if there are indicators of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its book value, a provision for impairment is made for the difference and included into the impairment loss. The recoverable amount is the higher of the asset's fair value less costs of disposal and the present value of the asset's estimated future cash flows. The provision for asset impairment is calculated and recognized on an individual asset basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group is determined using the asset group to which the asset belongs. An asset group is the smallest combination of assets that can generate cash inflows independently.

For goodwill resulting from business consolidations, intangible assets with indefinite useful lives, and intangible assets that have not yet reached a useable condition, impairment tests are performed at least at the end of each year, regardless of whether there is an indication of impairment.

The Company performs goodwill impairment tests and the book value of goodwill arising from a business consolidation is allocated to the relevant asset group from the date of purchase in accordance with a reasonable method; If it is difficult to be allocated to the relevant asset group, it is allocated to the relevant asset group portfolio. A related asset group or asset group portfolio is an asset group or asset group portfolio that can benefit from the synergistic effects of a business consolidation.

When making an impairment test on the relevant asset groups or combinations of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or combinations of asset groups is possible, the Company shall first make an impairment test on the asset groups or combinations of asset groups not containing goodwill, calculate the recoverable amount, compare it with the relevant carrying value, and recognize the corresponding impairment loss. The asset group or asset group portfolio containing goodwill is then subjected to an impairment test to compare its book value with the recoverable amount. If the recoverable amount is less than the book value, the impairment loss is first reduced by the book value of the goodwill allocated to the asset group or asset group portfolio, and then according to the proportionate share of the book value of each asset other than goodwill in the asset group or asset group portfolio, the book value of other assets is then reduced in proportion. Once recognized, the above impairment loss on assets is not reversed in the future accounting periods.

(XXI) Long term deferred expenses

Long-term unallocated expense is an expense that has been incurred but should be borne by the current and future periods and is allocated over a period of more than one year.

The amortization period and amortization method for each expense are:

Item	Amortization method	Amortization period
Equipment transformation	Average amortization in the benefit period	4-5 years
Decoration cost	Average amortization in the benefit period	3-5 years
Others	Average amortization in the benefit period	2-5 years

(XXII) Contractual liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance obligation and the customer's payment. The Company’s obligations to transfer goods or provide services to customers for consideration received or receivable are presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

(XXIII) Employee compensation

1. The accounting treatment method for short-term compensation

During the accounting period that employees of the Company provide services, the Company confirms the short-term compensation actually incurred as liability and includes it into the current profit and loss or related asset cost.

The social insurance premiums and housing fund paid by the Company for its employees, as well as the labor union funds and employee education funds withdrawn in accordance with regulations, are used to determine the corresponding amount of employee compensation based on the prescribed accrual basis and accrual ratio during the accounting period in which the employees provide services to the Company.

Employee benefits incurred by the Company are included into the current profit and loss or to the cost of related assets when actually incurred, based on the actual amount incurred, of which non-monetary benefits are measured at fair value.

2. The accounting treatment method for post-employment benefits

(1)Defined contribution plan

The Company shall pay basic endowment insurance and unemployment insurance for employees according to the relevant regulations of local government. During the accounting period that employees provide services to the Company, the payable amount shall be calculated according to the payment base and proportion specified locally and confirmed as liability and included into the current profit and loss or related asset cost.

In addition, the Company participates in corporate pension plans/supplementary pension funds approved by the relevant state authorities. The Company pays a certain proportion of the total wages of employees to the annuity plan/local social insurance institutions, with corresponding expenditures included into the current profit and loss or related asset cost.

(2)Defined benefit plan

The Company attributes the welfare obligations generated from defined benefit plan through the formula determined according to the expected cumulative benefit unit to the period that employees provide services and includes them into the current profit and loss or related asset cost.

The deficit or surplus formed by deducting the fair value of asset in the defined benefit plan from the present value of defined benefiting obligation shall be confirmed as a net liability or net asset of defined benefit plan. If there is surplus in the defined benefit plan, the Company shall measure the net asset of defined benefit plan according to the lower of the surplus in the defined benefit plan and the asset ceiling.

All defined benefiting obligations, including the obligation expected to be paid within 12 months after the end of annual reporting period that employees provide services, shall be discounted according to the national debt matched with the term and currency of defined benefiting obligation on the balance sheet date or the market return of high-quality corporate bonds that are active in the market.

The service costs generated from defined benefit plan or the net interests of net liabilities or net assets in the defined benefit plan shall be included into the current profits and losses or related asset costs; the changes generated from the re-measured net liabilities or net assets in the defined benefit plan shall be included into other comprehensive incomes and shall not be transferred back to the profits and losses during the subsequent accounting period, and the parts originally charged into other comprehensive incomes shall all be carried over to the retained earnings within the range of equity interest when the original defined benefit plan is terminated.

During the settlement of defined benefit plan, the settlement gains or losses shall be confirmed according to the difference between the present value of defined benefiting obligation determined on the settlement date and the settlement price.

3. The accounting treatment method for termination benefits

When the Company provides termination benefits to employees, it recognizes a liability for employee compensation arising from termination benefits at the earlier of the following, and includes it in the current profit and loss: When the Company cannot unilaterally withdraw termination benefits provided as a result of a plan for termination of employment or a proposal for redundancy; When the Company recognizes costs or expenses related to a restructuring involving the payment of termination benefits.

(XXIV) Provisions

Where the obligations related to the contingencies meet the following conditions simultaneously, the Company shall confirm them as provisions:

(1) The obligation is a current obligation undertaken by the Company;

(2) It is likely to cause any economic benefit to flow out of the Company because of the performance of the obligation;

(3) The amount of the obligation can be measured reliably.

The provisions shall be initially measured in accordance with the best estimate of the necessary expenditures for the performance of the related current obligation.

To determine the best estimate, the Company shall take into overall consideration of the risks, uncertainty, time value of money, and other factors pertinent to the contingencies. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future outflow of cash.

In case required expenditure has a continuous scope and the occurrence possibilities of all results within the scope are the same, the optimal estimations shall be determined according to the median within the scope. Under other conditions, the optimal estimations shall be determined according to the following conditions:

- If the contingency involves a single item, it shall be determined according to the most likely amount.
- If the contingency involves multiple items, it shall be determined according to various possible results and relevant probability calculation.

If all or part of the expenditures required to pay off the provisions are expected to be compensated by a third party, the compensation amount shall be recognized separately as an asset when it is basically determined that it can be received, and the recognized compensation amount shall not exceed the book value of the provisions.

The Company reviews the book value of the provisions at the balance sheet date and adjusts the book value in accordance with the current best estimate if there is conclusive evidence that the book value does not reflect the current best estimate.

(XXV) Share-based payment

The Company's share-based payments are transactions in which equity instruments are granted or liabilities determined based on equity instruments are assumed to obtain services from employees or other parties. The share-based payment of the Company is divided into equity settled share-based payment and cash settled share-based payment.

1. Equity-settled share-based payment and equity instrument

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. For share-based payment transactions that are immediately exercisable upon grant, the fair value of the equity instruments is recorded at the relevant cost or expense on the grant date, with a corresponding increase in capital surplus. For share-based payment transactions in which the services are in process after the grant or the rights are exercised only after the required performance conditions are met, at each balance sheet date during the waiting period, the Company recognizes the services acquired during the period as related costs or expenses, and, based on the best estimate of the number of exercisable equity instruments and the fair value at the grant date, increases capital surplus accordingly.

If clauses of equity-settled share-based payment are modified, the acquired service shall be confirmed at least according to the conditions of unmodified clauses. Moreover, in case of any modification to the fair value of granted equity instrument or of any changes in favor of employees on the date of modification due to any increase, the increase of acquired services shall be confirmed.

If a grant of equity instruments is cancelled during the waiting period, the Company treats the cancellation of the granted equity instruments as accelerated exercise of right and recognizes the amount to be recognized over the remaining waiting period immediately in the current profit and loss, and recognizes the capital surplus at the same time. However, if new equity instrument is granted and it is identified on the grant date of new equity instrument that the granted new equity instrument is used to replace the cancelled equity instrument, the granted alternative equity instrument shall be treated in the same manner as to treat the modification to the terms and conditions of the original equity instruments.

2. Cash-settled share-based payment and equity instrument

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Company. For share-based payment transactions that are immediately exercisable upon grant, the Company recognizes the related cost or expense at the grant date at the fair value of the liability assumed, with a corresponding increase in the liability. For share-based payment transactions in which the services are in process after the grant or the rights are exercised only after the required performance conditions are met, at each balance sheet date during the waiting period, the Company recognizes the services acquired during the period as related costs or expenses, and, based on the best estimate of the circumstances of exercisable equity and the fair value of the liability assumed by the Company, recognizes them in the liability accordingly. The Company shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes into the current profit and loss.

The Company modifies the terms and conditions of the cash-settled share-based payment agreement to equity-settled share-based payment, the difference between the modification date (whether occurring during the waiting period or after the end of the period) should be measured at the fair value of the equity instrument granted at the fair value of the date of modification of the equity instrument, the services obtained should be included in the capital reserve, and the balance between the cash-settled share-based payment recognized liabilities recognized on the amendment date should be derecognized, and the difference should be included in the current profit and loss. If the waiting period is extended or shortened due to the modification, the company will conduct accounting treatment according to the revised waiting period.

(XXVI) Income

1. Accounting policies used for revenue recognition and measurement

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the related goods or services. Gaining control of the relevant goods or services means being able to dominate the use of the goods or services and derive almost total economic benefit from them.

If a contract contains two or more performance obligations, the Company allocates the transaction price to each individual performance obligation on the contract commencement date in the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation. The Company measures revenue based on the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price in accordance with the terms of the contract and its past customary practices, and considers the impact of variable consideration, the existence of significant financing components in the contract, non-cash consideration, and consideration payable to customers in determining the transaction price. The Company determines the transaction price that includes variable consideration by an amount that does not exceed the amount for which it is highly probable that there will be no material reversal of the cumulative recognized revenue when the relevant uncertainty is removed. If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash assuming that the customer will pay for the goods or services as soon as control is obtained, and amortizes the difference between this transaction price and the contract consideration using the effective interest method over the term of the contract.

Performance obligations are fulfilled within a certain time period if one of the following conditions is met, otherwise, performance obligations are fulfilled at a certain point of time:

- The customer acquires and consumes the economic benefits of the Company’s performance at the same time as the Company’s performance.
- The customer can control the goods-in-process in the course of the Company’s performance.

• The goods produced in the course of the Company's performance are irreplaceable and the Company is entitled to receive payment for the cumulative portion of performance completed to date throughout the term of the contract.

For performance obligations to be performed within a certain period, the Company recognizes revenue in accordance with the progress of performance during that period, except when the progress of performance cannot be reasonably determined. The Company uses the output method or input method to determine the performance schedule considering the nature of the goods or services. When the performance schedule cannot be reasonably determined and the costs incurred are expected to be compensated, the Company recognizes the revenue according to the amount of costs incurred until the performance schedule can be reasonably determined.

For performance obligations performed at a certain point of time, the Company recognizes revenue at the point of time when the customer obtains control of the related goods or services. In determining whether a customer has acquired control of goods or services, the Company considers the following indications:

• The Company has a present right to receive payment for the goods or services, i.e. the customer has a present obligation to pay for the goods or services.

• The Company has transferred the legal ownership of the goods to the customer, i.e., the customer has the legal ownership of the goods;

• The Company has physically transferred the goods to the customer, i.e., the customer has taken physical possession of the goods.

• The Company has transferred the major risks and rewards of ownership of the goods to the customer, i.e., the customer has acquired the major risks and rewards of ownership of the goods.

• The customer has accepted the goods or services, etc.

Our company determines whether it acts as a principal or an agent in a transaction based on whether it has control over the goods or services being transferred to the customer. If our company has control over the goods or services before transferring them to the customer, we act as a principal and recognize revenue based on the total amount of consideration received or expected to be received. If we do not have control over the goods or services, we act as an agent and recognize revenue based on the expected commission or fee that we are entitled to receive.

2. Disclose the specific revenue recognition methods and measurement methods according to business types.

(1) General sales business

The Group fulfills its contractual obligations by delivering the products such as fluorinated pharmaceuticals, crop science, and new energy materials to customers.

General mode of domestic sales: Customers recognize revenue after receiving the goods and passing the inspection.

Domestic sales consignment mode: After the products are delivered to the warehouse designated by the consignment customer, the customer takes the products from the consignment warehouse. The company regularly checks accounts with the customer according to the contract and confirms the income according to the quantity and amount of products actually taken from the consignment warehouse by the customer during the reconciliation period.

Overseas sales mode: For customers making transactions through FOB, CIF and CFR modes, the Company takes goods crossing the ship side at the loading port as the time point for income recognition. For customers making transactions through DDU mode, the Company takes delivering goods to the site designated by the customers as the time point for income recognition.

(2) Trade business

For trade business, the Group comprehensively considers the legal form of contracts and relevant facts and circumstances (such as the primary responsibility for transferring goods to customers, inventory risks assumed before or after the transfer of goods, the right to autonomously determine the price of traded goods, etc.). If the Group can control the use of the goods and obtain substantially all the economic benefits before transferring them to customers, thereby holding control over the goods, then the Group is the principal in the transaction. Revenue is recognized at the total amount of consideration received or receivable when the goods are delivered to the customer and acceptance is completed. If the Group does not have control over specific goods (e.g., transactions without physical logistics, etc.), then the Group acts as an agent in the transaction, and relevant revenue is recognized using the net method.

(XXVII) Contract costs

Contract costs include contract performance costs and contract acquisition costs.

Costs incurred by the Company to perform a contract that are not regulated by relevant standards such as inventory, fixed assets or intangible assets are recognized as an asset of contract performance cost when the following conditions are met:

- This cost is directly related to a current or anticipated contract.
- This cost increases the resources available to the Company to meet its performance obligations in the future.
- This cost is expected to be recovered.

Incremental costs incurred by the Company to acquire a contract that are expected to be recovered are recognized as assets of contract acquisition costs.

Assets related to contract costs are amortized using the same basis as revenue recognition for the goods or services to which those assets relate; However, if the amortization period of contract acquisition costs does not exceed one year, the Company recognizes them in the current profit and loss when they are incurred.

If the book value of an asset related to contract costs is greater than the difference between the following two items, the Company makes a provision for impairment for the excess and recognizes it as an impairment loss on the asset:

1. The residual consideration expected to be obtained as a result of the transfer of goods or services related to the asset;
2. The estimated costs to be incurred for the transfer of the relevant goods or services.

If there is a subsequent change in the impairment factors in previous periods, such that the aforementioned difference is higher than the book value of the asset, the Company reverses the provision for impairment and recognizes it in the current profit and loss, provided that the book value of the asset after the reversal does not exceed the book value of the asset at the date of reversal assuming no provision for impairment was made.

(XXVIII) Government subsidies

1. Type

Government subsidies, which are monetary or non-monetary assets acquired by the Company from the government without consideration, are classified as asset-related government subsidies and revenue-related government subsidies.

The government subsidies pertinent to assets mean the government subsidies that are obtained by the Company used for purchase and construction or forming long-term assets in other ways. The government subsidies pertinent to income refer to all the government subsidies except those pertinent to assets.

The specific criteria for the Company to classify government subsidies as asset-related are:

If subsidy objects specified in the government subsidy document are used for purchasing and building or otherwise forming long-term assets, or the expenditure of subsidy objects is mainly used for purchasing and building or otherwise forming long-term assets, they are classified as asset-related government subsidies.

The specific criteria for the Company to classify government subsidies as revenue-related are:

If government subsidies obtained according to the government subsidy documents are completely or mainly used to compensate the expenses or losses incurred in the later period, they are classified as income-related government subsidies.

Where the government documents do not specify the target of the grant, the Company’s judgment basis for classifying the government grant as asset-related or revenue-related is:

The supplementary explanation issued by the government department granting the subsidy is used as the judgment basis for classification of asset-related or income-related government subsidies.

2. Confirm time point

Government subsidies are recognized when the Company can meet the conditions attached to them and can receive them.

3. Accounting treatment

Government subsidies related to assets are written down to the book value of the related assets or recognized as deferred income. For those recognized as deferred income, they are included into the current profit and loss over the useful life of the related assets in accordance with a reasonable and systematic method (Those relates to the Company’s ordinary activities are included into other income; those not related to the Company’s ordinary activities are included into non-operating income);

Government subsidies related to revenue that are used to compensate the Company for related costs or losses in subsequent periods are recognized as deferred revenue and, when the related costs or losses are recognized, included into the current profit and loss (Those relates to the Company’s ordinary activities are included into other income; those not related to the Company’s ordinary activities are included into non-operating income) or writing down related costs or losses; Those used to compensate the Company for related costs or losses already incurred are recognized directly in the current profit and loss (Those relates to the Company’s ordinary activities are included into other income; those not related to the Company’s ordinary activities are included into non-operating income) or writing down related costs or losses.

The Company distinguishes between the following two scenarios for accounting for policy-based preferential loan subsidies obtained:

(1) If the financial institution allocates the discounted interest funds to the lending bank, and the lending bank provides loans to the Company at the policy preferential interest rate, the Company uses the actual amount received as the recorded value of the loan and calculates the related borrowing costs in accordance with the principal amount of the loan and the policy preferential interest rate.

(2) If the financial institution subsidies are directly allocated to the Company, the Company will write down the corresponding subsidies against the related borrowing costs.

(XXIX)The deferred income tax assets and the deferred income tax liabilities

Income taxes consist of current income taxes and deferred income taxes. The Company recognizes current income tax and deferred income tax in the current profit and loss, except for income tax arising from business consolidations and transactions or events directly included into owners' equity (including other comprehensive income).

Deferred income tax assets and deferred income tax liabilities are recognized based on the difference between the tax basis of the assets and liabilities and their book values (temporary differences).

For the calculation of deferred income tax assets for the deductible temporary difference, the taxable income that may be obtained in future periods and is used to offset the deductible temporary difference shall prevail. As for any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax assets shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

For the taxable temporary differences, except in special cases, the deferred income tax liabilities shall be confirmed.

Special circumstances in which deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- A transaction or event that is neither a business consolidation nor, when it occurs, affects accounting profit and taxable income (or deductible loss).

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associated enterprises and joint ventures, unless the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with investments in subsidiaries, associated enterprises and joint ventures when it is probable that the temporary differences will reverse in the foreseeable future and it is probable that future taxable income will be available against which the deductible temporary differences can be utilized.

On the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates applicable to the periods when the related assets are expected to be recovered or the related liabilities to be settled, in accordance with the provisions of the tax law.

At the balance sheet date, the Company reviews the book value of deferred tax assets. The book value of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available in future periods to deduct the benefit of the deferred tax assets. When it is probable to obtain sufficient taxable income taxes, such write-down amount shall be reversed.

If the Company has the legal right to settle by the net amount and intends to settle by the net amount or acquire assets and pay off liabilities simultaneously, the current income tax assets and current income tax liabilities of the Company shall be listed according to the net amount after offset.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented as net of offsetting amounts when both of the following conditions are met:

- The taxable entity has the legal right to settle current income tax assets and current income tax liabilities on a net basis;
- Deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but in each future period in which it is significant that the deferred income tax assets and liabilities reverse, the taxable entities involved intend to settle the current income tax assets and liabilities on a net basis or acquire the assets and settle the liabilities at the same time.

(XXX) Rental

Leasing refers to a contract in which the lessor transfers the right to use an asset to the lessee for consideration within a certain period of time.

On the commencement date of the contract, the Company evaluates whether the contract is a lease or includes a lease.

A contract is regarded as a leasing or includes a leasing if a party in the contract transfers the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

If the contract contains a number of separate leases at the same time, the company will divide the contract and conduct accounting treatment for each separate lease.

If the contract contains both leased and non-leased parts, the lessee and the lessor shall divide the leased and non-leased parts.

1. The Company as the lessee

(1) Right-of-use assets

At the commencement date of the lease term, the Company recognizes right-of-use assets for leases other than short-term leases and leases of low-value assets. Right-to-use assets are initially measured at cost. This cost includes:

- The initial measurement amount of the lease liability;
- The amount of lease payments made on or before the commencement date of the lease term for which a lease incentive exists, less the amount related to the lease incentive already taken;
- The initial direct costs incurred by the Company;
- Costs expected to be incurred by the Company to disassemble and remove the leased assets, restore the site where the leased assets are located or restore the leased assets to the agreed condition under the terms of the lease, excluding costs that are part of the costs incurred for the production of inventories.

The Company subsequently depreciates right-of-use assets using the straight-line method. If the ownership of the leased asset can be reasonably determined at the expiry of the lease term, the depreciation can be accrued within the remaining useful life of the leased asset. Otherwise, the leased asset is depreciated over the shorter of the lease term or the remaining useful life of the leased asset.

The Company determines whether a right-of-use asset is impaired and conducts accounting treatment method for the identified impairment loss in accordance with the principles described in (XX) Impairment of Long-term Assets of Note III.

(2) Lease liabilities

At the commencement date of the lease term, the Company recognizes a lease liability for leases other than short-term leases and leases of low-value assets. The lease liability is initially measured at the present value of the lease payments outstanding. Lease payments include:

- Fixed payments (including material fixed payments), net of amounts related to lease incentives, if lease incentives exist;
- Variable lease payments that depend on an index or rate;
- Estimated payments due based on the residual value of guarantees provided by the Company;
- The exercise price of the purchase option, provided that the Company reasonably determines that it will exercise the option;
- The amount required to be paid to exercise the option to terminate the lease is

subject to the lease term reflecting that the Company will exercise the option to terminate the lease.

The Company uses the implicit rate of the lease as the discount rate, but if the implicit rate of the lease cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate.

The Company calculates the interest expense on the lease liability for each period of the lease term at a fixed periodic interest rate, which is included into the current profit and loss or to the cost of the related asset.

Variable lease payments that are not included into the measurement of the lease liability are included into the current profit and loss or the cost of the related assets when they are actually incurred.

After the commencement date of the lease term, the Company remeasures the lease liability and adjusts the corresponding right-of-use asset if the book value of the right-of-use asset has been reduced to zero, but if the lease liability still needs to be further reduced, the difference is included into the current profit and loss:

- When there is a change in the valuation of the purchase option, lease renewal option or termination option, or when the actual exercise of the aforementioned options is not consistent with the original valuation, the Company re-measures the lease liability at the present value calculated by the changed lease payments and the revised discount rate;
- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value, or a change in the index or rate used to determine the lease payment amount, the Company remeasures the lease liability at the present value of the lease payment amount after the change and the original discount rate. However, if the changes in lease payments result from changes in floating interest rates, the present value is calculated using the revised discount rate.

(3) Short-term leases and leases of low-value assets

The Company has chosen not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the Company recognizes the related lease payments in the current profit and loss or the cost of the related assets on a straight-line basis over the respective periods of the lease term. A short-term lease is a lease with a term of not more than 12 months from the commencement date of the lease term and does not include an option to purchase.

A low-value asset lease is a lease with a lower value when the single leased asset is a brand-new asset. If the Company subleases or expects to sublease a leased asset, the original lease is not a low-value asset lease.

(4) Lease change

The Company conducts accounting treatment for the lease change as a separate lease if the change occurs and the following conditions are all met:

- The lease change expands the scope of lease by adding one or more rights to use the leased assets;
- The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of the contract.

If a lease change is not conducted with accounting treatment method as a separate lease, on the effective date of the lease change, the Company reapportioned the consideration of the changed contract, redetermined the lease term, and remeasured the lease liability based on the present value of the changed lease payments and the revised discount rate.

If a lease change results in a reduction in the scope of the lease or a shortening of the lease term, the Company reduces the book value of the right-of-use asset accordingly and recognizes the gain or loss related to partial or complete termination of the lease in the current profit and loss. If other lease changes result in a remeasurement of the lease liability, the Company adjusts the book value of the right-of-use asset accordingly.

2. The Company as the lessor

At the inception date of the lease, the Company classifies the lease as a finance lease and an operating lease. A finance lease is a lease that transfers substantially all of the risks and rewards associated with ownership of a leased asset, regardless of whether ownership is ultimately transferred. Operating lease refers to leases other than financial leases. When the Company acts as a sublease lessor, it classifies the sublease based on the right-of-use assets arising from the original lease.

(1) Accounting treatment method for operating lease

Lease receipts under operating leases are recognized as rental income on a straight-line basis over the respective periods of the lease term. The Company capitalizes the initial direct costs incurred in connection with operating leases, which are allocated to current profit and loss over the lease term on the same basis as rental income is recognized. Variable lease payments not included in the lease receipts are included into the current profit and loss when they are actually incurred. If an operating lease is changed, the Company accounts for it as a new lease from the effective date of the change, and the amount of lease receipts received in advance or receivable in connection with the lease before the change is considered to be the amount of receipts for the new lease.

(2) The accounting treatment method for finance leases

At the inception date of the lease, the Company recognizes finance lease receivables for finance leases and derecognizes the finance lease assets. When the Company makes initial measurement of finance lease receivables, the net lease investment is used as the recorded value of the finance lease receivables. The net investment in leases is the sum of the unguaranteed residual value and the present value of the lease receipts not yet received at the commencement date of the lease term discounted at the implicit rate of the lease.

The Company calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Derecognition and impairment of finance lease receivables are conducted with accounting treatment method in accordance with (IX) Financial Instruments of Note III.

Variable lease payments not included in the net lease investment measurement are included into the current profit and loss when they are actually incurred.

When a change in a finance lease occurs and all of the following conditions are met, the Company will account for the change as a separate lease:

The lease change expands the scope of lease by adding one or more rights to use the leased assets;

The increased consideration is equivalent to the separate price of the expanded portion of the lease adjusted for the circumstances of the contract.

If a change in a finance lease is not conducted with accounting treatment method as a separate lease, the Company treats the changed lease separately in the following circumstances:

If the change becomes effective on the commencement date of the lease and the lease would have been classified as an operating lease, the Company accounts for it as a new lease from the effective date of the lease change and uses the net investment in the lease prior to the effective date of the lease change as the book value of the leased asset;

If the change becomes effective on the commencement date of the lease, the lease will be classified as a finance lease, and the Company will conduct accounting treatment method in accordance with the policy of amending or renegotiating the contract as described in (X) Financial Instruments of Note III.

3. Sale and leaseback transactions

The Company assesses whether the transfer of assets in sale-and-leaseback transactions is a sale in accordance with the principles described in (XXVI) Income of Note III.

(1) As the lessee

If the asset transfer in the sale and leaseback transaction belongs to sales, the Company, namely the lessee, shall measure the use right assets formed by the sale and leaseback according to the part related to the use right acquired by leaseback in the book value of original assets, and only recognizes relevant gains or losses for the rights transferred to the lessor.

The subsequent measurement of right-of-use assets and lease liabilities after the commencement date of the lease term, as well as lease modifications, are detailed in Note "III. (XXX) Leases 1. The Company as a Lessee" of these notes.

When performing subsequent measurement of the lease liability arising from a sale and leaseback transaction, the Company determines that the method of measuring lease payments (or modified lease payments) will not result in the recognition of any gains or losses related to the right of use obtained through the leaseback.

If the asset transfer in the leaseback transaction does not belong to sales, the Company, namely the lessee, will continue to recognize the transferred asset and a financial liability equal to the transfer income. For details of the accounting treatment of financial liabilities, please refer to (Ⅹ) Financial Instruments of Note III.

(2) As the lessor

If the asset transfer in the sale and leaseback transaction belongs to sales, the Company, namely the lessor, shall carry out accounting treatment for the asset purchase and asset lease according to the aforementioned policy of “2. The Company as the lessor”; If the asset transfer in the sale and leaseback transaction does not belong to sales, the Company, as the lessor, does not recognize the transferred asset, but recognizes a financial asset equal to the transfer income. For details of the accounting treatment of financial assets, please refer to (Ⅹ) Financial Instruments of Note III.

(XXXI) Repurchase of the Company’s Own Shares

The consideration paid and transaction costs incurred by the Company for the repurchase of its own equity instruments shall be deducted from owners’ equity. Where the Company reduces its capital by repurchasing its own shares upon approval in accordance with legal procedures, the capital stock shall be reduced by the total par value of the cancelled shares, and the difference between the payment for the repurchased shares (including transaction costs) and the par value of the shares shall be adjusted against owners’ equity: the portion exceeding the total par value shall be used to write down the capital reserve (share premium), surplus reserve and undistributed profits in sequence; if the payment is lower than the total par value, the portion below the total par value shall be added to the capital reserve (share premium). The Company shall not recognize any gain or loss from the repurchase of its own equity instruments.

The repurchased shares shall be managed as treasury shares prior to cancellation or transfer, and all expenditures for the repurchased shares shall be transferred to the cost of treasury shares, with supplementary records kept at the same time.

Upon the transfer of treasury shares, the portion of the transfer income higher than the cost of treasury shares shall be added to the capital reserve (share premium); the portion lower than the cost of treasury shares shall be used to write down the capital reserve (share premium), surplus reserve and undistributed profits in sequence. Treasury shares formed from the repurchase of ordinary shares by the Company shall not participate in the Company’s profit distribution, and the Company shall present them as a contra-equity item in the owners’ equity section of the balance sheet.

(XXXII) Debt restructuring

1. The Company as a Creditor

The Company derecognizes a claim when the contractual right to receive cash flows from the claim expires. In a debt restructuring whereby debt is settled by asset transfer or converted into equity instruments, the Company recognizes the relevant assets when they meet their respective definitions and recognition criteria.

For a debt restructuring settled by asset transfer, the Company measures the initially recognized non-financial assets received at cost. The cost of inventories includes the fair value of the surrendered claim and other costs directly attributable to bringing the assets to their current location and condition, such as taxes, transportation fees, loading and unloading fees, and insurance premiums. The cost of investments in associates or joint ventures includes the fair value of the surrendered claim and other costs directly attributable to the assets such as taxes. The cost of investment property includes the fair value of the surrendered claim and other costs directly attributable to the assets such as taxes. The cost of fixed assets includes the fair value of the surrendered claim and other costs directly attributable to bringing the assets to the intended usable condition, such as taxes, transportation fees, loading and unloading fees, installation fees, and professional service fees. The cost of biological assets includes the fair value of the surrendered claim and other costs directly attributable to the assets such as taxes and transportation fees. The cost of intangible assets includes the fair value of the surrendered claim and other costs directly attributable to bringing the assets to the intended use such as taxes. In a debt restructuring where debt is converted into equity instruments, resulting in the creditor converting the claim into an equity investment in an associate or joint venture, the Company measures the initial investment cost at the fair value of the surrendered claim plus other costs directly attributable to the assets such as taxes. The difference between the fair value and the carrying amount of the surrendered claim is recognized in current profit or loss.

For a debt restructuring conducted by modifying other terms, the Company recognizes and measures the restructured claim in accordance with “III. (X) Financial instruments” in these notes.

For a debt restructuring settled by multiple assets or a combination of methods, the Company first recognizes and measures the financial assets received and the restructured claim in accordance with “III. (X) Financial instruments” in these notes. It then allocates the net amount of the fair value of the surrendered claim minus the recognized amounts of the financial assets received and the restructured claim based on the proportion of the fair value of each asset other than the financial assets received, and determines the cost of each asset separately based on the aforementioned methods. The difference between the fair value and the carrying amount of the surrendered claim shall be recognized in current profit or loss.

2. The Company as a Debtor

The Company derecognizes a debt when the present obligation for the debt is discharged.

For a debt restructuring settled by asset transfer, the Company derecognizes the relevant assets and the debt settled when they meet the derecognition criteria. The difference between the carrying amount of the debt settled and the carrying amount of the transferred assets is recognized in current profit or loss.

For a debt restructuring where debt is converted into equity instruments, the Company derecognizes the debt settled when it meets the derecognition criteria. The Company measures the initially recognized equity instruments at their fair value; if the fair value of the equity instruments cannot be reliably measured, they are measured at the fair value of the debt settled. The difference between the carrying amount of the debt settled and the recognized amount of the equity instruments shall be recognized in current profit or loss.

For a debt restructuring conducted by modifying other terms, the Company recognizes and measures the restructured debt in accordance with “III. (X) Financial instruments” in these notes.

For a debt restructuring settled by multiple assets or a combination of methods, the Company recognizes and measures equity instruments and restructured debt in accordance with the aforementioned methods. The difference between the carrying amount of the debt settled and the sum of the carrying amount of the transferred assets and the recognized amounts of the equity instruments and restructured debt is recognized in current profit or loss.

(XXXIII) Determination method and selection basis for importance criteria

Item	Importance criteria
Important ongoing project	Single item amount ≥ RMB 20 million
Important development expenses	Single item amount ≥ RMB 10 million
Important accounts receivable for single provision for bad debt reserves	Single item amount ≥ RMB 8 million
Important accounts payable , Advance payment , Contractual liabilities with an aging of over one year or overdue.	Single item amount ≥ RMB 15 million
Significant joint ventures or associated enterprises	The amount of long-term equity investment exceeds 5% of the total consolidated assets of the Company
Significant non-wholly owned subsidiaries	The total assets or revenue of a non-wholly-owned subsidiary exceed 10% of the total assets or revenue of the Company
Cash related to important investment/financing activities	Single investment/financing activities with cash amount exceeding 5% of total assets

(XXXIV) Changes in significant accounting policies and accounting estimates

1. Changes in significant accounting policies

(1) Application of the Provisions of the Q&A on the Implementation of the Financial Instruments Standards Relating to the Accounting Treatment of Standard Warehouse Receipt Transactions

The Ministry of Finance issued the Q&A on the Accounting Treatment Relating to Standard Warehouse Receipt Transactions on July 8, 2025, which clearly stipulates that in accordance with the Accounting Standards for Financial Instruments: Recognition and Measurement, where an enterprise frequently enters into contracts for the purchase and sale of standard warehouse receipts on futures trading venues to earn price differentials without taking delivery of the physical goods corresponding to the standard warehouse receipts, it generally indicates that the enterprise has a practice of reselling the contract subject matter within a short period of time after receipt to generate profits from short-term price fluctuations. The enterprise shall treat the contracts for the purchase and sale of standard warehouse receipts it has entered into as financial instruments and conduct accounting treatment in accordance with the provisions of the Accounting Standards for Financial Instruments: Recognition and Measurement. Where an enterprise obtains standard warehouse receipts in accordance with the aforementioned contracts and resells them within a short period of time, it shall not recognize sales revenue; instead, the difference between the consideration received and the carrying amount of the standard warehouse receipts sold shall be recorded in investment income. Where an enterprise holds unsold standard warehouse receipts at the end of the reporting period, they shall be presented as other current assets. For standard warehouse receipts obtained in accordance with the aforementioned contracts, if such measurement can eliminate or significantly reduce accounting mismatches, an enterprise may elect to measure them at fair value with changes recognized in current profit or loss upon initial recognition, and apply this election consistently to all eligible standard warehouse receipts. Once an enterprise has elected to measure standard warehouse receipts at fair value with changes recognized in current profit or loss upon initial recognition, it shall not revoke this election in subsequent periods.

In accordance with the requirements of the Notice on Strictly Implementing the Accounting Standards for Business Enterprises and Effectively Completing the Work on the 2025 Annual Reports of Enterprises (Cai Kuai [2025] No. 33), if an enterprise adjusts its accounting treatment methods due to the implementation of the aforementioned provisions relating to standard warehouse receipts, it shall adjust the comparable period information in its financial statements. The implementation of these provisions has no impact on the financial statements of the Company.

2. Significant changes in accounting estimates

The main accounting estimates for this period have not changed.

IV. Taxes

(I) Main tax categories and tax rates

Tax categories	Taxation basis	Tax rate

Tax categories	Taxation basis	Tax rate
Value added tax	The output tax shall be calculated based on the income obtained from the sales of goods and the taxable labor and calculated as per the regulations of tax law, and the balance after deducting the input tax deductible for the current period is the VAT payable.	5%, 6%, 9%, 10%, 13% [Note 1]
Urban maintenance and construction tax	It is calculated and paid based on the value-added tax actually paid.	5%, 7% [Note 2]
Education surcharges	It is calculated and paid based on the value-added tax actually paid.	3%
Local education surcharges	It is calculated and paid based on the value-added tax actually paid.	2%
Enterprise income tax	Calculated and paid according to taxable income	9%, 8.25%,16.5%, 15%, 20%, 22%, 25%, 29%, 30%, 34%,35%

[Note 1]:

YONGTAI TECH., Binhai Yongtai, Shanghai E-Tong, Yongtai Hi-tech, Xinhui Mining, Yongtai Pharma, Shandong Yongtai, Yongtai New Material, SYT pharm (Shanghai), Yongtai New Energy, Shanghai Youngcobe, Zhejiang Chiral, Foshan Soin, Yongtai Chiral, Chongqing Yongyuansheng, Jiangsu Subin, H&G (China), Binhai Meikang, Inner Mongolia Yongtai, Hangzhou Yongtai, Yongtai Fule, and Hangzhou Yongtai Chiral were subject to sales tax calculated at 9% and 13% of the revenue from the sale of goods and taxable services;

Youngtech Pharmaceuticals, E-TONGCHEMICAL (HONGKONG), E-TONGCHEMICAL, Etong Nigeria, Etong Chemicals (Pvt.), Lideal Mines, Agro Juntos Colombia, Etong Bangladesh, and Etong Vietnam,E-tong Chemical (Philippines),Etong Monagro Cropscience, ETONG Thailand , ETONG Brazil , Senwell Nigeria are not subject to pay value-added tax.

The output tax is calculated at 10% of the revenue from sales of goods for PT. ETONG.

YONGTAI TECH. sells houses and is subject to a simplified tax rate of 5%.YONGTAI TECH. and Shanghai Yongtai Technology Transfer Services shall pay taxes at a rate of 6% of their taxable income.

[Note 2]:

YONGTAI TECH., Binhai Yongtai, Shanghai E-Tong, Xinhui Mining, Yongtai Pharma, Shandong Yongtai, SYT pharm (Shanghai), Yongtai New Energy, Shanghai Youngcobe, Yongtai Chiral, Chongqing Yongyuansheng, Jiangsu Subin, H&G (China), Binhai Meikang were subject to 5% of the turnover tax amount;

Yongtai Hi-tech, Yongtai New Material, Zhejiang Chiral, Foshan Soin, Inner Mongolia Yongtai, Hangzhou Yongtai were subject to 7% of the turnover tax amount;

Youngtech Pharmaceuticals, E-TONGCHEMICAL (HONGKONG), E-TONGCHEMICAL, Etong Indonesia, Etong Nigeria, Etong Chemicals (Pvt.), Lideal Mines, Agro Juntos Colombia, Etong Bangladesh, Etong Vietnam, E-tong Chemical (Philippines) , Etong Monagro Cropscience , ETONG Thailand , ETONG Brazil , Senwell Nigeria are not subject to pay urban maintenance and construction tax.

If there are taxable entities with different corporate income tax rates, disclose the description of the situation.

Name of taxable entity	Income tax rate
YONGTAI TECH., Zhejiang Chiral, Foshan Soin, Inner Mongolia Yongtai	15%
Youngtech Pharmaceuticals	9%
E-TONG CHEMICAL (HONGKONG), E-TONG CHEMICAL	The portion of taxable income not exceeding HKD 2 million is subject to a tax rate of 8.25%, and the portion exceeding HKD 2 million is subject to a tax rate of 16.5%.
SYT pharm (Shanghai), Yongtai Fule, E-TONG CHEMICAL (PHILIPPINES), Hangzhou Yongtai Chiral, Etong Vietnam, Etong Monagro Cropscience, ETONG Thailand, Shanghai Xinfu	20%
PT. ETONG	22%

Name of taxable entity	Income tax rate
Binhai Yongtai, Shanghai E-Tong, Yongtai Hi-tech, Xinhui Mining, Yongtai Pharma, Shandong Yongtai, Yongtai New Material, Yongtai New Energy, Shanghai Youngcobe, Yongtai Chiral, Chongqing Yongyuansheng, Jiangsu Subin, H&G (China), Binhai Meikang, Hangzhou Yongtai, Yongtai Fuyuan	25%
Etong Chemicals (Pvt.)	29%
Etong Nigeria, Lideal Mines, Etong Bangladesh, Nigeria Senwei	30%
ETONG Brazil	34%
Etong Colombia	35%

(II) Tax preferences

1. According to the relevant provisions of Measures for the Administration of the Recognition of High and New Technology Enterprises (GKFH [2016] No. 32) and Procedures for Administration of the Recognition of High and New Tech Enterprises (GKFH [2016] No. 195), the Company received the Certificate of High tech Enterprise jointly issued by Science Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration, with a certificate number of GR202333012345, for a validity of three years (2023-2025). According to the relevant tax preferences for high-tech enterprises, in terms of enterprise income tax, the Company was taxed at 15% in 2025.

2. According to the relevant provisions of Measures for the Administration of the Recognition of High and New Technology Enterprises (GKFH [2016] No. 32) and Procedures for Administration of the Recognition of High and New Tech Enterprises (GKFH [2016] No. 195), Zhejiang Chiral received the Certificate of High tech Enterprise jointly issued by Science Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration, with a certificate number of GR202333005271, for a validity of three years (2023-2025). According to the relevant tax preferences for high-tech enterprises, in terms of enterprise income tax, Zhejiang Chiral was taxed at 15% in 2025.

3. According to the relevant provisions of Measures for the Administration of the Recognition of High and New Technology Enterprises (GKFH [2016] No. 32) and Procedures for Administration of the Recognition of High and New Tech Enterprises (GKFH [2016] No. 195), Foshan Soin

received the Certificate of High tech Enterprise jointly issued by Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration, for the certificate number GR GR202544000724 and a validity of three years (2025-2027). According to the relevant tax preferences for high-tech enterprises, in terms of enterprise income tax, Foshan Soin was taxed at 15% in 2025.

4. According to No. 23 Announcement of the State Taxation Administration on Enterprise Income Tax Policies Issues Concerning the Further Implementation of the Western China Development Strategy in 2020, the enterprise income tax will be levied at a reduced rate of 15% for encouraged industrial enterprises located in the western region. In line with the encouraged industrial projects in the western region, in terms of enterprise income tax, Inner Mongolia Yongtai was taxed at 15% in 2025.

5. Pursuant to the Announcement on the Implementation of Preferential Policies on Income Tax for the Development of Small and Micro Enterprises and Individual Businesses (CS [2021] No. 12), the portion of the annual taxable income of small and micro enterprises that does not exceed RMB 1 million shall be reduced by 12.5% of the taxable income and the enterprise income tax is payable at a tax rate of 20% during the period from 1 January 2021 to 31 December 2022; and pursuant to the Announcement on Fiscal and Tax Policies to Further Support the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (CS [2023] No. 12), the preferential tax policy for small and low-profit enterprises is extended to December 31, 2027. Under this policy, for the portion of annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million, 25% of such amount shall be included in the taxable income, and enterprise income tax shall be paid at a tax rate of 20%. According to the relevant tax preferences for small and micro enterprises, SYT pharm (Shanghai) ,Yongtai Fule , Hangzhou Yongtai Chiral and Shanghai xinfu were subject to an income tax rate of 20% in 2025.

6. According to the Announcement on the Policy of Value Added Tax Deduction for Advanced Manufacturing Enterprises (Announcement No. 43 of the Ministry of Finance and the State Administration of Taxation in 2023), from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are allowed to add 5% of the current deductible input tax amount to offset the payable value-added tax amount. The subsidiary Foshan Soin enjoys the value-added tax deduction policy mentioned above.

V. Notes to consolidated financial statement items

(I) Cash and bank

Item	31 December 2025	31 December 2024
Cash on hand	250,839.36	244,730.00
Bank deposit	115,051,866.82	464,439,566.05
Other cash and bank	308,109,846.67	274,596,985.21
In total	423,412,552.85	739,281,281.26
Of which: Total amount of money deposited abroad	35,854,186.68	27,936,416.82

(II) Financial assets held for trading

Item	31 December 2025	31 December 2024
Financial assets measured at fair value with their changes included into the current profit and loss	7,329,373.65	11,193,712.61
Of which: Wealth management products		11,026,941.00
Derivative financial assets	7,329,373.65	166,771.61
In total	7,329,373.65	11,193,712.61

(III) Notes receivable

1. Presentation of notes receivable by category

Item	31 December 2025	31 December 2024
Banker's acceptance bill	256,802,652.63	288,640,096.57
Commercial Acceptance Bill	107,236,656.00	
Less: Bad debt provision	5,361,832.80	
In total	358,677,475.83	288,640,096.57

2. Notes receivable was classified and disclosed by bad debt provision method

Category	31 December 2025					31 December 2024				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Provision for bad debts made on a portfolio basis	364,039,308.63	100.00	5,361,832.80	1.47	358,677,475.83	288,640,096.57	100.00			288,640,096.57
Of which:										
Risk offsetting portfolio	256,802,652.63	70.54			256,802,652.63	288,640,096.57	100.00			288,640,096.57
Aging portfolio	107,236,656.00	29.46	5,361,832.80	5.00	101,874,823.20					
In total	364,039,308.63	100.00	5,361,832.80		358,677,475.83	288,640,096.57	100.00			288,640,096.57

Provision for bad debts based on a combination of credit risk characteristics:

Accrued items in aging analysis combination:

Name	31 December 2025		
	Bill receivable	Allowance for bad debts	Provision ratio (%)
Within 1 year	107,236,656.00	5,361,832.80	5.00
In total	107,236,656.00	5,361,832.80	

3. Provision, reversal or recovery for bad debts in this period

Category	31 December 2024	Current period change amount				31 December 2025
		Accrue	Take back or transfer back	resale or write-off	Other changes	
Allowance for doubtful notes receivable		5,361,832.80				5,361,832.80
In total		5,361,832.80				5,361,832.80

4. At the end of the period, the company has no pledged notes receivable.

5. Notes receivable that have been endorsed or discounted by the Company and are outstanding at the balance sheet date at the end of the period

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Banker's acceptance bill		249,827,710.36
Commercial Acceptance Bill		107,236,656.00
In total		357,064,366.36

6. There are no actually written-off notes receivable in this period.

(IV) Accounts receivable

1. Accounts receivable disclosed by account age

Account age	31 December 2025	31 December 2024
Within 1 year	1,515,646,795.28	1,333,941,540.18

Account age	31 December 2025	31 December 2024
1-2 years	8,328,084.65	14,178,330.75
2-3 years	2,680,667.14	28,068,974.80
Above 3 years	55,329,124.32	54,483,957.22
Subtotal	1,581,984,671.39	1,430,672,802.95
Less: Bad debt provision	136,727,140.99	155,215,582.98
In total	1,445,257,530.40	1,275,457,219.97

2. Accounts receivable disclosed by bad debt provision method

Category	31 December 2025					31 December 2024				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Provision for bad debts made on an individual basis	21,813,352.06	1.38	21,813,352.06	100.00		38,675,099.98	2.70	38,675,099.98	100.00	
Provision for bad debts made on a portfolio basis	1,560,171,319.33	98.62	114,913,788.93	7.37	1,445,257,530.40	1,391,997,702.97	97.30	116,540,483.00	8.37	1,275,457,219.97
Of which:										
Aging analysis combination	1,560,171,319.33	98.62	114,913,788.93	7.37	1,445,257,530.40	1,391,997,702.97	97.30	116,540,483.00	8.37	1,275,457,219.97
In total	1,581,984,671.39	100.00	136,727,140.99		1,445,257,530.40	1,430,672,802.95	100.00	155,215,582.98		1,275,457,219.97

Important accounts receivable with individual provision for bad debts:

Name	31 December 2025				31 December 2024	
	Book balance	Bad debt provision	Accrual proportion (%)	Withdrawal reason	Book balance	Bad debt provision
BIOMED PHARMACEUTICAL INDUSTRIES,etc	21,813,352.06	21,813,352.06	100.00	Not expected to be recovered	38,675,099.98	38,675,099.98
In total	21,813,352.06	21,813,352.06			38,675,099.98	38,675,099.98

Provision for bad debts based on a combination of credit risk characteristics:

Accrued items in aging analysis combination:

Name	31 December 2025		
	Accounts receivable	Bad debt provision	Accrual proportion (%)
Within 1 year	1,515,646,795.29	75,782,339.79	5.00
1-2 years	6,139,930.08	1,227,986.02	20.00
2-3 years	962,261.70	481,130.86	50.00
Above 3 years	37,422,332.26	37,422,332.26	100.00
In total	1,560,171,319.33	114,913,788.93	

3. Provision, reversal or recovery for bad debts in this period

Category	31 December 2024	Amount of change in the current period				31 December 2025
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Receivable bad debt reserves	155,215,582.98		4,231,107.13	14,257,334.86		136,727,140.99
In total	155,215,582.98		4,231,107.13	14,257,334.86		136,727,140.99

Of which: material amounts of bad debt provisions recovered or reversed during the period

No actual write-offs of accounts receivable in the current period.

5. Accounts receivable and contract assets of the top five period-ending balances collected by the debtor

Company Name	Ending Balance of Accounts Receivable	Ending Balance of Contract Assets	Total Ending Balance of Accounts Receivable and Contract Assets	Percentage of Total Ending Balance of Accounts Receivable and Contract Assets (%)	Ending Balance of Allowance for Doubtful Accounts on Accounts Receivable and Impairment Provisions for Contract Assets
NO.1	173,085,039.13		173,085,039.13	10.94	8,654,251.96
NO.2	95,868,913.00		95,868,913.00	6.06	4,793,445.65
NO.3	76,589,332.84		76,589,332.84	4.84	3,829,733.34
NO.4	64,643,568.00		64,643,568.00	4.09	3,232,178.40
NO.5	46,062,043.95		46,062,043.95	2.91	2,303,102.20
In total	456,248,896.92		456,248,896.92	28.84	22,812,711.55

(V) Receivables financing

1. Classification of accounts receivable financing

Item	31 December 2025	31 December 2024
Notes receivable	25,059,585.66	35,371,299.21
Of which: Banker's acceptance bill	20,866,240.76	34,705,711.85
Supply chain bills	4,193,344.90	665,587.36
In total	25,059,585.66	35,371,299.21

2. Increase/decrease in receivables financing and changes in fair value in this period

Item	31 December 2024	Newly increased amount in the current period	Derecognition in the current period	Other changes	31 December 2025	Accumulated provision for losses recognized in other comprehensive income
Notes receivable	35,371,299.21	1,546,711,711.92	1,557,023,425.47		25,059,585.66	
In total	35,371,299.21	1,546,711,711.92	1,557,023,425.47		25,059,585.66	

3. At period-end, the Company had no pledged accounts receivable financing.

4. Receivables financing that has been endorsed or discounted by the Company but are outstanding at the balance sheet date at the end of the period

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Notes receivable	888,935,673.75	
In total	888,935,673.75	

(VI) Advance to suppliers

1. Advance payments are listed as per account age

Account age	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	53,567,911.57	64.26	76,427,972.42	78.10
1-2 years	10,893,450.54	13.07	11,496,274.52	11.75
2-3 years	9,273,414.88	11.12	1,690,299.57	1.73
Above 3 years	9,626,545.61	11.55	8,235,155.07	8.42
In total	83,361,322.60	100.00	97,849,701.58	100.00

2. Top five prepayments with period-ending balance grouped by prepaid objects

Prepayment Recipient	31 December 2025	Percentage of the total closing balance of prepayments (%)
NO.1	11,990,020.38	14.38
NO.2	7,677,417.36	9.21
NO.3	5,073,192.04	6.09
NO.4	4,217,954.76	5.06
NO.5	4,000,427.97	4.80
In total	32,959,012.51	39.54

(VII) Other receivables

Item	31 December 2025	31 December 2024
Other receivables	37,008,345.80	49,420,473.48
In total	37,008,345.80	49,420,473.48

1. Other receivables

(1) Disclosure by account age

Account age	31 December 2025	31 December 2024
Within 1 year	40,026,330.54	63,539,582.00
1-2 years	25,143,548.09	20,507,841.90
2-3 years	17,310,567.91	12,274,036.14
Above 3 years	20,257,304.96	14,622,156.53
Subtotal	102,737,751.50	110,943,616.57
Less: Bad debt provision	65,729,405.70	61,523,143.09
In total	37,008,345.80	49,420,473.48

(2) Disclosure by bad debt provision method

Category	31 December 2025					31 December 2024				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Accrual proportion (%)		Amount	Proportion (%)	Amount	Accrual proportion (%)	
Provision for bad debts made on an individual basis	48,636,035.59	47.34	48,636,035.59	100.00		47,075,228.81	42.43	47,075,228.81	100.00	
Provision for bad debts made on a portfolio basis	54,101,715.91	52.66	17,093,370.11	31.59	37,008,345.80	63,868,387.76	57.57	14,447,914.28	22.62	49,420,473.48
Of which:										
Aging analysis combination	54,101,715.91	52.66	17,093,370.11	31.59	37,008,345.80	63,868,387.76	57.57	14,447,914.28	22.62	49,420,473.48
In total	102,737,751.50	100.00	65,729,405.70		37,008,345.80	110,943,616.57	100.00	61,523,143.09		49,420,473.48

Other important accounts receivable with individual provision for bad debts:

Name	31 December 2025				31 December 2024	
	Book balance	Bad debt provision	Accrual proportion (%)	Withdrawal reason	Book balance	Bad debt provision
Gansu Zhipeng Technology Co., Ltd.	14,294,803.85	14,294,803.85	100.00	The counterparty has breached trust, and the amount is expected to be irrecoverable.	14,294,803.85	14,294,803.85
Shijiazhuang Sanduo Trading Co., Ltd.	9,600,000.00	9,600,000.00	100.00	The counterparty has breached trust, and the amount is expected to be irrecoverable.	9,600,000.00	9,600,000.00
In total	23,894,803.85	23,894,803.85			23,894,803.85	23,894,803.85

Provision for bad debts based on a combination of credit risk characteristics:

Accrued items in aging analysis combination:

Name	31 December 2025		
	Other receivables	Bad debt provision	Accrual proportion (%)
Within 1 year	33,626,363.75	1,681,318.19	5.00
1-2 years	5,191,459.70	1,038,291.91	20.00
2-3 years	1,820,264.94	910,132.49	50.00
Above 3 years	13,463,627.52	13,463,627.52	100.00
In total	54,101,715.91	17,093,370.11	

(3) Provision for bad debts

Bad debt provision	Phase I	Phase II	Phase III	In total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 31 December 2024	14,447,914.28		47,075,228.81	61,523,143.09
Balance as of 31 December 2024 in the current period				
– Transferred to Phase II				
– Transferred to Phase III				
– Transferred back to Phase II				
– Transferred back to Phase I	6,560,030.47		-6,560,030.47	
Current provision	2,645,455.83		8,120,837.25	10,766,293.08
Current reversal				
Current reselling	6,560,030.47			6,560,030.47
Current write-off				
Other changes				
Balance as of 31 December 2025	17,093,370.11		48,636,035.59	65,729,405.70

(4) Bad debt reserves withdrawn, recovered, or reversed in this period

Category	31 December 2024	Amount of change in the current period				31 December 2025
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Other receivables bad debt reserves	61,523,143.09	10,766,293.08		6,560,030.47		65,729,405.70
In total	61,523,143.09	10,766,293.08		6,560,030.47		65,729,405.70

(5) Breakdown by nature of payments

Nature of funds	31 December 2025	31 December 2024
Deposit and security deposit	2,348,465.98	1,644,799.13
Reserves and loans	8,260,216.38	7,610,089.68
Export tax rebate	17,331,063.36	25,060,287.00
Inter-unit transactions	49,971,885.62	54,417,955.18
Others	24,826,120.16	22,210,485.58
In total	102,737,751.50	110,943,616.57

(6) Other accounts receivable ranking in the top five in the period-ending balance summarized by the debtors

Unit Name	Nature of funds	31 December 2025	Account age	Percentage of the total ending balance of other receivables (%)	Closing balance of provision for bad debts
NO.1	Export Tax Rebate	17,331,063.36	Within 1 year	16.87	866,553.17
NO.2	Unit account	14,294,803.85	1-2 years	13.91	14,294,803.85
NO.3	Unit account	9,600,000.00	2-3 years	9.34	9,600,000.00
NO.4	Unit account	5,838,081.92	2-3 years	5.68	5,838,081.92
NO.5	Unit account	5,383,090.93	Above 3 years	5.24	5,383,090.93
In total		52,447,040.06		51.04	35,982,529.87

(VIII) Inventories

1. Classification of inventories

Item	31 December 2025			31 December 2024		
	Book balance	Provision for decline in value of inventories / provision for impairment of contract performance costs	Book value	Book balance	Provision for decline in value of inventories / provision for impairment of contract performance costs	Book value
Raw materials	203,350,629.09	1,278,767.92	202,071,861.17	181,580,335.40	3,894,407.86	177,685,927.54
Materials in transit						
Circulating materials	2,849,937.46		2,849,937.46	3,017,105.36		3,017,105.36
Materials outsourced for processing	11,206,706.55		11,206,706.55	9,827,583.57	7,947,896.00	1,879,687.57
Products in progress	225,484,602.38	748,804.67	224,735,797.71	211,741,129.87	12,767,184.38	198,973,945.49
Stock goods	682,185,653.59	24,841,474.31	657,344,179.28	597,333,276.19	18,783,555.31	578,549,720.88
Goods in transit	9,580,177.59		9,580,177.59	27,699,704.03	78,471.66	27,621,232.37
In total	1,134,657,706.66	26,869,046.90	1,107,788,659.76	1,031,199,134.42	43,471,515.21	987,727,619.21

2. Provision for impairment in value of inventories and provision for impairment of contract performance costs

Item	31 December 2024	Amount increased in the current period		Decreased amount in the current period		31 December 2025
		Accrual	Others	Reversal or reselling	Others	
Raw materials	3,894,407.86	62,276.33		2,677,916.27		1,278,767.92
Materials outsourced for processing	7,947,896.00			7,947,896.00		
Products in progress	12,767,184.38			12,018,379.71		748,804.67
Stock goods	18,783,555.31	11,241,046.58		5,183,127.58		24,841,474.31
Goods in transit	78,471.66			78,471.66		
In total	43,471,515.21	11,303,322.91		27,905,791.22		26,869,046.90

(IX) Assets held for sale

Category	31 December 2025	31 December 2024
Assets classified as held for sale	599,943.92	599,943.92
In total	599,943.92	599,943.92

1. Assets classified as held for sale

Category	31 December 2025			Fair value	Expected disposal costs	Expected disposal time	Sale method	Reason for sale
	Book balance	Provision for impairment of assets held for sale	Book value					
Zijingang Apartment	599,943.92		599,943.92	1,013,191.84	125,949.40	Year 2026	Sales in cash	Sales of apartments
In total	599,943.92		599,943.92	1,013,191.84	125,949.40			

(X) Other current assets

Item	31 December 2025	31 December 2024
VAT credit refund	57,575,721.33	77,972,929.44
Prepaid income tax	7,825,930.15	12,081,645.20
Input tax to be certified	68,002,185.93	84,770,537.65
Others	454,576.04	252,957.34
In total	133,858,413.45	175,078,069.63

(XI) Long-term equity investment

1. Long-term equity investment situation

Invested unit	31 December 2025	Year-end balance of impairment provision of the previous year	Increase and decrease in the current period								31 December 2024	Ending balance of impairment provision
			Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairmen	Others		
1. Associated enterprises												
Chongqing Heya Huayi Venture Capital Partnership (L.P.)	32,083,427.02				-836.93	-5,525,128.00					26,557,462.09	
Shanghai Carelinker Medical Technology Co., Ltd.	19,122,110.11				927,384.30						20,049,494.41	
Guizhou Balai Agricultural Science and	3,280,819.25										3,280,819.25	

Invested unit	31 December 2025	Year-end balance of impairment provision of the previous year	Increase and decrease in the current period								31 December 2024	Ending balance of impairment provision
			Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairmen	Others		
Technology Co., Ltd.												
Shanghai Anbison Lab. Co., Ltd.	172,182,973.53				12,787,416.76			2,348,684.21			182,621,706.08	
Hangzhou Mubang Equity Investment Partnership (Limited Partnership)	4,896,405.16										4,896,405.16	
Yichang Chengbang Pharmaceutical Co., Ltd.	5,488,766.39									9,000,000.00	14,488,766.39	
BAJONTA INTERNATIONAL	2,489,340.00										2,489,340.00	

Invested unit	31 December 2025	Year-end balance of impairment provision of the previous year	Increase and decrease in the current period								31 December 2024	Ending balance of impairment provision
			Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairmen	Others		
CHEMICALS LIMITED												
Subtotal	239,543,841.46				13,713,964.13	-5,525,128.00		2,348,684.21		9,000,000.00	254,383,993.38	
In total	239,543,841.46				13,713,964.13	-5,525,128.00		2,348,684.21		9,000,000.00	254,383,993.38	

(XII) Investment in other equity instruments

1. Investments in other equity instruments

Item	31 December 2024	Increase and decrease in the current period					31 December 2025	Dividend income recognized in the current period	Accumulated gains recognized in other comprehensive income at the end of this period	Accumulated losses recognized in other comprehensive income at the end of this period	Reasons for being designated to be measured at fair value whose changes are recognized in other comprehensive income
		Additional investment	Decreased investment	Gains recognized in other comprehensive income in this period	Loss recognized in other comprehensive income in this period	Others					
Zhejiang Linhai Rural Commercial Bank Co., Ltd.	86,033,657.98				2,942,132.40		83,091,525.58	3,628,643.07	54,940,453.58		Non-marketable equity investment
Chongqing Heya Huayi Investment Management Co., Ltd.	585,996.33				106,410.40		479,585.93			20,414.07	Non-marketable equity investment
Linhai Qiu Zhi Safety	500,000.00						500,000.00				Non-marketable equity

Item	31 December 2024	Increase and decrease in the current period					31 December 2025	Dividend income recognized in the current period	Accumulated gains recognized in other comprehensive income at the end of this period	Accumulated losses recognized in other comprehensive income at the end of this period	Reasons for being designated to be measured at fair value whose changes are recognized in other comprehensive income
		Additional investment	Decreased investment	Gains recognized in other comprehensive income in this period	Loss recognized in other comprehensive income in this period	Others					
Training Co., Ltd.											investment
In total	87,119,654.31				3,048,542.80		84,071,111.51	3,628,643.07	54,940,453.58	20,414.07	

(XIII) Investment properties

1. Investment properties with cost measurement model

Item	Houses and buildings	In total
1. Original book value		
(1) 31 December 2024	25,834,250.40	25,834,250.40
(2) Amount increased in the current period		
(3) Amount decreased in the current period		
(4) 31 December 2025	25,834,250.40	25,834,250.40
2. Accumulated depreciation and accumulated amortization		
(1) 31 December 2024	7,136,701.57	7,136,701.57
(2) Amount increased in the current period	1,248,782.22	1,248,782.22
—Provision or amortization	1,248,782.22	1,248,782.22
(3) Amount decreased in the current period		
(4) 31 December 2024	8,385,483.79	8,385,483.79
3. Impairment reserve		
(1) 31 December 2024		
(2) Amount increased in the current period		
(3) Amount decreased in the current period		
(4) 31 December 2025		
4. Book value		
(1) Book value as of 31 December 2025	17,448,766.61	17,448,766.61
(2) Book value as of 31 December 2024	18,697,548.83	18,697,548.83

(XIV) Fixed assets

1. Fixed assets

Item	31 December 2024	31 December 2024
Fixed assets	3,908,728,868.31	4,116,308,693.91
In total	3,908,728,868.31	4,116,308,693.91

2. Fixed assets

Item	Houses and buildings	Machinery equipment	Transport tools	Electronic equipment and others	In total
1. Original book value					
(1) 31 December 2024	2,216,053,373.31	3,863,584,687.28	55,971,241.61	338,349,359.52	6,473,958,661.72
(2) Amount increased in the current period	39,436,162.44	226,172,309.04	3,888,226.14	13,175,372.41	282,672,070.03
—Purchase	27,569,200.27	90,064,123.24	3,888,226.14	8,636,566.58	130,158,116.23
—Transfer in of construction in progress	11,866,962.17	136,108,185.80		4,538,805.83	152,513,953.80
(3) Amount decreased in the current period	480,865.34	58,293,187.57	2,120,145.44	20,380,435.30	81,274,633.65
—Disposal or scrapping	481,497.99	31,357,847.21	2,101,319.04	20,130,911.51	54,071,575.75
—Transferred to construction in progress		28,571,951.12			28,571,951.12
—Translation difference of foreign currency statements	-632.65	-1,636,610.76	18,826.40	249,523.79	-1,368,893.22
(4) 31 December 2025	2,255,008,670.41	4,031,463,808.75	57,739,322.31	331,144,296.63	6,675,356,098.10
2. Accumulated depreciation					
(1) 31 December 2024	677,092,150.28	1,368,253,056.82	50,236,507.13	247,284,338.36	2,342,866,052.59
(2) Amount increased in the	102,019,651.19	343,906,062.33	4,197,476.14	28,023,387.44	478,146,577.10

Item	Houses and buildings	Machinery equipment	Transport tools	Electronic equipment and others	In total
current period					
—Accrual	102,019,651.19	343,906,062.33	4,197,476.14	28,023,387.44	478,146,577.10
(3) Amount decreased in the current period	154,580.93	47,736,776.99	1,967,562.48	19,310,394.72	69,169,315.12
—Disposal or scrapping	154,580.93	26,640,988.85	1,963,673.77	19,091,770.68	47,851,014.23
—Transferred to construction in progress		21,095,029.35			21,095,029.35
—Translation difference of foreign currency statements		758.79	3,888.71	218,624.04	223,271.54
(4) 31 December 2025	778,957,220.54	1,664,422,342.16	52,466,420.79	255,997,331.08	2,751,843,314.57
3. Impairment reserve					
(1) 31 December 2024		14,783,915.22			14,783,915.22
(2) Amount increased in the current period					
(3) Amount decreased in the current period					
(4) 31 December 2025		14,783,915.22			14,783,915.22
4. Book value					
(1) Book value as of 31 December	1,476,051,449.87	2,352,257,551.37	5,272,901.52	75,146,965.55	3,908,728,868.31

Item	Houses and buildings	Machinery equipment	Transport tools	Electronic equipment and others	In total
2025					
(2) Book value as of 31 December 2024	1,538,961,223.03	2,480,547,715.24	5,734,734.48	91,065,021.16	4,116,308,693.91

3. There were no temporary idle fixed assets at the end of the period.

4. There were no fixed assets leased out under operating leases at the end of the period.

5. Fixed assets with outstanding title certificates

Item	Book value	Reasons for not completing the certificate of title
Houses and buildings	305,714,122.31	In process

6. Impairment test of fixed assets

(1) Parent company, Yongtai Pharmaceutical Asset Group

In this period, the Company conducted impairment tests on the asset groups of Parent company and Yongtai Pharmaceutical. The above asset groups are composed of various long-term assets as of December 31, 2025, including fixed assets, construction in progress, intangible assets, etc. The Company determined the recoverable amount of each asset group based on the present value of their respective estimated future cash flows.

The present value of the estimated future cash flows of the above asset groups was determined by analyzing various factors such as historical operating conditions, market competition, etc. to estimate the cash flows for the next five years and perpetuity. Key data such as revenue growth rate, gross profit margin, etc. were determined, and the discount rate used reflects the current market time value of money and the pre-tax rate of return on specific risks of the asset group. After testing, no impairment occurred for the above asset groups in this period.

(2) Yongtai New Material, Yongtai Chiral, Chongqing Yongyuansheng ,Shandong yongtai Asset Group

In this period, the Company conducted impairment tests on the asset groups of YongTai New Materials, Yongtai Chiral, Chongqing Yongyuansheng and Shandong yongtai, respectively. The above asset groups are composed of various long-term assets as of December 31, 2025, including fixed assets, construction in progress, intangible assets, etc. The Company determined their recoverable amount by subtracting the disposal costs from the fair value of each asset group.

After testing, there was no impairment of asset group for the above-mentioned asset portfolio in this period.

(XV) Construction in progress

1. Construction in progress and construction materials

Item	31 December 2025			31 December 2024		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Construction in progress	1,512,098,360.81	3,176,976.90	1,508,921,383.91	1,378,199,794.05	3,176,976.90	1,375,022,817.15
Engineering materials	90,958,282.73		90,958,282.73	109,929,842.63		109,929,842.63
In total	1,603,056,643.54	3,176,976.90	1,599,879,666.64	1,488,129,636.68	3,176,976.90	1,484,952,659.78

2. Construction in progress

Item	31 December 2025			31 December 2024		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Inner Mongolia Yongtai Project	1,048,488,036.93		1,048,488,036.93	1,010,846,370.45		1,010,846,370.45
Yongtai Hi-tech Lithium Battery Material Phase II Expansion Project	115,562,027.61	710,473.46	114,851,554.15	110,870,790.44	710,473.46	110,160,316.98
Yongtai Hi-tech 134,000t/a Liquid Lithium Salt Industrialization Project	87,984,596.39	493,718.84	87,490,877.55	77,277,074.12	493,718.84	76,783,355.28
Chongqing Yongyuansheng Project of Fine Chemical Products	59,926,404.84	1,972,784.60	57,953,620.24	58,504,377.63	1,972,784.60	56,531,593.03
Binhai Meikang	30,344,481.25		30,344,481.25	30,185,512.91		30,185,512.91

Item	31 December 2025			31 December 2024		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Phase I Project						
Other projects	169,792,813.79		169,792,813.79	90,515,668.50		90,515,668.50
In total	1,512,098,360.81	3,176,976.90	1,508,921,383.91	1,378,199,794.05	3,176,976.90	1,375,022,817.15

3. Changes in major construction projects in process in this period

Project name	Budget amount	31 December 2024	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	31 December 2025	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which: Amount of interest capitalized in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Inner Mongolia Yongtai Project	3,000,000,000.00	1,010,846,370.45	183,885,890.78	146,244,224.30		1,048,488,036.93	90.96	Under construction	52,729,613.52	9,627,495.06	2.42	Own funds and borrowings
Yongtai Hi-tech Lithium Battery Material Phase II Expansion Project and 1005 Workshop Production Expansion Project	390,000,000.00	110,870,790.44	4,691,237.17			115,562,027.61	99.00	Under construction				Own funds and borrowings
Yongtai Hi-tech 134,000t/a Liquid	792,697,400.00	77,277,074.12	10,707,522.27			87,984,596.39	91.81	Under construction	6,777,874.72			Own funds and

Project name	Budget amount	31 December 2024	Amount increased in the current period	Amount transferred to fixed assets in the current period	Other amount decreased in the current period	31 December 2025	Proportion of cumulative project investment in budget (%)	Project progress	Cumulative amount of interest capitalization	Of which: Amount of interest capitalized in the current period	Capitalization rate of interest in the current period (%)	Source of funds
Lithium Salt Industrialization Project												borrowings
Chongqing Yongyuansheng Project of Fine Chemical Products	189,000,000.00	58,504,377.63	1,422,027.21			59,926,404.84	87.98	Under construction				Own funds
Binhai Meikang Phase I Project	150,000,000.00	30,185,512.91	158,968.34			30,344,481.25	123.24	Under construction				Own funds
In total		1,287,684,125.55	200,865,645.77	146,244,224.30		1,342,305,547.02			59,507,488.24	9,627,495.06		

4. The provision for impairment of constructions in progress in this period

Item	31 December 2024	Amount of change in the current period		31 December 2025	Reason for accrual
		Accrual	Transfer out		
Chongqing Yongyuansheng Project of Fine Chemical Products	1,972,784.60			1,972,784.60	
Yongtai Hi-tech Lithium Battery Material Phase II Expansion Project	710,473.46			710,473.46	
Yongtai Hi-tech 134,000t/a Liquid Lithium Salt Industrialization Project	493,718.84			493,718.84	
In total	3,176,976.90			3,176,976.90	

5. Impairment test of construction in progress

Specific impairment testing information for fixed assets can be found in Note XIV, 6.

(XVI) Right of use assets

1. Right of use assets situation

Item	Houses and buildings	In total
1. Original book value		
(1) 31 December 2024	8,852,976.77	8,852,976.77
(2) Amount increased in the current period		
(3) Amount decreased in the current period		
(4) 31 December 2025	8,852,976.77	8,852,976.77
2. Accumulated depreciation		
(1) 31 December 2024	3,227,993.95	3,227,993.95
(2) Amount increased in the current period	2,792,903.71	2,792,903.71
—Accrual	2,792,903.71	2,792,903.71
(3) Amount decreased in the current period		
(4) 31 December 2025	6,020,897.66	6,020,897.66
3. Impairment reserve		

Item	Houses and buildings	In total
(1) 31 December 2024		
(2) Amount increased in the current period		
(3) Amount decreased in the current period		
(4) 31 December 2025		
4. Book value		
(1) Book value as of 31 December 2025	2,832,079.11	2,832,079.11
(2) Book value as of 31 December 2024	5,624,982.82	5,624,982.82

(XVII) Intangible assets

1. Intangible assets

Item	Land-use right	Patent and proprietary technology	rights vested on trade mark	Software and others	In total
1. Original book value					
(1) 31 December 2024	450,457,326.18	225,515,588.60	30,108,100.00	41,145,461.85	747,226,476.63
(2) Amount increased in the current period		45,526,700.62		3,910,790.26	49,437,490.88
—Purchase		20,487,016.46		3,910,790.26	24,397,806.72
—Internal R&D		25,039,684.16			25,039,684.16
(3) Amount decreased in the current period		119,245.28			119,245.28
—Disposal		119,245.28			119,245.28
(4) 31 December 2025	450,457,326.18	270,923,043.94	30,108,100.00	45,056,252.11	796,544,722.23
2. Accumulated amortization					
(1) 31 December 2024	91,926,086.47	113,854,518.52	21,352,516.55	22,453,128.43	249,586,249.97
(2) Amount increased in the current period	10,349,064.65	29,464,869.31	3,140,900.00	3,718,080.73	46,672,914.69
—Accrual	10,349,064.65	29,464,869.31	3,140,900.00	3,718,080.73	46,672,914.69
(3) Amount decreased in the current period		119,245.28			119,245.28
—Disposal		119,245.28			119,245.28
(5) 31 December 2024	102,275,151.12	143,200,142.55	24,493,416.55	26,171,209.16	296,139,919.38
3. Impairment reserve					
(1) 31 December 2024					

Item	Land-use right	Patent and proprietary technology	rights vested on trade mark	Software and others	In total
(2) Amount increased in the current period					
(3) Amount decreased in the current period					
(4) 31 December 2025					
4. Book value					
(1) Book value as of 31 December 2025	348,182,175.06	127,722,901.39	5,614,683.45	18,885,042.95	500,404,802.85
(2) Book value as of 31 December 2024	358,531,239.71	111,661,070.08	8,755,583.45	18,692,333.42	497,640,226.66

The proportion of internally generated intangible assets to the total intangible assets balance was 18.33% at period-end.

2. There was no land-use right without property right certificate at the end of the period.

3. Impairment test of intangible assets

Specific impairment testing information for fixed assets can be found in Note XIV, 6.

(XVIII) Goodwill

1. Changes in goodwill

Name of investee or matters forming goodwill	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
		Formation of business combination	Disposal	
Original book value				
Yongtai New Energy	17,848,185.57			17,848,185.57
Shanghai E-Tong	177,627,292.14			177,627,292.14
Zhejiang Chiral	373,747,189.15			373,747,189.15
Foshan Soin	69,669,921.57			69,669,921.57
Jiangsu Subin	92,772,780.75			92,772,780.75
Binhai Meikang	2,645,729.61			2,645,729.61
Subtotal	734,311,098.79			734,311,098.79
Impairment reserve				
Yongtai New Energy	17,848,185.57			17,848,185.57
Shanghai E-Tong	22,753,297.61			22,753,297.61
Jiangsu Subin	92,772,780.75			92,772,780.75
Subtotal	133,374,263.93			133,374,263.93
Book value	600,936,834.86			600,936,834.86

2. The composition of the asset group or asset group combination to which goodwill belongs and the information related to the operating segments to which it belongs

Name of investee or matters forming goodwill	Information related to the asset group or combination of asset groups	Is it consistent with the previous years
Shanghai E-Tong	Goodwill-related asset groups formed by the M&A of Shanghai E-Tong Chemical Co., Ltd. are the long-term asset groups that comprise the asset groups of Shanghai E-Tong Chemical Co., Ltd. at the end of each reporting period, including fixed assets, etc	Yes
Zhejiang Chiral	Goodwill-related asset groups formed by the M&A of Zhejiang Chiral Medicine Chemicals Co., Ltd. are the long-term asset groups that comprise the asset groups of Zhejiang Chiral Medicine Chemicals Co., Ltd. at the end of each reporting period, including fixed assets, intangible	Yes

Name of investee or matters forming goodwill	Information related to the asset group or combination of asset groups	Is it consistent with the previous years
	assets, etc.	
Foshan Soin	Goodwill-related asset groups formed by the M&A of Foshan Soin Chiralpharma Ltd. are the long-term asset groups that comprise the asset groups of Foshan Soin Chiralpharma Ltd. at the end of each reporting period, including fixed assets, intangible assets, etc.	Yes

3. The specific method for determining the recoverable amount

Shanghai E-Tong: Our company uses the present value of future cash flows estimated from the asset portfolio as the recoverable amount. We hired Tianjin Zhonglian Asset Appraisal Co., Ltd. to conduct a recoverable amount assessment, with December 31, 2025 as the valuation date, and issued an valuation report. The valuation report comprehensively analyzes factors such as historical operating conditions and market competition to estimate future cash flows for the next five years and the perpetual period, and determines key data such as sales revenue growth rate and gross profit margin. The discount rate used reflects the current market time value of money and specific risks of the asset portfolio before tax.

Zhejiang Chiral: Our company uses the present value of future cash flows estimated from the asset portfolio as the recoverable amount. We hired Tianjin Zhonglian Asset Appraisal Co., Ltd. to conduct a recoverable amount assessment, with December 31, 2025 as the valuation date, and issued an valuation report. The valuation report comprehensively analyzes factors such as historical operating conditions and market competition to estimate future cash flows for the next five years and the perpetual period, and determines key data such as sales revenue growth rate and gross profit margin. The discount rate used reflects the current market time value of money and specific risks of the asset portfolio before tax.

Foshan Soin: Our company uses the present value of future cash flows estimated from the asset portfolio as the recoverable amount. We hired Tianjin Zhonglian Asset Appraisal Co., Ltd. to conduct a recoverable amount assessment, with December 31, 2025 as the valuation date, and issued an valuation report. The valuation report comprehensively analyzes factors such as historical operating conditions and market competition to estimate future cash flows for the next five years and the perpetual period, and determines key data such as sales revenue growth rate and gross profit margin. The discount rate used reflects the current market time value of money and specific risks of the asset portfolio before tax.

After testing, there was no impairment of goodwill for the above-mentioned asset portfolio in this period.

(XIX) Long-term deferred expenses

Item	31 December 2023	Amount increased in the current period	Amortization amount in the current period	Other decreased amount	31 December 2024
Equipment transformation	7,236,644.90	168,445.64	4,714,677.33		2,690,413.21
Decoration cost	5,262,823.75	3,907,667.12	3,752,340.62		5,418,150.25
Others	2,735,518.99	3,121,224.47	1,481,320.57	104,884.17	4,270,538.72
In total	15,234,987.64	7,197,337.23	9,948,338.52	104,884.17	12,379,102.18

(XX) Deferred income tax assets and deferred income tax liabilities

1. Deferred income tax assets without offsetting

Item	31 December 2025		31 December 2024	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Bad debt provision	162,311,212.48	33,724,272.44	159,865,252.36	31,158,820.19
Inventory price falling reserve	28,608,522.30	6,276,946.49	45,791,083.22	8,004,062.90
Provision for impairment of subsidiary equity	268,000,000.00	40,200,000.00	268,000,000.00	40,200,000.00
Deductible losses	1,579,724,763.88	333,501,473.04	1,254,944,391.55	209,279,442.48
Deferred revenue	165,900,958.06	36,791,880.66	160,550,953.76	31,504,361.20
Withholding costs and expenses	11,030,548.23	1,817,934.11	11,955,403.78	2,147,918.00
Unrealized internal sales	81,011,773.39	16,213,161.15	30,083,688.05	5,076,568.17

Item	31 December 2025		31 December 2024	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
profit and loss				
Changes in fair value of financial assets held for trading	1,528,080.00	382,020.00	546,471.20	119,885.08
Rental tax differences	1,278,285.73	191,742.86	1,750,204.93	262,530.74
Equity Incentive Cost	84,129,600.00	12,619,440.00	14,627,600.00	2,194,140.00
In total	2,383,523,744.07	481,718,870.75	1,948,115,048.85	329,947,728.76

2. Deferred income tax liabilities without offsetting

Item	31 December 2025		31 December 2024	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Valuation and appreciation of assets of business consolidation not under the common control	30,123,585.39	6,666,547.96	34,465,343.09	7,583,436.72
Changes in fair value of other equity investments	54,940,453.60	8,241,068.04	57,882,586.00	8,682,387.90
Rental tax differences	1,232,579.67	184,886.95	1,726,689.27	259,003.39
Changes in Fair Value of Financial assets held for trading			102,600.00	25,650.00
In total	86,296,618.66	15,092,502.95	94,177,218.36	16,550,478.01

3. Deferred income tax assets or liabilities shown net of offset

Item	31 December 2025		31 December 2024	
	Offset of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset	Offset of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offset
Deferred income tax assets	8,425,954.99	473,292,915.76	8,967,041.29	320,980,687.47
Deferred income tax liabilities	8,425,954.99	6,666,547.96	8,967,041.29	7,583,436.72

4. Details of unrecognized deferred income tax assets

Item	31 December 2025	31 December 2024
Deductible temporary differences	76,437,163.85	102,056,756.53
Deductible losses	920,339,013.96	1,019,394,839.77
In total	996,776,177.81	1,121,451,596.30

5. Deductible losses on unrecognized deferred income tax assets will expire in the following years

Item	31 December 2025	31 December 2024	Note
2025		78,175,376.29	
2026	274,327,358.64	327,678,204.50	
2027	138,966,109.90	152,014,849.12	
2028	123,330,126.80	209,877,747.20	
2029	111,292,745.52	107,766,782.12	
2030	130,564,220.08		
Years after 2030	141,858,453.02	143,881,880.54	
In total	920,339,013.96	1,019,394,839.77	

(XXI) Other non-current assets

Item	31 December 2025			31 December 2024		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Prepayment for engineering equipment	63,796,116.04		63,796,116.04	68,993,934.04		68,993,934.04
Prepaid Drug Registration Expenditure and others	37,263,980.32		37,263,980.32	25,690,438.41		25,690,438.41
Prepaid land fee	1,548,250.00		1,548,250.00	1,548,250.00		1,548,250.00
In total	102,608,346.36		102,608,346.36	96,232,622.45		96,232,622.45

(XXII) Assets with restricted ownership or use rights

Item	31 December 2025				31 December 2024			
	Book balance	Book value	Limited type	Reasons for restrictions	Book balance	Book value	Limited type	Reasons for restrictions
Cash and bank	315,765,756.59	315,765,756.59	Pledge and freezing	Used for issuing banker's acceptance bills, bank loans, futures accounts, and court litigation freezing	525,357,689.24	525,357,689.24	Pledge and freezing	Used for issuing banker's acceptance bills, bank loans, futures accounts, and court litigation freezing
Accounts receivable	55,435,612.15	52,663,831.54	Pledge	Used for issuing banker's acceptance bills	52,345,065.33	49,727,812.06	Pledge	Used for issuing banker's acceptance bills and bank loans
Notes receivable	357,064,366.36	351,702,533.56	Others	Endorsed/Discounted but Not Terminated and Not Yet Due	272,497,795.82	272,497,795.82	Others	Endorsed/Discounted but Not Terminated and Not Yet Due
Investment in other equity instruments	83,091,525.58	83,091,525.58	Freeze	Prejudgment attachment				
Fixed assets	2,450,923,335.25	1,429,006,415.63	Mortgage	For a mortgage	2,037,396,449.86	1,259,706,288.26	Mortgage	For a mortgage
Investment properties	25,834,250.40	17,448,766.61	Mortgage	For a mortgage	25,834,250.40	18,697,548.83	Mortgage	For a mortgage

Item	31 December 2025				31 December 2024			
	Book balance	Book value	Limited type	Reasons for restrictions	Book balance	Book value	Limited type	Reasons for restrictions
Intangible assets	339,152,473.28	261,556,062.42	Mortgage	For a mortgage	245,984,657.84	197,691,176.46	Mortgage	For a mortgage
Construction in progress	157,749,810.80	157,749,810.80	Mortgage	For a mortgage	81,654,912.29	81,654,912.29	Mortgage	For a mortgage
In total	3,785,017,130.41	2,668,984,702.73			3,241,070,820.78	2,405,333,222.96		

(XXIII) Short-term loans

1. Classification of short-term loan

Item	31 December 2025	31 December 2024
Mortgage loan	647,060,000.00	492,780,000.00
Guaranteed loan	1,397,893,423.20	1,175,414,985.76
Discounting of Undiscontinued Recognized Bills	258,145,980.73	76,520,000.00
In total	2,303,099,403.93	1,744,714,985.76

(XXIV) Financial liabilities held for trading

Item	31 December 2025	31 December 2024
Financial liabilities held for trading	1,528,080.00	612,182.86
Of which: Derivative financial liabilities	1,528,080.00	612,182.86
In total	1,528,080.00	612,182.86

(XXV) Notes payable

Category	31 December 2025	31 December 2024
Banker's acceptance bill	336,635,147.42	527,104,875.68
Commercial acceptance bill	32,480,000.00	
In total	369,115,147.42	527,104,875.68

(XXVI) Accounts payable

1. Presentation of accounts payable

Item	31 December 2025	31 December 2024
Within 1 year	1,259,541,862.43	1,053,301,267.81
1-2 years	145,864,494.17	80,825,973.97
2-3 years	46,906,165.91	27,138,435.73
Above 3 years	53,438,578.01	35,562,600.43
In total	1,505,751,100.52	1,196,828,277.94

2. Important accounts payable with an aging exceeding one year or that are overdue

ITEM	31 December 2025	The reason for non-repayment or non-carried forward

ITEM	31 December 2025	The reason for non-repayment or non-carried forward
Yongtai Hi-tech Equipment Engineering Payment	46,347,225.62	Not overdue,the construction is yet to be settled.
In total	46,347,225.62	

(XXVII) Contractual liabilities

1. Contractual liabilities

Item	31 December 2025	31 December 2024
Within 1 year	23,290,292.35	25,295,769.06
1-2 years	581,099.32	8,626,174.34
2-3 years	1,987,073.40	48,330,553.69
Above 3 years	50,955,420.00	346,524,437.41
In total	76,813,885.07	428,776,934.50

2. Significant contractual liabilities with an aging of over one year

Item	31 December 2025	Reasons for outstanding or carry-forward
Customer 1	30,294,050.86	The contract has not been fulfilled yet
Customer 2	17,588,675.42	The contract has not been fulfilled yet
In total	47,882,726.28	

(XXVIII)Employee benefits payable

1. Payroll payable list

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Short-term compensation	73,708,176.80	447,971,104.22	453,417,026.79	68,262,254.23
Post-employment benefits - defined contribution plan	1,833,565.43	31,795,057.78	31,707,869.22	1,920,753.99
In total	75,541,742.23	479,766,162.00	485,124,896.01	70,183,008.22

2. List of short-term compensation

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
(1) Wages, bonuses, allowances and subsidies	70,155,217.02	389,727,566.93	396,452,152.35	63,430,631.60
(2) Welfare expenses for the employees	307,363.72	20,656,988.92	20,675,119.75	289,232.89
(3) Social insurance expenses	991,881.40	22,916,774.94	22,111,872.74	1,796,783.60
Of which: Medical insurance premiums	760,465.03	20,136,713.50	19,252,081.20	1,645,097.33
Industrial injury insurance premiums	231,416.37	2,617,433.21	2,697,163.31	151,686.27
Maternity insurance premiums		162,628.23	162,628.23	
(4) Housing accumulation fund	94,137.00	11,254,291.77	11,240,476.77	107,952.00
(5) Labor union expenditure and employee education expenses	2,159,577.66	3,415,481.66	2,937,405.18	2,637,654.14
In total	73,708,176.80	447,971,104.22	453,417,026.79	68,262,254.23

3. Defined contribution plan list

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Basic endowment insurance	1,790,471.50	30,839,975.26	30,753,151.10	1,877,295.66
Unemployment insurance premiums	43,093.93	955,082.52	954,718.12	43,458.33
In total	1,833,565.43	31,795,057.78	31,707,869.22	1,920,753.99

(XXIX) Taxes payable

Tax items	31 December 2025	31 December 2024
House property tax	11,159,301.64	11,238,945.97
Value added tax	4,248,542.56	9,466,321.52
Land use tax	4,741,346.70	4,741,346.71
Enterprise income tax	22,113,084.83	4,419,583.28

Tax items	31 December 2025	31 December 2024
Stamp duty	1,871,774.95	1,409,681.82
Security fund for the disabled	1,378,157.61	1,366,855.82
Urban maintenance and construction tax	443,224.88	813,476.65
Education surcharges and local education surcharges	379,384.00	656,975.56
Individual income tax	608,956.70	513,350.13
Environmental protection tax and others	9,859.42	1,592.18
In total	46,953,633.29	34,628,129.64

(XXX) Other payables

Item	31 December 2025	31 December 2024
Other payables	388,834,740.86	157,162,310.51
In total	388,834,740.86	157,162,310.51

1. Other payables

(1) By nature of payment

Item	31 December 2025	31 December 2024
Overnight money	342,854,180.68	1,315,772.62
Accrued expenses	16,865,563.22	20,076,269.09
Security deposit	4,488,614.92	4,710,486.58
Refundable Prepayments Related to Litigation		102,535,228.17
Others	24,626,382.04	28,524,554.05
In total	388,834,740.86	157,162,310.51

(XXXI) Non-current liabilities due within 1 year

Item	31 December 2024	31 December 2023
Long-term loans due within 1 year	1,279,551,716.25	1,113,315,925.71
Long-term payable due within 1 year	266,777,210.65	271,749,774.69
Lease liabilities due within 1 year	1,631,057.86	2,930,993.52
In total	1,547,959,984.76	1,387,996,693.92

(XXXII) Other current liabilities

Item	31 December 2024	31 December 2023
Output tax to be written off	4,287,116.40	47,648,847.75
Endorsed but not derecognized notes receivable	243,378,385.63	272,497,795.82
Forward acquisition funds with repurchase obligations recognized	680,244,480.00	629,856,000.00
Repurchase Liability	29,721,600.00	50,052,000.00
In total	957,631,582.03	1,000,054,643.57

(XXXIII)Long-term loans

Item	31 December 2025	31 December 2024
Pledge loan		18,000,000.00
Mortgage loan	421,015,058.63	731,189,225.22
Guaranteed loan	393,200,000.00	662,290,000.00
In total	814,215,058.63	1,411,479,225.22

(XXXIV) Lease liabilities

Item	31 December 2025	31 December 2024
Warehouse leasing	1,088,336.12	2,733,644.64
In total	1,088,336.12	2,733,644.64

(XXXV) Long-term payable

Item	31 December 2025	31 December 2024
Long-term payable	75,679,981.11	194,265,777.17
In total	75,679,981.11	194,265,777.17

(XXXVI) Deferred revenue

Item	31 December 2023	Increase in the current period	Decrease in the current period	31 December 2024	Cause of formation
Government grants related to	177,654,064.24	26,080,000.00	24,517,819.56	179,216,244.68	Government subsidies

Item	31 December 2023	Increase in the current period	Decrease in the current period	31 December 2024	Cause of formation
assets					
In total	177,654,064.24	26,080,000.00	24,517,819.56	179,216,244.68	

(XXXVII) Share capital

Item	31 December 2024	Change in the current period: increase (+) / decrease (-)					31 December 2025
		Issue of new shares	Stock dividend	Transfer from provident fund	Others	Subtotal	
Total number of shares	925,400,795.00				-273,159.00	-273,159.00	925,127,636.00

Note: Based on the "Proposal on the Repurchase and Cancellation of Part of the Restricted Shares Granted to Incentive Recipients That Have Been Granted but Have Not Yet Vested," which was reviewed and approved by the company's Board of Directors and Shareholders' General Meeting, the company agreed to repurchase and cancel a total of 273,159 restricted shares that have been granted but have not yet vested. These shares pertain to the first vesting period of this incentive scheme and are being repurchased because the company-level performance assessment was not fully met, and certain incentive recipients are no longer eligible for vesting. The repurchase price is RMB 4.30 per share.

(XXXVIII) Capital reserves

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Share premium (equity premium)	1,247,813,398.54	16,260,802.56	901,424.70	1,263,172,776.40
Other capital reserve	-566,285,621.80	29,563,692.55	16,260,802.56	-552,982,731.81
In total	681,527,776.74	45,824,495.11	17,162,227.26	710,190,044.59

Note:

1.During the current period, the release of restricted shares resulted in the transfer of other capital reserves originally recognized to share premium, amounting to RMB 16,260,802.56.

2.During the current period, the repurchase of restricted shares in the first vesting period, due to the company's performance assessment not being fully met and the forfeiture of vesting eligibility, had an impact of RMB 901,424.70.

3.During the current period, share-based payment expenses related to the equity incentive plan were recognized, increasing other capital reserves by RMB 19,646,202.55.

4.The company recognized a deferred tax asset for the portion of the equity incentive deduction allowable for tax purposes that exceeded the recognized share-based payment expense, resulting in an increase in other capital reserves of RMB 9,917,490.00.

(XXXIX) Treasury shares

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Restricted Stock	50,052,000.00		20,330,400.00	29,721,600.00
In total	50,052,000.00		20,330,400.00	29,721,600.00

Note:During the current period, for the restricted shares that met the vesting conditions and were not required to be repurchased, the corresponding repurchase obligation was derecognized, thereby reducing "Restricted Shares" by RMB 20,330,400.00.

(XL) Other comprehensive incomes

Item	31 December 2024	Amount incurred in the current period						31 December 2025
		Amount before income tax in the current period	Less: The profit and loss transferred in the current period but previously included in other comprehensive income	Less: Income tax expense	Net profit attributable to owners of the company	Net profit attributable to minority shareholders	Less: The retained earnings transferred in the current period but previously included in other comprehensive income	
1. Other comprehensive incomes not to be reclassified into profit and loss	55,766,444.42	-8,573,670.80		-441,319.86	-8,132,350.94			47,634,093.48
Of which: Other comprehensive income that cannot be transferred to profit and loss under equity method	6,480,250.00	-5,525,128.00			-5,525,128.00			955,122.00
Changes in fair value of other equity instrument	49,286,194.42	-3,048,542.80		-441,319.86	-2,607,222.94			46,678,971.48

Item	31 December 2024	Amount incurred in the current period						31 December 2025
		Amount before income tax in the current period	Less: The profit and loss transferred in the current period but previously included in other comprehensive income	Less: Income tax expense	Net profit attributable to owners of the company	Net profit attributable to minority shareholders	Less: The retained earnings transferred in the current period but previously included in other comprehensive income	
investments								
2. Other comprehensive incomes to be reclassified into profit and loss	-35,706,418.13	6,719,823.59			6,531,418.22	188,405.37		-29,174,999.91
Of which: The balance arisen from the translation of foreign currency financial statements	-35,706,418.13	6,719,823.59			6,531,418.22	188,405.37		-29,174,999.91
Total other comprehensive income	20,060,026.29	-1,853,847.21		-441,319.86	-1,600,932.72	188,405.37		18,459,093.57

(XLI) Special reserves

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Work safety cost	10,475,162.65	29,893,814.40	30,415,798.37	9,953,178.68
In total	10,475,162.65	29,893,814.40	30,415,798.37	9,953,178.68

(XLII) Surplus reserves

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2025
Statutory surplus reserve	218,347,987.76			218,347,987.76
In total	218,347,987.76			218,347,987.76

(XLIII) Retained earnings

Item	Year 2025	Year 2024
Retained earnings at the end of the previous year before adjustment	865,509,364.95	1,349,661,779.20
Retained earnings at the beginning of the year after adjustment	865,509,364.95	1,349,661,779.20
Plus: Net profits attributable to the owners of the company in the current period	-46,100,649.82	-478,353,981.67
Less: Appropriation to statutory surplus reserve		5,798,432.58
Retained earnings at the end of the period	819,408,715.13	865,509,364.95

(XLIV) Operating income and operating cost

1. Information on operating income and operating costs

Item	Year 2025		Year 2024	
	Income	Cost	Income	Cost
Main business	5,201,553,325.95	4,264,347,911.91	4,578,191,749.45	4,025,945,122.32
Other business	12,028,011.74	19,560,852.22	11,206,083.25	25,655,149.78
In total	5,213,581,337.69	4,283,908,764.13	4,589,397,832.70	4,051,600,272.10

Breakdown of operating income:

Item	Year 2025	Year 2024
Main business	5,201,553,325.95	4,578,191,749.45
Of which: Pharmaceutical product business	743,128,132.87	1,133,659,231.73
crop science	1,063,816,146.11	1,029,494,398.50
lithium battery materials and other materials	2,114,358,101.20	1,021,411,381.42
Trading business	1,280,250,945.77	1,393,626,737.80
Other business	12,028,011.74	11,206,083.25
Of which: Sales materials	3,095,705.21	7,029,811.26
Rental income	1,218,137.61	1,236,755.13
Others	7,714,168.92	2,939,516.86
In total	5,213,581,337.69	4,589,397,832.70

2. Operating income generated from contracts

The breakdown of income in this period is as follows:

Contract classification	Amount in the current period	
	Operating income	Operating costs
Commodity type:		
Product sales revenue	5,212,363,200.08	4,282,659,981.91
In total	5,212,363,200.08	4,282,659,981.91
Classification by timing of commodity transfer:		
Recognition at a point of time	5,212,363,200.08	4,282,659,981.91
In total	5,212,363,200.08	4,282,659,981.91

(XLV) Taxes and surcharges

Item	Year 2025	Year 2024
House property tax	19,169,009.41	19,546,890.68
Urban maintenance and construction tax	2,906,261.59	4,829,037.96
Education surcharges	1,408,176.37	4,083,160.73
Land use tax	10,253,028.75	11,159,154.35
Stamp duty	5,101,317.32	3,737,063.69

Item	Year 2025	Year 2024
Vehicle and vessel tax and others	1,735,812.34	1,503,540.13
In total	40,573,605.78	44,858,847.54

(XLVI) Marketing expenses

Item	Year 2025	Year 2024
Commission	21,271,557.67	17,292,711.98
Market development expense	35,837,566.35	29,901,896.04
Employee compensation	29,863,061.60	24,905,251.97
Insurance expense	5,203,363.71	3,781,873.01
Business entertainment fee	8,613,962.00	6,589,693.89
Travel expenses	9,216,976.69	7,153,309.40
Equity Incentive Compensation	548,351.55	217,478.70
Others	13,123,523.95	14,075,255.67
In total	123,678,363.52	103,917,470.66

(XLVII) Management expenses

Item	Year 2025	Year 2024
Employee compensation	186,818,621.99	210,427,604.64
Depreciation and amortization	130,758,309.89	140,268,012.59
Environmental protection expenses	91,557,453.43	92,104,001.06
Office expense	21,090,398.99	21,834,607.25
Work safety cost	30,375,193.93	13,616,724.40
Business entertainment fee	11,666,685.10	14,320,987.43
Agency fees	14,342,023.18	16,865,714.27
Car cost	4,519,106.38	4,115,588.56
Insurance expense	2,804,215.41	2,858,092.28
Travel expenses	2,514,005.45	3,202,870.56
Equity Incentive Compensation	15,447,805.72	9,181,555.07
Others	38,839,309.58	36,295,122.99
In total	550,733,129.05	565,090,881.10

(XLVIII) R&D expenses

Item	Year 2025	Year 2024
Direct material	41,655,088.55	43,787,862.07
Employee compensation	64,571,429.49	55,026,131.04
Depreciation and amortization	11,562,028.45	11,448,355.17
Outsourcing expenses	4,460,136.20	1,641,290.27
Others	8,010,401.21	8,173,470.92
In total	130,259,083.90	120,077,109.47

(XLIX) Financial expenses

Item	Year 2025	Year 2024
Interest expenses	185,052,304.35	160,496,718.33
Of which: Interest Expense on Lease Liabilities	149,945.82	190,868.36
Less: Interest income	8,720,931.45	13,271,406.94
Exchange gains and losses	12,394,917.35	-9,339,772.06
Others	13,121,224.88	7,061,426.24
In total	201,847,515.13	144,946,965.57

(L) Other income

Item	Year 2025	Year 2024
Government subsidies	41,138,303.20	27,839,989.31
Input tax plus deduction	2,112,022.00	-879,965.09
Refund of service charge for withholding individual income tax	153,862.91	197,377.75
In total	43,404,188.11	27,157,401.97

(LI) Income from investment

Item	Year 2025	Year 2024
Long-term equity investment incomes accounted by the equity method	13,713,964.13	26,292,875.47
Investment income from disposal of trading financial assets	-8,093,978.82	3,799,623.03
Dividend income earned during the holding period of	3,628,643.07	3,425,642.01

Item	Year 2025	Year 2024
investments in other equity instruments		
Gains on disposal of derivative financial instruments	167,327.17	
Gain on debt restructuring	10,798,468.55	
Investment income generated by wealth management products	51,408.62	648,763.95
In total	20,265,832.72	34,166,904.46

(LII) Gains from changes in fair value

Sources of gains from changes in fair value	Year 2025	Year 2024
Financial assets held for trading	6,033,373.65	102,600.00
Of which: Fair value gains from derivative financial instruments	6,033,373.65	102,600.00
Financial liabilities held for trading	-232,080.00	-291,773.17
Fair value changes in financial liabilities for minority equity repurchases	-50,388,480.00	-46,656,000.00
In total	-44,587,186.35	-46,845,173.17

(LIII) Credit impairment loss

Item	Year 2025	Year 2024
Bad debt expense on notes receivable	5,361,832.80	
Bad debt losses on accounts receivable	-4,231,107.13	21,401,249.70
Bad debt losses on receivables financing	-35,030.91	35,030.91
Bad debt losses on other receivables	10,766,293.08	24,163,966.73
In total	11,861,987.84	45,600,247.34

(LIV) Assets impairment loss

Item	Year 2025	Year 2024
Losses from impairment of inventory and impairment loss on contract fulfillment costs	-399,124.84	27,079,117.65
Impairment loss on fixed assets and construction in progress		7,954,286.17
Impairment loss on development expenses	3,956,547.25	30,254,982.12
In total	3,557,422.41	65,288,385.94

(LV) Income from asset disposal

Item	Year 2025	Year 2024	Amounts included into the current nonrecurring profit and loss
Gains from disposal of non-current assets	421,108.11	-4,933,810.70	421,108.11
In total	421,108.11	-4,933,810.70	421,108.11

(LVI) Non-operating income

Item	Year 2025	Year 2024	Amounts included into the current nonrecurring profit and loss
Income from compensation	22,461.03	229,568.10	22,461.03
Others	10,714,683.19	1,625,852.87	10,714,683.19
In total	10,737,144.22	1,855,420.97	10,737,144.22

(LVII) Non-operating expenditure

Item	Year 2025	Year 2024	Amounts included into the current nonrecurring profit and loss
External donations	1,478,826.00	1,892,400.00	1,478,826.00
Loss on retirement of non-current assets	2,597,972.58	3,132,605.13	2,597,972.58
Others	6,189,925.19	15,587,098.53	6,189,925.19
In total	10,266,723.77	20,612,103.66	10,266,723.77

(LVIII) Income tax expense

1. Income tax expense statement

Item	Year 2025	Year 2024
Income tax expenses in the current period	49,252,474.31	22,879,249.24
Deferred income tax expense	-142,870,307.19	-61,161,774.56
In total	-93,617,832.88	-38,282,525.32

2. The process of adjusting accounting profit and income tax expense

Item	Year 2025
Total profit	-112,864,171.03
Income tax expense at statutory [or applicable] tax rates	-15,033,073.81
Effect of different tax rates applied to subsidiaries	-3,922,848.79
Effect of adjustments to income taxes of prior periods	18,181,021.60
Effect of non-taxable income	
Effect of non-deductible costs, expenses and losses	3,112,995.58
Effect of deductible losses on the use of deferred tax assets not recognized in prior periods	-37,366,773.38
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current period	31,233,711.37
Adjustments to opening deferred tax assets/liabilities arising from changes in tax rates	-63,756,740.15
Effect of additional deduction for R&D expenditure	-20,493,145.03
Others	-5,572,980.27
Income tax expense	-93,617,832.88

(LIX) Earnings per share

1. Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net income attributable to ordinary shareholders of the company by the weighted average number of ordinary shares of the Company outstanding:

Item	Year 2025	Year 2024
Consolidated net profit attributable to ordinary shareholders of the Company	-46,100,649.82	-478,353,981.67
Weighted average number of common shares of the Company issued	915,245,742.00	913,760,795.00
Basic earnings per share	-0.05	-0.52
Of which: Basic earnings per share from continuing operations	-0.05	-0.50
Basic earnings per share from discontinued operations	0.00	-0.02

2. Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated net income (diluted) attributable to ordinary shareholders of the company by the weighted average number (diluted) of ordinary shares of the Company outstanding:

Item	Year 2025	Year 2024
Consolidated net profit (diluted) attributable to common shareholders of the Company	-46,100,649.82	-478,353,981.67
Weighted average number (diluted) of common shares of the Company issued	916,685,742.00	915,700,795.00
Diluted earnings per share	-0.05	-0.52
Of which: Diluted earnings per share from continuing operations	-0.05	-0.50
Diluted earnings per share from discontinued operations	0.00	-0.02

(LX) Cash flow statement items

1. Cash related to operating activities

(1) Other cash received related to operating activities

Item	Year 2025	Year 2024
Income from government subsidies	39,413,499.82	64,819,326.21
Interest income	8,720,931.45	13,271,406.94
Transaction expense	21,485,684.12	25,176,199.39
Litigation release payment	209,748,340.30	
Others	2,827,918.67	1,865,091.92
In total	282,196,374.36	105,132,024.46

(2) Other cash payments related to operating activities

Item	Year 2025	Year 2024
Scientific research costs	46,115,224.75	53,602,623.26
Environmental protection expenses	91,557,453.43	92,104,001.06
Travel expenses	11,730,982.14	10,356,179.96
Intermediary and advisory fees	14,342,023.18	16,865,714.27
Work safety cost	30,375,193.93	13,616,724.40
Commission	21,271,557.67	17,292,711.98
Business entertainment fee	20,280,647.10	20,910,681.32

Item	Year 2025	Year 2024
Insurance expense	8,007,579.12	6,639,965.29
Office expense	21,090,398.99	21,834,607.25
Donation expenditure	1,478,826.00	1,892,400.00
Return of deposit to Feidong Guoxuan	102,535,228.17	
Others	139,399,109.09	128,043,158.78
In total	508,184,223.57	383,158,767.57

2. Cash related to investing activities

(1)Other cash received related to investing activities

Item	Year 2025	Year 2024
Futures and options margin	835,488.00	
In total	835,488.00	

(2)Other cash paid related to investing activities

Item	Year 2025	Year 2024
Futures and options margin	12,147,312.94	
In total	12,147,312.94	

3. Cash related to financing activities

(1) Other cash received related to financing activities

Item	Year 2025	Year 2024
Cash received from finance leases	170,186,470.08	399,010,000.00
Other Temporary Loans	1,103,100,000.00	
In total	1,273,286,470.08	399,010,000.00

(2) Other cash payments related to financing activities

Item	Year 2025	Year 2024
Cash paid for finance leases	307,358,794.80	199,246,493.49
Payment for the principal of lease liability	3,095,190.00	3,021,613.29
Cash paid for repurchase of restricted shares	1,174,583.70	
Other Temporary Loans	763,410,000.00	
In total	1,075,038,568.50	202,268,106.78

(4) Changes in liabilities arising from fundraising activities.

Item	31 December 2024	Amount increased in the current period		Amount decreased in the current period		31 December 2025
		Cash changes	Non cash changes	Cash changes	Non cash changes	
Short-term loans	1,744,714,985.76	3,516,579,837.97	18,909,400.00	2,864,156,954.00	112,947,865.80	2,303,099,403.93
Long-term loans（include Non-current liabilities due within 1 year）	2,524,795,150.93	698,894,000.00	1,167,623.93	1,131,089,999.98		2,093,766,774.88
Long-term payable（include Non-current liabilities due within 1 year）	466,015,551.86	170,186,470.08	13,613,964.62	307,358,794.80		342,457,191.76
Lease liabilities（include Non-current liabilities due within 1 year）	5,664,638.16			3,095,190.00	(149,945.82)	2,719,393.98
Other payables		1,103,100,000.00	246,575.34	763,410,000.00		339,936,575.34
In total	4,741,190,326.71	5,488,760,308.05	33,937,563.89	5,069,110,938.78	112,797,919.98	5,081,979,339.89

(LXI) Supplementary materials of cash flow statement

1. Supplementary materials of cash flow statement

Supplement materials	Year 2025	Year 2024
1. Cash flow for adjusting net profits to operating activities		
Net profit	-19,246,338.15	-522,911,181.83
Plus: Credit impairment loss	11,861,987.84	45,600,247.34
Impairment reserves of assets	3,557,422.41	65,288,385.94
Depreciation of fixed assets	479,395,359.32	459,000,204.99
Depreciation of right-to-use assets	2,792,903.71	3,086,567.42
Amortization of intangible assets	46,672,914.69	44,034,820.32
Amortization of long-term deferred expenses	9,948,338.52	10,448,230.25
Losses on disposal of fixed assets, intangible assets, and other long-term assets (income expressed with “-”)	-421,108.11	4,933,810.70
Losses on scrapping of fixed assets (income expressed with “-”)	2,597,972.58	3,132,605.13
Loss from changes in fair value (income expressed with “-”)	44,587,186.35	46,845,173.17
Finance costs (income expressed with “-”)	190,889,785.62	148,268,179.71
Investment loss (income expressed with “-”)	-20,265,832.72	-34,166,904.46
Decrease in deferred income tax assets (increase expressed with “-”)	-152,312,228.29	-56,662,372.32
Increase in deferred income tax liabilities (decrease expressed with “-”)	-916,888.76	-4,499,402.23
Decrease in inventories (increase expressed with “-”)	-119,661,915.71	83,893,757.03
Decrease in operating receivables (increase expressed with “-”)	-243,318,945.07	-403,791,238.45
Increase in operating payables (decrease expressed with “-”)	-327,718,467.78	-17,115,045.19
Others	19,526,569.46	13,745,152.12
Net cash flow from operating activities	-72,031,284.09	-110,869,010.36
2. Major investment and financing activities irrelevant to cash income and expenditure		
3. Net changes in cash and cash equivalents		
Closing balance of cash	107,646,796.26	213,923,592.02

Supplement materials	Year 2025	Year 2024
Less: Opening balance of cash	213,923,592.02	551,577,688.10
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-106,276,795.76	-337,654,096.08

2. Composition of cash and cash equivalents

Item	31 December 2025	31 December 2024
I. Cash	107,646,796.26	213,923,592.02
Of which: Cash on hand	250,839.36	244,730.00
Bank deposit available for payment at any time	107,395,956.90	213,678,862.02
II. Cash equivalents		
III. Cash and cash equivalents balance at the end of the period	107,646,796.26	213,923,592.02

Cash and bank that are not classified as cash or cash equivalents:

Item	31 December 2025	31 December 2024	Reasons for not being classified as cash and cash equivalents
Bank acceptance draft margin	215,484,980.42	246,866,495.03	Restricted
Letter of guarantee for security deposit	673,994.48	893,587.42	Restricted
Letter of credit guarantee deposit		12,857,100.00	Restricted
Futures margin	12,147,312.94	835,488.00	Restricted
Litigation frozen funds	7,655,909.92	213,905,018.79	Restricted
Pledged fixed deposit	79,803,558.83	50,000,000.00	Restricted
In total	315,765,756.59	525,357,689.24	

3. Supplier Financing Arrangements

（1）Terms and Conditions of Supplier Financing Arrangements

The Company utilizes the supply chain finance service platform provided by commercial banks to conduct reverse factoring and domestic letter of credit business, offering financing services to suppliers who have accounts receivable from selling goods or providing services to the Company. Participating suppliers can receive payments from the bank.

Under the supplier financing arrangement, when the agreed financing term (typically one year) matures, the Company repays the corresponding amount to the bank. When the bank makes payments to suppliers on behalf of the Company, the Company derecognizes the relevant accounts payable and simultaneously records a liability to the bank.

（2）Financial liabilities classified under supplier financing arrangements

Presentation Items	31 December 2025	31 December 2024
Short-term loans	18,909,400.00	41,664,107.00
Of which: Amounts received by the supplier from the financing provider	18,909,400.00	41,664,107.00

（3）Payment Due Date Range

	31 December 2025	31 December 2024
Financial liabilities related to supplier financing arrangements	30 to 90 days after receiving the invoice	30 to 90 days after receiving the invoice

（4）Types and Impacts of Non-Cash Changes in the Carrying Amount of Financial Liabilities from Supplier Financing Arrangements

Category	Year 2025	Year 2024
The bank loan is directly paid to the supplier's account, resulting in an increase in short-term loans and a decrease in accounts payable.	18,909,400.00	41,664,107.00

（5）Significant activities that do not involve current-period cash flows but affect the enterprise's financial position or may potentially impact future cash flows, along with their financial implications

None

(LXII) Foreign currency monetary items

1. Foreign currency monetary items

Item	Foreign currency balance	Exchange rate	Converted RMB balance
Cash and bank			63,447,367.97
Of which: USD	7,771,621.63	7.0288	54,625,174.14

Item	Foreign currency balance	Exchange rate	Converted RMB balance
Euro	404,980.88	8.2355	3,335,220.04
Rupiah	4,023,321,901.37	0.0004	1,677,725.23
Pakistan Rupee	32,912,957.16	0.0251	825,917.75
Nigerian Naira	491,444,562.10	0.0048	2,374,168.68
Vietnamese Dong	158,684,101.00	0.0003	42,527.34
Philippine Peso	198,468.89	0.1195	23,717.03
Hong Kong dollar	36,708.29	0.8813	32,351.02
Bengali taka	1,086,230.00	0.0572	62,143.22
Colombian peso	7,714,893.31	0.0019	14,380.56
Thai Baht	1,950,588.29	0.2225	434,042.96
Accounts receivable			701,873,717.50
Of which: USD	93,164,497.20	7.0288	654,834,617.93
Euro	58,662.04	8.2355	483,111.23
Pakistan Rupee	149,843,182.84	0.0251	3,760,164.83
Nigerian Naira	136,023,180.00	0.0048	657,127.98
Rupiah	100,503,467,631.15	0.0004	41,909,946.00
Thai Baht	1,028,000.00	0.2225	228,749.53
Other receivables			28,313,715.33
Of which: USD	289,537.67	7.0288	2,035,102.37
Hong Kong dollar	1,018,613.28	0.8813	897,703.88
Rupiah	2,229,239,808.20	0.0004	929,593.00
Pakistan Rupee	615,000.00	0.0251	15,432.81
Nigerian Naira	5,044,372,750.14	0.0048	24,369,364.76
Vietnamese Dong	110,350,000.00	0.0003	29,573.80
Thai Baht	166,029.48	0.2225	36,944.71
Accounts payable			6,597,695.19
Of which: USD	599,230.30	7.0288	4,211,869.93
Rupiah	3,780,210,849.00	0.0004	1,576,347.92
Pakistan Rupee	25,872,487.48	0.0251	649,244.20
Thai Baht	720,087.46	0.2225	160,233.14
Other payables			824,497.56
Of which: USD	49,200.00	7.0288	345,816.96

Item	Foreign currency balance	Exchange rate	Converted RMB balance
Hong Kong dollar	7,500.00	0.8813	6,609.75
Pakistan Rupee	1,750,096.00	0.0251	43,916.91
Nigerian Naira	83,636,337.83	0.0048	404,047.15
Philippine Peso	85,845.71	0.1195	10,258.56
Rupiah	17,490,777.00	0.0004	7,293.65
Thai Baht	29,456.29	0.2225	6,554.58

(LXIII) Rental

1. As the lessee

Item	Year 2025	Year 2024
Interest expense on lease liabilities	149,945.82	190,868.36
Short-term lease expenses included in the cost of the related assets or in the current profit and loss for simplified treatment	570,476.19	570,476.19
Total cash outflow associated with leases (tax-exclusive)	3,665,666.15	3,567,057.00

2. As the lessor

(1) Operating lease

Item	Year 2025	Year 2024
Operating lease income	1,218,137.61	1,236,755.13

VI. R&D expenses

(I) R&D expenses

Item	Year 2025	Year 2024
Direct material	43,639,562.88	45,388,515.65
Employee compensation	73,950,862.17	62,534,804.65
Depreciation and amortization	17,004,843.98	17,362,971.89
Outsourcing expenses	4,516,928.65	4,776,856.28
Others	9,879,593.29	10,315,102.99
In total	148,991,790.97	140,378,251.46
Of which: Expensed R&D	130,259,083.90	120,077,109.47

Item	Year 2025	Year 2024
expenses		
Capitalized R&D expenses	18,732,707.07	20,301,141.99

(II) Development expenditure

Item	31 December 2024	Amount increased in the current period	Decreased amount in the current period		31 December 2025
		Internal development expenditure	Recognized as intangible assets	Included in current profit or loss	
API project		4,869,999.62			4,869,999.62
Projects of preparations	46,410,879.43	11,105,165.04	25,039,684.16	3,956,547.25	28,519,813.06
Others		2,757,542.41			2,757,542.41
In total	46,410,879.43	18,732,707.07	25,039,684.16	3,956,547.25	36,147,355.09

1. The situation of important capitalized R&D projects

Item	Final research and development progress	Projected completion time	Expected method of economic benefit generation	The starting point of capitalization	The specific basis for determining the starting point of capitalization
API project	The pilot scale test	The pilot scale test as well as DMF filing and CDE review are in progress year 2026-2028	Through product production and sales	2025.3-2025.6	Start pilot testing
Projects of preparations	The pilot scale test as well as DMF filing and CDE review are	The pilot scale test as well as DMF filing and CDE review	Through product production and sales	2023.1-2025.1	Start pilot testing

Item	Final research and development progress	Projected completion time	Expected method of economic benefit generation	The starting point of capitalization	The specific basis for determining the starting point of capitalization
	in progress	are in progress year 2026-2027			

2. Development expenditure impairment provision

Item	31 December 2024	Amount increased in the current period		Decreased amount in the current period		31 December 2025	Impairment testing status
		Accrual	others	Reselling	others		
Projects of preparations		3,956,547.25		3,956,547.25			Project termination, full impairment
In total		3,956,547.25		3,956,547.25			

VII. Change in scope of consolidation

(I) Business merger not under the common control

None.

(II) Business merger under the common control

None.

(III) Reverse purchase

None.

(IV) Disposal of subsidiaries

None.

(V) Change in scope of consolidation for other reasons

1. The Company incorporated the newly established Etong ETONG Thailand、Shanghai xinfu、ETONG Brazil、Senwell Nigeria into its consolidated financial statements for the year 2025.

2. The company included the ore-related business of its subsidiary, E-Tong Chemical (Hongkong), which was carried out through YUMA Co., Limited, into its consolidation for the fiscal year 2025.

VIII. Interests in other subjects

(I) Interests in subsidiaries

1. Composition of enterprise group

Name of subsidiary	Registered capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Binhai Yongtai	RMB 160 million	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing	100.00		Business consolidation under the common control
Shanghai E-Tong	RMB 10 million	Songjiang District, Shanghai	Songjiang District, Shanghai	Commerce	100.00		Business consolidation not under the common control
Yongtai Hi-tech	RMB 300 million	Shaowu City, Fujian Province	Shaowu City, Fujian Province	Manufacturing	75.00		Establishment or investment
Xinhui Mining	RMB 35 million	Qiongzhong County, Hainan Province	Qiongzhong County, Hainan Province	Mining	70.00		Business consolidation not under the common control
Yongtai Pharmaceutical	RMB 400 million	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00		Establishment or investment
Youngtech	USD	America	America	Commerce	100.00		Establishment

Name of subsidiary	Registered capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Pharmaceuticals	14,432,853.37						or investment
Shandong Yongtai	RMB 100 million	Zhanhua District, Shandong Province	Zhanhua District, Shandong Province	Manufacturing	100.00		Establishment or investment
Yongtai New Material	RMB 100 million	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00		Establishment or investment
SYTpharm (Shanghai)	RMB 25 million	Pudong New District, Shanghai	Pudong New District, Shanghai	Service industry and commercial industry	90.00	10.00	Business consolidation not under the common control
Yongtai New Energy	RMB 330 million	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00		Business consolidation not under the common control
Shanghai Youngcobe	RMB 1 million	Songjiang District, Shanghai	Songjiang District, Shanghai	Service industry		100.00	Business consolidation not under the common control
E-Tong Chemical (Hongkong)	10,000 Hong Kong dollars	Hong Kong	Hong Kong	Trade		100.00	Establishment or investment
Zhejiang Chiral	RMB 20,348,152	Hangzhou, Zhejiang Province	Hangzhou, Zhejiang Province	Manufacturing	100.00		Business consolidation not under the common control
Foshan Soin	RMB 213.15	Foshan City,	Foshan City,	Manufacturing	90.00		Business

Name of subsidiary	Registered capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
	million	Guangdong Province	Guangdong Province				consolidation not under the common control
Yongtai Chiral	RMB 400 million	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	100.00		Establishment or investment
Chongqing Yongyuansheng	RMB 170 million	Chongqing	Chongqing	Manufacturing	51.00		Establishment or investment
Jiangsu Subin	RMB 74.6 million	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing		85.00	Business consolidation not under the common control
H&G (China)	RMB 44.86 million	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing		72.25	Business consolidation not under the common control
Binhai Meikang	RMB 100 million	Binhai County, Jiangsu Province	Binhai County, Jiangsu Province	Manufacturing	100.00		Business consolidation not under the common control
Inner Mongolia Yongtai	RMB 1291 million	Wuhai City, Inner Mongolia	Wuhai City, Inner Mongolia	Manufacturing	100.00		Establishment or investment
E-Tong Chemical	USD 100,000	Hong Kong	Hong Kong	Trade		100.00	Establishment or investment
Hangzhou Yongtai	RMB 10 million	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Service industry	100.00		Establishment or investment

Name of subsidiary	Registered capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
		Province	Province				
Pt. Etong	10,000,002,761 Indonesian Rupiah	Indonesia	Indonesia	Trade		80.00	Establishment or investment
E-tong Chemical (Philippines)	699,999 pesos	Philippines	Philippines	Trade		99.90	Business consolidation not under the common control
Etong Agrotech Nigeria	9.9 million Naira	Nigeria	Nigeria	Trade		98.00	Establishment or investment
LIDEAL MINES LIMITED	10 million Naira	Nigeria	Nigeria	Mining		100.00	Establishment or investment
Etong Chemicals (Pvt.)	20 million rupees	Pakistan	Pakistan	Trade		90.00	Establishment or investment
Etong Colombia	180 million pesos	Colombia	Colombia	Trade		100.00	Establishment or investment
Etong Bangladesh	10.90 million Taka	Bangladesh	Bangladesh	Trade		99.00	Establishment or investment
Yongtai Fule	RMB 120 million	Taizhou City, Zhejiang Province	Taizhou City, Zhejiang Province	Manufacturing	80.00		Establishment or investment
Hangzhou Yongtai Chiral	RMB 200 million	Taizhou City, Zhejiang Province	Hangzhou, Zhejiang Province	Manufacturing	51.00	49.00	Establishment or investment
Etong Vietnam	USD 100,000	Vietnam	Vietnam	Trade		100.00	Establishment or investment
Yongtai Fuyuan	RMB 150 million	Shaowu City, Fujian Province	Shaowu City, Fujian Province	Manufacturing	65.00		Establishment or investment
Etong Monagro	USD 100,000	Monagro	Monagro	Trade		100.00	Establishment

Name of subsidiary	Registered capital	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Cropscience							or investment
ETONG Thailand	THB 500 million	Thailand	Thailand	Trade			Establishment or investment
Shanghai xinfu	RMB 10 million	SHANG HAI	SHANG HAI	Scientific Research and Technology Services	67.00		Establishment or investment
ETONG Brazil	1 million BRL	Brazil	Brazil	Trade		100.00	Establishment or investment
Senwell Nigeria	100 million Naira	Nigeria	Nigeria	Trade		100.00	Establishment or investment

Note:

1. In 2020, Shanghai E-Tong incorporated E-TONG PARAGUAY SOCIEDAD ANONIMA (E-TONG (Paraguay)), in Paraguay. The company has not yet completed procedures of the Ministry of Commerce and cannot carry out business activities still. Thus, the company is not included in consolidated statements.

(II) There is no transaction in which the share of ownership interest changes in subsidiary but the subsidiary is still under control in this period.

(III) Interest in joint venture arrangements or associated enterprises

1. Significant joint ventures or associated enterprises

Name of joint venture or associated enterprise	Main business locations	Place of registration	Business nature	Shareholding ratio (%)		The accounting treatment method for investments in joint ventures or associated enterprises	Strategic or not to the Company's activities
				Direct	Indirect		
Shanghai Anbison Lab. Co., Ltd.	Shanghai	Shanghai	Scientific Research and Technical Services	13.42		Equity method	No

2. Key financial information of important associated enterprises

	31 December 2025 / Year 2025	31 December 2024 / Year 2024
	Shanghai Anbison Lab. Co., Ltd.	Shanghai Anbison Lab. Co., Ltd.
Total assets	1,340,047,511.19	1,258,545,622.89
Operating income	328,927,352.20	431,037,363.31
Net profit	93,827,879.50	182,009,788.97
Total comprehensive income	93,827,879.50	182,009,788.97
Dividends received from associated enterprises in this year	2,348,684.21	2,348,684.21

IX. Government subsidies

(I) Government grants recognized in profit or loss for the current period

Balance sheet presentation	Year 2025	Year 2024
Government grants related to assets	24,517,819.56	18,299,121.15
Government grants related to income	16,620,483.64	9,540,868.16
In total	41,138,303.20	27,839,989.31

(II) Liability items related to government grants

Liability	31 December 2024	Current period grant additions	Non-operating income for the current period	Transfers to other income in the current period	Amount deducted from related costs and expenses in the current period	Other changes	31 December 2025	Asset-related/Income-related
Deferred income	177,654,064.24	26,080,000.00		24,517,819.56			179,216,244.68	Asset-related

(III) No refund of government grants during the current period.

X. Risks associated with financial instruments

(I) Various risks arising from financial instruments

The Company faces various financial risks in the process of operation such as credit risk, liquidity risk, and market risk (including exchange rate risk, interest rate risk, and other price risk). The Company's Board of Directors has overall responsibility for the determination of risk management objectives and policies and is ultimately accountable for them, but the Board has delegated to the Company's financial and other departments the authority to design and implement procedures that will ensure that risk management objectives and policies are effectively implemented. The Board of Directors checked the effectiveness of implemented procedures and reasonability of risk management objectives and policies through the monthly reports submitted by leader in charge. The Company's internal auditors also audit risk management policies and procedures, and report the relevant findings to the Audit Committee.

The overall objective of the risk management of the Company is to formulate the risk management policy to minimize risk as much as possible without excessive influence on the competitiveness and resilience of the Company.

1. Credit risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations resulting in a financial loss to the Company.

The current assets of the Company mainly include bank deposits stored in the state-owned banks with good reputation and high credit rating and other large and medium-sized listed banks. In the opinion of the Company, there is no significant credit risk and great loss incurred by bank default will hardly occur.

In addition, the Company sets related policies for notes receivable, accounts receivable, receivables financing and other receivables to control credit risk exposure. The Company has assessed the credit qualifications of customers and set corresponding credit periods based on their financial status, possibility of obtaining security from third parties, credit records and other factors such as current market conditions. The Company regularly monitors the credit records of customers. For customers with poor credit records, written reminders, shortening of credit period or cancellation of credit period are adopted to ensure that the overall credit risk of the Company is within a controllable range.

2. Liquidity risk

Liquidity risk is the risk that a company will run short of funds to meet its obligations settled by delivering cash or other financial assets.

It is the Company's policy to ensure that it has sufficient cash to pay its debts as they fall due. Liquidity risk is centrally controlled by the Company's financial department. The financial department ensures that the Company has sufficient funds to service its debt with all reasonable forecasts by monitoring the cash balances, the marketable securities that can be realized at any time, and the rolling forecast of cash flow for the next 12 months. At the same time, the Company is monitored on an ongoing basis as to whether it complies with the requirements of the borrowing agreement and obtains commitments from major financial institutions to provide sufficient standby funds to meet its short-term and long-term funding requirements.

The Company's financial liabilities are presented at maturity using undiscounted contractual cash flows as follows:

Item	31 December 2025				
	Within 1 year	1-5 years	Above 5 years	In total	Book value
Short-term loans	2,335,482,083.40			2,335,482,083.40	2,303,099,403.93
Notes payable	369,115,147.42			369,115,147.42	369,115,147.42
Accounts payable	1,505,751,100.52			1,505,751,100.52	1,505,751,100.52
Other payables	388,834,740.86			388,834,740.86	388,834,740.86
Non-current liabilities due within 1 year	1,593,278,637.85			1,593,278,637.85	1,547,959,984.76
Lease liabilities		2,567,160.47		2,567,160.47	1,088,336.12
Long-term payable		76,798,633.44		76,798,633.44	75,679,981.11
Long-term loans	30,252,736.02	840,014,494.08	21,114,166.67	891,381,396.77	814,215,058.63
In total	6,222,714,446.07	919,380,287.99	21,114,166.67	7,163,208,900.73	7,005,743,753.35

Item	31 December 2024				
	Within 1 year	1-5 years	Above 5 years	In total	Book value
Short-term loans	1,806,977,569.08			1,806,977,569.08	1,744,714,985.76
Notes payable	527,104,875.68			527,104,875.68	527,104,875.68
Accounts payable	1,196,828,277.94			1,196,828,277.94	1,196,828,277.94

Item	31 December 2024				
	Within 1 year	1-5 years	Above 5 years	In total	Book value
Other payables	157,162,310.51			157,162,310.51	157,162,310.51
Non-current liabilities due within 1 year	1,405,220,514.46			1,405,220,514.46	1,387,996,693.92
Lease liabilities		2,567,160.47		2,567,160.47	2,733,644.64
Long-term payable		203,902,159.64		203,902,159.64	194,265,777.17
Long-term loans	53,811,250.81	1,490,780,333.79		1,544,591,584.60	1,411,479,225.22
In total	5,147,104,798.48	1,697,249,653.90		6,844,354,452.38	6,622,285,790.84

3. Market risk

Market risk of financial instruments is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including exchange rate risk, interest rate risk and other price risks.

(1) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest-bearing financial instruments with fixed and floating rates expose the Company to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the ratio of fixed rate instruments to floating rate instruments based on market conditions and maintains an appropriate portfolio of fixed and floating rate instruments through regular review and monitoring. The Company will adopt interest rate swap instruments to hedge interest rate risk whenever necessary.

As of December 31, 2025, assuming all other variables remain constant, if the floating interest rate on borrowings increases or decreases by 100 basis points, the Company’s net profit would decrease or increase by RMB 14,547,467.50.

(2) Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company continuously monitors the size of foreign currency transactions and foreign currency assets and liabilities to minimize its exposure to foreign currency risk. Additionally, the Company may also sign forward foreign exchange contracts or currency swap contracts to avoid exchange rate risk. The Company did not sign any forward foreign exchange contract or currency swap contract in this period and the last period.

The exchange risk confronted by the Company mainly results from financial assets and financial liabilities denominated in USD. The amount of financial assets and financial liabilities of foreign currencies converted into RMB is listed as follows:

Item	31 December 2025			31 December 2024		
	USD	Other foreign currencies	In total	USD	Other foreign currencies	In total
Cash and bank	54,625,174.14	8,822,193.84	63,447,367.98	89,954,563.29	6,665,427.37	96,619,990.66
Accounts receivable	654,834,617.93	47,039,099.57	701,873,717.50	623,253,927.26	23,357,715.75	646,611,643.01
Other receivables	2,035,102.37	26,278,612.96	28,313,715.33		5,547,275.55	5,547,275.55
Subtotal	**711,494,894.44**	**82,139,906.37**	**793,634,800.81**	**713,208,490.55**	**35,570,418.67**	**748,778,909.22**
Accounts payable	4,211,869.93	2,385,825.26	6,597,695.19	3,201,394.34	2,131,840.48	5,333,234.82
Other payables	345,816.96	478,680.60	824,497.56		691,958.28	691,958.28
Subtotal	**4,557,686.89**	**2,864,505.86**	**7,422,192.75**	**3,201,394.34**	**2,823,798.76**	**6,025,193.10**
In total	716,052,581.33	85,004,412.23	801,056,993.56	716,409,884.89	38,394,217.43	754,804,102.32

As of 31 December 2025, with all other variables held constant, the Company will increase or decrease its net profit by RMB 33,208,846.80 if RMB appreciates or depreciates by 5% against the U.S. dollar. The Management believed that 5% reasonably reflects the reasonable change of RMB against USD in the next year.

(3) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than exchange rate risk and interest rate risk.

The Company's other price risks arise mainly from investment in various financial instruments and there is a risk of price changes in equity instruments.

(II) Financial asset transfer

1. Financial asset transfer situation

Financial asset transfer method	Transferred financial assets		Derecognition situation	Judgment basis for derecognition
	Nature	Amount		
Endorsement/discounting	Commercial bank acceptance bills accepted by general commercial banks	528,325,405.33	As of the balance sheet date, the amount endorsed and unexpired is RMB 249,827,710.36，which was not derecognized. The remaining amount shall be due for redemption and is therefore derecognized.	
Endorsement/discounting	Bank acceptance bills accepted by commercial banks with higher credit	1,238,010,490.03	Derecognition for all	If the payee has high credit and has no overdue payment in history, derecognition can be conducted during endorsement/discounting.
Endorsement/discounting	Accounts Receivable Corresponding	278,005,149.84	Derecognition for all	The company has transferred almost all the risks and rewards of

Financial asset transfer method	Transferred financial assets		Derecognition situation	Judgment basis for derecognition
	Nature	Amount		
	to Digital Accounts Receivable Rights Certificates (Era Financing Notes)			ownership of the financial assets.
In total		2,044,341,045.20		

2. Financial assets derecognized due to transfer

Item	Methods for transferring financial assets	Derecognition amount	Gains or losses related to derecognition
Banker's acceptance bill	Endorsement/discounting	1,516,508,185.00	753,306.43
The accounts receivable corresponding to the digital accounts receivable rights certificates (Era Financing Notes)	Endorsement/discounting	278,005,149.84	4,164,679.64
In total		1,794,513,334.84	4,917,986.07

XI. Disclosure of fair value

The input value used in the fair value measurement is divided into three levels:

The first level input value is the quotation not adjusted in the active market for the same assets or liabilities that can be obtained on the measurement date.

The second level input value is the direct or indirect observable input value of related assets or liabilities except for the first level input value.

The third level input value is the unobservable input value of related assets or liabilities.

The level of the fair value measurement results shall be decided according to the minimum level of input value that is of great significance to the overall fair value measurement.

(I) Period-ending fair value of assets and liabilities measured at fair value

Item	Fair value as of 31 December 2025			
	Level I fair value measurement	Level II fair value measurement	Level III fair value measurement	In total
I. Continuous fair value measurement				
◆Financial assets held for trading		7,329,373.65		7,329,373.65
1.Financial assets measured at fair value with changes recognized in profit or loss		7,329,373.65		7,329,373.65
（1）Derivative financial assets		7,329,373.65		7,329,373.65
◆Receivables financing			25,059,585.66	25,059,585.66
◆Investment in other equity instruments			84,071,111.51	84,071,111.51
Total assets continuously measured at fair value		7,329,373.65	109,130,697.17	116,460,070.82
◆Financial liabilities held for trading		1,528,080.00		1,528,080.00
1. Financial liabilities held for trading		1,528,080.00		1,528,080.00
(1) Derivative financial liabilities		1,528,080.00		1,528,080.00
Total liabilities continuously measured at fair value		1,528,080.00		1,528,080.00
II. Non-recurring Fair Value Measurement				
◆Assets held for sale			599,943.92	599,943.92
Total assets measured at discontinued fair value measurement			599,943.92	599,943.92

(II) Continuing and discontinuing Level II fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

The held trading financial assets and liabilities consist of foreign exchange option contracts and foreign exchange forward contracts, with the fair value measurement based on the end-of-period quoted information confirmed by relevant banks. The held trading financial assets include futures, with the fair value measurement based on the market prices from relevant public exchanges.

(III) Continuing and discontinuing Level III fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

1. As for the equity investment of Zhejiang Linhai Rural Commercial Bank Co., Ltd., the price to book ratio of comparable listed companies is taken as the reference and the liquidity discount is comprehensively considered as the basis of fair value measurement.

2. The operating environment, business conditions, and financial position of Chongqing Heya Chemical & Pharmaceutical Investment Management Co., Ltd. have not undergone any material changes. Therefore, the Company measures its investment at the net asset value as a reasonable estimate of fair value.

3. The receivables financing and finance products have short remaining period, with the book balance close to the fair value.

4. Assets held for sale are measured at fair value based on the value of signed sales contracts.

XII. Related parties and related transactions

(I) Couple He Renbao and Wang Yingmei are the ultimate actual controllers of the Company.

(II) Information about the subsidiaries of the Company:

For details of the Company's subsidiaries, please refer to “Note VIII Interests in Other Subjects”.

(III) Information on the Company's joint ventures and associated enterprises

For details of the Company's significant joint ventures or associated enterprises, please refer to “Note VIII Interests in Other Subjects”.

(IV) Information on other related parties

Names of other related parties	Relationship between other related parties and the Company
Zhejiang Yongtai Holdings Co., Ltd.	Enterprises controlled by shareholders and the common controllers of the Company
Yichang ChengBang Pharmaceutical Co., Ltd.	An affiliated enterprise in which the company holds a stake

1. Related guarantees

Name of guarantor	Name of guaranteed party	Guaranteed contract amount	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	400,000,000.00	319,310,000.00	6-Sep-24	5-Sep-26	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	105,000,000.00	69,200,000.00	7-Feb-24	26-Feb-29	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	100,000,000.00	100,000,000.00	29-Jun-22	31-Dec-25	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	200,000,000.00	195,960,000.00	26-Sep-24	26-Sep-27	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei	Company	wang yingmei:200,000,000.00	167,480,000.00	9-Dec-25	9-Dec-28	No
		The company:200000000		14-Jul-25	14-Jul-26	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	215,000,000.00	134,000,000.00	10-Apr-23	10-Apr-26	No
Zhejiang Yongtai Technology Holdings Co., Ltd.	Company	200,000,000.00	6,400,000.00	2-Dec-22	2-Dec-25	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	200,000,000.00	138,000,000.00	13-Feb-25	12-Feb-26	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang	Company	160,000,000.00	134,680,000.00	30-Oct-24	27-Oct-25	No

Name of guarantor	Name of guaranteed party	Guaranteed contract amount	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
Yingmei, He Renbao						
Wang Yingmei	Company	57,870,000.00	49,995,000.00	27-Mar-25	26-Mar-35	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	176,000,000.00	160,000,000.00	10-Apr-23	10-Apr-26	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	300,000,000.00	298,800,000.00	19-May-23	19-May-28	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	300,000,000.00	179,850,000.00	29-Dec-25	31-Dec-28	No
Zhejiang Yongtai Technology Holdings Co., Ltd., Wang Yingmei, He Renbao	Company	The company:180,000,000.00 wang yingmei:300,000,000.00	180,000,000.00	15-Dec-25	4-Jan-27	No
The Company, Wang Yingmei	Inner Mongolia Yongtai	150,000,000.00	100,000,000.00	17-Dec-25	16-Dec-26	No
The Company, Wang Yingmei, He Renbao	Inner Mongolia Yongtai	300,000,000.00	60,000,000.00	8-Oct-20	8-Oct-26	No
The Company, Wang Yingmei, He Renbao	Inner Mongolia Yongtai	400,000,000.00	297,500,000.00	13-Jun-23	12-Jun-29	No
The Company, Wang Yingmei, He Renbao	Inner Mongolia	200,000,000.00	199,989,949.90	5-Nov-24	5-Nov-27	No

Name of guarantor	Name of guaranteed party	Guaranteed contract amount	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
	Yongtai					
The Company	Inner Mongolia Yongtai	50,000,000.00	49,990,000.60	16-Jan-25	15-Jan-26	No
The Company, Wang Yingmei, He Renbao	Inner Mongolia Yongtai	120,000,000.00	115,000,000.00	27-Feb-25	26-Feb-28	No
The Company	Inner Mongolia Yongtai	50,000,000.00	48,500,000.00	16-Jun-25	15-Jun-32	No
The Company	Shanghai E-Tong	34,000,000.00	33,212,000.00	14-Mar-25	6-Sep-26	No
The Company	Shanghai E-Tong	170,000,000.00	116,911,888.00	22-Jan-25	22-Jan-30	No
The Company	Shanghai E-Tong	48,500,000.00	48,500,000.00	15-Jan-25	14-Jan-26	No
The Company	Shanghai E-Tong	24,000,000.00	15,000,000.00	27-Mar-24	26-Mar-27	No
The Company	Shanghai E-Tong	30,000,000.00	30,000,000.00	20-Jun-25	20-Jun-28	No
The Company, Wang Yingmei, He Renbao	Shanghai E-Tong	50,000,000.00	35,000,000.00	31-Oct-24	23-Oct-34	No
The Company	Yongtai Hi-tech	96,000,000.00	96,000,000.00	28-Dec-23	27-Dec-26	No
The Company, Wang Yingmei	Yongtai Hi-tech	100,000,000.00	88,800,000.00	23-Sep-25	23-Sep-26	No
The Company	Yongtai Hi-tech	400,000,000.00	240,000,000.00	29-Sep-22	29-Sep-28	No
The Company	Yongtai Hi-tech	70,000,000.00	70,000,000.00	24-Jan-25	1-Jan-26	No

Name of guarantor	Name of guaranteed party	Guaranteed contract amount	Guarantee amount	Guarantee start date	Guarantee expiration date	Whether the guarantee has been fulfilled
The Company, Wang Yingmei, He Renbao	Yongtai New Energy	The company:110,000,000.00 wang yingmei:200,000,000.00	79,410,000.00	29-Dec-25 28-Sep-25	28-Dec-27 27-Sep-27	No
The Company	Yongtai New Energy	95,000,000.00	0.00	29-Dec-25	29-Dec-35	No
The Company, Wang Yingmei, He Renbao	Yongtai Chiral	170,000,000.00	30,000,000.00	10-Apr-23	10-Apr-26	No
Wang Yingmei	Zhejiang Chiral	30,000,000.00	30,000,000.00	26-Jul-24	26-Jul-27	No
The Company, Wang Yingmei	Zhejiang Chiral	50,000,000.00	50,000,000.00	24-Jun-24	24-Jun-29	No
The Company, Wang Yingmei	Zhejiang Chiral	55,000,000.00	49,826,000.00	31-Jan-23	30-Jan-26	No
Wang Yingmei	Zhejiang Chiral	45,000,000.00	35,000,000.00	27-Dec-24	31-Dec-29	No
The Company	Zhejiang Chiral	35,000,000.00	30,000,000.00	6-Jan-25	6-Jan-30	No
The Company	Hangzhou Yongtai Chiral	100,000,000.00	70,000,000.00	10-Nov-25	9-Nov-35	No
The Company	Foshan Chiral	10,000,000.00	10,000,000.00	21-Aug-25	31-Dec-35	No
The Company	Foshan Chiral	10,000,000.00	10,000,000.00	8-Dec-25	20-Nov-26	No

2. Remuneration of key management personnel

Unit:RMB10,000.00

Item	Year 2025	Year 2024
Key management personnel remuneration	761.40	887.19

(VI) Unsettled items such as accounts receivable and payable from unrelated parties at the end of the period.

1. Accounts receivable

Item	Related party	31 December 2025		31 December 2024	
		Amount	Bad debt provision	Amount	Bad debt provision
Other receivables					
	Yichang ChengBang Pharmaceutical Co., Ltd.	560,000.00	112,000.00	560,000.00	28,000.00

XIII. Share-based payment

(I) Overview of Share-based Payment Arrangements

Grantee	Equity instruments granted in the current period		Equity instruments unlocked in the current period		Equity instruments exercised in the current period		Equity instruments lapsed in the current period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Some directors, senior management, middle management, and core technical (business) personnel			4,454,841.00	19,155,816.30	4,454,841.00	19,155,816.30	273,159.00	1,174,583.70
In total			4,454,841.00	19,155,816.30	4,454,841.00	19,155,816.30	273,159.00	1,174,583.70

Outstanding Share Options or Other Equity Instruments at Period-End

Grantee	Restricted shares outstanding at the end of the period	
	Range of exercise prices	Remaining contractual term
Some directors, senior management, middle management, and core technical (business) personnel	RMB 4.3 per unit	Second Batch:7 months; Third Batch:19 months

(II) Share-based Payment Arrangements Settled in Equity

Method for Determining the Fair Value of Equity Instruments on the Grant Date	Fair Value of Restricted Shares is Determined Based on the Market Price on the Grant Date and the Subscription Price of the Incentive Recipients.
Key Parameters for the Fair Value of Equity Instruments on the Grant Date	Closing Price of the Stock on the Grant Date
Basis for Determining the Number of Exercisable Equity Instruments	During the vesting period, on each balance sheet date, the best estimate of the number of equity instruments expected to vest is revised based on the latest information obtained regarding changes in the number of employees expected to vest.
Reasons for Significant Differences Between Current and Prior Period Estimates	None
Cumulative Amount of Equity-settled Share-based Payments Recognized in Capital Reserve	41,538,442.55

(III) Share-based Payment Expenses

Grantee	Year 2025			Year 2024		
	Equity-settled share-based payment	Cash-settled share-based payment	In total	Equity-settled share-based payment	Cash-settled share-based payment	In total
Some directors, senior management, middle management,	19,646,202.55		19,646,202.55	11,506,600.00		11,506,600.00

Grantee	Year 2025			Year 2024		
	Equity-settled share-based payment	Cash-settled share-based payment	In total	Equity-settled share-based payment	Cash-settled share-based payment	In total
and core technical (business) personnel						
In total	19,646,202.55		19,646,202.55	11,506,600.00		11,506,600.00

XIV. Commitments and contingencies

(I) Important commitments

1. Significant commitments existed at balance sheet date

Mortgagor/Pledgor	Carrying Value of Mortgaged/Pledged Assets								
	Accounts receivable	Investment properties	Fixed assets	Intangible assets	Construction in progress	Long-term equity investments/Others	Investments in Other Equity Instruments	Purpose	Maximum Amount Contract
Company		16,624,931.01	3,255,004.00	-				For Bank Borrowings	35,140,000.00
Company			66,727,418.90	23,368,277.61				For Bank Borrowings	11,700,000.00
Company		823,835.60	9,062,191.60					For Bank Borrowings	134,000,000.00
Company			127,132,628.30	22,790,832.66				For Bank Borrowings	219,220,000.00
Company						45,000,000.00		For Bank Borrowings	18,000,000.00
Company			66,961,954.43					For Financial Leasing	70,000,000.00
Company			22,943,021.77					For Financial Leasing	44,000,000.00
Company			50,492,506.20					For Financial Leasing	100,000,000.00
Company			3,058,557.68					For Financial Leasing	45,000,000.00
Company			36,745,711.13					For Financial Leasing	50,000,000.00
Company							83,091,525.50	Judicial Freeze	
Foshan Chiral			9,844,499.40	11,435,600.00				For Bank Borrowings	57,870,000.00
Hangzhou Yongtai Chiral				32,760,000.00				For Bank Borrowings	57,870,000.00

Mortgagor/Pledgor	Carrying Value of Mortgaged/Pledged Assets								
	Accounts receivable	Investment properties	Fixed assets	Intangible assets	Construction in progress	Long-term equity investments/Others	Investments in Other Equity Instruments	Purpose	Maximum Amount Contract
Inner Mongolia Yongtai				6,141,530.56				For Bank Borrowings	400,000,000.00
Inner Mongolia Yongtai			56,303,053.27	37,243,274.10				For Bank Borrowings	300,000,000.00
Inner Mongolia Yongtai			228,199,026.55					For Bank Borrowings	150,000,000.00
Inner Mongolia Yongtai					34,187,303.52			For Financial Leasing	30,000,000.00
Inner Mongolia Yongtai					50,606,755.07			For Financial Leasing	50,000,000.00
Inner Mongolia Yongtai			34,710,306.63					For Financial Leasing	50,000,000.00
Shandong Yongtai			10,623,163.11	13,996,984.32				For Bank Borrowings	39,690,000.00
Shandong Yongtai			6,412,091.11					For Financial Leasing	50,000,000.00
E-Tong Chemical	52,663,831.54							For Issuance of Banker's Acceptances (BAs)	
Shanhai Yongtai			5,490,221.67					For Bank Borrowings	40,000,000.00
Yongtai Hi-tech			80,518,975.69	14,824,574.50				For Bank Borrowings	400,000,000.00
Yongtai Hi-tech			144,601,019.86	14,554,818.50				For Bank Borrowings	270,000,000.00
Yongtai Hi-tech			47,897,612.85		72,955,752.21			For Financial Leasing	80,000,000.00
Yongtai Chiral			182,474,867.51	55,268,514.16				For Bank Borrowings	267,140,000.00
Yongtai New Material			29,568,704.12	11,099,825.76				For Bank Borrowings	10,000,000.00
Yongtai New Energy			108,630,345.72	8,577,498.88				For Bank Borrowings	110,000,000.00

Mortgagor/Pledgor	Carrying Value of Mortgaged/Pledged Assets							Purpose	Maximum Amount Contract
	Accounts receivable	Investment properties	Fixed assets	Intangible assets	Construction in progress	Long-term equity investments/Others	Investments in Other Equity Instruments		
Yongtai New Energy			88,197,099.31					For Financial Leasing	100,000,000.00
Chongqing Yongyuansheng			9,156,434.82	6,862,681.37				Debt Collateralization	32,029,004.33
Chongqing Yongyuansheng				2,631,650.00				Judicial Freeze	

(II) Contingencies

(I) Significant contingent matters existing at the balance sheet date

In July 2025, Jiujiang Tianci High-Tech Materials Co., Ltd. filed a civil lawsuit against Yongtai Technology, Yongtai Hi-tech, He Renbao, Wang Guochao, Shao Hongming, and other related parties of the company regarding a trade secret infringement dispute, under case number (2025) Gan Zhi Min Chu No. 1, involving a total amount of RMB 888.25 million. The case is currently in the jurisdiction objection proceedings, and no substantive hearing has yet taken place. According to the legal opinion letter issued by the lawyer, there remains uncertainty regarding the basic facts involved in this case and the subsequent proceedings. The company believes that the likelihood of this case having a significant adverse impact on it is low

XV. Matters after the balance sheet date

(I) Profit distribution

According to the profit distribution plan for Year 2025passed at the 7th meeting of the7th Meeting of Directors of the Company, the Company planned not to distribute cash dividends, bonus shares and conversion of reserve funds to share capital.The above proposal still needs to be submitted for review and approval at the 2025 Shareholders' Meeting of the Company before it is implemented.

XVI. Other important matters

(I) Discontinued operations

1. Net profit from continuing operations and net profit from discontinued operations attributable to the owners of the company

Item	Year 2025	Year 2024
Net profit from continuing operations attributable to owners of the Company	-50,579,457.60	-469,204,546.63
Net profit from discontinued operations attributable to owners of the Company	4,478,807.78	-9,149,435.04

2. Net profit from discontinued operations

Item	Year 2025	Year 2024
Profit or loss from discontinued operations:		
Income		-1,795,760.58

Item	Year 2025	Year 2024
Cost expenses	11,236,454.90	19,355,198.32
Total profit	3,856,844.24	-22,474,773.72
Income tax expense (income)	-2.49	
Net profit	3,856,841.75	-22,474,773.72
Of which: Net profit from discontinued operations attributable to owners of the Company	4,478,807.78	-9,149,435.04
In total	3,856,841.75	-22,474,773.72

3. Cash flows from discontinued operations

Item	Year 2025	Year 2024
Net cash flows from operating activities	1,362,793.73	-5,905,143.22
Net cash flows from investment activities	402,481.36	6,499,018.71
Net cash flows from financing activities	-2,129,609.29	-785,882.08

XVII. Notes to the principal items of the Company's financial statements

(I) Accounts receivable

1. Accounts receivable disclosed by account age

Account age	31 December 2025	31 December 2024
Within 1 year	122,056,676.08	245,061,279.60
1-2 years	426,860.00	
2-3 years		75,460.00
Above 3 years	3,248,211.49	3,181,786.01
Subtotal	125,731,747.57	248,318,525.61
Less: Bad debt provision	9,436,417.29	15,472,579.99
In total	116,295,330.28	232,845,945.62

2. Accounts receivable disclosed by bad debt provision method

Category	31 December 2025					31 December 2024				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad debts made on an individual basis	1,264,000.00	1.01	1,264,000.00	100.00						
Provision for bad debts made on a portfolio basis	124,467,747.57	98.99	8,172,417.29	6.57	116,295,330.28	248,318,525.61	100.00	15,472,579.99	6.23	232,845,945.62
Of which:										
Aging analysis combination	124,467,747.57	98.99	8,172,417.29	6.57	116,295,330.28	248,318,525.61	100.00	15,472,579.99	6.23	232,845,945.62
In total	125,731,747.57	100.00	9,436,417.29		116,295,330.28	248,318,525.61	100.00	15,472,579.99		232,845,945.62

Provision for bad debts based on a combination of credit risk characteristics:

Accrued items in aging analysis combination:

Name	31 December 2025		
	Accounts receivable	Bad debt provision	Accrual proportion (%)
Within 1 year	122,056,676.08	6,102,833.80	5.00
1-2 years	426,860.00	85,372.00	20.00
Above 3 years	1,984,211.49	1,984,211.49	100.00
In total	124,467,747.57	8,172,417.29	

3. Provision, reversal or recovery for bad debts in this period

Category	31 December 2024	Amount of change in the current period				31 December 2025
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Receivable bad debt reserves	15,472,579.99	-6,036,162.70				9,436,417.29
In total	15,472,579.99	-6,036,162.70				9,436,417.29

4. No actual write-off of accounts receivable occurred during the current period.

5. Accounts receivable and contract assets of the top five period-ending balances collected by the debtor

Unit name	Balance of accounts receivable at the end of the period	Balance of contract assets at the end of the period	Balance of accounts receivable and contract assets at the end of the period	Proportion to the total of balance of accounts receivable and contract assets at the end of the period(%)	Period-ending balances for bad debt provision of accounts receivable and impairment provision of contract asset
NO.1	42,475,741.28		42,475,741.28	33.78	2,123,787.06
NO.2	12,580,989.70		12,580,989.70	10.01	629,049.49
NO.3	9,910,608.00		9,910,608.00	7.88	495,530.40

Unit name	Balance of accounts receivable at the end of the period	Balance of contract assets at the end of the period	Balance of accounts receivable and contract assets at the end of the period	Proportion to the total of balance of accounts receivable and contract assets at the end of the period(%)	Period-ending balances for bad debt provision of accounts receivable and impairment provision of contract asset
NO.4	6,897,600.00		6,897,600.00	5.49	344,880.00
NO.5	5,800,000.00		5,800,000.00	4.61	290,000.00
In total	77,664,938.98		77,664,938.98	61.77	3,883,246.95

(II) Other receivables

Item	31 December 2025	31 December 2024
Other receivables	939,686,448.15	1,967,060,537.61
In total	939,686,448.15	1,967,060,537.61

1. Other receivables

(1) Disclosure by account age

Account age	31 December 2025	31 December 2024
Within 1 year	928,282,894.84	1,942,980,218.94
1-2 years	27,361,853.82	85,032,317.33
2-3 years	84,091,736.23	116,063,688.00
Above 3 years	149,337,370.04	51,144,515.71
Subtotal	1,189,073,854.93	2,195,220,739.98
Less: Bad debt provision	249,387,406.78	228,160,202.37
In total	939,686,448.15	1,967,060,537.61

(2) Disclosure by bad debt provision method

Category	31 December 2025					31 December 2024				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for Bad Debts Calculated on an Individual Basis	7,559,921.66	0.64	7,559,921.66	100.00		8,996,981.08	0.41	8,996,981.08	100.00	
Provision for bad debts made on a portfolio basis	1,181,513,933.27	99.36	241,827,485.12	20.47	939,686,448.15	2,186,223,758.90	99.59	219,163,221.29	10.02	1,967,060,537.61
Of which:										
Aging analysis combination	1,181,513,933.27	99.36	241,827,485.12	20.47	939,686,448.15	2,186,223,758.90	99.59	219,163,221.29	10.02	1,967,060,537.61
In total	1,189,073,854.93	100.00	249,387,406.78		939,686,448.15	2,195,220,739.98	100.00	228,160,202.37		1,967,060,537.61

Provision for bad debts based on a combination of credit risk characteristics:

Accrued items in aging analysis combination:

Name	31 December 2025		
	Other receivables	Bad debt provision	Accrual proportion (%)
Within 1 year	923,159,923.79	46,157,996.19	5.00
1-2 years	25,830,953.70	5,166,190.74	20.00
2-3 years	84,039,515.18	42,019,757.59	50.00
Above 3 years	148,483,540.60	148,483,540.60	100.00
In total	1,181,513,933.27	241,827,485.12	

(3) Provision for bad debts

Bad debt provision	Phase I	Phase II	Phase III	In total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 31 December 2024	219,163,221.29		8,996,981.08	228,160,202.37
Balance as of 31 December 2025 in the current period				
--Transferred to Phase II				
--Transferred to Phase III				
--Transferred back to Phase II				
--Transferred back to Phase I	6,560,030.47		-6,560,030.47	
Current provision	25,699,013.83		2,088,221.05	27,787,234.88
Current reversal				
Current reselling	6,560,030.47			6,560,030.47
Current write-off				
Other changes				

Bad debt provision	Phase I	Phase II	Phase III	In total
	Expected credit losses for the next 12 months	Expected credit losses for the entire duration (no credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance as of 31 December 2025	244,862,235.12		4,525,171.66	249,387,406.78

(4) Changes in book balance of other receivables are as follows:

Category	31 December 2024	Amount of change in the current period				31 December 2025
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Other receivables bad debt reserves	228,160,202.37	27,787,234.88		6,560,030.47		249,387,406.78
In total	228,160,202.37	27,787,234.88		6,560,030.47		249,387,406.78

(6) Breakdown by nature of payments

Nature of funds	Book balance as of 31 December 2025	Book balance as of 31 December 2024
Transaction between associated parties	1,170,264,650.58	2,160,602,191.68
Reserves and loans	1,220,259.69	866,289.69
Export tax rebate	4,008,691.64	10,098,820.06
Other transactions	13,580,253.02	23,653,438.55
In total	1,189,073,854.93	2,195,220,739.98

(7) Other accounts receivable ranking in the top five in the period-ending balance summarized by the debtors

Unit name	Nature of funds	31 December 2025	Account age	Percentage of the total ending balance of other receivables (%)	Closing balance of provision for bad debts
NO.1	Transaction between associated parties	511,261,352.08	Within 1 year	43.00	25,563,067.60
NO.2	Transaction between associated parties	283,827,951.94	Within 1 year	23.87	14,191,397.60
NO.3	Transaction between associated parties	101,358,427.79	Within 3 years and over 3 years	8.52	88,697,979.21
NO.4	Transaction between associated parties	85,044,020.70	Within 1 year	7.15	4,252,201.04
NO.5	Transaction between associated parties	52,046,410.89	Within 3 years and over 3 years	4.38	19,716,455.87
In total		1,033,538,163.40		86.92	152,421,101.32

(III) Long-term equity investment

Item	31 December 2025			31 December 2024		
	Book balance	Impairment reserve	Book value	Book balance	Impairment reserve	Book value
Investment in subsidiaries	4,584,851,515.08	172,805,084.56	4,412,046,430.52	3,517,184,325.74	172,805,084.56	3,344,379,241.18
Investment in associated enterprises and joint ventures	234,125,067.74		234,125,067.74	228,284,915.82		228,284,915.82
In total	4,818,976,582.82	172,805,084.56	4,646,171,498.26	3,745,469,241.56	172,805,084.56	3,572,664,157.00

1. Investment in subsidiaries

Invested unit	31 December 2024	Ending balance of impairment provision of the previous year	Increase and decrease in the current period				31 December 2025	Ending balance of impairment provision
			Additional investment	Decreased investment	Provision for impairment	Others		
Binhai Yongtai	174,737,877.40						174,737,877.40	
Xinhui Mining	98,000,000.00	98,000,000.00					98,000,000.00	98,000,000.00
Youngtai Pharmaceuticals	300,000,000.00		100,000,000.00				400,000,000.00	
Shandong Yongtai	100,000,000.00						100,000,000.00	
Youngtech Pharmaceuticals	93,414,781.93		657,189.34				94,071,971.27	
Yongtai New Material	100,000,000.00						100,000,000.00	
SYTpharm (Shanghai)	22,500,000.00						22,500,000.00	
Binhai Meikang	100,000,000.00						100,000,000.00	
Shanghai E-Tong	190,000,000.00						190,000,000.00	
Chongqing Yongyuansheng	86,700,000.00						86,700,000.00	
Yongtai New Energy	295,000,000.00	74,805,084.56	35,000,000.00				330,000,000.00	74,805,084.56

Invested unit	31 December 2024	Ending balance of impairment provision of the previous year	Increase and decrease in the current period				31 December 2025	Ending balance of impairment provision
			Additional investment	Decreased investment	Provision for impairment	Others		
Yongtai Hi-tech	330,000,000.00						330,000,000.00	
Zhejiang Chiral	553,861,799.00						553,861,799.00	
Foshan Soin	200,000,000.00						200,000,000.00	
Yongtai Chiral	200,000,000.00		200,000,000.00				400,000,000.00	
Inner Mongolia Yongtai	591,000,000.00		700,000,000.00				1,291,000,000.00	
Hangzhou Yongtai	10,000,000.00						10,000,000.00	
Yongtai Fule	35,469,867.41		32,000,000.00				67,469,867.41	
Hangzhou Yongtai Chiral	36,500,000.00		10,000.00				36,510,000.00	
In total	3,517,184,325.74	172,805,084.56	1,067,667,189.34				4,584,851,515.08	172,805,084.56

2. Investment in associated enterprises and joint ventures

Invested unit	31 December 2024	Ending balance of impairment provision of the previous year	Increase and decrease in the current period								31 December 2025	Ending balance of impairment provision
			Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment	Others		
1. Associated enterprises												
Chongqing Heya Huayi Venture Capital Partnership (L.P.)	32,083,427.02				-836.93	-5,525,128.00					26,557,462.09	
Shanghai Carelinker Medical Technology Co., Ltd.	19,122,110.11				927,384.30						20,049,494.41	
Shanghai Anbison Lab.	172,182,973.53				12,787,416.76			2,348,684.21			182,621,706.08	

Invested unit	31 December 2024	Ending balance of impairment provision of the previous year	Increase and decrease in the current period								31 December 2025	Ending balance of impairment provision
			Additional investment	Decreased investment	Profit and loss on investments confirmed under the equity method	Adjustment of other comprehensive incomes	Change in other equities	Cash dividends or profits declared to be issued	Provision for impairment	Others		
Co., Ltd.												
Hangzhou Mubang Equity Investment Partnership (Limited Partnership)	4,896,405.16										4,896,405.16	
In total	228,284,915.82				13,713,964.13	-5,525,128.00		2,348,684.21			234,125,067.74	

(IV) Operating income and operating cost

1. Information on operating income and operating costs

Item	Year 2025		Year 2024	
	Income	Cost	Income	Cost
Main business	951,465,400.23	869,807,731.47	1,322,041,903.50	1,107,110,521.90
Other business	32,370,639.28	26,126,077.25	23,026,668.88	17,617,534.55
In total	983,836,039.51	895,933,808.72	1,345,068,572.38	1,124,728,056.45

Breakdown of operating income:

Item	Year 2025	Year 2024
Main business income	951,465,400.23	1,322,041,903.50
Of which: Pharmaceutical product business	242,194,628.03	719,257,285.44
crop science	377,123,121.10	444,628,310.79
lithium battery materials and other materials	297,213,253.08	93,789,518.99
Trading business	34,934,398.02	64,366,788.28
Other operating income	32,370,639.28	23,026,668.88
Of which: Sales materials	17,021,566.93	2,706,904.96
Rental income	13,017,597.09	14,335,531.10
Others	2,331,475.26	5,984,232.82
In total	983,836,039.51	1,345,068,572.38

2. Revenue generated from contracts

The breakdown of income in this period is as follows:

Contract classification	Year 2025	
	Income	Cost
Commodity type:		
Product sales revenue	970,818,442.42	887,925,944.25
In total	970,818,442.42	887,925,944.25
Classification by timing of commodity transfer:		
Recognition at a point of time	970,818,442.42	887,925,944.25
In total	970,818,442.42	887,925,944.25

(V) Investment income

Item	Year 2025	Year 2024
Long-term equity investment incomes accounted by the cost method	120,000,000.00	110,734,960.44
Long-term equity investment incomes accounted by the equity method	13,713,964.13	25,869,144.78
Investment income from disposal of trading financial assets		-1,058,719.70
Dividend income earned during the holding period of investments in other equity instruments	3,628,643.07	3,425,642.01
Gain on debt restructuring	2,099,101.26	
In total	139,441,708.46	138,971,027.53

XVIII. Supplement materials

(I) Schedule of current nonrecurring profits and losses

Item	Amount	Explanation
Profit and loss on disposal of non-current assets，including the reversal of the provision for impairment of assets that has been recognized	-2,176,864.47	
Government grants recognized in the current profit and loss (except those closely related to the business of the enterprise and enjoyed in a fixed or quantitative amount according to the national uniform standard)	41,138,303.20	
Profit and loss from changes in fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and other debt investments, except for effective hedging operations related to the Company's normal business operations	-52,513,838.00	
Capital utilization fee charged from non-financial enterprises and included in the current profit and loss		

Item	Amount	Explanation
Profit and loss from entrusting others to invest or manage assets	51,408.62	
Profit and loss on external entrusted loans		
Provision for impairment of various assets due to force majeure factors, such as natural disasters		
Reversal of specific bad debt provision of receivables or provision for impairment of contract assets	3,732,137.02	
The revenue generated because the investment costs in the subsidiaries, associated enterprises and joint ventures acquired by the enterprise is less than the fair value of the identifiable net assets of the investees at the time the investment is acquired		
Net profit and loss in the current period from the beginning of the period to the date of consolidation of a subsidiary resulting from a business consolidation under the common control		
Profit and loss on exchange of non-monetary assets		
Profit and loss on debt restructuring	10,798,468.55	
One-time expenses incurred by a company due to the discontinuation of relevant business activities, such as expenses for employee resettlement.		
Impact of one-time adjustment to the current profit and loss in accordance with tax, accounting and other laws and regulations on the current profit and loss		
Share-based payment expenses recognized due to the cancellation or modification of equity incentive plans on a one-time basis		
For share-based payments settled in cash, any gains or losses arising from changes in the fair value of the employee compensation payable after the vesting date should be recognized.		
Profit and loss arising from changes in fair value of investment properties subsequently measured using the fair		

Item	Amount	Explanation
value model		
Profit and loss beyond fair value arising from transactions where the transaction price is clearly unfair		
Profit and loss arising from contingencies unrelated to the Company's normal operating business		
Custodian fee income earned from entrusted operations		
Non-operating income and expenses other than those mentioned above	3,070,191.80	
Other profit and loss items that meet the definition of non-recurring profit and loss	2,826,184.11	Equity method accounting for non-recurring gains and losses of joint ventures
Subtotal	6,925,990.83	
Amount impacted of income tax	6,203,643.07	
Amount impacted of non-controlling interests' equity (after tax)	2,528,328.79	
In total	-1,805,981.03	

(II) Return on net assets and earnings per share

Year 2025	Weighted average return on net assets (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	-1.73	-0.05	-0.05
Net profit attributable to common shareholders of the Company after deducting non-recurring profit and loss	-1.66	-0.05	-0.05

Zhejiang Yongtai Technology Co., Ltd.

(with official seal)

27 April 2026

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