

山东省中鲁远洋渔业股份有限公司

2019 年半年度财务报告

SHANDONG ZHONGLU OCEANIC FISHERIES CO.,LTD

二〇一九年八月二十日

Financial Report

I. Audit reports

Whether the semi-annual report was audited or not

Yes No

The financial report of this semi-annual report was unaudited

II. Financial statements

Units in Notes of Financial Statements is RMB

1. Consolidate balance sheet

Prepared by: Shandong Zhonglu Oceanic Fisheries Co., Ltd

2019-06-30

In RMB

Item	2019-6-30	2018-12-31
Current assets:		
Monetary fund	172,505,897.17	183,453,073.56
Settlement provisions		
Capital lent		
Trading financial assets		
Financial assets measured on fair value and with its changes reckoned into the current loss/gain		
Derivative financial assets		
Notes receivable		
Account receivable	72,831,521.74	63,961,900.00
Receivables financing		
Accounts paid in advance	13,180,507.81	22,389,784.46
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	6,972,749.22	5,529,723.80

Including: interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	408,714,619.51	330,591,120.00
Contract assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	30,089,780.60	32,310,466.77
Total current assets	704,295,076.05	638,236,068.59
Non-current assets:		
Loans and payments on behalf		
Creditors' investment		
Financial assets available for sale		
Other creditors' investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investments		
Other equity instrument investment		
Other non-current financial assets		
Investment real estate	33,424,124.45	30,464,518.89
Fixed assets	501,281,203.55	514,332,752.28
Construction in progress	17,528,453.31	11,073,476.37
Productive biological asset		
Oil and gas asset		
Right-of-use asset		
Intangible assets	13,243,850.59	13,665,376.82
Expense on Research and Development		
Goodwill		
Long-term prepaid expenses	376,348.47	524,811.27
Deferred income tax asset	1,926,163.26	1,926,163.26
Other non-current asset	8,223,985.00	3,059,416.20

Total non-current asset	576,004,128.63	575,046,515.09
Total assets	1,280,299,204.68	1,213,282,583.68
Current liabilities:		
Short-term loans	90,310,561.49	78,352,320.05
Loan from central bank		
Capital borrowed		
Trading financial liability		
Financial liabilities measured on the fair value and with its changes reckoned into the current loss/gain		
Derivative financial liability		
Notes payable		
Accounts payable	116,050,418.81	108,371,599.66
Accounts received in advance	36,374,846.47	17,561,329.01
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	36,476,473.14	44,016,063.96
Taxes payable	1,906,793.27	2,841,394.90
Other accounts payable	12,047,202.65	7,043,693.95
Including: interest payable	559,642.01	245,808.33
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Contract liability		
Liability held for sale		
Non-current liabilities due within one year	433,292.74	866,585.48
Other current liabilities		
Total current liabilities	293,599,588.57	259,052,987.01
Non-current liabilities:		
Insurance contract reserve		

Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable	1,513,560.34	1,513,560.34
Accrual liability		
Deferred income	9,839,283.66	8,839,283.66
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	11,352,844.00	10,352,844.00
Total liabilities	304,952,432.57	269,405,831.01
Owners' equity:		
Share capital	266,071,320.00	266,071,320.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital reserve	284,054,997.75	284,054,997.75
Less: treasury stock		
Other comprehensive income	-711,649.56	-675,743.05
Reasonable reserve		
Surplus reserve	21,908,064.19	21,908,064.19
Provision of general risk		
Retained profit	260,568,895.55	232,148,801.35
Total owner's equity attributable to parent company	831,891,627.93	803,507,440.24
Minority interests	143,455,144.18	140,369,312.43
Total owner's equity	975,346,772.11	943,876,752.67
Total liabilities and owner's equity	1,280,299,204.68	1,213,282,583.68

Legal Representative: Lu Lianxing Person in Charge of Accounting: Fu Chuanhai Person in Charge of Accounting Department: Lei Lixin

2. Balance Sheet of Parent Company

In RMB

Item	2019-6-30	2018-12-31
Current assets:		
Monetary fund	38,041,258.67	58,180,225.27
Trading financial assets		
Financial assets measured on fair value and with its changes reckoned into the current loss/gain		
Derivative financial assets		
Notes receivable		
Account receivable	6,682,718.33	4,640,846.24
Receivables financing		
Accounts paid in advance	2,941,473.85	2,745,721.08
Other account receivable	184,846,573.42	174,132,348.14
Including: interest receivable		
Dividend receivable	91,841,262.03	92,964,132.10
Inventories	33,919,155.81	39,765,975.21
Contract assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	1,941,743.28	1,703,493.59
Total current assets	268,372,923.36	281,168,609.53
Non-current assets:		
Creditors' investment		
Financial assets available for sale		
Other creditors' investment		
Held-to-maturity investment		
Long-term account receivable	5,793,491.41	5,432,212.74
Long-term equity investments	232,189,455.23	232,189,455.23
Other equity instrument investment		
Other non-current financial assets		
Investment real estate	33,424,124.45	30,464,518.89

Fixed assets	64,220,279.73	66,833,497.57
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use asset		
Intangible assets	890,226.26	1,106,244.75
Expense on Research and Development		
Goodwill		
Long-term prepaid expenses	195,792.95	302,589.05
Deferred income tax asset		
Other non-current asset	0.00	426,581.20
Total non-current asset	336,713,370.03	336,755,099.43
Total assets	605,086,293.39	617,923,708.96
Current liabilities:		
Short-term loans		
Trading financial liability		
Financial liabilities measured on the fair value and with its changes reckoned into the current loss/gain		
Derivative financial liability		
Notes payable		
Accounts payable	5,006,269.11	8,034,779.37
Accounts received in advance	5,735,747.55	9,957,655.47
Contract liability		
Wage payable	17,959,290.72	19,729,495.62
Taxes payable	158,952.15	333,936.38
Other accounts payable	67,168,358.52	78,713,961.06
Including: interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	96,028,618.05	116,769,827.90

Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable	1,092,153.95	1,092,153.95
Accrual liability		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,092,153.95	1,092,153.95
Total liabilities	97,120,772.00	117,861,981.85
Owners' equity:		
Share capital	266,071,320.00	266,071,320.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital reserve	279,115,900.17	279,115,900.17
Less: treasury stock		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	19,184,672.34	19,184,672.34
Retained profit	-56,406,371.12	-64,310,165.40
Total owner's equity	507,965,521.39	500,061,727.11
Total liabilities and owner's equity	605,086,293.39	617,923,708.96

3. Consolidated Profit Statement

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Total operating income	515,468,659.14	440,322,776.97

Including: Operating income	515,468,659.14	440,322,776.97
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	483,700,588.70	417,410,385.40
Including: Operating cost	437,867,047.13	374,498,048.55
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	1,485,273.60	1,333,504.23
Sales expense	11,996,385.92	14,843,224.40
Administrative expense	29,199,215.47	23,045,619.66
R&D expense		
Financial expense	3,152,666.58	3,689,988.56
Including: Interest expenses	2,382,040.26	3,082,690.15
Interest income	541,927.78	174,711.83
Add: other income	433,292.74	433,292.74
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with "-")		
Exchange income (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		

Income from change of fair value (Loss is listed with "-")		
Loss of credit impairment (Loss is listed with "-")		
Losses of devaluation of asset (Loss is listed with "-")	-3,302.88	151,387.56
Income from assets disposal (Loss is listed with "-")	-1,399.00	-18,990.79
III. Operating profit (Loss is listed with "-")	32,196,661.30	23,478,081.08
Add: Non-operating income		
Less: Non-operating expense	24,200.00	427,108.38
IV. Total profit (Loss is listed with "-")	32,172,461.30	23,050,972.70
Less: Income tax expense	662,058.68	1,922,681.98
V. Net profit (Net loss is listed with "-")	31,510,402.62	21,128,290.72
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with '-')	31,510,402.62	21,128,290.72
2.termination of net profit (net loss listed with '-')		
(ii) Classify by ownership		
1.Net profit attributable to owner's of parent company	28,420,094.20	22,601,899.21
2.Minority shareholders' gains and losses	3,090,308.42	-1,473,608.49
VI. Net after-tax of other comprehensive income	-44,875.62	-23,938.25
Net after-tax of other comprehensive income attributable to owners of parent company	-35,906.51	-14,135.54
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		

3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	-35,906.51	-14,135.54
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements	-35,906.51	-14,135.54
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-8,969.11	-9,802.71
VII. Total comprehensive income	31,465,527.00	21,104,352.47
Total comprehensive income attributable to owners of parent Company	28,384,187.69	22,587,763.67
Total comprehensive income attributable to minority shareholders	3,081,339.31	-1,483,411.20
VIII. Earnings per share:		

(i) Basic earnings per share	0.11	0.08
(ii) Diluted earnings per share	0.11	0.08

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal Representative: Lu Lianxing

Person in Charge of Accounting: Fu Chuanhai

Person in Charge of Accounting Department: Lei Lixin

4. Profit Statement of Parent Company

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Operating income	90,518,493.12	79,888,714.36
Less: Operating cost	63,255,773.62	60,951,172.97
Taxes and surcharge	355,604.14	342,224.63
Sales expenses	5,438,557.64	6,582,490.13
Administration expenses	14,109,200.60	10,276,464.69
R&D expenses		
Financial expenses	-571,940.04	-1,041,062.37
Including: interest expenses		-23,537.79
Interest income	209,935.62	104,516.67
Add: other income		
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with "-")		
Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value (Loss is listed with "-")		
Loss of credit impairment		

(Loss is listed with "-")		
Losses of devaluation of asset (Loss is listed with "-")	-3,302.88	-2,053.90
Income on disposal of assets (Loss is listed with "-")		
II. Operating profit (Loss is listed with "-")	7,927,994.28	2,775,370.41
Add: Non-operating income		
Less: Non-operating expense	24,200.00	70,000.00
III. Total Profit (Loss is listed with "-")	7,903,794.28	2,705,370.41
Less: Income tax		
IV. Net profit (Net loss is listed with "-")	7,903,794.28	2,705,370.41
(i) continuous operating net profit (net loss listed with '-')	7,903,794.28	2,705,370.41
(ii) termination of net profit (net loss listed with '-')		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes of the defined benefit plans that re-measured		
2. Other comprehensive income under equity method that cannot be transfer to gain/loss		
3. Change of fair value of investment in other equity instrument		
4. Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of		

other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
VI. Total comprehensive income	7,903,794.28	2,705,370.41
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	516,354,870.14	445,354,742.24
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		

Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	18,156,060.52	29,094,665.73
Other cash received concerning operating activities	23,261,940.06	24,176,956.47
Subtotal of cash inflow arising from operating activities	557,772,870.72	498,626,364.44
Cash paid for purchasing commodities and receiving labor service	417,495,100.29	343,862,255.82
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of financial assets held for transaction purposes		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	63,172,046.67	59,531,961.28
Taxes paid	8,042,420.72	9,030,860.47
Other cash paid concerning operating activities	73,304,150.34	64,386,674.56

Subtotal of cash outflow arising from operating activities	562,013,718.02	476,811,752.13
Net cash flows arising from operating activities	-4,240,847.30	21,814,612.31
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		15,477.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		15,477.00
Cash paid for purchasing fixed, intangible and other long-term assets	15,487,389.84	2,816,140.63
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	15,487,389.84	2,816,140.63
Net cash flows arising from investing activities	-15,487,389.84	-2,800,663.63
III. Cash flows arising from financing activities		
Cash received from absorbing investment		100,000,000.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		

Cash received from loans	65,683,927.18	44,481,427.05
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	65,683,927.18	144,481,427.05
Cash paid for settling debts	53,222,974.42	157,275,541.94
Cash paid for dividend and profit distributing or interest paying	2,068,206.58	3,139,235.51
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	55,291,181.00	160,414,777.45
Net cash flows arising from financing activities	10,392,746.18	-15,933,350.40
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-1,611,685.44	426,229.11
V. Net increase of cash and cash equivalents	-10,947,176.40	3,506,827.39
Add: Balance of cash and cash equivalents at the period -begin	182,767,125.48	147,067,351.82
VI. Balance of cash and cash equivalents at the period -end	171,819,949.08	150,574,179.21

6. Cash Flow Statement of Parent Company

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	74,442,966.97	37,086,232.35
Write-back of tax received		
Other cash received concerning	24,878,328.23	13,622,760.58

operating activities		
Subtotal of cash inflow arising from operating activities	99,321,295.20	50,708,992.93
Cash paid for purchasing commodities and receiving labor service	25,971,148.25	26,382,364.57
Cash paid to/for staff and workers	15,978,127.46	15,488,408.20
Taxes paid	1,146,367.73	1,324,993.47
Other cash paid concerning operating activities	76,293,284.88	12,830,808.80
Subtotal of cash outflow arising from operating activities	119,388,928.32	56,026,575.04
Net cash flows arising from operating activities	-20,067,633.12	-5,317,582.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities		
Cash paid for purchasing fixed, intangible and other long-term assets	71,454.89	839,043.14
Cash paid for investment		28,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	71,454.89	28,839,043.14

Net cash flows arising from investing activities	-71,454.89	-28,839,043.14
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	121.41	1,291.21
V. Net increase of cash and cash equivalents	-20,138,966.60	-34,155,334.04
Add: Balance of cash and cash equivalents at the period -begin	58,180,225.27	48,034,853.41
VI. Balance of cash and cash equivalents at the period -end	38,041,258.67	13,879,519.37

7. Statement of Changes in Owners' Equity (Consolidated)

Current Period

In RMB

Item	Semi-annual of 2019													
	Owners' equity attributable to the parent Company											Minority interest	Total owners'	
	Share capital	Other equity instrument	Capital reserve	Less: treasury	Other compr	Reasonable	Surplu s	Provisi on of	Retain ed	Other	Subtot al			

	1	Preferred stock	Perpetual capital securities	Other		Equity stock	Reserve	Reserve	General risk	Profit			Assets	Equity	
I. Balance at the end of the last year	266,071,320.00				284,054,997.75			21,908,064.19		232,148,801.35			803,507,440.24	140,369,312.43	943,876,752.67
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. Balance at the beginning of this year	266,071,320.00				284,054,997.75			21,908,064.19		232,148,801.35			803,507,440.24	140,369,312.43	943,876,752.67
III. Increase/Decrease in this year (Decrease is listed with "-")										28,420,094.20			28,384,187.69	3,085,831.75	31,470,019.44
(i) Total comprehensive income										28,420,094.20			28,384,187.69	3,085,831.75	31,470,019.44
(ii) Owners' devoted and decreased capital															
1. Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity															

with share-based payment																			
4. Other																			
(III) Profit distribution																			
1. Withdrawal of surplus reserves																			
2. Withdrawal of general risk provisions																			
3. Distribution for owners (or shareholders)																			
4. Other																			
(IV) Carrying forward internal owners' equity																			
1. Capital reserves converted to capital (share capital)																			
2. Surplus reserves converted to capital (share capital)																			
3. Remedying loss with surplus reserve																			
4. Carry-over retained earnings from the defined benefit plans																			
5. Carry-over retained earnings from other comprehensive income																			
6. Other																			
(V) Reasonable reserve																			
1. Withdrawal in the report period																			
2. Usage in the																			

report period															
(VI)Others															
IV. Balance at the end of the report period	266,071,320.00				284,054,997.75		-711,649.56		21,908,064.19		260,568,895.55		831,891,627.93	143,455,144.18	975,346,772.11

Last Period

In RMB

Item	Semi-annual of 2018														
	Owners' equity attributable to the parent Company													Minority interests	Total owner's equity
	Share capital	Other equity instrument			Capital reserve	Less: treasury stock	Other comprehensive income	Reasonable reserve	Surpluses	Provision of general risk	Retained profit	Other	Subtotal		
		Preferred stock	Perpetual capital securities	Other											
I. Balance at the end of the last year	266,071,320.00				279,998,206.82		-6,075,014.12		21,908,064.19		141,867,217.06		703,769,793.95	35,321,101.18	739,090,895.13
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. Balance at the beginning of this year	266,071,320.00				279,998,206.82		-6,075,014.12		21,908,064.19		141,867,217.06		703,769,793.95	35,321,101.18	739,090,895.13
III. Increase/Decrease in this year (Decrease is listed with "-")					7,354,410.04		-14,135.54				22,601,899.21		29,942,173.71	91,005,128.57	120,947,302.28
(i) Total comprehensive income							-14,135.54				22,601,899.21		22,587,763.67	-1,473,608.49	21,114,155.18

(ii) Owners' devoted and decreased capital					7,354,410.04							7,354,410.04	92,478,737.06	99,833,147.10
1. Common shares invested by shareholders					7,354,410.04							7,354,410.04	92,478,737.06	99,833,147.10
2. Capital invested by holders of other equity instruments														
3. Amount reckoned into owners equity with share-based payment														
4. Other														
(III) Profit distribution														
1. Withdrawal of surplus reserves														
2. Withdrawal of general risk provisions														
3. Distribution for owners (or shareholders)														
4. Other														
(IV) Carrying forward internal owners' equity														
1. Capital reserves conversed to capital (share capital)														
2. Surplus reserves conversed to capital (share capital)														
3. Remedying loss with surplus reserve														
4. Carry-over retained earnings from the														

defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(V) Reasonable reserve															
1. Withdrawal in the report period															
2. Usage in the report period															
(VI)Others															
IV. Balance at the end of the report period	266,071,320.00			287,352,616.86		-6,089,149.66		21,908,064.19		164,469,116.27		733,711,967.66	126,326,229.75	860,038,197.41	

8. Statement of Changes in Owners' Equity (Parent Company)

Current Period

In RMB

Item	Semi-annual of 2019												Total owner's equity		
	Share capital	Other equity instrument			Capital reserve	Less: treasury stock	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other				
		Preferr ed stock	Perpet ual capital securiti es	Other											
I. Balance at the end of the last year	266,071,320.00				279,115,900.17				19,184,672.34	-64,310,165.40			500,061,727.11		
Add: Changes of accounting policy															
Error correction of the last period															
Other															
II. Balance at the beginning of this	266,071,320.00				279,115,900.17				19,184,672.34	-64,310,165.40			500,061,727.11		

year	1,320.0 0				900.17				72.34	,165.40		27.11
III. Increase/ Decrease in this year (Decrease is listed with "-")										7,903,7 94.28		7,903,794. 28
(i) Total comprehensive income										7,903,7 94.28		7,903,794. 28
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(III) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves conversed to capital (share capital)												
2. Surplus reserves conversed to capital (share capital)												
3. Remedying loss with surplus reserve												

4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(VI)Others												
IV. Balance at the end of the report period	266,071,320.00				279,115,900.17				19,184,672.34	-56,406,371.12		507,965,521.39

Last Period

In RMB

Item	Semi-annual of 2018											
	Share capital	Other equity instrument			Capital reserve	Less: treasury stock	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owner's equity
		Preferr ed stock	Perpet ual capital securit ies	Other								
I. Balance at the end of the last year	266,071,320.00				279,115,900.17				19,184,672.34	-180,183,246.38		384,188,646.13
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. Balance at the beginning of this year	266,071,320.00				279,115,900.17				19,184,672.34	-180,183,246.38		384,188,646.13

III. Increase/ Decrease in this year (Decrease is listed with "-")										2,705,370 .41		2,705,370.4 1
(i) Total comprehensive income										2,705,370 .41		2,705,370.4 1
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												
2. Capital invested by holders of other equity instruments												
3. Amount reckoned into owners equity with share-based payment												
4. Other												
(III) Profit distribution												
1. Withdrawal of surplus reserves												
2. Distribution for owners (or shareholders)												
3. Other												
(IV) Carrying forward internal owners' equity												
1. Capital reserves conversed to capital (share capital)												
2. Surplus reserves conversed to capital (share capital)												
3. Remedying loss with surplus reserve												

4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(VI)Others												
IV. Balance at the end of the report period	266,071,320.00				279,115,900.17				19,184,672.34	-177,477,875.97		386,894,016.54

III. Company profile

(i) Enterprise registration place, Organization form and Headquarters address

Shandong Zhonglu Oceanic Fisheries Co., Ltd. (hereinafter referred to as “Company” or “the Company”), registration address: No. 29 Miaoling Road, Laoshan District, Qingdao Shandong, headquarter locates at No. 65 Haier Road, Qingdao Shandong, was incorporated as a joint stock limited company in the People’s Republic of China on 30 July 1999 according to the documentation of Lu TiGaiZi [1999] No.85 issued by Shandong Development and Reform Commission, and the holding company of the Company is Shandong Fisheries Enterprise Group General Corporation, the main sponsor. On 26 June 2000, being approved by the documentation of Zheng Jian Fa Xing Zi [2000] No.82 issued by the China Securities Regulatory Commission, the Company’s B-share, stock ID “Zhonglu B”, stock code “200992” are listing for trading on Shenzhen Stock Exchange dated 24 July 2000.

Basic organization structure of the Company: Shareholder General Meeting, BOD, Supervisory Committee, Office of the GM (Office of the Party Committee), Departments of HR(Organization Dept.), Financial Management Dept. (Capital Operation Dept.), Enterprise Development Dept., Auditing Dept., Oceanic Management Dept., Discipline Inspection & Supervision Dept. (Dept. of Party-Masses Relationship) and Risk Control Dept. (Legal Affairs Dept.).

(ii) Business nature and main business activities of Enterprise

Corporate industry: sea-going fisheries

Corporate major products: tuna and its products

Operating scope: general management projects: sales and processing of aquatic products; merchandise import and export business within approved scope; ice machine manufacture and sale; refrigeration equipment manufacturing, installation, maintenance; refrigeration; load and unload services; housing lease.

Pre-license operation: offshore fishing and distant fishing.

(iii) Person approves the financial report for disclosed and date for report

The financial report has been approved for report by the Board dated 22 August 2019.

(iv) Scope and changes of consolidated statements during the reporting period

Ended as 30 June 2019, consolidation scope of the Company including 4 secondary enterprises, 4 three-tier enterprises and one operation entity with controlling rights obtained through operating lease.

4 secondary enterprises: Shandong Zhonglu Fishery Shipping Co., Ltd., Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd., HABITAT INTERNATIONAL CORPORATION and Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd; 4 three-tier enterprises: LAIF FISHERIES COMPANY LIMITED, Shandong Zhonglu Ocean Refrigerated Co., Ltd., AFRICA STAR FISHERIES LIMITED and ZHONG GHA FOODS COMPANY LIMITED; one operation entity with controlling rights obtained through operating lease: YAW ADDO FISHERIES COMPANY LIMITED. Entity of the consolidate scope found more in Note IX- Equity in Other entity

IV. Preparation basis of Financial Statements

1. Preparation basis

Base on the running continuously and actual transactions and events, in line with the Accounting Standards for Business Enterprise – Basic Standards and specific principle of accounting standards issued by the Ministry of Finance, the Company prepared and formulate the financial statement lies on the followed important accounting policy and estimation.

2. Going concern

The Company have the ability to continue as a going concern within 12 months at least since end of the reporting period, there are no major events that impact the ability to continue as a going concern

V. Important accounting policy and estimation

Notes on specific accounting policies and accounting estimation:

The Company and subsidiaries determine specific accounting policies and accounting estimation based on their production and operation, which mainly differ in accrual method for bad debt provision of the account receivable(Note X-(v).11), evaluation of inventory(Note X-(v).13), depreciation of fixed assets and intangible assets amortization(Note X-(v).16) and (Note X-(v).19) and time of the revenue recognized (Note X-(v).23)etc.

1. Declaration of obedience to Accounting Standards for Business Enterprise

The Financial Statements of the Company are up to requirements of Accounting Standards for Business Enterprise and also a true and thorough reflection to the relevant information as the Company's financial position dated 30th June 2019 and the operation results as well as cash flow from January to June in 2019.

2. Accounting period

The Company's accounting year is Gregorian calendar year, namely from 1st January to 31st December of every year.

3. Business cycle

The Company's business cycle is one year (12 months) as a normal cycle, and the business cycle is the determining criterion for the liquidity of assets and liabilities of the Company.

4. Bookkeeping standard currency

The Renminbi (RMB) is taken as the book-keeping standard currency

5. Accounting methods for consolidation of enterprises under the same control or otherwise

(1) Consolidation of enterprises under the same control

Where the Company for long term equity investment arising from business combination under common control satisfies the combination consideration by payment of cash, transfer of non-cash assets or assumption of debt, the carrying value of the net assets of the acquire in combined financial statement of the ultimate controller shared by the Company as at the combination date shall be deemed as the initial investment cost of such long term equity investment.If the equity instrument issued by combining party are consider as the combination consideration, than the total

value of the issuing shares are considered as the share capital. The difference between the initial cost of long-term equity investment and book value of consideration (or total face value of the shares issued) paid, capital surplus adjusted; if the capital surplus not enough to be written down, then retained earnings adjusted.

(2) Business combination not under common control

As for business combination not under common control, combination costs refer to the sum of the fair value of the assets paid, liabilities occurred or assumed as well as equity securities issued by the acquirer to obtain control over the acquiree as at the acquisition date. As for acquiree that obtained by consolidation not under the same control, the qualified confirmation of identified assets, liability and contingency liabilities should be calculated by fair value on day of purchase. If the consolidation cost is larger than the fair value amount of identified net assets from acquiree's, the differences should be recognized as goodwill. If the consolidation cost is less than the fair value amount of identified net assets from acquiree's, the differences should be reckoned into current gains/losses after re-examination.

6. Preparation methods for consolidated financial statements

(1) Consolidation financial statement range

The Company includes all the subsidiaries (including the separate entities controlled by the Company) into consolidated financial statement, including companies controlled by the Company, non-integral part of the investees and structural main body.

(2) Centralize accounting policies, balance sheet dates and accounting periods of parent and subsidiaries.

As for the inconsistency between the subsidiaries and the Company in the accounting policies and periods, the necessary adjustment is made on the subsidiaries' financial statements in the preparation of the consolidated financial statements according to the Company's accounting policies and periods.

(3) Set-off of consolidated financial statement

The consolidated financial statements shall be prepared on the basis of the balance sheet of the parent company and subsidiaries, which offset the internal transactions incurred between the parent company and subsidiaries and within subsidiaries. The owner's equity of the subsidiaries not attributable to the parent company shall be presented as minority equity under the owner's equity item in the consolidated balance sheet. The long term equity investment of the parent company held by the subsidiaries, deemed as treasury stock of the corporate group as well as the reduction of owners' equity, shall be presented as "Less: treasury stock" under the owners' equity item in the consolidated balance sheet.

(4) Accounting for acquisition of subsidiary through combination

For subsidiaries acquired under enterprise merger involving enterprises under common control, the assets, liabilities, operating results and cash flows of the subsidiaries are included in the consolidated financial statements from the beginning of the financial year in which the combination took place. When preparing the consolidated financial statements, for the subsidiaries acquired from business combination not involving entities under common control, the identifiable net assets of the subsidiaries are adjusted on the

basis of their fair values on the date of acquisition.

7. Classification of joint arrangements and accounting treatment of joint operation

(1) Classification of joint arrangements

Joint arrangements are divided into joint operations and joint ventures. Joint arrangements achieved not through separate entities are classified as joint operations. Separate entities refer to the entities with separate identifiable financial architecture including separate legal entities and legally recognized entities without the qualification of legal entity. Joint arrangements achieved through separate entities are generally classified as joint ventures. In case of changes in rights entitled to and obligations undertaken by the parties of joint venture under a joint arrangement due to the changes in relevant facts and circumstances, the parties of joint venture will re-assess the classification of joint arrangements.

(2) Accounting treatment for joint operations

As a parties of joint operation, the Company should recognize the following items in relation to their share of interest in joint operation, and proceed with accounting in accordance with the relevant provisions under the Accounting Standards for Business Enterprises: to recognize their separate assets or liabilities held, and recognize the assets or liabilities jointly held according to their respective shares; to recognize the income from the disposal of their output share under joint operation; to recognize the income from the disposal of output under joint operation according to their respective shares; to recognize the expenses incurred separately, and recognize the expenses incurred under joint operation according to their respective shares.

As a parties of a joint operation not under common control, if they are entitled to relevant assets and undertake relevant liabilities of the joint operation, accounting will be carried out with reference to the provisions of the parties of joint operation; otherwise, it should be subject to relevant Accounting Standards for Business Enterprises.

(3) Accounting treatment for joint ventures

The parties of a joint venture should perform accounting for investments by the joint venture in accordance with the Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments. The parties not under common control should carry out accounting depending on their influence on the joint venture.

8. Determination criteria of cash and cash equivalent

The cash recognized in the preparation of the cash flow statements, is the Company's storage cash and deposits available for payment anytime. The cash equivalents recognized in the preparation of the cash flow statements refers to the investment held by the Company with characteristic of short-term, strong mobility, easy transfer to known sum cash and has slim risk from value changes.

9. Foreign currency exchange and the conversion of foreign currency statements

(1) Foreign currency exchange

The foreign currency exchange is booked on the current exchange rate on the transaction day and

converted in the bookkeeping standard currency. On the balance sheet day, the monetary items are converted on the current rate on the balance sheet day, concerning the exchange differences between the spot exchange rate on that date and initial confirmation or the spot exchange rate on the previously balance sheet date, should be reckoned in to current gains/losses except the capitalizing on exchange differences for foreign specific loans, which was reckoned into cost for capitalizing. The non-monetary items measured on the historic cost are still measured by the original bookkeeping rate with the sum of the bookkeeping standard currency unchanged. Items of non-monetary foreign currency which was calculated by fair value, should be converted by spot exchange rate on the confirmation day of fair value, difference between the converted amount of bookkeeping currency and original amount of bookkeeping currency, was treated as changes of fair value (including exchange rate changed) reckoned into current gains/losses or recognized as other consolidated income.

(2) Conversion of foreign currency financial statements

Upon the conversion of the foreign currency financial statements of the controlling subsidiaries, joint enterprises, and the affiliated enterprises on the bookkeeping standard currency different from the Company's, the accounting check and preparation of the consolidated financial statements are made. Assets and liabilities items in the balance sheet, are converted on the current rate on the balance sheet day; owners' equity items besides the "retained profit" item, the other items are converted on the actual rate. Incomes and expenses items in the profit statement are converted on the current rate. The conversion difference of the foreign currency financial statements is listed specifically in the owners' equity in the balance sheet. The foreign currency cash flow is converted on the current rate on the cash flow actual day. The cash influenced by the rate fluctuation is listed specifically in the cash flow statement. As for the foreign operation, the conversion difference of the foreign currency statement related to the foreign operation is transferred in proportion into the disposal of the current loss/gain.

10. Financial instruments

(1) Category and re-classification of financial instrument

Financial instrument is the contract that taken shape of the financial assets for an enterprise and of the financial liability or equity instrument for other units.

1) Financial asset

The financial assets meet the following conditions simultaneously are classified as financial assets measured by amortized cost: ① The Company's business model for managing financial assets measured at amortized cost is to collect contractual cash flows; and ② according to the contract regulations, the cash flows generated on a specific date are only the payment for the principal and the interest based on the outstanding principal amount.

The financial assets meet the following conditions simultaneously are classified as financial assets

measured on fair value and with its variation reckoned into other comprehensive income:①The Company's business model for managing such financial assets is to target at both the collection of contractual cash flows and the sale; and ②according to the contract regulations, the cash flows generated on a specific date are only the payment for the principal and the interest based on the outstanding principal amount.

For non-trading equity instrument investments, the Company irreversibly designates them as the financial assets that are measured at fair value and whose changes are included in other comprehensive income in the initial recognition. The designation is made based on a single investment and the relevant investment is in line with the definition of equity instruments from the issuer's perspective.

Except for financial assets measured at amortized cost and financial assets measured at fair value and whose changes are included in other comprehensive income, the Company classifies the financial assets as financial assets measured at fair value and whose changes are included in current profit and loss. At the initial recognition, if the accounting mismatch can be eliminated or reduced, the Company can irrevocably designate the financial assets as financial assets measured at fair value and whose changes are included in current profit and loss.

When the Company changes its business model of managing financial assets, it will reclassify all affected financial assets on the first day of the first reporting period after the business model changes, and adopt the future applicable method from the date of reclassification for relevant accounting treatment, and will not make retrospective adjustments to previously recognized gains, losses (including impairment losses or gains) or interest.

2)Financial liability

At initial recognition, financial liabilities are classified into financial liabilities measured by fair value with changes counted into current gains/losses; financial assets transfer does not meet the conditions for derecognition or financial liabilities that continue to be involved in the transferred financial assets; financial liabilities measured at amortized cost. All financial liabilities are not reclassified.

(2) Measurement of financial instrument

The initial recognition of the Company's financial instruments is measured at fair value. For financial assets and financial liabilities measured at fair value and whose changes are included in current profit and loss, the related transaction expenses are directly recognized in current profit and loss. For other financial assets or financial liabilities, the related transaction expenses are included in the initial recognition amount. For the accounts receivable or notes receivable arising from the sale of products or the provision of labor services that do not contain or consider significant financing components, the Company shall use the consideration amount that is expected to be

received as the initial recognition amount. Subsequent measurement of financial instruments depends on their classification.

1) Financial assets

① Financial assets measured at amortized cost

After initial recognition, such financial assets are measured at amortized cost by using the effective interest method. Gains or losses arising from financial assets which are measured at amortized cost and are not a component of any hedging relationship are included in current profit or loss when being derecognized, re-classified and amortized by effective interest method, or impaired.

② Financial assets measured at fair value and whose changes are included in other comprehensive income

After initial recognition, such financial assets (part of the financial assets belonging to hedging relationship excluded) are subsequently measured at fair value. The gains or losses (interest and dividend revenue included) are reckoned into current gains/losses.

③ Debt instrument investment measured at fair value and with its variation reckoned into other comprehensive income

After initial recognition, such financial assets are subsequently measured at fair value. The interest calculated by using the effective interest method, the impairment loss or gains and the exchange gains and losses are recognized in the current profit and loss, other gains or losses are recognized in other comprehensive income. When being derecognized, the accumulated gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income and recognized in current profit and loss.

④ Non-trading equity instrument investment designated measured by fair value and with its variation reckoned into other comprehensive income

After initial recognition, such financial assets are subsequently measured at fair value. Except the dividends obtained (excluding the recovery of investment costs) are included in current profit and loss, the other related gains and losses are included in other comprehensive income and will not be transferred in the current profit and loss.

2) Financial liability

① Financial liabilities measured at fair value and whose changes are included in current profit and loss

Such financial liabilities include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated to be measured at fair value and whose changes are included in current profit and loss. After the initial recognition, such financial liabilities are subsequently measured at fair value, in addition to relevant to the hedge accounting, the gains or losses (including interest expenses) arising from changes in the fair value of the financial liabilities are included in current profit and loss.

If the financial liabilities are designated to be measured at fair value and whose changes are included in current profit and loss, the changes in the fair value of the financial liabilities caused by the changes in the enterprise's own credit risks are included in other comprehensive income, and other changes in fair value are included in current profit and loss. If the effect of the change in the credit risk of the financial liability being included in other comprehensive income shall cause or expand the accounting mismatch in profit or loss, the Company will include the entire gains or losses of the financial liability in the current profit and loss.

② Financial liabilities measured at amortized cost

After initial recognition, such financial liabilities are measured at amortized cost by using the effective interest method.

(3) How the Company recognizes the fair value of financial instruments

If the financial instrument has an active market, its fair value is determined by the quoted price in the active market; if the financial instrument doesn't have an active market, its fair value is determined by the valuation technique. Valuation techniques mainly include market approach, income approach and cost method.

In limited circumstances, if the recent information used to determine the fair value is insufficient, or the possible estimated amount of fair value is widely distributed, and the cost represents the best estimate of the fair value within the range, the cost may represent the appropriate estimates of fair value within this distribution. The Company uses all the information about the performance and operations of the investee that can be obtained after the initial recognition date to judge whether the cost can represent the fair value.

(4) Confirmation basis and measurement method for transfer of financial assets and financial liabilities

1) Financial assets

If the financial asset of the Company meets one of the following conditions, it shall be derecognized:

① the contractual right to receive the cash flow of the financial asset is terminated; ② the financial asset has been transferred, and the Company has transferred almost all the risks and remuneration of ownership of the financial assets; ③ the financial asset has been transferred, although the Company has neither transferred nor retained almost all remuneration of the financial assets, it does not retain control over the financial asset.

If the Company neither transfers nor retains almost all remuneration of the financial asset, and does not retain control over the financial asset, the relevant financial asset is recognized according to the extent of continuing involvement in the transferred financial asset, and the related liabilities are recognized accordingly.

If the financial asset transfer generally meets the conditions for derecognition, the difference between the following two amounts is included in the current profit and loss: ① the book value of

the transferred financial asset on the date of derecognition; ② the sum of the consideration received due to the transfer of financial asset and the amount (the financial asset involving transfer is classified as the financial asset measured at fair value and whose changes are included in other comprehensive income) corresponding to the derecognition portion in cumulative amount of changes in fair value originally and directly included in other comprehensive income.

If partial transfer of financial asset meets the conditions for derecognition, the whole book value of the transferred financial asset will be apportioned between the derecognition portion and the non-derecognition portion according to the respective fair value at the transfer date, and then include the difference of following two amounts in profit and loss for the current period: ① the book value of the derecognized portion on the date of derecognition; ② the sum of the consideration received from the derecognized portion and the amount (the financial asset involving transfer is classified as the financial asset measured at fair value and whose changes are included in other comprehensive income) corresponding to the derecognition portion in cumulative amount of changes in fair value originally included in other comprehensive income.

2) Financial liabilities

If the current obligation of a financial liability (or part of it) has been discharged, the Company derecognizes the financial liability (or part of the financial liability).

If a financial liability (or a part of it) is derecognized, the Company includes the difference between the book value and the consideration paid (including the transferred non-cash assets or liabilities assumed) in current profit and loss.

(5) Methods for determining expected credit losses and accounting treatment methods

1) Methods for determining expected credit losses

Based on the expected credit losses, the Company conducts accounting for impairment and confirms loss provisions for financial assets (including receivables) measured at amortized cost, debt investments measured at fair value and whose changes are included in other comprehensive income (including receivables financing)), and lease receivables.

On each balance sheet date, the Company assesses whether the credit risk of relevant financial instrument has increased significantly since the initial recognition. The process of credit impairment of financial instrument is divided into three stages, and there are different accounting treatment methods for the impairment of financial instrument at different stages: ① In the first stage, if the credit risk of financial instrument has not increased significantly since the initial recognition, the Company measures the loss provisions according to the expected credit losses of the financial instrument in the next 12 months, and calculate the interest income according to its book balance (i.e., not deducting provision for impairment) and effective interest rate. ② In the second stage, if the credit risk of financial instrument has increased significantly since the initial recognition but no credit impairment has occurred, the Company measures the loss provisions according to the expected credit losses of the financial instrument for the entire duration, and calculate the interest

income according to its book balance and effective interest rate.③ In the third stage, if the credit risk has credit impairment, the Company measures the loss provisions according to the expected credit losses of the financial instrument for the entire duration, and calculate the interest income according to its book balance (book balance impairment has made provisions for impairment) and effective interest rate.

① Method for measuring loss provisions for financial instruments with lower credit risk

For financial instruments with lower credit risk on the balance sheet date, the Company can directly make the assumption that the credit risk of the instrument has not increased significantly since the initial recognition without comparing with the credit risk at the initial recognition.

② Methods for measuring the loss provisions of receivables and lease receivables

The Company adopts the simplified method for receivables formed by transactions regulated by the Accounting Standards for Business Enterprises No. 14 - Revenue (whether or not it contains significant financing components), and lease receivables regulated by the Accounting Standards for Business Enterprises No. 21 - Leases, that is, the loss provisions are always measured according to the expected credit loss for the entire duration.

A. Method for determining expected credit losses of accounts receivable and accounting treatment methods

a. For accounts receivable among enterprises within the scope of the consolidated statements of the Company, the Company judges that there is no expected credit loss, and no provision for credit losses is made.

b. For accounts receivable outside the enterprises within the scope of the consolidated statements of the Company, the Company makes reference to the historical credit loss experience, combines with the current situation and the forecast of future economic conditions, prepares the accounts receivable aging and the expected credit loss rate comparison table for the entire duration, and calculates the expected credit loss.

c. If the Company obtains sufficient evidence of a significant increase in credit risk on a single account receivable, the expected credit loss of the account receivable is determined based on the difference between the book value of the receivable and the present value of the cash flow expected to be received, and provisions for loss are made.

B. Method for determining expected credit losses of notes receivable and accounting treatment methods

The Company doesn't expect credit losses on the bank acceptance bills obtained, for the commercial acceptance bills obtained, the Company treats the bills as accounts receivable and make provisions for expected credit losses.

③ Method for measuring loss provisions of other financial assets

For financial assets other than those mentioned above, such as debt investment, other debt investment, other receivables, long-term receivables other than lease receivables, etc., the Company

measures loss provisions according to the general method, namely the “three-stage” model.

2) Accounting treatment methods of expected credit losses

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company re-measures the expected credit losses on each balance sheet date, and the increase or reversal amount of the loss provisions resulting from this shall be treated as impairment losses or gains and included in the current profit and loss, and according to the type of financial instruments, the book value of the financial assets listed in the balance sheet is deducted or included in the estimated liabilities (loan commitments or financial guarantee contracts) or included in other comprehensive income (debt investments measured at fair value and whose changes are included in other comprehensive income).

11. Account receivable

Found more in Note V-10 Financial instrument

12. Other account receivable

Determination and accounting treatment on expected credit loss of other account receivable

Found more in Note V-10 Financial instrument

13. Inventory

Whether the company needs to comply with the disclosure requirements of the particular industry

No

(1) Classification of inventory

Inventory means finished goods and merchandise that are ready for sale, work-in-progress, or material used in the process of production or provision of service in the ordinary course of business. Inventory includes raw materials, low value consumables, merchandise in warehouse, revolving materials and goods in transit.

(2) Measurement

Inventories, when delivered, would be determined the actual cost under moving weighted average method.

(3) Provision for impairment of inventory

At the balance sheet date, inventory is recorded at the lower of cost and net realizable value on an individual basis. For items with significant quantity and low values, provision is made based on their categories.

Net realizable value of inventories is determined as follows: ① net realizable value of finished

goods is the estimated selling price less relevant tax and selling expenses. The inventories of the Company mainly refer to long-line fishing tuna. The ending net realizable value is determined at the quotation of Qingshui Fishery Ground of Japan on the date which is the most close to the balance sheet date less the relevant expenses that would occur to realize product sales; ② for materials held for production, net realizable value equals the cost if the net realizable value of the finished goods produced from the materials exceeds the cost; when the price of raw materials decreases indicating that the net realizable value of the relevant finished goods would be lower than cost, the net realizable value is the estimated selling price less costs to completion, selling expenses and relevant tax; and ③ net realizable value of materials held for sale is the market price.

(4) Inventory stocking system

The Company adopts perpetual inventory system for stocking.

(5) Amortization of low value consumables and packing materials

The Company adopts fifty amortization method for low value consumables and packing materials.

14. Long-term equity investments

(1) Recognition of initial investment cost

Initial investment cost of long term equity investment obtained by corporate consolidation: in the case of the consolidation of enterprises under the same control, recognized as the initial cost is the book value of the owners' equity obtained from the consolidated party; in the case of the consolidation of enterprises not under the same control, recognized as the initial cost is the recognized consolidation cost on the purchase day. As for the long term equity investment obtained by cash payment, the initial investment cost is the actual purchase payment. As for the long term equity investment obtained by the equity securities offering, the initial investment cost is the fair value of the equity securities. As for the long-term equity investment obtained by debt reorganization, initial investment cost of such investment should determine by relevant regulation of the "Accounting Standards for Business Enterprise No.12- Debt Reorganization"; As for the long term equity investment obtained by the exchange of the non-monetary assets and the debts restructuring, the initial investment cost is recognized on the relevant rules of "Accounting Standards for Business Enterprise No.7- Exchange of the Non-monetary Assets".

(2) Subsequent measurement and profit or loss recognition

Where the investor has a control over the investee, long-term equity investments are measured using cost method. Long-term equity investments in associates and joint ventures are measured using equity method. Where part of the equity investments of an investor in its associates are held indirectly through venture investment institutions, common fund, trust companies or other similar entities including investment linked insurance funds, such part of equity investments indirectly held by the investor shall be measured at fair value through profit or loss according to according to

relevant requirements of Accounting Standards for Business Enterprises No.22—Recognition and measurement of Financial Instruments regardless whether the above entities have significant influence on such part of equity investments, while the remaining part shall be measured using equity method.

(3) Basis of conclusion for common control and significant influence over the investee

Joint control over an investee refers to where the activities which have a significant influence on return on certain arrangement could be decided only by mutual consent of the investing parties sharing the control, which includes the sales and purchase of goods or services, management of financial assets, acquisition and disposal of assets, research and development activities and financing activities, etc.; Significant influence on the investee refers to that: significant influence over the investee exists when holding more than 20% but less than 50% of the shares with voting rights or even if the holding is below 20%, there is still significant influence if any of the following conditions is met: there is representative in the board of directors or similar governing body of the investee; participation in the investee’s policy setting process; assign key management to the investee; the investee relies on the technology or technical information of the investing company; or major transactions with the investee.

15. Investment real estate

Measurement for investment real estate

Cost method

Depreciation or amortization method

Investment real estate of the Company refers to the leased buildings. The investment real estate of the Company is initially measured by cost and conducting follow-up measures by cost mode. Accrued on the year averaging is the depreciation of the lease buildings in the Company’s investment property. The detailed check principle is same as that of the fixed assets. The rented land use rights and land use rights held for transfer after appreciation owned by the Company was adopted line amortization method. Detail calculation policy was similar to intangible assets.

16. Fixed assets

(1) Recognition

The fixed assets are tangible assets held for the goods production, labor supply, lease or operation & management, and with above one-accounting-year service life; meanwhile as up to the following conditions, they are recognized: The economic interest related to the fixed assets probably flow into the Company; The cost of the fixed assets can be measured reliably.

(2) Depreciation method

Category	Depreciation method	Depreciation life (year)	Salvage rate	Annual depreciation rate
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House and building	Straight-line depreciation	20-40	0-10	2.25-5.00
Vessel and netting gear	Straight-line depreciation	5-30	3-5	3.17-19.40
Machine equipment	Straight-line depreciation	8-20	0-10	4.50-12.50
Transportation equipment	Straight-line depreciation	5	0-10	18.00-20.00
Furniture and office equipment	Straight-line depreciation	5	0-10	18.00-20.00

The Company's fixed assets mainly include housing and buildings, vessels and netting, machinery and equipment, transportation equipment, furniture and office equipment; and the depreciation method adopts the straight-line depreciation. The useful life and estimated net residual value of fixed assets are determined by the nature and use condition of various types of fixed assets. The useful life, estimated net residual value, and depreciation method of fixed assets are rechecked at the end of the year, if there is difference with the former estimated number, corresponding adjustments should be made. In addition to the fixed assets that have been accrued depreciation and still continue to use and the land that has been separately valued and recorded, the Company counts and draws the depreciation of all fixed assets.

(3) Recognition, evaluation and depreciation of the fixed assets under finance lease

Recognition of fixed assets under finance lease: the nature of this kind of lease is a transfer of all risk and rewards related to the ownership of assets. Measurement of fixed assets under finance lease: the initial amount of a fixed asset under finance lease should be recorded as the lower of fair value of the leased asset at the beginning date of lease term and the present value of minimum lease payment. Subsequent measurement of fixed assets under finance lease should be in accordance with the accounting policies adopted for self-owned fixed assets in respect of provision of depreciation and impairment.

17. Construction in progress

Construction in progress of the Company divided as self-run construction and out-bag construction. The Construction in progress of the Company carried forward as fixed assets while the construction is ready for the intended use. Criteria of the expected condition for use should apply one of the follow conditions: The substance construction (installation included) of the fixed assets has completed all or basically; As the projects have been in test production or operation, and the results show that the assets can operate properly and produce the qualified products stably, or the test operation result shows the assets can operate or open properly. The expenditure of the fixed assets on the construction, is a little or little. The fixed assets of the project constructed have been up to the requirements of the design or contract, or basically up to.

18. Borrowing expenses

(1) Recognition principle on capitalization of borrowing expenses

As for the Company's actual borrowing expenses directly attributable to the assets construction or production, it is capitalized and reckoned into the relevant assets cost; as for other borrowing

expenses, it is recognized on the actual sum and reckoned into the current loss/gain. The assets up to the capitalization are assets as the capital assets, investment real estate, and inventory reaching the expectant availability or sale ability.

(2) Calculation of the capitalization

Capitalization term: the period from the time starts to capitalization to the time the capitalization ends. The period of capitalization suspended is not included. The capitalization of borrowing expenses should be suspended while the abnormal interrupt, which surpass three months continuously, in the middle of acquisition or construction or production.

As for the borrowing of the specific borrowing, the capitalization sum is recognized on the current actual interest expenses less the interest income of the borrowing capital not utilized but deposited in the bank or the return of the temporary investment; As for the appropriation of the general borrowing, the capitalization sum is recognized on the weighted average of, the accumulative assets expenditure above the specific borrowing, and times the capitalization rate of the appropriation; As for the discount or premium of the borrowing, the discount or premium to be diluted in every accounting period is recognized in the actual rate method.

The effective interest method is the method for the measurement of the diluted discount or premium or interest expenses on the actual interest rate; and the actual interest rate is the interest rate used in the discount of the future cash flow in the expectant duration period as the current book value of the borrowing.

19. Intangible assets

(1) Accounting method, service life and impairment test

1) Accounting method for intangible assets

The Company's intangible assets are measured initially on cost. The intangible assets purchased in are taken as the actual cost on the actual payment and relevant expenditure. As for the intangible assets invested in by the investors, the actual cost is recognized on the value stipulated in the contract or agreement; however, if what is stipulated in the contract or agreement is not fair value, the actual cost is recognized on fair value. As for the self-developed intangible assets, their cost is the actual total expenditure before reaching the expectant purpose.

The follow-up measurements of the Company's intangible assets respectively are: the line amortization method is taken on the intangible assets of finite service life, and at the year-end, the check is taken on the service life and dilution of the intangible assets, and the corresponding adjustment is made if there is inconsistency with the previous estimative ones. As for the intangible assets of uncertain service life, it is not diluted, however, the service life is checked at year-end; If there is solid evidence to its finite service life, its service life is estimated and diluted in straight line method.

Amortization of intangible assets with limited life:

Category	Service life (Year)	Amortization method
Land use rights	42	Straight-line method
Computer software	10	Straight-line method

2) Recognition principle of intangible assets with uncertain service life

Recognized as the intangible assets of uncertain service life is refers to those intangible assets of un-expectable period of economic benefits brought into the Company, or of the uncertain service period. Recognition principle of uncertain service life: from contract right or other legal rights, the uncertain service period is stipulated in the contract or law; after the integration of the situations and relevant expertise argumentation in the same trade, the period of the economic interest brought into the Company by the intangible assets still cannot be recognized.

At every year-end, the check is taken on the intangible assets of uncertain service life, mainly in bottom-up way, namely the basic check is taken by the department relevant to the assets utilization, to assess whether there is change in the recognition principle of the uncertain service life.

(2) Accounting policy of the internal R&D expenditure

20. Long-term assets impairment

Long-term equity investments, investment properties measured at cost and long-term assets such as fixed assets, construction in progress, productive biological assets at cost method, oil and gas assets, intangible assets and goodwill are tested for impairment if there is any indication that an asset may be impaired at the balance date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill arising from a business combination is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of the related set of asset groups. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other

assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

21. Long-term deferred expenditure

The Company's long-term deferred expenditure are expenses paid out and with one year above (1-year included) benefit period. The long-term unamortized expenses are diluted by periods according to the benefit period. As the long-term unamortized expenses cannot enable the accounting period's beneficiary, all dilution values of the project undiluted yet, are transferred into the current loss/gain.

22. Employees benefits

(1) Accounting for short-term benefits

In the period of employee services, short-term benefits are actually recognized as liabilities and charged to profit or loss, or if otherwise required or allowed by accounting standards of the enterprise, to the related costs of assets for the current period. At the time of actual occurrence, The Company's employee benefits are recorded into the profits and losses of the current year or assets associated costs according to the actual amount. The non-monetary employee benefits are measured at fair value. Regarding to the medical and health insurance, industrial injury insurance, maternity insurance and other social insurances, housing fund and labor union expenditure and personnel education that the Company paid for employees, the Company should recognize corresponding employees benefits payable according to the appropriation basis and proportion as stipulated by relevant requirements and recognize the corresponding liabilities and include these expenses in the profits or losses of the current period or recognized as respective assets costs.

(2) Accounting for post-employment benefits

During the accounting period in which an employee provides service, the amount payable calculated under defined contribution scheme shall be recognized as a liability and recorded in profit and loss of the current period or in assets. In respect of the defined benefit scheme, the Company shall use the projected unit credit method and attribute the welfare obligations calculated using the formula stipulated by the defined benefit scheme to the service period of the employee, and record the obligation in the current profit and loss or related assets cost.

(3) Accounting for termination benefits

The Company recognizes a liability and expenses in the current profit or loss for termination benefits at the earlier of the following dates: when the Company can no longer withdraw the offer of those benefits; and when the Company recognizes costs for restructuring involving the payment of termination costs.

(4) Accounting for other long-term employee benefits.

The Company provides other long-term employee benefits to its employees. For those falling within the scope of defined contribution scheme, the Company shall account for them according to relevant requirements of the defined contribution scheme. In addition, the Company recognizes and measures the net liabilities or net assets of the other long-term employee benefits according to relevant requirements of the defined contribution scheme.

23. Revenue

Whether the company needs to comply with the disclosure requirements of the particular industry

No

Whether implemented the new revenue standards

Yes No

When the products sold by the Company meet the following conditions, the sales revenue of the goods is recognized according to the amount of the contract or agreement received or receivable from the purchaser: ①The main risks and rewards of ownership of the goods have been transferred to the buyer. ②Neither retain the continuous management rights usually associated with ownership, nor carry out effective control over the sold goods. ③The amount of income can be reliably measured. ④Relevant economic benefits are likely to flow into the enterprise. ⑤ Relevant costs incurred or to be incurred can be reliably measured.

For the Company's purse seine fish sold at overseas bases, generally, the income is recognized after obtaining the vast majority of payment from the customers and after the delivery of the fish. In the case of export sales by the local country, the income is recognized when the shipping order and bill of lading are obtained.

Most of the Company's longline fishing goods are shipped back to domestic sales, the sales department refers to the transaction price of Japanese Shimizu for external sales, and both parties confirm the change of the cargo rights based on the signing of the sales contract and the value decision table. The company confirms sales revenue based on the sales contract and the value decision table.

Domestic sales of the Company's aquatic products processing: Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd. issues a delivery confirmation according to the fax or mail order from domestic customers, and the sales staff arrange the warehouse management department to stock up and deliver the goods by air, long-distance bus or other means of delivery, the company issues the sales invoice and confirms the sales revenue according to the delivery confirmation issued by the sales department and signed by the warehouse management department.

Foreign sales of the Company's aquatic products processing: After the international trade department obtains the purchase orders of foreign customers, it issues an export delivery confirmation form and arranges the storage and transportation department to stock up. After the

export goods are packed and sent out, the warehouse management department sign on the delivery confirmation issued by the international trade department, and obtain the export documents such as packing list and bill of lading issued by the transportation department after shipment, and obtain the export declaration form issued by the customs. The company issues the sales invoice and confirms the sales revenue according to the export documents such as delivery confirmation, packing list and customs declaration.

The Company's vessel rental income: The transportation vessel leasing of Shandong Zhonglu Aquatic Marine Co., Ltd. and Habitat International Corporation's adopts the time charter, the company leases the ships equipped with operators to others for a certain period of time, and waits for the dispatch of the lessee during the lease term. Regardless of whether it is operated or not, the rental fee is charged to the lessee on a daily basis, and the company is responsible for the occurrence of fixed expenses (such as personnel salaries, maintenance costs, etc.). During the term of the lease, the customer settles accounts regularly and the revenue is recognized according to the number of lease days confirmed by the customer.

24. Government subsidy

(1) Types of government subsidy and accounting treatment

government subsidy refer to monetary assets or non-monetary assets that the Company obtains from the government without compensation (but excluding the capital invested by the government as the owner). If the government grant is a monetary asset, it shall be measured according to the amount received or receivable. If the government grant is a non-monetary asset, it shall be measured at fair value; if the fair value cannot be obtained reliably, it is measured at the nominal amount.

government subsidy related to daily activities are included in other income in accordance with the economic business. government subsidy not related to daily activities are included in the non-operating income and expenditure.

government subsidy that the government documents clearly stipulate for acquisition and construction or forming long-term assets in other ways are recognized as government subsidy related to assets. If the government documents do not clearly specify the grant target, government subsidy that can form long-term assets, of which the part corresponding to the asset value is used as the government subsidy related to the assets, and the rest is used as the government subsidy related to the income; if it is difficult to distinguish, the whole government subsidy will be used as a government grant related to income. government subsidy related to assets are recognized as deferred income. The amount recognized as deferred income is included in the current profit and loss in a reasonable and systematic manner within the useful life of the relevant asset.

government subsidy other than government subsidy related to assets are recognized as government subsidy related to income. If a government grant related to the income is used to compensate the

relevant expenses or losses of the enterprise in the future period, it is recognized as deferred income and is included in the current profit and loss during the period of recognizing related expenses; the government grant used to compensate the occurred relevant expenses or losses of the enterprise is directly included in the current profit and loss.

The Company obtains the policy preferential loan interest subsidy, and the government allocates the interest subsidy funds to the loan bank. If the loan bank provides loans to the Company at a policy preferential interest rate, the actually received loan amount will be used as the entry value of the loan, and the relevant borrowing costs will be calculated according to the loan principal and the policy preferential interest rate. If the government directly allocates the interest subsidy to the Company, the Company will offset the corresponding interest subsidy against relevant borrowing costs.

(2) Confirmation time-point of government subsidy

government subsidy are recognized when they meet the conditions attached to government subsidy and can be received. government subsidy measured in accordance with the amount receivable are recognized when there is conclusive evidence at the end of the period that they conform to relevant conditions stipulated in the financial support policy and are expected to receive financial support funds. Other government subsidy other than government subsidy measured in accordance with the receivable amount are recognized when the grant is actually received.

25. Deferred income tax asset and deferred income tax liability

(1) Where there is difference between the carrying amount of the assets or liabilities and its tax base, (as for an item that has not been recognized as an asset or liability, if its tax base can be determined in light of the tax law, the tax base shall be recognized as the difference) the deferred income tax and deferred income tax liabilities shall be determined according to the applicable tax rate in period of assets expected to recover or liability expected to pay off.

(2) The deferred income tax assets shall be recognized to the extent of the amount of the taxable income which it is most likely to obtain and which can be deducted from the deductible temporary difference. On balance sheet date, if there have concrete evidence of obtaining, in future period, enough taxable amounts to deduct the deductible temporary difference, the un-confirmed deferred income tax assets in previous accounting period shall be recognized. If there has no enough taxable amounts, obtained in future period, to deduct the deferred income tax assets, book value of the deferred income tax assets shall be kept in decreased.

(3) The taxable temporary differences related to the investments of subsidiary companies and associated enterprises shall be recognized as deferred income tax liability, unless the Company can control the time of the reverse of temporary differences and the temporary differences are unlikely to be reversed in the expected future. As for the deductible temporary difference related to the investment of the subsidiary companies and associated enterprises, deferred income tax assets

shall be recognized while the temporary differences are likely to be reversed in the expected future and it is likely to acquire any amount of taxable income tax that may be used for making up the deductible temporary differences.

26. Leasing

(1) Accounting treatment for operating lease

Operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period.

(2) Accounting treatment for finance lease

At the commencement of the lease term, the Group records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge, using the effective interest method amortization during the lease term. Minimum lease payments deducting unrecognized financing charges are listed as long-term account payable.

27. Other important accounting policy and estimation

(1) Changes in important accounting policies

Applicable Not applicable

Content and causes of accounting policy changed	Approval procedures	Note
Implementation of new financial instrument standards	Deliberated by the Board	Found more in 1)
Implementation of new non-monetary assets exchanges standards	Deliberated by the Board	Found more in 2)
Implementation of new debt restructurings standards	Deliberated by the Board	Found more in 3)
Implementation of new financial statement format	Deliberated by the Board	Found more in 4)

1) Impacts of the implementation of new financial instrument standards on the Company

The Accounting Standards for Business Enterprise No. 22- Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprise No. 23- Transfer of Financial Assets, Accounting Standards for Business Enterprise No. 24- Hedge Accounting and Accounting Standards for Business Enterprise No. 37- Presentation of Financial Instruments (these four items are collectively referred to as the new financial instrument standards) revised by

the Ministry of Finance in 2017 are implemented by the Company since 1st January 2019. Accounting policy after change found more in Note V-10.

The implementation of above mentioned standards will have no significant impact during the reporting period.

2) Impacts of the implementation of Accounting Standards for Business Enterprise No. 7- Non-monetary Assets Exchanges (2019 Revised) on the Company

Ministry of Finance issued the Accounting Standards for Business Enterprise No. 7- Non-monetary Assets Exchanges (2019 Revised) (CaiKuai [2019] No.8) on 9 May 2019, and carry into effect since 10 June 2019. As for the non-monetary assets exchange occurred from 1st January 2019 to the date of implementation of the standards, should be adjusted according to the standards above mentioned. As for the non-monetary assets exchange occurred before 1st January 2019, retroactive adjustments are not required in accordance with the standards.

The implementation of above mentioned standards will have no significant impact during the reporting period.

3) Impacts of the implementation of Accounting Standards for Business Enterprise No. 12- Debt Restructurings (2019 Revised) on the Company

Ministry of Finance issued the Accounting Standards for Business Enterprise No. 12- Debt Restructurings (2019 Revised) (CaiKuai [2019] No.9) on 16 May 2019, and carry into effect since 17 June 2019. As for the debt restructuring occurred from 1st January 2019 to the date of implementation of the standards, should be adjusted according to the standards above mentioned. As for the debt restructuring occurred before 1st January 2019, retroactive adjustments are not required in accordance with the standards.

The implementation of above mentioned standards will have no significant impact during the reporting period.

4) Impacts of the implementation of Notice on Revision and Issuance of 2019 Financial Statement Format for General Corporate (CaiKuai [2019] No.6) on the Company

On 30 April 2019, the Ministry of Finance issued the Notice on Revision and Issuance of 2019 Financial Statement Format for General Corporate (CaiKuai [2019] No.6) (hereinafter referred to as CaiKuai [2019] No.6), the non-financial enterprises (that implement the Accounting Standards for Business Enterprise) are required to preparing the financial statement in accordance with the Accounting Standards for Business Enterprise and CaiKuai [2019] No.6. the financial statement for semi-annual of 2019, the annual financial statement and financial statements for subsequent periods are required to prepared in line with the CaiKuai [2019] No.6.

The comparative date during the comparable period are adjusted by the Company according to the

CaiKuai [2019] No.6, revision of the financial statement format have no significant impact on total assets, total liability, net profit and other comprehensive income of the Company.

(2) Changes in important accounting estimates

Applicable Not applicable

(3) Adjust relevant items of financial statements at beginning of the year of fist execution, when first implemented the new financial instrument standards, new income standards and new leasing standards

Applicable Not applicable

Consolidate balance sheet

In RMB

Item	2018-12-31	2019-01-01	Adjustment
Current assets:			
Monetary fund	183,453,073.56	183,453,073.56	
Settlement provisions			
Capital lent			
Trading financial assets			
Financial assets measured on fair value and with its changes reckoned into the current loss/gain			
Derivative financial assets			
Notes receivable			
Account receivable	63,961,900.00	63,961,900.00	
Receivables financing			
Accounts paid in advance	22,389,784.46	22,389,784.46	
Insurance receivable			
Reinsurance receivables			
Contract reserve of reinsurance receivable			
Other account receivable	5,529,723.80	5,529,723.80	
Including: interest receivable			

Dividend receivable			
Buying back the sale of financial assets			
Inventories	330,591,120.00	330,591,120.00	
Contract assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	32,310,466.77	32,310,466.77	
Total current assets	638,236,068.59	638,236,068.59	
Non-current assets:			
Loans and payments on behalf			
Creditors' investment			
Financial assets available for sale			
Other creditors' investment			
Held-to-maturity investment			
Long-term account receivable			
Long-term equity investments			
Other equity instrument investment			
Other non-current financial assets			
Investment real estate	30,464,518.89	30,464,518.89	
Fixed assets	514,332,752.28	514,332,752.28	
Construction in progress	11,073,476.37	11,073,476.37	
Productive biological asset			
Oil and gas asset			
Right-of-use asset			
Intangible assets	13,665,376.82	13,665,376.82	

Expense on Research and Development			
Goodwill			
Long-term prepaid expenses	524,811.27	524,811.27	
Deferred income tax asset	1,926,163.26	1,926,163.26	
Other non-current asset	3,059,416.20	3,059,416.20	
Total non-current asset	575,046,515.09	575,046,515.09	
Total assets	1,213,282,583.68	1,213,282,583.68	
Current liabilities:			
Short-term loans	78,352,320.05	78,352,320.05	
Loan from central bank			
Capital borrowed			
Trading financial liability			
Financial liabilities measured on the fair value and with its changes reckoned into the current loss/gain			
Derivative financial liability			
Notes payable			
Accounts payable	108,371,599.66	108,371,599.66	
Accounts received in advance	17,561,329.01	17,561,329.01	
Selling financial asset of repurchase			
Absorbing deposit and interbank deposit			
Security trading of agency			
Security sales of agency			
Wage payable	44,016,063.96	44,016,063.96	
Taxes payable	2,841,394.90	2,841,394.90	
Other accounts payable	7,043,693.95	7,043,693.95	

Including: interest payable	245,808.33	245,808.33	
Dividend payable			
Commission charge and commission payable			
Reinsurance payable			
Contract liability			
Liability held for sale			
Non-current liabilities due within one year	866,585.48	866,585.48	
Other current liabilities			
Total current liabilities	259,052,987.01	259,052,987.01	
Non-current liabilities:			
Insurance contract reserve			
Long-term loans			
Bonds payable			
Including: preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long-term wages payable	1,513,560.34	1,513,560.34	
Accrual liability			
Deferred income	8,839,283.66	8,839,283.66	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	10,352,844.00	10,352,844.00	
Total liabilities	269,405,831.01	269,405,831.01	
Owners' equity:			
Share capital	266,071,320.00	266,071,320.00	

Other equity instrument			
Including: preferred stock			
Perpetual capital securities			
Capital reserve	284,054,997.75	284,054,997.75	
Less: treasury stock			
Other comprehensive income	-675,743.05	-675,743.05	
Reasonable reserve			
Surplus reserve	21,908,064.19	21,908,064.19	
Provision of general risk			
Retained profit	232,148,801.35	232,148,801.35	
Total owner's equity attributable to parent company	803,507,440.24	803,507,440.24	
Minority interests	140,369,312.43	140,369,312.43	
Total owner's equity	943,876,752.67	943,876,752.67	
Total liabilities and owner's equity	1,213,282,583.68	1,213,282,583.68	

Explanation

The Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (CK [2017] No.7), the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets(CK [2017] No.8), Accounting Standards for Business Enterprises No. 24 - Hedge Accounting (CK [2017] No.9) and Accounting Standards for Business Enterprises No. 37 – Financial Instruments Presentation (CK [2017] No.14) in 2017, and the Company implemented the above mentioned new accounting standards since 1 Jan. 2019. The Company reports the available-for-sale financial assets as other equity instrument investments after January 1, 2019. According to the convergence regulations, the information of the comparable period will not be adjusted, and the difference between the implementation of the new standard on the first day and the original standard will retrospectively adjust the retained earnings at the beginning of the reporting period. The implementation of the new financial instrument standard adjusts the available-for-sale financial assets to other equity instrument investments, as the available-for-sale financial assets have been fully provided for impairment losses at the book balance (book balance of 33,000,000.00), the book value is 0, so it has no effect on the report of current period.

Balance sheet of parent company

In RMB

Item	2018-12-31	2019-01-01	Adjustment
Current assets:			

Monetary fund	58,180,225.27	58,180,225.27	
Trading financial assets			
Financial assets measured on fair value and with its changes reckoned into the current loss/gain			
Derivative financial assets			
Notes receivable			
Account receivable	4,640,846.24	4,640,846.24	
Receivables financing			
Accounts paid in advance	2,745,721.08	2,745,721.08	
Other account receivable	174,132,348.14	174,132,348.14	
Including: interest receivable			
Dividend receivable	92,964,132.10	92,964,132.10	
Inventories	39,765,975.21	39,765,975.21	
Contract assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	1,703,493.59	1,703,493.59	
Total current assets	281,168,609.53	281,168,609.53	
Non-current assets:			
Creditors' investment			
Financial assets available for sale			
Other creditors' investment			
Held-to-maturity investment			
Long-term account receivable	5,432,212.74	5,432,212.74	
Long-term equity	232,189,455.23	232,189,455.23	

investments			
Other equity instrument investment			
Other non-current financial assets			
Investment real estate	30,464,518.89	30,464,518.89	
Fixed assets	66,833,497.57	66,833,497.57	
Construction in progress			
Productive biological asset			
Oil and gas asset			
Right-of-use asset			
Intangible assets	1,106,244.75	1,106,244.75	
Expense on Research and Development			
Goodwill			
Long-term prepaid expenses	302,589.05	302,589.05	
Deferred income tax asset			
Other non-current asset	426,581.20	426,581.20	
Total non-current asset	336,755,099.43	336,755,099.43	
Total assets	617,923,708.96	617,923,708.96	
Current liabilities:			
Short-term loans			
Trading financial liability			
Financial liabilities measured on the fair value and with its changes reckoned into the current loss/gain			
Derivative financial liability			
Notes payable			
Accounts payable	8,034,779.37	8,034,779.37	
Accounts received in	9,957,655.47	9,957,655.47	

advance			
Contract liability			
Wage payable	19,729,495.62	19,729,495.62	
Taxes payable	333,936.38	333,936.38	
Other accounts payable	78,713,961.06	78,713,961.06	
Including: interest payable			
Dividend payable			
Liability held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	116,769,827.90	116,769,827.90	
Non-current liabilities:			
Long-term loans			
Bonds payable			
Including: preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long-term wages payable	1,092,153.95	1,092,153.95	
Accrual liability			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	1,092,153.95	1,092,153.95	
Total liabilities	117,861,981.85	117,861,981.85	
Owners' equity:			
Share capital	266,071,320.00	266,071,320.00	

Other equity instrument			
Including: preferred stock			
Perpetual capital securities			
Capital reserve	279,115,900.17	279,115,900.17	
Less: treasury stock			
Other comprehensive income			
Reasonable reserve			
Surplus reserve	19,184,672.34	19,184,672.34	
Retained profit	-64,310,165.40	-64,310,165.40	
Total owner's equity	500,061,727.11	500,061,727.11	
Total liabilities and owner's equity	617,923,708.96	617,923,708.96	

Explanation

The Ministry of Finance issued the revised Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (CK [2017] No.7), the Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets(CK [2017] No.8), Accounting Standards for Business Enterprises No. 24 - Hedge Accounting (CK [2017] No.9) and Accounting Standards for Business Enterprises No. 37 – Financial Instruments Presentation (CK [2017] No.14) in 2017, and the Company implemented the above mentioned new accounting standards since 1 Jan. 2019. The Company reports the available-for-sale financial assets as other equity instrument investments after January 1, 2019. According to the convergence regulations, the information of the comparable period will not be adjusted, and the difference between the implementation of the new standard on the first day and the original standard will retrospectively adjust the retained earnings at the beginning of the reporting period. The implementation of the new financial instrument standard adjusts the available-for-sale financial assets to other equity instrument investments, as the available-for-sale financial assets have been fully provided for impairment losses at the book balance (book balance of 33,000,000.00), the book value is 0, so it has no effect on the report of current period.

(4) Retrospective adjustment of early comparative data for the first implementation of new financial standards and new lease standards

Applicable Not applicable

VI. Taxes

1. Major tax and tax rate

Taxes	Taxation basis	Tax rate
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VAT	Output tax minor the deductible input tax	16%, 13%, 10%, 9%, 6%, 3%
Urban maintenance and construction tax	Turnover taxes payable	7%
Corporate income ax	Taxable amount	Exemption, 25%, 8%

Explain the different taxation entity of the enterprise income tax

Taxation entity	Income tax rate
Shandong Zhonglu Oceanic Fisheries Company Limited	Imposing no tax on distant fishing, and 25% for the house leasing
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	Exemption
AFRICA STAR FISHERIES LIMITED	8% for export parts, 25% for domestic sales
HABITAT INTERNATIONAL CORPORATION	Exemption
LAIF FISHERIES COMPANY LIMITED	25%
ZHONG GHA FOODS COMPANY LIMITED	25%
Shandong Zhonglu Fishery Shipping Co., Ltd.	25%
Shandong Zhonglu Ocean Refrigerated Co., Ltd.	Imposing no tax on aquatic product processing, and 25% for refrigeration service
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Imposing no tax on aquatic product processing, and 25% for refrigeration service

2. Preferential tax

(1) VAT tax preference:

According to the relevant provisions of the Circular About the Provisional Management Method of Not Levying the Tax on the Aquatic Products Directly Caught by Ocean Fishery Enterprises (SS No. [2000] 260), China's ocean fishery enterprises stipulate on the high seas or in accordance with the relevant agreements that the aquatic products caught in foreign sea areas and sent back for domestic sales should be regarded as the domestic products and should not be levied the import duties and import VAT. If the corresponding domestic sales business is the primary agricultural products sales, exempt from the VAT according to the provisions of VAT rules. The Company's sales revenue from ocean-going fishing operations is exempt from VAT.

(2) Income tax preference:

According to relevant regulation of Circular of the Preferential Policies Concerning Corporate Income Tax (CSZ No. [1994] 001), the Letter About Relevant Issue About Accelerating the Development of China's Ocean Fisheries (CN No. [2000] 104) of the Ministry of Finance, the Enterprise Income Tax Law of the People's Republic of China (PRC Presidential Decree No. [2007] 63), the Enforcement Regulations of Enterprise Income Tax Law of the People's Republic of China (PRC State Council Decree No. 512), Notice About Issuing the Preliminary Processing Scope (Trial) of Agricultural Products that Enjoy the Preferential Policy of Enterprise Income Tax of Ministry of Finance and State Administration of Taxation (CS No. [2008] 149), the Supplement Notice About the Preliminary Processing Scope of Agricultural Products that Enjoy the Preferential Policy of Enterprise Income Tax of Ministry of Finance and State Administration of Taxation (CS No. [2011] 26) and the Notice About the Preferential Problems of Corporate Income Tax for Implementation of Agriculture Animal Husbandry and Fishery of Ministry of Finance and State Administration of Taxation (Notice of the State Administration of Taxation 2011 No. 48), as for the initial processing of agricultural products and the commissioned initial processing of an agricultural product, as well as the processing fees it charges, may be handled in accordance with the tax-free items for initial

processing of agricultural products. The Company's income obtained from the ocean-going fishing business and the preliminary processing of agricultural products is exempted from corporate income tax. The Company's income obtained from the business except for the ocean-going fishing and the preliminary processing of agricultural products should pay the enterprise income tax at 25%.

VII. Notes to main items in consolidated financial statement

1. Monetary fund

In RMB

Item	Closing balance	Opening balance
Cash on hand	664,425.27	1,213,325.43
Bank deposit	171,155,523.82	181,553,800.05
Other monetary fund	685,948.08	685,948.08
Total	172,505,897.17	183,453,073.56
Including: Total amount save aboard	29,540,900.00	22,689,473.81

Other explanation

2. Trading financial assets

In RMB

Item	Closing balance	Opening balance
Including:		
Including:		

Other explanation:

3. Derivative financial assets

In RMB

Item	Closing balance	Opening balance
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Other explanation:

4. Notes receivable

(1) Category

In RMB

Item	Closing balance	Opening balance
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In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Including:										

Accrual bad debt provision on single basis:

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes

Accrual bad debt provision on portfolio

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

If the provision for bad debts of notes receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

(2) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes			Closing balance
		Accrual	Collected or reversal	Charge-off	

Including important amount of bad debt provision collected or reversal in the period:

Applicable Not applicable

(3) Note receivable pledged at period-end

In RMB

Item	Amount pledged at period-end

(4) Note receivable which have endorsed and discount at period-end and has not expired on balance sheet date

In RMB

Item	Amount derecognition at period-end	Amount not derecognition at period-end

(5) Notes transfer to account receivable due for failure implementation by drawer at period-end

In RMB

Item	Amount transfer to account receivable at period-end
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Other explanation

(6) Note receivable actually charge-off in the period

In RMB

Item	Amount charge-off
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Including important note receivable charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
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Explanation on note receivable change-off:

5. Account receivable

(1) Category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Account receivable with bad debt provision accrual by portfolio	82,512,14.75	100.00%	9,680,593.01	11.73%	72,831,521.74	73,642,493.01	100.00%	9,680,593.01	13.15%	63,961,900.00
Including:										
Total	82,512,14.75	100.00%	9,680,593.01	11.73%	72,831,521.74	73,642,493.01	100.00%	9,680,593.01	13.15%	63,961,900.00

Accrual bad debt provision on single basis:

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes

Accrual of bad debt provision on portfolio: 9,680,593.01 Yuan

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Bad debt provision of account receivable	82,512,114.75	9,680,593.01	11.73%
Total	82,512,114.75	9,680,593.01	--

Explanation on portfolio basis:

Accrual of bad debt provision on portfolio

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	75,334,538.46
Including within six months	58,398,347.24
Six months - one year	16,936,191.22
1-2 years	861,611.62
2-3 years	589,691.16
Over three years	5,726,273.51
3-4 years	5,726,273.51
Total	82,512,114.75

(2) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes			Closing balance
		Accrual	Collected or reversal	Charge-off	

Including important amount of bad debt provision collected or reversal in the period:

In RMB

Enterprise	Amount collected or reversal	Collection way
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(3) Account receivables actually charge-off during the reporting period

In RMB

Item	Amount charge-off
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Including major account receivables charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
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Explanation on account receivable charge-off

(4) Top five account receivables collected by arrears party at ending balance

Enterprise	Closing balance	Ratio in total account receivable at period-end
TruNorth World Cargo LLC	7,685,071.04	9.31%
F.C.F Fishery Co., Ltd.	7,658,595.09	9.28%
Hong Kong Luen Thai Seafood	5,290,628.45	6.41%
Japan Daoshui	4,910,922.56	5.95%
Shenzhen SZY Trading Co., Ltd.	4,373,553.02	5.30%
Total	29,918,770.16	36.26%

(5) Account receivables derecognized due to financial assets transfer

(6) Transfer the account receivable and assets & liabilities arising from further involvement

Other explanation:

6. Receivables financing

In RMB

Item	Closing balance	Opening balance
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Change of receivables financing and fair value in the period

Applicable Not applicable

If the provision for bad debts of receivable financing is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

Other explanation:

7. Accounts paid in advance

(1) By account age

In RMB

Account age	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within one year	12,716,903.75	96.48%	22,072,783.23	98.58%
1-2 years	463,604.06	3.52%	223,289.45	1.00%
2-3 years			93,711.78	0.42%
Total	13,180,507.81	--	22,389,784.46	--

Explanation on accounts paid in advance with over one year in age and reasons of un-settle:

(2) Top 5 account paid in advance collected by objects at ending balance

Enterprise	Closing balance	Ratio in total account paid in advance at period-end
ZUNIBAL S.L	2,053,912.80	15.58%
Dongyi Sea Transportation Personal Company	1,842,233.57	13.98%
China Fisheries Association (access fishing fee)	1,573,833.24	11.94%
BOSHUN LOGISTICS LIMITED	762,719.92	5.79%
Ghana Ministry of Fisheries	659,245.16	5.00%
Total	6,891,944.69	52.29%

Other explanation:

8. Other account receivable

In RMB

Item	Closing balance	Opening balance
Other account receivable	6,972,749.22	5,529,723.80
Total	6,972,749.22	5,529,723.80

(1) Interest receivable

1) Category

In RMB

Item	Closing balance	Opening balance
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2) Major overdue interest

In RMB

Borrower	Closing balance	Overdue time	Causes	Whether has impairment occurred and determination basis
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Other explanation:

3) Accrual of bad debt provision

Applicable Not applicable**(2) Dividend receivable**

1) Category

In RMB

Item (or invested company)	Closing balance	Opening balance
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2) Major dividend receivable with over one year aged

In RMB

Item (or invested company)	Closing balance	Account age	Causes of failure for collection	Whether has impairment occurred and determination basis
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3) Accrual of bad debt provision

Applicable Not applicable

Other explanation:

(3) Other account receivable

1) By nature

In RMB

Nature	Closing book balance	Opening book balance
Export tax rebate receivable	3,595,050.74	
Cash deposit	778.97	974,139.13
Insurance claims receivable	77,580.10	
Intercourse funds and other	8,368,229.49	9,624,474.75
Total	12,041,639.30	10,598,613.88

2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2019	5,068,890.08			5,068,890.08

Balance of Jan. 1, 2019 in the period	—	—	—	—
Balance on Jun. 30, 2019	5,068,890.08			5,068,890.08

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	6,651,923.72
Including within six months	5,556,260.23
Six months - one year	1,095,663.49
1-2 years	316,704.24
2-3 years	388,212.70
Over three years	4,684,798.64
3-4 years	4,684,798.64
Total	12,041,639.30

3) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes		Closing balance
		Accrual	Collected or reversal	
Bad debt provision	5,068,890.08			5,068,890.08
Total	5,068,890.08			5,068,890.08

Important amount of bad debt provision switch-back or collection in the period:

In RMB

Enterprise	Amount switch-back or collection	Collection way
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4) Other account receivables actually charge-off during the reporting period

In RMB

Item	Amount charge-off
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Including major other account receivables charge-off:

In RMB

Enterprise	Other Nature	Amount charge-off	Causes	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
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Other Explanation on account receivable charge-off

5) Top 5 other account receivable collected by arrears party at ending balance

In RMB

Enterprise	Nature	Closing balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
Export rebates	Export rebates	3,595,050.74	Within six months	29.85%	
Tai Lulun	Intercourse funds and other	809,272.83	Over three years	6.72%	809,272.83
ALEX	Employee loans	407,567.07	Within one year	3.38%	
Daihatsu	Intercourse funds	288,896.39	Over three years	2.40%	288,896.39
DIVING-SEAGULL	Intercourse funds	207,072.50	Over three years	1.72%	207,072.50
Total	--	5,307,859.53	--	44.08%	1,305,241.72

6) Account receivable involved government subsidies

In RMB

Enterprise	Government subsidies	Closing balance	Ending account age	Time, amount and basis estimated to received

7) Other account receivables derecognized due to financial assets transfer

8) Transfer the other account receivable and assets & liabilities arising from further involvement

Other explanation:

9. Inventories

Whether implemented the new revenue standards

 Yes No

(1) Category

In RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for price fall-down	Book value	Book balance	Provision for price fall-down	Book value
Raw materials	156,114,446.85		156,114,446.85	135,309,542.43		135,309,542.43
Merchandise in warehouse	254,348,851.65	2,109,576.54	252,239,275.11	190,905,725.74	2,596,127.95	188,309,597.79
Revolving materials	104,783.81		104,783.81	1,199,427.12		1,199,427.12
Low value consumables	256,113.74		256,113.74	764,872.41		764,872.41
Goods in transit				5,007,680.25		5,007,680.25

Total	410,824,196.05	2,109,576.54	408,714,619.51	333,187,247.95	2,596,127.95	330,591,120.00
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Does the Company comply with the disclosure requirement of “Information Disclosure Guidelines of Shenzhen Stock Exchange No.4 – Listed Companies Engaged in Seed Industry and Planting Business” or not

No

(2) Provision for price fall-down of inventories

In RMB

Item	Opening balance	Current increased		Current decreased		Closing balance
		Accrual	Other	Switch back or charge-off	Other	
Merchandise in warehouse	2,596,127.95	3,302.88		489,854.29		2,109,576.54
Total	2,596,127.95	3,302.88		489,854.29		2,109,576.54

(3) Explanation on capitalization of borrowing costs in ending balance of inventory

(4) Assets completed without settle resulted by construction contract at period-end

In RMB

Item	Amount
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Other explanation:

10. Contract assets

In RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Book value of contract assets have major changes and causes:

In RMB

Item	Amount changes	Causes
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If the provision for bad debts of contract asset is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

Accrual of impairment provision in the period

In RMB

Item	Accrual in the period	Switch-back in the period	Reversal/Charge-off in the period	Causes
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Other explanation:

11. Assets held for sale

In RMB

Item	Closing book balance	Impairment provision	Ending book value	Fair value	Expected disposal expenses	Expected disposal time
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Other explanation:

12. Non-current asset due within one year

In RMB

Item	Closing balance	Opening balance
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Important creditors' investment/Other creditors' investment

In RMB

Creditor's rights	Closing balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date

Other explanation:

13. Other current assets

Whether implemented the new revenue standards

Yes No

In RMB

Item	Closing balance	Opening balance
Input VAT ready for deduction	30,089,780.60	32,221,986.22
Income tax prepaid		88,480.55
Total	30,089,780.60	32,310,466.77

Other explanation:

14. Creditors' investment

In RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Important creditors' investment

In RMB

Creditor's rights	Closing balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date

Accrual of impairment provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2019 in the period	—	—	—	—

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

Other explanation:

15. Other creditors' investment

In RMB

Item	Opening balance	Accrued interest	Change of fair value in the period	Closing balance	Cost	Cumulative changes of fair value	Cumulative loss impairment recognized in other comprehensive income	Note

Important other creditors' investment

In RMB

Other creditors' investment	Closing balance				Opening balance			
	Face value	Coupon rate	Actual rate	Due date	Face value	Coupon rate	Actual rate	Due date

Accrual of impairment provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2019 in the period	—	—	—	—

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

Other explanation:

16. Long-term account receivable

(1) Long-term account receivable

In RMB

Item	Closing balance			Opening balance			Discount rate interval
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	

Impairment of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance of Jan. 1, 2019 in the period	—	—	—	—

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

(2) Long-term account receivable derecognized due to financial assets transfer

(3) Assets and liabilities resulted by long-term account receivable transfer and continues involvement

Other explanation

17. Long-term equity investments

In RMB

The invested entity	Opening balance (Book value)	Changes in the period (+,-)								Closing balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other		
I. Joint venture											
II. Associated enterprise											

Other explanation

18. Other equity instrument investment

In RMB

Item	Closing balance	Opening balance
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Itemized the non-tradable equity instrument investment in the period

In RMB

Item	Dividend income recognized	Cumulative gains	Cumulative losses	Retained earnings transfer from other comprehensive income	Causes of those that designated measured by fair value and with its variation reckoned into other comprehensive income	Cause of retained earnings transfer from other comprehensive income
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Other explanation:

19. Other non-current financial assets

In RMB

Item	Closing balance	Opening balance
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Other explanation:

20. Investment real estate

(1) Measured at cost

Applicable Not applicable

In RMB

Item	House and building	Land use rights	Construction in progress	Total
I. Original book value				
1. Opening balance	47,701,971.19			47,701,971.19
2. Current increased	3,606,607.16			3,606,607.16
(1) Outsourcing				
(2) Inventory\fixed assets\construction in process transfer-in	3,606,607.16			3,606,607.16
(3) Increased by combination				

3.Current decreased				
(1) Disposal				
(2) Other transfer-out				
4.Closing balance	51,308,578.35			51,308,578.35
II. Accumulated depreciation and accumulated amortization				
1.Opening balance	16,350,940.24			16,350,940.24
2.Current increased	647,001.60			647,001.60
(1) Accrual or amortization	647,001.60			647,001.60
3.Current decreased				
(1) Disposal				
(2) Other transfer-out				
4.Closing balance	16,997,941.84			16,997,941.84
III. Impairment provision				
1.Opening balance	886,512.06			886,512.06
2.Current increased				
(1) Accrual				
3. Current decreased				
(1) Disposal				
(2) Other transfer-out				
4.Closing balance	886,512.06			886,512.06
IV. Book value				
1.Ending book value	33,424,124.45			33,424,124.45
2.Opening book value	30,464,518.89			30,464,518.89

(2) Measure on fair value

Applicable Not applicable

(3) Investment real estate without property certificate completed

In RMB

Item	Book value	Reasons
Investment real estate	33,302,041.96	See the notes

Other explanation

Pursuant to the Debt Compensation Opinion entered into between the Company and Shandong Aquatic Products Group in April 2006 and the civil verdict issued by People Court of Lixia district of Jinan city (2005 LZDDi-1299), the comprehensive office building owned by Shandong Aquatic Products Group at No.43, Heping road, Lixia District, Jinan with original value of RMB54,221,197.05 was ruled to be vested to the Company, so as to compensate the relevant debts. Building ownership transfer has not been registered yet; management of the Company is in the process of making active coordination among various parties seeking for early completion of such registration.

21. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	501,281,203.55	514,332,752.28
Total	501,281,203.55	514,332,752.28

(1) Fixed assets

In RMB

Item	House and building	Vessel and netting gear	Machine equipment	Transportation equipment	Furniture and office equipment	Total
I. Original book value:						
1. Opening balance	117,959,528.18	627,875,972.13	44,678,963.52	7,442,646.99	11,975,650.33	809,932,761.15
2. Current increased	2,037.66	9,607,042.68	2,108,000.81	1,637,004.13	99,538.91	13,453,624.19
(1) Purchasing		9,260,338.56	2,107,911.19	1,599,879.60	98,923.07	13,067,052.42
(2) Construction in progress transfer-in						
(3) Increased by combination						

(4) Fluctuations in exchange	2,037.66	346,704.12	89.62	37,124.53	615.84	386,571.77
3.Current decreased	3,741,952.82		13,990.00		285,053.64	4,040,996.46
(1) Disposal or scrapping			13,990.00		285,053.64	299,043.64
(2) Transfer to investment real estate and input tax deduction	3,741,952.82					3,741,952.82
4.Closing balance	114,219,613.02	637,483,014.81	46,772,974.33	9,079,651.12	11,790,135.60	819,345,388.88
II. Accumulative depreciation						
1.Opening balance	28,860,728.72	233,594,946.75	20,358,817.99	4,224,455.94	8,403,485.97	295,442,435.37
2.Current increased	1,187,769.86	19,369,193.18	2,007,140.27	506,733.63	184,940.88	23,255,777.82
(1) Accrual	1,187,769.86	19,369,193.18	2,007,140.27	506,733.63	184,940.88	23,255,777.82
3.Current decreased			259,569.36	246,978.36	285,053.64	791,601.36
(1) Disposal or scrapping			259,569.36	246,978.36	285,053.64	791,601.36
4.Closing balance	30,048,498.58	252,964,139.93	22,106,388.90	4,484,211.21	8,303,373.21	317,906,611.83
III. Impairment provision						
1.Opening balance		157,573.50				157,573.50
2.Current increased						
(1) Accrual						
3.Current decreased						

(1) Disposal or scrapping						
4.Closing balance		157,573.50				157,573.50
IV. Book value						
1.Ending book value	84,171,114.44	384,361,301.38	24,666,585.43	4,595,439.91	3,486,762.39	501,281,203.55
2.Opening book value	89,098,799.46	394,123,451.88	24,320,145.53	3,218,191.05	3,572,164.36	514,332,752.28

(2) Temporary idle fixed assets

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
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(3) Fixed assets leasing-in by financing lease

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value
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(4) Fixed assets leasing-out by operational lease

In RMB

Item	Ending book value
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(5) Fixed assets without property certificate obtained

In RMB

Item	Book value	Causes
Fixed assets	2,146,918.13	See the notes

Other explanation

Pursuant to the Debt Compensation Opinion entered into between the Company and Shandong Aquatic Products Group in April 2006 and the civil verdict issued by People Court of Lixia district of Jinan city (2005 LZDDi-1299), the comprehensive office building owned by Shandong Aquatic Products Group at No.43, Heping road, Lixia District, Jinan with original value of RMB54,221,197.05 was ruled to be vested to the Company, so as to compensate the relevant debts. Building ownership transfer has not been registered yet; management of the Company is in the process of making active coordination among various parties seeking for early completion of such registration.

(6) Disposal of fixed assets

In RMB

Item	Closing balance	Opening balance
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Other explanation

22. Construction in progress

In RMB

Item	Closing balance	Opening balance
Construction in progress	17,528,453.31	11,073,476.37
Total	17,528,453.31	11,073,476.37

(1) Construction in progress

In RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Atlantic fencing	4,077,658.55	4,077,658.55		4,077,658.55	4,077,658.55	
Building the ultra-low temperature long-line fishing boat Tai Xiang 11	17,528,453.31		17,528,453.31	11,073,476.37		11,073,476.37
Total	21,606,111.86	4,077,658.55	17,528,453.31	15,151,134.92	4,077,658.55	11,073,476.37

(2) Changes of major Construction in progress

In RMB

Item Name	Budget	Opening balance	Current increased	Transfer to fixed assets	Other decreasing	Closing balance	Proportion of project investment in budget	Work progress	Accumulative amount of interest capitalization	Including: interest capitalization in Period	Capitalizing rate	Capital resources
Long-line fishing boat Tai Xiang 11	16,000,000.00	11,073,476.37	6,454,976.94			17,528,453.31		100%				Other

Total	16,000,000.00	11,073,476.37	6,454,976.94			17,528,453.31	--	--				--
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(3) Impairment provision of construction in process accrual in the Period

In RMB

Item	Accrual in the period	Accrual Causes
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Other explanation

(4) Engineering material

In RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

Other explanation:

23. Productive biological asset

(1) Measured by cost

Applicable Not applicable

(2) Measured by fair value

Applicable Not applicable

24. Oil and gas asset

Applicable Not applicable

25. Right-of-use asset

In RMB

Item	Total
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Other explanation:

26. Intangible assets

(1) Intangible assets

In RMB

Item	Land use rights	Patent right	Non-patented technology	Computer software	Total
I. Original book value					
1. Opening balance	17,154,729.00			1,751,396.71	18,906,125.71
2. Current increased					
(1) Purchasing					
(2) Internal R&D					
(3) Increased by combination					
3. Current decreased				99,310.34	99,310.34
(1) Disposal					
(2) Input tax deduction				99,310.34	99,310.34
4. Closing balance	17,154,729.00			1,652,086.37	18,806,815.37
II. Accumulated amortization					
1. Opening balance	4,837,642.49			403,106.40	5,240,748.89
2. Current increased	191,935.08			130,280.81	322,215.89
(1) Accrual	191,935.08			130,280.81	322,215.89
3. Current decreased					
(1) Disposal					
4. Closing balance	5,029,577.57			533,387.21	5,562,964.78
III. Impairment provision					

1. Opening balance					
2. Current increased					
(1) Accrual					
3. Current decreased					
(1) Disposal					
4. Closing balance					
IV. Book value					
1. Ending book value	12,125,151.43			1,118,699.16	13,243,850.59
2. Opening book value	12,317,086.51			1,348,290.31	13,665,376.82

The proportion of intangible assets form by internal R&D in total book value of intangible assets at period-end.

(2) Land use right without property certificate completed

In RMB

Item	Book value	Causes
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Other explanation:

27. Expense on Research and Development

In RMB

Item	Opening balance	Current increased	Current decreased	Closing balance
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Other explanation

28. Goodwill

(1) Goodwill Original book value

In RMB

The invested entity of events with goodwill	Opening balance	Increase during the period	Decrease during this period	Closing balance
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resulted				
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(2) Goodwill Impairment provision

In RMB

The invested entity of events with goodwill resulted	Opening balance	Increase during the period	Decrease during this period	Closing balance

Relevant information about the assets group or portfolio goodwill included

Instructions for goodwill impairments test process and key parameters (such as the forecast period growth rate, stable period growth rate, profit rate, discount rate, and forecast period when estimating the present value of the future cash flow), and the method of confirming the impairment loss of goodwill:

Impact of the goodwill impairment test

Other explanation

29. Long-term prepaid expenses

In RMB

Item	Opening balance	Current increased	Amortized in Period	Other decreased	Closing balance
Decoration fee	524,811.27		148,462.80		376,348.47
Total	524,811.27		148,462.80		376,348.47

Other explanation

30. Deferred income tax asset /Deferred income tax liabilities

(1) Deferred income tax assets without offset

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax asset	Deductible temporary differences	Deferred income tax asset
Asset impairment provision	904,653.01	226,163.26	904,653.01	226,163.26
Assets-related government subsidy with taxes paid	6,800,000.00	1,700,000.00	6,800,000.00	1,700,000.00
Total	7,704,653.01	1,926,163.26	7,704,653.01	1,926,163.26

(2) Deferred income tax liabilities without offset

In RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities

(3) Amount of deferred income tax asset and deferred income tax liability after trade-off

In RMB

Item	Trade-off between the deferred income tax assets and liabilities	Ending balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax asset		1,926,163.26		1,926,163.26

(4) Deferred income tax asset without recognized

In RMB

Item	Closing balance	Opening balance
Deductible temporary differences-Bad debt provision	13,844,830.08	13,844,830.08
Deductible temporary differences-Provision for price fall-down of inventories	2,109,576.54	2,596,127.95
Deductible temporary differences-Impairment provision of construction in progress	4,077,658.55	4,077,658.55
Deductible loss	2,186,759.26	2,186,759.26
Total	22,218,824.43	22,705,375.84

(5) Deductible losses of deferred income tax asset without confirmed will expired in later year

In RMB

Year	Closing amount	Opening amount	Note
2021	2,186,759.26	2,186,759.26	
Total	2,186,759.26	2,186,759.26	--

Other explanation:

31. Other non-current asset

Whether implemented the new revenue standards

Yes No

In RMB

Item	Closing balance	Opening balance
Account for lands paid in advance	2,000,000.00	2,000,000.00
Account paid in advance of cargo ship	6,223,985.00	1,059,416.20
Total	8,223,985.00	3,059,416.20

Other explanation:

32. Short-term loans

(1) Category

In RMB

Item	Closing balance	Opening balance
Mortgage loan	28,000,000.00	36,000,000.00
Credit loan	62,310,561.49	42,352,320.05
Total	90,310,561.49	78,352,320.05

Explanation on category of short-term loans:

(2) Short-term loans un-paid by expired

Total short-term loans un-paid by expired at end of the Period was 0 Yuan, including important short-term loans are as:

In RMB

Borrower	Closing balance	Loans rate	Overdue time	Overdue interest rate
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Other explanation:

33. Trading financial liability

In RMB

Item	Closing balance	Opening balance
Including:		
Including:		

Other explanation:

34. Derivative financial liability

In RMB

Item	Closing balance	Opening balance
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Other explanation:

35. Notes payable

In RMB

Category	Closing balance	Opening balance
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Totally Yuan due note payable are paid at period-end.

36. Accounts payable

(1) Accounts payable

In RMB

Item	Closing balance	Opening balance
Within one year (one year included)	111,227,028.97	101,802,514.32
Over one year	4,823,389.84	6,569,085.34
Total	116,050,418.81	108,371,599.66

(2) Major account payable over one year

In RMB

Item	Closing balance	Reasons of un-paid or carry-over
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Other explanation:

37. Accounts received in advance

Whether implemented the new revenue standards

Yes No

(1) Accounts received in advance

In RMB

Item	Closing balance	Opening balance
Within one year (one year included)	35,968,223.55	16,738,922.45
Over one year	406,622.92	822,406.56
Total	36,374,846.47	17,561,329.01

(2) Major account received in advance with over one year age

In RMB

Item	Closing balance	Reasons of un-paid or carry-over
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(3) Projects un-completed but settled from construction contract at end of the Period

In RMB

Item	Amount
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Other explanation:

38. Contract liability

In RMB

Item	Closing balance	Opening balance
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Book value has major changes in the period and causes

In RMB

Item	Amount changes	Causes
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39. Wage payable

(1) Wage payable

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
I. Short-term compensation	43,969,399.58	58,991,204.04	71,100,746.52	31,859,857.10
II. Post-employment welfare- defined contribution plans	39.60	8,977,343.29	4,379,828.79	4,597,554.10
III. Dismissal welfare	36,077.22		27,562.84	8,514.38
IV. Other welfare due within one year	10,547.56			10,547.56
Total	44,016,063.96	67,968,547.33	75,508,138.15	36,476,473.14

(2) Short-term compensation

In RMB

Item	Opening balance	Increase during the	Decrease during this	Closing balance
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		period	period	
1. Wages, bonuses, allowances and subsidies	42,512,492.76	52,264,887.41	64,412,829.81	30,364,550.36
2. Welfare for workers and staff		2,261,164.04	2,261,164.04	
3. Social insurance		2,437,276.29	2,437,276.29	
Including: Medical insurance		1,983,153.67	1,983,153.67	
Work injury insurance		135,131.00	135,131.00	
Maternity insurance		318,991.62	318,991.62	
4. Housing accumulation fund		1,760,751.11	1,755,261.11	5,490.00
5. Labor union expenditure and personnel education expense	1,456,906.82	267,125.19	234,215.27	1,489,816.74
Total	43,969,399.58	58,991,204.04	71,100,746.52	31,859,857.10

(3) Defined contribution plans

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
1. Basic endowment insurance	39.60	4,042,512.37	4,042,512.31	39.66
2. Unemployment insurance		163,194.24	163,194.24	
3. Enterprise annuity		4,597,514.44		4,597,514.44
4. Other		174,122.24	174,122.24	
Total	39.60	8,977,343.29	4,379,828.79	4,597,554.10

Other explanation:

40. Taxes payable

In RMB

Item	Closing balance	Opening balance
VAT	83,164.86	271,436.90

Corporate income tax	786,626.41	1,461,511.10
Individual income tax	57,234.57	148,253.52
Urban maintenance and construction tax	3,810.60	8,627.10
House property tax	148,780.71	247,500.87
Land use tax	133,862.44	157,965.18
Educational additional	2,721.87	3,697.33
Other tax	690,591.81	542,402.90
Total	1,906,793.27	2,841,394.90

Other explanation:

41. Other accounts payable

In RMB

Item	Closing balance	Opening balance
Interest payable	559,642.01	245,808.33
Other accounts payable	11,487,560.64	6,797,885.62
Total	12,047,202.65	7,043,693.95

(1) Interest payable

In RMB

Item	Closing balance	Opening balance
Interest payable for short-term loans	559,642.01	245,808.33
Total	559,642.01	245,808.33

Interest overdue without paid:

In RMB

Borrower	Amount overdue	Causes

Other explanation:

(2) Dividend payable

In RMB

Item	Closing balance	Opening balance

Other explanation, including dividend payable unpaid over one year, and explain the reasons:

(3) Other accounts payable

1) By nature

In RMB

Item	Closing balance	Opening balance
Cash deposit	2,855,753.88	338,541.67
Employee cost	1,325,632.62	926,783.09
Other	7,306,174.14	5,532,560.86
Total	11,487,560.64	6,797,885.62

2) Significant other payable with over one year age

In RMB

Item	Closing balance	Reasons of un-paid or carry-over
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Other explanation

42. Liability held for sale

In RMB

Item	Closing balance	Opening balance
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Other explanation:

43. Non-current liabilities due within one year

In RMB

Item	Closing balance	Opening balance
Deferred income due within one year	433,292.74	866,585.48
Total	433,292.74	866,585.48

Other explanation:

44. Other current liabilities

Whether implemented the new revenue standards

Yes No

In RMB

Item	Closing balance	Opening balance
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Changes of short-term bonds payable:

In RMB

Bond	Face value	Issuing date	Bond period	Issue amount	Opening balance	Issued in the Period	Interest accrual by face value	Amortization of premium price and conversion	Paid in the Period	Closing balance
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Other explanation:

45. Long-term loans

(1) Category

In RMB

Item	Closing balance	Opening balance
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Explanation on category of long-term loans:

Other explanation, including interest rate section:

46. Bonds payable

(1) Bonds payable

In RMB

Item	Closing balance	Opening balance
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(2) Changes of bond payable (excluding other financial instrument of preferred stock and perpetual capital securities that classified as financial liability)

In RMB

(3) Condition of convertible bonds and time of transferring

(4) Other financial instrument classified as financial liabilities

Outstanding preferred stock and perpetual capital securities at period-end

Changes of the outstanding preferred stock and perpetual capital securities at period-end

In RMB

Outstanding financial instrument	Period-begin		Increase during the period		Decrease during this period		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Explanations on basis of other financial instrument classified into financial liabilities

Other explanation

47. Lease liability

In RMB

Item	Closing balance	Opening balance
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Other explanation

48. Long-term account payable

In RMB

Item	Closing balance	Opening balance
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(1) By nature

In RMB

Item	Closing balance	Opening balance
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Other explanation:

(2) Special payable

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance	Causes
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Other explanation:

49. Long-term wages payable

(1) Long-term wages payable

In RMB

Item	Closing balance	Opening balance
I. Post-employment welfare- net liability of defined contribution plans	482,769.43	482,769.43
IV. Other long-term wages payable	1,030,790.91	1,030,790.91
Total	1,513,560.34	1,513,560.34

(2) Change of defined benefit plan

Present value of the obligation of defined benefit plan:

In RMB

Item	Current Period	Last Period
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Scheme assets:

In RMB

Item	Current Period	Last Period
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Net liability/assets) of the defined benefit plan

In RMB

Item	Current Period	Last Period
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Contents of defined benefit plan and the risks associate thereof, influences upon the Company's future cash flow, timing and uncertainty:

The material actuary assumption and sensitive analysis relating to defined benefit plan is explained as follows:

Other explanation:

50. Accrual liability

Whether implemented the new revenue standards

Yes No

In RMB

Item	Closing balance	Opening balance	Causes
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Other explanation, including relevant important hypothesis and estimation:

51. Deferred income

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance	Causes
Government subsidy	8,839,283.66	1,000,000.00		9,839,283.66	Government subsidies related to assets
Total	8,839,283.66	1,000,000.00		9,839,283.66	--

Item with government subsidy concerned:

In RMB

Liability	Opening balance	Subsidy increase during this period	Amount reckoned into non-operation revenue in the Period	Amount reckoned into non-operation revenue in the period	Cost reduction in the period	Other changes	Closing balance	Assets-related/Income-related
Construction special fund	8,191,363.02	1,000,000.00					9,191,363.02	Assets-related
Financial ship-building discount	647,920.64						647,920.64	Assets-related

Other explanation:

52. Other non-current liabilities

Whether implemented the new revenue standards

Yes No

In RMB

Item	Closing balance	Opening balance
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Other explanation:

53. Share capital

In RMB

	Opening balance	Changes in the Period (+,-)					Closing balance
		Issuing new shares	Bonus shares	Shares transfer from public reserves	Other	Subtotal	
Total shares	266,071,320.00						266,071,320.00

Other explanation:

54. Other equity instrument

(1) Other financial instrument of outstanding preferred stock and perpetual capital securities at period-end

(2) Changes of financial instrument of outstanding preferred stock and perpetual capital securities at period-end

In RMB

Outstanding financial instrument	Period-begin		Increase during the period		Decrease during this period		Period-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Changes of other equity instrument, explanation on changes and basis of relevant accounting treatment:

Other explanation:

55. Capital reserve

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
Capital premium (equity premium)	189,093,492.79			189,093,492.79
Other capital reserve	94,961,504.96			94,961,504.96
Total	284,054,997.75			284,054,997.75

Other explanation, including changes and reasons of changes:

56. Treasury stock

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
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Other explanation, including changes and reasons for changes:

57. Other comprehensive income

In RMB

Item	Opening balance	Current Period						Closing balance
		Account before income tax in the period	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less: written in other comprehensive income in previous period and carried forward to retained earnings in current period	Less: income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
II. Other comprehensive income items which will be reclassified subsequently to profit or loss	-675,743.05	-44,875.62				-35,906.51	-8,969.11	-711,649.56
Differences of conversion of foreign currency financial statements	-675,743.05	-44,875.62				-35,906.51	-8,969.11	-711,649.56
Total other comprehensive income	-675,743.05	-44,875.62				-35,906.51	-8,969.11	-711,649.56

Other explanation, including the active part of the hedging gains/losses of cash flow transfer to initial reorganization adjustment for the arbitrated items:

58. Reasonable reserve

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
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Other explanation, including changes and reasons for changes:

59. Surplus reserve

In RMB

Item	Opening balance	Increase during the period	Decrease during this period	Closing balance
Statutory surplus reserves	21,908,064.19			21,908,064.19
Total	21,908,064.19			21,908,064.19

Other explanation, including changes and reasons for changes:

60. Retained profit

In RMB

Item	Current period	Last period
Retained profits at the end of last year before adjustment	232,148,801.35	141,867,217.06
Retained profits at the beginning of the period after adjustment	232,148,801.35	141,867,217.06
Add: net profit attributable to owners of parent company	28,420,094.20	90,281,584.29
Retained profit at period-end	260,568,895.55	232,148,801.35

Details about adjusting the retained profits at the beginning of the period:

- 1) The retroactive adjustments to Accounting Standards for Business Enterprises and its relevant new regulations affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 2) The changes in accounting policies affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 3) The major accounting error correction affects the retained profits at the beginning of the period amounting to 0 Yuan.
- 4) Merge scope changes caused by the same control affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 5) Other adjustments affect the retained profits at the beginning of the period amounting to 0 Yuan.

61. Operating income and cost

In RMB

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main operating	511,543,286.14	437,069,263.62	437,116,744.01	373,729,371.53
Other operating	3,925,373.00	797,783.51	3,206,032.96	768,677.02

Total	515,468,659.14	437,867,047.13	440,322,776.97	374,498,048.55
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Whether implemented the new revenue standards

Yes No

Other explanation

62. Tax and surcharges

In RMB

Item	Current Period	Last Period
Urban maintenance and construction tax	231,486.42	139,594.98
Educational surtax	99,208.47	61,569.29
House property tax	635,618.75	607,009.39
Land use tax	267,724.88	218,430.35
Vehicle and vessel tax	25,967.68	27,829.36
Stamp tax	142,593.66	231,386.95
Local education surcharge	66,138.99	38,141.42
Local water conservancy construction fund	16,534.75	9,542.49
Total	1,485,273.60	1,333,504.23

Other explanation:

63. Sales expenses

In RMB

Item	Current Period	Last Period
Payroll payable	1,132,222.24	852,719.42
Port surcharge	2,817,934.66	2,928,162.72
Freight and miscellaneous charges	5,754,382.37	8,957,747.30
Agency fee	1,312,910.64	255,376.76
Travelling charge	288,835.76	153,803.20
Business publicity expenses	345,900.76	105,953.82
Terminal charges	6,571.71	
Other	337,627.78	1,589,461.18
Total	11,996,385.92	14,843,224.40

Other explanation:

64. Administrative expenses

In RMB

Item	Current Period	Last Period
Payroll payable	18,665,326.51	11,111,601.32
Depreciation	621,554.93	2,405,402.31
Travelling charge	1,078,933.34	1,309,331.01
Business entertainment expenses	582,445.48	556,056.12
Vehicles charge	559,567.32	265,734.24
Office allowance	267,236.85	204,880.72
Property water and electricity	547,474.71	476,256.21
Amortization of intangible assets	321,764.63	276,317.60
Intermediary service fee	1,380,153.61	1,236,913.74
Other	5,174,758.09	5,203,126.39
Total	29,199,215.47	23,045,619.66

Other explanation:

65. R&D expenses

In RMB

Item	Current Period	Last Period
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Other explanation:

66. Financial expenses

In RMB

Item	Current Period	Last Period
Interest costs	2,382,040.26	3,082,690.15
Less: interest income	541,927.87	174,711.83
Exchange loss	608,195.72	312,092.65
Handing expense	635,318.65	403,277.17
Other expense	69,039.82	66,640.42
Total	3,152,666.58	3,689,988.56

Other explanation:

67. Other income

In RMB

Sources	Current Period	Last Period
Financial ship-building discount	14,188.00	14,188.00

Government subsidy	419,104.74	419,104.74
Total	433,292.74	433,292.74

68. Investment income

In RMB

Item	Current Period	Last Period
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Other explanation:

69. Net exposure hedge gains

In RMB

Item	Current Period	Last Period
------	----------------	-------------

Other explanation:

70. Income from change of fair value

In RMB

Sources	Current Period	Last Period
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Other explanation:

71. Credit impairment loss

In RMB

Item	Current Period	Last Period
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Other explanation:

72. Assets impairment loss

Whether implemented the new revenue standards

Yes No

In RMB

Item	Current Period	Last Period
I. Bad debt losses		153,441.46
II. Provision for falling price of inventory	-3,302.88	-2,053.90
Total	-3,302.88	151,387.56

Other explanation:

73. Income from assets disposal

In RMB

Sources	Current Period	Last Period
Gains/losses of fixed assets disposal	-1,399.00	-18,990.79
Total	-1,399.00	-18,990.79

74. Non-operating income

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
------	----------------	-------------	---

Government subsidy reckoned into current gains/losses:

In RMB

Item	Issuing subject	Offering causes	Nature	Subsidy impact current gains/losses (Y/N)	The special subsidy (Y/N)	Amount in the Period	Amount in last period	Assets-related/income-related
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Other explanation:

75. Non-operating expenses

In RMB

Item	Current Period	Last Period	Amount reckoned in current non-recurring gains/losses
Loss of non-current assets scrape		3,772.45	
Other expense	24,200.00	423,335.93	
Total	24,200.00	427,108.38	

Other explanation:

76. Income tax expenses

(1) Statement of income tax expense

In RMB

Item	Current Period	Last Period
Current income tax expense	662,058.68	1,922,681.98
Total	662,058.68	1,922,681.98

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current Period
Total profit	32,172,461.30
Income tax based on statutory/applicable rate	8,043,115.33
Impact on different tax rate applicable for subsidiary	-7,381,056.65
Income tax expense	662,058.68

Other explanation

77. Other comprehensive income

See Note 57.

78. Items of cash flow statement

(1) Other cash received in relation to operation activities

In RMB

Item	Current Period	Last Period
Government subsidy and other non-operating income	1,000,000.00	
Cash deposit for L/C	360,798.05	
Intercourse funds and other	21,901,142.01	24,176,956.47
Total	23,261,940.06	24,176,956.47

Explanation on other cash received in relation to operation activities:

(2) Other cash paid in relation to operation activities

In RMB

Item	Current Period	Last Period
Expenses of management cash paid	19,099,534.64	3,704,943.53
Sales expenses paid in cash	2,354,341.12	8,960,979.71
Cash deposit for L/C	4,655,500.00	
Intercourse funds and other	47,194,774.58	51,720,751.32
Total	73,304,150.34	64,386,674.56

Explanation on other cash paid in relation to operation activities:

(3) Cash received from other investment activities

In RMB

Item	Current Period	Last Period
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Explanation on cash received from other investment activities

(4) Cash paid related with investment activities

In RMB

Item	Current Period	Last Period
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Explanation on Cash paid related with investment activities:

(5) Other cash received in relation to financing activities

In RMB

Item	Current Period	Last Period
------	----------------	-------------

Explanation on other cash received in relation to financing activities:

(6) Other cash paid related with financing activities

In RMB

Item	Current Period	Last Period
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Explanation on other cash paid related with financing activities:

79. Supplementary information to statement of cash flow

(1) Supplementary information to statement of cash flow

In RMB

Supplementary information	This Period	Last Period
I. Net profit adjusted to cash flow of operation activities:	--	--
Net profit	31,510,402.62	21,128,290.72
Add: Asset impairment provision	3,302.88	-151,602.06
Depreciation of fixed assets, consumption of oil assets and depreciation of productive biology assets	23,902,779.42	18,855,673.47
Amortization of intangible assets	322,215.89	276,768.86
Amortization of long-term retained expense	148,462.80	106,796.10
Loss from disposal of fixed assets, intangible	1,399.00	18,990.79

assets and other long-term assets(gain is listed with “-”)		
Financial expenses (gain is listed with “-”)	2,382,040.26	3,689,988.56
Decrease of deferred income tax assets (increase is listed with “-”)		-1,700,000.00
Decrease of inventory (increase is listed with “-”)	-78,123,499.51	-60,067,293.20
Decrease of operating receivable accounts (increase is listed with “-”)	-7,409,603.52	8,879,176.83
Increase of operating payable accounts (decrease is listed with “-”)	23,021,652.86	30,777,822.24
Net cash flow arising from operating activities	-4,240,847.30	21,814,612.31
2. Material investment and financing not involved in cash flow	--	--
3. Net change of cash and cash equivalents:	--	--
Balance of cash at period end	171,819,949.08	150,574,179.21
Less: Balance of cash equivalent at year-begin	182,767,125.48	147,067,351.82
Net increasing of cash and cash equivalents	-10,947,176.40	3,506,827.39

(2) Net cash paid for obtaining subsidiary in the Period

In RMB

	Amount
Including:	--
Including:	--
Including:	--

Other explanation:

(3) Net cash received by disposing subsidiary in the Period

In RMB

	Amount
Including:	--
Including:	--
Including:	--

Other explanation:

(4) Constitution of cash and cash equivalent

In RMB

Item	Closing balance	Opening balance
I. Cash	171,819,949.08	182,767,125.48
Including: Cash on hand	664,425.27	1,213,325.43
Bank deposit available for payment at any time	171,155,523.81	181,553,800.05
III. Balance of cash and cash equivalent at period-end	171,819,949.08	182,767,125.48

Other explanation:

80. Notes of changes of owners' equity

Explain the name and adjusted amount in "Other" at end of last period:

81. Assets with ownership or use right restricted

In RMB

Item	Ending book value	Restriction reasons
Monetary fund	685,948.08	Cash deposit for L/C
Fixed assets	67,038,146.78	Loan mortgage
Intangible assets	12,125,151.43	Loan mortgage
Total	79,849,246.29	--

Other explanation:

82. Item of foreign currency

(1) Item of foreign currency

In RMB

Item	Closing balance of foreign currency	Rate of conversion	Ending RMB balance converted
Monetary fund	--	--	111,713,178.33
Including: USD	14,468,351.51	6.8747	99,465,576.13
EUR	533,504.47	7.8170	4,170,404.44
HKD			
JPY	48,046,291.00	0.063816	3,066,122.11
XOF	424,000.00	0.01355	5,745.20

CEDI	3,829,047.17	1.3072	5,005,330.46
Account receivable	--	--	68,197,598.97
Including: USD	7,463,606.25	6.8747	51,310,053.89
EUR			
HKD			
JPY	230,818,982.74	0.063816	14,729,944.20
CEDI	1,650,551.47	1.3072	2,157,600.88
Long-term loans	--	--	
Including: USD			
EUR			
HKD			

Other explanation:

(2) Explanation on foreign operational entity, including as for the major foreign operational entity, disclosed main operation place, book-keeping currency and basis for selection; if the book-keeping currency changed, explain reasons

Applicable Not applicable

Major foreign operation entity	Foreign main operation place	Book-keeping currency	Basis
HABITAT INTERNATIONAL CORPORATION	Panama	CNY	The economic environment in the operation sites
LAIF FISHERIES COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
YAW ADDO FISHERIES COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
ZHONG GHA FOODS COMPANY LIMITED	Ghana	USD	The economic environment in the operation sites
AFRICA STAR FISHERIES LIMITED	Ghana	USD	The economic environment in the operation sites

83. Hedging

Disclosed hedging items and relevant hedging instrument based on hedging's category, disclosed qualitative and

quantitative information for the arbitrage risks:

84. Government subsidy

(1) Government subsidy

In RMB

Category	Amount	Item presented	Amount reckoned into current gain/loss
Special funds for cold chain logistic	1,000,000.00	Deferred income	0.00

(2) Government subsidy refund

Applicable Not applicable

Other explanation:

85. Other

VIII. Changes of consolidation scope

IX. Equity in Other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation place	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Shandong Zhonglu Fishery Shipping Co., Ltd.	Qingdao Shandong	Qingdao Shandong	Refrigerated transport	100.00%		Investment
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Yantai Shandong	Yantai Shandong	Food processing	100.00%		Investment
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	Qingdao Shandong	Qingdao Shandong	Pelagic fishing	59.05%		Investment
HABITAT	Panama	Panama	Refrigerated	100.00%		Investment

INTERNATIONAL CORPORATION			transport			
LAIF FISHERIES COMPANY LIMITED	Ghana	Ghana	Pelagic fishing	100.00%		Investment
AFRICA STAR FISHERIES LIMITED	Ghana	Ghana	Pelagic fishing	100.00%		Investment
ZHONG GHA FOODS COMPANY LIMITED	Ghana	Ghana	Pelagic fishing	100.00%		Investment
Shandong Zhonglu Ocean Refrigerated Co., Ltd.	Yantai Shandong	Yantai Shandong	Refrigeration service	100.00%		Investment
YAW ADDO FISHERIES	Ghana	Ghana	Pelagic fishing			经营租赁

Explanation on share-holding ratio in subsidiary different from ratio of voting right:

Basis for controlling the invested entity with half or below voting rights held and without controlling invested entity but with over half and over voting rights:

Controlling basis for the structuring entity included in consolidated range:

Basis on determining to be an agent or consignor:

Other explanation:

(2) Important non-wholly-owned subsidiary

In RMB

Subsidiary	Share-holding ratio of minority	Gains/losses attributable to minority in the Period	Dividend announced to distribute for minority in the Period	Ending equity of minority
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	40.95%	3,090,308.42		143,455,144.18

Explanation on share-holding ratio of minority different from ratio of voting right:

Other explanation:

(3) Main finance of the important non-wholly-owned subsidiary

In RMB

Subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liability	Non-current liability	Total liabilities
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	232,848,908.48	248,021,521.28	480,870,429.76	129,926,380.56	647,920,647.920	130,574,301.20	205,643,783.93	246,339,332.14	451,983,116.07	108,563,704.98	647,920,647.920	109,211,625.62

In RMB

Subsidiary	Current Period				Last Period			
	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity	Operation Income	Net profit	Total comprehensive income	Cash flow from operation activity
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	101,916,145.57	7,546,540.71	7,524,638.11	13,225,049.38	73,754,521.82	-3,598,555.54	-3,622,493.79	-2,244,328.09

Other explanation:

(4) Use of the corporate funds and major limitation of debt liquidation of the group

(5) Financial supporting or other supports offer to the structured body, which included in consolidation statement scope

Other explanation:

2. Equity in structured entities not included in the consolidated financial statements

Note of structured entities not included in the consolidated financial statements:

3. Other

X. Risks related to financial instruments

The financial assets of the Company include accounts receivable and other receivables. The financial liabilities of the Company include accounts payable, other account payable and short-term loans. For details of each financial instrument, please refer to the relevant items in Note 5. The Company is faced with the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk. The board of directors is responsible for establishing and supervising the risk management structure of the Company and developing and monitoring the Company's risk management policies.

Risk management objectives and policies: the Company's goal of risk management is to strike a proper balance between risks and profits, minimize the negative impacts of the risks on the Company's operating results and maximize the benefits of shareholders and other equity investors.

1. Credit risk

If the customer or the other party involving in the financial instruments cannot fulfill the obligations under the contract and cause financial losses to the Company, that is credit risk. Credit risk is mainly from the customer receivables. The book value of account receivables and notes receivable and other receivables is the maximum credit risk of the Company for financial assets.

2. Liquidity risk

Liquidity risk is the risk of the shortage of funds when the Company is fulfilling its obligations related to financial liabilities. In the case of normal and tense funds, the Company needs to ensure that there is sufficient liquidity to meet its due debts and negotiate with financial institutions for financing so as to maintain a certain level of reserve credit line to reduce the liquidity risk.

3. Market risk

(1) Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value of financial instruments or the future cash flows fluctuate due to changes in foreign exchange rates. The foreign exchange risk faced by the Company mainly comes from the financial assets valued in US dollars, and the amount of foreign currency financial assets converted into RMB is listed as described in VII. 79 foreign currency monetary items.

(2) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates. The interest rate risk faced by the Company mainly comes from the long-term bank loans, the Company's loans are floating interest rate, and there is risk of RMB benchmark interest rate change.

XI. Related party and related transactions

1. Parent company of the enterprise

Parent company	Registered place	Business nature	Registered capital	Share-holding ratio on the enterprise for parent company	Voting right ratio on the enterprise
Shandong State-owned Assets Investment Holding	Jinan Shandong	Investment and management, management and	4500 million Yuan	47.25%	47.25%

Company Limited		operation of assets, managed operations, investment advisory			
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Explanation on parent company of the enterprise

Ultimate controller of the Company is Shandong State-owned Assets Investment Holdings Co., Ltd.

Other explanation:

2. Subsidiary of the Enterprise

Found more in Note IX." Equity in subsidiary"

3. Joint ventures and associated enterprise of the Company

Found more in Note.

Other joint venture and associated enterprise that have related transaction with the Company in the Period or occurred in previous period

Joint venture and associated enterprise	Relationship with the Company
---	-------------------------------

Other explanation

4. Other related party

Other related party	Relationship with the Enterprise
Inspur General Software Co., Ltd.	Control by same parent company

Other explanation

5. Related transaction

(1) Goods purchasing, labor service providing and receiving

Goods purchasing/labor service receiving

In RMB

Related party	Content	Current Period	Trading limit approved	Whether over the approved limited or not	Last Period
---------------	---------	----------------	------------------------	--	-------------

Goods sold/labor service providing

In RMB

Related party	Content	Current Period	Last Period
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Explanation on goods purchasing, labor service providing and receiving

(2) Related trusteeship management/contracts and entrusted management/outsourcing

Statement of trusteeship management/contract:

In RMB

Client/Contract- out party	Entrusting party/Contractor	Trustee/assets contract	Trustee /start	Trustee /ends	Managed earnings /pricing of the contract earnings	Managed earnings confirmed in the period / contract earnings
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Related managed/contract:

Entrusted management/outsourcing:

In RMB

Client/Contract- out party	Entrusting party/Contractor	Entrust /assets outsourcing	Entrust /start	Entrust /ends	Trustee fee / pricing of the outsourcing	Entrusted earnings confirmed in the period / outsourcing costs
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Related management/ outsourcing:

(3) Related lease

As a lessor for the Company:

In RMB

Lessee	Assets type	Lease income in recognized in the Period	Lease income in recognized last the Period
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As a lessee for the Company:

In RMB

Lessor	Assets type	Lease income in recognized in the Period	Lease income in recognized last the Period
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Explanation on related lease

(4) Related guarantee

As the guarantor

In RMB

Secured party	Amount guarantee	Start	End	Completed or not (Y/N)
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As the secured party

In RMB

Guarantor	Amount guarantee	Start	End	Completed or not (Y/N)
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Explanation on related guarantee

(5) Related party's fund loan

In RMB

Related party	Fund loan	Start	End	Note
Borrowing				
Lending				

(6) Related party's assets transfer and debt reorganization

In RMB

Related party	Content	Current Period	Last Period
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(7) Remuneration of key manager

In RMB

Item	Current Period	Last Period
Total	596,225.56	563,426.00

(8) Other related transactions

6. Receivable/payable items of related parties

(1) Receivable item

In RMB

Item Name	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision

(2) Payable item

In RMB

Item Name	Related party	Closing book balance	Opening book balance
Other accounts payable	Inspur General Software Co., Ltd.	0.00	16,024.00

7. Commitments of related party

8. Other

XII. Share-based payment

1. Share-based payment

Applicable Not applicable

2. Share-based payment settled by equity

Applicable Not applicable

3. Share-based payment settled by cash

Applicable Not applicable

4. Amendment and termination of the share-based payment

5. Other

XIII. Commitment or contingency

1. Important commitment

Important commitment on balance sheet date

No commitments that need to be released ended as the reporting period

2. Contingency

(1) Contingency on balance sheet date

(2) If the Company has no contingency need to be disclosed, explain reasons

The Company has no important contingency that needs to be disclosed

3. Other

XIV. Event occurring after balance sheet date

1. Important non-adjusting events

In RMB

Item	Content	Impact on financial status and operation results	Reasons of unable to estimated the impact
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2. Profit distribution

In RMB

3. Sales return

4. Other explanation on events after balance sheet date

No events after balance sheet date need to released up to reporting period

XV. Other important event

1. Error correction for previous period

(1) Retrospective restatement

In RMB

Correction content	Treatment procedure	Item with impact in statement in every comparative period	Cumulative impact
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(2) Prospective application

Correction content	Approval procedure	Cause of prospective application adoption
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2. Debt reorganization

3. Assets replacement

(1) Exchange of non-monetary assets

(2) Other assets replacement

4. Pension plan

In order to guarantee and improve the post-retirement treatment level of employees, mobilize the enthusiasm of employees, establish a long-term incentive mechanism for talents, enhance the cohesiveness, and promote the healthy and sustainable development, in accordance with the Labor Law of the People's Republic of China (Presidential Decree of the People's Republic of China No. 28), Enterprise Annuity Measures (Human Resources and Social Security Department Decree No. 36) and other laws, regulations and policies, Shandong Zhonglu Oceanic Fisheries Co., Ltd.

decided to establish the enterprise annuity system under the framework of the Enterprise Annuity Scheme of Shandong Province State-owned Assets Investment Holdings Co., Ltd., and the enterprise annuity system has been implemented by combining with the actual situation of the Company.

5. Discontinuing operation

In RMB

Item	Revenue	Expenses	Total profit	Income tax expenses	Net profit	Profit of discontinuing operation attributable to owners of parent company
Other explanation						

Other explanation

6. Segment information

(1) Determination basis and accounting policy for segment

Main operation of the Company including pelagic fishing, cold storage processing trade of aquatic products, vessel leasing and other operations. Segment disclosure are released by the business nature.

(2) Financial information of the segment

In RMB

Item	Pelagic fishing	Vessel leasing	Cold storage processing trade of aquatic products	Other	Offset between segment	Total
I. Main operating income	193,377,962.74	48,054,106.81	337,020,105.17	364,318.19	-67,273,206.77	511,543,286.14
II. Main operating cost	151,208,180.27	33,571,136.25	319,330,064.86	233,089.01	-67,273,206.77	437,069,263.62
III. Assets impairment loss				3,302.88		3,302.88
IV. Depreciation and amortization	15,081,962.19	4,320,820.35	3,315,860.17	1,654,815.40		24,373,458.11
V. Total profit	21,750,448.28	11,475,565.21	7,531,752.11	-8,585,304.30		32,172,461.30
VI. Income tax		229,058.68	433,000.00			662,058.68

VII. Net profit	21,750,448.28	11,246,506.53	7,098,752.11	-8,585,304.30		31,510,402.62
VIII. Total assets	782,873,628.91	288,788,841.15	457,817,966.38	164,911,782.56	-414,093,014.32	1,280,299,204.68
IX. Total liability	239,190,424.40	124,676,808.38	242,799,007.10	97,409,553.35	-399,123,360.66	304,952,432.57

(3) If the Company has no segment reporting, or unable to disclosed the total assets and liabilities of the segment, explain reasons

(4) Other explanation

7. Other important transactions and events shows impact on investor decision-making

8. Other

No other important events need to released except for the above mentioned

XVI. Principle notes of financial statements of parent company

1. Account receivable

(1) Category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Including:										
Account receivable with bad debt provision accrual by portfolio	12,420,504.62	100.00%	5,737,786.29	44.86%	6,682,718.33	10,378,632.53	100.00%	5,737,786.29	55.28%	4,640,846.24
Including:										
Total	12,420,504.62	100.00%	5,737,786.29	44.86%	6,682,718.33	10,378,632.53	100.00%	5,737,786.29	55.28%	4,640,846.24

Accrual bad debt provision on single basis:

In RMB

Name	Closing balance			
	Book balance	Bad debt provision	Accrual ratio	Accrual causes

Accrual bad debt provision on portfolio

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio
Accrual of bad debt provision by portfolio	12,420,504.62	5,737,786.29	46.20%
Total	12,420,504.62	5,737,786.29	--

Explanation on portfolio basis:

Accrual bad debt provision on portfolio

In RMB

Name	Closing balance		
	Book balance	Bad debt provision	Accrual ratio

Explanation on portfolio basis:

If the provision for bad debts of account receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other account receivable to disclose related information about bad-debt provisions:

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	6,731,486.61
Within six months	5,760,935.23
6 months -12 months	970,551.38
Over three years	5,689,018.01
3-4 years	5,689,018.01
Total	12,420,504.62

(2) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes			Closing balance
		Accrual	Collected or reversal	Charge-off	
Accrual of bad debt provision by portfolio	5,737,786.29				5,737,786.29
Total	5,737,786.29				5,737,786.29

Including important amount of bad debt provision collected or reversal in the period:

In RMB

Enterprise	Amount collected or reversal	Collection way
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(3) Account receivables actually charge-off during the reporting period

In RMB

Item	Amount charge-off
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Including major account receivables charge-off:

In RMB

Enterprise	Nature	Amount charge-off	Causes	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
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Explanation on account receivable charge-off

(4) Top five account receivables collected by arrears party at ending balance

Enterprise	Closing balance	Ratio in total account receivable at period-end	Ending balance of bad debt provision
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	4,888,798.00	39.36%	
PANDA	3,600,962.12	28.99%	3,600,962.12
COSMO SEAFOODS COMPANY LTD	872,137.23	7.02%	872,137.23
MARGARET	628,847.44	5.06%	628,847.44
SITC Company	430,625.10	3.47%	430,625.10
Total	10,421,369.89	83.90%	5,532,571.89

(5) Account receivables derecognized due to financial assets transfer

(6) Transfer the account receivable and assets & liabilities arising from further involvement

Other explanation:

2. Other account receivable

In RMB

Item	Closing balance	Opening balance
Dividend receivable	91,841,262.03	92,964,132.10
Other account receivable	93,005,311.39	81,168,216.04
Total	184,846,573.42	174,132,348.14

(1) Interest receivable

1) Category

In RMB

Item	Closing balance	Opening balance
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2) important overdue interest

Borrower	Closing balance	Overdue time	Causes	Whether has impairment occurred and determination basis
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Other explanation:

3) Accrual of bad debt provision

Applicable Not applicable

(2) Dividend receivable

1) Category

In RMB

Item (or invested company)	Closing balance	Opening balance
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	5,631,113.11	5,631,113.11
HABITAT INTERNATIONAL CORPORATION	86,210,148.92	87,333,018.99
Total	91,841,262.03	92,964,132.10

2) Major dividend receivable with over one year aged

In RMB

Item (or invested company)	Closing balance	Account age	Causes of failure for collection	Whether has impairment occurred and determination basis
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3) Accrual of bad debt provision

Applicable Not applicable

Other explanation:

(3) Other account receivable

1) By nature

In RMB

Nature	Closing book balance	Opening book balance
Intercourse funds between internal	92,400,488.27	80,308,190.23
Petty cash and other	4,320,689.45	4,575,892.14

Total	96,721,177.72	84,884,082.37
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2) Accrual of bad debt provision

In RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit losses over next 12 months	Expected credit losses for the entire duration (without credit impairment occurred)	Expected credit losses for the entire duration (with credit impairment occurred)	
Balance on Jan. 1, 2019	3,715,866.33			3,715,866.33
Balance of Jan. 1, 2019 in the period	—	—	—	—
Balance on Jun. 30, 2019	3,715,866.33			3,715,866.33

Change of book balance of loss provision with amount has major changes in the period

Applicable Not applicable

By account age

In RMB

Account age	Closing balance
Within one year (one year included)	69,876,733.37
Within six months	69,870,839.37
6 months -12 months	5,894.00
1-2 years	1,596,596.06
2-3 years	125,641.66
Over three years	25,122,206.63
3-4 years	25,122,206.63
Total	96,721,177.72

3) Bad debt provision accrual, collected or reversal in the period

Accrual of bad debt provision in the period:

In RMB

Category	Opening balance	Current changes		Closing balance
		Accrual	Collected or reversal	
Other Bad debt provision of account receivable	3,715,866.33			3,715,866.33
Total	3,715,866.33			3,715,866.33

Important amount of bad debt provision switch-back or collection in the period:

In RMB

Enterprise	Amount switch-back or collection	Collection way
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4) Other account receivables actually charge-off during the reporting period

In RMB

Item	Amount charge-off
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Including major other account receivables charge-off:

In RMB

Enterprise	Other Nature	Amount charge-off	Causes	Procedure for charge-off	Amount cause by related transactions or not (Y/N)
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Other Explanation on account receivable charge-off

5) Top 5 other account receivable collected by arrears party at ending balance

In RMB

Enterprise	Nature	Closing balance	Account age	Proportion in total other account receivables at period-end	Ending balance of bad debt provision
LAIF FISHERIES COMPANY LIMITED	Intercourse funds	21,435,065.97	Within one year	22.16%	
AFRICA STAR FISHERIES LIMITED	Intercourse funds	14,664,847.95	Within one year	15.16%	
Shandong Zhonglu Fishery Shipping Co., Ltd.	Intercourse funds	10,308,200.00	Within one year	10.66%	
ZHONG GHA FOODS COMPANY LIMITED	Intercourse funds	8,343,826.65	Within one year	8.63%	
Shandong Zhonglu Oceanic (Yantai) Foods Co., Ltd.	Intercourse funds	8,000,000.00	Within one year	8.27%	
Total	--	62,751,940.57	--	64.88%	

6) Account receivable involved government subsidies

In RMB

Enterprise	Government subsidies	Closing balance	Ending account age	Time, amount and basis estimated to received
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7) Other account receivables derecognized due to financial assets transfer

8) Transfer the other account receivable and assets & liabilities arising from further involvement

Other explanation:

3. Long-term equity investments

In RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	232,189,455.23		232,189,455.23	232,189,455.23		232,189,455.23
Total	232,189,455.23		232,189,455.23	232,189,455.23		232,189,455.23

(1) Investment for subsidiary

In RMB

The invested entity	Opening balance (Book value)	Changes in the period (+,-)				Closing balance (Book value)	Ending balance of impairment provision
		Additional investment	Capital reduction	Accrual of impairment provision	Other		
HABITAT INTERNATIONAL CORP.	12,476,145.60					12,476,145.60	
Shandong Zhonglu Fishery Shipping Co., Ltd.	22,869,513.38					22,869,513.38	
Shandong Zhonglu Oceanic (Yantai) Food Co., Ltd.	55,448,185.24					55,448,185.24	
Shandong Zhonglu Haiyan Deep-sea Fishery Co., Ltd	141,395,611.01					141,395,611.01	
Total	232,189,455.23					232,189,455.23	

(2) Investment for associates and joint venture

In RMB

Company	Opening	Changes in the period (+,-)	Closing	Ending
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	balance (Book value)	Additional investment	Capital reduction	Investment gains recognized under equity	Other comprehensive income adjustment	Other equity change	Cash dividend or profit announced to issued	Accrual of impairment provision	Other	balance (Book value)	balance of impairment provision
I. Joint venture											
II. Associated enterprise											

(3) Other explanation

4. Operating income and cost

In RMB

Item	Current Period		Last Period	
	Income	Cost	Income	Cost
Main operating	88,187,164.39	62,457,990.11	77,834,059.12	60,182,495.95
Other operating	2,331,328.73	797,783.51	2,054,655.24	768,677.02
Total	90,518,493.12	63,255,773.62	79,888,714.36	60,951,172.97

Whether implemented the new revenue standards

Yes No

Other explanation:

5. Investment income

In RMB

Item	Current Period	Last Period

6. Other

XVII. Supplementary Information

1. Current non-recurring gains/losses

Applicable Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset	-1,399.00	
Governmental subsidy reckoned into current	433,292.74	

gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)		
Other non-operating income and expenditure except for the aforementioned items	-24,200.00	
Total	407,693.74	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

2. REO and earnings per share

Profits during report period	Weighted average ROE	Earnings per share	
		Basic EPS (RMB/Share)	Diluted EPS (RMB/Share)
Net profits attributable to common stock stockholders of the Company	3.48%	0.11	0.11
Net profits attributable to common stock stockholders of the Company after deducting nonrecurring gains and losses	3.43%	0.11	0.11

3. Difference of the accounting data under accounting rules in and out of China

(1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

(2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

(3) Explain accounting difference over the accounting rules in and out of China; as for the difference adjustment for data audited by foreign auditing organ, noted the name of such foreign organ

4. Other