

Zhejiang NHU Company Ltd.

2022 Semi-Annual Report



August 2022

Section I Important Notes, Contents, and Definitions

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

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

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

The future plan and other forward-looking information disclosed in this semi-annual report shall not be regarded as a commitment to investors. We kindly remind investors of all possible risks in investments.

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

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

Contents

Section I Important Notes, Contents, and Definitions	1
Section II Company Profile and Key Financial Indicators	5
Section III Management Discussion and Analysis	9
Section IV Corporate Governance	20
Section V Environmental and Social Responsibilities	22
Section VI Significant Events.....	27
Section VII Movements in Shares and Information about Shareholders.....	35
Section VIII Preferred Shares	40
Section IX Bonds	41
Section X Financial Report	42

Documents Available for Reference

I. Financial statements signed and sealed by the Company's legal representative, officer in charge of accounting, and head of accounting department;

II. Original copy of all the Company's documents and announcements published on the newspapers designated by CSRC within the reporting period

III. Other documents for reference.

Definitions

Abbreviations	Refers to	Contents of definitions
The Company, NHU	Refers to	ZHEJIANG NHU CO., LTD.
CSRC	Refers to	China Securities Regulatory Commission
PPS	Refers to	Polyphenylene sulfide
PPA	Refers to	Poly phthalamide
VOC	Refers to	Volatile organic compound
NH-acid	Refers to	Taurine
F5	Refers to	Vitamin B5
ARC	Refers to	Accelerating ratecalori meter
NBC	Refers to	Azabicycles
CLA	Refers to	Karon anhydride
SNCR	Refers to	Selective non-catalytic reduction

Section II Company Profile and Key Financial Indicators

I. Company profile

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

II. Contact information

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

III. Other Information

1. Company's Contact Information

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

Applicable Not applicable

The Company's registered address, office address, zip code, website and e-mail address have not changed during the reporting period, which can be found in the 2021 Annual Report.

2. Information Disclosure and Location

Whether information disclosure and location has changed during the reporting period

Applicable Not applicable

The name of the Company's selected information disclosure newspaper, the URL of the website designated by the CSRC where the semi-annual report is posted, and the place where the Company's semi-annual report is available have not changed during the reporting period, which can be found in the 2021 Annual Report.

3. Other relevant Information

Whether other relevant information has changed during the reporting period

Applicable Not applicable

IV. Key accounting data and financial indicators

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

Yes No

Reason for retroactive adjustment or restatement

Accounting policy changes and other reasons

Items	The Current Reporting Period	The Same Period of the Previous Year		Increase/ Decrease at the end of the current reporting period compared with the same period of the previous year
		Before adjustment	After adjustment[Note2]	After adjustment
Operating revenue (yuan)	8,215,039,277.03	7,254,221,638.01	7,340,124,310.11	11.92%
Net profit attributable to shareholders of listed company (yuan)	2,213,877,419.25	2,408,499,133.50	2,426,979,148.42	-8.78%
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss (yuan)	2,094,055,949.62	2,279,454,655.63	2,279,438,579.04	-8.13%
Net cash flows from operating activities (yuan)	1,242,456,738.20	2,271,157,481.77	2,289,637,496.69	-45.74%
Basic EPS (yuan/share)	0.72	0.78[Note1]	0.79	-8.86%
Diluted EPS (yuan/share)	0.72	0.78[Note1]	0.79	-8.86%
Weighted average ROE	9.55%	12.02%	11.87%	Decreased by 2.32 percentage points
Items	Jun. 30, 2022	Dec. 31, 2021		Increase/Decrease at the end of the current reporting period compared with the end of the previous year
		Before adjustment	After adjustment[Note2]	After adjustment
Total assets (yuan)	37,815,015,843.65	34,692,165,111.88	34,724,025,476.79	8.90%
Net assets attributable to shareholders of listed company (yuan)	22,113,966,711.03	21,799,977,645.94	21,831,838,010.85	1.29%

[Note1] After the implementation of the Company's 2021 profit distribution plan, its share capital was increased from 2,578,394,760 shares to 3,090,907,356 shares. The above EPS of the comparative period was recalculated based on the adjusted share capital.

[Note2] The company has implemented *The Interpretation of Accounting Standards for Business Enterprises No. 15* since January 1, 2022. The interpretation requires that if the company sells the products or by-products produced before the fixed assets reach the

expected serviceable state or during the research and development process, the income and cost related to the trial operation sales shall be accounted for separately and included in the current profit and loss, The net amount of the revenue from trial operation sales after offsetting the relevant costs shall not be used to offset the cost of fixed assets or R&D expenses. The company makes retroactive adjustment according to requirements.

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

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

VI. Non-recurring profit or loss

Applicable Not Applicable

Unit: RMB Yuan

Items	Amount
Gains or losses on disposal of non-current assets, including write-off of provision for impairment	6,674,850.81
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity or quota based on certain standards)	85,522,179.54
Gains or losses on assets consigned to the third party for investment or management	28,841,651.61
Gains or losses on changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets and held-for-trading financial liabilities, excluding those arising from hedging business related to operating activities	9,071,898.92
Other non-operating revenue or expenditures	797,805.24
Less: Enterprise income tax affected	11,046,849.16
Non-controlling interest affected (after tax)	40,067.33
Total	119,821,469.63

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

Applicable Not Applicable

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

Remarks on defining non-recurring profit or loss listed in the "Interpretation Pronouncement on Information Disclosure Criteria for

Public Companies No. 1 – Non-Recurring Profit or Loss” as recurring profit or loss.

Applicable Not Applicable

The Company has no situation of defining non-recurring profit or loss listed in the “*Interpretation Pronouncement on Information Disclosure Criteria for Public Companies No. 1 – Non-Recurring Profit or Loss*” as recurring profit or loss.

Section III Management Discussion and Analysis

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

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

1. Main products and applications

Nutrition: The Company's vitamin products, as the main business, have a substantial market share, with a prominent position in the industry and obvious brand advantages. It is in a leading position in both domestic and overseas markets. Its main products include vitamin E, vitamin A, vitamin C, methionine, vitamin D3, biotin, coenzyme Q10, carotenoids, etc. They are mainly used in feed additives and nutrition supplements of food, beverages, health food, etc. The Company actively implements the serialized and differentiated development of nutrition, and continuously improves the competitiveness of its products by optimizing the processing line and tackling key issues. In addition, through internal integration and external cooperation, it embraces the ideology of open cooperation. It actively deploys cutting-edge biotechnology, and builds the Company's "Bio+" platform.

Flavor and fragrance: At present, the main fragrance products target the global market, in which, the products are competitive, with a high market share and relatively stable market structure. The main products include linalool, citral, and cis-3-hexenol series, and methyl dihydrojasmonate, raspberry ketone and ligustral, which are widely used in personal care, cosmetic and food fields. Relying on the two major technology platforms of chemical synthesis and biological fermentation, the Company continuously enriches the varieties of fragrance products to meet the changing market demands.

New polymer materials: The Company focuses on the development of high molecular polymers and key intermediates, and appropriately develops downstream applications of materials according to the principles of integration and serialization. The entire industry chain of PPS from raw materials to high molecular polymers, then through modifying processing to special fibers has enabled the Company as the only company in China that can stably produce fiber grade, injection molding grade, extrusion grade and coating grade PPS. The main products include PPS and PPA. They are mainly used in electronic and electrical, automotive, environmental protection, etc.

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

2. Main business models

(1) Procurement model

The Company has always been adhering to the procurement principle of "fairness, transparency and optimal cost", and adopts a combination of long-term strategic cooperation and open competitive procurement, and makes best use of market trend analysis, to

ensure the stable supply of the Company's strategic materials. The Company pays attention to source procurement, and continuously promotes the removal of intermediate links in the supply chain to reduce procurement costs; the Company implements transparent procurement, and launches information systems such as procurement platform, supplier and bidding management system, etc. to make the procurement process more transparent, standardized and efficient, which promotes the healthy development of the supply chain and reduces costs and increases efficiency for the Company's operations.

(2) Production model

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

(3) Sales model

The Company has always been adhering to the "customer-centric, market-oriented" sales strategy. It divides business lines by product application fields, and establishes a sales model that suits market needs according to market characteristics and industry practices. Most of the Company's sales are achieved through direct sales. By doing so, it establishes long-term and stable strategic cooperative relationships with end customers to create greater value for them. Meanwhile, it also selects excellent agents or distributors for distribution. By doing so, it services customers indirectly based on market and customer features.

3. Key performance drivers

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

During the reporting period, the company's original products were refined and the construction of new projects, the R&D of new products were carried out in an orderly manner. In the nutrition sector, the Company's second phase of methionine 250,000 tons/year project, of which 100,000-ton equipment was operating smoothly, with comprehensive competition continuously improved. And of which 150,000-ton equipment was constructed according to schedule and the construction is expected to be completed in June 2023. 5,000 tons / year vitamin B6 and 3,000 tons / year B12 started production and sales, 30,000 tons/year NH-acid project was constructed under schedule. In the Flavor and fragrance sector, the project with an annual output of 5,000 tons of menthol was constructed according to the schedule, and the project progress was controllable. In the new polymer materials sector, the commissioning of the phase III PPS project with an annual output of 7,000 tons was progressing smoothly; The adiponitrile project was in the pilot test stage, and the project approval process was advancing in an orderly manner. In the API sector, the 500 tons/year azabicyclo project was commissioned and the products was sold. Now the process route has been opened and the process is in the process of continuous improvement. In the future, the API product structure will be adjusted, transformed and upgraded, the specific project is in the process of approval.

During the reporting period, in the face of the raging Covid-19 epidemic and the more complex international economic situation, the Company coordinated the epidemic control and business development, actively responded to market changes, adjusted sales strategies, strengthened supply chain scheduling, reasonably arranged production plans to ensure its product supply, and strive to create value for customers and the society, and achieved good business performance.

During the reporting period, the business of flavor and fragrance, new polymer materials developed steadily. The sales volume of

methionine increased, the product price was stable, and the cost advantage was provided. The sales price and sales volume of main vitamin products decreased compared with the same period of the previous year. At the same time, affected by the domestic epidemic and the global political and economic environment, some raw materials' price has increased, resulting in an increase in product costs.

During the reporting period, the company realized an operating revenue of 8.22bn, with an increase of 11.92% over the same period of the previous year; The total profit was 2.62bn, with a decrease of 7.28% over the same period of the previous year; The net profit attributable to the shareholders of the listed company was 2.21bn, with a decrease of 8.78% over the same period of the previous year. Overall, in the first half of 2022, the company maintained a stable operating state, and the company's performance conformed to the development law of the industry.

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

II. Core competitiveness analysis

During the reporting period, the Company's core competitiveness remained unchanged, please refer to *2021 Annual Report of Zhejiang NHU Co., Ltd.* for details.

III. Main Business Analysis

Overview

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

Year-on-year changes in key financial data

Unit: RMB Yuan

Item	The Current Reporting Period	The Same Period of the Previous Year	YoY growth rate	Reasons for Changes
Operating revenue	8,215,039,277.03	7,340,124,310.11	11.92%	It was mainly due to the business growth of flavor and fragrance, and new polymer materials during the reporting period.
Operating Cost	4,945,122,803.39	3,822,747,702.20	29.36%	It was mainly due to the increase in the price of main raw materials during the reporting period.
Sales Expenses	57,277,897.48	55,479,574.90	3.24%	It was mainly due to the increase in salary during the reporting period.
Administration Expenses	212,284,822.41	187,505,914.10	13.22%	It was mainly due to the increase in salary during the reporting period.
Financial Expenses	22,231,053.96	144,530,139.09	-84.62%	It was mainly due to exchange gains arising from exchange rate fluctuations during the reporting period.
Income Tax Expense	400,099,923.62	394,709,861.22	1.37%	It was mainly due to the increase of deferred income tax expense.
R&D Expense	440,357,252.64	351,532,764.55	25.27%	It was mainly due to the increase of material inputs and salary during the reporting period.
Net Cash Flows from Operating Activities	1,242,456,738.20	2,289,637,496.69	-45.74%	It was mainly due to the increase in the purchase amount of raw materials during the reporting period.
Net Cash Flows from Investing Activities	-1,073,929,985.26	-1,084,929,925.41	1.01%	It was mainly due to the impact of the decrease in the purchase of financial products during the reporting period.

Item	The Current Reporting Period	The Same Period of the Previous Year	YoY growth rate	Reasons for Changes
Net Cash Flows from Financing Activities	574,156,254.26	351,773,744.86	63.22%	It was mainly due to the large amount of due loans repaid in the same period of last year.
Net Increase in Cash and Cash Equivalents	737,171,030.93	1,512,856,721.48	-51.27%	It was mainly due to the increase in the purchase amount of raw materials during the reporting period.

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

Applicable Not applicable

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

Operating Income Structure

Unit: RMB Yuan

Items	The Current Reporting Period		The Same Period of the Previous Year		YoY growth rate
	Amount	% to total	Amount	% to total	
Total	8,215,039,277.03	100%	7,340,124,310.11	100%	11.92%
By industry					
Pharmaceutical chemicals	7,585,238,197.37	92.33%	6,844,674,505.10	93.25%	10.82%
Others	629,801,079.66	7.67%	495,449,805.01	6.75%	27.12%
By product					
Nutrition	5,768,862,111.12	70.22%	5,503,992,723.67	74.98%	4.81%
Flavor and fragrance	1,522,994,415.83	18.54%	1,161,042,438.38	15.82%	31.17%
New polymer materials	552,514,423.91	6.73%	418,367,560.13	5.70%	32.06%
Others	370,668,326.17	4.51%	256,721,587.93	3.50%	44.39%
By region					
Domestic sales	4,064,052,343.93	49.47%	3,381,461,901.23	46.07%	20.19%
Overseas sales	4,150,986,933.10	50.53%	3,958,662,408.88	53.93%	4.86%
By sales model					
Direct sales	6,536,368,733.62	79.57%	5,750,096,413.40	78.34%	13.67%
Agent sales	1,678,670,543.41	20.43%	1,590,027,896.71	21.66%	5.57%

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

Applicable Not applicable

Unit: RMB Yuan

Items	Operating revenue	Operating cost	Gross rate	Growth rate of operating revenue	Growth rate of operating cost	Growth rate of gross rate
By industry						
Pharmaceutical chemicals	7,585,238,197.37	4,435,652,768.85	41.52%	10.82%	28.29%	Decreased by 7.96 percentage points
By product						
Nutrition	5,768,862,111.12	3,430,472,272.00	40.53%	4.81%	29.06%	Decreased by 11.17 percentage points
Flavor and fragrance	1,522,994,415.83	764,130,371.15	49.83%	31.17%	17.91%	Increased by 5.65 percentage points
By region						

Items	Operating revenue	Operating cost	Gross rate	Growth rate of operating revenue	Growth rate of operating cost	Growth rate of gross rate
Domestic sales	4,064,052,343.93	2,739,229,159.94	32.60%	20.19%	39.34%	Decreased by 9.26 percentage points
Overseas sales	4,150,986,933.10	2,205,893,643.45	46.86%	4.86%	18.80%	Decreased by 6.24 percentage points

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

Applicable Not applicable

Reasons for over 30% changes in related data on year-on-year basis

Applicable Not applicable

① By Product: Compared with the corresponding period of last year, the operating revenue of flavor and fragrance is increased by 31.17%, mainly due to the joint influence of the price rise and sales volume increase of such products.

② By Region: Compared with the corresponding period of last year, the operating cost of domestic sales is increased by 39.34%, mainly due to the increase in sales volume of nutrition products and the increase in freight costs.

IV. Non-main business analysis

Applicable Not Applicable

Unit: RMB Yuan

Items	Amount	% to total profit before tax	Reason for balance	Whether has continuity
Investment income	51,479,744.19	1.96%	It was mainly due to gains on financial products and profit generated by the associates during the reporting period.	No
Gains on changes in fair value	11,836,700.04	0.45%	It was mainly due to changes in fair value of forward foreign exchange settlement during the reporting period.	No
Credit impairment loss(or less: losses)	-10,613,626.22	-0.40%	It was mainly due to bad debts accrued in accounts receivable.	No
Assets impairment loss(or less: losses)	-7,890,179.58	-0.30%	It was mainly due to losses arising from provision for impairment made on each asset in accordance with assets impairment principles.	No
Non-operating revenue	2,024,074.84	0.08%	It was mainly due to indemnity income.	No
Non-operating expenditures	2,330,316.96	0.09%	It was mainly due to donation expenditures during the reporting period.	No
Gains on asset disposal	6,674,850.81	0.25%	It was mainly due to disposal of fixed assets.	No
Other income	86,626,226.90	3.30%	It was mainly due to government grants received during the reporting period.	No

V. Assets and liabilities analysis

1. Significant changes in asset composition

Unit: RMB Yuan

Items	Jun. 30, 2022		Dec. 31, 2021		Percentage of change	Remarks on significant changes
	Amount	% to total	Amount	% to total		
Cash and bank balances	6,590,012,908.26	17.43%	5,952,909,626.94	17.14%	Increased by 0.29 percentage points	
Accounts receivable	3,061,875,600.52	8.10%	2,755,168,573.14	7.93%	Increased by 0.17 percentage points	
Inventories	4,562,173,216.89	12.06%	3,193,657,367.16	9.20%	Increased by 2.86 percentage points	
Long-term equity investments	383,722,022.14	1.01%	351,327,625.75	1.01%	There is no change.	
Fixed assets	14,895,938,812.24	39.39%	14,350,779,852.73	41.33%	Decreased by 1.94 percentage points	
Construction in progress	3,855,244,085.78	10.20%	2,984,835,072.82	8.60%	Increased by 1.60 percentage points	
Right-of-use assets	3,055,722.33	0.01%	3,123,637.11	0.01%	There is no change.	
Short-term borrowings	2,633,945,563.46	6.97%	1,403,332,827.92	4.04%	Increased by 2.93 percentage points	
Contract liabilities	82,505,836.42	0.22%	61,135,258.36	0.18%	Increased by 0.04 percentage points	
Long-term borrowings	5,070,255,993.98	13.41%	5,148,811,786.49	14.83%	Decreased by 1.42 percentage points	
Lease liabilities	2,845,348.72	0.01%	2,936,868.15	0.01%	There is no change.	

2. Major overseas assets

Applicable Not applicable

3. Assets and liabilities at fair value

Applicable Not Applicable

Unit: RMB Yuan

Items	Opening balance	Gains on changes in fair value	Accumulated changes in fair value included in equity	Provision for impairment made in the current period	Amount purchased during the reporting period	Amount sold during the reporting period	Other changes	Closing balance
Financial assets								
1. Held-for-trading financial assets (derivative financial assets excluded)	1,250,000,000.00				660,000,000.00	1,250,000,000.00		660,000,000.00
2. Derivative financial assets	736,359.24	8,819,105.53						9,555,464.77
Subtotal of financial assets	1,250,736,359.24	8,819,105.53	0.00	0.00	660,000,000.00	1,250,000,000.00	0.00	669,555,464.77
Total	1,250,736,359.24	8,819,105.53	0.00	0.00	660,000,000.00	1,250,000,000.00	0.00	669,555,464.77
Financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Yes No

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

(1) Closing of cash and bank balances included deposits of 138,304,339.10 yuan pledged and not on demand for payments, which was with use restrictions.

(2) Closing balance of receivables financing included 130,363,316.90 yuan pledged for bank acceptance and not on demand for payments, which was with use restrictions.

(3) Closing balance of notes receivable included 209,801,476.61 yuan pledged for bank acceptance and not on demand for payment, which was with use restrictions.

(4) Closing carrying amount of fixed assets included 76,487,526.23 yuan mortgaged to the bank for borrowings, which was with use restrictions.

(5) Closing carrying amount of intangible assets included 9,186,528.93 yuan mortgaged to the bank for borrowings, which was with use restrictions.

VI. Investment status analysis

1. Overall information

Applicable Not Applicable

Investments during the reporting period (yuan)	Investments of the preceding period (yuan)	Percentage of change
1,832,296,131.71	1,118,444,545.53	63.83%

2. Significant equity investments made during the reporting period

Applicable Not Applicable

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

Applicable Not Applicable

4. Investments in financial assets

(1) investments in securities

Applicable Not Applicable

There is no investment in securities during the reporting period.

(2) Investments in derivatives

Applicable Not Applicable

Unit: RMB 0,000 yuan

Counterparty	Related party relationship	Whether related party transaction	Categories of derivative investments	Initial investments	Date of commencement	Date of termination	Opening balance	Amount purchased during the reporting period	Amount sold during the reporting period	Provision for impairment (if any)	Closing balance	Proportion of investments to net assets	Profit or loss during the reporting period
Bank	Non-related party	No	Forward contracts	362,525.17	12/09/2021	12/28/2022	15,949.55	340,098.07	234,899.32		121,148.30	5.48%	781.28
Bank	Non-related party	No	Structured forward contracts	56,347.80	11/19/2021	12/23/2022	13,400.00	30,077.30	12,702.00		30,775.30	1.39%	125.91
Total				418,872.97	--	--	29,349.55	370,175.37	247,601.32		151,923.60	6.87%	907.19
Fund source				Self-owned fund									
Conditions of involved lawsuits (if applicable)				None									
Disclosure date of the Board of Directors announcement for the approval of derivatives investment (if any)				April 15, 2022									
Disclosure date of the general meeting of shareholders announcement for the approval of derivatives investment (if any)				Not Applicable									
Remarks on risk analysis and control measures for holding derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				In order to prevent exchange rate risks, the Company and its subsidiaries carried out derivative instrument businesses. The Company and its subsidiaries strictly implemented the Management Measures on Foreign Exchange Hedging Business.									
In the case of changes in market prices or fair value of invested derivatives during the reporting period, the analysis on fair value of derivatives shall disclose the specific methods for their uses, and the setting of relevant assumptions and parameters				Floating income from changes in fair value of the invested derivatives amounted to 37.86 million yuan at the beginning of the reporting period; floating income from changes in fair value of the invested derivatives amounted to 11.84 million yuan at the end of the reporting period.									
Remarks on whether there were significant changes in the accounting policies and specific accounting principles for the Company's derivatives during the reporting period compared to the previous reporting period				Not Applicable									
Special opinions of independent directors on the Company's derivatives investment and risk control				The Company has formulated the Management Measures on Foreign Exchange Hedging Business to strengthen internal control, implement risk prevention measures, improve the level of operation and management, and formulate specific operating procedures for foreign exchange hedging business. The Company has performed analysis on the feasibility of carrying out foreign exchange hedging business, which indicated that in general, it is feasible to carry out foreign exchange hedging, for it can effectively reduce the risk of exchange rate fluctuations, and help stabilize the profit level. The contents of and review procedures for the event comply with relevant laws, regulations, normative documents, the Articles of Association, etc., and would not damage the interests of the Company and other shareholders. We all agree that the Company shall carry out foreign exchange hedging business this time.									

5. Use of raised funds

Applicable Not Applicable

(1) Overall use of raised funds

Applicable Not Applicable

Unit: RMB 0,000 yuan

Year of fund-raising	Way of fund-raising	Total amount raised	Amount used in the current period	Accumulated amount of raised funds used	Total raised funds with changes in uses during the reporting period	Accumulated amount of raised funds with changes in uses during the reporting period	Proportion of raised funds with changes in uses to total raised funds	Total raised funds not yet used	Purposes of raised funds not yet used and the whereabouts	Raised funds being idle for over two years
Year 2017	Private placement of shares	486,707.55	69,281.63	278,026.26	0	0	0.00%	208,681.29	Deposited in special accounts for raised funds, used to purchase bank financial products, deposited as structured deposits	0
Total	--	486,707.55	69,281.63	278,026.26	0	0	0.00%	208,681.29	--	0

Remarks on overall use of raised funds

The Company's raised funds used in previous years amounted to 2,087.45 million yuan, the net amount of interest on cash in bank received in previous years less handling charges amounted to 51.75 million yuan, gains on financial products and structured deposits received in previous years amounted to 574.66 million yuan, and the net expenditure on financial products and structured deposits purchased in previous years amounted to 2,450.00 million yuan; the raised funds actually used in the first half of 2022 amounted to 692.82 million yuan, the net amount of interest on cash in bank received in the first half of 2022 less handling charges amounted to 11.30 million yuan, gains on financial products and structured deposits received in the first half of 2022 amounted to 41.36 million yuan, and the net recovery from financial products and structured deposits purchased in the first half of 2022 amounted to 1,530.00 million yuan; the accumulated amount of the raised funds used amounted to 2,780.26 million yuan, the accumulated net amount of interest on cash in bank received less handling charges amounted to 63.05 million yuan, the accumulated amount of gains on financial products and structured deposits received amounted to 616.01 million yuan, and net expenditure on financial products and structured deposits purchased amounted to 920.00 million yuan. As of June 30, 2022, the balance of the special account for raised funds amounted to 1,845.88 million yuan (including the net amount of interest on cash in bank less handling charges, gains on financial products and structured deposits received on an accumulated basis).

(2) Committed projects with raised funds

√ Applicable □ Not Applicable

Unit: RMB 0,000 yuan

Committed investment projects and over-raised funds whereabouts	Whether changed (including partial changed)	Total committed investment in raised funds	Total amount after adjustment (1)	Input during the reporting period	Accumulated input as of the period end (2)	Investment progress as of the period end (3)=(2)/(1)	Date of reaching designed usable conditions	Benefit realized in the reporting period	Whether the expected benefit is reached	Whether there was significant changes in feasibility of the project
Committed investment projects										
Methionine project with annual output of 0.25 million tons	No	486,707.55	486,707.55	69,281.63	278,026.26	57.12%	Partially reached the designed usable conditions	35,194.89	Yes	No
Subtotal	--	486,707.55	486,707.55	69,281.63	278,026.26	--	--	35,194.89	--	--
Over-raised funds whereabouts										
No										
Total	--	486,707.55	486,707.55	69,281.63	278,026.26	--	--	35,194.89	--	--
Conditions of and reasons for not meeting the planned schedule or estimated revenue (by specific project)	Pursuant to the results deliberated and approved by the eighth meeting of the eighth session of Board of Directors and the seventh meeting of the eighth session of the Board of Supervisors dated October 27, 2021, the Company intended to adjust the date when the methionine project with annual output of 0.25 million tons reaches the designed usable conditions from the originally planned December 2021 to June 2023, with other contents remaining unchanged. Main reasons: Due to the impact of the COVID-19 and the macro economy, the construction progress of the project's infrastructure has been delayed, the procurement and delivery time of some equipment and materials has been extended, the installation and commissioning of equipment has been delayed, and the overall									

	progress of the investment projects with raised funds has slowed down, which jointly resulted in the postponement of delivery of the projects. Currently, the 100,000-ton production line of the project has been completed and is in normal operation, and the 150,000-ton production line is under construction.
Remarks on significant changes in feasibility of projects	None.
Amount, purposes and progress of use of over-raised funds	Not Applicable
Changes in implementation locations of investment projects with raised funds	Not Applicable
Adjustment on the implementation method of investment projects with raised funds	Not Applicable
Preliminary investment and replacement of investment projects with raised funds	Applicable Preliminary investment amounted to 36.06 million yuan, and the replacement of raised funds is completed.
Temporary replenishment of working capital with idle raised funds	Not Applicable
Amount of and reasons for the balance of raised funds in the implementation of projects	Not Applicable
Uses and whereabouts of unused raised funds	Deposited in special accounts for raised funds, used to purchase bank financial products, deposited as structured deposits
Problems or other situations in the use and disclosure of raised funds	None.

(3) Change of projects with raised funds

Applicable Not Applicable

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

VII. Sale of major assets and equities

1. Sale of major assets

Applicable Not Applicable

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

2. Significant sale of equities

Applicable Not Applicable

VIII. Major entities controlled or invested by the Company

Applicable Not Applicable

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

Unit: RMB Yuan

Entities	Categories	Major businesses	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
山东新和成药业有限公司 (Shandong NHU Pharmaceutical)	Subsidiary	Production and sales of fragrances	586 million yuan	3,764,384,291.53	3,122,293,885.52	1,795,208,550.81	674,635,047.60	579,387,483.37

Entities	Categories	Major businesses	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Co., Ltd.*)								
山东新和成氨基酸有限公司 (Shandong NHU Amino-acids Co., Ltd.*)	Subsidiary	Production and sales of methionine	930 million yuan	6,370,967,608.24	5,277,619,767.93	1,820,189,293.19	619,774,650.89	528,677,676.98
山东新和成维生素有限公司 (Shandong NHU Vitamins Co., Ltd.*)	Subsidiary	Production and sales of feed additives	500 million yuan	3,590,584,985.65	2,466,436,986.11	1,195,430,349.69	546,299,798.06	474,304,150.35
上虞新和成生物化工有限公司 (Shangyu NHU Bio-Chem Co., Ltd.*)	Subsidiary	Production and sales of feed additives	50 million yuan	4,925,737,910.91	3,664,072,222.94	771,030,608.61	299,904,474.20	263,309,156.89

Details of acquisition and disposal of subsidiaries during the reporting period

Applicable Not Applicable

Subsidiaries	Method for acquisition and disposal of subsidiaries during the reporting period	Effect on the overall production, operation and performance
NHU/Chr.Olesen Latin America A/S[Note]	Acquisition	No significant effect at the beginning of the period.

[Note] NHU/CHR.OLESEN LATIN AMERICA A/S holds two subsidiaries, respectively NHU/CHR.OLESEN BRASIL LTDA., holding 100%, and CHR.OLESEN MEXICO SAPI DE CV, holding 88%.

IX. Structured entities controlled by the Company

Applicable Not Applicable

X. Risks and countermeasures

During the reporting period, the Company's risks and countermeasures remained unchanged, please refer to *2021 Annual Report of Zhejiang NHU Co., Ltd.* for details.

* The English names are for identification purpose only.

Section IV Corporate Governance

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

1. General meeting of shareholders

Session	Type of meetings	Proportion of participating investors	Meeting date	Disclosure date	Resolutions
General meeting of shareholders of 2021	Annual general meeting of shareholders	52..50%	May 10, 2022	May 11, 2022	11 proposals including the <i>Annual Work Report of the Board of Directors of 2021</i> were deliberated and approved. Please refer to Announcement No. 2022-029 disclosed on http://www.cninfo.com.cn for details.

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

Applicable Not applicable

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Position	Type	Date	Reasons
郑根土 (Zheng Gentu)	Vice President	Leave office upon expiration of term of office	Jan 31, 2022	Expiration of employment

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

Applicable Not applicable

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

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

Applicable Not applicable

1. Equity incentive

Not applicable.

2. Implementation of employee stock ownership plans

Applicable Not applicable

All active employee stock ownership plans during the reporting period

Scope of employees	Number of employees	Total shares held	Changes	Proportion to total share capital of the Company	Sources of fund to implement the plan
Directors, supervisors, senior executives of the Company, and regular employees	681	12,157,826	N/A	0.39%	Legal remuneration of the employees, self-raised funds and other methods

Scope of employees	Number of employees	Total shares held	Changes	Proportion to total share capital of the Company	Sources of fund to implement the plan
of the Company and its holding subsidiaries or wholly-owned subsidiaries who meet the criteria					permitted by laws and administrative regulations

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

Name	Position	Number of shares held at the beginning of the reporting period	Number of shares held at the end of the reporting period	Proportion to total share capital of the Company
Hu Baishan, Shi Guanqun, Wang Xuewen, Wang Zhengjiang, Zhou Guiyang, Yu Baijin, Shi Fangbin, Lyu Guofeng, Yu Hongwei, Yan Hongyue, Chen Zhaofeng, Zheng Gentu	Directors, supervisors and senior executives	1,334,431	1,601,317	0.05%

Changes in asset management agency during the reporting period

Applicable Not applicable

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

Applicable Not applicable

3. Other remarks

1. On May 25, 2022, the Company implemented the *Annual Equity Distribution of 2021*, and the shares held by the third phase of employee stock ownership plan were transferred from 10,131,522 shares to 12,157,826 shares after the transfer, with the proportion to total share capital of the Company unchanged.

2. The number of shares held by directors, supervisors and senior executives in the employee stock ownership plan is measured based on the proportion of shares of holders to the total shares of the employee stock ownership plan.

4. Other employee incentive programs

Applicable Not applicable

Section V Environmental and Social Responsibilities

I. Major environmental issues

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

√ Yes □ No

Name	Name of main pollutants and pollutant characteristics ¹	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
The Company	COD	Sewer connection	1	Plant area	153mg/L	500mg/L	12.56t	≤189.5t/a	No
The Company	NH3-N	Sewer connection	1	Plant area	6.6mg/L	35mg/L	0.1t	≤13.28t/a	No
The Company	SO ₂	Filtered discharge	1	Plant area	19mg/m ³	50mg/m ³	0.55t	≤8.612t/a	No
The Company	NO _x	Filtered discharge	1	Plant area	38mg/m ³	50mg/m ³	0.4t	≤28t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	COD	Sewer connection	1	Plant area	288.144mg/L	500mg/L	144.596t	≤447.4t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	NH3-N	Sewer connection	1	Plant area	13.958mg/L	35mg/L	7.004t	≤31.318t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	TN	Sewer connection	1	Plant area	24.389mg/L	70mg/L	12.239t	≤62.637t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	NO _x	Filtered discharge	1	Plant area	8.557mg/m ³	200mg/m ³	1.501t	≤12.96t/a	No
Shangyu NHU Bio-Chem Co., Ltd.	VOC	Filtered discharge	1	Plant area	4.615mg/m ³	100mg/m ³	0.883t	≤217.182t/a	No
浙江新和成药业有限公司 (Zhejiang NHU Pharmaceutical Co., Ltd. ²)	COD	Sewer connection	1	Plant area	288.144mg/L	500mg/L	94.612t	≤292.37t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	NH3-N	Sewer connection	1	Plant area	13.958mg/L	35mg/L	4.583t	≤20.467t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	TN	Sewer connection	1	Plant area	24.389mg/L	70mg/L	8.008t	≤40.932t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	VOC	Filtered discharge	2	Plant area	3.028mg/m ³	100mg/m ³	0.538t	≤167.91t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	NO _x	Filtered discharge	1	Plant area	3.61mg/m ³	200mg/m ³	0.256t	≤8.64t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	NO _x	Filtered discharge	1	Plant area	87.865mg/m ³	300mg/m ³	20.49t	≤28.08t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	NO _x	Filtered discharge	1	Plant area	3mg/m ³	50mg/m ³	1.575t	≤65.85t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	3.521mg/m ³	50mg/m ³	0.804t	≤37.94t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	3mg/m ³	200mg/m ³	0.394t	≤91.42t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	PM	Filtered discharge	1	Plant area	3.034mg/m ³	15mg/m ³	0.207t	≤0.304t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	PM	Filtered discharge	1	Plant area	3.988mg/m ³	30mg/m ³	0.914t	≤8.42t/a	No
Zhejiang NHU Pharmaceutical Co., Ltd.	PM	Filtered discharge	1	Plant area	3.33mg/m ³	20mg/m ³	0.194t	≤77.597t/a	No
Zhejiang NHU Special Materials Co., Ltd.	PM	Filtered discharge	2	Plant area	2.7mg/m ³	5mg/m ³	0.7644t	≤17.73t/a	No

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

² The English name is for identification purpose only.

Name	Name of main pollutants and pollutant characteristics ³	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
Zhejiang NHU Special Materials Co., Ltd.	SO ₂	Filtered discharge	2	Plant area	5.8mg/m ³	35mg/m ³	1.8240t	≤67.92t/a	No
Zhejiang NHU Special Materials Co., Ltd.	NO _x	Filtered discharge	2	Plant area	14.8mg/m ³	50mg/m ³	2.6464t	≤83.28t/a	No
Zhejiang NHU Special Materials Co., Ltd.	VOC	Filtered discharge	2	Plant area	16.1mg/m ³	60mg/m ³	1.8868t	≤69.72t/a	No
Zhejiang NHU Special Materials Co., Ltd.	COD	Sewer connection	1	Plant area	289mg/L	500mg/L	58.583t	≤182.1t/a	No
Zhejiang NHU Special Materials Co., Ltd.	NH ₃ -N	Sewer connection	1	Plant area	14mg/L	35mg/L	2.788t	≤12.747t/a	No
Zhejiang NHU Special Materials Co., Ltd.	TN	Sewer connection	1	Plant area	30mg/L	70mg/L	6.156t	≤25.494t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	PM	Filtered discharge	5	Plant area	2.96mg/m ³	10mg/m ³	0.816t	≤5.761t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	SO ₂	Filtered discharge	4	Plant area	2.7mg/m ³	50mg/m ³	0.210t	≤4.006t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	NO _x	Filtered discharge	5	Plant area	31.4mg/m ³	100mg/m ³	13.28t	≤75.513t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	VOC	Filtered discharge	3	Plant area	28.9mg/m ³	60mg/m ³	2.388t	≤28.481t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	COD	Sewer connection	1	Plant area	523mg/L	1000mg/L	127t	≤598.22t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	NH ₃ -N	Sewer connection	1	Plant area	16.6mg/L	100mg/L	4.12t	≤59.82t/a	No
Shandong NHU Pharmaceutical Co., Ltd.	TN	Sewer connection	1	Plant area	42.8mg/L	120mg/L	10.4t	≤65.64t/a	No
山东新和成药业有限公司热电分公司 (Thermal Power Branch of Shandong NHU Pharmaceutical Co., Ltd.)*	PM	Filtered discharge	1	Plant area	1.48mg/m ³	5mg/m ³	1.79t	≤10.51t/a	No
Thermal Power Branch of Shandong NHU Pharmaceutical Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	19.9mg/m ³	35mg/m ³	22.4t	≤73.61t/a	No
Thermal Power Branch of Shandong NHU Pharmaceutical Co., Ltd.	NO _x	Filtered discharge	1	Plant area	25.6mg/m ³	50mg/m ³	32.8t	≤105.16t/a	No
Shandong NHU Amino-acids Co., Ltd.	SO ₂	Filtered discharge	4	Plant area	7.41mg/m ³	50mg/m ³	4.8377t	≤92.59t/a	No
Shandong NHU Amino-acids Co., Ltd.	NO _x	Filtered discharge	3	Plant area	57.4mg/m ³	100mg/m ³	51.8716t	≤230.77t/a	No
Shandong NHU Amino-acids Co., Ltd.	PM	Filtered discharge	5	Plant area	1.28mg/m ³	10mg/m ³	1.4628t	≤21.19t/a	No
Shandong NHU Amino-acids Co., Ltd.	VOC	Filtered discharge	4	Plant area	2.94mg/m ³	60mg/m ³	15.9256t	≤123.27t/a	No
Shandong NHU Amino-acids Co., Ltd.	COD	Sewer connection	1	Plant area	352mg/L	1000mg/L	69.71t	≤592.22t/a	No
Shandong NHU Amino-acids Co., Ltd.	NH ₃ -N	Sewer connection	1	Plant area	2.1mg/L	100mg/L	0.4191t	≤59.222t/a	No
Shandong NHU Amino-acids Co., Ltd.	TN	Sewer connection	1	Plant area	46.2mg/L	120mg/L	9.28t	≤70.38t/a	No
Shandong NHU Vitamins Co., Ltd.	VOC	Filtered discharge	4	Plant area	10mg/m ³	60mg/m ³	0.96t	≤173.53t/a	No
Shandong NHU Vitamins Co., Ltd.	SO ₂	Filtered discharge	2	Plant area	13mg/m ³	50mg/m ³	1.951t	≤63.24t/a	No
Shandong NHU Vitamins Co., Ltd.	NO _x	Filtered discharge	4	Plant area	45mg/m ³	100mg/m ³	18.355t	≤107.53t/a	No

³ COD, NH₃-N, SO₂, NO_x, TN, VOC, PM and TP stand for chemical oxygen demand, ammonia nitrogen, sulfur dioxide, nitrogen oxides, total nitrogen, volatile organic compound, particulate matter and total phosphorus, respectively.

* The English name is for identification purpose only.

Name	Name of main pollutants and pollutant characteristics ⁴	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Executive pollutant discharge standard	Total amount of discharge	Total verified amount of discharge	Excessive discharge or not
Shandong NHU Vitamins Co., Ltd.	PM	Filtered discharge	5	Plant area	3mg/m ³	10mg/m ³	0.861t	≤13.93t/a	No
Shandong NHU Vitamins Co., Ltd.	COD	Sewer connection	1	Plant area	510mg/L	2000mg/L	7.333t	≤40.51t/a	No
Shandong NHU Vitamins Co., Ltd.	NH3-N	Sewer connection	1	Plant area	20mg/L	100mg/L	0.734t	≤4.05t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	PM	Filtered discharge	1	Plant area	8.24mg/m ³	30mg/m ³	1.47t	≤43.812t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	NOx	Filtered discharge	1	Plant area	92.81mg/m ³	200mg/m ³	16.54t	≤99.11t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	77.42mg/m ³	200mg/m ³	13.80t	≤142.33t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	PM	Filtered discharge	1	Plant area	26.25mg/m ³	200mg/m ³	0.22t	≤43.812t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	NOx	Filtered discharge	1	Plant area	98.13mg/m ³	240mg/m ³	0.82t	≤99.11t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	111.35mg/m ³	850mg/m ³	0.93t	≤142.33t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	PM	Filtered discharge	1	Plant area	20.95mg/m ³	200mg/m ³	0.17t	≤43.812t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	NOx	Filtered discharge	1	Plant area	97.27mg/m ³	240mg/m ³	0.80t	≤99.11t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	111.02mg/m ³	850mg/m ³	0.91t	≤142.33t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	PM	Filtered discharge	1	Plant area	19.41mg/m ³	200mg/m ³	0.15t	≤43.812t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	NOx	Filtered discharge	1	Plant area	76.49mg/m ³	240mg/m ³	0.61t	≤99.11t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	110.46mg/m ³	850mg/m ³	0.88t	≤142.33t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	PM	Filtered discharge	1	Plant area	28.36mg/m ³	200mg/m ³	0.21t	≤43.812t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	NOx	Filtered discharge	1	Plant area	68.78mg/m ³	240mg/m ³	0.51t	≤99.11t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	SO ₂	Filtered discharge	1	Plant area	127.12mg/m ³	850mg/m ³	0.94t	≤142.33t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	PM	Filtered discharge	1	Plant area	8.24mg/m ³	120mg/m ³	1.05t	≤43.812t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	VOC	Filtered discharge	2	Plant area	61.64mg/m ³	150mg/m ³	6.12t	≤118.8t/a	No
Heilongjiang NHU Biotechnology Co., Ltd.	COD	Sewer connection	1	Plant area	200.23mg/L	350mg/L	540.67t	/	No
Heilongjiang NHU Biotechnology Co., Ltd.	NH3-N	Sewer connection	1	Plant area	1.23mg/L	35mg/m ³	3.33t	/	No
Heilongjiang NHU Biotechnology Co., Ltd.	TP	Sewer connection	1	Plant area	2.06mg/L	6mg/L	5.56t	/	No

Construction and operation of pollution prevention and control facilities

The company has established the environmental protection concept of green development: 1. Introduce the concept of green chemistry to develop and produce more environmentally friendly products. 2. We should change from a support type to a responsibility type, and do a good job in source reduction, process control, and end treatment. 3. Pursue reduction, resources and harmlessness, build an ecological factory, and realize the harmonious development of human and nature.

⁴ COD, NH3-N, SO₂, NOx, TN, VOC, PM and TP stand for chemical oxygen demand, ammonia nitrogen, sulfur dioxide, nitrogen oxides, total nitrogen, volatile organic compound, particulate matter and total phosphorus, respectively.

Wastewater treatment: the company has a complete wastewater treatment system; There are wastewater collection systems for production sewage, domestic sewage, initial rainwater, accident water, etc. to achieve the separation of clean water and sewage and the separation of rain and sewage. The waste water tank is covered and sealed, and all the waste gas generated is effectively collected and finally incinerated to effectively reduce the waste gas emission.

Waste gas treatment: the company adopts nitrogen sealing system to effectively reduce waste gas emission; According to different waste gas compositions and properties, different pretreatment technologies are adopted. Meanwhile, the company introduces advanced waste gas treatment devices from abroad to strengthen the waste gas treatment capacity. The waste gas leakage detection and repair (LDAR) shall be carried out regularly every year to effectively supervise and reduce the unorganized waste gas. The company actively upgraded the coal-fired heat-conducting oil furnace to "replace coal with gas", introduced natural gas boilers, carried out low nitrogen transformation, and added SNCR denitration facilities at the end, actively carried out nitrogen oxide treatment. The operation and maintenance of the odor evaluation system facilities, pay attention to the monitoring data of all monitoring points every day, do a timely trend analysis, and basically realize the early warning, traceability and evaluation of the company's odor.

Solid waste disposal: the company has built a standardized hazardous waste temporary storage warehouse and hazardous waste incineration device. The outsourced solid waste is entrusted to a qualified unit for treatment, and is transferred in strict accordance with the requirements of the management measures for five copies of hazardous waste transfer.

Noise prevention and control: low noise equipment shall be selected, and noise reduction measures of foundation vibration reduction shall be taken for equipment that does not need to be fixed. In addition to foundation vibration reduction, sound insulation covers shall be added around the noise source for sound insulation for air compressors, blowers and various pumps.

Emergency management: install on-line exhaust gas monitor around the plant boundary to monitor the plant boundary environment in real time; The VOC online monitor is introduced to monitor the exhaust emission data in real time and upload the detection data to the monitoring platform; The online monitoring of wastewater by one enterprise and one pipe monitors the wastewater discharge indicators in real time and uploads them to the Environmental Protection Bureau normally; Introduce the domestic first-class overhead flare technology to deal with the waste gas produced abnormally in the production process; The introduction of domestic first-class Leakage Stoppage Technology under pressure will reduce the abnormal leakage of pipelines, valves, flanges and tanks to the minimum, thus reducing the impact on the environment caused by a large number of leakage.

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

The company's annual production of 500 tons of Karon anhydride, 500 tons of azabicycles and 800 tons of sodium sulfate, and 250,000 tons of methionine (phase II) have all obtained the EIA approval.

Environmental emergency response plan

Zhejiang NHU special materials Co., Ltd. formulated the emergency plan for environmental emergencies of

Zhejiang NHU special materials Co., Ltd. in accordance with the administrative measures for the filing of emergency plans for environmental emergencies of enterprises and institutions (for Trial Implementation) issued by the state and the actual situation of the company, and reported it to the Shangyu branch of Shaoxing Ecological Environment Bureau in June 2022 for filing.

On May 25, 2022, Shandong NHU amino acid Co., Ltd. reapplied for the emergency plan for environmental emergencies, with the number of 370703-2022-048-h, which is within the validity period.

Environmental self-monitoring program

The company has good pollutant emission monitoring and management ability and can timely inform the environmental protection administrative department and the public of the monitoring information. The company has developed relevant self-test plans, which cover the indicators of the company's organized waste gas, unorganized waste gas and groundwater. At the same time, a third-party testing company is entrusted to carry out regular monitoring. The company implements environmental information disclosure in strict accordance with the national, provincial, municipal and county requirements on enterprise environmental information disclosure. Each subsidiary has made enterprise environmental protection information public on platforms such as the environmental information management system of provincial and municipal key pollutant discharge units.

Administrative penalties for environmental problems during the reporting period

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

Other environmental information that should be disclosed

None.

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

Applicable Not applicable

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

Other information related to environmental protection

None.

II. Social responsibilities

None.

Section VI Significant Events

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

√ Applicable □ Not Applicable

Commitments	Parties making commitments	Types of commitments	Content of commitments	Time of commitment	Term of commitment	Performance
Commitments to shares reform	None	None	None		None	None
Commitments made in reports on acquisition and changes in equity	None	None	None		None	None
Commitments made in asset restructuring	None	None	None		None	None
Commitments made in IPO or refinancing	NHU Holding Group Co., Ltd. and 张平一 (Zhang Pingyi), 石程 (Shi Cheng), 袁益中 (Yuan Yizhong), Hu Baishan, Shi Guanqun, Wang Xuewen, 崔欣荣 (Cui Xinrong), 王旭林 (Wang Xulin)	Commitments on horizontal competition, related party transactions and occupation of funds	The signing of <i>Commitment on No Engagement in Horizontal Competition</i> and commitments on no engagement in business activities result in horizontal competition with operations of the Company after listing.	June 25, 2004	Long-term	Strictly performed
	Hu Baifan; Hu Baishan; Shi Guanqun; Wang Xuewen; Cui Xinrong; Wang Zhengjiang; Zhou Guiyang		The Company's directors, senior executives committed to perform their duties faithfully and diligently to safeguard the legitimate rights and interests of the Company and shareholders, and make the following commitments in accordance with the relevant provisions of the CSRC for the full performance of measures on filling immediate returns: 1. not to transfer benefits to other entities or individuals without compensation or on unfair terms, and not to use other means to harm benefits of the Company; 2. to impose restrictions on duty consumption of member of the Board of Directors and senior executives; 3. not to use assets of the Company to engage in investment or consumption activities not related to duty performance; 4. to link remuneration	January 12, 2017	Long-term	Strictly performed

			system formulated by the Board of Directors or remuneration committee to the implementation of measures on filling immediate returns; 5. to link vesting conditions of equity incentive to be published in the future to the implementation of measures on filling immediate returns.			
	Hu Baifan; NHU Holding Group Co., Ltd.		Not to interfere in the Company's business and management activities in excess of authority; not to encroach on benefits of the Company; to perform measures on filling immediate returns in a practical way.	January 12, 2017	Long-term	Strictly performed
Commitments to equity incentive	None	None	None		None	None
Other commitments to minority shareholders of the Company	NHU Holding Group Co., Ltd.	Share increase commitment	During the period of increasing the shares of the company and within the legal period, NHU Holding Group Co., Ltd. will not reduce the shares of the company and will complete the increase plan within the above implementation period.	May 18, 2022	6 months	Strictly performed
Whether commitments are performed on time					Yes	
If commitment performance is not fulfilled on time, please explain detailed reasons for it and the next work plans.					Not applicable	

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

Applicable Not Applicable

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

III. Illegal external guarantees

Applicable Not Applicable

There is no illegal external guarantee during the reporting period.

IV. Engagement and dismissal of accounting firms

Whether the semi-annual report has been audited or not

Yes No

The semi-annual report has not been audited.

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

Applicable Not Applicable

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

Applicable Not Applicable

VII. Matters related to bankruptcy and restructuring

Applicable Not Applicable

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

VIII. Lawsuits

Significant lawsuits and arbitration

Applicable Not Applicable

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

Other lawsuits

Applicable Not Applicable

IX. Penalties and rectification

Applicable Not Applicable

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

Applicable Not Applicable

XI. Significant related party transactions

1. Related party transactions relevant to daily operations

Applicable Not Applicable

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

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

Applicable Not Applicable

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

3. Related party transactions in joint external investments

Applicable Not Applicable

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

4. Related party creditor's rights and debts

Applicable Not Applicable

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

5. Transactions with related financial companies

Applicable Not Applicable

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

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

Applicable Not Applicable

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

7. Other significant related party transactions

Applicable Not Applicable

There is no other significant related party transaction during the reporting period.

XII. Significant contracts and performance**1. Matters of trusteeship, contracting and leases****(1) Trusteeship**

Applicable Not Applicable

There is no trusteeship during the reporting period.

(2) Contracting

Applicable Not Applicable

There is no contracting during the reporting period.

(3) Leases

Applicable Not Applicable

There is no lease during the reporting period.

2. Significant guarantees

Applicable Not Applicable

Unit: RMB 0,000 yuan

External guarantees by the Company and its subsidiaries to third parties (guarantees to subsidiaries are excluded)										
Guaranteed parties	Announcement date of disclosure of amount guaranteed	Amount guaranteed	Actual commencement date	Actual amount guaranteed	Types of guarantees	Collaterals (if any)	Counter guarantees (if any)	Period of guarantee	Whether the guarantee is mature	Whether guarantee for related parties
Total amount of guarantees approved during the reporting		0			Total amount actually guaranteed during the reporting period (A2)				0	

period (A1)										
Total amount of guarantees approved at the end of the reporting period (A3)		0		Total amount actually guaranteed at the end of the reporting period (A4)		0		0		
The Company's guarantees to subsidiaries										
Guaranteed parties	Announcement date of disclosure of amount guaranteed	Amount guaranteed	Actual commencement date	Actual amount guaranteed	Types of guarantees	Collaterals (if any)	Counter guarantees (if any)	Period of guarantee	Whether the guarantee is mature	Whether guarantee for related parties
Heilongjiang NHU Biotechnology Co., Ltd.	12/28/2018	200,000.00	06/24/2019	200,000.00	Joint and several liability guarantee			06/24/2019-12/31/2023	No	No
Shandong NHU Vitamins Co., Ltd.	12/28/2018	90,000.00	11/29/2019	50,000.00	Joint and several liability guarantee			11/29/2019-12/21/2023	No	No
NHU (Hong Kong) Trading Co., Ltd.	05/22/2020	120,000.00	09/7/2020	53,691.20	Joint and several liability guarantee			09/07/2020-09/07/2023	No	No
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	05/22/2020	50,000.00	03/24/2021	50,000.00	Joint and several liability guarantee			03/24/2021-12/25/2025	No	No
NHU (Hong Kong) Trading Co., Ltd.	04/22/2021	120,000.00	06/18/2021	7,008.38	Joint and several liability guarantee			06/18/2021-06/17/2022	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	04/22/2021	120,000.00	07/16/2021	7,008.38	Joint and several liability guarantee			07/16/2021-07/14/2022	No	No
Heilongjiang NHU Biotechnology Co., Ltd.	04/22/2021	40,000.00	08/26/2021	37,000.00	Joint and several liability guarantee			08/26/2021-12/21/2025	No	No
NHU (Hong Kong) Trading Co., Ltd.	04/22/2021	120,000.00	09/8/2021	82.38	Joint and several liability guarantee			09/08/2021-01/30/2022	Yes	No
Zhejiang NHU Imports & Exports Co., Ltd.	04/22/2021	10,000.00	09/22/2021	10,000.00	Joint and several liability guarantee			09/22/2021-05/31/2022	Yes	No
NHU (Hong Kong) Trading Co., Ltd.	04/22/2021	120,000.00	12/9/2021	63.93	Joint and several liability guarantee			12/09/2021-05/30/2022	Yes	No
新昌新和成维生素有限公司 (Xinchang NHU Vitamins Co., Ltd.)	04/22/2021	40,000.00	12/16/2021	29,000.00	Joint and several liability guarantee			12/16/2021-12/25/2026	No	No
NHU (Hong Kong) Trading Co., Ltd.	04/22/2021	120,000.00	03/28/2022	35.99	Joint and several liability guarantee			03/28/2022-09/08/2022	No	No
NHU (Hong Kong) Trading Co., Ltd.	05/11/2022	130,000.00	05/10/2022	5,369.12	Joint and several liability guarantee			05/10/2022-05/10/2023	No	No

* The English name is for identification purpose only.

Co., Ltd.					liability guarantee					
NHU (Hong Kong) Trading Co., Ltd.	05/11/2022	130,000.00	05/27/2022	97.58	Joint and several liability guarantee			05/27/2022-11/01/2022	No	No
Zhejiang NHU Imports & Exports Co., Ltd.	05/11/2022	15,000.00	05/31/2022	15,000.00	Joint and several liability guarantee			05/31/2022-05/30/2023	No	No
NHU (Hong Kong) Trading Co., Ltd.	05/11/2022	130,000.00	06/17/2022	7,008.38	Joint and several liability guarantee			06/17/2022-06/18/2023	No	No
Zhejiang NHU Pharmaceutical Co., Ltd.	05/11/2022	60,000.00	06/24/2022	55,000.00	Joint and several liability guarantee			06/24/2022-06/23/2027	No	No
Total amount of guarantees approved for subsidiaries during the reporting period (B1)			225,000		Total amount actually guaranteed for subsidiaries during the reporting period (B2)					82,511.07
Total amount of guarantees approved for subsidiaries at the end of the reporting period (B3)			651,735.57		Total amount actually guaranteed for subsidiaries at the end of the reporting period (B4)					509,210.65
Guarantees by subsidiaries to subsidiaries										
Guaranteed parties	Announcement date of disclosure of amount guaranteed	Amount guaranteed	Actual commencement date	Amount actually guaranteed	Types of guarantees	Collaterals (if any)	Counter guarantee (if any)	Period of guarantee	Whether the guarantee is mature	Whether guarantee for related parties
Total amount of guarantees approved for subsidiaries during the reporting period (C1)				0	Total amount actually guaranteed for subsidiaries during the reporting period (C2)					0
Total amount of guarantees approved for subsidiaries at the end of the reporting period (C3)				0	Total amount actually guaranteed for subsidiaries at the end of the reporting period (C4)					0
Total amount guaranteed by the Company (namely sum of the above three items)										
Total amount of guarantees approved during the reporting period (A1+B1+C1)				225,000	Total amount actually guaranteed during the reporting period (A2+B2+C2)					82,511.07
Total amount of guarantees approved at the end of the reporting period (A3+B3+C3)				651,735.57	Total amount actually guaranteed at the end of the reporting period (A4+B4+C4)					509,210.65
Proportion of the amount actually guaranteed (A4+B4+C4) to net assets of the Company										23.03%
Including:										
Balance of guarantees for shareholders, the actual controller and its related parties (D)										0
Balance of debt guarantee directly or indirectly for guaranteed parties with debt to asset ratio exceeding 70% (E)										331,000
The amount of the total amount guaranteed exceeding 50% of net assets (F)										0
Total amount guaranteed of three items above (D+E+F)										331,000
Remarks on unexpired guarantee contracts with guarantee liabilities incurred or evidence indicating the possibility of undertaking joint liquidation liabilities during the reporting period (if applicable)										None
Remarks on external guarantee in violation of provisions (if applicable)										None

3. Entrusted financing

Applicable Not Applicable

Entrusted financing during the reporting period

Unit: RMB 0,000 yuan

Types	Source of entrusted funds	Entrusted amount	Unexpired balance	Overdue and not recovered amount	Impairment amount accrued for financial products overdue and not recovered
Bank financial products	Raised funds	275,000	92,000	0	0
Total		275,000	92,000	0	0

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

Applicable Not Applicable

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

Applicable Not Applicable

4. Other significant contracts

Applicable Not Applicable

There is no other significant contract during the reporting period.

XIII. Other significant events

Applicable Not Applicable

I Progress of the Share Repurchase Plan

Please refer to “Progress of the Share Repurchase Plan” under the item “I. Movements in shares” in “Section VII Movements in Shares and Conditions of Shareholders” for details.

II Progress of the Third Employee Stock Ownership Plan

The third employee stock ownership plan of the Company was deliberated and adopted by the second extraordinary shareholders' meeting of 2020 held on November 11, 2020, the current employee stock ownership plan is managed by the Company itself, and the Company's shares are acquired and held by stock purchase through secondary market, the duration shall not exceed 24 months. On February 26, 2022, the number of shares held by the third employee stock ownership plan of the Company was 10,131,522, accounting for 0.39% of the company's total share capital at that time, and the lock-up period expired. On May 25, 2022, holding shares in the third phase of employee stock ownership plan increased to 12,157,826 shares after the Company's annual equity distribution of 2021, accounting for 0.39% of total current shares. For more details, please refer to *The Suggestive Announcement on the Expiration of Lock-up period of the Third Employee Stock Ownership plan* (2022-004) published on the company's designated information disclosure media and cninfo (<http://www.cninfo.com.cn>) .

III Progress of shareholding increase by controlling shareholders

Based on the confidence in the sustainable and stable development of the company in the future and the recognition of the company's value, and to enhance investors' confidence, the controlling shareholder of the company, NHU Holding Group Co., Ltd plans to increase its holdings of the company's shares in the next six months through the ways allowed by the trading system of Shenzhen Stock Exchange (including but not limited to centralized bidding, block trading, etc.), and the amount of shares to be increased is not less than RMB 300 mn and not more than RMB 600 mn. There is no price range in this shareholding increase plan, and the shareholding increase plan will be gradually implemented according to the fluctuation of the company's stock price and the overall trend of the capital market. For more details, please refer to *The Announcement of Controlling Shareholders' Share Increase Plan* (2022-031) published on the company's designated information disclosure media and cninfo (<http://www.cninfo.com.cn>) on May 18, 2022. By June 30, 2022, NHU Holding Group Co., Ltd had increased its holdings by 4,195,452 shares.

IV Progress of Investment Project with Raised Funds

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

From January 1 to June 30, 2022, the actual use of the raised funds was RMB 692.82 mn, and the accumulated investment of the raised funds project was RMB 2,780.26 mn. By June 30, 2022, the balance of raised funds was RMB 2,765.88 mn (including financial products and structured deposits, the net amount of interest on cash in bank less handling charges, gains on financial products and structured deposits received on an accumulated basis).

XIV. Significant events of subsidiaries of the Company

Applicable Not Applicable

Section VII Movements in Shares and Information about Shareholders

I. Movements in shares

1. Details

Unit: Share

Items	Before		Movements (+/-)					After	
	Quantity	% to total	Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	Quantity	% to total
I. Restricted shares	30,311,835	1.18%			6,062,367		6,062,367	36,374,202	1.18%
1. Held by other domestic parties	30,311,835	1.18%			6,062,367		6,062,367	36,374,202	1.18%
Including: Held by domestic natural persons	30,311,835	1.18%			6,062,367		6,062,367	36,374,202	1.18%
II. Unrestricted shares	2,548,082,925	98.82%			506,450,229		506,450,229	3,054,533,154	98.82%
1. RMB ordinary shares	2,548,082,925	98.82%			506,450,229		506,450,229	3,054,533,154	98.82%
III. Total	2,578,394,760	100.00%			512,512,596		512,512,596	3,090,907,356	100.00%

Reason for movements

√ Applicable □ Not Applicable

The 2021 annual general meeting of shareholders held on May 10, 2022 reviewed and approved the *Proposal on Profit Distribution Plan of 2021*, which was implemented and completed on May 25, 2022. The *Annual Equity Distribution Plan* for 2021: Based on 2,562,562,984 shares (the total share capital of the company at that time, which was 2,578,394,760 shares, excluded 15,831,776 repurchased shares), distributed cash dividends of RMB 7 (tax included) per 10 shares to all shareholders, with a total cash distribution of RMB 1,793,794,088.80 (tax included), and distributed 2 shares per 10 shares by converting capital reserve to all shareholders, with a total of 512,512,596 shares added, after the increase, the total share capital amounted to 3,090,907,356 shares.

Approval on movements in shares

√ Applicable □ Not Applicable

Please refer to “Reason for movements” under the item “I. Movements in shares” in “Section VII Movements in Shares and Conditions of Shareholders” for details.

Transfer of shares

□ Applicable √ Not Applicable

Progress of the Share Repurchase Plan

√ Applicable □ Not Applicable

At the 7th Meeting of the 8th Board of Directors held on August 18, 2021, Zhejiang NHU Co., Ltd. (hereinafter referred to as “the company”) deliberated and adopted The Proposal on Share Repurchase Plan of the Company, agreed that the company would use its own funds to repurchase part of the public shares of the company in the form of centralized bidding transaction. And the shares

repurchased would be used for implementing equity incentive plan or employee stock ownership plan. The total amount of repurchase would be RMB300-600mn, and the repurchase price would be no more than RMB41/share. The specific amount of shares repurchased and its proportion in the total share capital shall be subject to the actual amount of shares repurchased at the expiration of the repurchase period. The implementation period of the share repurchase plan shall not exceed 12 months from the date when the board of directors of the company deliberates and adopts The Proposal on Share Repurchase Plan of the Company.

By May 31, 2022, the company has repurchased 17,485,676 shares in the form of centralized bidding trading through Zhejiang NHU Co., Ltd. Repurchase Securities Account, accounting for 0.5657% of the company's total share capital. The maximum transaction price is RMB 31.88/ share, the minimum transaction price is RMB 20.20/share, and the cumulative transaction amount is RMB 500,019,703.22 (excluding transaction costs). During the reporting period, 6,497,307 shares were repurchased in total with a cumulative transaction amount of RMB 179,684,551.90 (excluding transaction costs). The actual repurchase period is from August 31, 2021 to May 30, 2022. The share repurchase plan complies with the requirements of relevant laws and regulations and the company's established repurchase plan. The Share Repurchase Plan of the Company has been implemented. For more details, please refer to *The Announcement on the progress of repurchasing shares of the company and the completion of repurchasing (2022-032)* published on the company's designated information disclosure media and cninfo (<http://www.cninfo.com.cn>). (Note: the company implemented the 2021 annual equity distribution on May 25, 2022, and the proportion of the number of repurchased company shares in the total capital stock of the company has been adjusted accordingly.)

Implementation progress of shareholding reduction for shares repurchased through centralized bidding

Applicable Not applicable

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

Applicable Not Applicable

Please refer to “Company Profile and Key Financial Indicators” under the item “IV. Key accounting data and financial indicators” for details.

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

Applicable Not applicable

2. Movement in restricted shares

Applicable Not applicable

Unit: Share

Shareholders	Number of restricted shares at the beginning of the period	Number of restricted shares unlocked during the current period	Number of restricted shares increased during the current period	Number of restricted shares at the end of the period	Reason for restriction	Date of unlocking
Hu Baifan	8,701,873		1,740,375	10,442,248	Locked up for the shares are held by the executive	75% of total shares held by the executive are locked up on an annual basis.
Hu Baishan	9,122,455		1,824,491	10,946,946	Locked up for the shares are held by the executive	75% of total shares held by the executive are locked up on an annual basis.
Shi Guanqun	6,548,649		1,309,730	7,858,379	Locked up for the shares are held by the executive	75% of total shares held by the executive are locked up on an annual basis.
Wang Xuewen	5,548,707		1,109,741	6,658,448	Locked up for the	75% of total shares

Shareholders	Number of restricted shares at the beginning of the period	Number of restricted shares unlocked during the current period	Number of restricted shares increased during the current period	Number of restricted shares at the end of the period	Reason for restriction	Date of unlocking
					shares are held by the executive	held by the executive are locked up on an annual basis.
Wang Zhengjiang	286,875		57,375	344,250	Locked up for the shares are held by the executive	75% of total shares held by the executive are locked up on an annual basis.
Zhou Guiyang	103,276		20,655	123,931	Locked up for the shares are held by the executive	75% of total shares held by the executive are locked up on an annual basis.
Total	30,311,835	0	6,062,367	36,374,202	--	--

II. Issuance and listing of securities

Applicable Not Applicable

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

Unit: Share

Total shareholders of ordinary shares at the end of the reporting period		93,348		Total shareholders of preferred shares with voting rights restored at the end of the reporting period		0		
Shareholders with holding proportion over 5% or the top 10 shareholders with largest holding proportions								
Shareholders	Nature of shareholders	Holding proportion	Quantity of ordinary shares at the end of the reporting period	Movements during the reporting period	Quantity of restricted shares	Quantity of unrestricted shares	Shares pledged, marked or frozen	
							Condition	Quantity
NHU Holding Group Co., Ltd.	Domestic non-state-owned legal person	48.74%	1,506,479,825	254,576,181	0	1,506,479,825		
Hong Kong Securities Clearing Company Limited	Overseas legal person	3.10%	95,701,262	21,807,933	0	95,701,262		
Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Huizhi Fund	Others	1.75%	54,072,200	9,012,033	0	54,072,200		
National Social Security Fund No.503Portfolio	Others	0.91%	28,000,000	8,000,000	0	28,000,000		
Kuwait Investment Authority	Overseas legal person	0.56%	17,222,802	1,904,100	0	17,222,802		
Shanghai Chongyang Strategic Investment Co., Ltd. — Chongyang Strategic Yingzhi Fund	Others	0.53%	16,248,559	1,018,422	0	16,248,559		
Hu Baishan	Domestic natural person	0.47%	14,595,929	2,432,655	10,946,946	3,648,983		
Beijing Yuanfeng Private Equity Fund Management	Others	0.46%	14,372,624	2,395,437	0	14,372,624		

Partnership (LP) – Yuanfeng Value Private Equity Investment Fund								
Chongyang Group Co., Ltd.	Domestic non-state-owned legal person	0.45%	13,962,191	2,327,032	0	13,962,191		
Hu Baifan	Domestic natural person	0.45%	13,922,998	2,320,500	10,442,248	3,480,750		
Strategic investors or ordinary legal persons that became one of the top 10 shareholders due to the allotment of new shares	Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund became one of the top 10 shareholders with largest holding proportions due to its participation in private placement of shares in 2017.							
Remarks on relationships or concerted action between the top 10 shareholders with largest holding proportions	Among the above shareholders, Hu Baifan is the chairman of the board, general manager and actual controller of NHU Holding Group Co., Ltd.; Hu Baishan is the director of NHU Holding Group Co., Ltd., and Hu Baifan and Hu Baishan are brothers. The Company does not know whether other shareholders have relationships and whether they are persons acting in concert as defined in <i>Administration of the Takeover of Listed Companies Procedures</i> .							
Remarks on proxy voting and waiver of voting right of the above shareholders	None							
Special remarks on top 10 shareholders with special repurchase accounts	The Company's special securities account for repurchase is attributable to the top 10 shareholders, who however did not participate in the presentation of such balances.							
Top 10 shareholders with unrestricted shares								
Shareholders	Quantity of unrestricted shares at the end of the reporting period	Category of shares						
		Category	Quantity					
NHU Holding Group Co., Ltd.	1,506,479,825	RMB ordinary shares	1,506,479,825					
Hong Kong Securities Clearing Company Limited	95,701,262	RMB ordinary shares	95,701,262					
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund	54,072,200	RMB ordinary shares	54,072,200					
National Social Security Fund No.503Portfolio	28,000,000	RMB ordinary shares	28,000,000					
Kuwait Investment Authority	17,222,802	RMB ordinary shares	17,222,802					
Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Yingzhi Fund	16,248,559	RMB ordinary shares	16,248,559					
Beijing Yuanfeng Private Equity Fund Management Partnership (LP) – Yuanfeng Value Private Equity Investment Fund	14,372,624	RMB ordinary shares	14,372,624					
Chongyang Group Co., Ltd.	13,962,191	RMB ordinary shares	13,962,191					
Agricultural Bank Of China Limited- Franklin Guohai deepening value hybrid securities investment fund	13,187,519	RMB ordinary shares	13,187,519					
The Company – Employee stock ownership plan phase III	12,157,826	RMB ordinary shares	12,157,826					
Remarks on relationships or concerted action between the top 10 shareholders with unrestricted shares, and between the top 10 shareholders with unrestricted shares and top 10 shareholders with largest holding proportions.	Among the above shareholders, Hu Baifan is the chairman of the board, general manager and actual controller of NHU Holding Group Co., Ltd.; Hu Baishan is the director of NHU Holding Group Co., Ltd., and Hu Baifan and Hu Baishan are brothers. The Company does not know whether other shareholders have relationships and whether they are persons acting in concert as defined in <i>Administration of the Takeover of Listed Companies Procedures</i> .							
Remarks on top 10 shareholders of ordinary shares participating in securities margin trading	Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Huizhi Fund holds 54,072,127 shares through client account of collateral securities for margin trading of Guotai Junan Securities Co., Ltd.; Shanghai Chongyang Strategic Investment Co., Ltd. – Chongyang Strategic Yingzhi Fund holds 3,677,161 shares through client account of collateral securities for margin trading of Citic Securities Co., Ltd.; Beijing Yuanfeng Private Equity Fund Management Partnership (LP) – Yuanfeng Value Private Equity Investment Fund holds 7,186,304 shares through client account of collateral securities for margin trading of Huatai Securities Co., Ltd.; Chongyang Group Co., Ltd. holds							

	13,961,946 shares through client account of collateral securities for margin trading of China Merchants Securities Co., Ltd..
--	---

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

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

Yes No

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

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

Applicable Not Applicable

Name	Position	Status	Number of shares held at the beginning of the period (shares)	Number of shares increased during the current period (shares)	Number of shares decreased during the current period (shares)	Number of shares held at the end of the period (shares)	Number of unrestricted shares held at the beginning of the period (shares)	Number of restricted shares granted during this period (shares)	Number of restricted shares held at the end of the period (shares)
Hu Baifan	Chairman	Incumbent	11,602,498	2,320,500		13,922,998	0	0	0
Hu Baishan	Vice Chairman, President	Incumbent	12,163,274	2,432,655		14,595,929	0	0	0
Shi Guanqun	Director, Vice President, CFO, Secretary of the Board	Incumbent	8,731,532	1,746,306		10,477,838	0	0	0
Wang Xuewen	Director, Vice President	Incumbent	7,398,276	1,479,655		8,877,931	0	0	0
Wang Zhengjiang	Director	Incumbent	382,500	76,500		459,000	0	0	0
Zhou Guiyang	Director	Incumbent	137,702	27,540		165,242	0	0	0
Total	--	--	40,415,782	8,083,156	0	48,498,938	0	0	0

V. Changes of holding shareholders or controlling shareholders

Changes of holding shareholders during the reporting period

Applicable Not applicable

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

Changes of actual controller within the reporting period

Applicable Not applicable

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

Section VIII Preferred Shares

Applicable Not applicable

The Company has no preferred shares during the reporting period.

Section IX Bonds

Applicable Not applicable

Section X Financial Report

I. Audit Reports

Has the semi-annual report been audited

Yes No

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

II. Financial Statements

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

1. Consolidated balance sheet

Prepared by Zhejiang NHU Co., Ltd.

June 30, 2022

Unit: RMB Yuan

Items	June 30, 2022	January 1, 2022
Current assets:		
Cash and bank balances	6,590,012,908.26	5,952,909,626.94
Settlement funds		
Loans to other banks		
Held-for-trading financial assets	669,555,464.77	1,250,736,359.24
Derivative financial assets		
Notes receivable	339,143,431.45	349,145,316.03
Accounts receivable	3,061,875,600.52	2,755,168,573.14
Receivables financing	198,094,359.06	182,891,179.65
Advances paid	123,291,222.99	78,969,960.60
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance reserve receivable		
Other receivables	247,863,734.11	254,497,248.13
Including: Interest receivable		
Dividend receivable		7,159,278.00
Financial assets under reverse repo		
Inventories	4,562,173,216.89	3,193,657,367.16
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	330,618,923.96	895,782,268.87
Total current assets	16,122,628,862.01	14,913,757,899.76
Non-current assets:		

Items	June 30, 2022	January 1, 2022
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	383,722,022.14	351,327,625.75
Other equity instrument investments	22,998,147.55	22,998,147.55
Other non-current financial assets		
Investment property		
Fixed assets	14,895,938,812.24	14,350,779,852.73
Construction in progress	3,855,244,085.78	2,984,835,072.82
Productive biological assets		
Oil & gas assets		
Right-of-use assets	3,055,722.33	3,123,637.11
Intangible assets	1,616,112,930.87	1,521,729,757.66
Development expenditures		
Goodwill	4,410,005.33	
Long-term prepayments	16,384,122.78	18,591,707.06
Deferred tax assets	67,981,760.16	55,805,191.95
Other non-current assets	826,539,372.46	501,076,584.40
Total non-current assets	21,692,386,981.64	19,810,267,577.03
Total assets	37,815,015,843.65	34,724,025,476.79
Current liabilities:		
Short-term borrowings	2,633,945,563.46	1,403,332,827.92
Central bank loans		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	930,489,306.12	694,124,946.73
Accounts payable	1,768,457,348.99	1,435,966,427.76
Advances received		
Contract liabilities	82,505,836.42	61,135,258.36
Financial liabilities under repo		
Absorbing deposit and interbank deposit		
Deposit for agency security transaction		
Deposit for agency security underwriting		
Employee benefits payable	253,936,770.96	370,609,333.07
Taxes and rates payable	272,513,121.07	420,743,262.69
Other payables	133,386,496.99	56,712,103.36
Including: Interest payable		
Dividend payable		
Handling fee and commission payable		

Items	June 30, 2022	January 1, 2022
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	3,198,114,745.29	2,029,499,509.43
Other current liabilities	6,558,814.10	5,133,310.10
Total current liabilities	9,279,908,003.40	6,477,256,979.42
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	5,070,255,993.98	5,148,811,786.49
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,845,348.72	2,936,868.15
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	1,072,925,873.88	1,063,699,676.16
Deferred tax liabilities	201,277,061.78	135,751,304.31
Other non-current liabilities		
Total non-current liabilities	6,347,304,278.36	6,351,199,635.11
Total liabilities	15,627,212,281.76	12,828,456,614.53
Equity:		
Share capital	3,090,907,356.00	2,578,394,760.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,613,594,210.48	4,121,063,080.96
Less: Treasury shares	500,059,711.25	320,360,784.48
Other comprehensive income	30,637,305.79	-1,614,172.31
Special reserve	17,141,311.39	12,692,218.51
Surplus reserve	1,289,197,380.00	1,289,197,380.00
General risk reserve		
Undistributed profit	14,572,548,858.62	14,152,465,528.17
Total equity attributable to the parent company	22,113,966,711.03	21,831,838,010.85
Non-controlling interest	73,836,850.86	63,730,851.41
Total equity	22,187,803,561.89	21,895,568,862.26
Total liabilities & equity	37,815,015,843.65	34,724,025,476.79

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: Wang Xiaobi

2. Parent company balance sheet

Unit: RMB Yuan

Items	June 30, 2022	January 1, 2022
Current assets:		
Cash and bank balances	4,904,862,272.30	4,319,521,960.26
Held-for-trading financial assets	400,000,000.00	200,000,000.00
Derivative financial assets		
Notes receivable	309,913,802.00	349,145,316.03
Accounts receivable	849,054,429.84	746,349,980.29
Receivables financing		
Advances paid	5,124,146.44	203,802,390.93
Other receivables	2,672,267,915.31	3,095,039,415.47
Including: Interest receivable		
Dividend receivable		7,159,278.00
Inventories	465,108,312.18	442,360,365.52
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	2,866,947.56	552,376,721.31
Total current assets	9,609,197,825.63	9,908,596,149.81
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	8,129,972,859.07	8,054,952,017.02
Other equity instrument investments	22,998,147.55	22,998,147.55
Other non-current financial assets		
Investment property		
Fixed assets	645,778,266.15	674,187,271.03
Construction in progress	4,279,290.33	1,396,104.03
Productive biological assets		
Oil & gas assets		
Right-of-use assets	2,872,394.68	2,952,929.08
Intangible assets	111,139,636.32	113,952,307.99
Development expenditures		
Goodwill		
Long-term prepayments	3,440,588.11	4,266,859.15
Deferred tax assets	29,808,237.08	33,889,948.73
Other non-current assets	8,752,356.88	2,311,441.46
Total non-current assets	8,959,041,776.17	8,910,907,026.04
Total assets	18,568,239,601.80	18,819,503,175.85
Current liabilities:		
Short-term borrowings	1,413,346,166.66	582,373,105.49
Held-for-trading financial liabilities		

Items	June 30, 2022	January 1, 2022
Derivative financial liabilities		
Notes payable	648,046,083.95	464,150,033.90
Accounts payable	83,879,353.09	84,472,375.02
Advances received		
Contract liabilities	12,538,596.01	13,839,278.19
Employee benefits payable	58,704,495.05	88,415,827.18
Taxes and rates payable	14,565,380.56	60,253,580.60
Other payables	18,739,292.29	15,631,151.00
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	2,065,982,274.26	1,238,333,387.67
Other current liabilities	1,630,017.44	1,799,106.15
Total current liabilities	4,317,431,659.31	2,549,267,845.20
Non-current liabilities:		
Long-term borrowings	2,629,531,057.76	2,935,717,876.76
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,756,290.95	2,924,244.46
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income	12,980,884.42	15,164,020.12
Deferred tax liabilities	20,079,408.57	20,547,468.08
Other non-current liabilities		
Total non-current liabilities	2,665,347,641.70	2,974,353,609.42
Total liabilities	6,982,779,301.01	5,523,621,454.62
Equity:		
Share capital	3,090,907,356.00	2,578,394,760.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	3,353,924,529.09	3,861,393,399.57
Less: Treasury shares	500,059,711.25	320,360,784.48
Other comprehensive income	506,954.43	506,954.43
Special reserve		
Surplus reserve	1,289,197,380.00	1,289,197,380.00
Undistributed profit	4,350,983,792.52	5,886,750,011.71
Total equity	11,585,460,300.79	13,295,881,721.23
Total liabilities & equity	18,568,239,601.80	18,819,503,175.85

3. Consolidated income statement

Unit: RMB Yuan

Items	2022 Semi-Annual	2021 Semi-Annual
I. Total operating revenue	8,215,039,277.03	7,340,124,310.11
Including: Operating revenue	8,215,039,277.03	7,340,124,310.11
Interest income		
Premiums earned		
Revenue from handling charges and commission		
II. Total operating cost	5,728,884,500.93	4,622,590,418.92
Including: Operating cost	4,945,122,803.39	3,822,747,702.20
Interest expenses		
Handling charges and commission expenditures		
Surrender value		
Net payment of insurance claims		
Net provision of insurance policy reserve		
Premium bonus expenditures		
Reinsurance expenses		
Taxes and surcharges	51,610,671.05	60,794,324.08
Selling expenses	57,277,897.48	55,479,574.90
Administrative expenses	212,284,822.41	187,505,914.10
R&D expenses	440,357,252.64	351,532,764.55
Financial expenses	22,231,053.96	144,530,139.09
Including: Interest expenses	152,357,156.76	162,484,715.95
Interest income	76,211,850.51	72,107,022.92
Add: Other income	86,626,226.90	74,696,050.67
Investment income (or less: losses)	51,479,744.19	44,982,466.91
Including: Investment income from associates and joint ventures	25,402,893.70	15,735,226.24
Gains from derecognition of financial assets at amortized cost		
Gains on foreign exchange (or less: losses)		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)	11,836,700.04	23,671,758.14
Credit impairment loss	-10,613,626.22	-33,637,204.20
Assets impairment loss	-7,890,179.58	-6,714,482.90
Gains on asset disposal (or less: losses)	6,674,850.81	1,065,564.79
III. Operating profit (or less: losses)	2,624,268,492.24	2,821,598,044.60
Add: Non-operating revenue	2,024,074.84	10,346,441.45
Less: Non-operating expenditures	2,330,316.96	1,919,029.53
IV. Profit before tax (or less: total loss)	2,623,962,250.12	2,830,025,456.52
Less: Income tax	400,099,923.62	394,709,861.22
V. Net profit (or less: net loss)	2,223,862,326.50	2,435,315,595.30
(I) Categorized by the continuity of operations		

Items	2022 Semi-Annual	2021 Semi-Annual
1. Net profit from continuing operations (or less: net loss)	2,223,862,326.50	2,435,315,595.30
2. Net profit from discontinued operations (or less: net loss)		
(II) Categorized by the portion of equity ownership		
1. Net profit attributable to owners of parent company	2,213,877,419.25	2,426,979,148.42
2. Net profit attributable to non-controlling shareholders	9,984,907.25	8,336,446.88
VI. Other comprehensive income after tax	32,372,570.30	-14,379,132.25
Items attributable to the owners of the parent company	32,251,478.10	-11,402,449.39
(I) Not to be reclassified subsequently to profit or loss		
1. Changes in remeasurement on the net defined benefit plan		
2. Items under equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of own credit risk		
5. Others		
(II) To be reclassified subsequently to profit or loss	32,251,478.10	-11,402,449.39
1. Items under equity method that may be reclassified to profit or loss		
2. Changes in fair value of other debt investments		
3. Profit or loss from reclassification of financial assets into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve	32,251,478.10	-11,402,449.39
7. Others		
Items attributable to non-controlling shareholders	121,092.20	-2,976,682.86
VII. Total comprehensive income	2,256,234,896.80	2,420,936,463.05
Items attributable to the owners of the parent company	2,246,128,897.35	2,415,576,699.03
Items attributable to non-controlling shareholders	10,105,999.45	5,359,764.02
VIII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)	0.72	0.79
(II) Diluted EPS (yuan per share)	0.72	0.79

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

Legal representative: Hu Baifan Officer in charge of accounting: Shi Guanqun Head of accounting department: Wang Xiaobi

4. Parent company income statement

Unit: RMB Yuan

Items	2022 Semi-Annual	2021 Semi-Annual
I. Operating revenue	1,881,789,420.59	2,405,071,741.42
Less: Operating cost	1,484,626,689.83	1,649,769,660.92

Items	2022 Semi-Annual	2021 Semi-Annual
Taxes and surcharges	9,419,467.60	14,334,032.09
Selling expenses	13,475,826.45	12,902,562.24
Administrative expenses	70,457,378.58	68,371,878.28
R&D expenses	117,265,377.61	96,647,099.84
Financial expenses	19,040,753.12	29,735,303.93
Including: Interest expenses	86,733,082.30	86,481,023.12
Interest income	67,574,696.90	61,283,871.93
Add: Other income	22,525,397.54	20,317,226.28
Investment income (or less: losses)	90,072,788.02	1,399,890,573.23
Including: Investment income from associates and joint ventures	19,977,116.53	16,864,292.79
Gains from derecognition of financial assets at amortized cost		
Gains on net exposure to hedging risk (or less: losses)		
Gains on changes in fair value (or less: losses)		8,196,887.24
Credit impairment loss	16,015,667.16	6,804,182.64
Assets impairment loss	-6,715,175.00	-6,120,461.67
Gains on asset disposal (or less: losses)	-79,510.57	-2,538,880.18
II. Operating profit (or less: losses)	289,323,094.55	1,959,860,731.66
Add: Non-operating revenue	56,720.00	4,706,210.71
Less: Non-operating expenditures	972,209.42	1,100,000.00
III. Profit before tax (or less: total loss)	288,407,605.13	1,963,466,942.37
Less: Income tax	30,379,735.52	86,774,613.55
IV. Net profit (or less: net loss)	258,027,869.61	1,876,692,328.82
(I) Net profit from continuing operations (or less: net loss)	258,027,869.61	1,876,692,328.82
(II) Net profit from discontinued operations (or less: net loss)		
V. Other comprehensive income after tax		
(I) Not to be reclassified subsequently to profit or loss		
1. Changes in remeasurement on the net defined benefit plan		
2. Items under equity method that will not be reclassified to profit or loss		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of own credit risk		
5. Others		
(II) To be reclassified subsequently to profit or loss		
1. Items under equity method that may be reclassified to profit or loss		
2. Changes in fair value of other debt investments		
3. Profit or loss from reclassification of financial assets into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserve		
6. Translation reserve		

Items	2022 Semi-Annual	2021 Semi-Annual
7. Others		
VI. Total comprehensive income	258,027,869.61	1,876,692,328.82
VII. Earnings per share (EPS):		
(I) Basic EPS (yuan per share)		
(II) Diluted EPS (yuan per share)		

5. Consolidated cash flow statement

Unit: RMB Yuan

Items	2022 Semi-Annual	2021 Semi-Annual
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	7,785,627,208.41	6,909,005,885.72
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash receipts from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	696,115,463.88	515,274,673.62
Other cash receipts related to operating activities	181,679,924.51	166,303,614.38
Subtotal of cash inflows from operating activities	8,663,422,596.80	7,590,584,173.72
Cash payments for goods purchased and services received	5,623,412,196.31	3,798,790,421.03
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling charges and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	1,032,523,887.01	787,203,766.37
Cash payments for taxes and rates	618,388,114.66	522,757,776.92
Other cash payments related to operating activities	146,641,660.62	192,194,712.71
Subtotal of cash outflows from operating activities	7,420,965,858.60	5,300,946,677.03
Net cash flows from operating activities	1,242,456,738.20	2,289,637,496.69
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	37,221,964.90	37,215,654.69
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	4,153,451.64	8,502,600.00

Items	2022 Semi-Annual	2021 Semi-Annual
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	1,827,718,300.54	1,800,000,000.00
Subtotal of cash inflows from investing activities	1,869,093,717.08	1,845,718,254.69
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	1,801,063,585.84	1,326,743,700.31
Cash payments for investments		
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units	5,485,385.14	83,904,479.79
Other cash payments related to investing activities	1,136,474,731.36	1,520,000,000.00
Subtotal of cash outflows from investing activities	2,943,023,702.34	2,930,648,180.10
Net cash flows from investing activities	-1,073,929,985.26	-1,084,929,925.41
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Including: Cash received by subsidiaries from non-controlling shareholders as investments		
Cash receipts from borrowings	3,790,379,237.43	4,130,981,309.28
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	3,790,379,237.43	4,130,981,309.28
Cash payments for the repayment of borrowings	1,249,162,336.86	2,095,709,235.89
Cash payments for distribution of dividends or profits and for interest expenses	1,963,178,314.75	1,680,134,920.84
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		
Other cash payments related to financing activities	3,882,331.56	3,363,407.69
Subtotal of cash outflows from financing activities	3,216,222,983.17	3,779,207,564.42
Net cash flows from financing activities	574,156,254.26	351,773,744.86
IV. Effect of foreign exchange rate changes on cash & cash equivalents	-5,511,976.27	-43,624,594.66
V. Net increase in cash and cash equivalents	737,171,030.93	1,512,856,721.48
Add: Opening balance of cash and cash equivalents	5,714,537,538.23	4,669,306,776.09
VI. Closing balance of cash and cash equivalents	6,451,708,569.16	6,182,163,497.57

6. Parent company cash flow statement

Unit: RMB Yuan

Items	2022 Semi-Annual	2021 Semi-Annual
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	2,052,435,852.98	2,552,072,193.45
Receipts of tax refund	45,449,735.20	48,584,987.43
Other cash receipts related to operating activities	87,918,046.65	84,964,666.40
Subtotal of cash inflows from operating activities	2,185,803,634.83	2,685,621,847.28
Cash payments for goods purchased and services received	1,208,399,552.39	1,633,400,198.22
Cash paid to and on behalf of employees	195,470,414.48	149,783,536.93
Cash payments for taxes and rates	93,367,767.02	78,513,703.83
Other cash payments related to operating activities	55,099,073.01	55,045,354.56
Subtotal of cash outflows from operating activities	1,552,336,806.90	1,916,742,793.54

Items	2022 Semi-Annual	2021 Semi-Annual
Net cash flows from operating activities	633,466,827.93	768,879,053.74
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		
Cash receipts from investment income	52,285,594.53	1,162,849,287.12
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	3,520,172,480.03	4,883,233,008.66
Subtotal of cash inflows from investing activities	3,572,458,074.56	6,046,082,295.78
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	2,828,025.55	2,560,544.11
Cash payments for investments	50,000,000.00	660,000,000.00
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	3,014,522,667.74	4,589,000,000.00
Subtotal of cash outflows from investing activities	3,067,350,693.29	5,251,560,544.11
Net cash flows from investing activities	505,107,381.27	794,521,751.67
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowings	2,040,000,000.00	3,055,061,200.00
Other cash receipts related to financing activities		
Subtotal of cash inflows from financing activities	2,040,000,000.00	3,055,061,200.00
Cash payments for the repayment of borrowings	689,759,400.00	1,419,380,427.30
Cash payments for distribution of dividends or profits and for interest expenses	1,878,276,172.00	1,588,570,689.93
Other cash payments related to financing activities	1,266,518.81	2,810,055.12
Subtotal of cash outflows from financing activities	2,569,302,090.81	3,010,761,172.35
Net cash flows from financing activities	-529,302,090.81	44,300,027.65
IV. Effect of foreign exchange rate changes on cash and cash equivalents	806,094.12	-8,249,728.64
V. Net increase in cash and cash equivalents	610,078,212.51	1,599,451,104.42
Add: Opening balance of cash and cash equivalents	4,191,863,033.83	2,593,272,980.50
VI. Closing balance of cash and cash equivalents	4,801,941,246.34	4,192,724,084.92

7. Consolidated statement of changes in equity

Current period cumulative

Unit: RMB Yuan

Items	2022 Semi-Annual														
	Equity attributable to parent company												Non-controlling interest	Total equity	
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
I. Balance at the end of prior year	2,578,394,760.00				4,121,063,080.96	320,360,784.48	-1,614,172.31	12,692,218.51	1,289,197,380.00		14,152,465,528.17		21,831,838,010.85	63,730,851.41	21,895,568,862.26
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Business combination under common control															
Others															
II. Balance at the beginning of current year	2,578,394,760.00				4,121,063,080.96	320,360,784.48	-1,614,172.31	12,692,218.51	1,289,197,380.00		14,152,465,528.17		21,831,838,010.85	63,730,851.41	21,895,568,862.26
III. Current period increase (or less: decrease)	512,512,596.00				-507,468,870.48	179,698,926.77	32,251,478.10	4,449,092.88			420,083,330.45		282,128,700.18	10,105,999.45	292,234,699.63
(I) Total comprehensive income							32,251,478.10				2,213,877,419.25	0	2,246,128,897.35	10,105,999.45	2,256,234,896.80
(II) Capital contributed or withdrawn by owners						179,698,926.77							-179,698,926.77		-179,698,926.77
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity															
4. Others						179,698,926.77							-179,698,926.77		-179,698,926.77
(III) Profit distribution											-1,793,794,088.80		-1,793,794,088.80		-1,793,794,088.80
1. Appropriation of surplus reserve															

Items	2022 Semi-Annual														
	Equity attributable to parent company													Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners											-1,793,794,088.80		-1,793,794,088.80		-1,793,794,088.80
4. Others															
(IV) Internal carry-over within equity	512,512,596.00				-512,512,596.00										
1. Transfer of capital reserve to capital	512,512,596.00				-512,512,596.00										
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
(V) Special reserve								4,449,092.88					4,449,092.88		4,449,092.88
1. Appropriation of current period								13,360,150.22					13,360,150.22		13,360,150.22
2. Application of current period								-8,911,057.34					-8,911,057.34		-8,911,057.34
(VI) Others					5,043,725.52								5,043,725.52		5,043,725.52
IV. Balance at the end of current period	3,090,907,356.00				3,613,594,210.48	500,059,711.25	30,637,305.79	17,141,311.39	1,289,197,380.00		14,572,548,858.62		22,113,966,711.03	73,836,850.86	22,187,803,561.89

Preceding period comparative

Unit: RMB Yuan

Items	2021 Semi-Annual														
	Equity attributable to parent company													Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of prior year	2,148,662,300.00				4,560,522,556.84		27,803,829.31	9,550,346.85	1,074,331,150.00		11,515,384,739.95		19,336,254,922.95	67,576,527.03	19,403,831,449.98
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Business combination under common control															
Others															
II. Balance at the beginning of current year	2,148,662,300.00				4,560,522,556.84		27,803,829.31	9,550,346.85	1,074,331,150.00		11,515,384,739.95		19,336,254,922.95	67,576,527.03	19,403,831,449.98
III. Current period increase (or less: decrease)	429,732,460.00				-429,732,460.00		11,402,449.39	2,092,131.78			922,915,538.42		913,605,220.81	-7,822,068.98	905,783,151.83
(I) Total comprehensive income							11,402,449.39				2,426,979,148.42		2,415,576,699.03	5,359,764.02	2,420,936,463.05
(II) Capital contributed or withdrawn by owners															
1. Ordinary shares contributed by owners															
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity															
4. Others															
(III) Profit distribution											-1,504,063,610.00		-1,504,063,610.00	13,181,833.00	-1,517,245,443.00
1. Appropriation of surplus reserve															
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners											-1,504,063,610.00		-1,504,063,610.00	13,181,833.00	-1,517,245,443.00

Items	2021 Semi-Annual														
	Equity attributable to parent company													Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Subtotal		
	Preferred shares	Perpetual bonds	Others												
4. Others															
(IV) Internal carry-over within equity	429,732,460.00				-429,732,460.00										
1. Transfer of capital reserve to capital	429,732,460.00				-429,732,460.00										
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings															
6. Others															
(V) Special reserve								2,092,131.78					2,092,131.78	2,092,131.78	
1. Appropriation of current period								5,948,742.71					5,948,742.71	5,948,742.71	
2. Application of current period								-3,856,610.93					-3,856,610.93	-3,856,610.93	
(VI) Others															
IV. Balance at the end of current period	2,578,394,760.00				4,130,790,096.84		16,401,379.92	11,642,478.63	1,074,331,150.00		12,438,300,278.37		20,249,860,143.76	59,754,458.05	20,309,614,601.81

8. Parent company statements of changes in equity

Current period cumulative

Unit: RMB Yuan

Items	2022 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of prior year	2,578,394,760.00				3,861,393,399.57	320,360,784.48	506,954.43		1,289,197,380.00	5,886,750,011.71		13,295,881,721.23
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Balance at the beginning of current year	2,578,394,760.00				3,861,393,399.57	320,360,784.48	506,954.43		1,289,197,380.00	5,886,750,011.71		13,295,881,721.23
III. Current period increase (or less: decrease)	512,512,596.00				-507,468,870.48	179,698,926.77				-		-1,710,421,420.44
(I) Total comprehensive income										258,027,869.61		258,027,869.61
(II) Capital contributed or withdrawn by owners						179,698,926.77						-179,698,926.77
1. Ordinary shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others						179,698,926.77						-179,698,926.77
(III) Profit distribution										-		-1,793,794,088.80
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners										1,793,794,088.80		-1,793,794,088.80
3. Others												
(IV) Internal carry-over within equity	512,512,596.00				-512,512,596.00							
1. Transfer of capital reserve to capital	512,512,596.00				-512,512,596.00							

Items	2022 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others					5,043,725.52							5,043,725.52
IV. Balance at the end of current period	3,090,907,356.00				3,353,924,529.09	500,059,711.25	506,954.43		1,289,197,380.00	4,350,983,792.52		11,585,460,300.79

Preceding period comparative

Unit: RMB Yuan

Items	2021 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of prior year	2,148,662,300.00				4,300,852,875.45		506,954.43		1,074,331,150.00	5,298,464,883.45		12,822,818,163.33
Add: Cumulative changes of accounting policies												
Error correction of prior period												
Others												
II. Balance at the beginning of current year	2,148,662,300.00				4,300,852,875.45		506,954.43		1,074,331,150.00	5,298,464,883.45		12,822,818,163.33
III. Current period increase (or less: decrease)	429,732,460.00				-429,732,460.00					372,628,718.82		372,628,718.82
(I) Total comprehensive income										1,876,692,328.82		1,876,692,328.82
(II) Capital contributed or withdrawn by owners												
1. Ordinary shares contributed by owners												

Items	2021 Semi-Annual											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total equity
		Preferred shares	Perpetual bonds	Others								
2. Capital contributed by holders of other equity instruments												
3. Amount of share-based payment included in equity												
4. Others												
(III) Profit distribution										-		-1,504,063,610.00
1. Appropriation of surplus reserve												
2. Appropriation of profit to owners										-		-1,504,063,610.00
3. Others												
(IV) Internal carry-over within equity	429,732,460.00				-429,732,460.00							
1. Transfer of capital reserve to capital	429,732,460.00				-429,732,460.00							
2. Transfer of surplus reserve to capital												
3. Surplus reserve to cover losses												
4. Changes in defined benefit plan carried over to retained earnings												
5. Other comprehensive income carried over to retained earnings												
6. Others												
(V) Special reserve												
1. Appropriation of current period												
2. Application of current period												
(VI) Others												
IV. Balance at the end of current period	2,578,394,760.00				3,871,120,415.45		506,954.43		1,074,331,150.00	5,671,093,602.27		13,195,446,882.15

III. Company profile

Zhejiang NHU Co., Ltd. (the “Company”) was jointly established by 新昌县合成化工厂 (Xinchang County Synthetic Chemical Plant*, renamed as NHU Holding Group Co., Ltd. on November 17, 2009) and 9 natural persons including Zhang Pingyi, Yuan Yizhong, Shi Cheng, Hu Baishan, Shi Guanqun, Wang Xuewen, 石三夫 (Shi Sanfu), Cui Xinrong, and Wang Xulin under the document of approval numbered Zhe Zheng Wei [1999] 9 issued by the former Securities Commission of the People’s Government of Zhejiang Province. Headquartered in Shaoxing City, Zhejiang Province, the Company was registered at Zhejiang Administration for Industry and Commerce on April 5, 1999. Currently, the Company holds a business license with unified social credit code of 91330000712560575G, with registered capital of 3,090,907,356.00 yuan, total share of 3,090,907,356 shares (each with par value of one yuan), of which, 36,374,202 shares are restricted outstanding shares, and 3,054,533,154 shares are unrestricted outstanding shares. The Company’s shares were listed on Shenzhen Stock Exchange on June 25, 2004.

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

The financial statements were approved and authorized for issue by the twelfth meeting of the eighth session of the Board of Directors dated August 22, 2022.

The Company has brought 27 subsidiaries including Xinchang NHU Vitamins Co., Ltd., Zhejiang NHU Import & Export Co., Ltd., 浙江维尔新动物营养保健品有限公司 (Zhejiang Vityesun Animal Nutrition and Health Co., Ltd.*), etc. into the consolidation scope. Please refer to item VIII and IX of this section for details.

IV. Preparation basis of the financial statements

1. Preparation basis

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

2. The ability to continue as a going concern

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

V. Significant accounting policies and estimates

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

1. Statement of compliance

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

2. Accounting period

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

* The English names are for identification purpose only.

3. Operating cycle

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

4. Functional currency

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

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

1. Accounting treatment of business combination under common control

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

2. Accounting treatment of business combination not under common control

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

6. Compilation method of consolidated financial statements

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

7. Recognition criteria of cash and cash equivalents

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

8. Foreign currency translation

1. Translation of transactions denominated in foreign currency

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

2. Translation of financial statements measured in foreign currency

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

from the aforementioned foreign currency translation is included in other comprehensive income.

9. Financial instruments

1. Classification of financial assets and financial liabilities

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

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

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

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

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

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

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

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

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

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

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

4) Financial assets at fair value through profit or loss

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

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at

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

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

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

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

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

4) Financial liabilities at amortized cost

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

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with "CASBE 23 – Transfer of Financial Assets".

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

3. Recognition criteria and measurement method of financial assets transfer

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

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions to derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized

and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

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

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

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

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

5. Impairment of financial instruments

(1) Measurement and accounting treatment

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

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

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

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

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

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial

recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

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

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

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

(2) Financial instruments with expected credit risk assessed and expected credit losses measured on a collective basis

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Other receivables – Portfolio grouped with export tax refund receivable	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with VAT refund receivable		
Other receivables – Portfolio grouped with land bond receivable		
Other receivables – Portfolio grouped with deposits receivable from customs and tax authorities		
Other receivables – Portfolio grouped with ages	Ages	

(3) Accounts receivable and contract assets with expected credit losses measured on a collective basis

1) Specific portfolios and method for measuring expected credit loss

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and lifetime expected credit loss rate of accounts receivable, so as to calculate expected credit loss.

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

Ages	Expected credit loss rate (%)
Within 1 year (inclusive, the same hereinafter)	5
1-2 years	20
2-3 years	80
Over 3 years	100

6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

10. Inventories

1. Classification of inventories

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

2. Accounting method for dispatching inventories:

Inventories dispatched from storage are accounted for with weighted average method at the end of each month.

3. Basis for determining net realizable value

At the balance sheet date, inventories are measured at the lower of cost and net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of materials to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value are determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

4. Inventory system

Perpetual inventory method is adopted.

5. Amortization method of low-value consumables and packages

(1) Low-value consumables

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

(2) Packages

Packages are amortized with one-off method.

11. Contract assets, contract liabilities

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

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

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

12. Long-term equity investments

1. Judgment of joint control and significant influence

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

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash,

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

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

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

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

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

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

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

3. Subsequent measurement and recognition method of profit or loss

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

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

(1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company’s loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company’s loss of control, joint control, or significant influence, the remained equity is accounted for according to “CASBE 22 – Financial Instruments: Recognition and Measurement”.

(2) Consolidated financial statements

1) Disposal of a subsidiary in stages not qualified as “bundled transaction” resulting in the Company’s loss of control

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

2) Disposal of a subsidiary in stages qualified as "bundled transaction" resulting in the Company's loss of control

In case of "bundled transaction", stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

13. Fixed assets

(1) Recognition principles

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

(2) Depreciation method

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	7-35	5	13.57-2.71
General equipment	Straight-line method	5-10	5	19.00-9.50
Special equipment	Straight-line method	5-15	5	19.00-6.33
Transport facilities	Straight-line method	5-7	5	19.00-13.57

(3) Recognition basis, measurement and depreciation method of fixed assets leased in finance leases

None.

14. Construction in progress

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

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

15. Borrowing costs

1. Recognition principle of borrowing costs capitalization

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

2. Borrowing costs capitalization period

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

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

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

3. Capitalization rate and capitalized amount of borrowing costs

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

16. Intangible assets

(1) Measurement method, useful lives and impairment test

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

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

Items	Amortization period (years)
Land use right	50, 70
Software	10
Patent right	10
Non-patented technology	15

(2) Accounting policies on internal R&D expenditures

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

17. Impairment of part of long-term assets

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

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

18. Long-term prepayments

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

19. Employee benefits

(1) Short-term employee benefits

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

(2) Post-employment benefits

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

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

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

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

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

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

(3) Termination benefits

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

(4) Other long-term employee benefits

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

20. Revenue

Accounting policies on revenue recognition and measurement

1. Revenue recognition principles

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

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

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

2. Revenue measurement principle

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

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

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method

over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

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

3. Revenue recognition method

(1) Revenue from sales of products

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

(2) Revenue from real estate sales

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

Differences in accounting policies on revenue recognition due to the adoption of different business models for similar businesses
None.

21. Government grants

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

2. Government grants related to assets

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

3. Government grants related to income

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

the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

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

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

22. Deferred tax assets/Deferred tax liabilities

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

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

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

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

23. Leases

(1) Operating lease

1. The Company as lessee

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

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

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

(1) Right-of-use assets

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liability; 2)

any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

(2) Lease liability

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

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

2. The Company as lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is classified as an operating lease.

Operating lease

Lease receipts are recognized as lease income with straight-line method/unit-of-production method over the lease term. Initial direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

24. Work safety fund

The Company accrues work safety fund in accordance with the "Circular on Management Measures on the Accrual and Use of Work Safety Fund" numbered Cai Qi [2012] 16 by Ministry of Finance and State Administration of Work Safety. Standard work safety fund is included in the cost or current profit or loss, meanwhile accounted for under "special reserve". When work safety fund is used as an expense, it is to offset special reserve directly. When work safety fund is qualified to be included in the cost of fixed assets, it is accounted for under "construction in progress" and transferred to fixed assets when related safety projects reach the designed useful conditions; meanwhile, the cost included in fixed assets is to offset "special reserve", and accumulated depreciation shall be recognized at the same amount. Such fixed assets shall not be depreciated in future periods.

25. Segment reporting

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

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the

segment and to assess its performance; and

3. for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

26. Accounting treatment related to share repurchase

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

27. Significant changes in accounting policies and estimates

(1) Significant changes in accounting policies

Applicable Not Applicable

Contents and reasons	Approval process	Remarks
The company will implement the revised interpretation of accounting standards for Business Enterprises No. 15 from January 1, 2022. According to the new standards, if the company sells the products or by-products produced before the fixed assets reach the expected serviceable state or during the research and development process, the income and cost related to the trial operation sales shall be accounted for separately and included in the current profit and loss. The net amount of the income related to the trial operation sales after offsetting the relevant costs shall not be used to offset the cost of the fixed assets or the research and development expenditure.	N/A	Please refer to Announcement No. 2022-026 disclosed on www.cninfo.com.cn on April 28, 2022 for details.

The impact of the implementation of the standards on the relevant items of the company's balance sheet in 2021, profit statement and cash flow statement in the same period of last year is retroactively adjusted as follows:

Unit: RMB Yuan

Items	Before adjustment (Jan 1,2022/ Preceding period comparative)	Effect due to revised lease standard	After adjustment (Jan 1,2022/ Preceding period comparative)
Fixed assets	14,318,919,487.82	31,860,364.91	14,350,779,852.73
Undistributed profit	14,120,605,163.26	31,860,364.91	14,152,465,528.17
Operating revenue	7,254,221,638.01	85,902,672.10	7,340,124,310.11
Operating cost	3,755,325,045.02	67,422,657.18	3,822,747,702.20
Cash receipts from sale of goods or rendering of services	6,823,103,213.62	85,902,672.10	6,909,005,885.72
Cash payments for goods purchased and services received	3,731,367,763.85	67,422,657.18	3,798,790,421.03
Cash payments for the acquisition of fixed assets, intangible assets and other long- term assets	1,308,312,685.39	18,480,014.92	1,326,792,700.31

(2) Significant changes in accounting estimates

Applicable Not Applicable

VI. Taxes

1. Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	13%, 9%, 6%, 5% and 19%; export goods enjoy the “exemption, credit and refund” policy and the refund rate ranges from 0% to 13%; the subsidiary Zhejiang NHU Import & Export Co., Ltd. enjoys the “refund upon collection” policy and the refund rate ranges from 0% to 13%.
Urban maintenance and construction tax	Turnover tax actually paid	5%, 7%
Enterprise income tax	Taxable income	15%, 17%, 22%, 25%
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	A four-grade progressive tax system is adopted. The rates are: 30% for appreciated value not over 50% of total deductible amount; 40% for appreciated value over 50% but not over 100% of total deductible amount; 50% for appreciated value over 100% but not over 200% of total deductible amount; and 60% for appreciated value over 200% of total deductible amount.
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%, 12%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Solidarity surcharge [Note]	Income tax payable	5.50%
Trade tax [Note]	Taxable income	13.30%

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

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
The Company	15%
Shangyu NHU Bio-Chem Co., Ltd.	15%
Zhejiang NHU Special Materials Co., Ltd.	15%
Shandong NHU Pharmaceutical Co., Ltd.	15%
Shandong NHU Amino-acids Co., Ltd.	15%
Shandong NHU Vitamins Co., Ltd.	15%
Heilongjiang NHU Biotechnology Co., Ltd.	15%
NHU EUROPE GmbH	15%
NHU PERFORMANCE MATERIALS GMBH	15%
Bardoterminal GmbH	15%
NHU/CHR.OLESEN LATIN AMERICA A/S	22%
NHU Singapore PTE. LTD.	17%
Taxpayers other than the above-mentioned	25%

2. Tax preferential policies

According to the Hi-Tech Enterprise Certificate (GR202033003531) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, State Taxation Administration (STA), the Company is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2020 to 2022. It is subject to the rate of 15% for enterprise income tax in 2022.

According to the Hi-Tech Enterprise Certificate (GR201933005736) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Shangyu NHU Bio-Chem Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2019 to 2021. It is temporarily subject to the rate of 15% for enterprise income tax in 2022.

According to the Hi-Tech Enterprise Certificate (GR202037001084) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Pharmaceutical Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2020 to 2022. It is subject to the rate of 15% for enterprise income tax in 2022.

According to the Hi-Tech Enterprise Certificate (GR202037000197) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Vitamins Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2020 to 2022. It is subject to the rate of 15% for enterprise income tax in 2022.

According to the Hi-Tech Enterprise Certificate (GR202137000086) issued by Department of Science and Technology of Shandong Province, Shandong Provincial Department of Finance and Shandong Provincial Tax Service, STA, the subsidiary Shandong NHU Amino-Acids Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2021 to 2023. It is subject to the rate of 15% for enterprise income tax in 2022. Amino-acids Co., Ltd.

According to the Hi-Tech Enterprise Certificate (GR202133008939) issued by Zhejiang Provincial Department of Science and Technology, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, STA, the subsidiary Zhejiang NHU Special Materials Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2021 to 2023. It is subject to the rate of 15% for enterprise income tax in 2022.

According to the Hi-Tech Enterprise Certificate (GR202123000560) issued by Heilongjiang Provincial Department of Science and Technology, Heilongjiang Provincial Department of Finance and Heilongjiang Provincial Tax Service, STA, the subsidiary Heilongjiang NHU Biotechnology Co., Ltd. is accredited as a hi-tech enterprise and entitled to enjoy the tax preferential policy from 2021 to 2023. It is subject to the rate of 15% for enterprise income tax in 2022.

VII. Notes to items of consolidated financial statements

1. Cash and bank balances

Unit: RMB Yuan

Items	Closing balance	Opening balance
Cash on hand	9,862.96	14,537.85
Cash in bank	6,451,698,706.20	5,684,842,466.04
Other cash and bank balances	138,304,339.10	268,052,623.05
Total	6,590,012,908.26	5,952,909,626.94
Including: Deposited overseas	44,577,418.70	38,739,302.11
Total amount of funds restricted for use due to mortgage, pledge or freezing	0.00	0.00

(1) Other cash and bank balances

Unit: RMB Yuan

Items	Closing balance	Opening balance
Deposit for bank acceptance	108,852,086.25	149,724,511.46
Deposit for letters of credit	27,364,565.06	86,212,564.30
Deposit for engineering labor costs	1,711,851.11	1,654,664.15
Deposit for construction safety		405,056.50
Deposit for ETC	16,500.00	16,500.00
Deposit for water fees	359,336.68	358,792.30
Deposited investment fund		29,680,534.34
Subtotal	138,304,339.10	268,052,623.05

2. Held-for-trading financial assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	669,555,464.77	1,250,736,359.24
Including: Financial products with guaranteed principal and floating income	660,000,000.00	1,250,000,000.00
Derivative financial assets	9,555,464.77	736,359.24
Total	669,555,464.77	1,250,736,359.24

3. Notes receivable

(1) Details on categories

Unit: RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance	303,837,602.00	349,145,316.03
Commercial acceptance	35,305,829.45	
Total	339,143,431.45	349,145,316.03

Unit: RMB Yuan

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion	
Including:					
Notes receivable with provision for bad debts made on a collective basis	341,001,633.00	100.00%	1,858,201.55	0.55%	339,143,431.45
Including:					
Bank acceptance	303,837,602.00	89.10%			303,837,602.00
Commercial acceptance	37,164,031.00	10.90%	1,858,201.55	5.00%	35,305,829.45
Total	341,001,633.00	100.00%	1,858,201.55	0.55%	339,143,431.45

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Notes receivable with provision for bad debts made on a collective basis	349,145,316.03	100.00%			349,145,316.03
Including:					
Bank acceptance	349,145,316.03	100.00%			349,145,316.03
Commercial acceptance					
Total	349,145,316.03	100.00%			349,145,316.03

If the provision for bad debt of notes receivable is withdrawn according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

Applicable Not Applicable

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

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Commercial acceptance		1,858,201.55				1,858,201.55
Total		1,858,201.55				1,858,201.55

Including significant provision for bad debt recovered or reversed amount:

Applicable Not Applicable

(3) Pledged notes at the balance sheet date

Unit: RMB Yuan

Items	Closing balance of pledged notes
Bank acceptance	209,801,476.61
Total	209,801,476.61

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

Unit: RMB Yuan

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	6,367,492.12	
Total	6,367,492.12	

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

4. Accounts receivable

(1) Details on categories

Unit: RMB Yuan

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Accounts receivable with provision for bad debts made on a collective basis	3,225,123,123.09	100.00%	163,247,522.57	5.06%	3,061,875,600.52
Total	3,225,123,123.09	100.00%	163,247,522.57	5.06%	3,061,875,600.52

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion	
Including:					
Accounts receivable with provision for bad debts made on a collective basis	2,902,396,632.04	100.00%	147,228,058.90	5.07%	2,755,168,573.14
Total	2,902,396,632.04	100.00%	147,228,058.90	5.07%	2,755,168,573.14

Accounts receivable with provision for bad debts made on a collective basis using age analysis method

Unit: RMB Yuan

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	3,222,776,842.29	161,138,841.77	5.00%
1-2 years	297,000.00	59,400.00	20.00%
2-3 years			
Over 3 years	2,049,280.80	2,049,280.80	100.00%
Total	3,225,123,123.09	163,247,522.57	--

Disclose by aging

Unit: RMB Yuan

Ages	Book balance
Within 1 year (inclusive)	3,222,776,842.29
1-2 years	297,000.00
2-3 years	
Over 3 years	2,049,280.80
3-4 years	203,200.00
4-5 years	286,550.00
Over 5 years	1,559,530.80
Total	3,225,123,123.09

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

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Provision made on a collective basis	147,228,058.90	16,019,463.67				163,247,522.57

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/ Reversal	Write-off	Others	
Total	147,228,058.90	16,019,463.67				163,247,522.57

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

Unit: RMB Yuan

Debtors	Closing balance	Proportion to the total balance of receivables (%)	Closing balance of provision for bad debts
Client A	370,453,247.11	11.49%	18,522,662.36
Client B	289,470,824.68	8.98%	14,473,541.23
Client C	233,254,640.83	7.23%	11,662,732.04
Client D	112,321,714.00	3.48%	5,616,085.70
Client E	73,238,065.34	2.27%	3,661,903.27
Total	1,078,738,491.96	33.45%	

5. Receivables financing

Unit: RMB Yuan

Items	Closing balance	Opening balance
Bank acceptance	198,094,359.06	182,891,179.65
Total	198,094,359.06	182,891,179.65

Current increase/decrease and changes in fair value

 Applicable Not applicable**(1) Pledged notes at the balance sheet date**

Unit: RMB Yuan

Items	Closing balance of pledged notes
Bank acceptance	130,363,316.90
Subtotal	130,363,316.90

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

Unit: RMB Yuan

Items	Closing balance derecognized
Bank acceptance	938,811,673.06
Subtotal	938,811,673.06

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

6. Advances paid**(1) Disclose by aging**

Unit: RMB Yuan

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Within 1 year	115,460,768.26	93.65%	78,853,695.19	99.85%

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
1-2 years	7,823,254.73	6.34%	109,065.41	0.14%
2-3 years			7,200.00	0.01%
Over 3 years	7,200.00	0.01%		
Total	123,291,222.99		78,969,960.60	

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

Unit: RMB Yuan

Debtors	Book balance	Proportion to the total balance of advances paid (%)
Supplier A	20,812,893.84	16.88
Supplier B	19,554,899.89	15.86
Supplier C	10,211,361.96	8.28
Supplier D	8,106,071.73	6.57
Supplier E	6,461,700.00	5.25
Subtotal	65,146,927.42	52.84

7. Other receivables

Unit: RMB Yuan

Items	Closing balance	Opening balance
Dividend receivable		7,159,278.00
Other receivables	247,863,734.11	247,337,970.13
Total	247,863,734.11	254,497,248.13

(1) Dividend receivable

Unit: RMB Yuan

Items/Investees	Closing balance	Opening balance
浙江春晖环保能源股份有限公司 (Zhejiang Chunhui Environmental Protection Energy Co., Ltd.*)		7,159,278.00
Total		7,159,278.00

(2) Other receivables**1) Categorized by nature**

Unit: RMB Yuan

Nature of receivables	Closing book balance	Opening book balance
Security deposits	127,093,425.64	136,459,247.48
Export tax refund	70,511,187.22	69,372,321.60
Receivables of returned equipment	874,415.57	45,213,200.00
Refundable VAT	3,934,130.21	3,310,397.40
Employee petty cash	8,771,601.89	5,688,937.00
Temporary advance payment receivable	2,146,851.22	2,456,748.36
Others	49,216,054.21	653,640.31
Total	262,547,665.96	263,154,492.15

* The English name is for identification purpose only.

2) Provision for bad debts

Unit: RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	2,915,877.46	716,215.08	12,184,429.48	15,816,522.02
Opening balance in the current period				
-- Transferred to phase II	-53,622.65	53,622.65		
-- Transferred to phase III		-667,900.07	667,900.07	
Provision made in the current period	252,433.43	112,552.93	-1,497,576.53	-1,132,590.17
Closing balance	3,114,688.24	214,490.59	11,354,753.02	14,683,931.85

Significant changes in book balance of other receivables with changes in provision for bad debts:

 Applicable Not applicable

Disclose by aging

Unit: RMB Yuan

Ages	Book balance
Within 1 year (inclusive)	149,037,459.84
1-2 years	1,072,453.00
2-3 years	3,339,500.36
Over 3 years	109,098,252.76
3-4 years	7,772,795.15
4-5 years	6,925.01
Over 5 years	101,318,532.60
Total	262,547,665.96

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

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/ Reversal	Write-off	Others	
Provision made on a collective basis	15,816,522.02		1,132,590.17			14,683,931.85
Total	15,816,522.02		1,132,590.17			14,683,931.85

4) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Weifang Municipal Bureau of Land and Resource, Binhai District Branch	Security deposits	97,900,000.00	Over 3 years	37.29%	
State Taxation Administration (Export tax refund receivable)	Export tax refund	70,511,187.22	Within 1 year	26.86%	
Suihua Municipal Labor Security Supervision Detachment	Security deposits	850,000.00	2-3 years	0.32%	680,000.00
	Security deposits	7,428,490.53	Over 3 years	2.83%	7,428,490.53
杭州汽轮机股份有限公司 (Hangzhou Steam Turbine Co., Ltd.)*	Receivables of returned equipment	7,440,000.00	Within 1 year	2.83%	372,000.00
绍兴市上虞区财政局非税收入结算分户 (Non tax income settlement branch of Shaoxing Shangyu District Finance Bureau)	Portfolio of land deposits receivable	5,570,000.00	Within 1 year	2.12%	
Total	--	189,699,677.75	--	72.25%	8,480,490.53

8. Inventories

Whether the Company needs to comply with the disclosure requirements of the real estate industry

No

(1) Details on categories

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount
Raw materials	560,435,992.82	638,820.20	559,797,172.62	456,431,898.77	653,463.45	455,778,435.32
Work in process	1,500,164,208.68		1,500,164,208.68	1,008,021,313.66		1,008,021,313.66
Goods on hand	1,987,440,447.37	5,153,376.38	1,982,287,070.99	1,247,338,255.71	14,685,437.55	1,232,652,818.16
Development cost	222,262,216.11		222,262,216.11	197,045,414.10		197,045,414.10
Developed products	120,382,839.33		120,382,839.33	122,679,279.65		122,679,279.65
Goods dispatched	31,739,132.25		31,739,132.25	88,307,137.99		88,307,137.99
Materials on consignment for further processing	2,609,006.80		2,609,006.80	4,102,415.43		4,102,415.43
Packages	17,435,161.93		17,435,161.93	14,276,697.20		14,276,697.20

* The English names are for identification purpose only.

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount	Book balance	Provision for inventory write-down/ Provision for impairment of cost to fulfill a contract	Carrying amount
Low-value consumables	125,496,408.18		125,496,408.18	70,793,855.65		70,793,855.65
Total	4,567,965,413.47	5,792,196.58	4,562,173,216.89	3,208,996,268.16	15,338,901.00	3,193,657,367.16

(2) Inventories – Development cost

Unit: RMB Yuan

Items	Estimated total investment	Opening balance	Closing balance
Boao NHU Resort	550 million	33,723,820.73	42,322,830.63
Weifang NHU Town Phase II	398.53 million	163,321,593.67	179,939,385.48
Subtotal		197,045,414.40	222,262,216.11

(3) Inventories – Developed products

Unit: RMB Yuan

Items	Date of completion	Opening balance	Increase	Decrease	Closing balance
Boao NHU Resort Center	Dec. 2014	122,679,279.65	2,616,624.57	4,913,064.89	120,382,839.33
Subtotal		122,679,279.65	2,616,624.57	4,913,064.89	120,382,839.33

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

Unit: RMB Yuan

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Recovery/ Reversal	Others	
Raw materials	653,463.45			14,643.25		638,820.20
Goods on hand	14,685,437.55	7,890,179.58		17,422,240.75		5,153,376.38
Total	15,338,901.00	7,890,179.58		17,436,884.00		5,792,196.58

Determination basis of net realizable value and reasons for the reversal or write-off of provision for inventory write-down

Items	Determination basis of net realizable value	Reasons for write-off of provision for inventory write-down
Raw materials	Estimated selling price of relevant finished goods less cost to be incurred upon completion, estimated selling expenses, and relevant taxes and surcharges.	Inventories with provision for inventory write-down made at the beginning of period were used or sold in the current period.
Goods on hand	Estimated selling price of relevant finished goods less estimated selling expenses, and relevant taxes and surcharges.	Inventories with provision for inventory write-down made at the beginning of period were sold in the current period.

9. Other current assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Bank financial products and structured deposits	260,000,000.00	550,000,000.00
Prepaid VAT or input VAT to be credited	59,603,808.12	336,963,113.65
Prepaid enterprise income tax	5,070,275.22	5,070,275.22
Prepaid insurance premiums	5,442,975.30	3,727,306.74

Items	Closing balance	Opening balance
Prepaid housing rents	488,400.00	
Prepaid urban maintenance and construction tax	6,732.66	10,786.63
Prepaid education surcharge	4,039.43	6,472.01
Prepaid local education surcharge	2,693.23	4,314.62
Total	330,618,923.96	895,782,268.87

10. Long-term equity investments

Unit: RMB Yuan

Investees	Opening carrying amount	Increase/Decrease								Closing carrying amount	Closing balance of provision for impairment	
		Investments increased	Investments decreased	Investment income/losses recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others			
I. Joint ventures												
II. Associates												
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	208,873,174.90			19,977,116.53		5,043,725.52					233,894,016.95	
山东滨安职业培训学校有限公司 (Shandong Bin'an Vocational Training School Co., Ltd.)* [Note]	5,895,600.85			-891,366.47							5,004,234.38	
Zhejiang Saiya Chemical Materials Co., Ltd.	103,898,217.82			6,450,635.49						233,046.23	110,581,899.54	
CysBio ApS	32,660,632.18			-133,491.85	1,714,730.94						34,241,871.27	
Subtotal	351,327,625.75			25,402,893.70	1,714,730.94	5,043,725.52				233,046.23	383,722,022.14	
Total	351,327,625.75			25,402,893.70	1,714,730.94	5,043,725.52				233,046.23	383,722,022.14	

11. Other equity instrument investments

Unit: RMB Yuan

Items	Closing balance	Opening balance
Zhejiang Second Pharma Co., Ltd.	7,790,147.55	7,790,147.55
上海联创永津股权投资企业(有限合伙) (Shanghai NewMargin Yongjin Equity Enterprise (LP))*	15,208,000.00	15,208,000.00
Total	22,998,147.55	22,998,147.55

12. Fixed assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Fixed assets	14,895,938,812.24	14,350,779,852.73

* The English names are for identification purpose only.

Items	Closing balance	Opening balance
Total	14,895,938,812.24	14,350,779,852.73

(1) Details

Unit: RMB Yuan

Items	Buildings and structures	General equipment	Special equipment	Transport facilities	Total
I. Cost:					
1. Opening balance	6,293,404,278.18	185,910,525.30	12,993,424,027.58	25,093,346.32	19,497,832,177.38
2. Increase	307,226,885.34	12,513,262.41	875,030,168.38	756,287.53	1,195,526,603.66
(1) Acquisition	49,606,453.52	4,119,396.73	184,642,732.27	756,287.53	239,124,870.05
(2) Transferred in from construction in progress	257,620,431.82	8,393,865.68	690,387,436.11		956,401,733.61
3. Decrease	4,212,678.67	1,481,292.80	60,775,319.81	1,110,178.02	67,579,469.30
(1) Disposal/ Scrapping	4,212,678.67	1,481,292.80	60,775,319.81	1,110,178.02	67,579,469.30
4. Closing balance	6,596,418,484.85	196,942,494.91	13,807,678,876.15	24,739,455.83	20,625,779,311.74
II. Accumulated depreciation					
1. Opening balance	680,779,035.53	99,138,742.55	4,320,266,548.05	17,140,892.56	5,117,325,218.69
2. Increase	88,291,408.66	11,645,400.65	522,774,833.97	992,225.43	623,703,868.71
(1) Accrual	88,291,408.66	11,645,400.65	522,774,833.97	992,225.43	623,703,868.71
3. Decrease	1,240,249.78	1,361,247.27	36,993,866.52	1,054,669.12	40,650,032.69
(1) Disposal/ Scrapping	1,240,249.78	1,361,247.27	36,993,866.52	1,054,669.12	40,650,032.69
4. Closing balance	767,830,194.41	109,422,895.93	4,806,047,515.50	17,078,448.87	5,700,379,054.71
III. Provision for impairment					
1. Opening balance	20,980,481.81	23,560.67	8,706,768.47	16,295.01	29,727,105.96
2. Increase					
(1) Accrual					
3. Decrease			265,661.17		265,661.17
(1) Disposal/ Scrapping			265,661.17		265,661.17
4. Closing balance	20,980,481.81	23,560.67	8,441,107.30	16,295.01	29,461,444.79
IV. Carrying amount					
1. Closing balance	5,807,607,808.63	87,496,038.31	8,993,190,253.35	7,644,711.95	14,895,938,812.24
2. Opening balance	5,591,644,760.84	86,748,222.08	8,664,450,711.06	7,936,158.75	14,350,779,852.73

(2) Fixed assets temporarily idle

Unit: RMB Yuan

Items	Cost	Accumulated depreciation	Provision for impairment	Carrying amount	Remarks
Buildings and structures	47,473,208.51	26,497,772.70	20,975,435.81		
General equipment	3,155,144.40	2,503,860.84	19,086.19	632,197.37	
Special equipment	258,025,988.56	212,896,623.38	7,700,174.69	37,429,190.49	
Subtotal	308,654,341.47	241,898,256.92	28,694,696.69	38,061,387.86	

(3) Fixed assets leased out under operating leases

Unit: RMB Yuan

Items	Closing carrying amount
Buildings and structures	37,476,964.43
Subtotal	37,476,964.43

(4) Fixed assets with certificate of titles being unsettled

Unit: RMB Yuan

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	1,662,828,136.50	Relevant procedures have not yet been completed.
Subtotal	1,662,828,136.50	

13. Construction in progress

Unit: RMB Yuan

Items	Closing balance	Opening balance
Construction in progress	3,855,244,085.78	2,984,835,072.82
Total	3,855,244,085.78	2,984,835,072.82

(1) Details

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Shandong Industrial Park Project phase I	26,161,197.41		26,161,197.41	30,856,442.13		30,856,442.13
Hongweisu project				367,528,650.61		367,528,650.61
Heilongjiang Xinhao Project phase II	92,260,783.07		92,260,783.07	83,453,010.80		83,453,010.80
Methionine project with annual output of 0.25 million tons	583,534,561.06		583,534,561.06	90,355,454.04		90,355,454.04
HA project of Shandong Industrial Park	6,765,008.56		6,765,008.56			
616 Joint Production Project	626,422,343.97		626,422,343.97	393,488,496.81		393,488,496.81
Shandong Industrial Park 617A Project	10,552,500.84		10,552,500.84	1,718,828.38		1,718,828.38
Shandong Industrial Park 603 Project	18,278,788.27		18,278,788.27	3,019,859.02		3,019,859.02
Shangyu Industrial Park PPS Project	548,939,962.75		548,939,962.75	341,096,363.93		341,096,363.93
Shandong Industrial Park TMB Project	1,187,152,322.30		1,187,152,322.30	1,173,527,758.16		1,173,527,758.16
NBC and CLA projects of Zhejiang Pharmaceutical	74,466,178.10		74,466,178.10			
Daming Life and Health Industry Project	1,831,723.64		1,831,723.64	228,847,778.44		228,847,778.44
Expansion of hexoic	101,202,967.66		101,202,967.66	36,844.14		36,844.14

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
acid production						
F5 project	54,789,025.29		54,789,025.29			
NH acid project	83,340,479.79		83,340,479.79	5,575,181.98		5,575,181.98
Other piecemeal projects	439,546,243.07		439,546,243.07	265,330,404.38		265,330,404.38
Total	3,855,244,085.78		3,855,244,085.78	2,984,835,072.82		2,984,835,072.82

(2) Changes in significant projects

Unit: RMB Yuan

Projects	Budgets (RMB 0,000 Yuan)	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Accumulated input to budget	Completion percentage	Accumulated amount of borrowing cost capitalization	Including: Amount of borrowing cost capitalization in current period	Annual capitalization rate	Fund source
Shandong Industrial Park Project phase I	311,600.00	30,856,442.13	34,536,537.10	39,231,781.82		26,161,197.41	85.82%	100.00%	87,993,003.25			Others
Hongweisu project	47,822.98	367,528,650.61	60,572,629.36	428,101,279.97			98.76%	100.00%	6,070,837.51	4,230,562.51	3.91%	Others
Expansion of hexoic acid production	24,796.00	36,844.14	101,166,123.52			101,202,967.66	40.80%	45.00%				Others
Heilongjiang Xinhao Project phase II	10,746.25	83,453,010.80	8,807,772.27			92,260,783.07	85.86%	100.00%				Others
Methionine project with annual output of 0.25 million tons	536,984.22	90,355,454.04	493,179,107.02			583,534,561.06	48.04%	55.00%				Raised funds
HA project of Shandong Industrial Park	97,991.14	0.00	6,765,008.56			6,765,008.56	0.69%	0.00%				Others
Shandong Industrial Park 617A Project	8,500.00	1,718,828.38	8,833,672.46			10,552,500.84	96.83%	98.00%				Others
Shandong Industrial Park 603 Project	8,983.60	3,019,859.02	15,258,929.25			18,278,788.27	20.35%	25.00%				Others
NH acid project	73,899.28	5,575,181.98	77,765,297.81			83,340,479.79	10.52%	20.00%				Others
Shangyu Industrial Park PPS Project	70,900.00	341,096,363.93	207,843,598.82			548,939,962.75	77.43%	80.00%				Others
Shandong Industrial Park TMB Project	123,160.59	1,173,527,758.16	13,624,564.14			1,187,152,322.30	100.12%	100.00%	21,655,963.48	13,936,992.97	3.70%	Others
F5 project	9,933.00	0.00	54,789,025.29			54,789,025.29	55.16%	60.00%				Others
Daming Life and Health	45,772.07	228,847,778.44	134,259,991.75	361,276,046.55		1,831,723.64	93.08%	100.00%				Others

Projects	Budgets (RMB 0,000 Yuan)	Opening balance	Increase	Transferred to fixed assets	Other decrease	Closing balance	Accumulated input to budget	Completion percentage	Accumulate d amount of borrowing cost capitalizatio n	Including: Amount of borrowing cost capitalization in current period	Annual capitalization rate	Fund source
Industry Project												
616 Joint Production Project	77,213.69	393,488,4 96.81	308,289,71 2.23	75,355,865.07		626,422,343.9 7	90.89%	90.00%				Others
Carbonic anhydride project	15,505.00		74,466,178. 10			74,466,178.10	48.03%	75.00%				Others
Total	1,463,807 .82	2,719,504 ,668.44	1,600,158,1 47.68	903,964,973.4 1		3,415,697,842 .71			115,719,80 4.24	18,167,555.48		--

14. Right-of-use assets

Unit: RMB Yuan

Items	Buildings and structures	Total
I. Cost		
1. Opening balance	3,406,640.15	3,406,640.15
2. Increase	589,739.18	589,739.18
(1) Leased in	589,739.18	589,739.18
3. Decrease		
4. Closing balance	3,996,379.33	3,996,379.33
II. Accumulated depreciation		
1. Opening balance	283,003.04	283,003.04
2. Increase	657,653.96	657,653.96
(1) Accrual	657,653.96	657,653.96
3. Decrease		
4. Closing balance	940,657.00	940,657.00
III. Carrying amount		
1. Closing balance	3,055,722.33	3,055,722.33
2. Opening balance	3,123,637.11	3,123,637.11

15. Intangible assets**(1) Details**

Unit: RMB Yuan

Items	Land use right	Patent right	Non-patented technology	Software	Total
I. Cost					
1. Opening balance	1,671,339,796.09	28,079,514.71	2,350,000.00	25,797,067.68	1,727,566,378.48
2. Increase	104,041,811.43	3,551,460.54	900,000.00	5,015,670.48	113,508,942.45
(1) Acquisition	104,041,811.43	3,551,460.54	900,000.00	5,015,670.48	113,508,942.45
3. Closing balance	1,775,381,607.52	31,630,975.25	3,250,000.00	30,812,738.16	1,841,075,320.93
II. Accumulated amortization					
1. Opening balance	187,383,747.14	2,884,411.16	208,888.88	15,359,573.64	205,836,620.82
2. Increase	16,941,850.31	1,167,744.44	83,333.34	932,841.15	19,125,769.24
(1) Accrual	16,941,850.31	1,167,744.44	83,333.34	932,841.15	19,125,769.24
3. Closing balance	204,325,597.45	4,052,155.60	292,222.22	16,292,414.79	224,962,390.06

Items	Land use right	Patent right	Non-patented technology	Software	Total
III. Carrying amount					
1. Closing balance	1,571,056,010.07	27,578,819.65	2,957,777.78	14,520,323.37	1,616,112,930.87
2. Opening balance	1,483,956,048.95	25,195,103.55	2,141,111.12	10,437,494.04	1,521,729,757.66

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

(2) Land use right with certificate of titles being unsettled

Unit: RMB Yuan

Items	Carrying amount	Reasons for unsettlement
Land use right	169,939,239.04	Relevant procedures have not yet been completed.
Subtotal	169,939,239.04	

16. Goodwill

(1) Cost

Unit: RMB Yuan

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Business combination	Translation reserve	Disposal	Translation reserve	
Bardoterminal GmbH	2,075,762.80					2,075,762.80
NHU/Chr.Olesen Latin America A/S		4,410,005.33				4,410,005.33
Total	2,075,762.80	4,410,005.33				6,485,768.13

(2) Provision for impairment

Unit: RMB Yuan

Investees or events resulting in goodwill	Opening balance	Increase		Decrease		Closing balance
		Accrual	Translation reserve	Disposal	Translation reserve	
Bardoterminal GmbH	2,075,762.80					2,075,762.80
Total	2,075,762.80					2,075,762.80

17. Long-term prepayments

Unit: RMB Yuan

Items	Opening balance	Increase	Amortization	Other decrease	Closing balance
Decoration fees	10,378,910.67	1,109,082.38	1,725,261.70		9,762,731.35
Site leveling fees	32,443.20		8,110.80		24,332.40
Catalysts	8,180,353.19		1,583,294.16		6,597,059.03
Total	18,591,707.06	1,109,082.38	3,316,666.66		16,384,122.78

18. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets before offset

Unit: RMB Yuan

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	65,981,355.91	10,841,412.64	65,402,828.30	11,004,917.24
Unrealized profit from internal transactions	148,892,550.32	21,957,449.07	116,662,766.83	17,499,415.02
Deferred income	185,344,079.25	31,457,737.97	143,266,156.26	21,489,923.45
Difference in depreciation of fixed assets	24,834,403.19	3,725,160.48	38,739,574.92	5,810,936.24
Total	425,052,388.67	67,981,760.16	364,071,326.31	55,805,191.95

(2) Deferred tax liabilities before offset

Unit: RMB Yuan

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Difference due to one-off pre-tax deduction of fixed assets	715,420,690.73	131,400,770.44	513,284,381.91	89,042,045.24
Profit before tax of NHU (Hong Kong) Trading Co., Ltd.	465,759,650.73	69,863,947.61	311,395,060.48	46,709,259.07
Changes in fair value of held-for-trading financial instruments, derivative financial instruments	49,374.92	12,343.73		
Total	1,181,229,716.38	201,277,061.78	824,679,442.39	135,751,304.31

(3) Deferred tax assets or liabilities after offset

Unit: RMB Yuan

Items	Closing balance of deferred tax assets offset by deferred tax liabilities	Closing balance of deferred tax assets/liabilities after offset	Opening balance of deferred tax assets offset by deferred tax liabilities	Opening balance of deferred tax assets/liabilities after offset
Deferred tax assets		67,981,760.16		55,805,191.95
Deferred tax liabilities		201,277,061.78		135,751,304.31

(4) Details of unrecognized deferred tax assets

Unit: RMB Yuan

Items	Closing balance	Opening balance
Deductible temporary difference	1,089,827,798.34	381,427,135.81
Deductible losses	719,488,177.13	976,794,270.71
Total	1,809,315,975.47	1,358,221,406.52

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

Unit: RMB Yuan

Maturity years	Closing balance	Opening balance	Remarks
Year 2026		3,312,384.19	
Year 2027	8,512,140.12	11,527,268.52	
Year 2028	36,412,545.60	38,888,442.26	
Year 2029	79,322,307.29	104,197,877.04	
Year 2030	307,772,614.41	260,165,696.64	

Maturity years	Closing balance	Opening balance	Remarks
Year 2031	287,468,569.71	558,702,602.06	
Total	719,488,177.13	976,794,270.71	--

19. Other non-current assets

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Pollution emission trading fees	1,292,725.74		1,292,725.74	1,611,305.24		1,611,305.24
Payments for coal quota	64,696,000.00		64,696,000.00	65,896,000.00		65,896,000.00
Prepayments for long-term assets	760,550,646.72		760,550,646.72	433,569,279.16		433,569,279.16
Total	826,539,372.46		826,539,372.46	501,076,584.40		501,076,584.40

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

Unit: RMB Yuan

Items	Closing balance	Opening balance
Guaranteed borrowings	40,657,504.12	
Credit borrowings	2,593,288,059.34	1,383,332,827.92
Credit and guaranteed borrowings		20,000,000.00
Total	2,633,945,563.46	1,403,332,827.92

21. Notes payable

Unit: RMB Yuan

Categories	Closing balance	Opening balance
Bank acceptance	930,489,306.12	694,124,946.73
Total	930,489,306.12	694,124,946.73

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

Unit: RMB Yuan

Items	Closing balance	Opening balance
Materials and labor costs	1,040,778,914.56	658,235,707.69
Payments for engineering and equipment	727,678,434.43	777,730,720.07
Total	1,768,457,348.99	1,435,966,427.76

23. Contract liabilities

Unit: RMB Yuan

Items	Closing balance	Opening balance
Payments for goods received in advance	82,505,836.42	61,135,258.36
Total	82,505,836.42	61,135,258.36

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

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	370,609,333.07	929,674,922.94	1,046,347,485.05	253,936,770.96
II. Post-employment benefits – defined contribution plan		51,883,162.78	51,883,162.78	
Total	370,609,333.07	981,558,085.72	1,098,230,647.83	253,936,770.96

(2) Details of short-term employee benefits

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidy	317,401,585.64	805,256,294.78	915,763,606.50	206,894,273.92
2. Employee welfare fund		57,033,926.04	57,033,926.04	
3. Social insurance premium		25,723,093.08	25,723,093.08	
Including: Medicare premium		22,567,820.32	22,567,820.32	
Occupational injuries premium		2,247,661.85	2,247,661.85	
Maternity premium		907,610.91	907,610.91	
4. Housing provident fund		38,297,393.30	38,297,393.30	
5. Trade union fund and employee education fund	53,207,747.43	3,364,215.74	9,529,466.13	47,042,497.04
Total	370,609,333.07	929,674,922.94	1,046,347,485.05	253,936,770.96

(3) Details of defined contribution plan

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
1. Basic endowment insurance premium		49,639,113.41	49,639,113.41	
2. Unemployment insurance premium		2,244,049.37	2,244,049.37	
Total		51,883,162.78	51,883,162.78	

25. Taxes and rates payable

Unit: RMB Yuan

Items	Closing balance	Opening balance
VAT	14,343,279.38	45,928,799.96
Enterprise income tax	229,423,440.36	324,899,257.88
Individual income tax withheld for tax authorities	2,641,901.19	3,749,309.86
Urban maintenance and construction tax	1,202,803.47	3,686,070.96
Land appreciation tax	15,304,886.02	15,244,826.82
Housing property tax	4,113,837.00	15,577,742.83
Land use tax	4,404,547.89	8,351,133.07
Education surcharge (local education surcharge)	1,066,402.26	3,273,420.39
Stamp duty	12,023.50	32,700.92
Total	272,513,121.07	420,743,262.69

26. Other payables

Unit: RMB Yuan

Items	Closing balance	Opening balance
Other payables	133,386,496.99	56,712,103.36
Total	133,386,496.99	56,712,103.36

(1) Categorized by nature

Unit: RMB Yuan

Items	Closing balance	Opening balance
Security deposits	25,601,693.33	32,961,596.12
Freight premium payable	20,823.30	
Temporary receipts payable	9,358,462.55	11,425,312.83
Earnest money for housing purchase (Boao NHU Resort Center)	100,000.00	100,000.00
Call loans	70,431,907.01	
Others	27,873,610.80	12,225,194.41
Total	133,386,496.99	56,712,103.36

27. Non-current liabilities due within one year

Unit: RMB Yuan

Items	Closing balance	Opening balance
Long-term borrowings due within one year	3,197,922,526.64	2,029,254,131.97
Lease liabilities due within one year	192,218.65	245,377.46
Total	3,198,114,745.29	2,029,499,509.43

28. Other current liabilities

Unit: RMB Yuan

Items	Closing balance	Opening balance
Output VAT to be recognized	6,558,814.10	5,133,310.10
Total	6,558,814.10	5,133,310.10

29. Long-term borrowings**(1) Categories**

Unit: RMB Yuan

Items	Closing balance	Opening balance
Mortgaged borrowings	33,196,688.28	37,669,008.56
Guaranteed borrowings	542,640,333.32	945,155,611.12
Credit borrowings	4,494,418,972.38	4,165,987,166.81
Total	5,070,255,993.98	5,148,811,786.49

30. Lease liabilities

Unit: RMB Yuan

Items	Closing balance	Opening balance
Unpaid lease payments	4,169,914.91	4,331,618.17

Items	Closing balance	Opening balance
Less: Unrealized financing expenses	1,324,566.19	1,394,750.02
Total	2,845,348.72	2,936,868.15

31. Deferred income

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance	Reasons for balance
Government grants	1,063,699,676.16	55,650,000.00	46,423,802.28	1,072,925,873.88	The Company received government grants related to assets, which were amortized based on the depreciation progress of corresponding assets.
Total	1,063,699,676.16	55,650,000.00	46,423,802.28	1,072,925,873.88	--

Details of government grants

Unit: RMB Yuan

Items	Opening balance	Increase	Grants included into non-operating revenue	Grants included into other income	Grants offsetting relevant cost	Other changes	Closing balance	Related to assets/income
Special funds for Biological Fermentation Industrial Park Project	427,578,840.00			24,668,010.00			402,910,830.00	Related to assets
Special funds for enterprise development (Shandong Vitamins)	74,962,651.55			4,836,300.10			70,126,351.45	Related to assets
Special funds for joint production project of Xinhao Thermal Power	31,772,916.73			1,887,499.98			29,885,416.75	Related to assets
Technical renovation for green deep processing of 2019	34,260,000.00						34,260,000.00	Related to assets
Special funds for enterprise development (Amino Acid)	45,804,945.12			572,802.18			45,232,142.94	Related to assets
Subsidies for land leveling of Shandong	28,308,723.84			359,094.72			27,949,629.12	Related to assets
Enterprise development funds of Shandong	18,847,224.88			218,907.06			18,628,317.82	Related to assets
PPS construction project with annual output of 10,000 tons	11,412,499.88			913,000.02			10,499,499.86	Related to assets
Subsidies for PPS resin with annual output of 5,000 tons and PPS composite materials with annual output of 6,000 tons	8,550,000.00			1,425,000.00			7,125,000.00	Related to assets
Enterprise development funds of Advanced Manufacturing Industrial Park	8,491,786.07			99,125.88			8,392,660.19	Related to assets
Effective industrial input expansion of 2016	6,064,800.00			478,800.00			5,586,000.00	Related to assets
Funds for key thematic projects of industrial revitalization and technical renovation of 2012	3,924,642.86			713,571.43			3,211,071.43	Related to assets

Items	Opening balance	Increase	Grants included into non-operating revenue	Grants included into other income	Grants offsetting relevant cost	Other changes	Closing balance	Related to assets/income
Fiscal subsidies for low-rent housing	6,098,560.08			120,428.58			5,978,131.50	Related to assets
Subsidies from land transfer fees of Shandong dormitory	4,873,021.09			125,115.78			4,747,905.31	Related to assets
Subsidies for inputs in biochemical infrastructure of Shangyu	4,580,963.84			158,885.94			4,422,077.90	Related to assets
Construction project of public testing service platform	3,000,000.04			500,000.00			2,500,000.04	Related to assets
Subsidies for infrastructure supporting fees	7,478,250.00			398,812.50			7,079,437.50	Related to assets
Compensation for resource conservation and environmental protection projects of 2017	3,360,000.00			240,000.00			3,120,000.00	Related to assets
Subsidies for new materials, land and infrastructure construction	2,432,160.00			405,360.00			2,026,800.00	Related to assets
Special fiscal funds for revitalization of the substantial economy (transformation of traditional industries) of 2017	2,140,071.30			269,614.29			1,870,457.01	Related to assets
Subsidies for RTO Project	1,266,666.90			199,999.98			1,066,666.92	Related to assets
Special subsidies for development of marine economy of 2017	2,000,000.00			700,000.00			1,300,000.00	Related to assets
Special subsidies for high-quality development of manufacturing industry	1,804,329.70			152,478.57			1,651,851.13	Related to assets
Enterprise development fund (Shandong Fine Chemical)	52,224,561.00						52,224,561.00	Related to assets
Special funds for Taishan industry leading talents	7,400,000.00						7,400,000.00	Related to assets
Food security control and emergency facilities project	24,871,000.00			1,254,000.00			23,617,000.00	Related to assets
Policy incentives for industrial production projects of 2020	24,213,221.35			1,396,916.64			22,816,304.71	Related to assets
Special funds for Heilongjiang Biological Fermentation Industrial Park Project	111,810,000.00						111,810,000.00	Related to assets
Incentives for enterprises settling in Industrial Collaborative Innovation Center by Hangzhou Bay Shangyu Economic and Technological Development Zone	24,255,416.73			1,603,100.04			22,652,316.69	Related to assets
Subsidies for upgrading coal-fired boilers of 2017	222,857.12			18,571.43			204,285.69	Related to assets
Subsidies for low-nitrogen transformation of gas-	465,535.75			35,357.13			430,178.62	Related to assets

Items	Opening balance	Increase	Grants included into non-operating revenue	Grants included into other income	Grants offsetting relevant cost	Other changes	Closing balance	Related to assets/income
fired boilers of Xinchang County								
Subsidy for new PPS material construction project with an annual output of 15000 tons		15,000,000.00					15,000,000.00	Related to assets
Digital (intelligent) demonstration workshop project award of 2021		2,000,000.00		78,431.36			1,921,568.64	Related to assets
Incentive policies and funds for energy-saving technological transformation projects of industrial enterprises of 2020		1,000,000.00		33,613.44			966,386.56	Related to assets
Enterprise Development Fund (amino acid)		18,000,000.00					18,000,000.00	Related to assets
NHU general technology and product R & D and manufacturing service integration industrial chain project		19,650,000.00		233,928.57			19,416,071.43	Related to assets
Special funds for technical renovation	20,169,603.37			443,360.92			19,726,242.45	Related to assets
Incentives for investment promotion	24,982,141.71			127,033.56			24,855,108.15	Related to assets
Special fiscal supporting funds for high-quality development (investment projects) of manufacturing industry of Xinchang County of 2021	4,875,100.00			58,036.90			4,817,063.10	Related to assets
Special funds for supporting advanced manufacturing industry and modern service industry	19,650,000.00			233,928.57			19,416,071.43	Related to assets
Other piecemeal subsidies	9,547,185.25			1,464,716.71			8,082,468.54	Related to assets
Total	1,063,699,676.16	55,650,000.00		46,423,802.28			1,072,925,873.88	

Note: Please refer to item VII 59 of this section for details on government grants included in profit or loss.

32. Share capital

Unit: RMB Yuan

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bonus shares	Reserve transferred to shares	Others	Subtotal	
Total shares	2,578,394,760.00			512,512,596.00		512,512,596.00	3,090,907,356.00

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

Pursuant to the 2021 profit distribution plan deliberated and approved by the general meeting of 2021, based on 2,562,562,984 shares (the total share capital of the company at that time, which was 2,578,394,760 shares, excluded 15,831,776 repurchased shares), the Company increased shares at 2 shares per 10 shares by converting capital reserve to all shareholders. After the increase, the total share capital amounted to RMB 3,090,907,356. Such capital increase had been verified by Pan-China Certified Public Accountants LLP, and a Capital Verification Report numbered PCCPACVR [2022] 230 was issued thereon.

33. Capital reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Share/capital premium	3,847,505,213.92	0.00	512,512,596.00	3,334,992,617.92
Other capital reserve	273,557,867.04	5,043,725.52	0.00	278,601,592.56
Total	4,121,063,080.96	5,043,725.52	512,512,596.00	3,613,594,210.48

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

Current decrease of capital premium (share premium) was due to conversion of capital reserve to share capital. Please refer to item VII 32 of this section for details. Current increase of other capital reserve was due to changes in the Company's proportionate share in net assets of the associate Zhejiang Chunhui Environmental Protection Energy Co., Ltd. arising from capital increase made by investors.

34. Treasury shares

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Treasury shares	320,360,784.48	179,698,926.77		500,059,711.25
Total	320,360,784.48	179,698,926.77		500,059,711.25

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

Current increase of treasury shares was due to the repurchase of public shares by the Company for the purpose of equity incentive plan and employee stock ownership plan.

35 Other comprehensive income (OCI)

Unit: RMB Yuan

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in current period	Less: OCI previously recognized but transferred to retained earnings in current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
Items not to be reclassified subsequently to profit or loss	-1,614,172.31	32,372,570.30				32,251,478.10	121,092.20	30,637,305.79
Including: Other comprehensive income to be transferred to profit or loss under equity method	506,954.43							506,954.43
Translation reserves	-2,121,126.74	32,372,570.30				32,251,478.10	121,092.20	30,130,351.36
Total	-1,614,172.31	32,372,570.30				32,251,478.10	121,092.20	30,637,305.79

36. Special reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Work safety fund	12,692,218.51	13,360,150.22	8,911,057.34	17,141,311.39
Total	12,692,218.51	13,360,150.22	8,911,057.34	17,141,311.39

37. Surplus reserve

Unit: RMB Yuan

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	1,289,197,380.00			1,289,197,380.00
Total	1,289,197,380.00			1,289,197,380.00

38. Undistributed profit

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Opening balance before adjustment	14,120,605,163.26	
Total undistributed profits at the beginning of the adjustment period (increase +, decrease -)	31,860,364.91	
Opening balance after adjustment	14,152,465,528.17	11,515,384,739.95
Add: Net profit attributable to owners of the parent company	2,213,877,419.25	4,324,150,263.31
Less: Appropriation of statutory surplus reserve		214,866,230.00
Dividend payable on ordinary shares	1,793,794,088.80	1,504,063,610.00
Closing balance	14,572,548,858.62	14,120,605,163.26

Details of undistributed profits at the beginning of adjustment period:

Due to the retroactive adjustment of the accounting standards for business enterprises and relevant new regulations, the undistributed profit at the beginning of the period was RMB 31,860,364.91.

Other remarks:

Pursuant to the 2021 profit distribution plan deliberated and approved by the general meeting of 2021, based on 2,562,562,984 shares (the total share capital of the company at that time, which was 2,578,394,760 shares, excluded 15,831,776 repurchased shares), the Company distributed cash dividend of 7.00 yuan (tax included) per 10 shares to all shareholders. Cash dividend distributed totaled RMB 1,793,794,088.80(tax included).

39. Operating revenue/Operating cost

Unit: RMB Yuan

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	8,115,267,916.02	4,789,134,207.58	7,266,491,924.65	3,776,567,468.03
Other operations	99,771,361.01	155,988,595.81	73,632,385.46	46,180,234.17
Total	8,215,039,277.03	4,945,122,803.39	7,340,124,310.11	3,822,747,702.20

Details of revenue:

Unit: RMB Yuan

Categories of contracts	Total
By operating region	
Including: Domestic	4,064,052,343.93
Overseas	4,150,986,933.10
Subtotal	8,215,039,277.03
By product	
Including: Nutrition	5,768,862,111.12
Flavor and fragrance	1,522,994,415.83
New materials	552,514,423.91
Others	370,668,326.17
Subtotal	8,215,039,277.03
By revenue recognition time	
Including: Goods (transferred at a point in time)	8,215,039,277.03
Subtotal	8,215,039,277.03
By sales channel	
Including: Direct sales	6,536,368,733.62
Agent sales	1,678,670,543.41
Subtotal	8,215,039,277.03

Information related to performance obligations:

None.

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

As of June 30, 2022, revenue corresponding to performance obligations for which the Company has entered into contracts but not yet performed or fulfilled amounted to RMB 3,176.65 mn, of which, RMB 3,176.65 mn is expected to be recognized as revenue in 2022.

40. Taxes and surcharges

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	12,713,819.69	16,593,941.36
Education surcharge (local education surcharge)	10,775,889.86	15,258,637.11
Housing property tax	15,431,428.20	11,778,391.04
Land use tax	5,892,341.09	12,989,995.35
Vehicle and vessel use tax	23,132.71	24,675.80
Stamp duty	5,558,733.12	2,929,669.52
Land appreciation tax	361,871.13	640,367.32
Environmental protection tax	853,455.25	578,646.58
Total	51,610,671.05	60,794,324.08

41. Selling expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Sales commission and customs declaration charges	12,731,579.13	17,692,240.72
Advertising and promotion expenses,	4,600,887.46	3,567,586.35

Items	Current period cumulative	Preceding period comparative
business entertainment expenses		
Employee benefits	27,765,835.78	23,212,723.68
Office expenses, business traveling expenses	7,801,633.19	5,649,153.96
Insurance fees		1,466,649.89
Others	4,377,961.92	3,891,220.30
Total	57,277,897.48	55,479,574.90

42. Administrative expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Employee benefits	115,390,102.23	91,901,943.55
Office expenses, business traveling expenses	13,377,152.20	15,975,577.72
Depreciation, amortization of intangible assets	46,129,788.87	42,187,840.96
Business entertainment expenses	12,437,740.12	9,654,999.32
Insurance premiums	7,564,296.84	7,655,409.05
Consulting fee	9,456,199.96	7,393,223.96
Others	7,929,542.19	12,736,919.54
Total	212,284,822.41	187,505,914.10

43. R&D expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Direct input	146,667,952.04	126,033,421.52
Employee benefits	204,036,669.50	149,468,367.40
Depreciation, amortization of intangible assets	32,048,604.87	24,293,575.58
Office expenses, business traveling expenses	21,270,730.68	15,628,605.63
Outsourcing expenses	5,698,974.07	13,402,568.01
Others	30,634,321.48	22,706,226.41
Total	440,357,252.64	351,532,764.55

44. Financial expenses

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Interest expenses	152,357,156.76	162,484,715.95
Less: Interest income	76,211,850.51	72,107,022.92
Losses on foreign exchange (or less: gains)	-61,972,039.28	43,236,369.19
Others	8,057,786.99	10,916,076.87
Total	22,231,053.96	144,530,139.09

45. Other income

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Government grants related to assets [Note]	46,423,802.28	40,228,500.25
Government grants related to income [Note]	39,098,377.26	33,328,436.43
Refund of handling fees for withholding individual income tax	1,104,047.36	1,139,113.99
Total	86,626,226.90	74,696,050.67

Note: Please refer to item VII 59 of this section for details on government grants included in other income.

46. Investment income

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	25,402,893.70	15,735,226.24
Investment income from disposal of financial instruments	-2,764,801.12	-370,729.11
Including: Financial assets classified as at fair value through profit or loss	7,739,778.29	2,643,037.39
Financial liabilities classified as at fair value through profit or loss	-10,504,579.41	-3,013,766.50
Investment income from bank financial products and structured deposits	28,841,651.61	29,617,969.78
Total	51,479,744.19	44,982,466.91

47. Gains on changes in fair value

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Held-for-trading financial liabilities	-17,291,740.52	-1,567,482.48
Including: Gains on changes in fair value arising from financial liabilities classified as at fair value through profit or loss	-17,291,740.52	-1,567,482.48
Held-for-trading financial assets	29,128,440.56	25,239,240.62
Including: Gains on changes in fair value arising from financial assets classified as at fair value through profit or loss	29,128,440.56	25,239,240.62
Total	11,836,700.04	23,671,758.14

48. Credit impairment loss

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Bad debts	-10,613,626.22	-33,637,204.20
Total	-10,613,626.22	-33,637,204.20

49. Assets impairment loss

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-7,890,179.58	-6,714,482.90
Total	-7,890,179.58	-6,714,482.90

50. Gains on asset disposal

Unit: RMB Yuan

Sources	Current period cumulative	Preceding period comparative
Gains on disposal of non-current assets	6,674,850.81	1,065,564.79
Total	6,674,850.81	1,065,564.79

51. Non-operating revenue

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Indemnity income	949,584.99	9,044,364.95	949,584.99
Others	1,074,489.85	1,302,076.50	1,074,489.85
Total	2,024,074.84	10,346,441.45	2,024,074.84

52. Non-operating expenditures

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Donation expenditures	1,416,764.60	877,525.00	1,416,764.60
Others	913,552.36	1,041,504.53	913,552.36
Total	2,330,316.96	1,919,029.53	2,330,316.96

53. Income tax expenses**(1) Details**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	346,750,734.36	374,095,395.38
Deferred income tax expenses	53,349,189.26	20,614,465.84
Total	400,099,923.62	394,709,861.22

(2) Reconciliation of accounting profit to income tax expenses

Unit: RMB Yuan

Items	Current period cumulative
Profit before tax	2,623,962,250.12
Income tax expenses based on statutory/applicable tax rate	393,594,337.52
Effect of different tax rate applicable to subsidiaries	-17,190,336.70
Effect of prior income tax reconciliation	6,657,405.02
Effect of non-taxable income	5,589,023.26
Effect of non-deductible costs, expenses and losses	1,376,942.78
Effect of utilization of deductible losses not previously recognized as deferred tax assets	-16,496,598.96
Effect of deducible temporary differences or deductible losses not recognized as deferred tax assets in the current period	95,527,041.59
Effect of extra deduction of R&D expenses	-68,957,890.89
Income tax expenses	400,099,923.62

54. Other comprehensive income

Please refer to item VII 35 of this section for details.

55. Notes to items of the cash flow statement**(1) Other cash receipts related to operating activities**

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Interest income from cash in bank	75,485,329.15	72,170,716.37
Receipt of government grants	95,852,424.62	82,860,435.49
Recovery of temporary borrowings and security deposits	5,016,089.54	4,650.00
Other receipts and net current accounts	5,326,081.20	11,267,812.52
Total	181,679,924.51	166,303,614.38

(2) Other cash payments related to operating activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
R&D expenditures in the form of cash	2,053,649.86	9,072,525.23
Office expenses and business traveling expenses	13,788,936.02	11,497,951.02
Advertising and promotion expenses, business entertainment expenses	8,869,953.87	10,942,559.78
Sales commission and customs declaration charges	13,003,888.95	8,641,852.83
Insurance expenses	2,327,776.16	5,366,502.83
Other payments and net current accounts	106,597,455.76	146,673,321.02
Total	146,641,660.62	192,194,712.71

(3) Other cash receipts related to investing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Redemption of financial products	1,800,000,000.00	1,800,000,000.00
Recovery of borrowings	13,423,350.06	
Other receipts and net current accounts	14,294,950.48	
Total	1,827,718,300.54	1,800,000,000.00

(4) Other cash payments related to investing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Payments for borrowings	36,775,804.59	
Payments for purchase of financial products and structured deposits	920,000,000.00	1,520,000,000.00
Repurchase of treasury shares	179,698,926.77	
Total	1,136,474,731.36	1,520,000,000.00

(5) Other cash payments related to financing activities

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Payments for bank financing handling charges	3,305,539.56	2,069,877.48
Payments of handling charges for issuing letters of guarantee for borrowings	576,792.00	1,293,530.21
Total	3,882,331.56	3,363,407.69

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

Unit: RMB Yuan

Supplement information	Current period cumulative	Preceding period comparative
1. Reconciliation of net profit to cash flows from operating activities:	--	--
Net profit	2,223,862,326.50	2,435,315,595.30
Add: Provision for assets impairment loss	18,503,805.80	40,351,687.10
Depreciation of fixed assets, oil and gas assets, productive biological assets	623,703,868.71	578,809,640.58
Depreciation of right-of-use assets	657,653.96	448,385.93
Amortization of intangible assets	19,125,769.24	16,731,412.82
Amortization of long-term prepayments	3,316,666.66	1,942,593.41
Losses on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	-6,674,850.81	-1,065,564.79
Fixed assets retirement loss (Less: gains)		17,993.76
Losses on changes in fair value (Less: gains)	-11,836,700.04	-23,671,758.14
Financial expenses (Less: gains)	163,843,989.92	209,472,718.30
Investment losses (Less: gains)	-51,479,744.19	-44,982,466.91
Decrease of deferred tax assets (Less: increase)	-12,176,568.21	-4,073,229.10
Increase of deferred tax liabilities (Less: decrease)	65,525,757.47	24,687,694.94
Decrease of inventories (Less: increase)	-1,358,969,145.31	-401,877,126.78
Decrease of operating receivables (Less: increase)	125,300,272.14	-234,285,135.31
Increase of operating payables (Less: decrease)	-560,246,363.64	-308,184,944.42
Others		
Net cash flows from operating activities	1,242,456,738.20	2,289,637,496.69
2. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		
3. Net changes in cash and cash equivalents:		
Cash at the end of the period	6,451,708,569.16	6,182,163,497.57
Less: Cash at the beginning of the period	5,714,537,538.23	4,669,306,776.09

Supplement information	Current period cumulative	Preceding period comparative
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	737,171,030.93	1,512,856,721.48

(2) Net cash paid for acquisition of subsidiaries in the current period

Unit: RMB Yuan

Items	Amount
Cash or cash equivalents paid in the current period for business combination occurred in the current period	5,406,540.13
Including: NHU/Chr.Olesen Latin America A/S[Note]	5,406,540.13
Add: cash or cash equivalents paid in the current period for business combinations occurred in previous periods	78,845.01
Including: NHU/Chr.Olesen Latin America A/S	78,845.01
Net cash paid for acquisition of subsidiaries	5,485,385.14

[Note] NHU/CHR.OLESEN LATIN AMERICA A/S holds two subsidiaries, respectively NHU/CHR.OLESEN BRASIL LTDA., holding 100%, and CHR.OLESEN MEXICO SAPI DE CV, holding 88%.

(3) Composition of cash and cash equivalents

Unit: RMB Yuan

Items	Closing balance	Opening balance
I. Cash	6,451,708,569.16	5,714,537,538.23
Including: Cash on hand	9,862.96	14,537.85
Cash in bank on demand for payment	6,451,698,706.20	5,684,842,466.04
Other cash and bank balances on demand for payment		29,680,534.34
II. Cash and cash equivalents at the end of the period	6,451,708,569.16	5,714,537,538.23

Other Remarks:

Closing balance of cash and bank balances amounted to 6,590,012,908.26 yuan, including deposit for bank acceptance of 108,852,086.25 yuan, deposit for letters of credit of 27,364,565.06 yuan, deposit for engineering labor costs of 1,711,851.11 yuan, deposit for ETC of 16,500.00 yuan, deposit for water fees of 359,336.68 yuan, which was not cash and cash equivalents.

Opening balance of cash and bank balances amounted to 5,952,909,626.94 yuan, including deposit for bank acceptance of 149,724,511.46 yuan, deposit for letters of credit of 86,212,564.30 yuan, deposit for engineering labor costs of 1,654,664.15 yuan, deposit for ETC of 16,500.00 yuan, deposit for water fees of 358,792.30 yuan and deposit for construction safety of 405,056.50 yuan, which was not cash and cash equivalents.

57. Assets with title or use right restrictions

Unit: RMB Yuan

Items	Closing carrying amount	Reasons for restrictions
Cash and bank balances	138,304,339.10	Please refer to supplement information to the cash flow statement of this section for details.
Notes receivable	209,801,476.61	It is pledged due to the issuance of bank acceptance, cannot be withdrawn freely,

Items	Closing carrying amount	Reasons for restrictions
		and its use is limited.
Fixed assets	76,487,526.23	Mortgaged for bank borrowings.
Intangible assets	9,186,528.93	Mortgaged for bank borrowings.
Receivables financing	130,363,316.90	It is pledged due to the issuance of bank acceptance, cannot be withdrawn freely, and its use is limited
Total	564,143,187.77	--

58. Monetary items in foreign currencies

(1) Details

Unit: RMB Yuan

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			629,151,551.17
Including: USD	62,634,339.30	6.7114	420,364,104.78
EUR	28,119,483.63	7.0084	197,072,589.07
HKD	1,172,063.56	0.8552	1,002,348.76
JPY	154,440,443.00	0.0491	7,583,025.75
SGD	7,785.00	4.8170	37,500.35
BRL	1,824,070.88	1.2813	2,337,182.02
MXN	618,370.72	0.3332	206,041.12
DKK	582,423.39	0.9422	548,759.32
Accounts receivable			2,199,825,187.75
Including: USD	285,423,531.03	6.7114	1,915,591,486.15
EUR	25,991,439.78	7.0084	182,158,406.55
JPY	32,800,000.00	0.0491	1,610,480.00
GBP	56,400.00	8.1365	458,898.60
BRL	54,610,749.91	1.2813	69,972,753.86
MXN	90,135,542.00	0.3332	30,033,162.59
Other receivables			51,386,506.35
Including: USD	3,779,919.03	6.7114	25,368,548.58
EUR	568,031.29	7.0084	3,980,990.49
HKD	31,700.00	0.8552	27,109.84
BRL	2,189,291.12	1.2813	2,805,138.71
MXN	57,637,211.08	0.3332	19,204,718.73
Short-term borrowings			493,033,647.49
Including: USD	5,935,604.38	6.7114	39,836,215.24
EUR	64,664,892.45	7.0084	453,197,432.25
Accounts payable			132,658,691.80
Including: USD	896,983.77	6.7114	6,020,016.87
EUR	9,785,772.00	7.0084	68,582,604.48
BRL	45,310,286.78	1.2813	58,056,070.45
Other payables			71,112,333.11
Including: USD	10,144,183.64	6.7114	68,081,674.08

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
EUR	39,019.37	7.0084	273,463.35
HKD	23,457.00	0.8552	20,060.43
MXN	8,214,691.64	0.3332	2,737,135.25
Non-current liabilities due within one year			6,832,476.87
Including: EUR	961,662.00	7.0084	6,739,711.96
HKD	108,471.60	0.8552	92,764.91
Long-term borrowings			33,196,688.28
Including: EUR	4,736,700.00	7.0084	33,196,688.28

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

√ Applicable □ Not applicable

NHU EUROPE GmbH is a holding subsidiary of the subsidiary NHU (Hong Kong) Trading Co., Ltd. with the holding proportion of 51%; NHU Performance Materials GmbH is a wholly-owned subsidiary of the subsidiary NHU (Hong Kong) Trading Co., Ltd.; Bardoterminal GmbH is a wholly-owned subsidiary of NHU EUROPE GmbH. The above three entities are all located in Luneburg, Germany, with EUR as functional currency. NHU/CHR. Olesen Latin America a / S is a holding subsidiary of the company's subsidiary NHU (Hong Kong) Trading Co., Ltd., with a shareholding ratio of 51%, located in gentovt, Denmark, and the functional currency is euro; NHU/CHR. Olesen Brasil LTDA. Is nhu / Chr Olesen Latin America a / s, a wholly-owned subsidiary, is located in Sao Paulo, Brazil, and its functional currency is Brazilian real; CHR. Olesen Mexico SAPI de CV is nhu / Chr Olesen Latin America a / S is a holding subsidiary of Olesen Latin America a/s, with a shareholding ratio of 88%. It is located in cretaro, Mexico, and its functional currency is Mexican peso. NHU Singapore PTE. LTD. is a wholly-owned subsidiary of the Company. It is located in Singapore, with SGD as functional currency.

59. Government grants

(1) Government grants related to assets

Unit: RMB Yuan

Items	Opening balance of deferred income	Increase	Amortization	Closing balance of deferred income	Amortization presented under	Remarks
Special funds for Biological Fermentation Industrial Park Project	427,578,840.00		24,668,010.00	402,910,830.00	Other income	Pursuant to the document numbered Sui Jing Kai Guan [2018] 55
Special funds for enterprise development (Shandong Vitamins)	74,962,651.55		4,836,300.10	70,126,351.45	Other income	
Special funds for joint production project of Xinhao Thermal Power	31,772,916.73		1,887,499.98	29,885,416.75	Other income	Pursuant to the document numbered Sui Jing Kai Guan Wei Han [2018] 123
Technical renovation for green deep processing of 2019	34,260,000.00		-	34,260,000.00	Other income	Pursuant to the document numbered Zhe Fa Gai Mi [2019] 127
Special funds for enterprise development (Amino Acid)	45,804,945.12		572,802.18	45,232,142.94	Other income	Pursuant to the documents numbered Wei Bin Cai Zhi Zi [2018] 40 and Wei Bin Cai Jin Yu [2021] 44

Items	Opening balance of deferred income	Increase	Amortization	Closing balance of deferred income	Amortization presented under	Remarks
Subsidies for land leveling of Shandong	28,308,723.84		359,094.72	27,949,629.12	Other income	
Enterprise development funds of Shandong	18,847,224.88		218,907.06	18,628,317.82	Other income	Pursuant to the documents numbered Wei Bin Cai Zhi Zi [2014] 513, Wei Bin Cai Zhi Zi [2016] 194 and Wei Bin Cai Zhi Zi [2017] 307
PPS construction project with annual output of 10,000 tons	11,412,499.88		913,000.02	10,499,499.86	Other income	
Subsidies for PPS resin with annual output of 5,000 tons and PPS composite materials with annual output of 6,000 tons	8,550,000.00		1,425,000.00	7,125,000.00	Other income	
Enterprise development funds of Advanced Manufacturing Industrial Park	8,491,786.07		99,125.88	8,392,660.19	Other income	
Effective industrial input expansion of 2016	6,064,800.00		478,800.00	5,586,000.00	Other income	
Funds for key thematic projects of industrial revitalization and technical renovation of 2012	3,924,642.86		713,571.43	3,211,071.43	Other income	Special funds for new cephalosporin antibiotics project with annual output of 10 tons according to the document numbered Zhe Cai Qi [2012] 276 issued by Department of Finance of Zhejiang Province and Economy and Informatization Commission of Zhejiang Province
Fiscal subsidies for low-rent housing	6,098,560.08		120,428.58	5,978,131.50	Other income	
Subsidies from land transfer fees of Shandong dormitory	4,873,021.09		125,115.78	4,747,905.31	Other income	
Subsidies for inputs in biochemical infrastructure of Shangyu	4,580,963.84		158,885.94	4,422,077.90	Other income	
Construction project of public testing service platform	3,000,000.04		500,000.00	2,500,000.04	Other income	
Subsidies for infrastructure supporting fees	7,478,250.00		398,812.50	7,079,437.50	Other income	
Compensation for resource conservation and environmental protection projects of 2017	3,360,000.00		240,000.00	3,120,000.00	Other income	
Subsidies for new materials, land and infrastructure construction	2,432,160.00		405,360.00	2,026,800.00	Other income	

Items	Opening balance of deferred income	Increase	Amortization	Closing balance of deferred income	Amortization presented under	Remarks
Special fiscal funds for revitalization of the substantial economy (transformation of traditional industries) of 2017	2,140,071.30		269,614.29	1,870,457.01	Other income	Pursuant to the document numbered Xin Cai Qi [2019] 151
Subsidies for RTO Project	1,266,666.90		199,999.98	1,066,666.92	Other income	Pursuant to the document numbered Wei Cai Qi Zhi [2014] 207
Special subsidies for development of marine economy of 2017	2,000,000.00		700,000.00	1,300,000.00		Pursuant to the document numbered Shang Yu Cai Jian [2018] 12
Special subsidies for high-quality development of manufacturing industry	1,804,329.70		152,478.57	1,651,851.13	Other income	Pursuant to the document numbered Xin Jing Xin [2020] 79
Enterprise development fund (Shandong Fine Chemical)	52,224,561.00		-	52,224,561.00		Pursuant to the document numbered Wei Bin Cai Zhi Zi [2020] 34
Special funds for Taishan industry leading talents project	7,400,000.00		-	7,400,000.00		Pursuant to the documents numbered Lu Zheng Ban Zi [2021] 13, Lu Zu Zi [2021] 24, Wei Bin Cai Xing Zhi Zi [2021] 1, and Wei Cai Xing Zhi [2021] 16
Food security control and emergency facilities project – investment plan within budget of the central government of 2020	24,871,000.00		1,254,000.00	23,617,000.00	Other income	Pursuant to the document numbered Hei Fa Gai Tou Zi [2020] 542
Policy incentives for industrial production projects of 2020	24,213,221.35		1,396,916.64	22,816,304.71	Other income	Pursuant to the document numbered Hei Cai Zhi (Chan Ye) [2020] 558
Special funds for Heilongjiang Biological Fermentation Industrial Park Project	111,810,000.00		-	111,810,000.00		
Incentives for enterprises settling in Industrial Collaborative Innovation Center by Hangzhou Bay Shangyu Economic and Technological Development Zone	24,255,416.73		1,603,100.04	22,652,316.69	Other income	
Subsidies for upgrading coal-fired boilers of 2017	222,857.12		18,571.43	204,285.69	Other income	Pursuant to the document numbered Xin Cai Jian [2018] 204
Subsidies for low-nitrogen transformation of gas-fired boilers of Xinchang County	465,535.75		35,357.13	430,178.62	Other income	Pursuant to the document numbered Xin Huan Yu [2018] 25
Subsidy for new PPS material construction		15,000,000.00	-	15,000,000.00	Other income	

Items	Opening balance of deferred income	Increase	Amortization	Closing balance of deferred income	Amortization presented under	Remarks
project with an annual output of 15000 tons						
Digital (intelligent) demonstration workshop project award of 2021		2,000,000.00	78,431.36	1,921,568.64	Other income	Hgxcgj [2021] No. 196
Incentive policies and funds for energy-saving technological transformation projects of industrial enterprises of 2020		1,000,000.00	33,613.44	966,386.56	Other income	Hgxcgj [2021] No. 133
Enterprise Development Fund (amino acid)		18,000,000.00	-	18,000,000.00	Other income	
NHU general technology and product R & D and manufacturing service integration industrial chain project		19,650,000.00	233,928.57	19,416,071.43	Other income	Fgtz [2021] No. 1117
Special funds for technical renovation	20,169,603.37		443,360.92	19,726,242.45	Other income	
Incentives for investment promotion	24,982,141.71		127,033.56	24,855,108.15	Other income	Pursuant to the document numbered Wei Bin Cai Gong Zhi Zi [2021] 14
Special fiscal supporting funds for high-quality development (investment projects) of manufacturing industry of Xinchang County of 2021	4,875,100.00		58,036.90	4,817,063.10	Other income	Pursuant to the document numbered Xin Jing Xin [2021] 50
Special investment plan within budget of the central government for supporting advanced manufacturing industry and modern service of 2021	19,650,000.00		233,928.57	19,416,071.43	Other income	Pursuant to the document numbered Fa Gai Tou Zi [2021] 1117
Other piecemeal subsidies - investment plan within budget of the central government of 2020	9,547,185.25		1,464,716.71	8,082,468.54	Other income	
Subtotal	1,063,699,676.16	55,650,000.00	46,423,802.28	1,072,925,873.88		

(2) Government grants related to income and used to compensate incurred relevant costs, expenses or losses

Unit: RMB Yuan

Items	Amount	Presented under	Remarks
Special subsidies	1,390,000.00	Other income	Related to income
Government subsidies	13,608,737.71	Other income	Related to income
Other subsidies	24,099,639.55	Other income	Related to income
Subtotal	39,098,377.26		

(3) In the current period, government grants included into profit or loss totaled RMB 85,522,179.54.

VIII. Changes in the consolidation scope

1. Business combination not under common control.

(1) Business combination not under the same control in the current period

Unit: RMB Yuan

Companies	Equity acquisition date	Capital contribution	Capital contribution proportion (%)	Equity acquisition method	Purchase date	Basis for determining the purchase date	Income of the acquiree from the purchase date to the end of the period	Net profit of the acquiree from the purchase date to the end of the period
NHU/Chr. Olesen Latin America A/S[Note]	January 6, 2022	5,406,540.13	51.00%	Acquisition	January 6, 2022	Complete industrial and commercial registration	342,567,458.04	2,433,913.93

[Note] NHU/CHR.OLESEN LATIN AMERICA A/S holds two subsidiaries, respectively NHU/CHR.OLESEN BRASIL LTDA., holding 100%, and CHR.OLESEN MEXICO SAPI DE CV, holding 88%.

(2) Combination cost and goodwill

Unit: RMB Yuan

Combination cost	NHU/Chr.Olesen Latin America A/S
Cash	5,406,540.13
Total:	5,406,540.13
Less: Fair value share of identifiable net assets obtained	996,534.80
Amount of goodwill / combination cost less than the fair value of identifiable net assets obtained	4,410,005.33

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Unit: RMB Yuan

Items	NHU/Chr.Olesen Latin America A/S	
	Fair value on the purchase date	Book value on the purchase date
Assets:	142,599,323.01	142,599,323.01
Cash and bank balances	20,215,114.52	20,215,114.52
Accounts receivable	51,260,895.20	51,260,895.20
Inventories	59,256,090.18	59,256,090.18
Advances paid	89,247.04	89,247.04
Other receivables	11,777,976.07	11,777,976.07
Debt:	140,645,333.21	140,645,333.21
Borrowings	9,272,894.89	9,272,894.89
Accounts payable	123,832,330.35	123,832,330.35
Taxes and rates payable	7,401,257.04	7,401,257.04
Other payables	138,850.93	138,850.93

Items	NHU/Chr.Olesen Latin America A/S	
	Fair value on the purchase date	Book value on the purchase date
Equity:	1,953,989.80	1,953,989.80
Less:Non-controlling interest		
Net assets acquired	1,953,989.80	1,953,989.80

IX. Interest in other entities

1. Interest in subsidiaries

(1) Composition of the group

Subsidiaries	Main operating place	Place of registration	Business nature	Holding proportion (%)		Acquisition method
				Direct	Indirect	
Shangyu NHU Bio-Chem Co., Ltd.	Shangyu, Zhejiang	Shangyu, Zhejiang	Manufacturing	100.00%		Establishment
Shandong NHU Pharmaceutical Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Manufacturing	100.00%		Establishment
NHU (Hong Kong) Trading Co., Ltd.	Hong Kong, China	Hong Kong, China	Commerce	100.00%		Establishment
Zhejiang NHU Special Materials Co., Ltd.	Shangyu, Zhejiang	Shangyu, Zhejiang	Manufacturing	100.00%		Establishment
Shandong NHU Amino-acids Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Manufacturing	100.00%		Establishment
NHU EUROPE GmbH	Luneburg, Germany	Luneburg, Germany	Trade		51% [Note 1]	Establishment
NHU/CHR.OLESEN LATIN AMERICA A/S	Gentovt, Denmark	Gentovt, Denmark	Trade		51% [Note 1]	
山东新和成控股有限公司 (Shandong NHU Holdings Co., Ltd.)*	Weifang, Shandong	Weifang, Shandong	Service	100.00%		Establishment
Shandong NHU Vitamins Co., Ltd.	Weifang, Shandong	Weifang, Shandong	Manufacturing		100.00% [Note 2]	Establishment
Heilongjiang NHU Biotechnology Co., Ltd.	Suihua, Heilongjiang	Suihua, Heilongjiang	Manufacturing	100.00%		Establishment
NHU Singapore PTE. LTD.	Singapore	Singapore	Trade	100.00%		Establishment

Remarks on inconsistency between holding proportion and voting rights proportion in subsidiaries:

[Note 1] The Company holds shares through NHU (Hong Kong) Trading Co., Ltd.

[Note 2] The Company holds shares through Shandong NHU Holdings Co., Ltd.

(2) Significant not wholly-owned subsidiaries

Unit: RMB Yuan

Subsidiaries	Holding proportion of non-controlling shareholders	Non-controlling shareholders' profit or loss	Dividend declared to non-controlling shareholders	Closing balance of non-controlling interest
NHU EUROPE GmbH	49.00%	8,737,310.78		70,504,576.24
NHU/CHR.OLESEN LATIN AMERICA A/S[Note]	49.00%	1,247,596.47		3,332,274.62
Total		9,984,907.25		73,836,850.86

[Note] NHU/CHR.OLESEN LATIN AMERICA A/S holds two subsidiaries, respectively NHU/CHR.OLESEN BRASIL LTDA., holding 100%, and CHR.OLESEN MEXICO SAPI DE CV, holding 88%.

* The English name is for identification purpose only.

(3) Main financial information of significant not wholly-owned subsidiaries

Unit: RMB Yuan

Subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
NHU EUROPE GmbH	847,997,714.20	92,274,363.04	940,272,077.24	763,188,498.68	33,196,688.28	796,385,186.96
NHU/CHR.OLESEN LATIN AMERICA A/S	425,076,866.06	293,387.18	425,370,253.24	419,019,146.21	89,057.77	419,108,203.98
Total	1,273,074,580.26	92,567,750.22	1,365,642,330.48	1,182,207,644.89	33,285,746.05	1,215,493,390.94

(Continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
NHU EUROPE GmbH	860,365,259.01	95,891,993.02	956,257,252.03	788,525,281.39	37,669,008.56	826,194,289.95
NHU/CHR.OLESEN LATIN AMERICA A/S						
Total	860,365,259.01	95,891,993.02	956,257,252.03	788,525,281.39	37,669,008.56	826,194,289.95

Unit: RMB Yuan

Subsidiaries	Current period cumulative				Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
NHU EUROPE GmbH	810,123,339.42	17,831,246.48	13,823,928.20	2,752,415.97	880,665,472.68	17,013,156.89	10,938,293.87	64,150,528.47
NHU/CHR.OLESEN LATIN AMERICA A/S	342,567,458.04	2,433,913.93	3,388,203.70	24,173,454.73				
Total	1,152,690,797.46	20,265,160.41	17,212,131.90	26,925,870.70	880,665,472.68	17,013,156.89	10,938,293.87	64,150,528.47

2. Interest in joint venture or associates**(1) Significant joint ventures or associates**

Joint ventures or associates	Main operating place	Place of registration	Business nature	Holding proportion (%)		Accounting treatment on investments in joint ventures or associates
				Direct	Indirect	
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	Shangyu, Zhejiang	Shangyu, Zhejiang	Manufacturing	29.9307%[Note]		Equity method
DSM NHU Engineering Materials (Zhejiang) Co., Ltd.	Shangyu, Zhejiang	Shangyu, Zhejiang	Manufacturing	40.00%		Equity method

Joint ventures or associates	Main operating place	Place of registration	Business nature	Holding proportion (%)		Accounting treatment on investments in joint ventures or associates
				Direct	Indirect	
Zhejiang Saiya Chemical Materials Co., Ltd.	Shangyu, Zhejiang	Shangyu, Zhejiang	Manufacturing	49.00%		Equity method

Explanation of the difference between the shareholding ratio in the joint venture or the associated enterprise and the voting ratio:

In the current period, the company's shareholding ratio in the associated enterprise Zhejiang Chunhui environmental protection and energy Co., Ltd. changed, mainly due to the change in the company's share of net assets due to the capital increase of other investors in January 2022.

(2) Main financial information of significant joint ventures

Unit: RMB Yuan

Items	Closing balance/Current period cumulative			Opening balance/Preceding period comparative		
	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	DSM NHU Engineering Materials (Zhejiang) Co., Ltd.	Zhejiang Saiya Chemical Materials Co., Ltd.	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	DSM NHU Engineering Materials (Zhejiang) Co., Ltd.	Zhejiang Saiya Chemical Materials Co., Ltd.
Current assets	383,112,306.24	89,479,451.82	124,289,295.97	293,596,545.38	68,240,155.87	71,896,100.56
Non-current assets	602,750,213.70	18,063,832.98	148,614,323.72	559,076,086.33	13,956,368.94	157,938,616.58
Total assets	985,862,519.94	107,543,284.80	272,903,619.69	852,672,631.71	82,196,524.81	229,834,717.14
Current liabilities	172,268,311.38	116,025,007.52	44,595,001.38	199,269,854.33	97,736,253.17	15,537,056.20
Non-current liabilities	32,142,331.56	0.00	2,286,825.00	40,724,142.33		2,459,280.00
Total liabilities	204,410,642.94	116,025,007.52	46,881,826.38	239,993,996.66	97,736,253.17	17,996,336.20
Equity attributable to shareholders of parent company	781,451,877.00	-8,481,722.72	226,021,793.31	612,678,635.05	-15,539,728.36	211,838,380.94
Proportionate share in net assets	233,894,016.95	-3,392,689.09	110,750,678.72	208,873,174.90	-6,215,891.34	103,800,806.66
- Goodwill			762,611.33			762,611.33
- Unrealized profit in internal trading			931,390.51			665,200.17
Accumulated unrecognized losses		-3,392,689.09			-6,215,891.34	
Carrying amount of investments in associates	233,894,016.95		110,581,899.54	208,873,174.90		103,898,217.82
Operating revenue	283,967,325.65	92,415,365.12	201,503,983.57	196,623,027.27	54,950,710.21	139,702,151.72
Net profit	70,472,241.95	7,058,005.64	13,640,166.75	49,187,541.15	-1,052,702.41	5,074,966.36
Total comprehensive income	70,472,241.95	7,058,005.64	13,640,166.75	49,187,541.15	-1,052,702.41	5,074,966.36
Dividend from associates received in the current period						

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

Unit: RMB Yuan

Items	Closing balance/ Current period cumulative	Opening balance/ Preceding period comparative
Joint ventures:	--	--
Proportionate shares in the following items	--	--
Associates:	--	--
Total carrying amount of investments	39,246,105.65	38,556,233.03
Proportionate shares in the following items		
-- Net profit	-911,994.44	-656,507.53
-- Total comprehensive income	-911,994.44	-656,507.53

X. Risks related to financial instruments

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

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

(I) Credit risk

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

1. Credit risk management practice

(1) Evaluation method of credit risk

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

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

- 1) Quantitative standard mainly relates to the scenario in which, at the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;
- 2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability.

(2) Definition of default and credit-impaired assets

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

- 1) significant financial difficulty of the debtor;
- 2) a breach of binding clause of contract;

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

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

2. Measurement of expected credit losses

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

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

4. Exposure to credit risk and concentration of credit risk

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

(1) Cash and bank balances

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

(2) Receivables

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

As the Company only conducts business with credible and well-reputed third parties, collateral is not required from customers. The Company manages credit risk aggregated by customers. As of December 31, 2021, the Company has certain concentration of credit risk, and 39.06 % (December 31, 2020: 35.19%) of the total accounts receivable was due from the five largest customers of the Company. The Company held no collateral or other credit enhancement on balance of receivables.

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

(II) Liquidity risk

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

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

Financial liabilities classified based on remaining time period till maturity

Unit: RMB Yuan

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	10,902,124,084.08	11,433,900,252.24	6,133,118,558.23	4,524,209,268.74	776,572,425.27

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Notes payable	930,489,306.12	930,489,306.12	930,489,306.12		
Accounts payable	1,768,457,348.99	1,768,457,348.99	1,768,457,348.99		
Other payables	133,386,496.99	133,386,496.99	133,386,496.99		
Lease liabilities	3,037,567.36	4,502,023.99	421,166.83	476,190.46	3,604,666.70
Subtotal	13,737,494,803.54	14,270,735,428.33	8,965,872,877.16	4,524,685,459.20	780,177,091.97

(Continued)

Unit: RMB Yuan

Items	Opening balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Bank borrowings	8,581,398,746.38	9,052,182,029.59	3,703,590,391.97	4,728,643,204.24	619,948,433.38
Notes payable	694,124,946.73	694,124,946.73	694,124,946.73		
Accounts payable	1,435,966,427.76	1,435,966,427.76	1,435,966,427.76		
Other payables	56,712,103.36	56,712,103.36	56,712,103.36		
Lease liabilities	3,182,245.62	4,721,702.39	402,749.99	476,190.48	3,842,761.92
Subtotal	10,771,384,469.85	11,243,707,209.83	5,890,796,619.81	4,729,119,394.72	623,791,195.30

(III) Market risk

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

1. Interest risk

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

As of June 30, 2022, balance of borrowings with interest accrued at floating interest rate totaled 10,902,124,084.08 yuan (December 31, 2021: 8,581,398,746.38 yuan). If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax and equity will not be significantly affected.

2. Foreign currency risk

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

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

XI. Fair value disclosure

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

Unit: RMB Yuan

Items	Fair value as at the balance sheet date			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement	--	--	--	--
1. Held-for-trading financial assets and other non-current financial assets		9,555,464.77	660,000,000.00	669,555,464.77
Financial assets classified as at fair value through profit or loss		9,555,464.77	660,000,000.00	669,555,464.77
Financial products with guaranteed principal and floating income			660,000,000.00	660,000,000.00
Derivative financial assets		9,555,464.77		9,555,464.77
2. Receivables financing			198,084,359.06	198,084,359.06
3. Other equity instrument investments			22,998,147.55	22,998,147.55
Total liabilities at recurring fair value measurement		9,555,464.77	881,082,506.61	890,637,971.38

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

Fair value was determined at forward exchange rate published by 中国银行股份有限公司 (Bank of China Limited*) at the balance sheet date.

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

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

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

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

XII. Related parties and related party transactions

1. Parent company

Parent company	Place of registration	Business nature	Registered capital	Holding proportion over the Company	Voting right proportion over the Company
NHU Holding Group Co., Ltd.	Xinchang, Zhejiang	Manufacturing	120.00 million	48.74%	48.74%

Remarks on the parent company

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

2. Subsidiaries of the Company

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

* The English name is for identification purpose only.

3. Joint ventures and associates of the Company

Please refer to item IX 2 of the notes to the financial statements for details on the Company's significant joint ventures and associates.

4. Other related parties of the Company

Related parties	Relationships with the Company
北京福元医药股份有限公司 (Beijing Winsunny Pharmaceutical Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
浙江爱生药业有限公司 (Zhejiang Asen Pharmaceutical Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
新昌县禾春绿化有限公司 (Xinchang County Hechun Greening Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Deli Equipment Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
福元药业有限公司 (Front Pharmaceutical PLC.)*	Controlled by NHU Holding Group Co., Ltd.
Xinchang County NHU Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
绥化和成置业有限公司 (Suihua NHU Real Estate Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
潍坊和成置业有限公司 (Weifang NHU Real Estate Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
琼海和悦物业服务服务有限公司 (Qionghai Heyue Property Services Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
琼海博鳌和悦酒店管理有限公司 (Qionghai Boao Holliyard Hotel Management Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
绍兴和悦物业服务服务有限公司 (Shaoxing Heyue Property Services Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
绍兴上虞和成置业有限公司 (Shaoxing Shangyu NHU Real Estate Co., Ltd.)*	Controlled by NHU Holding Group Co., Ltd.
Zhejiang Jingshi Real Estate Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
Shaoxing Yuexiu Education Development Co., Ltd.	Controlled by NHU Holding Group Co., Ltd.
浙江越秀外国语学院 (Zhejiang Yuexiu University of Foreign Languages)*	Controlled by NHU Holding Group Co., Ltd.
绍兴福膜新材料有限公司 (Shaoxing Formost Material Co., Ltd.)*	Its shareholder is the actual controller of the Company
黑龙江昊天玉米开发有限公司 (Heilongjiang Haotian Corn Development Co., Ltd.)*	Non-controlling shareholders of subsidiaries

Other remarks

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

5. Related party transactions

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

Purchase of goods and receiving of services

Unit: RMB Yuan

Related parties	Content of transaction	Current period cumulative	Transaction limit approved	Whether exceeds transaction limit	Preceding period comparative
Zhejiang Deli Equipment Co., Ltd.	Purchase of goods	55,826,474.37	160,000,000.00	No	22,406,681.48
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	Purchase of steam	60,245,778.74			43,692,487.59
	Waste disposal service fees	984,963.43			68,688.20
Zhejiang Saiya Chemical Materials Co., Ltd.	Purchase of goods	153,465,976.22	230,000,000.00	No	100,257,926.52
Xinchang County NHU Real Estate Co., Ltd.	Catering and accommodation	326,991.94	5,108,700.00	No	465,980.79

Related parties	Content of transaction	Current period cumulative	Transaction limit approved	Whether exceeds transaction limit	Preceding period comparative
	services				
Shaoxing Heyue Property Services Co., Ltd.	Property management	11,733.62			187,934.15
Xinchang County Hechun Greening Co., Ltd.	Purchase of goods	12,472.77			3,981,660.62
Zhejiang Asen Pharmaceutical Co., Ltd.	Purchase of goods	743,954.80			1,255,535.33
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Catering and accommodation services	61,979.00			64,855.00
Qionghai Heyue Property Services Co., Ltd.	Property management	470,190.62			375,616.74
Shandong Bin'an Technology Co., Ltd.	Training	23,177.36			185,789.16
Heilongjiang Haotian Corn Development Co., Ltd.	Purchase of goods	520,003.54			
Subtotal		272,693,696.41	395,108,700.00		172,943,155.58

Sale of goods and rendering of services

Unit: RMB Yuan

Related parties	Content of transaction	Current period cumulative	Preceding period comparative
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	Sale of goods	17,256.64	
Zhejiang Asen Pharmaceutical Co., Ltd.	Pharmaceutical intermediates, test fees	310,840.71	297,917.51
Beijing Winsunny Pharmaceutical Co., Ltd.	Pharmaceutical intermediates, test fees	17,699.12	141,509.43
DSM NHU Engineering Materials (Zhejiang) Co., Ltd.	New materials	81,288,692.23	40,144,943.15
	Hazardous waste disposal fees	816,229.00	525,305.20
	Labor costs, etc.	0.00	28,245.28
Shandong Bin'an Vocational Training School Co., Ltd.	Waste materials	21,584.50	
Heilongjiang Haotian Corn Development Co., Ltd.	Purchase of goods	82,192.66	
Total		82,554,494.86	41,137,920.57

(2) Related party leases

The Company as the lessor:

Unit: RMB Yuan

Lessees	Types of assets leased	Lease income recognized in the current period	Lease income recognized in preceding period
Zhejiang Deli Equipment Co., Ltd.	Land use right and buildings	20,183.49	
Qionghai Boao Holliyard Hotel Management Co., Ltd.	Land use right and buildings	258,177.14	
DSM NHU Engineering Materials (Zhejiang) Co., Ltd.	Land use right and buildings	356,400.00	190,139.67
Weifang NHU Real Estate Co., Ltd.	Land use right and buildings	13,714.29	
NHU Holding Group Co., Ltd.	Land use right and buildings		16,513.76

The Company as the lessee:

Unit: RMB Yuan

Lessors	Types of assets leased	Lease expenses recognized in the current period	Lease expenses recognized in preceding period
NHU Holding Group Co., Ltd.	Land use right and buildings	847,107.96	905,906.40

(3) Related party guarantees

The Company as guaranteed parties

Unit: RMB Yuan

Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
NHU Holding Group Co., Ltd.	500,000,000.00	01/23/2019	12/21/2023	No
	200,000,000.00	07/31/2020	07/18/2022	No
	300,000,000.00	11/17/2020	11/16/2022	No
	500,000,000.00	12/03/2020	09/21/2025	No
	200,000,000.00	01/20/2021	01/19/2023	No
	100,000,000.00	04/14/2021	04/12/2023	No
Subtotal	1,800,000,000.00			

(4) Key management's emoluments

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	5,698,512.85	5,177,598.00

(5) Other related party transactions

(1) Owners of 博鳌度假中心公寓 (Boao Resort Center Apartment*) entrusted serviced apartments to Qionghai Boao Holliyard Hotel Management Co., Ltd. for operation and management.

(2) In the current period, NHU EUROPE GmbH sold products amounting to RMB26,564,889.94 to Client C. At the end of the period, balance of accounts receivable amounted to RMB8,806,935.56.

6. Balance due to or from related parties**(1) Balance due from related parties**

Unit: RMB Yuan

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	DSM NHU Engineering Materials (Zhejiang) Co., Ltd.	48,754,092.34	2,437,704.62	26,166,564.42	1,308,328.22
Subtotal		48,754,092.34	2,437,704.62	26,166,564.42	1,308,328.22
Other receivables	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	20,000.00	1,000.00	20,000.00	1,000.00
	DSM NHU Engineering Materials (Zhejiang) Co., Ltd.	23,640.47	1,182.02	18,862.50	943.13
Subtotal		43,640.47	2,182.02	38,862.50	1,943.13
Other non-current assets	Zhejiang Deli Equipment Co., Ltd.	70,708,195.30		45,362,374.00	
Subtotal		70,708,195.30		45,362,374.00	

(2) Balance due to related parties

Unit: RMB Yuan

Items	Related parties	Closing book balance	Opening book balance
Accounts payable	Zhejiang Deli Equipment Co., Ltd.	13,923,863.54	29,272,703.74
	Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	11,471,654.70	5,185,881.68
	Zhejiang Saiya Chemical Materials Co., Ltd.	68,070,538.72	2,640,661.94
	Zhejiang Second Pharma Co., Ltd.	6,408.00	6,408.00
	Qionghai Heyue Property Services Co., Ltd.		300,000.00
Subtotal		93,472,464.96	37,405,655.36
Contract liabilities	Zhejiang Deli Equipment Co., Ltd.	13,009.64	13,009.64
Subtotal		13,009.64	13,009.64
Other payables	Zhejiang Deli Equipment Co., Ltd.	163,500.00	443,500.00
	Xinchang County Hechun Greening Co., Ltd.	12,472.77	13,102.77
Subtotal		175,972.77	456,602.77
Other current liabilities	Zhejiang Deli Equipment Co., Ltd.	1,691.25	1,691.25
Subtotal		1,691.25	1,691.25

XIII. Commitments and contingencies

1. Significant commitments

Significant commitments as at the balance sheet date

(I) Significant commitments

1. Forward exchange settlement contracts

Pursuant to the "ISDA 2002 MASTER AGREEMENT" entered into between the Company and Bank of China (Hong Kong) Limited, the "ISDA 2002 MASTER AGREEMENT" entered into between the Company and DBS Bank (China) Limited, the "Global Capital Market Transactions" and related transaction application forms entered into between the Company and HSBC Bank (China) Limited Hangzhou Branch, the "NAFMII Master Agreement" and Supplementary agreement (No.Y161136) entered into between the Company and Bank of China Limited Zhejiang Sub-branch*), as of June 30, 2022, details of the Company's unsettled forward exchange settlement contracts are as follows:

Currencies	USD nominal amount	EUR nominal amount	Agreed exchange rate	Settlement date
USD/EUR	10,000,000.00		6.5205	07/20/2022
	10,000,000.00		6.5506	07/11/2022
	2,000,000.00		6.6791	12/28/2022
	10,000,000.00		6.6075	07/26/2022
	2,000,000.00		6.6810	12/18/2022
	2,000,000.00		6.6850	12/18/2022
	3,000,000.00		6.6202	07/18/2022
	3,000,000.00		6.6174	07/07/2022
	3,000,000.00		6.6153	07/18/2022
	3,000,000.00		6.6802	12/20/2022
	3,000,000.00		6.6776	12/05/2022
	3,000,000.00		6.6780	12/15/2022
	5,000,000.00		6.6845	12/12/2022
	3,000,000.00		6.7220	09/15/2022
3,000,000.00		6.7210	09/15/2022	

Currencies	USD nominal amount	EUR nominal amount	Agreed exchange rate	Settlement date
	2,000,000.00		6.7200	09/15/2022
	2,000,000.00		6.7250	09/15/2022
	5,000,000.00		6.7280	10/17/2022
	2,000,000.00		6.7385	11/15/2022
	1,000,000.00		6.7705	11/15/2022
	2,000,000.00		6.7300	10/17/2022
	1,000,000.00		6.7605	11/15/2022
	500,000.00		6.7770	08/15/2022
	2,000,000.00		6.7835	11/15/2022
	2,000,000.00		6.7870	11/15/2022
	1,000,000.00		6.7950	11/15/2022
	1,000,000.00		6.7955	11/15/2022
	1,000,000.00		6.7905	11/15/2022
	1,000,000.00		6.7970	11/15/2022
	1,000,000.00		6.7920	10/17/2022
	1,000,000.00		6.7950	10/17/2022
	1,000,000.00		6.7940	10/17/2022
	1,000,000.00		6.7980	10/17/2022
	2,000,000.00		6.7763	10/25/2022
	3,000,000.00		6.7815	10/25/2022
	1,000,000.00		6.7900	10/25/2022
	1,000,000.00		6.7935	10/11/2022
	1,000,000.00		6.8015	10/11/2022
	1,000,000.00		6.8090	10/11/2022
	2,000,000.00		6.8150	10/17/2022
	2,000,000.00		6.8200	10/17/2022
	1,000,000.00		6.8210	11/08/2022
	1,000,000.00		6.8270	11/08/2022
	1,000,000.00		6.8280	11/08/2022
	1,000,000.00		6.8290	11/08/2022
	1,000,000.00		6.8300	11/08/2022
	1,000,000.00		6.8350	09/09/2022
	1,000,000.00		6.8380	12/12/2022
	5,000,000.00		6.7780	10/25/2022
	1,000,000.00		6.7870	10/25/2022
	1,000,000.00		6.7960	10/25/2022
	1,000,000.00		6.8020	10/11/2022
	1,000,000.00		6.8140	10/11/2022
	1,000,000.00		6.8145	10/11/2022
	1,000,000.00		6.8170	11/08/2022
	1,000,000.00		6.8200	11/08/2022
	1,000,000.00		6.8220	11/25/2022
	1,000,000.00		6.8260	11/08/2022

Currencies	USD nominal amount	EUR nominal amount	Agreed exchange rate	Settlement date
	2,000,000.00		6.8270	11/25/2022
	2,000,000.00		6.8285	11/25/2022
	1,000,000.00		6.8360	11/28/2022
	2,000,000.00		6.7909	10/25/2022
	1,000,000.00		6.7979	11/25/2022
	1,000,000.00		6.8213	11/08/2022
	1,000,000.00		6.8250	11/08/2022
	1,000,000.00		6.8234	11/25/2022
	2,000,000.00		6.8302	11/25/2022
	1,000,000.00		6.8381	11/21/2022
	1,000,000.00		6.8388	11/18/2022
	1,000,000.00		6.8500	09/09/2022
	1,000,000.00		6.8450	09/09/2022
	3,000,000.00		6.701974	07/08/2022
		5,000,000.00	7.0910	07/21/2022
		10,000,000.00	7.0830	07/21/2022
		5,000,000.00	7.1037	08/22/2022
		5,000,000.00	7.1025	08/22/2022
		1,000,000.00	7.2130	09/20/2022
		1,000,000.00	7.2170	09/20/2022
		1,000,000.00	7.2280	09/20/2022
		1,000,000.00	7.2240	09/20/2022
		1,000,000.00	7.2135	09/20/2022
		1,000,000.00	7.1960	09/20/2022
		1,000,000.00	7.2050	09/20/2022
Subtotal	146,500,000.00	32,000,000.00		

2. Letters of guarantee issued but undue

As of June 30, 2022, the undue letters of guarantee issued by the Company and its subsidiaries are as follows:

Issuing banks	Applicants	Type of L/G	Amount	Conditions for issuing
中国银行股份有限公司新昌支行 (Bank of China Limited Xinchang Sub-branch*)	The Company	Performance guarantee	USD53,630.00	Occupying credit line
		Performance guarantee	USD145,390.00	Occupying credit line
汇丰银行(中国)有限公司杭州分行 (HSBC Bank (China) Company Limited Hangzhou Branch*)	The Company	Financing guarantee	EUR 10,000,000.00	Occupying credit line
		Financing guarantee	EUR 10,000,000.00	Occupying credit line

3. Letters of credit issued but undue

As of June 30, 2022, the undue letters of credit issued by the Company and its subsidiaries are as follows:

Issuing banks	Applicants	Balance of L/C	Conditions
Bank of China Limited Xinchang Sub-branch	The Company	USD19,764.00	Occupying credit line
		USD21,984.00	Occupying credit line
		USD946,240.40	Occupying credit line

* The English names are for identification purpose only.

Issuing banks	Applicants	Balance of L/C	Conditions
Bank of China Limited Xinchang Sub-branch	Zhejiang NHU Import & Export Co., Ltd.	EUR 294,000.00	Occupying credit line
中国建设银行股份有限公司潍坊滨海支行 (China Construction Bank Corporation Weifang Binhai Sub-branch*)	Shandong NHU Pharmaceutical Co., Ltd.	USD1,371.62	Occupying credit line
中国银行股份有限公司上虞支行 (Bank of China Limited Shangyu Sub-branch*)	Zhejiang NHU Special Materials Co., Ltd.	USD62,900.00	Deposit of USD 62,900.00
中国银行股份有限公司潍坊滨海支行 (Bank of China Limited Weifang Binhai Sub-branch*)	Shandong NHU Amino-acids Co., Ltd.	EUR1,855,000.00	Deposit of 14,942,418.00 yuan
		EUR857,800.00	Deposit of 12,000,000.00 yuan

4. The “notes pool” business

Pursuant to the “Notes Pool Service Agreement on Yuntong Account of Bank of Communications” entered into between the Company and 交通银行股份有限公司 (Bank of Communications Co., Ltd.*), the Company pledged and endorsed bank acceptance to the depositary bank, forming a pledged notes pool; the Company also opened a notes pool deposit account to provide guarantee for the credit granted under the note pledge and to deposit the pledged bank acceptance for payments. The available credit line for pledge is the sum of pledged notes and the actual balance of deposit account less pledged notes used. As stipulated in the agreement, the sum of pledged notes and the balance of deposit account shall not be less than the pledged amount used for issuing notes. Pursuant to the “Notes Pool Cooperation Agreement” entered into among the Company, its subsidiaries Shangyu NHU Bio-Chem Co., Ltd., Zhejiang NHU Pharmaceutical Co., Ltd., Zhejiang NHU Special Materials Co., Ltd., 绍兴裕辰新材料有限公司 (Shaoxing Yuchen New Materials Co., Ltd.*), Shandong NHU Pharmaceutical Co., Ltd., Shandong NHU Vitamins Co., Ltd., Shandong NHU Amino-acids Co., Ltd., Heilongjiang NHU Biotechnology Co., Ltd., Shandong NHU Fine Chemical Science and Technology Co., Ltd., 黑龙江新昊热电有限公司 (Heilongjiang Xinhao Thermal Power Co., Ltd.*), Xinchang NHU Vitamins Co., Ltd., Zhejiang NHU Import & Export Co., Ltd. and 浙商银行股份有限公司 (China Zheshang Bank Co., Ltd.*), the Company pledged assets pool or notes pool for guarantee, and opened a notes deposit account to pay deposits at a certain percentage, with no specific agreement on the amount of deposits. As of June 30, 2022, balance of pledged bank acceptance amounted to 340,164,793.51 yuan, deposits of notes pool in China Zheshang Bank Co., Ltd. amounted to 108,852,086.25 yuan.

(II) As of the balance sheet date, the Company has no significant contingencies to be disclosed.

XIV. Events after the balance sheet date

1. Others

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

XV. Other significant events

1. Segment information

(1) Identification basis and accounting policies for reportable segments

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

(2) Financial information of reportable segments

Unit: RMB Yuan

Items	Pharmaceutical chemicals	Others	Inter-segment offsetting	Total
Revenue from main operations	7,556,409,496.99	672,406,486.70	113,548,067.67	8,115,267,916.02
Cost of main operations	4,343,627,393.24	559,054,882.01	113,548,067.67	4,789,134,207.58
Total assets	35,872,163,095.91	2,777,478,850.41	834,626,102.67	37,815,015,843.65
Total liabilities	15,067,266,244.56	1,394,572,139.87	834,626,102.67	15,627,212,281.76

XVI. Notes to main items of parent company financial statements

1. Accounts receivable

(1) Details on categories

Unit: RMB Yuan

Categories	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion		Amount	% to total	Amount	Provision proportion	
Including:										
Receivables with provision made on a collective basis	893,741,505.10	100.00%	44,687,075.26	5.00%	849,054,429.84	785,631,558.20	100.00%	39,281,577.91	5.00%	746,349,980.29
Total	893,741,505.10	100.00%	44,687,075.26	5.00%	849,054,429.84	785,631,558.20	100.00%	39,281,577.91	5.00%	746,349,980.29

Provision made on a collective basis using age analysis method

Unit: RMB Yuan

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion
Within 1 year	893,741,505.10	44,687,075.26	5.00%
Total	893,741,505.10	44,687,075.26	--

Disclose by aging

Unit: RMB Yuan

Ages	Book balance
Within 1 year (inclusive)	893,741,505.10
Total	893,741,505.10

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

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Provision made on a collective basis	39,281,577.91	5,405,497.35				44,687,075.26
Total	39,281,577.91	5,405,497.35				44,687,075.26

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

Unit: RMB Yuan

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Client 1	538,692,340.05	60.27%	26,934,617.00
Client 2	111,921,714.00	12.52%	5,596,085.70
Client 3	52,152,991.57	5.84%	2,607,649.58
Client 4	42,900,000.00	4.80%	2,145,000.00
Client 5	13,178,362.84	1.47%	658,918.14
Total	758,845,408.46	84.90%	

2. Other receivables

Unit: RMB Yuan

Items	Closing balance	Opening balance
Dividend receivable		7,159,278.00
Other receivables	2,672,267,915.31	3,087,880,137.47
Total	2,672,267,915.31	3,095,039,415.47

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

Unit: RMB Yuan

Items/Investees	Closing balance	Opening balance
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.		7,159,278.00
Total		7,159,278.00

(2) Other receivables**1) Categorized by nature**

Unit: RMB Yuan

Nature of receivables	Closing book balance	Opening book balance
Security deposits	100,232,037.50	100,300,037.50
Export tax refund	9,689,492.75	10,812,822.80
Employee petty cash	3,861,937.00	3,148,937.00
Temporary advance payment receivable	179,078.73	178,933.01
Call loans	2,693,148,060.29	3,131,287,854.18
Others	1,760,095.29	495,303.74
Total	2,808,870,701.56	3,246,223,888.23

2) Provision for bad debts

Unit: RMB Yuan

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12□ month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	156,762,592.67	131,654.00	1,449,504.09	158,343,750.76
Opening balance in the current period				
-- Transferred to phase II	-6,750.00	6,750.00		
-- Transferred to phase III		-171,063.16	171,063.16	

Provision for bad debts	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Provision made in the current period	-21,787,455.33	59,659.16	-13,168.34	-21,740,964.51
Closing balance	134,968,387.34	27,000.00	1,607,398.91	136,602,786.25

Significant changes in book balance of other receivables with changes in provision for bad debts:

Applicable Not applicable

Disclose by aging

Unit: RMB Yuan

Ages	Book balance
Within 1 year (inclusive)	2,709,057,239.49
1-2 years	135,000.00
2-3 years	855,315.82
Over 3 years	98,823,146.25
3-4 years	144,304.62
4-5 years	2,725.01
Over 5 years	98,676,116.62
Total	2,808,870,701.56

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

Provisions made in the current period:

Unit: RMB Yuan

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery/Reversal	Write-off	Others	
Portfolio grouped by ages	158,343,750.76		21,740,964.51			136,602,786.25
Total	158,343,750.76		21,740,964.51			136,602,786.25

4) Details of the top 5 debtors with largest balances

Unit: RMB Yuan

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Heilongjiang NHU Biotechnology Co., Ltd.	Call loans	955,149,365.19	Within 1 year	34.00%	47,757,468.26
Shandong NHU Vitamins Co., Ltd.	Call loans	466,265,708.33	Within 1 year	16.61%	23,313,285.42
Shandong NHU Amino-acids Co., Ltd.	Call loans	360,485,020.74	Within 1 year	12.83%	18,024,251.04
Shandong NHU Fine Chemical Science and Technology Co., Ltd.	Call loans	333,360,011.09	Within 1 year	11.87%	16,668,000.55
Heilongjiang Xinhao Thermal Power Co., Ltd.	Call loans	230,353,116.66	Within 1 year	8.20%	11,517,655.83
Total	--	2,345,613,222.01	--	83.51%	117,280,661.10

3. Long-term equity investments

Unit: RMB Yuan

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	7,896,078,842.12		7,896,078,842.12	7,846,078,842.12		7,846,078,842.12
Investments in associates and joint ventures	233,894,015.72		233,894,016.95	208,873,174.90		208,873,174.90
Total	8,129,972,857.84		8,129,972,859.07	8,054,952,017.02		8,054,952,017.02

(1) Investments in subsidiaries

Unit: RMB Yuan

Investees	Opening carrying amount	Increase/Decrease				Closing carrying amount	Closing balance of provision for impairment
		Investments increased	Investments decreased	Provision for impairment	Others		
Xinchang NHU Vitamins Co., Ltd.	149,407,990.15					149,407,990.15	
Zhejiang NHU Import & Export Co., Ltd.	13,500,000.00					13,500,000.00	
琼海博鳌丽都置业有限公司 (Qionghai Boao Lidu Real Estate Co., Ltd.*)	54,020,492.00					54,020,492.00	
Zhejiang Vityesun Animal Nutrition and Health Co., Ltd.	5,000,000.00					5,000,000.00	
Shangyu NHU Bio-Chem Co., Ltd.	414,100,091.44					414,100,091.44	
NHU (Hong Kong) Trading Co., Ltd.	586,000,000.00					586,000,000.00	
Zhejiang NHU Pharmaceutical Co., Ltd.	16,406,160.00					16,406,160.00	
Zhejiang NHU Special Materials Co., Ltd.	480,000,000.00					480,000,000.00	
Shandong NHU Amino-acids Co., Ltd.	554,844,108.53					554,844,108.53	
Shandong NHU Holdings Co., Ltd.	3,900,000,000.00					3,900,000,000.00	
Heilongjiang NHU Biotechnology Co., Ltd.	200,000,000.00					200,000,000.00	
Shandong NHU Pharmaceutical Co., Ltd.	1,300,000,000.00					1,300,000,000.00	
Shandong NHU Fine Chemical Science and Technology Co.,	160,000,000.00					160,000,000.00	

* The English name is for identification purpose only.

Investees	Opening carrying amount	Increase/Decrease				Closing carrying amount	Closing balance of provision for impairment
		Investments increased	Investments decreased	Provision for impairment	Others		
Ltd.							
NHU Singapore PTE. LTD.	12,800,000.00					12,800,000.00	
Zhejiang NHU Nylon Materials Co., Ltd.		50,000,000.00				50,000,000.00	
Total	7,846,078,842.12	50,000,000.00				7,896,078,842.12	

(2) Investments in associates and joint ventures

Unit: RMB Yuan

Investees	Opening carrying amount	Increase/Decrease								Closing carrying amount	Closing balance of provision for impairment	
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others			
I. Joint ventures												
II. Associates												
Zhejiang Chunhui Environmental Protection Energy Co., Ltd.	208,873,174.90			19,977,116.53		5,043,725.52					233,894,016.95	
Subtotal	208,873,174.90			19,977,116.53		5,043,725.52					233,894,016.95	
Total	208,873,174.90			19,977,116.53		5,043,725.52					233,894,016.95	

4. Operating revenue/Operating cost

Unit: RMB Yuan

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Main operations	1,850,628,697.19	1,460,074,892.61	2,385,252,517.66	1,634,468,165.07
Other operations	31,160,723.40	24,551,797.22	19,819,223.76	15,301,495.85
Total	1,881,789,420.59	1,484,626,689.83	2,405,071,741.42	1,649,769,660.92

Details of revenue

Unit: RMB Yuan

Categories of contracts	Total
By product	
Including: Nutrition	1,599,599,151.28
Others	251,029,545.91
Subtotal	1,881,789,420.59
By operating region	1,881,789,420.59
Including: Domestic	1,157,593,117.21
Overseas	724,196,303.38

Subtotal	1,881,789,420.59
By revenue recognition time	
Including: Transferred at a point in time	1,881,789,420.59
Subtotal	1,881,789,420.59
By sales model	
Including: Direct sales	1,703,984,911.80
Agent sales	177,804,508.79
Subtotal	1,881,789,420.59

Information related to performance obligations:

None.

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

As of June 30, 2022, revenue corresponding to performance obligations for which the Company has entered into contracts but not yet performed or fulfilled amounted to RMB 717.84 mn, of which, RMB 717.84 mn is expected to be recognized as revenue in 2022.

5. Investment income

Unit: RMB Yuan

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	19,977,116.53	16,864,292.79
Investment income from long-term equity investments under cost method		-3,841,064.35
Investment income from disposal of financial instruments		-2,653,997.46
Including: Financial assets classified as at fair value through profit or loss		-1,187,066.89
Financial liabilities classified as at fair value through profit or loss		1,289,000,000.00
Interest income from call loans	54,876,777.72	74,902,773.84
Investment income from bank financial products and structured deposits	15,218,893.77	22,964,570.95
Total	90,072,788.02	1,399,890,573.23

XVII. Supplementary information

1. Schedule of non-recurring profit or loss

√ Applicable □ Not applicable

Unit: RMB Yuan

Items	Amount	Remarks
Gains on disposal of non-current assets	6,674,850.81	
Government grants included in profit or loss (excluding those closely related to operating activities of the Company, satisfying government policies and regulations, and continuously enjoyed with certain quantity or quota based on certain standards)	85,522,179.54	
Gains on assets consigned to the third party for investment or management	28,841,651.61	
Gains or losses on changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets and held-for-trading financial liabilities, excluding those arising from hedging business related to operating activities	9,071,898.92	
Other non-operating revenue or expenditures	797,805.24	
Less: Enterprise income tax affected	11,046,849.16	
Non-controlling interest affected	40,067.33	

Total	119,821,469.63	--
-------	----------------	----

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

Applicable Not applicable

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

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

Applicable Not applicable

2. ROE and EPS

Profit of the reporting period	Weighted average ROE (%)	EPS (yuan/share)	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of ordinary shares	9.55%	0.72	0.72
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	9.03%	0.68	0.68

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

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

Applicable Not applicable

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

Applicable Not applicable